



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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FLI DEEP MARINE LLC and BRESSNER PARTNERS LTD., Derivatively on behalf of Deep Marine Holdings, Inc. and Deep Marine Technology, Inc.,

Plaintiffs,

-against- : Civil Action No.

VERIFIED
COMPLAINT

PAUL McKIM, DANIEL ERICKSON, FRANCIS WADE ABADIE, OTTO CANDIES, III, EUGENE DePALMA, LARRY LENIG, BRUCE GILMAN, JOHN HUDGENS, in their Capacities as Officers and Directors,

NASSER KAZEMINY, NJK HOLDINGS CORPORATION, DCC VENTURES, LLC, OTTO CANDIES, LLC and OTTO CANDIES, JR.,

Defendants,

DEEP MARINE HOLDINGS, INC. and DEEP MARINE TECHNOLOGY, INC.,

Nominal Defendants.

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As and for their Verified Complaint against the Defendants, Plaintiffs allege:

NATURE OF THE ACTION

1. This is shareholders' derivative action brought in the right, and for the benefit of, Deep Marine Holdings, Inc. ("Deep Marine Holdings") and its wholly owned subsidiary, Deep Marine Technology, Inc. ("Deep Marine Technology," together "DMT") asserting claims against certain officers and directors of DMT and the controlling shareholders of

DMT for breach of fiduciary duty, corporate waste, misappropriation, fraud, gross negligence and mismanagement and unjust enrichment.

2. Either intentionally, or through gross negligence and mismanagement, these officers and directors have aided or allowed DMT's Controlling Shareholders -- Defendants Nasser Kazeminy and Otto Candies, LLC ("Otto Candies") and entities or persons within their control or acting at their direction -- to exploit and loot the corporation for their own economic benefit and/or improper purposes.

3. At Kazeminy's instruction, DMT has been used to disguise improper payments in 2007 of at least \$75,000 to the wife of a United States Senator for no legitimate business purpose. In addition, outright gifts of DMT corporate cash have been made to a relative of Mr. Kazeminy.

4. During the period August 2004 to present, DMT has been victimized by egregious self-dealing and corporate waste in its transactions with Otto Candies. DMT has paid millions of dollars to Otto Candies needlessly in connection with vessels DMT has leased, chartered and purchased from that entity.

5. DMT has been looted for the personal gain of the Controlling Shareholders to the detriment of the minority stockholders and DMT.

6. Defendants' actions have caused millions of dollars of damage to DMT and have impaired Plaintiffs' interests in the corporation and will continue, unless halted and remedied.

THE PARTIES

The Plaintiffs

7. Plaintiff FLI Deep Marine LLC and Bressner Partners Ltd. are minority shareholders in Deep Marine Holdings. Together they own more than 5% of Deep Marine Holdings and have owned those shares at all relevant times hereto. Deep Marine Holdings owns all of the stock of Deep Marine Technology. Plaintiffs bring this action derivatively on behalf of DMT and to recoup the losses they have suffered as a result of the wrongdoing pleaded herein.

The Officer and Director Defendants

8. According to DMT, Defendant Paul McKim is a member of the Board of Directors of DMT and was until recently, the Chief Executive Officer of DMT.

9. According to DMT, Defendant Daniel Erickson was until mid-October 2008 a member of the Board of Directors of DMT.

10. According to DMT, Defendant Francis Wade Abadie was until mid-October 2008 a member of the Board of Directors of DMT and is also an officer of DMT.

11. According to DMT, Defendant Otto Candies, III was until mid-October 2008 a member of the Board of Directors of DMT.

12. According to DMT, Defendant Eugene DePalma was until mid-October 2008 a member of the Board of Directors of DMT.

13. According to DMT, Defendant Larry Lenig is a member of the Board of Directors of DMT.

14. According to DMT, Defendant Bruce Gilman is a member of the Board of Directors of DMT and an officer of DMT. On certain DMT documents, Defendant Gilman is listed as the Chairman of the Board.

15. According to DMT, Defendant John Hudgens is the Chief Financial Officer of DMT.

16. Together, Defendants McKim, Erickson, Abadie, Otto Candies, III, DePalma, Lenig, Gilman and Hudgens are referred to herein as the “Officer and Director Defendants.”

The Controlling Shareholder Defendants

17. Defendant Nasser Kazeminy, and entities he owns or controls are major shareholders of DMT. Mr. Kazeminy refers to himself as the “Controlling Shareholder” in DMT.

18. Defendant Otto Candies, LLC (“Otto Candies”) and entities it controls are major shareholders of DMT. On information and belief, Otto Candies, a Louisiana corporation, is a marine transportation company with its principal offices located at 17271 Hwy. 90, Des Allemandes, Louisiana, 70030-0025.

19. On information and belief, Defendant Otto Candies, Jr. and Otto Candies, III own or control Otto Candies, LLC.

20. On information and belief, Defendant NJK Holdings Corporation (“NJK Holdings”) is a Minnesota corporation, owned and/or controlled by Defendant Nasser Kazeminy, with its principal offices located at 8500 Normandale Lake Boulevard, Minneapolis, Minnesota, 55437.

21. On information and belief, Defendant DCC Ventures, LLC (“DCC Ventures”) is a private investment company owned or controlled by Defendant Kazeminy with offices in Minneapolis, Minnesota. On information and belief, DCC Ventures is a shareholder of DMT.

22. On information and belief, at all times relevant hereto, Defendants Kazeminy, Otto Candies, Jr., NJK Holdings, DCC Ventures and Otto Candies, LLC dominated and controlled the company and used it for their own personal financial gain. Further, on information and belief, Defendants Kazeminy, Otto Candies, Jr., NJK Holdings, DCC Ventures and Otto Candies, LLC directed and caused the Officer and Director Defendants to ignore corporate formalities and reasonable business practices. On information and belief, the wrongdoing complained of herein was undertaken purely for the economic benefit of the Defendants Kazeminy, Otto Candies, Jr., NJK Holdings, DCC Ventures and Otto Candies, LLC, the Officer and Director Defendants, and that of their various friends and allies.

23. Defendants Kazeminy, NJK Holdings, DCC Ventures, Otto Candies, Jr. and Otto Candies are referred to herein as the “Controlling Shareholder Defendants.”

The Nominal Defendant Corporations

24. On information and belief, Deep Marine Holdings is a Delaware corporation, with its principal offices located at 20411 Imperial Valley Drive, Houston, Texas, 77073.

25. On information and belief, Deep Marine Technology, a Texas corporation, also has its principal offices located at 20411 Imperial Valley Drive, Houston, Texas, 77073.

26. DMT is a company established in 2002 that provides comprehensive subsea services to the offshore oil and gas industries, with a significant presence in the Gulf of Mexico.

27. DMT is dominated and controlled by DMT shareholders Nasser Kazeminy and Otto Candies, LLC (which, in turn is controlled by Defendants Otto Candies, Jr. and Otto Candies, III).

DUTIES OF THE OFFICERS AND DIRECTORS OF DMT

28. By reason of their positions as officers and directors, and their ability to control the business and corporate affairs of DMT, the Officer and Director Defendants owed DMT and its stockholders the fiduciary obligations of good faith, loyalty and due care. The Officer and Director Defendants were required to use their utmost ability to control and manage DMT in a fair, just, honest and equitable manner.

29. To discharge those duties, the Officer and Director Defendants were required to exercise reasonable and prudent supervision over the management, policies, practices, controls and financial affairs of DMT. The Officer and Director Defendants were required to protect the interests of the shareholders and not act to the detriment of the company and its shareholders.

**GROSS MISUSE OF CORPORATE FUNDS AT
DEFENDANT KAZEMINY'S DIRECTION FOR IMPROPER
PAYMENTS TO SENATOR NORMAN COLEMAN'S WIFE**

30. Plaintiffs have been informed by a Confidential Source that in the spring of 2007, Defendant Kazeminy instructed DMT's then Chief Financial Officer, B.J. Thomas, and Chief Executive Officer, Defendant McKim, to have DMT send quarterly payments of \$25,000 to Senator Norman Coleman of Minnesota. Mr. Kazeminy stated to the Confidential Source: "We have to get some money to Senator Coleman" because the Senator "needs the money."

31. News articles have reported that Defendant Kazeminy is a large donor to Senator Coleman's campaign and that the two men have vacationed together at Kazeminy's expense using Kazeminy's private plane in 2004 and 2005.

32. News articles have reported that Kazeminy may have paid large bills for clothing purchases at Neiman Marcus in Minneapolis by Senator Coleman and his wife.

33. According to the Confidential Source, both Thomas and McKim advised Defendant Kazeminy that such payments by DMT to Senator Coleman would be improper. On information and belief, at that time both Mr. Thomas and Defendant McKim refused to make such payments for DMT.

34. According to the Confidential Source, Defendant Kazeminy then directed that DMT make payments of \$25,000 to an insurance agency in Minneapolis, Minnesota, Hays Companies ("Hays"). Hays employs Laurie Coleman, the wife of Senator Coleman. According to the Confidential Source, the company conducts no business in Minnesota. According to the Confidential Source, the company's insurance needs had been placed through Aon, a leading global insurance brokerage. According to the Confidential Source, no person in management ever suggested that any problem existed with the services provided by Aon. According to the Confidential Source, no person in management ever identified a problem or shortcoming with the company's insurance coverage or programs.

35. On information and belief, in May 2007, pursuant to Mr. Kazeminy's instructions, DMT paid \$25,000 to Hays purportedly for payment of "service fees".

36. On information and belief, at Defendant Kazeminy's request, DMT made two subsequent payments of \$25,000 each to Hays in September 2007.

37. Invoices dated September 4, 2007 and December 3, 2007 from Hays addressed to Deep Marine Technology, Inc. each show a charge of \$25,000 for "quarterly installment of service fee." (Those invoices are attached hereto as Exhibit A.)

38. The record for "Hays" from DMT's Vendor Trial Balance database indicates that DMT received four invoices from Hays, each for \$25,000, dated May 16, 2007, June 1, 2007, September 4, 2007 and December 3, 2007. That record also reflects four DMT

checks, each for \$25,000, made payable to Hays, dated May 16, 2007, September 10, 2007, September 14, 2007 and November 26, 2007. The fourth check may not have been cashed. (That record is attached hereto as Exhibit B.)

39. According to the Confidential Source, the purported insurance policy placed by Hays does not exist and there was no valid business reason for a payment to Hays of any amount; Hays provided no services of any type to DMT. According to the Confidential Source, all of the company's insurance needs were in place, proper and appropriate, both prior to and during the time the payments to Hays were made.

40. On information and belief, DMT, through its officers, falsified documents in order to make these payments appear to be legitimate corporate expenses.

41. According to the Confidential Source, in 2008, DMT's new Chief Financial Officer, Defendant John Hudgens, instructed his controller to delete references to the Hays invoices from DMT's records in an apparent effort to cover up evidence of DMT's payments to Hays. DMT's record for Aged AP-Past Due-Summary reflects a past due balance of \$25,000 owed to Hays. The Hays line is circled and underneath it a handwritten note provides: "Please pull this detail and delete per John Hudgens. AMC 8/19/08." Another handwritten note states: "Debit Adj. per John." (That record is attached hereto as Exhibit C.) Upon information and belief, this was done to hide the wrongdoing that Defendant Kazeminy had directed and that had been effected by certain of the Officer and Director Defendants.

42. These fraudulent and grossly improper payments cost DMT at least \$75,000 and brought absolutely no value to the company. Further, based on the facts disclosed by the Confidential Source, these payments expose the Company to serious potential criminal and civil liability. As such, they constitute at the very least corporate waste. Certain of the

Officer and Director Defendants should have prevented this wrongdoing or should not have participated in it or should have reported it to appropriate authorities promptly upon learning of it.

43. On information and belief, at Defendant Kazeminy's instruction, DMT forced then Chief Financial Officer Thomas to resign. This act, according to the Confidential Source, was based in part on Thomas' refusal to use DMT funds to pay Senator Coleman.

44. On information and belief, also at Defendant Kazeminy's instruction, DMT terminated the employment of Defendant McKim as Chief Executive Officer of DMT.

IMPROPER DMT PAYMENT TO MR. KAZEMINY'S FAMILY MEMBER

45. On or about August 12, 2008, DMT issued a check to Behnaz Ghaufouri, a relative of Defendant Kazeminy for \$6,000, purportedly for services rendered to DMT. The check was signed by DMT's Chief Financial Officer John Hudgens. (A copy of the cancelled check is attached hereto as Exhibit D.)

46. According to the Confidential Source, Ms. Ghaufouri never worked for the company in any capacity. According to the Confidential Source, Ms. Ghaufouri never provided services of any type to DMT. The payment made by the company to Ms. Ghaufouri, through the actions of certain of the Officer and Director Defendants, served no legitimate business purpose. In reality, this transaction was a gift of DMT's cash to a relative of Defendant Kazeminy and was wrong.

CORPORATE LOOTING BY DEFENDANT OTTO CANDIES FOR ITS VESSELS

47. DMT regularly does business with Otto Candies, which supplies vessels for DMT's subsea projects. Due to Otto Candies' control over the Officer and Directors

Defendants, DMT has not conducted arms-length transactions with Otto Candies. As a result, DMT has overpaid consistently for using and buying Otto Candies' vessels.

48. According to the Confidential Source, in or about May 2007, Otto Candies' undue influence on the Officer and Director Defendants caused DMT to pay (and waste) \$6 million above the agreed price to purchase the vessel Emerald, simply because Otto Candies demanded that amount at the closing of the sale transaction. This arbitrary hold-up was entirely one sided in Otto Candies' favor. DMT did not receive consideration for its payment to Otto Candies of the additional \$6 million.

49. According to the Confidential Source, during 2006, 2007 and 2008, Otto Candies repeatedly misrepresented the state of its vessels and then charged DMT hundreds of thousands of dollars to lease and charter vessels which were broken, poorly built or not able to meet US Coast Guard regulations, and for crews which were not provided at the last minute. The Otto Candies vessels at issue were not delivered to DMT as agreed, and needed hundreds of thousands of dollars worth of work and many months to be ready for operation for DMT's needs. This forced DMT to pay to repair the defective vessels that Otto Candies had off-loaded onto it. In addition, DMT lost valuable contracts with its customers and millions of dollars in revenue as a result of the substantial deficiencies in the Otto Candies vessels and the time delays involved in fixing those vessels. Otto Candies unreasonably left vessels promised to DMT in dry dock for months while DMT waited. Yet, DMT continued to pay above-market rates for substandard and broken vessels simply because Otto Candies was on both sides of the deals.

50. DMT contracted with Otto Candies for and paid for a new crane. Otto Candies actually delivered a used crane that was not operable. On information and belief, Otto Candies delivered the new crane, promised to DMT, to a DMT competitor.

51. These transactions all involved self-dealing by Otto Candies which the Officer and Director Defendants countenanced and aided. Otto Candies, Otto Candies, Jr. and Otto Candies, III acted to enrich itself and themselves at the expense of the corporation.

52. The Officer and Director Defendants failed to exercise ordinary diligence in evaluating DMT's transactions with Otto Candies and failed to use outside experts or consultants to assist them in valuing such transactions.

53. These improper transactions cost DMT millions of dollars in wasted corporate assets.

DMT'S UTTER FAILURE TO FOLLOW REQUIRED CORPORATE FORMALITIES

54. DMT, acting through the Officer and Director Defendants, consistently has failed to follow Delaware or Texas corporate law requirements as to board meetings, appointment or election of directors, record-keeping and notices of actions taken by written consent.

55. DMT's corporate filings both in the State of Texas and in the State of Delaware are inconsistent with each other as to the names and titles of the members of the beneficial owners of DMT, the members of the Board of Directors and the officers of the company. These filings are also inconsistent with DMT memoranda from Defendant Kazeminy and material on the DMT website as to the officers and directors of DMT.

56. For example, a September 8, 2008 press release on the DMT website states that Defendant Bruce Gilman has served as Chairman of the Board of DMT for several years; however, a DMT memorandum from Defendant Kazeminy to all DMT employees stated in July 2008 that Defendant Paul McKim had been promoted to the position of Chairman of the Board. (Compare Exhibit E attached hereto with Exhibit F attached hereto.)

57. Certain DMT filings as well as internal DMT documents reflect that Defendant McKim is the current Chief Executive Officer of DMT while other DMT documents state that he no longer has that title but remains as a Director of the company.

58. Prior to October 2008, Defendants Gilman, McKim, Lenig and Erickson and Mr. John Ellingboe held themselves out as the directors of DMT (the "Pre-October Board").

59. On information and belief, in early to mid-October 2008, Defendant John Hudgens alone, acting for Deep Marine Holdings, purportedly appointed Defendants Erickson, DePalma, Abadie and Otto Candies, III to the Deep Marine Technology Board of Directors, joining Defendants Gilman, Lenig and McKim, purportedly already on the Board of Directors. (These seven individuals are referred to herein as the "Mid-October Board.")

60. Plaintiffs do not believe that the Mid-October Board members were put on the Board properly.

61. Plaintiffs learned on or about October 18, 2008, and after the time they delivered a Demand to the Company that Defendants Erickson, Abadie, Otto Candies, III and DePalma of the October Board had suddenly resigned from the DMT Board of Directors. Thus, according to DMT, the DMT Board now consists of only Defendants McKim, Gilman and Lenig (the "Late October Board.")

62. Plaintiffs have never received notices pertaining to any of the elections, appointments or resignations of the various members of the Pre-October Board, the Mid-October Board or the Late October Board of Directors of DMT.

63. It is unclear who the legal members of the Board of Directors and the officers of DMT actually are.

64. In addition, minority shareholders were not made aware of the real facts concerning the Otto Candies transactions described above.

65. By consistently operating outside the rules of corporate law as to corporate governance, record-keeping and notices, the Officer and Director Defendants have breached their duties to the company.

GROSS MISMANAGEMENT OF DMT

66. The lack of legitimate corporate governance at DMT has furthered the interests of the Controlling Shareholder Defendants in running DMT according to their own agenda to the detriment of the company.

67. At all relevant times, the Officer and Director Defendants did not act in good faith in the interests of DMT and acted in reckless disregard of their duties as officers and directors of DMT.

DEMAND ON THE DMT BOARD OF DIRECTORS

68. On October 10, 2008, Plaintiffs sent a shareholder demand letter (the "Demand Letter") to the five individuals purportedly on the Pre-October Board of DMT: Defendants Gilman, McKim, Lenig and Erickson and Mr. John Ellingboe. (A copy of the Demand Letter is attached hereto as Exhibit G.) In that letter, plaintiffs demanded that the Board: A) investigate the wrongdoing alleged herein; B) take action to end all fraudulent activities; C) bring actions to recover funds wrongfully diverted from DMT and for compensatory damages; and D) establish procedures to ensure that similar wrongdoing would not occur in the future. Plaintiffs also asked for an assurance that DMT would take steps to preserve documents and guard against destruction or spoliation of evidence.

69. On October 13, 2008, in response to Plaintiffs' Demand Letter, DMT stated that it had established a Special Litigation Committee to investigate the allegations raised in the Demand Letter.

70. At that time, DMT represented to Plaintiffs that the members of the DMT Board were: Defendants McKim, Erickson, Abadie, Candies, DePalma, Lenig and Gilman, the Mid-October Board.

71. On information and belief, all of the purported members of the DMT Mid-October Board received and reviewed the Demand Letter.

72. Plaintiffs learned on or about October 13, 2008 that the members of the DMT Special Litigation Committee were Defendants Gilman and Lenig.

73. Plaintiffs learned on or about October 18, 2008 that after reviewing the Demand Letter, four members of the DMT Mid-October Board of Directors resigned, leaving the three members of the Late October Board.

74. Neither the DMT Board nor the Special Litigation Committee has taken the steps Plaintiffs demanded in the Demand Letter.

75. The Special Litigation Committee has not provided a written refutation of the claims made in the Demand Letter.

76. To date, the Special Litigation Committee has refused to assure Plaintiffs in writing that it has taken steps to preserve documents and records and caution all of the DMT employees and Board members against spoliation of evidence. This is particularly troubling because of the evidence of deletion of DMT records concerning the payments to Hays, which Plaintiffs raised in the Demand Letter.

77. Although Plaintiffs made a demand on the DMT Board as described above and then communicated with counsel for the DMT Special Committee to achieve the goals of this action, such demand and any expectation of reasonable action from the DMT Special Litigation Committee is futile because the Board members (on any of the Pre-October Board, the Mid-October Board or the Late October Board), and both of the members of the Special Litigation Committee, are not disinterested in the issues alleged here. These individuals are beholden to the Controlling Shareholders and as such, they are not capable of conducting an independent and disinterested investigation; nor are they capable of making an independent and disinterested decision to initiate and vigorously prosecute this action on behalf of DMT.

78. All of the members and recent former members of the DMT Board are either beholden to or controlled by the Controlling Shareholder Defendants.

79. Defendant Paul McKim, as former Chief Executive Officer and current member of the Board of Directors, is beholden to the Controlling Shareholder Defendants, and to other Officer and Director Defendants, for a severance package in connection with the termination of his employment. On information and belief, Defendant McKim has made demands upon the company, the Controlling Shareholders and certain Officer and Director Defendants that he be granted such a severance package. In addition, many of Defendant McKim's actions and omissions are factually at the heart of the improper payments to Hays made at the behest of Defendant Kazeminy and at the self-dealing engaged in by Otto Candies. Therefore, Defendant McKim cannot be objective or disinterested in any investigation of the issues alleged herein.

80. On information and belief, Defendant Erickson is a long time business associate of Defendant Kazeminy and works or used to work at Kazeminy's company, NJK Holdings. Defendant Kazeminy hand-picked Mr. Erickson for the Board.

81. On information and belief, Defendant Abadie is a current officer of DMT and as such is beholden to the Controlling Shareholder Defendants for his livelihood.

82. On information and belief, Defendant Otto Candies, III owns or controls Otto Candies, LLC, an entity at the center of the allegations herein. Therefore, Defendant Otto Candies, III cannot be disinterested in an investigation of these allegations.

83. On information and belief, Defendant DePalma is a business associate of Defendant Kazeminy and works for or used to work at NJK Holdings, Mr. Kazeminy's company.

84. On information and belief, Defendant Gilman is an officer of DMT and as such, is beholden to the Controlling shareholders for his continued employment. In addition, Mr. Gilman is the recipient of certain DMT options which could be impacted by the outcome of this action.

85. On information and belief, Defendant Lenig works for a company that manages property for Defendant Kazeminy; he is therefore beholden to Mr. Kazeminy. Mr. Lenig is a long-term business associate of Mr. Kazeminy and was hand-picked by Mr. Kazeminy to sit on the DMT Board.

86. As is described above, the two members of the Special Litigation Committee, Defendants Gilman and Lenig, are closely aligned with and beholden to Defendant Kazeminy and are not disinterested or independent directors.

87. The now current Late October Board members, Defendants Gilman, Lenig and McKim, as a subset of the Mid-October Board, are not disinterested or independent directors.

88. Demand on the Board was futile, as evidenced by the individuals the Board placed on the Special Litigation Committee. Accordingly, demand should be excused in this instance as futile.

FIRST CAUSE OF ACTION
(Claim Against the Officer and Director
Defendants for Breaches of Their Fiduciary Duties)

89. Plaintiffs incorporate herein by reference paragraphs 1 through 88 of this Complaint as if set forth herein.

90. The foregoing actions by the Officer and Director Defendants in aiding and approving DMT actions for the private purposes of the Controlling Shareholder Defendants were without merit, served no legitimate business purpose and were not in the best interests of DMT and its shareholders. These actions were taken to enrich the Controlling Shareholder Defendants at great expense to DMT and its minority shareholders.

91. By these actions, the Officer and Director Defendants breached their fiduciary duties of care, loyalty and good faith to DMT and its shareholders.

92. As a result of the Officer and Director Defendants' breaches of their fiduciary duties, DMT has suffered injury and damages in an amount to be proved at trial.

SECOND CAUSE OF ACTION
(Claim Against the Officer and Director
Defendants for Waste of Corporate Assets)

93. Plaintiffs incorporate herein by reference paragraphs 1 through 92 of this Complaint as if set forth herein.

94. The Officer and Director Defendants allowed the Controlling Shareholder Defendants to divert millions of dollars in corporate assets for their own purposes and to their own entities.

95. By these actions the Officer and Director Defendants wasted millions of dollars of corporate assets, causing injury to DMT and its minority shareholders and making them liable for damages in an amount to be proved at trial.

THIRD CAUSE OF ACTION
**(Claim Against the Officer and Director Defendants
for Negligence and Gross Mismanagement of DMT)**

96. Plaintiffs incorporate herein by reference paragraphs 1 through 95 of this Complaint as if set forth herein.

97. The foregoing actions constitute negligence and/or gross mismanagement of DMT by the Officer and Director Defendants.

98. By this negligence and gross mismanagement, the Officer and Director Defendants have injured DMT and its minority shareholders and caused them to suffer injury and damages in an amount to be proved at trial.

FOURTH CAUSE OF ACTION
**(Claim Against the Controlling Shareholder
Defendants for Unjust Enrichment)**

99. Plaintiffs incorporate herein by reference paragraphs 1 through 98 of this Complaint as if set forth herein.

100. By reason of the actions described above, the Controlling Shareholder Defendants have been unjustly enriched with DMT's corporate assets.

FIFTH CAUSE OF ACTION
**(Claim Against the Officer and
Director Defendants for Fraud)**

101. Plaintiffs incorporate herein by reference paragraphs 1 through 100 of this Complaint as if set forth herein.

102. The foregoing actions constitute fraud by the Officer and Director Defendants.

103. By this, the Officer and Director Defendants have injured DMT and its minority shareholders and caused them to suffer injury and damages in an amount to be proved at trial.

SIXTH CAUSE OF ACTION
**(Claim Against the Controlling
Shareholder Kazeminy for Misappropriation)**

104. Plaintiffs incorporate herein by reference paragraphs 1 through 103 of this Complaint as if set forth herein.

105. The foregoing actions constitute misappropriation of the company's assets by Defendant Kazeminy.

106. By this, Defendant Kazeminy has injured DMT and its minority shareholders and caused them to suffer injury and damages in an amount to be proved at trial.

WHEREFORE, Plaintiffs respectfully request that the Court grant them the following relief:

- a) Declaring that the Officer and Director Defendants have breached their fiduciary duties to DMT and that the actions described herein constitute gross mismanagement and waste of corporate assets;
- b) Enjoining the Officer and Director Defendants from allowing any further self-dealing or unjust enrichment by the Controlling Shareholder Defendants;

- c) Awarding damages to compensate DMT for the losses it has suffered caused by the Officer and Director Defendants' negligence, fraud, breaches of their duties and wasting of corporate assets;
- d) Ordering that any unjust enrichment of or misappropriation by the Controlling Shareholders be paid back to DMT;
- e) Ordering that DMT conduct legal elections or appointments of its directors according to Delaware corporate law;
- f) Awarding to Plaintiffs their reasonable attorneys' fees, experts' fees, costs and disbursements; and
- g) Such other and further relief as the Court deems just and proper.

Dated: November 3, 2008

Respectfully submitted,

/s/ Laurie Schenker Polleck
Laurie Schenker Polleck (No. 4300)
Steven R. Schlesinger
913 North Market Street, 12th Floor
Wilmington, Delaware 19801
(302) 351-8000
(302) 351-8010

PADUANO & WEINTRAUB LLP
1251 Avenue of the Americas
Ninth Floor
New York, New York 10020
(212) 785-9100

Special Counsel for Plaintiffs



Transaction ID 22505800
Case No. 12735

ACCOUNTING CODE DEEPM-1	CLASSIFICATION HD	DATE 09/04/07
POLICY SERVICE FEE		
COMPANY The Hays Group, Inc.		
PRODUCER Mike Prins		
EFFECTIVE DATE 04/01/07	EXPIRATION DATE 04/01/08	BALANCE DUE ON 10/01/07

Deep Marine Technology, Inc.
B.J. Thomas
9000 Jameel Road Sui
Houston, TX 77040

*Paul
Needs
to approve*

Item # 639806 04/01
of Service F

ription Amount
terly instalment \$ 25,000.00

Invoice Balance: \$ 25,000.00

Vendor I.D. HAYS001		Invoice Amount 25,000
Cost Code 1225	NBR 007820	Job Number A & Min
Approved - PM	Appr'd - VP/Other	Not Approved

Paul *BSJ* *Paul Prins*

ENTERED SEP 25 2007

Please Remit Payment Promptly To Prevent Cancellation

Make Check Payable and Remit to:
Hays Companies
NCB-88
P.O. Box 1414
Minneapolis, MN 55480-1414

For Overnight Delivery:
Hays Companies
Suite 700
80 South 8th Street
Minneapolis, MN 55402
Attn: Accounts Receivable
Phone 612.333.3323

By Wire Transfer:
M&I Bank
Attn: Wire Department
770 North Water Street
Milwaukee, WI 53202
Route #075000051
Account #0026673407
For Credit to:
Hays Companies WT Account

**Locally Owned, Globally Connected • Serving the needs of our customers:
Risk Management, Insurance, Employee Benefits and Retirement Planning**

Consumer Disclosure: Hays Companies may receive compensation in the form of fees and/or commissions for the insurance brokerage services, risk management services, consulting, employee benefits and financial services planning provided to clients. Hays Companies may also receive additional compensation from certain insurers, wholesalers and insurance markets with whom it places business and to whom it provides services. This additional compensation may be based on or computed according to a variety of factors, including but not limited to, the overall volume of business placed, size of placements, growth, business retention and/or profitability. Please contact Hays Companies for additional compensation information.

016151

attached to 009416 & cleared by



PO-N/A

INVOICE# 133415-D		
DEPT-1	HD	12/03/07
SERVICE FEE		
The Hays Group, Inc.		
Mike Price		
04/01/07	04/01/08	01/01/08

Deep Marine Technology, Inc.
 B.J. Thomas
 9000 Jartical Road Suite 190
 Houston, TX 77048

Robert Adams

673137 04/01/07 Quarterly installment **\$ 25,000.00**
 of Service Fee

Invoice Balance: **\$ 25,000.00**

ENTERED DEC 11 2007

Vendor: D.		Invoice Amount
HAYS001		
Cost Code	NBR	Job Number
182500	009416	ADM
Approved - PM	Approved - Vendor	Not Approved

Please Repay Promptly To Prevent Cancellation

Make Check Payable
 and Remit to:
 Hays Companies
 NCS-08
 P.O. Box 1414
 Minneapolis, MN 55480-1414

For Payment Contact:
 Hays Companies
 Dept. 100
 9000 Jartical Road
 Houston, TX 77048
 Phone 281-283-2200

For ITB Contact:
 Hays Companies
 Dept. 100
 9000 Jartical Road
 Houston, TX 77048
 Phone 281-283-2200
 Fax 281-283-2207
 For Claims
 Hays Companies ITB Appeals

Locally Owned, Globally Experienced - Serving the needs of our customers
 Risk Management, Insurance, Employee Benefits and Retirement Planning

Supplier Disclosure: Hays Companies may receive compensation in the form of fees, broker commissions for the insurance brokerage services, risk management services, consulting, and other services and financial products provided to clients. Hays Companies may also receive additional compensation from certain business relationships and insurance companies with whom it places business and to whom it provides services. This additional compensation may be based on a variety of factors, including but not limited to, the overall volume of business placed, size of placements, growth, business concentration, and other factors. Please contact Hays Companies for additional compensation information.

Date: Wednesday, August 06, 2008
 Time: 10:12:16 AM
 User: [REDACTED]

Deep Marine Technology, Inc.
Vendor Trial Balance - All Documents
 Period: 04-09 As of: 8/6/2008

Page: 1 of 1
 Report: 08860.rpt
 Company: DMT

Account	Sub-Account	Vendor	Name	Periods	Entered	Posted	Closed	Doc Amount	Doc Balance
Company: DMT									
200000	01-00-000-000	HAYS001	Hays Companies						
	DMT	Doc Date	Invoice Date	DocType	Master DocType/Refactor	Entered	Posted	Closed	Doc Amount
00-6968	DMT	118056	4/24/2007	VO	5/16/2007	02-08	02-08	02-08	25,000.00
002824	DMT		5/16/2007	CK		02-08	02-08	02-08	-25,000.00
005044	DMT	121424	8/14/2007	VO	8/1/2007	03-08	03-08	08-08	25,000.00
006977	DMT		8/10/2007	CK		06-08	06-08	06-08	-25,000.00
005977	DMT		9/12/2007	VC		06-08	06-08	08-08	25,000.00
006083	DMT		9/14/2007	CK		06-08	06-08	06-08	-25,000.00
007820	DMT	127735	9/25/2007	VO	9/4/2007	06-08	06-08	08-08	25,000.00
004085	DMT		11/28/2007	CK		08-08	08-08	08-08	-25,000.00
006816	DMT	133415	12/11/2007	VO	12/3/2007	09-08	09-08	09-08	25,000.00
Vendor Total									25,000.00
Company Total									25,000.00
Accs Payable Total									25,000.00

EFiled: Nov 3 2008 6:33 PM
 Transaction ID 22305886
 Case No. 4138-



** This Document has a different AP Account/Sub-Account from default Vendor Account/Sub-Account.

Date: Tuesday, August 18, 2009
 Time: 01:01PM
 User: ALCUTTING

Deep Marine Technology, Inc.
Acc'd AP - Past Due - Summary
 Period: 06/01/08 to 08/31/08

Page: 8 of 12
 Report: 038603.rpt
 Company: DMT

Vendor	Name	Vendor Stat	Current	1 To 30	31 To 60	61 To 90	Over 90	Subtotal
HART001	Hart Energy Publishing, LP	A	0.00	0.00	0.00	2,125.00	0.00	2,125.00
HATF001	Hartford & Company, Inc.	A	0.00	0.00	0.00	0.00	0.00	0.00
HAYS001	Hays Companies	H	0.00	0.00	0.00	0.00	0.00	0.00
HERT001	Hertz Equipment Rental Corp	A	0.00	0.00	5,081.21	4,670.54	50.25	9,802.00
HEWA001	Hewitt Associates	A	0.00	0.00	0.00	0.00	2,210.00	2,210.00
HILL002	HR Schwartz Splicer Koller	H	0.00	0.00	0.00	0.00	0.00	0.00
HOLL001	Holloway Houston, Inc.	A	0.00	7,952.95	0.00	0.00	0.00	7,952.95
HOMER01	Home Depot	A	0.00	454.83	0.00	-59.84	0.00	-16.01
HOPR001	Hooper Communications	H	0.00	0.00	0.00	0.00	1,186.17	1,186.17
HOSER02	Hose & Fittings	A	0.00	75.70	0.00	0.00	0.00	75.70
HOSP001	Hornbeck Offshore Services LLC	A	125,271.00	11,545.00	31,706.00	0.00	0.00	178,522.00
HUS001	Hulsman-Isac Special Lifting	A	0.00	382,290.00	0.00	0.00	0.00	382,290.00
HUMB001	Humble Scale INC	A	0.00	0.00	0.00	0.00	-60.23	-60.23
HUTC001	Hutchison Hayes	A	0.00	0.00	0.00	0.00	320.15	320.15
HYDR001	Hydraulic Hydraulics LLC	A	0.00	0.00	0.00	0.00	24.41	24.41
HYDR003	Hydraquip Corporation	O	0.00	0.00	0.00	0.00	1,064.24	1,064.24
INDU002	Industrial Air Tool	A	0.00	0.00	0.00	0.00	2,359.50	2,359.50
INDU005	Industrial Sewing & Services	A	0.00	5,395.53	0.00	0.00	0.00	5,395.53
INNO002	Innovative Automation	A	0.00	0.00	0.00	0.00	10,453.79	10,453.79
INSL001	Insula Pacific Inc	H	0.00	0.00	0.00	0.00	0.00	0.00
INSP001	Inspectric Corporation	A	0.00	241,508.50	157,701.70	0.00	0.00	399,210.20
INSP002	Inspection Construction	A	0.00	0.00	0.00	0.00	0.00	0.00
INTE001	INTEGRA Technologies	A	0.00	0.00	0.00	0.00	0.00	0.00
INTE004	Intermoor, Inc.	A	0.00	32,421.30	13,245.55	0.00	0.00	45,666.85
INTE005	Interreal Revenue Service	A	0.00	0.00	0.00	0.00	0.00	0.00
INTE008	International Paint Inc.	A	0.00	0.00	0.00	0.00	0.00	0.00
INTR001	Interjet Global Intl.	A	0.00	48,707.27	-3,160.00	0.00	0.00	45,547.27
INTS002	Interjet Steel Distributors, LP	A	0.00	45,563.52	0.00	0.00	0.00	45,563.52
JAMB002	Jambon Boat Rentals	A	0.00	965.00	24,750.00	0.00	0.00	25,715.00
JAMB001	J.A.M. Marine Services, L.L.C.	A	0.00	0.00	0.00	0.00	0.00	0.00

08/18/08
Please pull this detail and delete per John Hudgens. JMC
8/19/08

Robert Ody
Per John

Filed: Nov 3 2008 6:33PM EST
 Transaction ID 22305886
 Case No. 4138-





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Directly Operated Vehicle (DOV)
Deepworker 2000

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Bruce C. Gilman Named Interim CEO of DMT Added On : 09-08-2008

Deep Marine Technology, Inc. announces that Bruce C. Gilman will begin his tenure as Interim Chief Executive Officer beginning September 8, 2008.

A successful businessman with CEO level management expertise. Gilman's four decade subsea career is highlighted with professional accomplishments such as President of both Perry Offshore & Oceanengineering International, Inc; President & Founder of Sonat Subsea Services; President, CEO, & Director of Sonsub Inc.; and Chairman & President of Saipem, Inc., the US Subsidiary of Saipem SpA.

On Gilman's selection, Chief Operating Officer Wade Abadie stated, "We are pleased and fortunate that Bruce has agreed to act as Interim CEO of DMT at this critical juncture in the company's history. As Chairman of our Board for the last several years, his leadership and significant knowledge and understanding of the industry are a welcome benefit to us as we continue to re-structure the company to position ourselves as a leading services provider in the subsea construction market."

Gilman is a graduate of the Polytechnic University of Brooklyn in Aeronautical Engineering; a registered Professional Engineer (PE); and Marine Technology Society President and Fellow.

Contact Us
713-896-8555
Info@deepmarinetech.com

It's all in the Name

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DEEP MARINE TECHNOLOGY, INC

5825 N. Sam Houston Pkwy. West Suite 150 · Houston, TX 77086 · Phone 713.896.8555
www.deepmarinetech.com

To: Employees of DMT
From: Nasser Kazeminy – Controlling Shareholder
Date: 7/30/08

It has come to my attention that there are a series of rumors circulating throughout the firm concerning several pending managerial changes. As much as I dislike reacting to rumors and since I had already planned to meet with you personally in the next few days, I am compelled to address these rumors today so that the pending changes are understood for what they represent – opportunity.

DMT has experienced unprecedented growth! This growth is attributable to a favorable environment for our product and services; a great management team; fabulous, dedicated employees; and great founding partners such as Otto Candies. We are a firm that started three years ago with \$5MM in revenues and today we enjoy \$100MM in revenues. You should be very proud of that accomplishment. As you can imagine, such growth requires committed capital. Otto Candies and I have provided needed capital in the past and we are committed to do so in the future.

One of the most important obligations of management is to ensure that we are appropriately positioned to bring our firm to the next level. That means that we should be prepared to shift our internal talent in a way that they are positioned to meet the challenges in front of us, not the challenges we have already met. It also means that we should seek, externally, talented people if they can help make us a better company. The Board, I, Otto Candies, Jr., and Paul McKim have had many discussions on how best to achieve that end. What resources and what changes do we need to achieve the next level of success?

We have collectively decided to promote Paul to become Chairman of the Board. We have also decided to promote Wade Abadie to be Executive Vice President of our sales organization. In addition, we have asked Otto Candies III to assist to review our current cost structure, financial organization, and the company's financial processes. We are anxious to receive their review and will share it with management upon its completion.

Paul McKim will have as an important priority, as our new Chairman and Board Member, to search for a new President and CEO. Paul will seek an individual who can help all of us to deal with the challenges of operating a firm of our size and who can help us to grow even larger. We all believe that DMT's future could not be brighter and working together we can take today's challenges and make them tomorrow's opportunities.

On behalf of the Board of Directors, Otto Candies, Jr., Paul McKim, and our management team, I want to thank you for your support and wonderful performance.

PADUANO & WEINTRAUB LLP
1251 AVENUE OF THE AMERICAS
NINTH FLOOR
NEW YORK, NEW YORK 10020

EFiled: Nov 3 2008 6:33PM
Transaction ID 22305886
Case No. 4138-



TELEPHONE: 212-785-9100
TELECOPIER: 212-785-9099

October 10, 2008

VIA FAX & FEDERAL EXPRESS

Mr. Bruce C. Gilman
514 Rancho Bauer Drive
Houston, Texas 77079

Mr. Paul McKim
13502 Crosslyn Lane
Cypress, Texas 77429

Mr. John Ellingboe
NJK Holdings Corporation
7803 Glenroy Road, Suite 300
Bloomington, Minnesota 55439

Mr. Larry E. Lenig Jr.
ComVest
One Clematis Street, Suite 300
West Palm Beach, Florida 33401

Mr. Daniel Ericksen
Deep Marine Technology, Inc.
20411 Imperial Valley Drive
Houston, Texas 77073

Re: Shareholder Demand Letter to the Board of Directors

Gentlemen:

We represent FLI Deep Marine, LLC, Bressner Trust and Harley Langberg (collectively "the Investors"), holders of shares of common stock of Deep Marine Holdings, Inc. ("DMHI"). We understand DMHI owns all of or controls the stock of Deep Marine Technology, Inc. (We refer to them collectively herein as "DMT")¹. We write on behalf of the Investors to demand that the Board of Directors of DMT take immediate action to remedy serious breaches of fiduciary duty by certain employees, officers and

¹ For purposes of this letter, we treat Deep Marine Holdings, Inc. and Deep Marine Technology, Inc. as one entity and refer to it as DMT. One symptom of the mismanagement which is the subject of this letter is the fact that neither DMT nor DMH has observed the corporate formalities required under Delaware (or Texas) law with respect to corporate governance, record keeping or state filings. Thus, DMT may have taken actions properly taken by DMH and vice versa. In addition, neither DMT nor DMH has properly appointed directors pursuant to state corporate law. For that reason, we direct this demand letter to Messrs. Gilman, McKim, Ellingboe, Lenig and Ericksen, who hold themselves out as the members of the Board of DMT, though it is not clear that those individuals are in fact the legal Board members of DMT.

Members of the Board of Directors
October 10, 2008
Page 2

directors of DMT and others who have diverted and/or misappropriated corporate assets (the "Individuals") causing substantial injury to the corporation. We demand that the Board establish a Special Litigation Committee to: (A) investigate these breaches, (B) take action to end any fraudulent activities, (C) bring actions to recover funds wrongfully diverted from DMT and for compensatory damages, and (D) establish procedures and processes to ensure that the wrongdoing and abuses identified herein do not reoccur.

Directors' and Officers' Fiduciary Duties

As you are aware, by reason of their positions as officers and directors, and their ability to control the business and corporate affairs of DMT, the Individuals owe DMT and its stockholders the fiduciary obligations of good faith, loyalty and due care. The DMT officers and directors are required to use their utmost ability to control and manage DMT in a fair, just, honest and equitable manner. To their great disappointment, our clients recently have learned that has not happened.

The DMT Directors and Officers Have Breached Those Duties

Either intentionally, or through gross negligence, these officers and directors have aided and/or allowed Nasser Kazeminy and Otto Candies, LLC ("Otto Candies"), and entities or persons within their control or acting at their direction, to exploit the corporation for their own economic benefit. DMT has been improperly used to disguise improper payments to a family member of an elected official for no legitimate business purpose. Further, outright gifts of corporate cash have been made to Mr. Kazeminy's relatives. DMT has been looted for the personal gain of the largest stockholders to the detriment of the minority stockholders and the company. These actions amount to actionable breaches of fiduciary duty, corporate waste and fraud. The entities and individuals who have wrongfully come into possession of the company's property and cash must return it.

Corporate Looting by Major Shareholder Otto Candies for its Vessels

During the period August 2004 to present, DMT has been victimized by egregious self-dealing and corporate waste in its transactions with Otto Candies, a significant stockholder in DMT. DMT has paid needless millions of dollars to Otto Candies in connection with vessels DMT has leased, chartered and purchased from that entity. Otto Candies' undue influence on the directors and officers caused DMT to pay (and waste) an additional \$8 million above the agreed price to purchase the vessel Emerald, simply because Otto Candies demanded that amount at the closing of the sale transaction. This arbitrary hold-up was "so one sided that no business person of ordinary, sound judgment could conclude that the corporation received adequate

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consideration" or indeed any consideration for the additional \$8 million. See Sample v. Morgan, 914 A.2d 647, 669-70 (Del. Ch. 2007).

Otto Candies has repeatedly misrepresented the state of its vessels and then proceeded to charge DMT hundreds of thousands of dollars to lease and charter vessels which were broken, poorly built or not able to meet US Coast Guard regulations, and for crews which were not provided at the last minute. Review by neutral third party consultants Nautronix Inc. and Poseidon Maritime (UK) Limited confirms that the Otto Candies vessels at issue were not delivered as agreed, and needed hundreds of thousands of dollars worth of work and many months to be ready for operation for DMT's needs. These transactions all involved self-dealing by Otto Candies which the Board countenanced and aided. These improper transactions cost DMT millions of dollars in actionable corporate waste.

**Gross Misuse of Corporate Funds and Misrepresentation
Pursuant to the Commands of Major Shareholder Nasser Kazeminy**

In the spring of 2007, pursuant to Mr. Kazeminy's instructions, DMT paid \$75,000 to Hays Companies in Minneapolis, Minnesota ("Hays") purportedly for payment of "service fees" to an insurance broker. In fact, the purported insurance policy placed by Hays does not exist and there was no valid business reason for a payment to Hays of any amount. Our clients were advised that Mr. Kazeminy first sought to have DMT make quarterly cash payments of \$25,000 to Senator Norman Coleman of Minnesota. When certain officers of the corporation refused to facilitate those illicit payments, Mr. Kazeminy directed that payments of \$25,000 be paid to Hays, which employs the Senator's wife. These transactions were completely improper and Hays, in fact, provided no services of any type to the corporation. In furtherance of this scheme, officers and directors of DMT falsified documents in order to make these payments appear to be legitimate corporate expenses. Most recent, DMT's new Chief Financial Officer instructed his controller to delete references to the Hays invoices from DMT's computer database, presumably to cover up evidence of DMT's payments. These fraudulent and grossly improper payments, which exposed DMT to potential liability and brought no value to the company, evidence a clear breach of the Board members' fiduciary duties, as well as corporate waste.

Similarly, in June 2008, at Mr. Kazeminy's behest, DMT paid \$6,000 to a relative of Mr. Kazeminy, Behnaz Ghaufouri, purportedly for services to DMT. In fact, Ms. Ghaufouri provided no services to DMT. This fraudulent transaction was made simply to pay money to a member of Mr. Kazeminy's family at the expense of the corporation. Clearly, nothing about this transaction was of value to DMT.

Members of the Board of Directors

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Potentially False and Inaccurate Tax Filings

These fraudulent transactions also raise the specter that DMT's directors and officers have presented false and inaccurate information in DMT's tax filings with state and federal authorities.

The Board Fired the Whistleblowers

Not only has the Board not put an end to these fraudulent transactions, it has systematically terminated senior managers who sought to bring these things to light. We are told that both Chief Executive Officer Paul McKim and former Chief Financial Officer B.J. Thomas refused to pay Senator Coleman outright with DMT funds. When Mr. Kazeminy instructed them to route payments to Senator Coleman by paying the Senator's wife's company, Hays, for insurance that did not exist, both men refused to participate in such a misrepresentation. Mr. Kazeminy threatened to fire McKim and Thomas for refusing to cooperate in his scheme. Mr. Thomas was forced to resign from the company. Mr. McKim sounded the alarm on this improper venture. As a result, we understand that without consideration of Mr. McKim's role as founder of DMT or his many contributions to the company, Mr. Kazeminy is trying to force Mr. McKim out of the company and silence him. Firing the whistleblowers confirms Mr. Kazeminy's control over the Board and the Board's assistance in his abuses of DMT.

The DMT Board Has Breached its Fiduciary Duties By Aiding in Corporate Waste and Misrepresentations by DMT

Under The Board's stewardship, DMT has engaged in fraudulent transactions which have siphoned off the company's assets to enrich Otto Candies and to further the improper payment schemes of Mr. Kazeminy. At best, the Board's judgment has been severely impaired in each instance by the control and influence of the major stockholders. We understand that the Board did not employ any special committee of independent directors or any outside neutral expert or consultant to evaluate the price and fairness to DMT of any of these transactions. See Bakerman v. Sidney Frank Importing Co., 2006 WL 3927242 (Del. Ch. Oct. 10, 2006). The Board members' breaches of their fiduciary duties to DMT are clear. Because all of the transactions described above were obvious and egregious instances of self-dealing and corporate waste which no reasonable businesspeople would engage in or tolerate, no court will allow the Board of DMT the benefit of the "business judgment rule" to shield its actions. The Board will therefore bear the burden of showing the entire fairness of any challenged transactions, which of course it will not be able to do with respect to the sham deals discussed above. See In re Tyson Foods, Inc., 919 A.2d 563 (Del. Ch. 2007).

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**The Board Members Are Not Disinterested;
They are Controlled by and Beholden to Mr. Kazeminy**

Further, four of the five members of the Board are not independent but are controlled by and beholden to Mr. Kazeminy. Accordingly, the Board's actions will not be entitled to deference as "business judgments." See In re Primedia Inc. Derivative Lit., 910 A.2d 248 (Del. Ch. 2006). Mr. Gilman is now, on information and belief, the interim Chief Executive Officer of DMT and therefore beholden to Mr. Kazeminy for his job. Messrs. Lenig and Ericksen were both hand-picked by Mr. Kazeminy to sit on the Board. Mr. Kazeminy and Mr. Lenig are long-time business associates and both Mr. Ellingboe and Mr. Ericksen came from Mr. Kazeminy's entity, NJK Holding Corporation. Should the wrongdoing done to the company not be remedied, our clients shall seek to hold the conflicted directors personally liable for the losses the company and our clients have sustained.

DMT Has Suffered Damages of Millions of Dollars

As a result of the foregoing wrongdoing and breaches of duty, DMT has sustained damages totaling millions of dollars. On behalf of the Investors, we demand that DMT establish a Special Litigation Committee and immediately take action to recover the damages sustained by DMT as a result of the misconduct described herein, and to correct the company's failures of internal controls which allowed such misconduct to occur.

The events outlined above cause our clients great concern, not the least of which is that more wrongdoing by the Individuals, the Board and the corporation may well exist, but is not yet known to us. As you can understand, our clients cannot be seen to continue quietly as shareholders in a company where, it appears, serious wrongdoing has occurred.

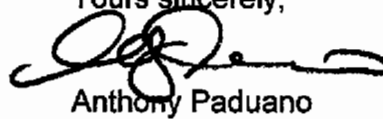
If, by the close of business on October 13, 2008, the Board has not affirmed to us in writing that it will take the action we demand, and pledge to conclude the investigation by October 31, 2008, the Investors will, without further notice to you, commence an action on behalf of DMT seeking all appropriate legal and equitable relief to which they may be entitled.

PADUANO & WEINTRAUB LLP

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Page 6

Finally, DMT must take appropriate steps immediately to preserve, as of this date, all documents and materials, including electronic and paper records, in possession, custody or control of the Company or its directors, officers, employees and agents that pertain, in any way, to the topics raised herein.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anthony Paduano', with a long horizontal flourish extending to the right.

Anthony Paduano



VERIFICATION

STATE OF NEW YORK)
) SS
COUNT OF NASSAU)

I, Bruce A. Siegel, being duly sworn according to law depose and say as follows:

1. I am the Executive Vice President and General Counsel of the Managing Member of FLI Deep Marine LLC, Plaintiff in this action. I am authorized to make this verification on behalf of FLI Deep Marine LLC.

2. To the extent the allegations of the verified complaint concern the actions of FLI Deep Marine LLC, I know the allegations to be true and correct.

3. To the extent the allegations of the verified complaint concern the actions of parties other than FLI Deep Marine LLC, I believe the allegations to be true and correct.

Bruce A. Siegel

Bruce A. Siegel

SWORN TO AND SUBSCRIBED before me this 31st day of October, 2008.

Ann M. Stebe

Notary Public
ANN M. STEBE
NOTARY PUBLIC, State of New York
No. 30-4733629
Qualified in Nassau County
Commission Expires March 30, 2011



VERIFICATION

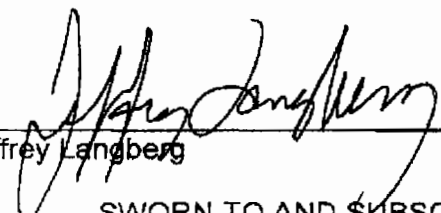
STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

I, Jeffrey Langberg, being duly sworn according to law depose and say as follows:

1. I am the Financial Partner for Bressner Partners Ltd., Plaintiff in this action. I am authorized to make this verification on behalf of Bressner Partners Ltd.

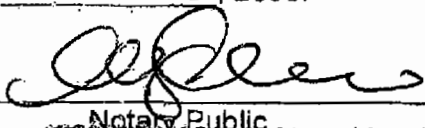
2. To the extent the allegations of the verified complaint concern the actions of Bressner Partners Ltd., I know the allegations to be true and correct.

3. To the extent the allegations of the verified complaint concern the actions of parties other than Bressner Partners Ltd., I believe the allegations to be true and correct.



Jeffrey Langberg

SWORN TO AND SUBSCRIBED before me this 3rd day of November 2008.



Notary Public

ANTHONY PADUANO
Notary Public, State of New York
No. 31-4981630
Qualified in New York County
Commission Expires Sep. 27, ~~2010~~ 2011

SUPPLEMENTAL INFORMATION PURSUANT TO RULE 3(A)
OF THE RULES OF THE COURT OF CHANCERY

Transaction ID 22305886
Case No. 4138-



The information contained herein is for the use by the Court for statistical and administrative purposes only. Nothing stated herein shall be deemed an admission by or binding upon any party.

1. Caption of Case: *Plaintiffs: FCI DEEP Marine LLC and Bressner Partners Ltd, derivatively on behalf of Nominal Plaintiff Deep Marine Holdings, Inc. and Nominal Plaintiff Deep Marine Technology, Inc. Deep Marine Holdings, Inc. and Deep Marine Technology, Inc. - Nominal Plaintiffs - against- Defendants: Paul McKim, Daniel Erickson, Francis Wade Abadie, Otto Cordes III, Eugene De Blora, Larry Lanier, Bruce Gilman, John Hurlberg, Nasser Karzemi, NISK Holdings Corp., NCC Ventures, LLC, OTTO Cordes LLC and Otto Cordes, Jr.*
2. Date filed: *October 3, 2008*
3. Name and address of counsel for plaintiff:
*Steve Schlesinger - Jaspun, Schlesinger LLP
Michael Leon
300 Garden City Plaza
Garden City NY 11530
516-393-8000*
4. Short statement and nature of claim asserted:
Shareholders' derivative action for breach of fiduciary duty, corporate waste, misappropriation, fraud, gross negligence and mismanagement and unjust enrichment
5. Substantive field of law involved (check one):

<input type="checkbox"/> Administrative law	<input type="checkbox"/> Trade secrets/trade mark/ or other intellectual property
<input type="checkbox"/> Commercial law	<input type="checkbox"/> Trusts*
<input type="checkbox"/> Constitutional law	<input type="checkbox"/> Wills and estates**
<input checked="" type="checkbox"/> Corporation law	<input type="checkbox"/> Labor law
<input type="checkbox"/> Guardianships	<input type="checkbox"/> Zoning
<input type="checkbox"/> Real Property	<input type="checkbox"/> Other
- +6. Related case(s), including any Register of Wills matters, which requires copies of all documents in this matter to be filed with the Register of Wills:
N/A
7. Basis of court's jurisdiction (including the citation of any statute conferring jurisdiction):
10. Del. Sect. 341
8. If the complaint seeks preliminary equitable relief, state the specific preliminary relief sought.
N/A
9. If the complaint seeks summary or expedited proceedings, check here
- *10. If the complaint is one that in the opinion of counsel should not be assigned to a Master in the first instance, check here and attach a statement of good cause.

Michael Leon (#4731)
Signature of Attorney of Record

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Authorized by: Steven Schlesinger
Jaspan Schlesinger Hoffman LLP

Submitted by: Bruce Campbell
Jaspan Schlesinger Hoffman LLP

Transaction ID: 22305886

Billing Reference: FLI Marine LLC v. Paul McKim - M# 53154

Transaction Option: File a New Case

Authorized: Nov 3 2008 6:33PM EST

Court: DE Court of Chancery Civil Action

Case Type: Civil Action

Case Class: Civil Action

Case Number: 4138-VCN

Case Name: F L I Deep Marine LLC vs Paul McKim

Transaction Document List

Document Title	Public/Sealed	Document Type	Stat. Fee	Conversion Status	Pages	Review Status
Verified Complaint	Public	Complaint - Class Action or Derivative Claims	\$710.50	Converted	20	Accepted
Exhibit A to Verified Complaint	Public	Exhibits	\$0.50	Converted	2	Accepted
Exhibit B to Verified Complaint	Public	Exhibits	\$0.50	Converted	1	Accepted
Exhibit C to Verified Complaint	Public	Exhibits	\$0.50	Converted	1	Accepted
Exhibit D to Verified Complaint	Public	Exhibits	\$0.50	Converted	1	Accepted
Exhibit E to Verified Complaint	Public	Exhibits	\$0.50	Converted	1	Accepted
Exhibit F to Verified Complaint	Public	Exhibits	\$0.50	Converted	2	Accepted
Exhibit G to Verified Complaint	Public	Exhibits	\$0.50	Converted	6	Accepted
Verification to Complaint Executed by Plaintiff FLI Deep Marine LLC	Public	Verification to Complaint	\$0.50	Converted	1	Accepted
Verification to Complaint Executed by Plaintiff Bressner Partners Ltd.	Public	Verification to Complaint	\$0.50	Converted	1	Accepted
Supplemental Information Sheet	Public	Supplemental Information Sheet	\$0.50	Converted	1	Accepted

Review History For Document: Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Complaint - Class Action or Derivative Claims	Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Complaint - Class Action or Derivative Claims	Verified Complaint	Public

Review History For Document: Exhibit A to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit A to Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit A to Verified Complaint	Public

Review History For Document: Exhibit B to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit B to Verified Complaint	

Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit B to Verified Complaint	Public
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Review History For Document: Exhibit C to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit C to Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit C to Verified Complaint	Public

Review History For Document: Exhibit D to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit D to Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit D to Verified Complaint	Public

Review History For Document: Exhibit E to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit E to Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit E to Verified Complaint	Public

Review History For Document: Exhibit F to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit F to Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit F to Verified Complaint	Public

Review History For Document: Exhibit G to Verified Complaint

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Exhibits	Exhibit G to Verified Complaint	
Accepted	Thornton, Evan	11/05/2008			Exhibits	Exhibit G to Verified Complaint	Public

Review History For Document: Verification to Complaint Executed by Plaintiff FLI Deep Marine LLC

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Verification to Complaint	Verification to Complaint Executed by Plaintiff FLI Deep Marine LLC	
Accepted	Thornton, Evan	11/05/2008			Verification to Complaint	Verification to Complaint Executed by Plaintiff FLI Deep Marine LLC	Public

Review History For Document: Verification to Complaint Executed by Plaintiff Bressner Partners Ltd.

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Verification to Complaint	Verification to Complaint Executed by Plaintiff Bressner Partners Ltd.	
Accepted	Thornton, Evan	11/05/2008			Verification to Complaint	Verification to Complaint Executed by Plaintiff Bressner Partners Ltd.	Public

Review History For Document: Supplemental Information Sheet

Review Status	Reviewer	Date	Reason Description	Reviewer Comment	Document Type	Document Title	Access Type
Pending		11/03/2008		Document created	Supplemental Information Sheet	Supplemental Information Sheet	
Accepted	Thornton, Evan	11/05/2008			Supplemental Information Sheet	Supplemental Information Sheet	Public

Case Parties

Attorney	Firm	Party
No Answer on File	Firm TBD	Abadie , Francis Wade
No Answer on File	Firm TBD	Candies III, Otto
No Answer on File	Firm TBD	Candies Jr, Otto
No Answer on File	Firm TBD	D C C Ventures LLC ,
No Answer on File	Firm TBD	Deep Marine Holdings Inc ,
No Answer on File	Firm TBD	Deep Marine Technology Inc ,
No Answer on File	Firm TBD	DePalma , Eugene
No Answer on File	Firm TBD	Erickson , Daniel
No Answer on File	Firm TBD	Gilman , Bruce
No Answer on File	Firm TBD	Hudgens , John
No Answer on File	Firm TBD	Kazeminy , Nasser
No Answer on File	Firm TBD	Lenig, Larry
No Answer on File	Firm TBD	McKim , Paul
No Answer on File	Firm TBD	N J K Holdings Corp ,
No Answer on File	Firm TBD	Otto Candies LLC ,
Schlesinger, Steven R	Jaspan Schlesinger Hoffman LLP	Bressner Partners Ltd ,
Schlesinger, Steven R	Jaspan Schlesinger Hoffman LLP	F L I Deep Marine LLC ,