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STATE OF MICHIGAN

IN THE OAKLAND COUNTY CIRCUIT COURT

THE UAW-CHRYSLER SKILL  
DEVELOPMENT AND TRAINING PROGRAM  
a Michigan Non-Profit Corporation,

Case No. 18-        -CZ  
Hon.

2018-166226-CZ

JUDGE D. LANGFORD MORRIS

Plaintiff,

v.

ALPHONS IACOBELLI, an individual,  
SUSANNE IACOBELLI, an individual,  
JEROME DURDEN, an individual, and  
MONICA MORGAN, an individual,

Defendants.

\_\_\_\_\_  
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\_\_\_\_\_

There is no prior resolved or pending action between these parties arising out of the same transaction and occurrence alleged in this Complaint.

**COMPLAINT AND JURY DEMAND**

NOW COMES Plaintiff, THE UAW-CHRYSLER SKILL DEVELOPMENT AND TRAINING PROGRAM, a Michigan Non-Profit Corporation, doing business as the "UAW-Chrysler National Training Center" or "NTC," through its counsel, Maddin, Hauser, Roth & Heller, P.C. and for its Complaint and Jury Demand, states:

**Parties, Jurisdiction and Venue**

1. NTC is a Michigan non-profit corporation with its principal place of business of 2500 E. Nine Mile Road, City of Warren, Macomb County, State of Michigan.

2. Defendant Alphons Iacobelli is an individual who, upon information and belief, resides at 1749 Picadilly Court, City of Rochester Hills, Oakland County, State of Michigan.

3. Defendant Susanne Iacobelli is an individual who, upon information and belief, resides at 1749 Picadilly Court, City of Rochester Hills, Oakland County, State of Michigan. Defendants Alphons Iacobelli and Susanne Iacobelli are, upon information and belief, husband and wife.

4. Defendant Jerome Durden is an individual who, upon information and belief, resides at 761 Loggers Circle, City of Rochester, Oakland County, State of Michigan.

5. Defendant Monica Morgan is an individual who, upon information and belief, resides at 39768 Mazuchet Drive, Harrison Township, Macomb County, State of Michigan.

6. Plaintiff has suffered damages in excess of \$25,000, exclusive of costs, interest, and attorney fees.

7. Venue is proper in this Court pursuant to MCL 600.1621(a). Jurisdiction is proper in this Court pursuant to MCL 600.601, MCL 600.605 and MCL 600.701.

**General Allegations**

**Background of the UAW - Chrysler National Training Center**

8. The NTC is qualified as a tax exempt entity under Internal Revenue Code section 501(c)(5) and was organized through collective bargaining by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") and Chrysler Corporation ("Chrysler"), as a joint Labor Management Committee pursuant to section 302 of the Labor Management Relations Act ("LMRA"). As a result of the bankruptcy of Chrysler certain contracts including the collectively bargained agreement with the UAW were assumed by and assigned to FCA US LLC ("FCA"). The NTC provides extensive training to FCA employees represented by the UAW, including "World Class Manufacturing" ("WCM") processes, skilled trades, health and safety, and new hire training, among others. The NTC also conducts health and safety audits and training, provides employee assistance and referrals, workplace

violence prevention and many other employee-related services and programs, all of which have been authorized as joint activities by FCA and the UAW through collective bargaining, and all of which are appropriate joint activities under section 302 of the LMRA.

9. In creating the NTC, UAW and Chrysler agreed that "in order to meet the challenges of domestic and foreign competitors," they would bring about "a fundamental change to maximize the potential of our human resources," which "can only occur by building on our current joint efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision making process...." Memorandum on Joint Activities.

10. In order to further these "joint efforts" and promote the "spirit of cooperation" the UAW and Chrysler created the NTC. The creation of such a Labor Management Committee was and is explicitly authorized by the LMRA, which was passed by Congress to, among other things, "improve communication between labor and management," to "assist workers and employers in solving problems of mutual concern not susceptible of resolution through the collective bargaining process," to "enhance the involvement of workers in decisions that affect their working lives," and "to study and explore ways of eliminating potential problems which reduce the competitiveness and inhibit the economic growth of the .... industry." LMRA, §6(a).

11. Both the UAW and FCA are committed to the continued operation and success of the NTC, maintaining it through a series of successive labor agreements, in which the scope of labor management cooperation has been maintained and, in certain instances, increased, thus sustaining and expanding the NTC's services to the UAW/FCA community.

12. At the present time, the NTC offers the following programs, among others, to the UAW/FCA community, and the programs have reached approximately 750,000 participants since 2011:

a. **NEW HIRE ORIENTATION** - A two-day training program delivered by the NTC to all UAW members hired by FCA in all U.S. labor markets. Over the period from 2011 through 2017, the

NTC trained over 30,559 new UAW members hired in all U.S. labor markets. The training program consists of information presented in accordance with guidelines established by FCA and the UAW, including FCA benefits, standards of conduct/integrity code and a number of programs listed below.

b. **SKILLED TRADES PROGRAM** - Training programs in trades such as sheet metal, welding, electrical, etc., vary in length and are designed to upgrade the core skills of all UAW Journey Persons to include new process training on state-of-the-art technologies with the goal of developing and sustaining a world-class technically skilled workforce. The NTC provides for core skilled trades and technical classes for FCA manufacturing employees. In 2011 the skilled trades workforce was consolidated into three work groups – electrical, mechanical, and tool & die. Classes were identified and developed at the NTC to facilitate this process. 19,006 participants completed skilled trades training during the period 2011 through 2017. The training curricula enables FCA to compete in the global automotive market while helping to secure jobs for UAW members, making the skilled trades program an important component of FCA/UAW joint activity.

c. **SKILLED ENHANCEMENT PROGRAM** – A six-week training program consisting of 80 hours of Health & Safety, 80 hours of trade specific, 40 hours of generic core skills and 32 hours of WCM Methodology to provide new apprentices with basic knowledge of their individual trade, tool recognition, Health & Safety and WCM Fundamentals. In addition, apprentices meet with representatives from their respective community colleges to discuss course registration and class scheduling prior to attending their related training classes. Between 2011 and 2017, 226 employees were trained.

d. **DIVERSITY** – A one-hour training program provided throughout U.S. plants and parts distribution centers. The purpose is to educate employees on the importance of valuing employee differences and to provide an understanding on the benefits of mutual respect, including comprehensive information on a diverse culture. Participants will gain insight about workplace interactions and steps to promote a respectful workplace. The training program also educates employees on FCA's policy 3-6

(discrimination and harassment prevention) and related contractual provisions. During the 2011-2017 time period 40,452 participants were trained in this program.

e. **SEXUAL HARASSMENT PREVENTION** – A one-hour training program provided throughout U.S. plants and parts distribution centers. The purpose is to educate employees on the importance of promoting a safe working environment to work towards preventing sexual harassment in the workplace and provide comprehensive information on sexual harassment prevention. Participants gain insight about what constitutes sexual harassment and steps to promote a workplace free of sexual harassment. The training program also educates employees on FCA's policy 3-6 (discrimination and harassment prevention) and related contractual provisions. During the 2011-2017 time period 34,924 participants were trained in this program.

f. **DISCRIMINATION PREVENTION** – A one-hour training program provided through U.S. plants and parts distribution centers. The purpose is to educate employees on the importance of promoting a safe working environment to work towards preventing discrimination in the workplace and provide comprehensive information on discrimination prevention. Participants gain insight about the meet on common ground principles and steps to promote a workplace free of discrimination. The training program also educates employees on FCA's policy 3-6 (discrimination and harassment prevention) and related contractual provisions. During the 2011-2017 time period 39,320 participants were trained in this program.

g. **SEXUAL HARASSMENT INVESTIGATION** – A four-day training program provided to individuals who are responsible for conducting joint sexual harassment complaint investigations involving U.S. represented employees. In conjunction with FCA's EEO Compliance and Governance Office, this training is provided to ensure the investigators possess the knowledge and skill to effectively perform the investigations. During the 2011-2017 time period 156 participants were trained in this program.

h. **EMPLOYEE ASSISTANCE PROGRAM (EAP)** - A six-hour training program provided to newly appointed EAP representatives serving employees. The purpose of the training is to inform and educate newly appointed UAW EAP representatives of the responsibilities and duties of their position. As a part of the training, an EAP reference manual is provided. This manual contains pertinent policies and procedures related to the organization's EAP program, along with training on the operation of the EAP database. During the 2011-2017 time period 519 EAP representatives participated in specialist training. Additionally, 30,559 new hires were trained in EAP programs.

i. **WORKPLACE VIOLENCE PREVENTION (WPVP)** - A one-hour training program provided for UAW members hired by FCA in all U.S. labor markets that includes awareness, methods and techniques to prevent workplace violence. The purpose of this training is to educate employees on the importance of respect, respecting others, valuing employee differences, and to promote a safe working environment. The training program also educates employees on FCA's policy 3-7 (workplace violence prevention). A total of 35,372 employees were trained during the 2011-2017 time period.

j. **WPVP LOCAL RESPONSE TEAM** - A 2.5 day training program provided to all LRT members from all FCA U.S. locations. It provides an overview of the workplace violence prevention program structure and process that enables members to conduct assessment and intervention strategies necessary to prevent an act or escalation of violence in the workplace. During the time period 2011-2017 691 employees were trained as LRT members.

k. **HEALTH, SAFETY AND ERGONOMICS TRAINING** - Training includes an overview and updates to OSHA health and safety ('H&S') requirements, new or proposed changes to FCA H&S policies/procedures, World Class Manufacturing Safety Pillar topics, best practice sharing, ergonomics, injury reduction, UAW-Chrysler Ferris State University H&S certification, as well as trends in H&S. The training is provided to all plant UAW H&S representatives, UAW skilled trades trainers, UAW ergonomic analysts, FCA H&S management professionals, medical staff and select engineering staff. H&S

is a central component of the organization's commitment to provide a safe work environment. Cumulative training for health & safety professionals during the 2011 through 2017 time period totaled 5,652.

l. **PAID EDUCATION LEAVE (PEL)** – Developed in 2015, this four-day training program is offered throughout FCA U.S. locations. The PEL training program utilizes industry experts and university analysts to examine and discuss the economic, technological and political forces influencing the future of the worldwide automobile industry, along with a review of FCA's current business. A total of 469 employees were trained during the 2015-2017 time period.

m. **WORLD CLASS MANUFACTURING (WCM) LAB** - The WCM Central Team is responsible for the development of know-how to run the business using the 10 Technical Pillars and 10 Managerial Pillars of the world class manufacturing system. The WCM team offers over 70 different courses, lab simulations and in-plant workshops that are structured to provide participants with a hands-on approach to learning, using pioneering manufacturing processes and education. The WCM team trained 27,665 employees during the 2011-2017 time period. Prior to attending training the participants are asked to utilize the online offerings in order to provide participants with an overview and to become familiar with world class manufacturing terminology. After the training, the participants complete projects to attack waste and loss in their plant, using the world class manufacturing methods, tools and applications.

n. **WCM MOBILE UNIT** - The WCM mobile unit was developed in 2013 through the necessity of quickly spreading the basic knowledge of WCMA manufacturing systems to operators and maintenance personnel in the plants. During the 2013 through 2017 time period 11,434 employees participated in training. The mobile unit travels from the NTC/WCMA to each plant, offering an opportunity for team members to leave the shop floor and enter a world of learning within a state-of-the-art classroom trailer.

o. **WCM TECHNICAL MOBILE UNIT** - In 2015, the technical mobile unit was added to focus improving manufacturing facilities maintenance knowledge by applying WCM methods alongside of

floor technologies. During the 2015 through 2017 time period 545 employees participated in training. This mobile unit also travels from the NTC/WCMA to each plant, offering an opportunity for team members to leave the shop floor and enter a world of learning within a state-of-the-art classroom trailer.

p. **WCM PLANT ACADEMY** – In 2016 a new approach to training in the plants was developed and supported by the WCMA with standard WCM modules, a train-the-trainer workshop and on-going coaching to spread basic WCM concepts. Each plant cascades knowledge from their specialists to the shop floor. Training involves short modules followed by application of the basic tools directly to their work area. From 2016-2017, 8,742 employees were trained through the WCMA plant academy.

q. **WCM ACADEMY** – WCM Academy - Kokomo (Indiana) Center – With a similar approach to the WCMA in Warren, the Kokomo center was created in 2016 and is responsible for the development of know-how of the WCM Methodology and change management system, offering courses with a focus on powertrain specific concepts and examples. Workshops, WCM courses and technical training are conducted from two locations in Indiana. From 2016-2017, 834 employees participated in these sessions.

r. **WCMA INNOVATION WORKSHOP & EVENTS** - The WCMA offers workshops and events to give employees an understanding of how the WCMA approaches training in a fun and hands-on way. Innovation events and workshops are a way for any team to come in with a common problem and open their minds to new ideas, using ideation tools that enable participants to develop improvement plans. During the 2011-2017 timeframe 15,358 participants attended these workshops & events.

s. **NTC H&S WEB-BASED AND HANDS ON INSTRUCTOR LED TRAINING** - A large portion of health, safety and ergonomics training is offered by the organization through a web-based modular platform. The H&S training modules cover a wide range of topics specific to the auto industry and plant operations. Each training module is delivered with the intent to provide the employee with the knowledge, skill set and tools needed to work safely, while conforming to FCA policy and regulatory



requirements. A plant specific safety training needs assessment and training matrix is used to determine what H&S training modules are provided to each employee based on his/her specific job assignment. The training, while web-based, is instructor led. The modular training often requires hands on instruction. The more critical training programs also require in-plant guidance to ensure employee proficiency, such as powered industrial vehicle training, lockout energy control and confined space training. (There are over 85 topics offered. The safety training modules are based on plant location and specific work assignment.) Different subjects contained in the various health & safety modules must be completed in order to complete and pass one module. During the time period 2011 through 2017, 387,797 modules were completed by employees in connection with ongoing efforts to promote health and safety in FCA plants.

t. **WORLD CLASS MANUFACTURING ONLINE OFFERINGS** – In 2013 the WCM Central Team developed online courses to help employees learn WCM pillar-specific concepts and tools at their own pace. Short modules and videos provide a standardized knowledge set for WCM tools and acronyms. During the 2013-2017 time period 59,632 online courses were completed.

13. FCA funds the NTC pursuant to a formula set forth in the collective bargaining agreement negotiated between FCA and the UAW.

**Defendants' Corrupt Abuse of the NTC**

14. Defendant Alphons Iacobelli is a former Vice President of FCA. Because of his position at FCA, Alphons Iacobelli served, from 2008 to June 2015 as a Director and Co-President of the NTC and owed a fiduciary duty to the NTC. Despite his fiduciary responsibilities, Defendant Alphons Iacobelli embezzled and converted to his own use or to the personal use of others at least \$2,661,189 of NTC assets, while hiding his activities from members of the NTC internal accounting staff and others. Defendant Alphons Iacobelli stands convicted of two (2) felonies pursuant to his guilty plea before the United States District Court for the Eastern District of Michigan relating to his activities at the NTC and faces sentencing for those crimes.

15. Defendant Alphons Iacobelli was entrusted with, among others, the critical task of sustaining and improving vital NTC programs when he became Co-President and a Director of the NTC in 2008.

16. During the period 2009 through 2014 Defendant Alphons Iacobelli, along with FCA employee and Co-Defendant Jerome Durden controlled the finances and spending of the NTC.

17. Defendant Jerome Durden ("Durden") served as Chief Financial Officer (Controller) of the NTC from 2008 until June 30, 2015 and conspired with various Co-Defendants including but not limited to Alphons Iacobelli and General Holiefield (another NTC Co-President, now deceased) to commit many of the acts alleged herein. Durden was an FCA Controller.

18. Defendant Alphons Iacobelli had a (personal) Chase Bank credit card in his name as well as an NTC issued credit card.

19. Beginning in 2010 and ending in 2015, Defendant Alphons Iacobelli caused the NTC to pay personal charges on his Chase Bank credit card of \$187,145.

20. During the period 2012 through 2015, Defendant Alphons Iacobelli caused the NTC to pay his NTC issued credit card charges of \$504,390. Based upon a review of the credit card statements, charges for personal items unrelated to NTC business were at least \$259,298.

21. Defendant Alphons Iacobelli caused the NTC to make a payment to Sallie Mae of \$44,491.36 for the benefit of the daughter of Alphons Iacobelli and Susanne Iacobelli and not for the benefit of the NTC.

22. Defendant Susanne Iacobelli held an American Express credit card in her personal name.

23. Defendant Alphons Iacobelli submitted the American Express credit card statements to the NTC and directed the NTC to pay the personal credit card charges of Defendant Susanne Iacobelli in the amount of \$868,736 even though such charges were unrelated to NTC business expenses.

24. On each of July 1, 2014 and July 9, 2014, the NTC issued checks for \$75,000 to TD Auto Finance. These checks were signed by Defendant Alphons Iacobelli and General Holiefield. On May 14, 2014, the NTC purchased a cashier's check for \$200,004 from First Independence Bank and then issued a check to Naples Motor Sports for \$200,000. These checks were used by Defendant Alphons Iacobelli to purchase a 2013 Ferrari 458 Spider automobile titled in his name at a cost of more than \$350,000.

25. As shown by NTC's records, Defendant Durden cashed \$66,000 of checks drawn upon the NTC's account written to cash. No support was provided to evidence that such payments were for bona fide NTC business expenses. He also purchased carpeting for his home using \$4,300 of NTC funds.

26. The NTC was unaware of Defendants' illegal activities due to the active concealment of such activities by Defendants Alphons Iacobelli and Jerome Durden and due to the fact that the NTC reposed trust, faith, and confidence in Defendants Alphons Iacobelli and Jerome Durden that they were properly performing their legal duties.

27. Defendant Jerome Durden has pled guilty to criminal charges relating to his conduct as the Controller of the NTC, including a plea of guilty to one count of conspiracy to defraud the U.S. "by impeding, impairing, obstructing and defeating the Internal Revenue Service," by filing NTC tax returns that failed to disclose hundreds of thousands of dollars in payments to Defendant Alphons Iacobelli and another NTC executive and a nonprofit charity, and one count of failing to file a personal income tax return.

28. Defendant Alphons Iacobelli pled guilty to one count of conspiracy to violate the LMRA and one count of subscribing to a false tax return relating to his activities at the NTC.

29. Upon information and belief, Defendant Alphons Iacobelli and Jerome Durden knowingly concealed payments to themselves and others for the purchase of various personal items and travel. As part of their scheme, Defendants Alphons Iacobelli and Jerome Durden engaged in theft from the NTC and made illegal payments to themselves for their own benefit.

30. Defendant Monica Morgan was the girlfriend, and later became the spouse of UAW Vice President General Holiefield. Monica Morgan owned and operated several companies, including but not limited to Wilson's Diversified Products LLC and Monica Morgan Photography, LLC. Her companies received hundreds of thousands of dollars from the NTC during the years when Holiefield was a UAW Vice President and a Co-President of the NTC.

31. In 2014, Defendants Alphons Iacobelli and Durden, in conspiracy with Holiefield, caused Plaintiff to issue a check in the amount of \$262,219 payable to MMS Mortgage Services, Ltd. to pay the full balance of the mortgage on the residence occupied by Monica Morgan and General Holiefield.

32. On information and belief, Defendants Alphons Iacobelli and Durden, in conspiracy with Holiefield, caused the NTC to pay \$544,000 for swimming pools, spas, outdoor kitchens and landscaping at the homes of Defendants Alphons and Susanne Iacobelli and of Defendant Morgan and General Holiefield, which benefitted each home and its occupants.

33. Defendant Morgan pled guilty to filing income tax returns that failed to report more than \$200,000 of the payments she received.

34. Defendant Alphons Iacobelli has admitted to receiving "hundreds of thousands of dollars....from the NTC...." as set forth in his plea agreement. Alphons Iacobelli was a well-compensated FCA employee and was not entitled to any compensation whatsoever from NTC.

35. In fact, Alphons Iacobelli stole over \$2,661,189 in NTC assets, which funds were embezzled by Defendant Alphons Iacobelli and his Co-Defendants from the NTC and converted either to their use, or the use of others.

36. Due to Defendants' illegal activities, NTC has suffered damages in an amount not less than \$2,661,189, plus costs, interest, and attorney fees.

**Defendants' Concealment Of Their Crimes**

37. Between October 2011 and September 2012, Defendant Alphons Iacobelli caused the NTC to issue checks totaling in excess of \$75,000 for the purchase of two limited edition Mont Blanc pens and accessories. Attempting to conceal his embezzlement, Defendant Alphons Iacobelli and Co-Defendant Durden identified the pens as "promotional items" on the records of NTC. However, the pens were retained by Defendant Alphons Iacobelli as his own property.

38. In and after 2012, Defendant Durden personally collected the NTC credit card statements that were being mailed to the NTC and blocked members of NTC's accounting staff from opening, examining, and reviewing them or any credit card payments in order to actively conceal Defendants' fraudulent payment credit card scheme.

39. Defendant Durden changed the security settings for the NTC accounting software to prevent discovery of Defendants' credit card scheme, and openly refused to provide credit card payment information when requested by senior UAW officials.

40. The NTC was unaware of Defendants' illegal activities due to the active concealment of such activities by then-NTC fiduciaries Alphons Iacobelli and Jerome Durden, in whom the NTC reposed trust, faith and confidence that such Defendants were properly performing their fiduciary duties.

**COUNT I: FRAUD AS TO DEFENDANTS ALPHONS IACOBELLI AND JEROME DURDEN**

41. Plaintiff incorporates all previous allegations as if fully restated herein.

42. Throughout their tenure as NTC officials, Defendants Alphons Iacobelli and Durden made misrepresentations of material facts regarding the nature, source and purpose of the improper payments that were made with NTC funds as being for proper NTC business expenses, and those misrepresentations were false when made. The effect of many of these misrepresentations and of Defendants' other actions to conceal their wrong-doing, as alleged herein and as yet unknown, continued long after the Defendants'

departure from the NTC. Indeed, with its continuing investigation, NTC continues to discover effects of Defendants' misrepresentations and concealments.

43. When Defendants Alphons Iacobelli and Durden made such misrepresentations, they knew they were false when made or made them recklessly, without knowledge of their truth, and made them as positive assertions that the payments made with NTC funds were for proper NTC business expenses.

44. Defendants Alphons Iacobelli and Durden made misrepresentations that the payments made with NTC funds were for proper NTC business expenses with the intention of inducing Plaintiff's reliance upon such misrepresentations.

45. Plaintiff acted in reliance upon misrepresentations of Alphons Iacobelli and Jerome Durden that the payments to be made were for proper NTC business expenses.

46. Plaintiff suffered damages in an amount in excess of \$25,000 as a result of such Defendants' misrepresentations.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendants Alphons Iacobelli and Jerome Durden, jointly and severally, in the amount of \$2,661,189, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT II: FRAUDULENT CONCEALMENT AGAINST  
DEFENDANTS JEROME DURDEN AND ALPHONS IACOBELLI**

47. Plaintiff incorporates all previous allegations as if fully restated herein.

48. Defendants Durden and Alphons Iacobelli had an affirmative duty to Plaintiff to inform Plaintiff but failed to disclose material facts to Plaintiff that the payments they caused to be made from NTC funds were not for proper NTC business expenses, causing Plaintiff to have a false impression that the payments that NTC was making were for proper NTC business expenses.

49. Plaintiff acted in reliance upon the facts as known to Plaintiff that such payments were for proper NTC business expenses and, if such Defendants had disclosed the material facts regarding their activities to Plaintiff that they were making payments with NTC funds for improper purposes, Plaintiff would not have made the payments and would not have suffered damages.

50. Plaintiff suffered damages in an amount in excess of \$25,000 as a result of such Defendants' fraudulent concealment of their activities.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendants Durden and Alphons Iacobelli, jointly and severally, in the amount of \$2,661,189, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT III: BREACH OF FIDUCIARY DUTIES BY DEFENDANTS JEROME DURDEN AND ALPHONS IACOBELLI**

51. Plaintiff incorporates all previous allegations as if fully restated herein.

52. Defendants Durden and Alphons Iacobelli, because of their positions with Plaintiff, were in positions of trust and influence over the finances and expenses of the NTC and owed Plaintiff the fiduciary duties of utmost loyalty, honesty, and good faith and to act for the benefit of the NTC.

53. Through their actions to defraud Plaintiff, Defendants Durden and Alphons Iacobelli breached their fiduciary duties as owed to Plaintiff.

54. As a direct and proximate result of such Defendants' breaches of their fiduciary duties to Plaintiff, Plaintiff suffered damages in an amount in excess of \$25,000.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendants Durden and Alphons Iacobelli, jointly and severally, in the amount of \$2,661,189, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT IV : BREACH OF DUTIES OF LOYALTY, GOOD FAITH, AND FAIR DEALING AGAINST DEFENDANTS ALPHONS IACOBELLI AND JEROME DURDEN**

55. Plaintiff incorporates all previous allegations as if fully restated herein.

56. As agents of the NTC, Defendant Alphons Iacobelli and Defendant Jerome Durden owed duties of good faith, loyalty, and fair dealing to the NTC.

57. Defendant Alphons Iacobelli had a duty to act in the NTC's best interest in all matters connected with his responsibilities as a Co-President and Director of the NTC.

58. Defendant Durden had a duty to act in the NTC's best interest in all matters connected with his responsibilities as Chief Financial Officer and Controller of the NTC.

59. Defendant Alphons Iacobelli had a duty to avoid acting in his own interest at NTC's expense in any matters connected with his responsibilities as a Co-President and Director of the NTC.

60. Defendant Durden had a duty to avoid acting in his own interest at NTC's expense in any matters connected with his responsibilities as the Chief Financial Officer and Controller of the NTC.

61. Defendants Alphons Iacobelli and Durden both breached their duty to the NTC by engaging in the conduct referenced above, which is incorporated by reference herein.

62. As a direct and proximate result of such Defendants' breaches of their duty of loyalty, good faith, and fair dealing to Plaintiff, Plaintiff suffered damages in an amount in excess of \$25,000.

WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment in favor of Plaintiff and against Defendants Jerome Durden and Alphons Iacobelli, jointly and severally, in the amount of \$2,661,189, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT V: CIVIL CONSPIRACY AGAINST DEFENDANTS  
ALPHONS IACOBELLI AND JEROME DURDEN**

63. Plaintiff incorporates all previous allegations as if fully restated herein.

64. Defendants Alphons Iacobelli and Durden acted knowingly and intentionally pursuant to a common design, plan, agreement and scheme to defraud the NTC of monies for their personal use and enrichment and to convert money for the personal use of the co-conspirators which they knew they were not permitted to do.



65. Defendants Alphons Iacobelli and Durden and others conspired to encourage and cause the improper use of NTC credit cards and payments on a Chase Bank credit card for personal use, and obtaining payment for such personal charges from the NTC, the improper payment of a student loan for the daughter of Alphons and Susanne Iacobelli using NTC funds, purchases of extravagant luxury items such as a Ferrari, limited edition Mont Blanc pens, a swimming pool, spa, landscaping and an outdoor kitchen at the Iacobellis' home and the home of Defendant Morgan and Holiefield, and the payment of Defendant Susanne Iacobelli's American Express credit card charges even though she was not an NTC employee and for personal items not related to NTC business.

66. Defendants Durden and Alphons Iacobelli engaged in concerted activities as part of Defendants' common agreement and fraudulent scheme to withdraw NTC cash for their personal use and the use of others, including, but not limited to, paying for the purchase and installation of carpeting at Durden's home, actively concealing and furthering the improper use of NTC credit cards, the payment of Defendants Iacobellis' personal credit card charges and the purchase of personal items for the Iacobellis, and for the benefit of Morgan and Holiefield using NTC funds.

67. Defendants' conspiratorial activities were criminal and/or unlawful and were done for a criminal and/or unlawful purpose to defraud NTC.

68. As a result of the conspiracy and Defendants' illegal, wrongful and tortious acts, Plaintiff sustained damages in excess of \$25,000, and Defendants are liable to Plaintiff for all of Plaintiff's injuries and damages.

69. In furtherance of the conspiracy, Alphons Iacobelli, Jerome Durden, and others at their direction transferred or caused to be transferred more than \$446,443 in funds from the NTC to pay for personal American Express and Chase Bank credit card expenses of Alphons Iacobelli and more than \$350,000 in funds from the NTC to pay for the purchase of a 2013 Ferrari 458 Spider automobile.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendants Durden and Alphons Iacobelli, jointly and severally, in the amount of \$2,661,189, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT VI: UNJUST ENRICHMENT OF DEFENDANT DURDEN ONLY**

70. Plaintiff incorporates all previous allegations as if fully restated herein.

71. During his tenure as the NTC Controller, Defendant Durden received cash from Plaintiff to which Defendant Durden was not entitled, and it would be unjust and inequitable for Defendant Durden to retain such cash without fully compensating Plaintiff. This unjust enrichment continues to this day.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendant Durden in the amount of \$70,300.00, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT VII: UNJUST ENRICHMENT OF DEFENDANT ALPHONS IACOBELLI ONLY**

72. Plaintiff incorporates all previous allegations as if fully restated herein.

73. Defendant Alphons Iacobelli received cash and/or other benefits from Plaintiff to which Defendant Alphons Iacobelli was not entitled, and it would be unjust and inequitable for Defendant Alphons Iacobelli to retain such cash and/or benefits without fully compensating Plaintiff. This unjust enrichment continues to this day.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendant Alphons Iacobelli in the amount of \$2,661,189, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT VIII: UNJUST ENRICHMENT OF DEFENDANT SUSANNE IACOBELLI ONLY**

74. Plaintiff incorporates all previous allegations as if fully restated herein.

75. Defendant Susanne Iacobelli received the benefit of payments made by Plaintiff to which Defendant Susanne Iacobelli was not entitled, and it would be unjust and inequitable for Defendant

Susanne Iacobelli to retain such benefits without fully compensating Plaintiff. This unjust enrichment continues to this day.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendant Susanne Iacobelli in the amount of \$1,145,736, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT IX: UNJUST ENRICHMENT OF DEFENDANT MONICA MORGAN ONLY**

76. Plaintiff incorporates all previous allegations as if fully restated herein.

77. Defendant Monica Morgan received the benefit of payments made by Plaintiff to which Defendant Monica Morgan was not entitled, and it would be unjust and inequitable for Defendant Monica Morgan to retain such benefits without fully compensating Plaintiff. This unjust enrichment continues to this day.

WHEREFORE, Plaintiff requests that this Court enter a judgment in favor of Plaintiff and against Defendant Monica Morgan in the amount of \$539,219, plus costs, interest and reasonable attorney fees so wrongfully sustained.

**COUNT X: ACCOUNTING**

78. Plaintiff incorporates all previous allegations as if fully restated herein.

79. Defendants had control of money and/or property belonging to Plaintiff.

80. Defendant Alphons Iacobelli, as a Director and Co-President of Plaintiff, owed fiduciary duties to Plaintiff and, as such, is required to account to Plaintiff for his misuse of Plaintiff's funds.

81. Defendant Jerome Durden, as Chief Financial Officer of Plaintiff, owed fiduciary duties to Plaintiff and, as such, is required to account to Plaintiff or his misuse of Plaintiff's funds.

82. The determination of what is justly due to Plaintiff necessarily involves long and difficult inquiries into information in the possession of Defendants, not Plaintiff.

83. Plaintiff has had and will have extreme difficulty, even with liberal discovery, to reasonably ascertain the amount due to Plaintiff from Defendants.

WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment in favor of Plaintiff and against Defendants that compels each of them, at their sole expense, to prepare and provide to Plaintiff, a true and accurate accounting of all funds received, directly or indirectly, from NTC, or that were paid, directly or indirectly, for his or her benefit.

**JURY DEMAND**

Plaintiff hereby demands a trial by jury of all claims so triable.

Submitted By:

/s/ Michelle C. Harrell

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Dated: June 8, 2018