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IN THE CIRCUIT COURT FOR THE 17th JUDICIAL CIRCUIT IN AND FOR BROWARD COUNTY, FLORIDA

STRATEGIC MESSAGE AND DESIGN GROUP, INC,

Plaintiff

v.

CASE NO.:

CITIZENS FOR SAFE AND MODERN SCHOOLS, an unincorporated Political Action Committee, and SCHOOL BOARD OF BROWARD COUNTY,

Defendants

COMPLAINT

COMES NOW, Plaintiff STRATEGIC MESSAGE AND DESIGN GROUP, INC, by and through undersigned counsel, and does hereby sue Defendants CITIZENS FOR SAFE AND MODERN SCHOOLS and SCHOOL BOARD OF BROWARD COUNTY and alleges as follows:

Jurisdiction, Parties, and Venue

- 1. This is an action for monetary damages in excess of the jurisdictional limits of this Court.
- 2. Plaintiff, STRATEGIC MESSAGE AND DESIGN GROUP, INC, (hereinafter SMDG) is a Delaware corporation.
- 3. Defendant CITIZENS FOR SAFE AND MODERN SCHOOLS, (hereinafter "CITIZENS") is an unincorporated Florida Political Action Committee formed to advocate in favor of a \$800,000,000.00 bond issue on behalf of the Defendant SCHOOL BOARD OF BROWARD COUNTY.

- 4. Defendant SCHOOL BOARD OF BROWARD COUNTY, (hereinafter "SBBC") is a political sub-division of the State of Florida consisting of a county-wide School Board existing pursuant to Chapter 1001 of the Florida Statutes and in particular F.S. §1001.33.
- 5. Venue is proper in Broward County, Florida as the events giving rise to this civil action occurred within the territory of Broward County, Florida.

General Allegations Common to All Counts

- 6. Plaintiff SMDG is a campaign consulting and messaging company. SMDG was contacted by the Defendant SBBC to advocate in favor of an \$800,000,000 Capital Bond referendum (hereinafter BOND) to benefit Defendant SBBC.
- At all material times, Plaintiff SMDG communicated with Defendant SBBC through its Superintendent Robert Runcie and Director of Legislative Affairs, Sheela VanHoose, an employee of Defendant SBBC.
- Beginning in June 2014 Robert Runcie and Sheela VanHoose worked with the Plaintiff SMDG to plan strategy and political messaging to achieve success on the November 4, 2014 BOND referendum.
- 9. As a political sub-division of the State of Florida, Defendant SBBC is prohibited by law from expending its resources to advocate for the BOND.
- 10. Therefore, it was necessary to establish an alternate means to raise money and to advocate for the BOND.
- 11. Defendant SBBC decided it would form a Florida Political Action Committee (PAC) as a means to raise money and advocate passage of the BOND.

- 12. On July 21, 2014, the Defendant SBBC authorized Plaintiff SMDG to commission a poll to sample voter opinions regarding the BOND.
- 13. Superintendent Runcie chose the name for the PAC, CITIZENS FOR SAFE AND MODERN SCHOOLS from a list of prospective PAC names provided by Plaintiff SMDG. This list of names were derived as the result of the polling authorized by the Defendant SBBC.
- 14. After choosing the name, Defendant SBBC's Director of Governmental Affairs working with Superintendent Runcie created the PAC's Committee Structure, Timeline and to Do List.
- 15. On August 1, 2014 Defendant SBBC through its Director of Governmental Affairs, Ms. VanHoose and Superintendent Runcie formed Defendant, CITIZENS to advocate for the BOND.
- 16. Defendant SBBC's Superintendent, Robert Runcie, determined the composition and membership of the defendant CITIZENS and appointed the CITIZENS's chairperson, Alan Levy.
- 17. Although nominally appointed as the chair for the Defendant CITIZENS, Levy was subservient to Runcie and SBBC. Defendant SBBC's Director of Governmental Affairs provided Mr. Levy with the PAC Committee Structure, Timeline and to Do List.
- 18. Defendant SBBC delegated the tasks to make initial calls to form the Leadership Committee and Secure Office Space to Superintendent, Runcie.

- 19. Defendant SBBC delegated the tasks to complete the formation of the PAC, Open Bank Accounts and to make follow up calls to the Leadership Committee to Director of Governmental Affairs, Sheela VanHoose.
- 20. After formation of the PAC, Defendant SBBC through Ms. VanHoose and Superintendent Runcie exercised control and decision making authority over the advocacy activities of the PAC.
- 21. Prior to formation of Defendant CITIZENS, Ms. VanHoose and Superintendent Runcie made material representations to Plaintiff SMDG, to induce SMDG into working with Defendant SBBC on the BOND campaign.

22. Defendant SBBC made the following material representations;

- a. that the budget for the BOND campaign was between \$500,000.00 and \$750,000.00 dollars;
- b. there would be a robust fund raising effort;
- c. there would be a working functional committee;
- d. there would be broad based community and political support;
- e. there would be volunteers;
- f. there would be a fully functional office;
- g. there would be other support from the SBBC and the PAC.

- 23. Defendant SBBC provided to Plaintiff SMDG an analysis of the voting records of Broward School's employees and household members as an initial show of support and further inducement to SMDG to become involved with the BOND campaign.
- 24. After Defendant CITIZENS registered as a PAC with the State of Florida, it contracted with Plaintiff SMDG to perform campaign consulting services for the Bond campaign. (Contract attached as Exhibit #1) The written contact formalized the understanding entered into between SBBC and SMDG for services by SMDG regarding the BOND.
- 25. After contracting with the CITIZENS, Plaintiff SMDG, at the direction of SBBC, continued to communicate with Defendant SBBC on a daily basis.
- 26. After contracting with the CITIZENS, Plaintiff SMDG continued to receive its instructions from Defendant SBBC's Director of Governmental Affairs, Ms. VanHoose rather than the PAC.
- 27. Despite the representations made to induce Plaintiff SMDG to work with the SBBC's BOND campaign, SBBC failed;
 - a. to create a viable finance committee;
 - b. to raise sufficient funds to mount a campaign;
 - c. to provide a functioning working committee;
 - d. to provide promised community support;
 - e. to provide a fully functioning office;
 - f. to provide promised political support.

- 28. On September 20th, Sheela VanHoose, Director of Legislative Affairs for Defendant SBBC contacted SMDG to terminate SMDG's employee, Melanie Brenner.
- 29. As of the date of this Complaint, no one from Citizens for Safe and Modern Schools contacted SMDG to ratify Defendant SBBC's termination of Ms. Brenner.
- 30. Plaintiff SMDG has fully performed under its contract with Defendant CITIZENS as best that it could without the promised funding, community and political support, and facilities.
- 31. Plaintiff SMDG has never received any oral or written reprimands or complaints from either CITIZENS FOR SAFE AND MODERN SCHOOLS or the SCHOOL BOARD OF BROWARD COUNTY.
- 32. Plaintiff SMDG has not received written notice of termination of its contract with Defendant CITIZENS.
- 33. Plaintiff SMDG has invoiced Defendant CITIZENS pursuant to the term of the contract.
- 34. Defendant CITIZENS has not paid its financial obligations to Plaintiff SMDG.

<u>COUNT I – BREACH OF CONTRACT</u>

Plaintiff re-alleges and re-adopts Paragraphs 1-34 as if fully set forth herein.

- 35. Plaintiff SMDG contracted with Defendant CITIZENS to perform campaign consulting services to CITIZENS and SBBC's BOND campaign (Pl.'s Ex. 1.)
- 36. Plaintiff SMDG performed the agreed upon services to the extent it could in light of the non-performance and frustration of contract by Defendants.

- 37. Plaintiff SMDG has submitted invoices in the amount of \$26,293.51 for fees and expenses. (Pl.'s Ex. 2).
- 38. Defendant CITIZENS has breached the contract by failing to perform.
- 39. Defendant CITIZENS has failed to pay Plaintiff SMDG the invoiced amount despite demand.
- 40. In addition to the invoiced amounts Plaintiff has been deprived of the anticipated revenues from advertising attendant to the promised campaign budget.
- 41. All conditions precedent have been performed.

WHEREFORE, Plaintiff SMDG prays for entry of judgment against CITIZENS FOR SAFE AND MODERN SCHOOLS in the amount of \$26,293.51 and is entitled to recover consequential, compensatory, incidental and reliance damages plus prejudgment interest and costs of this action together with such other and further relief as this Court deems proper.

COUNT II – ACCOUNT STATED

Plaintiff re-alleges and re-adopts Paragraphs 1-41 as if fully set forth herein.

- 42. Plaintiff SMDG contract with Defendant CITIZENS to provide campaign consulting services to CITIZENS and SBBC's BOND campaign. (Pl.'s Ex. 1.).
- 43. Plaintiff SMDG performed the agreed upon services.
- 44. The contract between the parties requires payment to be made in full to Plaintiff SMDG.

- 45. Plaintiff SMDG has submitted invoices in the amount of \$26,293.51 for fees and expenses. (Pl.'s Ex. 2)
- 46. Defendant CITIZENS has failed to pay Plaintiff SMDG the invoiced amount of \$26,293.51 despite demand.

WHEREFORE, Plaintiff SMDG prays for entry of judgment against CITIZENS FOR SAFE AND MODERN SCHOOLS in the amount of \$26,293.51 plus prejudgment interest and costs of this action together with such other and further relief as this Court deems proper.

<u>COUNT III – FRAUD IN THE INDUCEMENT – FRAUDULENT</u> <u>MISREPRESENTATION AGAINST SBBC</u>

Plaintiff re-alleges and re-adopts Paragraphs 1-34 as if fully set forth herein.

47. Defendant SBBC made the following misrepresentation of materials facts to Plaintiff SMDG to induce SMDG into working on the SBBC BOND campaign and contracting with the CITIZENS;

a. that the budget for the BOND campaign was between \$500,000.00 and \$750,000.00 dollars;

- b. there would be a robust fund raising effort;
- c. there would be a working functional committee;
- d. there would be broad based community and political support;
- e. there would be volunteers;
- f. there would be a fully functional office;

- g. there would be other support from the SBBC and the PAC.
- 48. The representations made by Defendant SBBC were false and Defendant SBBC knew or should have known the representations were false when made.
- 49. The representations of Defendant SBBC induced Plaintiff SMDG into working on the SBBC's BOND campaign.
- 50. Plaintiff SMDG was reasonably justified in relying upon the representations of Defendant SBBC.
- 51. Plaintiff SMDG was damaged by the material misrepresentations of Defendant SBBC.

WHEREFORE, Plaintiff SMDG prays for entry of judgment against Defendant SCHOOL BOARD OF BROWARD COUNTY for consequential, compensatory, incidental and reliance damages, prejudgment interest and costs of this action together with such other and further relief as this Court deems proper.

<u>COUNT IV – QUANTUM MERUIT</u>

Plaintiff re-alleges and re-adopts Paragraphs 1-34 as if fully set forth herein.

- 52. At all material times, Defendant SBBC through it Superintendent Robert Runcie and Director of Legislative Affairs, Sheela VanHoose began working with the Plaintiff SMDG to plan strategy and political messaging to achieve success on the November 4, 2014 BOND referendum.
- 53. Plaintiff SMDG performed the requested services with the expectation of compensation for its services.

- 54. Plaintiff SMDG performed services with respect to the BOND referendum which were accepted and received by SBBC.
- 55. Plaintiff SMDG performed services requested by SBBC with the understanding and expectation that it would be compensated the reasonable and agreed to value for the services.
- 56. Under ordinary circumstances, a reasonable person would reasonably expect to be compensated for such services.
- 57. Defendant SBBC received, accepted and benefited from the services of SMDG regarding the BOND with the knowledge that SMDG was performing the services expecting to be compensated for same.
- 58. Under ordinary circumstances, a reasonable person or organization would reasonably expect to be pay for the services and benefits provided by SMDG regarding the BOND.
- 59. Defendant SBBC has failed to pay for the benefits and services received from SMDG regarding the BOND.
- 60. The reasonable value of the services provided to SBBC by SMDG is \$26,293.51.

WHEREFORE, Plaintiff SMDG prays for entry of judgment against Defendant SCHOOL BOARD OF BROWARD COUNTY for consequential, compensatory, incidental and reliance damages, prejudgment interest and costs of this action together with such other and further relief as this Court deems proper.

COUNT V – ALTER EGO

Plaintiff re-alleges and re-adopts Paragraphs 1-34 as if fully set forth herein.

- 61. At all times material, Defendant SBBC was prohibited by Florida Statute to expend its resources to fund raise and advocate on behalf of its pending BOND referendum.
- 62. At all times material Defendant SBBC created Defendant CITIZENS to avoid the statutory prohibition preventing the Defendant SBBC to fund raise and advocate the pending BOND referendum.
- 63. At all times material, Defendant CITIZENS was a sham created to hide the participation of Defendant SBBC's involvement with fund raising and advocacy for the pending BOND referendum.
- 64. At all times material Defendant CITIZENS did not act as a duly constituted PAC under Florida law.
- 65. At all times material Defendant CITIZENS did not conduct meetings, did not vote on its leadership, did not vote on its activities or campaign strategy.
- 66. At all times material, the formation, naming, composition, direction, conduct and control of Defendant CITIZENS was directed by Defendant SBBC for the exclusive purpose and benefit of Defendant SBBC.
- 67. At all times material Defendant CITIZENS had no separate mind, will or existence of its own and was the alter ego of Defendant SBBC.

68. As such there are sufficient grounds for disregarding the unincorporated Defendant CITIZENS to extend liability to Defendant SBBC for the obligations and liabilities of Defendant CITIZENS.

WHEREFORE, Plaintiff SMDG prays for entry of judgment against Defendant SCHOOL BOARD OF BROWARD COUNTY for consequential, compensatory, incidental and reliance damages, prejudgment interest and costs of this action together with such other and further relief as this Court deems proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

Dated: October 13, 2014.

Respectfully Submitted,

By: /s/ Christopher R. Fertig Christopher R. Fertig (FBN 218421) chris.fertig@fertig.com

Fertig & Gramling 200 Southeast 13th Street Fort Lauderdale, FL 33316 Telephone: 954-763-5020 Facsimile: 954-763-5412 *Attorneys for Plaintiff*

EXHIBIT 1

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CONSULTING AGREEMENT

This Consulting Agreement ("Agreement"), dated as of July 21, 2014, is entered into by and between The Citizens for Safe and Modern Schools (the "Campaign"), having offices in Fort Lauderdale, and Strategic Message Design Group, Inc., having an address at Sherwood Mews, 833 Kings Highway, Woodbury, NJ 08096-3110 ("Consultant"). The Company and Consultant referred to collectively as the "Parties". The Parties contract with Consultant on terms and conditions set forth below.

1. <u>Scope and Term</u>. The Campaign hereby contracts with Consultant to perform campaign consulting services for the Campaign, with the scope of any such services to be set forth in an Addendum #1 issued by consultant with reference to this Agreement ("Addendum"). This Agreement may be terminated by Consultant or the Campaign for any reason, or for no reason, at any time upon 5 days prior written notice to the other. In such event, the Company will make payment for services rendered through the date of termination.

2. <u>Payment</u>. Payment shall be as set forth under Addendum #2 in this Agreement. In addition, the Company will reimburse Consultant for ordinary and reasonable travel and other "out of pocket" expenses in accordance with Campaign policy, but only so long as Consultant submits satisfactory documentation of such expenses with the Consultant's invoice. Miscellaneous costs such as routine telephone calls, copying, electronic mail, and fax transmissions are considered part of Consultant's overhead costs and will not be reimbursed by the Campaign.

3. <u>Independent Contractor</u>. It is understood and agreed that Consultant shall at all times be acting as an independent contractor in the undertaking of this Agreement. Consultant shall exercise control over and employ Consultant's own means and methods of accomplishing the projects and tasks Consultant undertakes for the campaign.

4. <u>Confidential and Privileged Information</u>. Consultant acknowledges that, during the course of the Consultant's involvement with the Campaign, Consultant will occupy a position of trust and confidence, and that in performing services for the Campaign, Consultant covenants that Consultant shall keep all Confidential and Privileged Information in the strictest confidence, and will not use any Confidential or Privileged Information in any way inconsistent with the confidential/privileged nature of such information. 5. <u>Warranties</u>. Consultant represents and warrants that: (a) it will perform its services hereunder in a good and workmanlike manner and in accordance with professional standards in the field; and (b) it has (and will maintain at all times during the term of this Agreement) all necessary licenses, permits, and registrations required to provide the services described in this Agreement.

6. <u>Assignment</u>. Neither this Agreement nor any claim(s) for payment of fees due, or to become due hereunder, shall be assignable in whole or in part by Consultant, except as provided herein. Campaign may assign this Agreement to any of its affiliates or to any successor of Company.

By signing below, the parties agree to be bound by the terms of this Agreement, and represent that the person signing on behalf of the party named below is the duly authorized representative of such party.

Citizens for Safe and Modern Schools
Citizens for Safe and Modern Schools by ALAN CON, CHAIR By: CITIZENS FOR Safe + Modern Schools by ALAN CON, CHAIR
Name: ALAN LEW
Title: Commutate CHAIK
Date: AUG 1, 8014

Robert DiLella

Strategic Message Design Group, Inc.

By:	KS MO-	
Name:	Robert n. Di Lella	
Title:	President	
Date:	8/1/14	

Addendum No. 1 to Consulting Agreement

Dated: July 21, 2014 Scope and Schedule of Work/ Deliverables:

Research

Develop baseline and tracking survey Prepare results for presentation

Campaign Plan Development

Develop full campaign plan, budget, and timetable based on research from polling and client input

District Communications Assessment

Work with the District to maximize their public outreach and communications capabilities

Client Management

Two scheduled conference calls per week Campaign Committee Finance Committee Develop and distribute agenda and materials for all calls Available as needed for all other calls and meetings

Collateral and Deliverables

Prepare Key Influential letters, Op Ed's, LOE's, Speaker's Bureau presentations PowerPoint and handouts, phone scripts and serve as advisor on all communication materials

Media

Develop and implement ongoing earned media opportunities including editorial board meetings, press events and local newsletter and blog placement Monitor local press and prepare rapid response to negative coverage

Fundraising

Assist in management of fundraising to make sure targets are developed and goals are set and met.

Allies Program Development and Management

Develop list of allies, schedule meetings and follow ups to secure broad based support throughout the district.

Volunteer Coordination

Oversee volunteer canvassing and phone banking activities for comprehensive voter id program.

GOTV

Full-scale GOTV efforts to turn out identified voters through Election Day

Electronic Media

Produce and buy all electronic media radio, television, cable television.

Print Media

Produce all print direct mail/collateral materials.

Addendum No. 2 to Consulting Agreement Dated: July 21, 2014

Payment /Compensation:

Payment:

The Campaign will make payments to Consultant in the amount of \$30,000.00 beginning July 21 1, 2014 and concluding November 4, 2014, which will be paid with 10 business days of receipt of Consultant's invoice. Payment shall be \$10,000.00 upon signing of agreement, \$10,000.00 September 1, 2014 and \$10,000.00 October 1, 2014.

MEDIA, PRODUCTION AND OTHER CHARGES :

Client also agrees to pay SMDG for all production charges incurred on your behalf of the Client for the production and purchase of advertising materials and programs, including, without limitation, printing, photography layouts & design, radio television, cable television E- blast services, film, video tapes and editing. Consultant shall charge standard 15% for media buying services.

Citizens for safe and Modern Schools
By: CHILLAS FOR Cake + Modern Schools, Dy ALAN LEW, CHAIL
Name: AUAP (EV)
Title: CetAIR OF COMMINSPOL
Date: Cilly 1, Žojy

Robert DiLella

Strategi	ic Message Design Group, Inc.	
By:	Ry here	
Name:	Robert N. Dilelle	
Title:	President	
Date:	5/1/14	
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EXHIBIT 2

833 Kings Highway Woodbury, New Jersey 08096 Phone (856) 848-0600 Fax (856) 848-1156 bobsmdg(*a* aol com

September 25, 2014

Citizens for Safe and Modern Schools 301 East Las Olas Blvd Suite 200 Fort Lauderdale, Florida 33316

Invoice 535-03 REVISED

Melanie Brenner Expenses

Date			Total	Receipt
		SF to		
7/20/2014	Airfare	FLL	297	Yes
		FLL to		
8/8/2014	Airfare	SF	245	Yes
8/8/2014	Car Rental		377.66	Yes
8/8/2014	Taxi		56.55	Yes
8/8/2014	Gas		55	Yes
		SF to		
8/20/2014	Airfare	FLL	266.1	Yes
8/21/2014	Parking		7.5	Yes
8/25/2014	Office Supplies		81.24	Yes
8/25/2014	Parking		9	Yes
8/28/2014	Car Rental		132.08	Yes
8/28/2014	Gas		33.95	Yes
8/30/2014	Rental Car	-	302.13	Yes
Total Amou	nt Due		1863.21	

Total Amount due \$1863.21.

833 Kings Highway Woodbury, New Jersey 08096 Phone (856) 848-0600 Fax (856) 848-1156 bobsmdg(*a* aol.com

September 1, 2014

Citizens for Safe and Modern Schools 301 East Las Olas Blvd Suite 200 Fort Lauderdale, Florida 33316

Invoice 535-04

Robert DiLella Expenses

Date of Trip 7/30 to 8/4 Board Meeting Hotel \$99.00 Air \$100.00

Amount Due\$199.00

Date of Trip 8/7to 8/10 Poll Briefing Hotel \$198.00 Air \$200.00

Amount Due \$398.00

Total Amount due \$597.00

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833 Kings Highway Woodbury, New Jersey 08006 Phone (856) 848-0600 Fax (856) 848-1156 bobsmdg(a aol.com

September 25, 2014

Citizens for Safe and Modern Schools 301 East Las Olas Blvd Suite 200 Fort Lauderdale, Florida 33316

Invoice 535-05

Melanie Brenner Expenses Final

Date		Total	Receipt
9/5/2014	Printing	16.32	Yes
9/6/2014	Parking	4.5	Yes
9/12/2014	Printing	34.98	Yes
9/13/2014	Gas	22.3	Yes
9/152014	Office	56.55	No
9/172014	Printing	11.02	Yes
9/16/2014	Parking	32.8	Yes
9/18/2014	Insurance Event	132	Yes
9/19/2014	Pop Corn Machine	411.6	Yes
9/20/2014	Gas	41.31	Yes
9/21/2014	Airfare	311.6	Yes
Total Amou	nt Due	1074.98	

Total Amount due

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833 Kings Highway Woodbury, New Jersey 08096 Phone (856) 848-0600 Fax (856) 848-1156 bobsmdg(*a* aol.com

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September 26, 2014

Citizens for Safe and Modern Schools 301 East Las Olas Blvd Suite 200 Fort Lauderdale, Florida 33316	
Invoice 535-06	
Robert DiLella Expenses	
Date of Trip 9/4 to 9/6 Board Meeting Hotel \$99.00 Air 0 Breakfast Sheela Van House 45.62	
Amount Due	\$144.62
Date of Trip 8/7to 8/10 Rally Meetings Hotel \$198.00 Air \$200.00	
Amount Due	\$398.00

Total Amount due \$542.62.

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833 Kings Highway Woodbury, New Jersey 08096 Phone (856) 848-0600 Fax (856) 848-1156 bobsmdgra aol.com

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September 26, 2014

1	
Citizens for Safe and Modern Schools 301 East Las Olas Blvd Suite 200 Fort Lauderdale, Florida 33316	
Invoice 535-07	
Fundraising Envelopes Quantity 1500 Layout & Design Production Delivery	\$140.00 \$340.70 \$25.00 \$505.70
5 Reasons to Vote Flyer Layout & Design	\$260.00
Banner Layout & Design Banner Production Banner Delivery SUB TOTAL	\$360.00 \$260.00 \$45.00 \$665.00
Podium Sign Layout & Design Production SUB TOTAL	\$150.00 \$35.00 \$185.00
Informational Kits Layout & Design Cover Layout & Design Pages SUB TOTAL	\$200.00 \$400.00 \$600.00
Total Amount due	\$2215.70

833 Kings Highway Woodbury, New Jersey 08096 Phone (856) 848-0600 Fax (856) 848-1156 bobsmdg(*a* aol.com

October 1, 2014

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Citizens for Safe and Modern Schools 301 East Las Olas Blvd Suite 200 Fort Lauderdale, Florida 33316

Invoice 535-08

October 1 Consulting Fee

Consulting Fee _____\$10,000.00

Total Amount due \$10,000.00