

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS

DIVISION – CIVIL DIVISION

WILLIAM M. HOGAN

PLAINTIFF

vs.

Case No. _____

**JOHN M. ROGERS and
SPORTS CARDS PLUS, INC.
d/b/a ROGERS PHOTO ARCHIVE**

DEFENDANTS

COMPLAINT

Comes Plaintiff, William M. Hogan (“Plaintiff”), by and through his attorney, Ed Daniel IV, P.A., and for his complaint against Defendants, John M. Rogers (“Rogers”) and Sports Cards Plus, Inc., d/b/a Rogers Photo Archive (“SCP”), and states the following:

Parties and Jurisdiction

1. Plaintiff is a resident of Titus County, Texas.
2. Upon information and belief, separate Defendant, Rogers, is a resident of North Little Rock, Pulaski County, Arkansas.
3. Upon information and belief, separate Defendant, SCP, is an Arkansas corporation, and during all times relevant hereto, having its principal office in North Little Rock, Pulaski County, Arkansas.
4. The registered agent for separate Defendant, SCP, is Angelica Rogers, 2501 North Poplar Street, North Little Rock, Arkansas 72114.
5. Upon information and belief, separate Defendant, Rogers, was for all

times relevant to this action, an authorized representative of separate Defendant, SCP, acting as its sole shareholder, President and Chairman.

6. Upon information and belief, separate Defendant Rogers was acting on his individual behalf as well as the authorized representative of separate Defendant SCP during all times relevant to the claims of Plaintiff, as set forth in this Complaint.

7. The Court has jurisdiction over the parties and subject matter of this action. Venue is proper.

Operative Facts

8. Plaintiff was introduced to separate Defendant Rogers by a mutual acquaintance in 2011.

9. At all times subsequent to that introduction, separate Defendant Rogers represented himself as a knowledgeable and experienced investor and a collector of sports memorabilia. He also stated that he had several successful dealings with the mutual acquaintance in the past.

10. Separate Defendant Rogers also represented to Plaintiff that his wholly owned corporation, separate Defendant SCP, as a very successful firm that bought and sold sports memorabilia and licensed and sold historical and vintage photographs and images. He also stated that SCP restored and digitized photo archives for newspaper companies around the country.

11. Defendants first solicited Plaintiff to invest in a “pre-sold” sale of a Freidman collection of memorabilia to Topps in May, 2011. Defendants presented Plaintiff with alleged contracts for the purchase of the Freidman collection for \$450,000 (Exhibit “1”) and a contract to sell to Topps for \$650,000 (Exhibit “2”).

12. Plaintiff purchased a 50% interest in the Freidman/Topps contracts for \$225,000.00. A copy of the assignment of the contractual interest from Defendants is attached hereto as Exhibit “3.”

13. Shortly thereafter, Defendants reported that the Freidman/Topps purchase/sale had been consummated, that payments were beings made over time as reflected in Exhibit “2,” then gave Plaintiff a series of postdated checks from SCP’s checking account totaling \$325,000.00 for his one-half interest in the sale proceeds. \$279,861.00 of those checks were deposited and cleared by Plaintiff before the SCP business was raided by the FBI on January 28, 2014 (the “1-28 Raid”).

14. Although this first investment appeared to earn Plaintiff a profit, upon information and belief, it was recently discovered that Plaintiff never had an interest in a Freidman/Topps collection purchase and sale, and that the partial proceeds received from Defendants’ was from Ponzi Scheme type setup rather than periodic payments from Topps.

15. Defendants next solicited Plaintiff to invest in a “pre-sold” sale of a

Stein collection of memorabilia to Upper Deck in May, 2011. Defendants presented Plaintiff with alleged contracts for the purchase of the Stein collection for \$360,000 (Exhibit "4") and a contract to sell to Upper Deck for \$575,000 (Exhibit "5").

16. Plaintiff purchased a 66 2/3% interest in the Stein/Upper Deck contracts for \$240,000.00. A copy of the assignment of the contractual interest from Defendants is attached hereto as Exhibit "6."

17. Again, Defendants reported that the sale of the Stein to Upper Deck collection was successful and gave Plaintiff a series of postdated checks from SCP's checking account, totaling \$383,353.00, for his two-thirds interest in the sale proceeds. \$247,569.00 of those checks were deposited and cleared by Plaintiff before the 1-28 Raid.

18. Although this second investment appeared to earn Plaintiff a profit, upon information and belief, it was recently discovered that Plaintiff never had an interest in a Stein/Upper Deck collection purchase and sale, and that the partial proceeds received from Defendants' was from Ponzi Scheme type setup rather than periodic payments from Upper Deck.

19. The partial purchases of these purchase and presold sales agreements continued until two weeks before the 1-28 Raid. It was at this time that Plaintiff first had reason to suspect that Defendants were concealing the falsity of the

business transactions that had allegedly occurred.

20. Plaintiff's other specific purchase/losses from Defendants from the purchase of presold contract arrangements are as follows:

a. Purchased a 50% interest for \$500,000.00 in a Jeff Fritsch sports memorabilia sale to Upper Deck Collection on February 20, 2012. A copy of the purchase of the Fritsch collection by Defendants for \$1,000,000.00 is attached as Exhibit "7." A copy of the pre-sold agreement with Upper Deck for \$1,320,000.00 is attached as Exhibit "8." A copy of the assignment from Defendants to Plaintiff is attached as Exhibit "9." Plaintiff has not received any payments on this Assignment.

b. Purchased a 25% interest for \$575,000.00 in a Ledding sports memorabilia collection sale to Upper Deck on December 20, 2012. A copy of the purchase of the Ledding collection by Defendants for \$2,300,000.00 is attached as Exhibit "10." A copy of the pre-sold agreement with Upper Deck for \$3,000,000.00 is attached as Exhibit "11." A copy of the assignment from Defendants to Plaintiff is attached hereto as Exhibit "12." Postdated checks from Defendant SCP totaling \$250,000 were received, leaving an unrecovered amount of \$325,000.

c. Purchased a 31.25% interest for \$437,500.00 in attorney, Delbert Mickell's, sports memorabilia collection purchase that was allegedly

presold to Topps on January 24, 2013. A copy of the purchase of the Mickell collection by Defendants for \$1,400,000.00 is attached as Exhibit "13." A copy of the pre-sold agreement with Topps for \$2,400,000.00 is attached as Exhibit "14." A copy of the assignment from Defendants to Plaintiff is attached hereto as Exhibit "15." Postdated checks from Defendant SCP totaling \$180,000 were received, leaving an unrecovered amount of \$257,500.

d. Purchased a 60.00% interest for \$330,000.00 in the Mott sports memorabilia collection purchase that was allegedly presold to Upper Deck on January 28, 2013. A copy of the purchase of the Mott collection by Defendants for \$550,000.00 is attached as Exhibit "16." A copy of the pre-sold agreement with Upper Deck for \$650,000.00 is attached as Exhibit "17." A copy of the assignment from Defendants to Plaintiff is attached hereto as Exhibit "18." Postdated checks from Defendant SCP totaling \$85,938 were received, leaving an unrecovered amount of \$244,062.

e. Purchased a 37.5% interest for \$750,000.00 in the Henry sports memorabilia collection purchase that was allegedly presold to Neyland on July 28, 2013. A copy of the purchase of the Henry collection by Defendants for \$1,400,000.00 is attached as Exhibit "19." A copy of the pre-sold agreement with Topps for \$2,400,000.00 is attached as Exhibit "20." A copy of the assignment from Defendants to Plaintiff is attached hereto as Exhibit "21." Postdated checks

from Defendant SCP totaling \$37,500 were received, leaving an unrecovered amount of \$712,500.00.

f. Purchased a 50.00% interest for \$800,000.00 in the Marvin Newman archive collection on September 26, 2013. A copy of the purchase of the Newman archive collection by Defendants for \$1,600,000.00 is attached as Exhibit "22." A copy of the assignment from Defendants to Plaintiff is attached hereto as Exhibit "23." Plaintiff has received nothing from this alleged transaction, leaving an unrecovered amount of \$800,000.

g. Purchased a 33 1/3% interest for \$623,271.00 in the Ingall sports memorabilia collection purchase that was allegedly presold to Henry on December 11, 2013. A copy of the purchase of the Ingall collection by Defendants for \$1,870,000.00 is attached as Exhibit "24." A copy of the pre-sold agreement with Topps for \$2,300,000.00 is attached as Exhibit "25." A copy of the assignment from Defendants to Plaintiff is attached hereto as Exhibit "26." Plaintiff has received nothing from this alleged transaction, leaving an unrecovered amount of \$623,271.

h. On January 14, 2014, two weeks before the FBI 1-28 Raid, Plaintiff purchased a 50% interest for \$150,000 in Defendants' alleged purchase agreement for the Billy Sims 1978 Heisman Trophy. A copy of the transfer of funds with notation is attached hereto as Exhibit "27." Upon information and

belief, there never was a purchase agreement for either Defendant to acquire the trophy, leaving an unrecovered amount by Plaintiff of \$150,000.00.

i. By previous assignment, Plaintiff has obtained the ownership right to pursue the following additional losses from the transactions listed above: a 44.44% interest in the Ledding/Upper Deck scheme (subparagraph (b) above), a 50.00% interest in the Mickell/Topps scheme (subparagraph (c) above), a 30% interest in the Henry/ Neyland scheme (subparagraph (e) above), and a 33 1/3% interest in the Ingalls/Henry scheme (subparagraph (g) above) with an investment of \$2,945,391, a Ponzi style return of \$611,900, and an unrecovered investment of \$1,911,291.00.

21. Upon information and belief, all of the above described purchases were fraudulent and nonexistent. The unrecovered out-of-pocket sum total of these fraudulent purchase transactions, based entirely upon Defendants' intentional and willful misrepresentations to Plaintiff and through his assign, is **\$5,444,194**.

22. Defendants' have also fraudulently misrepresented the nature, extent and profitability of their photo archive business from the outset of Plaintiff's first meeting with separate Defendant Rogers.

23. Defendants showed Plaintiff alleged photo archive contracts with major newspapers across the country and a processing center in North Little Rock

where all of the archives were allegedly stored during the first step of the archive process.

24. Defendants repeatedly told Plaintiff that SCP was a highly successful business that had become constrained only by Defendants' ability to borrow.

25. Separate Defendant Rogers proposed that new archives be bought in an LLC with Plaintiff as a minority stakeholder.

26. Plaintiff formed the new entity, John Rogers Partners, LLC, in Texas ("JRP LLC").

27. Separate Defendant Rogers directed that Plaintiff not talk directly with any of the target newspapers.

28. Defendants requested that Plaintiff loan defendant SCP working capital to invest in SCP photo archive equipment with the promise that it would also be used for JRP LLC archives. As a result Plaintiff partially guaranteed the First Arkansas Bank & Trust loan that is currently a \$14+ million dollar default judgment against separate Defendant Rogers in Pulaski County Circuit Court No. 60CV-14-3410, entered January 6, 2015. Plaintiff's potential loss under said Guaranty is **\$2,175,000.00**.

29. Defendants also requested that Plaintiff and the newly formed JRP LLC loan defendant SCP working capital to invest in SCP's photo archive equipment with the promise that it would also be used for JRP LLC archives. As a

result Plaintiff partially guaranteed the First Arkansas Bank & Trust loan that is currently a \$14+ million dollar default judgment against separate Defendant Rogers in Pulaski County Circuit Court No. 60CV-14-3410, entered January 6, 2015. JRP LLC guaranteed the entire debt and pledged all of its archives as collateral.

30. In 2011, Defendants offered Plaintiff his first opportunity to purchase a one-half interest in a photo archive: *The Oklahoman*. Alleged proof of Defendants ownership of the archive is attached hereto as Exhibit "28."

31. As result of Defendants representations, Plaintiff entered into the two million dollar (\$2,000,000.00) loan/purchase agreement for one-half of *The Oklahoman* archive. A copy of the agreement is attached as Exhibit "29." Defendants gave Plaintiff in multiple items of collateral as listed in the agreement and accompanying UCC filing.

32. In 2013, Defendants offered Plaintiff an first opportunity to purchase/share in the \$6 million dollar purchase of the world renowned Larry Fritsch memorabilia collection. Alleged proof of Defendants \$6 million dollar contract with the Fritsch family is attached hereto as Exhibit "30."

33. As result of Defendants representations, Plaintiff amended Exhibit 29 to lend an additional \$1,500,000.00 to be used for the Fritsch purchase. A copy of the Addendum is attached hereto as Exhibit "31." Defendants gave Plaintiff

additional collateral, including a one-half interest in the Fairfax Media/Australia archive as listed in the agreement.

34. Upon information and belief all of the above purchase/loans were fraudulent and nonexistent from the outset.

35. Finally, Plaintiff loaned \$250,000 in connection with the Detroit Free Press which was never repaid. A copy of the Promissory Note is attached hereto as Exhibit "32."

36. Upon information and belief, all funds obtained by Plaintiff were not used for the purposes represented, and in fact, were used for Defendant's personal use and benefit.

37. Based upon the representations of Defendants, Plaintiff guaranteed a loan with Bank of Little Rock for \$900,000.00 to purchase equipment to be used in Defendants' archive business. Upon information and belief, the money was transferred to an West Coast bank account and immediately diverted for Defendants' personal use and benefit. Plaintiff has, thus far, paid \$221,810.51 on this loan and may be liable for the balance as well.

38. Based upon the representations of Defendants, Plaintiff incurred over \$120,000 in business expenses at Defendants' request for nonexistent operations.

39. On or about March 1, 2014 and after the 1-28 Raid, Plaintiff expended \$180,000 on Defendants' operations to maintain the status quo while alternatives were investigated to salvage any collateral that still existed.

40. That the representations made by Defendants were false, and Defendants knew that they were false at the time they were made to Plaintiff.

41. That Plaintiff has suffered damages and will continue to suffer further damages in the form of loan guarantees, attorney's fees, costs and accruing interest as a direct and proximate result of Defendants' false representations, deceit, concealment and fraud.

COUNT ONE - FRAUD

42. That Plaintiff realleges and incorporates herein by reference all allegations set forth in Paragraphs 1 through 41 above.

43. That Defendants made false representations of material facts to Plaintiff concerning the existence and authenticity of sports memorabilia to be acquired with Plaintiff's funds.

44. That Defendants manufactured false contracts of both sale and purchase to induce Plaintiff to purchase interests and loan funds.

45. That Defendants have pledged collateral to Plaintiff which they do not, and never have, owned.

46. That Defendants have actively concealed the true intent of their

scheme from Plaintiff and continue to do so today.

47. That Plaintiff had no reason to believe that the collateral and transactions were fictional, fake and counterfeit, until the United States Government, through its Federal Bureau of Investigation, executed multiple search warrants against Defendants home and place of business in the 1-28 Raid.

48. That Defendants intended to induce action on the part of Plaintiff with Plaintiff's reliance upon Defendants representations in making his decision to advance funds and guarantee loans for Defendants to acquire the sports memorabilia.

49. That Plaintiff justifiably relied on Defendants representations in making his decision to advance funds and guarantee loans for Defendants to acquire the sports memorabilia.

50. That Defendants actions constitute fraud and Defendants are liable to Plaintiff for all resulting damages suffered by Plaintiff.

51. As a direct and proximate result of the fraud committed by Defendants, Plaintiff has incurred significant and substantial damages.

52. That the amount of damages that will be established at trial of this case will exceed the amount necessary to federal diversity of citizenship jurisdiction.

53. As a direct and proximate result of the fraud, Plaintiff is entitled to

recover from Defendants, jointly and severally, actual damages in an appropriate amount as established at trial, plus pre-judgment and post-judgment interest, and for costs including a reasonable attorneys' fee, all as provided by applicable law.

54. Further, in order to punish Defendants for their willful, intentional, malicious and wrongful fraud and to deter others similarly situated from engaging in similar conduct in the future, Plaintiff should be awarded the sum of **\$39,000,000.00** dollars in punitive damages to deter such future conduct.

Count Two - Unjust Enrichment

55. That Plaintiff realleges and incorporates herein by reference all allegations set forth in Paragraphs 1 through 54 above.

56. That Defendants received monies from Plaintiff and his assign in the sum total of **\$8,944,194.00** dollars.

57. That Defendants received loan proceeds from FABT in the amount of **\$2.175.000** dollars for which Plaintiff is potentially liable as guarantor.

58. That Defendants received loan proceeds from Bank of Little Rock in the amount of **\$900,000.00** dollars for which Plaintiff is potentially liable as guarantor and has already paid **\$221,810.51** on the loan.

59. Upon information and belief, that Defendants used all of the funds in Paragraphs 56, 57 and 58 for their own personal use and benefit, not for the purposes in which they were obtained from Plaintiff and through Plaintiff's

personal guaranty.

60. Defendants misrepresentations of the use of the funds was intentional and makes Defendants resultant enrichment of **\$12,3019,194.00**, plus future damages, both unjust and compensable.

61. That, as a proximate result of Defendants' unjust enrichment, Plaintiff has incurred significant and substantial damages.

62. That the amount of damages for unjust enrichment that will be established at trial of this case will exceed the amount necessary for federal diversity of citizenship jurisdiction.

63. As a direct and proximate result of Defendants' unjust enrichment, Plaintiff is entitled to recover from Defendants, jointly and severally, actual damages in an appropriate amount as established at trial, plus pre-judgment and post-judgment interest, and for costs including a reasonable attorneys' fee, all as provided by applicable law.

Jury Demand

64. Plaintiff requests a trial by jury for all issues so triable.

WHEREFORE, Plaintiff William M. Hogan prays this Court for a judgment in his favor and against Defendants, John M. Rogers and Sports Cards Plus, Inc., d/b/a/ Rogers Photo Archive, jointly and severally, for actual damages and punitive damages as set forth herein; for pre-judgment and post-judgment interest; for his

costs herein expended, including reasonable attorney's fees, and for all just and proper other relief to which he is entitled, fees incurred hereby, and for all other and further relief to which he is entitled.

Respectfully Submitted,

ED DANIEL IV, P.A.

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By:



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EXHIBIT LIST – Hogan v Rogers and SCP

Exhibit “1” – SCP Purchase Agreement from Friedman

Exhibit “2” – Topps Purchase Agreement from SCP of Friedman/Exhibit “1”
collection

Exhibit “3” – Assignment of 50% Interest in Exhibits “1” and “2” by SCP to
Plaintiff and guaranteed by Rogers

Exhibit “4” – SCP Purchase Agreement from Stein

Exhibit “5” – Upper Deck Purchase Agreement from SCP of Stein/Exhibit “4”
collection

Exhibit “6” – Assignment of 66 2/3% Interest in Exhibits “4” and “5” by SCP to
Plaintiff and guaranteed by Rogers

Exhibit “7” –SCP Agreement from Jeff Fritsch for sports memorabilia

Exhibit “8” –Upper Deck Purchase Agreement from SCP of Fritsch sports
memorabilia/Exhibit “7”

Exhibit “9” – Assignment of 50% Interest in Exhibits “7” and “8” by SCP to
Plaintiff and guaranteed by Rogers

Exhibit “10” – SCP Purchase Agreement from Ledding

Exhibit “11” –Upper Deck Agreement from SCP of Ledding/Exhibit “10”
collection

Exhibit "12" – Assignment of 25% Interest in Exhibits "10" and "11" by SCP to Plaintiff and guaranteed by Rogers

Exhibit "13" – SCP Purchase Agreement from Mickell

Exhibit "14" – Topps Purchase Agreement from SCP of Mickell/Exhibit "13" collection

Exhibit "15" – Assignment of 31.25% Interest in Exhibits "13" and "14" by SCP to Plaintiff and guaranteed by Rogers

Exhibit "16" – SCP Purchase Agreement from Mott

Exhibit "17" – Upper Deck Purchase Agreement from SCP of Mott/Exhibit "16" collection

Exhibit "18" – Assignment of 50% Interest in Exhibits "16" and "17" by SCP to Plaintiff and guaranteed by Rogers

Exhibit "19" – SCP Purchase Agreement from Henry

Exhibit "20" – Neyland Purchase Agreement from SCP of Henry/Exhibit "19" collection

Exhibit "21" – Assignment of 37.5% Interest in Exhibits "19" and "20" by SCP to Plaintiff and guaranteed by Rogers

Exhibit "22" – SCP Purchase Agreement for Marvin Newman Collection

Exhibit "23" – Assignment of 50% Interest in Exhibit "21" by SCP to Plaintiff and guaranteed by Rogers

- Exhibit "24" – SCP Purchase Agreement from Ingalls
- Exhibit "25" – Henry Purchase Agreement from SCP of Ingalls/Exhibit "24"
collection
- Exhibit "26" – Assignment of 33 1/3% Interest in Exhibits "24" and "25" by SCP
to Plaintiff and guaranteed by Rogers
- Exhibit "27" – \$150,000 deposit into SCP Account for ½ Heisman Trophy
- Exhibit "28" – Defendants' (alleged) Purchase of the Oklahoman
- Exhibit "29" – Plaintiff's \$2,000,000 loan/purchase of a one-half interest in the
Oklahoman archive with additional collateral
- Exhibit "30" – Defendants' (alleged) Purchase of \$6 million in baseball cards from
the Larry Fritsch collection from Frederick Greenwood
- Exhibit "31" – Plaintiff's \$1,500,000 loan/purchase of a one-half interest in the
Fairfax Media/Australia archive
- Exhibit "32" – \$250,000 Promissory Note from SCP to William M. Hogan