FILED

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STATE BAR OF NEVADA

OFFICE OF BAR COUNSEL

## STATE BAR OF NEVADA

## SOUTHERN NEVADA DISCIPLINARY BOARD

STATE BAR OF NEVADA, Complainant, VS. MARC J. RANDAZZA, Esq., Nevada Bar No. 12265. Respondent.

COMPLAINT

TO: Marc J. Randazza, Esq. Randazza Legal Group, PLLC 4035 S. El Capitan Way Las Vegas, NV 89147

Case No.: OBC15-0747

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PLEASE TAKE NOTICE that pursuant to Supreme Court Rule ("SCR") 105(2), as amended effective March 1, 2007, a VERIFIED RESPONSE OR ANSWER to this Complaint must be filed with the Office of Bar Counsel, State Bar of Nevada, 3100 W. Charleston Boulevard, Suite 100, Las Vegas, Nevada, 89102, within twenty (20) days of service of this Complaint. Procedure regarding service is addressed in SCR 109.

Complainant, State Bar of Nevada ("State Bar") by and through its Assistant Bar Counsel, David J. Rickert, alleges that:

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- 1. Attorney Marc J. Randazza ("Respondent"), Bar No. 12265, is now a licensed attorney in the State of Nevada, having had his principal place of business for the practice of law in Clark County, Nevada from at least June 2011 through August 2012.
- 2. In or about June 2009, the Respondent drafted and signed a contract with Excelsior Media Corp. ("Excelsior") to become corporate in-house general counsel for Excelsior.
  - 3. At that time, Excelsior was headquartered in California.
- 4. Excelsior is a related company to Corbin Fisher ("Corbin"), and has a subsidiary called Liberty Media Holdings, LLC ("Liberty").
- 5. Excelsior, Corbin, and Liberty are involved in the production and distribution of pornography.
- 6. After becoming general counsel, the Respondent performed legal work on behalf of all three entities.
- 7. While the Respondent was still working as general counsel for Excelsior, Excelsior relocated its corporate headquarters to Las Vegas, Nevada in approximately February 2011.
- 8. As of the filing of this complaint, Excelsior remains an active domestic Nevada corporation.
- 9. The Respondent continued working as Excelsior's general counsel, and relocated to Las Vegas himself in approximately June 2011.
- 10. While the Respondent was an attorney admitted to practice in one or more other states at that time, he was not admitted as a Nevada attorney until approximately January 6, 2012.
- 11. A portion of the Respondent's work as general counsel was in pursuing violations of Corbin/Excelsior/Liberty's ("C./E./L.") intellectual property, for example individuals

or companies downloading or distributing C./E./L.'s pornographic materials without appropriate payment or permission.

- 12. The Respondent, on behalf of Liberty, filed suit against FF Magnat Limited d/b/a Oron.com ("Oron") for alleged violations of his client's intellectual property.
- 13. In July and August 2012, the Respondent engaged in multiple settlement negotiations with Oron's counsel.
- 14. In this time period, the Respondent was involved in settlement negotiations with Oron for a payment to himself.
  - 15. The eventual amount agreed upon with opposing counsel was \$75,000.00.
- 16. This \$75,000.00 was to be paid to the Respondent as part of Oron's broader settlement with his client.
- 17. One purpose of this payment was so that the Respondent would be conflicted off of litigation against Oron in the future.
- 18. On or about August 13, 2012, the Respondent presented an execution copy of the Oron settlement agreement to CEO Jason Gibson for his signature.
- 19. At that time, Mr. Gibson noticed the proposed \$75,000.00 payment amid the other settlement provisions, and asked the Respondent about it.
- 20. This was the first time Mr. Gibson was made aware of the proposed \$75,000.00 payment to the Respondent.
- 21. Mr. Gibson was upset, and expressed concerns to the Respondent about the payment of this \$75,000.00.
- 22. The Respondent did not receive the \$75,000.00 payment from any settlement with Oron.
- 23. In August 2012, the Respondent loaned approximately \$25,000.00 to Liberty, to cover part of overseas legal fees that would be incurred in the Oron litigation.

- 24. On or about August 21, 2012, on the Respondent's advice, Mr. Gibson signed a promissory note on Liberty's behalf noting the terms of repayment of this \$25,000.00 loan to the Respondent.
- 25. Liberty was not advised of its right to seek the advice of independent counsel with regards to this promissory note.
- 26. The Respondent did not obtain Liberty's informed consent, confirmed in writing, to the essential terms of the transaction, and to the Respondent's role as a lender in the transaction.
- 27. In mid- to late-August 2012, approximately \$550,000.00 was sent to the Respondent's out-of-state trust account- this was a settlement payment in relation to the Oron litigation.
- 28. The Respondent's trust account, that received and held the \$550,000.00, was outside of Nevada.
- 29. The Respondent resigned from his employment with C./E./L. on or about August 29, 2012.
- 30. Between August 28 and August 30, 2012, the Respondent authorized, or personally performed, multiple erasures of data on a C./E./L. corporate laptop computer that was in his possession, and that he had used for work-related purposes.
  - 31. This laptop computer contained C./E./L. corporate information.
- 32. The Respondent was also in possession of a C./E./L. corporate iPhone, that he had used for work-related purposes, and that contained C./E./L. corporate information.
- 33. After resigning on August 29, 2012, for a time the Respondent refused to turn over either the corporate laptop or the corporate iPhone.
  - 34. The Respondent did later turn over the laptop and iPhone for examination.

- 35. Forensic examination was performed on both the corporate laptop and the corporate iPhone, in an attempt to recover deleted corporate data.
  - 36. Some corporate data was recovered from these devices.
  - 37. Other corporate data appears to have been permanently lost.
- 38. While corporate in-house general counsel for Excelsior (approximately June 2009 through August 2012), the Respondent maintained an outside legal practice and separate law firm, and represented other clients.
- 39. One of these clients was an entity known as Bang Bros (or Bang Brothers), a production company for pornography, and possible business competitor of C./E./L.
- 40. In or around June 2012, Liberty was negotiating for the possible acquisition of Cody Media, another pornography company.
- 41. The Respondent suggested to C./E./L. the possibility of getting financing for the deal from Bang Bros.
  - 42. The Respondent did not disclose the conflict of interest to C./E./L.
- 43. The Respondent never obtained informed consent, confirmed in writing, from C./E./L. for he or his firm to represent Bang Bros in the June 2009 August 2012 timeframe.
- 44. Another client the Respondent represented in the June 2009 August 2012 timeframe was XVideos, a "tube site" that permitted users to upload copyrighted videos onto its website.
- 45. One or more of C./E./L.'s pornographic videos were uploaded to XVideos' "tube site," without permission, and where they could be widely accessed by the public.
- 46. The Respondent advised C./E./L. not to pursue a lawsuit against XVideos for violation of their intellectual property.
  - 47. The Respondent did not disclose the conflict of interest to C./E./L.

- 48. The Respondent never obtained informed consent, confirmed in writing, from C./E./L. for he or his firm to represent XVideos in the June 2009 August 2012 timeframe.
- 49. Another client the Respondent represented in the June 2009 August 2012 timeframe was PornGuardian, an anti-piracy company that works against violations of pornographers' intellectual property rights.
- 50. While the Respondent was representing C./E./L. in the 2012 litigation against Oron, he also worked on negotiating a settlement for PornGuardian from Oron at the same time.
  - 51. The Respondent did not disclose the conflict of interest to C./E./L.
- 52. The Respondent never obtained informed consent, confirmed in writing, from C./E./L. for he or his firm to represent PornGuardian in the June 2009 August 2012 timeframe.
- 53. Two other clients the Respondent represented in the June 2009 August 2012 timeframe were Titan Media and Kink.com.
- 54. Titan Media is a pornography company, and a possible business competitor of C./E./L.
- 55. Kink.com is a pornography company, and a possible business competitor of C./E./L.
- 56. While the Respondent was representing C./E./L., he worked on negotiating producer agreements for Liberty with Titan Media and Kink.com.
  - 57. The Respondent did not disclose either conflict of interest to C./E./L.
- 58. The Respondent never obtained informed consent, confirmed in writing, from C./E./L. for he or his firm to represent Titan Media or Kink.com in the June 2009 August 2012 timeframe.

- 59. The Respondent has been engaged in protracted litigation with C./E./L. over his employment and compensation since 2012, including arbitration and bankruptcy proceedings.
- 60. In light of the foregoing, Respondent violated Rules of Professional Conduct ("RPC") 1.4 (Communication), 1.7 (Conflict of Interest: Current Clients), 1.8 (Conflict of Interest: Current Clients: Specific Rules), 1.10 (Imputation of Conflicts of Interest), 1.15 (Safekeeping Property), 1.16 (Declining or Terminating Representation), 2.1 (Advisor), 5.6 (Restrictions on Right to Practice), and 8.4 (Misconduct).

WHEREFORE, Complainant prays as follows:

- 1. That a hearing be held pursuant to Nevada Supreme Court Rule 105;
- 2. That Respondent be assessed the costs of the disciplinary proceeding pursuant to Supreme Court Rule 120(1); and
- 3. That pursuant to Supreme Court Rule 102, such disciplinary action be taken by the Southern Nevada Disciplinary Board against Respondent as may be deemed appropriate under the circumstances.

Dated this  $\frac{25 \text{ th}}{25 \text{ th}}$  day of July, 2016.

STATE BAR OF NEVADA
C. Stanley Hunterton, Bar Counsel

Rv.

David J. Rickert, Assistant Bar Counsel 3100 W. Charleston Boulevard, Suite 100

Las Vegas, Nevada 89102

(702) 382-2200

Attorney for State Bar of Nevada