SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK
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WATER RESOURCES INVESTMENT COMPANY, LLC, FILANGIERI ADVISORY CORP., and RICHARD GRECO, JR.,

Plaintiffs,

-against-

GIOVANNI BENEDETTI; MICHELLE BENEDETTI; ELEONORA BENEDETTI; FRANCESCA BENEDETTI; GIOVANNA PICCOLI; IDRO US, INC. (F/K/A EMWG, INC.); EURO MEC WATER GROUP, LLC (F/K/A EURO MEC WATER GROUP USA, LLC); EURO MEC UTILITIES, LLC; EURO MEC UTILITIES, LLC; IDRO GROUP SCARL; EMWG SRL (F/K/A EURO MEC WATER GROUP SRL AND IENCO SRL); IDRODEPURAZIONE SRL; SWISS ENGINEERS & CONSULTANTS (A/K/A SWENCO); MASSIMO MUSCARI; AND SILVANO POZZI,

Defendants.
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Index No. 655966/2017

VERIFIED COMPLAINT

Plaintiffs Richard Greco, Jr.; Water Resources Investment Company, LLC; and Filangieri Advisory Corp., allege the following against Defendants Giovanni Benedetti; Michele Benedetti; Eleonora Benedetti; Francesca Benedetti; Giovanna Piccoli; IDRO US, Inc. (F/K/A EMWG, Inc.); Euro Mec Water Group, LLC (F/K/A Euro Mec Water Group USA, LLC); Euro Mec Utilities, LLC; IDRO Group SCARL; EMWG SRL (F/K/A Euro Mec Water Group SRL and IENCO SRL); Idrodepurazione SRL; Swiss Engineers & Consultants (A/K/A SWENCO); Massimo Muscari; and Silvano Pozzi:

NATURE OF THE ACTION

1. This is an action for breach of contract and unjust enrichment arising out of Defendants' refusal to perform a written contract requiring them to convey to Plaintiff Richard Greco 40% ownership of a company Mr. Greco worked for years to build.

Defendants, an Italian family and companies they own, recognized an opportunity to leverage Mr. Greco's expertise and relationships to build for themselves a multi-million dollar business selling portable water treatment plants. Preying on Mr. Greco's trust and good will, Defendants promised to provide Mr. Greco ownership in a company they owned in order to secure his work on behalf of the company.

2. In reliance on Defendants' promises that—together with Mr. Greco in a leadership position—they wished to build a thriving, global business, Mr. Greco worked for two years to grow the company in a way only he could. Drawing on his unique strategic expertise and credibility in the international water market, he delivered essential clients to Defendants and developed new markets, such that prospective acquirers valued the company at between 7 and 10 million dollars.

3. But Defendants have refused to provide Mr. Greco his contracted ownership share and other contracted remuneration, have stolen for themselves business opportunities developed by Mr. Greco, and have robbed Mr. Greco of his livelihood by undermining his work and eroding his credibility.

4. Defendants have pocketed millions in profits as a result of Mr. Greco's work, and have impeded the development of clean water projects he developed that would benefit communities in need throughout the world.

5. Now that Defendants' deceit has been exposed, the remedy is clear: Defendants must provide monetary compensation to Mr. Greco corresponding to the value of his 40% ownership share in the multimillion dollar company he worked so hard to build, as well as other contractual compensation, and disgorge the profits Defendants have unjustly reaped by exploiting Mr. Greco's reputation and expertise.

PARTIES

6. Plaintiff Richard Greco, Jr. ("Greco") is a United States citizen residing in New York at 16 Musgrave Street, Tuckahoe, NY 10707. Greco is the 100% owner of Plaintiffs Filangieri Advisory Corp. and Water Resources International, LLC. Previously, he served as The Assistant Secretary of the Navy (Financial Management & Comptroller), a Presidential appointment with a Senate Confirmation. He is also a Knight of the Italian Republic, conferred on him by the President of the Republic of Italy for his work to promote the bilateral relationship between the United States and Italy.

7. Plaintiff Water Resources Investment Company LLC was and is a Delaware corporation with its principal place of business at 16 Musgrave Street, Tuckahoe, NY 10707. Water Resources Investment Company was the founding and sole shareholder of Defendant IDRO US Inc. from its formation on June 17, 2016 until its sale to Defendant Idrodepurazione on November 30, 2016.

8. Plaintiff Filangieri Advisory Corporation is a New York corporation with its principal place of business at 16 Musgrave Street, Tuckahoe, NY 10707.

9. Upon information and belief, Defendant EMWG Srl (F/K/A IENCO Srl) is a global company based in Italy whose principal customer is the United Nations Procurement Division (UNPD), located at 1 United Nations Plaza, New York, NY 10017; EMWG Srl has at least five major contracts with UNPD and UNICEF, another United Nations body, to provide water treatment and emergency response equipment, representing more than 90% of EMWG Srl's revenue in 2015, 2016, and 2017.

10. Upon information and belief, Defendant IDRO US, Inc. (F/K/A EMWG, Inc.) is a Delaware Corporation registered to do business in the state of New York with

its principal place of business at 1330 Avenue of the Americas, 40th floor, New York, NY 10019. IDRO US, Inc. is the company by which Defendants EMWG Srl, Idrodepurazione Srl, SWENCO, and IDRO Group Scarl do business in the United States; IDRO US, Inc. was owned by Plaintiff Water Resources International until Defendant Idrodepurazione Srl acquired it on behalf of EMWG Srl.

11. Upon information and belief, Defendant Giovanni Benedetti ("GB") is an individual residing in Italy who regularly conducts business in the State of New York; GB is the CEO of Defendant IDRO US, Inc.; GB is also the Managing Director and/or principal shareholder either directly or indirectly of Defendants EMWG Srl, Idrodepurazione Srl, and IDRO GROUP Scarl, and SWENCO.

12. Upon information and belief, Defendant Michele Benedetti ("MB") is an individual residing in Italy who regularly conducts business in the State of New York; MB is also the CEO of Defendant Idrodepurazione Srl and a shareholder of Defendant EMWG Srl, and he controls those companies with other members of his family.

13. Upon information and belief, Defendant Eleonora Benedetti ("EB") is an individual residing in Italy who regularly conducts business in the State of New York; EB is also a shareholder of Defendant EMWG Srl and controls that company with other members of her family.

14. Upon information and belief, Defendant Idrodepurazione Srl ("Idrodepurazione") is an Italian company that is a 5% shareholder of Defendant EMWG Srl; Idrodepurazione Srl is also the 51% shareholder of Defendant IDRO US.

15. Upon information and belief, Defendant IDRO Group Scarl is a type of consortium for EMWG Srl, Idrodepurazione Srl, SWENCO and other companies owned

or controlled by members of the Benedetti family named as Defendants; Defendant EMWG Srl owns a 25% interest in IDRO GROUP Scarl.

16. Upon information and belief, Defendant Euro Mec Water Group LLC is an inactive New York company that Defendant EMWG Srl acquired in the bankruptcy auction of Italian company Euro Mec Srl.

17. Upon information and belief, Defendant Euro Mec Utilities is an inactive New York company owned by Defendant Euro Mec Water Group LLC.

18. Upon information and belief, Defendant Swiss Engineers & Consultants (A/K/A SWENCO) is a Swiss environmental engineering company and, as part of the IDRO Group, is owned and controlled by members of the Benedetti family who are named as Defendants in this case.

19. Upon information and belief, Defendants Francesca Benedetti ("FB") and Giovanna Piccoli ("GP") are shareholders of Defendant Idrodepurazione Srl.

20. Upon information and belief, Defendant Silvano Pozzi is the commercial and tax advisor to Defendants GB, MB, EB, Idrodepurazione Srl, EMWG Srl, and IDRO Group Scarl.

21. Upon information and belief, Defendant Massimo Muscari is the CEO of Defendant EMWG Srl.

<u>JURISDICTION AND VENUE</u>

22. This Court has subject matter jurisdiction pursuant to 22 NYCRR § 202.70.

23. This Court has personal jurisdiction over IDRO US, Inc. (F/K/A EMWG, Inc.) pursuant to CPLR § 301 because IDRO US, Inc. is present and registered to do business in the state of New York.

24. This Court has personal jurisdiction over EMWG Srl pursuant to CPLR § 301 because EMWG Srl regularly does business with the United Nations in the state of New York—in fact United Nations contracts solicited, negotiated, updated, and signed in New York account for more than 90% of EMWG Srl's business—and because EMWG Srl regularly solicits and transacts other business in the state of New York through IDRO US, Inc., a corporation with which EMWG Srl shares resources, corporate ownership, and service lines.

25. This Court has personal jurisdiction over Idrodepurazione Srl pursuant to CPLR § 301 because Idrodepurazione regularly transacts and solicits business in the state of New York through Idrodepurazione's New York subsidiary IDRO US, Inc.; Idrodepurazione shares resources, corporate leadership, and service lines with IDRO US, Inc.

26. This Court has personal jurisdiction over GB, MB, EB, FB, and GP pursuant to CPLR § 301 because they are shareholders of Idrodepurazione, which regularly transacts and solicits business in the state of New York.

27. This Court also has personal jurisdiction over GB, MB, EB, and Idrodepurazione pursuant to CPLR § 301 because they are shareholders of EMWG Srl, which regularly transacts and solicits business in the state of New York.

28. This Court has personal jurisdiction over Massimo Muscari pursuant to CPLR § 301 because he is the CEO of EMWG Srl, which regularly transacts and solicits business in the state of New York.

29. This Court has personal jurisdiction over IDRO Group Scarl, SWENCO, Euro Mec Water Group LLC, and Euro Mec Utilities pursuant to CPLR § 301 because they share corporate ownership as well as human and economic resources with Idrodepurazione, EMWG Srl, and IDRO US, which regularly transact and solicit business in the state of New York.

30. This Court has personal jurisdiction over Silvano Pozzi pursuant to CPLR § 301 because he is the commercial and tax advisor to GB, MB, EB, Idrodepurazione Srl, EMWG Srl, and IDRO Group Scarl, which regularly transact and solicit business in the state of New York.

31. This Court has personal jurisdiction pursuant to CPLR § 302(a)(3) over all Defendants because each Defendant engaged in a course of conduct, either directly or through one of the corporate structures controlled by the Benedetti family, that they reasonably knew or should have known would cause injury in New York to Plaintiff Greco, a New York resident whose work in the state of New York was the central reason for the contractual business relationship giving rise to this cause of action, and all Defendants—either through an ownership or employment relationship with one of the Benedetti corporations—derived substantial revenue from the transactions giving rise to this cause of action. Defendants EMWG Srl and SWENCO wired money to Greco's New York bank to pay him under the Shareholders Agreement that is the focus of this lawsuit.

32. This Court also has personal jurisdiction pursuant to CPLR § 302(a)(1) over all Defendants because each Defendant, individually or through an ownership or employment relationship with one of the Benedetti corporations or through Plaintiff Greco himself, solicited or transacted compact and mobile water treatment plant business in the State of New York that gave rise to this lawsuit.

33. This Court also has personal jurisdiction pursuant to CPLR § 302(a)(4) over IDRO Group Scarl, SWENCO, Idrodepurazione, EMWG Srl, and IDRO US, Inc. (all corporations controlled by the Benedetti family), as well as GB, MB, EB, FB, and GP (as controlling shareholders of those corporations) because they use the office leased by IDRO US, Inc. in New York County to conduct the compact and mobile water treatment plant business in the United States that is at the center of this lawsuit, or to generate substantial revenue from that business.

34. This Court also has personal jurisdiction pursuant to CPLR § 302(a)(4) over GB because, as CEO of IDRO US, Inc., he signed the sublease for IDRO US, Inc.'s office in New York County, over MB because he traveled to New York to initially scope the office space, and over both GM and MB because they conduct through that office the business that is the subject of this lawsuit.

35. This Court also has personal jurisdiction pursuant to CPLR § 302 over GB and MB because they visited New York in person on multiple occasions to meet with Greco and other individuals in order to conduct the business that is at the center of this lawsuit.

36. Venue is proper in New York County pursuant to CPLR § 503(a) and (c) because Defendant IDRO US, Inc., a domestic corporation registered to do business in the state of New York, maintains its principal office in New York County.

FACTUAL BACKGROUND

I. THE IENCO SHAREHOLDERS AGREEMENT

A. Defendants recognize an opportunity to purchase a very profitable business, and they need Mr. Greco's expertise to preserve and expand the business.

37. In February 2015, Plaintiff Richard Greco, Jr. ("Greco") was CEO of Euro Mec Srl ("Euro Mec"), an Italian company that sold water treatment plants and equipment. At the time, Euro Mec was under great financial stress and near bankruptcy, and Greco was looking for new investors to stabilize the business. In the first two weeks of February, Greco presented proposals to other water companies and 17 international investor groups or investors, including Defendant Giovanni Benedetti (GB), Managing Director of a 40-year-old Italian environmental engineering services company called Idrodepurazione Srl ("Idrodepurazione").

38. GB and other members of his family named as Defendants (the "Benedettis") recognized a valuable business opportunity in one particular branch of Euro Mec's business, which sold unique compact, mobile, and modular water treatment plants, mostly to the United Nations ("UN"), but also to militaries and water ministries.

39. Over the prior 10 years, Euro Mec had sold nearly 100 million Euros worth of these "package plants" to the UN—54 million Euros in actual business, with an additional 40 million expected under then-current contracts—for use in peacekeeping and humanitarian assistance missions in places like Congo, Iraq, Sudan, and Haiti.

40. The Benedettis expressed interest in renting or acquiring the UN "package plant" business, and on February 16, 2015, Euro Mec and Idrodepurazione signed a Letter of Intent to begin the process of due diligence and information exchange. During that process, led by independent and leading investment bank Klecha & Co., GB learned that the UN "package plant" business unit enjoyed gross margins of more than 32% and even 40%-50% o some UN contracts. Profit margins were also high—more than 20%—largely because only about five people were required to fully execute the business.

41. Also during the due diligence process, if not before, GB recognized Greco's competencies in international business strategy, as well as his experience and know-how in the international water markets.

42. During this time, GB represented to Greco that he was enthusiastic about acquiring the company and working in tandem with Greco as partners to grow a global, thriving business that would continue to do well, while doing good. GB shared with Greco his purported vision that one day, the two fathers could pass the company on to their children, meanwhile bringing clean drinking water to people in need.

43. Nine days later, on February 25, 2015, the Benedettis made an offer outlining their proposal to lease Euro Mec's "compact and mobile" branch of business. The specific entity making the proposal was IENCO Srl ("IENCO"), essentially a shell company controlled by GB's children, Defendants Michele Benedetti ("MB") and Eleonora Benedetti (EB), who also co-owned Idrodepurazione along with their mother, Defendant Giovanna Piccoli ("GP") and sister, Defendant Francesca Benedetti ("FB"). IENCO's proposal followed a structure permitted under Italian law called "affitto di ramo d'azienda" translated as "renting of a branch of business."

44. The Benedettis agreed to a plan in which IENCO would lease and eventually purchase the UN "package plant" business—the jewel of Euro Mec—while Euro Mec's other, less profitable branches would be rented, restructured or liquidated under court supervision.

45. According to the plan, the Benedettis would eventually rent and/or purchase these other, less profitable branches as well, but that rental and/or purchase would need to be part of a separate transaction because a deal involving those remaining branches was more complex, among other things requiring labor union approval.

46. Meanwhile, the Benedettis agreed that Greco would work on behalf of IENCO to continue the growth—specifically internationalization—of the "package plant" business. Greco would work closely with the Italian government agency SIMEST to fund the establishment of IENCO's business in the United States, specifically in New York, to interact further with the United Nations at their headquarters in New York, and to seek to generate business with other United Nations agencies and international institutions such as the World Bank, the International Finance Corporation ("IFC"), and overall the American market.

47. Most important to IENCO's plan in the short term, Greco would work in New York to obtain UN approval for the re-assignment of UN contracts from Euro Mec to IENCO. The re-assignment of Euro Mec's UN Contracts to IENCO depended on Greco's participation because he personally held longstanding diplomatic relationships with relevant contacts at the UN, and his expertise and strategic know-how was crucial to manage the process of reassigning the contracts. In addition, Greco's work to reassign the contracts—which began while he was still CEO of Euro Mec—was vital to show the UN

that there was continuity from the old, distressed business under Euro Mec to the new, financially stable business under IENCO. There was a significant risk that the UN would not re-assign the contracts, so Greco's participation was essential to ensure that IENCO's lease of the business had value.

48. Longer term, Greco was well positioned to grow the American business and expand into new markets, as he had previous success in obtaining SIMEST financing for other Italian companies and was an expert in international market penetration strategy.

49. In the offer letter, the CEO of IENCO, Massimo Muscari ("MM"), wrote to Greco that based on the due diligence, a "realistic" forecast was that the "stand-alone … 'compact and mobile' branch of business should generate revenue of about 10.5 million Euros during the course of 2015." IENCO offered to lease that branch of the business "for a period of 3 years from today for a total lease payment of 1.7 million Euros with the contemporaneous promise to buy the branch of business upon completion of the restructuring program that will be presented in the coming days for a total of 3 million Euros."

50. The IENCO offer was the more economically advantageous of two offers for Euro Mec that Mr. Greco received, and he accepted it on behalf of Euro Mec.

B. In the IENCO Shareholders Agreement, Defendants convince Mr. Greco to lead the business as Chairman in exchange for a 40% ownership share, an annual salary, and an annual profit distribution.

51. Before consummating IENCO's agreement to purchase and lease the "package plant" business from Euro Mec, the IENCO Shareholders (MB and EB) and

Greco entered into a separate Shareholders Agreement to ensure that Greco would work to develop IENCO's prospective business, specifically in the American market.

52. The Benedettis knew that Greco's expertise was necessary for the business to be successful.

53. Thus, the IENCO shareholders explicitly memorialized the importance of Greco's participation in the business in the Shareholders Agreement:

> "[T]he parties recognize that ***the know-how brought by Mr. RICHARD GRECO JR is essential to the activities of IENCO S.r.l.*** *as a result of the lease of the company branch of EURO MEC S.r.l.* and ***that the Benedetti shareholders count on his contribution for the future internationalization of company activities***."

Ex. A, Shareholders Agreement at 2, ¶ 4.

54. At the time of the Shareholders Agreement, IENCO had no assets and practically no business.

55. In addition, the Benedettis and their companies did not have technical or strategic expertise in the area of compact and mobile water treatment plants, like those Euro Mec produced. Their companies had worked with prefabricated water treatment plants, concrete structures whose principal use was to collect and clean rainwater and road runoff. But they had no real experience with portable plants like Euro Mec's, which could be built in one month and put together like Lego® blocks to achieve scale, and could be moved on wheels from rivers to lakes, or from ground water to the sea, to turn undrinkable water into clean drinking water at a low cost.

56. In recognition that Greco's participation was central to IENCO's prospective business—indeed, that IENCO may have no value at all without his personal contribution to shepherd the transition of the UN "package plant" business from Euro

Mec to IENCO—the parties negotiated and agreed to compensate him in several ways, as well as to provide him a seat on IENCO's board.

57. First, the Shareholders Agreement provides Greco with a 40% ownership stake in IENCO, the shares to be transferred soon after IENCO's rental of the business. Eight separate times, the agreement references the commitment to convey this 40% ownership stake. For example:

> Following the rental of the branch of business of EURO MEC Srl scheduled for stipulation today, February 26, 2015 . . .it is the express intention of [IENCO Shareholders] MICHELE BENEDETTI and ELEONORA BENEDETTI to change IENCO's shareholding to include new shareholders…

Ex. A at 1, ¶ 3.

> ***Mr. Greco will be given title to 40% of IENCO in exchange for nominal value.***

Ex. A at 2, ¶ 7.

> ***The shareholders of IENCO ... commit to 1) transfer to RICHARD GRECO JR the amount equal to 40% of the share capital of IENCO at the nominal value of 6,000.00 Euros;*** 2) this transfer will be completed within 15 days of the signing of the company lease contract mentioned in the recitals...

Ex. A at 3-4, Section A, ¶¶ 1-2.

58. This 40% stake holds particular importance under the Italian civil code because minority shareholders with that level of ownership are reserved special rights, including the right to call shareholders' meetings and propose certain actions other than those reserved for them in the company's own organizational statutes and documents.

59. Second, the parties also contracted to provide Greco with important minority protection rights, including non-dilution below 10% of the company in the event

of any financial operation including all future capital calls necessary for the development of the business:

> ***That 40% will not undergo any change following any capital increases for the entire period of the current business plan of IENCO and may be subject to future dilution but not below a minimum 10%*** when future shareholders may come in for further development of IENCO's activity.

Ex. A at 1, ¶ 7, *see also id*. "Non-Dilution Agreement," ¶ 5.

60. Third, the agreement mandates that the company "distribute no less than 30% of the profit annually," guaranteeing Greco, as a shareholder, profit distribution according to his ownership share. Ex. A at 4, Section A, ¶ 6.

61. Fourth, in addition to ownership in IENCO, the agreement provides Greco with compensation of 120,000 Euros per year:

> ***the parties also guarantee RICHARD GRECO a compensation of*** €120,000 ***annually*** for three years, from the signing of the contract of the rental agreement of Euro Mec. Such compensation is fixed and invariable in order to secure the professional services of RICHARD GRECO JR for the development of the company in the international marketplace. . .

Ex. A at 9, Section C, ¶ 2.

62. During the negotiation of his annual compensation, Greco made clear to the Benedettis that the 120,000 Euro stipend was much lower than what he earned in a typical year, but that it made sense in the context of his 40% ownership of IENCO.

63. Thus, ownership in the company was Greco's principal financial incentive for joining the Benedettis' business. Greco could devote his considerable expertise to building value that would benefit Greco himself as a shareholder, while the 120,000 Euro stipend served as additional compensation to secure his work for the company, particularly in recognition that without Greco and the leased UN "package plant" business, shares in the company would be essentially worthless.

64. In addition to these various forms of compensation, the parties also "agree[d] to reserve for RICHARD GRECO JR . . . a seat on the Board of Directors of IENCO for at least three years, and in any case for as long as he holds at least 10% ownership in the company." Ex. A at 8, Section C, ¶ 1. The agreement provided that GB would assume the role of IENCO Managing Director, with an annual salary, like, Greco, of 120,000 Euros.

65. Because this was a new partnership and the Benedettis had other business interests in the environment engineering sector, including water (but not "compact and mobile") the Shareholders Agreement also required ethical behavior of the Benedettis, including the obligation:

> **to conduct consistent with these agreements**, including in their roles as shareholders of IENCO and other companies that are part of the BENEDETTI family

Ex. A at 9, Section D.

66. All shareholders committed themselves "***not to carry out conduct intended to reduce the profitability of the company IENCO*** or so as to cause situations that are contrary to the intentions underlying this current agreement." Ex. A at 10, Section D.

67. The agreement, executed February 26, 2015, required that "any future shareholders assume the rights and obligations of the present agreement." Ex. A at 4, Section A, ¶ 8.

68. The Shareholders Agreement does not condition Defendants' obligations to perform on any performance standard to be met by Greco.

C. Assured of Mr. Greco's involvement in the business, the Benedettis lease-to-buy the business.

69. Within two days of the Shareholders Agreement, IENCO executed the lease-buy "rental agreement" referred to in the Shareholders Agreement ("Lease Agreement").

70. The Lease Agreement pre-amble, like the Shareholders Agreement before it, refers to Greco's central role in the leased business:

> ***IENCO has decided to sign the lease agreement of the company in question also due to the willingness shown by Mr. Richard Greco to join the work group that will manage the EURO MEC branch of the company***. This was expressly requested of Mr. Greco by IENCO due to his ***knowledge of the specific business of EURO MEC***, ... his ***credibility on the international investors' market,*** [and] his ***international market skills with special reference to the American market***. The executive bodies of EURO MEC and its holding company EWG, informed in advance, have released Mr. Greco."

71. Among the proprietary assets that IENCO leased were:

> The planning sales, production and construction activities, goodwill, testing, maintenance, and service of containerized, mobile, and or transportable water treatment plants as per the examples in the following indicative but not exhaustive list: Purification plants on wheels (mobile), Containerized drinking water production plants, Containerized plants for the armed forces or other bodies; goodwill including offers and intellectual property rights, certifications, registrations, ad references, reports and correspondence with current and potential clients, inventions, technical and commercial know-how, brand/s and logo/s including those not registered, advertising material of EURO MEC Srl, and anything else that may be useful or necessary to the success of all activities; current EURO MEC contracts and orders; and lists of EURO MEC customers and suppliers.

II. IN RELIANCE ON THE IENCO SHAREHOLDERS AGREEMENT AND DEFENDANTS' EXPRESSIONS OF COOPERATION, MR. GRECO WORKS TIRELESSLY TO BUILD THE BUSINESS FOR HIMSELF AND THE BENEDETTIS

A. Mr. Greco Preserves the Important UN Business in New York and Introduces the Company to New Markets and Partners

72. Once the Shareholders and Lease Agreements were signed, Greco began work to preserve and expand the portable water treatment plant business, in reliance on Defendants' representations that they wished to continue to grow that business, with Greco holding central leadership and ownership roles.

73. Greco performed all duties required of him under the Lease and Shareholder Agreements.

74. On March 26, 2015 IENCO's name was changed to Euro Mec Water Group, or EMWG for short.

75. Greco completed his work as Euro Mec's CEO on May 8, 2015 and, having been fully released by Euro Mec's shareholders, began work for EMWG.

76. Among Greco's first and most important missions as EMWG's putative Chairman was to ensure the re-assignment of the UN contracts from Euro Mec to EMWG, a process he had begun in April 2015 while still CEO of Euro Mec.

77. To that end, beginning in the summer of 2015, Greco held numerous meetings with UN officials in New York, including at the United States Mission to the UN, the Italian Mission to the UN; and the procurement, legal, and water departments and technical teams at the UN.

78. In addition, MB and EB traveled to New York on October 5-6, 2015 to meet with Greco and UN officials, among other meetings taken by those Benedettis in New York at that time with the aim to build EMWG's American business.

79. At that meeting, EMWG presented Greco to the UN as the Chairman of the Board, even though it had not—and never did—make Greco chairman of its board. This was one of the first times, among many, that EMWG deceitfully exploited Greco's

relationships and credibility by claiming he was part of the company's formal leadership without formalizing his promised board position.

80. In January 2016, the UN gave its final approval for the reassignment of the UN contracts, which over 2015, 2016, and 2017 produced more than 22 million Euros in revenue for EMWG.

81. This business performance was consistent with the projections in the due diligence and business plan Greco presented to Defendants prior to the Shareholders and Lease Agreements.

82. From May 2015 through September 2017, plaintiff Greco also introduced the company to brand new international markets, particularly in the United States, which would both grow the business and bring clean drinking water to populations in need.

83. For example, Greco developed niche markets such as the many Alaska native villages that still have no running water or wastewater treatment. As the head of water for the Alaska Native Tribal Health Consortium put it, "compact and mobile" solutions were a cost-effective way to meet very critical water needs in rural Alaska and Greco personally was very persuasive. The total Alaska market open to EMWG as a result of Greco's work, about 30 rural villages, was estimated at more than $20 million.

84. Another niche market was American Indian tribal villages in the desert Southwest. Through Greco's efforts, EMWG secured a resolution from the Ohkay Owingeh tribe of New Mexico to proceed with a project worth more than $10 million. EMWG's engineering team of Cristiana Ubezio, Wendy Blechynden, and Giovanni Curci made multiple visits from Italy to New York and New Mexico to discuss this project and to present a technical proposal that the tribe resolved to fund.

85. Greco also worked to develop an opportunity for EMWG with an organization in Lake George, New York, to provide modular and compact water treatment plants for use with lake water there.

86. Outside the United States, Greco also opened the Colombia market for EMWG by sourcing a tender by the Office of the President of Colombia for water treatment plants for 26 integration camps for former FARC rebels. Further in Colombia, Greco opened a dialogue with the Catholic Church's conference of bishops, whose social engagement committee worked on a series of clean water projects.

87. In Africa, through a relationship with a global water company based in South Africa, Greco presented projects for co-development in Mozambique, Zimbabwe, Botswana, Rwanda and other countries.

88. Greco also introduced the company to the International Finance Corporation of the World Bank, which identified EMWG as a possible preferred supplier for a major initiative it was pursuing in Bangladesh. In fact, the IFC invited EMWG to invest in the initiative, which aimed to bring wastewater treatment to the country's entire textile industry. Because the aim was to treat water contaminated by chemicals from small and scattered textile factories, EMWG's compact and mobile plants were the ideal solution. This opportunity represented the opening of a significant new market.

89. In December 2015, Greco introduced GB to Giuseppe Gola, CEO of AGMIN, an Italian company that had just won a $200 million contract from the United Nations to supply compact modular homes to UN refugee camps. The Italian government had contacted Greco because AGMIN was in need of financial assistance to execute the contract. Greco proposed that EMWG form a relationship with AGMIN to

build synergies related to the United Nations as a common customer and related to the concept of modularity and easy deployment of both water and housing.

90. Among other international customer and financial partner relationships, Greco introduced EMWG—and the Benedettis, by extension or directly—to The World Bank Group, NATO, the United Nations Development Programme (UNDP), USAID, the International Committee of the Red Cross (where the company responded to a million Euro tender for two plants in South Sudan), Malteser International (an international humanitarian organization), the Roman Catholic Church in Rwanda (Catholic Relief Services), the Winrock Foundation (part of the Rockefeller family foundations), PAE, Louis Berger, the Khartoum Water Authority (for a large water Build-Own-Operate project in Sudan), KPMG (to help the company develop the capability to offer its products and services in financially attractive Build-Own-Operate models), and certain major water treatment companies based in Africa and North America.

B. Mr. Greco's efforts grow a pipeline of 193 million Euros

91. As a result of Greco's efforts, and the efforts of the entire EMWG sales force in which the company invested with its self-generating profits, by June 2017 EMWG had developed a pipeline of projects with expected revenue of 193 million Euros over the next five years.

92. Most of that pipeline is for water treatment plants that are part of the ”package plant” business acquired from Euro Mec.

93. In addition, the company has recently participated in a new UN tender for compact wastewater treatment plants worth as much as 200 million Euros over the same five years.

C. Mr. Greco Receives two offers to acquire EMWG Srl (F/K/A IENCO)—the company to which he is entitled to a 40% share—for between 7 and 10 million dollars

94. In addition to the international commercial development of the company, Greco also led EMWG's international M&A activity.

95. Recognizing the need for capital and a larger platform to execute on the massive pipeline the company was generating, something already discussed and agreed prior to the Shareholders Agreement, Greco developed an M&A strategy that resulted in two Expressions of Interest valuing the company at between 7 and 10 million Euros.

96. The first offer came from a major African company. On July 10, 2016, after initial due diligence, the company sent Greco, MB, and EB an Expression of Interest stating that "Our current indicative valuation of the business is between EUR 7 million and EUR 10 million."

97. The second acquisition offer came from a major North American water treatment company. EMWG and that company entered into an NDA on November 4, 2016.

98. MB met with Greco in New York on November 7, 2016 to prepare for a meeting with the North American water treatment company in which the companies would discuss the possibility of a business combination.

99. On January 18, 2017, after reviewing the information in the data room, the North American company sent Greco a detailed term sheet and Expression of Interest to Acquire EMWG, valuing EMWG at 9 Million Euros.

100. In that term sheet, the potential acquirer detailed that it was "excited about the potential of acquiring EMWG from the shareholders of EMWG," as the acquisition fit

well with its "strategic goal of becoming the global leader in modular water treatment technology."

101. In particular, the company explained its "interest in EMWG is based on":

- Access to the attractive global humanitarian water treatment market, highlighted by the relationship with the Untied Nations;
- EMWG's international platform and service capabilities; stability of revenue from United Nations contracts;
- Early traction in North American markets, especially in Alaska and the American Indian segment, and
- Potential margin upside… from [the company]'s production capabilities in [North America]

D. Mr. Greco secures crucial financing to fund the development of EMWG's business in the United States, and sets up a new corporation in New York to perform that work.

102. Greco enjoyed an excellent relationship and credibility with SIMEST, the Italian government agency that funded the international expansion of Italian businesses into new markets, especially the United States.

103. As agreed by Greco and Defendants prior to the Shareholders Agreement, Greco approached SIMEST to seek funding for EMWG's expansion into the United States.

104. When Greco approached SIMEST on behalf of EMWG, it was necessary to present the expansion plan naming as the corporate partner Defendants' other company, Idrodepurazione, which had 40 years of history, because EMWG in Italy was essentially a NEWCO (albeit a very successful NEWCO).

105. However, Defendants, as well as SIMEST, understood that the underlying activity actually belonged to EMWG.

106. Greco developed and wrote the plan and led the discussions with SIMEST on behalf of the Defendants. The plan Greco submitted to SIMEST for approval proposed the appointment of Greco as the CEO of the American business, the building of a team of at least five people, the rental of an office in New York, the funding of major advertising initiatives, the funding of major trade show appearances, and many other features.

107. The application was successful, and on September 12, 2016 SIMEST approved financing of $500,000 in seed money for EMWG's American activity, which would take place through EMWG, Inc., whose name was changed to IDRO US, Inc.

108. Idrodepurazione executed a contract to buy IDRO US, Inc. from Water Resources Investment Company for the nominal price of $250 on November 30, 2016.

109. When Greco, through Water Resources Investment Company, sold IDRO US, Inc. to Idrodepurazione, GB, as CEO of Idrodepurazione, as well as MB and EB, represented to Greco that Greco would remain the Chairman of the activity, lead a full team, and have the resources necessary to attend trade shows and advertising, according to the SIMEST plan.

110. MB traveled to New York on November 7, 2016 to discuss this course of action and to, among other things, scope possible office space.

111. A few months later, on February 1, 2017, IDRO US, Inc. sub-leased offices at 1330 Avenue of the Americas, New York, NY for IDRO US, Inc.'s activity. GB signed the sublease, identifying himself as CEO of IDRO US, Inc.

112. Unfortunately, apart from the sublease of office space, Defendants failed to perform the other actions they promised to take in support of EMWG's American business and Greco's leadership thereof, in accordance with the SIMEST Agreement.

113. From that point forward, Defendants cut off Greco from the executive position and governance of the American company.

III. DEFENDANTS REPEATEDLY VIOLATE THE SHAREHOLDERS AGREEMENT

A. Defendant EB sells a portion of her ownership of EMWG to Defendants GB and Idrodepurazione, violating the Shareholders Agreement's covenants of transparency and good faith.

114. Shortly after signing the Shareholders Agreement, EB sold 10% of her 33% shareholding of EMWG (F/K/A IENCO): 5% to Defendant GB and 5% to Defendant Idrodepurazione.

115. EB is also a shareholder of Idrodepurazione, along with Defendants MB (her brother), Giovanna Piccoli (her mother), and Francesca Benedetti (her sister).

116. Neither EB nor MB, signatories to the Shareholders Agreement, notified Greco of EB's sale of EMWG stock to GB or Idrodepurazione. No shareholder of EMWG has indicated to Greco whether these sales resulted in the acceptance of the negotiated minority rights guaranteed in the Shareholders Agreement.

117. This lack of transparency violated the Shareholder Agreement's covenants to work with Greco in "good faith and constructive, transparent cooperation." Ex. A at 2, ¶ 5.

118. This was the first of the Benedettis' many violations of the ethical behavior and transparency required by the Shareholders Agreement.

B. The IENCO Shareholders Refuse to Cede 40% of EMWG (F/K/A IENCO) to Greco, But Promise the Shares Will Eventually be Transferred

119. The Shareholders Agreement required EMWG shareholders to transfer 40% ownership in the company to Greco in exchange for a nominal value of 6,000 Euros.

120. The exchange of 6,000 Euros and transfer of shares would take place at a closing before an Italian notary.

121. Throughout 2015, 2016, and 2017 Greco made multiple requests that the 40% ownership interest be transferred to him (or to Water Resources Investment Company, which was controlled by him.)

122. His requests were rarely answered in writing, but over the same period, Greco received continued verbal assurances, many captured in voice recordings, that the Shareholders Agreement would be honored.

123. The Benedettis' excuses for not transferring the ownership interest changed over time, but a consistent theme was that it would be prudent to transfer the ownership interest after the court-supervised bankruptcy and liquidation of the Euro Mec's other branches of business was completed.

124. In reliance on the continued assurance that he indeed was developing business on behalf of the company of which he owned 40%, Greco continued for more than two years to develop EMWG Srl's business.

125. In an email to the EMWG shareholders dated April 22, 2015, Greco made his first written request that the 40% of the ownership in EMWG be transferred to him:

> Monday will be my last day as CEO of Euro Mec Srl. The moment has come for me to pass from the old company to the new, and therefore we have to set the appointment in front of the Notary. Attached you will find a document that contains the following papers: 1. The certificate of

> incorporation of a new company in the State of Delaware that is called WATER RESOURCES INVESTMENT COMPANY LLC . . . 4. My appointment as CEO of the company with every power of the office including the power to conduct business, to invest in other companies in the US and abroad, ***and to receive share ownership in Euro Mec Water Group Srl of Seregno, Italy***.

126. Greco made a second written request for transfer of the 40% ownership on June 18, 2015, writing to the EMWG shareholders:

> ***I propose . . . a meeting on July 7 in Milan in front of the Notary for the transfer of shares***, and a shareholders meeting that nominates me formally as Chairman of the Board, and a Strategy meeting.

127. Greco made a third written request for transfer of the 40% ownership on October 15, 2015:

> I have a real problem with sending an official communication to the United Nations that doesn't cite me as a shareholder of 40% of EMWG yet cites me as Chairman of the Board of the company, a title we have been using for marketing and in fact in front of the UN for some time now. ***Even if mechanically the shares have not been transferred, I am in all effects a shareholder of 40% of this company as well as its Chairman***, and they need to know it; otherwise it would be a gross misrepresentation of our reality.

128. Greco made a fourth written request for transfer of the 40% ownership on October 26, 2015:

> Dear Shareholders, good morning. Among the topics I would like to discuss among us are the following: State of the art of EMWG—sales, orders, and margins; Next steps for the SIMEST project; Creation of EMWG LLC in the United States; ***the formalization of my 40% of the company***; my nomination as Chairman of the Board; Rules of our Board of Directors and process for sharing decisions and information; the Relationship between the IDRO Group and EMWG and economic and legal implications; …

129. Greco made a fifth written request for the EMWG shareholders to transfer the 40% ownership on November 30, 2015:

> ***You have asked me repeatedly to stay "hidden" for the benefit of our company***. I don't even appear in our corporate record with the title that I have—Chairman of the Board. . . [F]or SIMEST, ***I don't think we can continue to hide the fact that I am a 40% owner of this activity***.

130. On June 1, 2016, Greco recorded a phone conversation between Greco and Defendant EB.

131. In that phone conversation, Defendant EB told Greco that she expected Euro Mec to enter bankruptcy, and once it did, EMWG would purchase the entirety of the old Euro Mec and the 40% shares would be transferred to Greco. Specifically, the exchange was as follows:

> EB: Finally EMWG will fail, and we can buy it.
> Greco: And then you can give the shares to me?
> EB: Of course.

132. In the same conversation, Defendant EB apologized to Greco that she, Defendant MB, and Defendant GB had not involved Greco in day-to-day decisions of the company. Greco insisted on greater transparency as shareholders of a closely held private company with international activities.

133. Greco recorded another conversation on June 21, 2016, between himself, Defendants EB, MB, GB, and EMWG lawyer Massimo Tucci.

134. During that conversation, Defendants agreed to the plan that Idrodepurazione would temporarily own IDRO US, Inc. until the Euro Mec bankruptcy process was completed, but that right after the bankruptcy process was over, the American business would be transferred back to its rightful owner, EMWG Srl. Specifically, they say, "After 3 months we will substitute EMWG for Idrodepurazione."

135. In the same conversation, the Defendants again promised Greco that they would respect the Shareholders Agreement's mandate to transfer Greco's 40% ownership:

> Massimo Tucci (MT): We all have the will to respect the agreement.
>
> Greco: But that is different from saying, 'Once the bankruptcy is over we will respect the agreement.' I have to hear those words because I am completely at risk and exposed here. . .Yes, I can continue to work on trust. . .
>
> MT interrupts Greco: ***Richard, you are not working on trust. You have a signed contract from us that is binding.***

136. Further in the same conversation, Defendants again acknowledged that the company's international expansion was being financed by the profits that EMWG was generating from the UN Business.

> MT: ***And these profits are also yours, Richard.*** Stay calm. ***The agreement will be respected.*** I know your experience has been different but ***this time we will do what we say***."

137. On June 27, 2016 Euro Mec declared bankruptcy, as expected. Greco wrote that day to MB:

> ***We have to formalize the passage of my 40% ownership*** now that Euro Mec Srl has gone into failure; there is no longer any need to wait as you have asked me to.

138. Two weeks later, having received no formal response, Greco again requested that the transfer of shares be consummated:

> I see no reason why my 40% ownership can't be given to me or one of my companies now. Even my Italian lawyer confirms that no legal obstacle exists to delay any longer, and therefore with this email I renew my formal demand to honor our agreement with shares.

139. Still, Defendants continued to string Greco along, making oral promises to transfer the shares, but seeking to erase written proof of their broken and long-overdue promise.

140. Greco recorded a telephone conversation he had with MB on July 12, 2016.

141. In that conversation, MB again told Greco, “for your 40%, perfect.”

142. To date, Defendants have refused to convey to Greco his 40% ownership share.

C. The EMWG (F/K/A IENCO) Shareholders Wrongfully Withhold Distribution of Profit to Mr. Greco

143. The EMWG shareholders did not give Greco the board seat promised in the Shareholders Agreement.

144. Among the most important rights of a board member is the right to approve financial statements. Because that right was deprived of Greco, he has not had the right to ascertain the profitability of the company from the financial statements.

145. In January 2016, Defendants sent Greco a wire transfer to Plaintiff Filangieri Advisory Corp for 80,000 Euros for “extraordinary consulting” and indicated that was Greco’s share of the 2015 profit distribution.

146. However, from Greco’s perspective, that payment could not be considered a profit distribution at all, since Greco was not a shareholder. Greco was required to pay nearly $40,000 of United States taxes on what, according to the Shareholders Agreement, should have been a dividend distribution.

147. That 80,000 Euro transfer was the only “profit distribution” ever made by EMWG to Greco.

D. The EMWG (F/K/A IENCO) shareholders fail to pay Mr. Greco his 120,000 Euro annual salary, and Defendants divert his payment through a separate Swiss company they also own

148. IENCO Srl began paying the three years of 120,000 Euro annual payments to Greco in May 2015.

149. Beginning that month, the Benedettis made monthly payments of 10,000 Euros to Greco in New York through invoices sent by Filangieri Advisory Corporation, a New York corporation and client of Citi Private Bank based in New York City.

150. At first, these monthly payments were made directly by EMWG Srl. But in the summer of 2016, the Benedettis abruptly required billing through their Swiss company, Defendant SWENCO, which in turn paid Greco in New York for his services to EMWG Srl.

151. Even when the SIMEST funding was approved, including an additional 5,000 Euros per month for Greco for his full-time work, payments continued to come from SWENCO and not EMWG, Inc.

152. This diversion of payment procedures is another example of Defendants' lack of transparency in dealing with EMWG and Greco.

153. Payments to Greco stopped in June 2017, when Greco threatened this litigation, such that only 25 of 36 total required 10,000 Euro monthly payments had been made.

IV. DEFENDANTS STEAL LUCRATIVE BUSINESS OPPORTUNITIES OBTAINED BY MR. GRECO

154. Not only have Defendants failed to perform their contractual obligations to Greco, their actions reveal that their true intentions were never to grow the business alongside Greco—as they represented—but instead to exploit Greco's work, name, and

credibility for their own personal gain, leaving Greco with no part of the business they promised.

155. On numerous occasions, Defendants represented externally that Greco was a shareholder and Chairman of EMWG, while actually denying him ownership or membership on the company's board.

156. This exploitation went well beyond business meetings; for example, during Greco's first few months with EMWG, Greco wrote the forward to a White Book presented to all nations at the Milan Expo on food, signed as The Honorable Richard Greco, Jr. GB proudly represented to contacts at this expo that Greco was EMWG's new "Chairman," meanwhile denying him any control and plotting to cut him out of the business.

157. Once Greco had created significant value for EMWG Srl and provided the Benedettis access to new partners and markets, Defendants began diverting EMWG's business to their other companies—companies to which Greco had no contractual right to ownership—and inappropriately commingling Idrodepurazione with EMWG, to the point of confusion.

158. Defendants repeatedly demonstrated a complete disregard for the different corporate structures between EMWG and Idrodepurazione—a different company with different shareholders and, accordingly a different profit distribution.

159. In the same vein as their excuses for refusing to convey to Greco his 40% ownership in EMWG, Defendants claimed that once Euro Mec's bankruptcy proceedings were finished, the IDRO Group would begin more appropriately soliciting and categorizing EMWG's business.

160. For example, in a telephone call on July 12, 2016, EB told Greco that "it doesn't matter how a bid goes out," under EMWG or Idrodepurazione. EB said that this was a "sensitive" issue because of the bankruptcy, and "after the bankruptcy closes the problem goes away. We haven't regulated this yet between the companies; there just hasn't been the time."

161. Months later, in a February 28, 2017 email chain, EB provided a similar excuse when Greco questioned why a UNICEF tender was planned to be submitted under Idrodepurazione's name and not EMWG's name:

> EB: Let's speak about it in person! ***The reason is obvious and is related to the [Euro Mec] bankruptcy. All new bids won must go into the branch and to the future winner of the bankruptcy auction***. In the case that we don't win the bankruptcy auction, we will have to give the all the bids we will have won to the bankruptcy trustee.

162. Nevertheless, a pattern emerged, before and after the close of the bankruptcy proceedings, in which Idrodepurazione and Defendants' other companies plainly sought to steal or divert opportunities away from EMWG.

A. The Acquisition Offer by the North American Water Treatment Company

163. For example, Defendants attempted to use EMWG's profitability to try to sell the whole IDRO Group of companies—a consortium controlled by the Benedetti family that included Idrodepurazione and EMWG Srl. After the North American water treatment company submitted an Expression of Interest to acquire EMWG, EB asked Greco to arrange a due diligence visit by that company to Italy on June 12th and 13th, 2017. Once Greco arranged the visit, however, Defendants used the due diligence session not to focus solely on EMWG, but instead to request that the North American company also consider acquiring Idrodepurazione and IDRO US, Inc.

164. EMWG's CFO—who also served as the CFO for the Benedettis' other companies—presented the financial statements of all IDRO Group companies—individually and consolidated. The financials showed that Idrodepurazione had only between 2 and 3 million Euros of revenue per year—almost all of which was for services performed at EMWG's expense—and that IDRO group experienced a significant jump in sales due to EMWG. In fact, the group—mostly due to EMWG—had posted more than ***22 million Euros*** of business in the three years since acquiring EMWG. The group presented a pipeline of 193 million Euros of business, EBITDA margins of at least 15%, calculations of working capital, contracts, customers, and more.

165. The North American company decided not to acquire EMWG or any of the IDRO Group companies at that time. The prospective acquirer's CFO later confided in Greco that of the total value the consolidated IDRO Group could have, 95% was due to EMWG. Idrodepurazione, conversely, had little value because it was project-based and heavily dependent on subsidies and people, with no recurring revenue. Where EMWG could generate and expand its business from within, Idrodepurazione was merely an opportunistic engineering services company responding to trends in Italian government environmental policy, such as subsidies for biogas.

B. The Sudan Project

166. In early 2017, Mr. Greco played a central role in developing for IDRO US another significant business opportunity related to a large Build-Own-Operate water infrastructure project in Khartoum, Sudan. Using his expertise, credibility in the international water market, and relevant relationships, he achieved buy-in from several

parties on the ground, including the IFC, Khartoum Water Company, and the Italian Embassy in Khartoum.

167. However, in the summer of 2017, the Benedettis orchestrated a shift in communication to the client; all correspondence changed from IDRO US, Inc. to the IDRO Group in Italy.

168. From that point forward, Greco was no longer copied on any emails.

169. Once Greco challenged the Benedettis about this shift in communication, Defendants began undermining the project so that IDRO US, Inc. could not develop it.

170. Despite the clear business potential of the opportunity, Defendants began deliberately impeding its progress—likely to extinction—by blocking Greco's participation in the deal and utterly failing to respond to the customer's requested contract terms.

171. As an indication of Greco's importance to this bid and others, the key partner in Sudan has indicated the project is "impossible without Richard" because if he is not actively involved, the client believes this would have a "very serious effect on the project, since [the client is] fully aware of his connections with the World bank and other financial resources."

C. The Senegal Project

172. In early 2017, EMWG was developing a possible major project in Senegal, which has a government mandate to convert hundreds of villages into eco-tourism villages. By nature, these eco-villages would include clean-water modules, and EMWG's products are ideal for that purpose.

173. Greco presented this project to the IFC and to the Winrock Foundation, both of which expressed interest. Based on that interest, Greco spent his vacation time meeting with project partners to advance to project for EMWG.

174. Then, on February 28, 2017, in a Skype video meeting to discuss the overall pipeline of projects, the principal salesman who was developing the Senegal project presented it to the whole sales team, and the project was listed as IDRO and not EMWG.

175. Greco wrote EB a text message immediately while the conference was ongoing, asking why this "compact" plant business was not listed as EMWG. EB responded that it was "a mistake."

176. Still, Defendants continued to confound the boundaries between Idrodepurazione and EMWG.

D. The UN Project

177. Incredibly, Defendants also deliberately attempted to confiscate EMWG's UN "package plant" business for Idrodepurazione, even though EMWG—and its predecessor Euro Mec—has been the contracting partner with the UN for many years.

178. Indeed, these contracts with the UN were the central reason EMWG leased the business from Euro Mec and secured Greco's assistance to transfer the existing contracts.

179. In the summer of 2017, Defendants planned to submit a bid for UN "package plant" business naming Idrodepurazione as the lead, and EMWG simply as the supplier.

180. Greco learned of this switch only after Defendants had already begun working on the bid.

181. Greco immediately wrote to Defendants to "register [his] objection to the administrators and general manager who are proposing Idrodepurazione as the leader of this and every future UN tender and any future compact and mobile tender at the Red Cross, Ministries, Armies, NATO etc."

182. Only after Greco caught Defendants seeking to wrongfully divert the UN business did they change the bid naming EMWG as the lead.

E. Diversion of Profits from EMWG to Idrodepurazione

183. Defendants siphoned off EMWG's profits to Idrodepurazione by inappropriately charging EMWG for Idrodepurazione's services.

184. Defendants caused Idrodepurazione to perform unnecessary review services for various EMWG deals, at great cost to EMWG, including having Idrodepurazione's engineers do many hours of needless review of UN contracts.

185. For its services to EMWG, Idrodepurazione inappropriately charged EMWG at rates commensurate with the fees of high-priced external international management consultancy firms—rates higher than Idrodepurazione could charge to clients that were not also controlled by the Benedettis.

186. Idrodepurazione earned millions of Euros per year at the expense of EMWG, constituting the majority of Idrodepurazione's earnings from 2015-2017.

187. Indeed, Idrodepurazione may not have survived this time period without the unnecessary services charged to EMWG, because the company was otherwise struggling.

188. Idrodepurazione experienced a decline in business from 2012 to 2014, and nearly all of Idrodepurazione's revenue in the last two and one-half years is due to engineering services provided to EMWG.

V. DEFENDANTS IMPEDE MR. GRECO'S EFFORTS TO GROW EMWG

189. In addition to their efforts to steal EMWG's business for their other businesses, Defendants also actively impeded EMWG's growth on many occasions, stalling or undermining Greco's work, described above, to expand the business across continents and markets.

190. For example, from January to May 2017, GB, Managing Director of EMWG, chose—against Greco's direction—not to pursue the detailed Expression of Interest received from the North American company interested in acquiring EMWG.

191. GB also over-priced a Red Cross project even though Greco strongly urged him to reduce the price; there was ample margin.

192. Defendants also caused EMWG to lose the opportunity for $10 Million in business with the Native American tribe in New Mexico, which Greco had developed, because the Benedettis failed to cooperate with a crucial collaborating consultant on the project, repeatedly delaying payments to him, resulting in the consultant quitting and taking the project with him.

193. Defendants also caused EMWG to lose an opportunity to penetrate a new and potentially lucrative market by failing to participate in the World Bank's major initiative in the textile industry in Bangladesh. Greco secured an invitation to be a shareholder in the project directly from the IFC, but the Benedettis simply took no action.

194. Greco had a special relationship with two African companies that allowed EMWG privileged access to a business pipeline with the potential to generate hundreds of millions of Euros in possible projects. Defendants ignored these projects, and EMWG's business relationship with these African companies is in jeopardy as a result.

195. Greco was able to cause the World Bank to introduce EMWG to a major Middle East-based water treatment company with an important relationship with the IFC. Defendants have ignored this potentially lucrative client.

196. Greco introduced GB to AGMIN, the Italian Company that had won a $200 million UN contract to supply compact modular homes, and proposed that the two companies form a relationship to build synergies related to the UN as a common customer and related to the concept of modularity and easy deployment of both water and housing. After 4 months of due diligence, which proved that the proposed partnership was profitable, at a 2% net margin, GB passed on the opportunity. Recently, AGMIN has appeared as a competitor bidding on the same UN wastewater contract as EMWG.

197. At the Benedettis' direction, Greco called upon the Cardinals of the Catholic Church in order to develop an opportunity with the Episcopal Conference of Rwanda about a major initiative in Rwanda. Greco's efforts resulted in a pilot proposal and draft Memorandum of Understanding, but Defendants have ignored and undermined any further progress.

198. Instead of developing these projects for EMWG, Defendants have focused on building a relationship with a different partner, Acciona, which directly benefits the Benedettis' other companies, and not EMWG.

199. Defendants refused to inform Greco about the details of their relationship with Acciona.

200. GB also refused to pay basic business development costs such as participation in trade shows.

201. Defendants agreed to send a prototype water treatment plant to the United States for use in trade shows, but they did not do this.

202. The profit margins of the UN "package plant" business declined from between 20-30% while it was a branch of Euro Mec to 15% after Defendants leased the company and began running it.

203. These actions effectively decrease the profitability of EMWG, in direct contravention of the Shareholders Agreement's mandate "never to undertake any behavior aimed at diminishing the profitability of IENCO." Ex. A, Section D.

204. In addition, Defendants' deliberate efforts to undermine business relationships brought in on the strength of Greco's credibility and connections have caused Greco significant reputational harm, since partners counted on Greco's word when he came to them with business proposals.

VI. DEFENDANTS FINALLY REPRESENT TO MR. GRECO THAT THEY WILL NOT HONOR THE SHAREHOLDERS AGREEMENT, AND REFUSE TO COMPENSATE HIM FOR HIS WORK

205. Greco relied on assurances from Defendants GB, MB, and EB that his ownership interest would ultimately be granted, that profits would be distributed justly, that conflicts of interest would be avoided, and overall that Defendants would conduct the business in good faith. Unfortunately that trust was misplaced.

206. On May 27, 2017, corporate counsel MT confided in Greco in a phone conversation that MB had argued with GB earlier that day, yelling at his father, "Pappa, don't you understand, Richard believes that you are trying to swindle him; and you know what, he is right!"

207. On May 30, 2017 the expected bankruptcy auction of all the assets of the old Euro Mec finally took place. Only EMWG appeared at the liquidation auction, and it acquired all the assets of the old Euro Mec for 800,000 Euros, including all branches of business and business activities, references, customer lists, and intellectual property.

208. Thus, the total purchase amount the Benedettis "invested" in EMWG Srl to acquire all of Euro Mec's assets was 1.2 million Euros paid in rent—for the UN "package plant" branch—and 800,000 Euros for the remainder, for a total of 2.0 million Euros. Every penny of these 2.0 million Euros was paid out of EMWG's internal resources, generated almost entirely by the UN "package plant" business preserved and grown by Greco. On the strength of Greco's work, Defendants have acquired a valuable and lucrative company for nothing, and pocketed millions in profits to boot.

209. In a phone conversation that Greco had with MB on June 28, 2017, MB revealed for the first time that Defendant GB would never allow the shares to be transferred to Greco.

210. Given Greco's efforts to build the business and Defendants' complete disregard for the Shareholders Agreement—to say nothing of Greco's livelihood and the lives that would benefit from the business's prompt delivery of clean water to remote locations—the relationship of goodwill and trust between Greco and Defendants is irretrievably broken.

211. In good faith, Greco entered into negotiations with Defendants to agree on compensation for his due ownership in EMWG, and for Greco to separate from the company. Negotiations quickly stalled when Defendants insisted that the value of the company was the purchase price of the assets purchased in the Euro Mec Bankruptcy—i.e. 800,000 Euros—rather than by reference to independent valuations of the company of between 7 and 10 million Euros, or taking into account the market value that the company continued to create with the expanded pipeline of business wrought, in large part, through Greco's work.

212. In August 2017, in a phone call, MB challenged Greco to "go ahead and sue us. You will never see anything out of it. Things in Italy take years; and besides, if you sue us, a judge will re-open the Euro Mec bankruptcy case, investigate all of us, confiscate our company, and we all will be left with nothing."

213. Greco now brings this lawsuit seeking damages and to hold Defendants accountable for their refusal to honor the Shareholders Agreement, which has caused Greco significant economic and reputational harm.

FIRST CAUSE OF ACTION

(Breach of Contract for Failure to Convey 40% Ownership of EMWG Srl to Mr. Greco-- Defendants EB, MB, EMWG Srl, GB, Idrodepurazione, and all other Shareholders of EMWG Srl)

214. Plaintiffs repeat and re-allege each and every preceding allegation as if fully set forth herein.

215. On February 26, 2015 Plaintiff Greco and Defendants MB and EB entered into a written, signed Shareholders Agreement, a copy of which is annexed hereto as Exhibit "A."

216. The Shareholders Agreement is a valid and enforceable contract.

217. The Shareholders Agreement explicitly requires the existing shareholders—MB and EB—to require that "any future shareholders assume the rights and obligations of the present agreement." Ex. A, Section A, ¶ 8.

218. The Shareholders Agreement requires Defendants MB, EB, and "any future shareholders" in EMWG Srl (F/K/A IENCO Srl) to formally transfer to Greco 40% ownership of EMWG Srl in exchange for the nominal value of 6,000.00 Euros.

219. The Shareholders Agreement also mandates that Greco's 40% ownership not be diluted below 10%, and that for as long as Greco held at least 10% of the equity he would be guaranteed a seat on the board of directors.

220. The Shareholders Agreement requires that Defendants MB, EB, and "any future shareholders" in EMWG Srl cause the transfer of 40% ownership to Greco to be "formalized within 15 days of the underwriting" of EMWG Srl's (F/K/A IENCO Srl) "rental of the branch of business of EURO MEC S.r.l. scheduled for stipulation today, February 26, 2015, and well-known to the parties."

221. Hours after the Shareholders Agreement was signed, IENCO (now EMWG) stipulated to the rental of the branch of business of EURO MEC S.r.l. referenced in Section A, paragraph 2 of the Shareholders Agreement, and the underwriting of that agreement was completed on February 28, 2015.

222. Greco performed all of his obligations under the Shareholders Agreement.

223. From 2015 to 2017, Greco was willing and able to exchange 6,000 Euros in nominal value for the transfer of 40% ownership to him, and he requested many times in writing that EMWG Srl and its shareholders consummate that transaction.

224. Defendants MB, EB, and "any future shareholders" in EMWG Srl have breached the Shareholders Agreement by refusing to transfer to Greco any ownership share in EMWG Srl.

225. EMWG Srl owns at least 25% of IDRO Group Scarl.

226. Any calculation of the value of EMWG Srl—and the value of the 40% share due Greco under the Shareholders Agreement—must include the value of EMWG Srl's ownership stake in IDRO Group Scarl.

227. As a direct and proximate result of IENCO Srl, EB, MB, and "any future shareholder" of EMWG Srl's breach of the Shareholders Agreement's requirement to transfer Greco 40% ownership of EMWG Srl, Greco has suffered damages in an amount to be determined at trial, corresponding to the value of Greco's due ownership of EMWG Srl, upon information and belief amounting to not less than $4,300,000, plus interest as permitted by law.

228. Defendants' failure to transfer ownership to Greco also caused Greco quantifiable damages in United States tax liability because all money that was or is contractually due to be distributed from EMWG to Greco was or would have to be classified as ordinary income for Greco, rather than the dividend income or capital gains of a shareholder; upon information and belief these damages amount to not less than $1,160,000, plus interest as permitted by law.

SECOND CAUSE OF ACTION

(Breach of Contract for Failure to Distribute EMWG Profits --- Defendants EB, MB, EMWG Srl, GB, Idrodepurazione, all other Shareholders of EMWG Srl, and Massimo Muscari)

229. Plaintiffs repeat and re-allege each and every preceding allegation as if fully set forth herein.

230. The Shareholders Agreement requires Defendants MB, EB, and "any future shareholders" in EMWG Srl (F/K/A IENCO Srl) "to distribute no less than 30% of [IENCO Srl's] profit annually" to its shareholders.

231. Under the Shareholders Agreement, Greco is entitled to 40% ownership of EMWG and a corresponding proportion of the mandated profit distribution.

232. Greco has performed all of his obligations under the Shareholders Agreement.

233. On June 21, 2017, EMWG's Chief Financial Officer Roberto Isella produced EMWG's financial statements for the years 2015 and 2016, which show EBT profits (Earnings Before Taxes) over that time period amounting to 3.86 million Euros.

234. EMWG has conveyed to Greco only 80,000 Euros identified as a profit distribution.

235. Defendants MB, EB, and "any future shareholders" in EMWG Srl (F/K/A IENCO Srl), including GB and Idrodepurazione, breached the Shareholders Agreement by failing to annually distribute 30% of the company's profit.

236. As a direct and proximate result of EMWG Srl, EB, MB, Massimo Muscari, and "any future shareholder" of EMWG Srl's breach of the Shareholders Agreement's profit distribution requirement, Greco has suffered damages in an amount to

be determined at trial, corresponding to 40% of the total profit less corporate taxes, upon information and belief amounting to not less than 1.12 million Euros ($1.33 million) plus interest as permitted by law.

<u>THIRD CAUSE OF ACTION</u>

(Breach of Contract for Failure to Pay Mr. Greco Annual Compensation -- Defendants EB, MB, EMWG Srl, GB, Idrodepurazione, all other Shareholders of EMWG Srl, and Massimo Muscari)

237. Plaintiffs repeat and re-allege each and every preceding allegation as if fully set forth herein.

238. The Shareholders Agreement requires Defendants MB, EB, and "any future shareholders" in EMWG Srl (F/K/A IENCO Srl) to pay Greco 120,000 Euros annually as compensation to secure his professional services for EMWG. Ex. A, Section C, ¶ 2.

239. Greco has performed all of his obligations under the Shareholders Agreement.

240. The Shareholders Agreement requires that the 120,000 Euro annual payments begin at "the signing of the contract of the rental agreement of EURO MEC," which occurred days after the execution of the Shareholders Agreement in February 2015.

241. Defendants never paid to Greco the months of March and April 2015 and stopped paying in May 2017, leaving 11 months unpaid.

242. As a direct and proximate result of IENCO Srl, EB, MB, and "any future shareholder" of IENCO Srl's breach of the Shareholders Agreement's requirement to pay

Greco 120,000 Euros annual compensation, Greco has been damaged in an amount to be determined at trial, upon information and belief amounting to not less than 110,000 Euros (approximately $130,000), plus interest as permitted by law.

FOURTH CAUSE OF ACTION

(Unjust Enrichment—Defendants EB, MB, GB, FB, GP, Massimo Muscari, Silvano Pozzi, IDRO US Inc., SWENCO, IDRO Group Scarl, and Idrodepurazione)

243. All Defendants have all benefitted monetarily from Greco's work on behalf of EMWG Srl and other Benedetti companies to grow the compact and mobile water treatment plant business.

244. Defendants used Greco's name, reputation, and credibility to secure lucrative contracts, including giving Greco the title President and Chairman of EMWG's Board—even providing business cards—without formally giving Greco those roles.

245. Greco's work was central to the preservation, expansion, development, and profitable operation of the compact and mobile water treatment plant business that was purchased, and is owned and controlled by the Benedettis and their companies.

246. Greco has a contractual right to ownership in EMWG Srl, but he does not have a contractual right to any ownership share in SWENCO, Idrodepurazione, IDRO Group Scarl, or any other company owned the Benedettis (except to the extent that EMWG Srl owns any portion of other companies, such that Greco would have a contractual right vis-à-vis his contractual right to ownership of EMWG Srl).

247. Defendants have commingled money and assets between their many companies involved in the compact and mobile water treatment plant business that Greco has aided.

248. Greco's work has benefitted Defendant individuals, as well as Defendant companies to which he has no contractual right to ownership.

249. Defendants have been enriched at Greco's expense in any way they have benefitted monetarily at the expense of EMWG, to which Greco is entitled 40% ownership.

250. For example, Idrodepurazione and its shareholders were enriched at EMWG and Greco's expense because Idrodepurazione earned significant revenue for unnecessary and/or overpriced services performed for EMWG, and those services were a method for Idrodepurazione to rob EMWG of its rightful profit.

251. Defendants were also enriched at EMWG and Greco's expense because they misappropriated trade secrets belonging to EMWG, including designs, intellectual property, and technical specifications of compact and mobile water treatment plants.

252. Defendants were also enriched at Greco's expense because they fraudulently induced him to work on their behalf by promising to work with him to build a thriving, global company that would do good in the world long into the future; Greco worked for two years in justifiable reliance on these representations, but instead, as they planned all along, Defendants failed to provide Greco promised leadership positions, cut him out of the business, leveraged his connections and expertise for their own benefit, and seized the business for themselves.

253. As a result of the foregoing, EB, MB, GB, FB, GP, IDRO US Inc., SWENCO, IDRO Group Scarl, and Idrodepurazione were enriched at Plaintiff's expense and as a result of Defendants' fraud, breaches of fiduciary duty to EMWG, and

misappropriation of EMWG's trade secrets, and accordingly, it is against equity and good conscience to permit Defendants to retain such enrichment.

254. Greco is entitled to damages as a result of Defendants' unjust enrichment, including the disgorgement of all moneys collected by Defendants based on the use of Greco's name and credibility and/or flowing from Greco's work on behalf of Defendants' companies, to the extent these damages do not duplicate Greco's other damages, in an amount to be determined at trial, upon information and belief amounting to 1.97 million Euros ($2.34 million), plus interest as permitted by law.

FIFTH CAUSE OF ACTION

(Declaratory Judgment -- Each Defendant)

255. Plaintiffs repeat and re-allege each and every preceding allegation as if fully set forth at length herein.

256. A substantial, justiciable, and actual controversy exists between Greco and each of the Defendants regarding ownership and governance of EMWG Srl.

257. A declaratory judgment will serve a useful purpose in clarifying or settling the legal issues involved.

258. A declaratory judgment would offer relief from uncertainty and finalize the controversy about the ownership and governance of EMWG Srl, enabling the parties to conduct their business and affairs in an orderly manner, and will put to rest the existing dispute.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief and respectfully request that the Court enter judgment in their favor as follows:

(a) On the First Cause of Action, awarding Plaintiffs monetary damages in an amount equivalent to 40% of the value of EMWG Srl, subject to proof amounting to not less than $4,300,000, plus the amount of United States income tax liability resulting from Defendants' failure to transfer ownership, subject to proof amounting to not less than $1,160,000, plus interest as permitted by law;

(b) On the Second Cause of Action, awarding Plaintiffs monetary damages for Defendants' failure to distribute EMWG Srl's profits in an amount subject to proof of $1,330,000 before taxes, plus interest as permitted by law;

(c) On the Third Cause of Action, awarding Plaintiffs monetary damages in an amount subject to proof of $130,000 plus interest as permitted by law;

(d) On the Fourth Cause of Action, awarding Plaintiffs monetary damages based on the unjust enrichment of all Defendants except EMWG Srl at Plaintiffs' expense in an amount subject to proof of $2.34 million, plus interest as permitted by law;

(e) On the Fifth Cause of Action, declaratory relief that Plaintiff Greco is entitled to 40% ownership of EMWG Srl; that he is entitled to a corresponding proportion of 30% of the company's annual profit since February 28, 2015; that he is entitled to three years of 120,000 Euro compensation; that by failing to provide these to Plaintiff Greco, Defendants have breached the Shareholders Agreement; and that identifies a method for compensating Plaintiff Greco for the benefits he has conferred on Defendants;

(f) awarding Plaintiffs the costs and disbursements of this proceeding, including reasonable attorneys' fees as permitted by law; and

(g) awarding Plaintiffs such other and further relief as the Court deems just and proper.

Dated: New York, NY
December 5, 2017

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Massimo Muscari, and Silvano Pozzi.

INDIVIDUAL VERIFICATION

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) ss.:

I, RICHARD GRECO, JR. the undersigned, being duly sworn, depose and say: I am the plaintiff in the action; I have read the foregoing COMPLAINT and know the contents thereof; the same is true to my own knowledge, except as to the matters therein stated to be alleged on information and belief, and as to those matters I believe them to be true.

Richard Greco

RICHARD GRECO, JR.

Sworn to before me on the
5th day of December, 2017

Notary Public
John P. Margand
Qualified in Westchester County, NY
Commission Expires 05/26/2021
No: 02MA6206777