

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

In re:

USA GYMNASTICS,<sup>1</sup>

Debtor.

Chapter 11

Case No. 18-09108-RLM-11

**DEBTOR’S MOTION FOR ENTRY OF AN ORDER  
HOLDING THAT THE BOWLES LITIGATION VIOLATES THE AUTOMATIC STAY**

USA Gymnastics, as debtor and debtor in possession in the above-captioned chapter 11 case (“USAG”), files this motion (“**Motion**”) for the entry of an order, substantially in the form attached hereto as Exhibit A, holding that the lawsuit captioned *Bowles, et al. v. USA Gymnastics, et al.*, Case No. A-21-828017-C, recently filed against USAG in the Eighth Judicial District Court for Clark County, Nevada (the “**Bowles Litigation**”) violates the Bankruptcy Code’s automatic stay, *see* 11 U.S.C. § 362(a)(1), and ordering the plaintiffs to immediately dismiss all allegations and counts asserted against USAG. In support of this Motion, USAG states as follows:

1. On January 19, 2021, Plaintiffs Morgan Bowles, Mikaela Dayton, Elizabeth Gangale, Tiffani Lewis, McKinley Pavicic, Matalasiaufaiga Peko, Teagan Plutte, and Alyssa Resly (collectively, “**Plaintiffs**”) commenced the Bowles Litigation by filing a complaint against USAG, Brown’s Gymnastics Las Vegas (“**Brown’s Gymnastics**”), and various named and unnamed employees and related entities of Brown’s Gymnastics. A copy of the complaint is attached hereto as Exhibit B.

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<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 7871. The location of the Debtor’s principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

2. Plaintiffs seek recovery for sexual, physical, and emotional abuse allegedly committed by a gymnastics coach at Brown's Gymnastics, Terry Gray, between 2009 and 2015 and assert eight claims against USAG under a variety of legal theories. On January 21, 2021, the Nevada court issued a summons to USAG.

3. The Bowles Litigation is a textbook violation of the automatic stay. Section 362(a)(1) of the Bankruptcy Code imposes an automatic stay on "the commencement" of a "judicial . . . action . . . against the debtor that was or could have been commenced" prior to the debtor's bankruptcy case. 11 U.S.C. § 362(a)(1). As the Seventh Circuit has noted, "an outright suit against the bankrupt" to recover on a prepetition claim "would incontrovertibly violate the stay." *Central States, Southeast & Southwest Areas Pension Fund v. Slotky*, 956 F.2d 1369, 1376 (7th Cir. 1992); *In re Richardson*, No. 00-10506-JKC-7, 2012 WL 3958548, at \*2 (Bankr. S.D. Ind. Sept. 10, 2012). Stunningly, despite the clear and express text of the Bankruptcy Code, Plaintiffs seek to do exactly that, hauling USAG into state court to litigate sexual abuse claims that arose prior to USAG's chapter 11 filing. The Bowles Litigation unquestionably violates section 362(a)(1).

4. Plaintiffs' disregard for the automatic stay is particularly egregious given that seven out of the eight Plaintiffs were served directly with notice of USAG's bankruptcy case and the bar date for filing abuse claims, and that USAG gave broad, nationwide public notice of its bankruptcy and the bar date for sexual abuse claims in multiple forums and publications, including directing all member facilities to post a notice of the bar date notice in the facilities. Indeed, one of the Plaintiffs filed a claim (by different counsel) in the bankruptcy case.<sup>2</sup>

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<sup>2</sup> Consistent with the confidentiality protocols regarding sexual abuse proofs of claim in this case, USAG does not identify the specific Plaintiff who filed a proof of claim in this case by name, but can provide this information to the Court if requested.

5. In an attempt to avoid burdening this Court and incurring additional legal costs, USAG tried to resolve this matter without involving this Court. On January 20, 2020, counsel for USAG sent counsel for Plaintiffs a letter in which USAG explained that the Bowles Litigation violated the automatic stay and asked Plaintiffs to immediately dismiss all allegations and claims against USAG. On January 26, 2021, USAG's counsel spoke with one of the attorneys for Plaintiffs and reiterated that the automatic stay required dismissal of the Bowles Litigation. Counsel refused to dismiss the suit, forcing USAG to bring this Motion.

### **NOTICE**

6. USAG will provide notice of this Motion in accordance with the *Order Granting Debtor's Motion For Order Establishing Certain Notice, Case Management, And Administrative Procedures* [Dkt. 213], as well as by electronic mail and first class mail to counsel for the Plaintiffs in the Bowles Litigation. In light of the nature of the relief requested herein, USAG submits that no other or further notice is necessary.

WHEREFORE, USAG respectfully requests the entry of an Order holding that the Bowles Litigation violates the automatic stay and directing the Plaintiffs to immediately dismiss all allegations and claims against USAG and granting such other relief as may be just.

Dated: February 1, 2021

Respectfully submitted,

**JENNER & BLOCK LLP**

By: /s/ Catherine Steege

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**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

In re:

USA GYMNASTICS,<sup>1</sup>

Debtor.

Chapter 11

Case No. 18-09108-RLM-11

**ORDER GRANTING DEBTOR’S MOTION FOR ORDER  
HOLDING THAT THE BOWLES LITIGATION VIOLATES THE AUTOMATIC STAY**

This matter came before the Court on the *Debtor’s Motion For Entry Of An Order Holding That The Bowles Litigation Violates The Automatic Stay* (the “**Motion**”), filed by USA Gymnastics as debtor and debtor in possession (the “**Debtor**”), for the entry of an order pursuant to section

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<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 7871. The location of the Debtor’s principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

362(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”); and the Court finds that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (ii) this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); (iii) the relief requested in the Motion is in the best interests of the Debtor, its estate, and creditors; and after due deliberation, and good and sufficient cause appearing therefore, the Court hereby determines the Motion should be GRANTED.

IT IS HEREBY ORDERED:

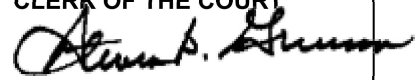
1. The Motion is granted as set forth herein.
2. Plaintiffs shall dismiss all allegations and counts asserted against the Debtor in the action styled *Bowles, et al. v. USA Gymnastics, et al.*, Case No. A-21-828017-C, currently pending in the Eighth Judicial District Court for Clark County, Nevada.
3. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

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**Exhibit B**

**Bowles Litigation Complaint**

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CASE NO: A-21-828017-C  
Department 22

**COMP**

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**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

MORGAN BOWLES, an Individual;  
MIKAELA DAYTON, an Individual;  
ELIZABETH GANGALE, an Individual;  
TIFFANI LEWIS; an Individual; MCKINLEY  
PAVICIC, an Individual;  
MATALASIAUFAIGA PEKO; an Individual;  
TEAGAN PLUTTE, an Individual; ALYSSA  
RESLY, an Individual;

Plaintiffs,

v.

BROWN'S GYMNASTICS LAS VEGAS,  
INC., a Nevada corporation doing business as  
BROWN'S GYMNASTICS; DAYNA  
WAROE, an individual; USA  
GYMNASTICS, a Texas corporation; DOES  
1 through 40; ROE CORPORATIONS 1  
through 40; DOE ACCREDITING  
ORGANIZATIONS 1 through 40; ROE  
ACCREDITING ORGANIZATIONS 1  
through 40; DOES COACHES 1 through 40;  
ROE COACHES 1 through 40; DOE  
TRAINERS 1 through 40; ROE TRAINERS 1  
through 40; ROE TRAINING CENTERS 1  
through 40; DOE EMPLOYEES 1 through 40;  
DOE NEGLIGENT EMPLOYEES 1 through  
40; DOE NEGLIGENT EMPLOYERS 1  
through 40; and ROE NEGLIGENT  
CORPORATIONS 1 through 40, inclusive,

Defendants.

Case No.:

Dept. No.:

**COMPLAINT AND DEMAND FOR  
JURY TRIAL**

**Exemption Requested: Damages Exceed  
\$50,000.00**

**EGLET ADAMS**

**COMPLAINT AND DEMAND FOR JURY TRIAL**

COMES NOW Plaintiffs, by and through their attorneys of record, Robert T. Eglet, Esq., Artemus W. Ham, Esq., and Danielle C. Miller, Esq. of the law firm of EGLET ADAMS, and hereby demand a trial by jury and complain and allege against Defendants as follows:

**I.**

**INTRODUCTION**

This action arises out of the disturbing pattern of grotesque child molestation, and sexual, physical, psychological, and emotional abuse that TERRY GRAY inflicted on Plaintiffs while he was a registered gymnastics coach for USA GYMNASTICS and while he was employed as a gymnastics coach at BROWN'S GYMNASTICS LAS VEGAS, INC. d/b/a BROWN'S GYMNASTICS from approximately 2009 to 2015. He has been charged by way of indictment with fifteen (15) counts of Open and Gross Lewdness, twenty-five (25) counts of Lewdness With A Child Under The Age Of 14, and five (5) counts of Sexual Assault.

**II.**

**PARTIES AND JURISDICTION**

1. Plaintiff, MORGAN BOWLES, was, at all times relevant hereto, a resident of the County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite gymnast during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is now nineteen (19) years old and brings her claims pursuant to Nev. Rev. Stat. 11.250 and Nev. Rev. Stat. 11.190, which are timely as they are brought within two (2) years of Plaintiff having reached the age eighteen (18), and pursuant to Nev. Rev. Stat. 11.215, which are timely as they are brought within twenty (20) years of Plaintiff having reached the age eighteen (18).

2. Plaintiff, MIKAELA DAYTON, was, at all times relevant hereto, a resident of the County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite gymnast during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is now twenty-one (21) years old and brings her claims pursuant to Nev. Rev. Stat. 11.215, which are timely as they are brought within twenty (20) years of Plaintiff having reached the age eighteen (18).

1           3.       Plaintiff, ELIZABETH GANGALE, was, at all times relevant hereto, a resident of  
2 the County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite  
3 gymnast during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is  
4 now twenty-four (24) years old and brings her claims pursuant to Nev. Rev. Stat. 11.215, which  
5 are timely as they are brought within twenty (20) years of Plaintiff having reached the age  
6 eighteen (18).

7           4.       Plaintiff, TIFFANI LEWIS, was, at all times relevant hereto, a resident of the  
8 County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite gymnast  
9 during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is now  
10 twenty-four (24) years old and brings her claims pursuant to Nev. Rev. Stat. 11.215, which are  
11 timely as they are brought within twenty (20) years of Plaintiff having reached the age eighteen  
12 (18).

13           5.       Plaintiff, MCKINLEY PAVICIC, was, at all times relevant hereto, a resident of  
14 the County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite  
15 gymnast during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is  
16 now twenty-one (21) years old and brings her claims pursuant to Nev. Rev. Stat. 11.215, which  
17 are timely as they are brought within twenty (20) years of Plaintiff having reached the age  
18 eighteen (18).

19           6.       Plaintiff, MATALASIAUFAIGA PEKO, was, at all times relevant hereto, a  
20 resident of the County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as  
21 an elite gymnast during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015.  
22 She is now twenty-six (26) years old and brings her claims pursuant to Nev. Rev. Stat. 11.215,  
23 which are timely as they are brought within twenty (20) years of Plaintiff having reached the age  
24 eighteen (18).

25           7.       Plaintiff, TEAGAN PLUTTE, was, at all times relevant hereto, a resident of the  
26 County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite gymnast  
27 during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is now twenty  
28 (20) years old and brings her claims pursuant to Nev. R. Stat. 11.215, which are timely as they

1 are brought within twenty (20) years of Plaintiff having reached the age eighteen (18).

2 8. Plaintiff, ALYSSA RESLY, was, at all times relevant hereto, a resident of the  
3 County of Clark, State of Nevada, a minor, and a member of BROWN'S GYM as an elite gymnast  
4 during TERRY GRAY's employment at BROWN'S GYM from 2009 to 2015. She is now  
5 nineteen (19) years old and brings her claims pursuant to Nev. Rev. Stat. 11.250 and Nev. Rev.  
6 Stat. 11.190, which are timely as they are brought within two (2) years of Plaintiff having reached  
7 the age eighteen (18), and pursuant to Nev. Rev. Stat. 11.215, which are timely as they are brought  
8 within twenty (20) years of Plaintiff having reached the age eighteen (18).

9 9. Defendant BROWN'S GYMNASTICS LAS VEGAS, INC. d/b/a BROWN'S  
10 GYMNASTICS (hereinafter "BROWN'S GYM"), is and was a Nevada corporation, which at all  
11 times relevant hereto, was authorized to do and was doing business in the County of Clark, State  
12 of Nevada.

13 10. Defendant DAYNA WAROE (hereinafter "WAROE"), upon information and  
14 belief, was at all times relevant hereto, a resident of County of Clark, State of Nevada during the  
15 relevant period of Plaintiff's abuse.

16 11. Defendant WAROE, upon information and belief, was at all times relevant hereto,  
17 the president, secretary, treasurer, director, shareholder, and/or owner of Defendant BROWN'S  
18 GYM and was responsible for the overall management of BROWN'S GYM. It is alleged herein  
19 that WAROE was, and is, the alter ego of BROWN'S GYM.

20 12. Upon information and belief, and at all times relevant hereto, TERRY GRAY  
21 (hereinafter "GRAY") was an employee of BROWN'S GYM.

22 13. Upon information and belief, and at all times relevant hereto, Defendant  
23 BROWN'S GYM, at the direction and under the supervision of WAROE, engaged in a pattern  
24 and practice of employing staff, coaches, and volunteers known to be a physical and psychological  
25 danger to the gymnasts in their care, including GRAY.

26 14. Upon information and belief, and at all times relevant hereto, Defendants WAROE  
27 and BROWN'S GYM are all alter egos of each other as each are run, maintained, managed via  
28 commingled assets and liabilities and/or influence and governance, unity of interest, and



1 inseparableness that they should be considered as one so as not to sanction a fraud or injustice.  
2 They were each involved with each other to such an extent that they are liable per alter ego, joint  
3 enterprise, common enterprise liability, single business enterprise and/or affiliate liability.

4 15. Plaintiffs further allege upon information and belief that WAROE, DOES and  
5 ROES set forth above, and each of them, were the alter egos of BROWN'S GYM and ROE  
6 ENTITIES as set forth above, inclusive, and each of them named herein, having influenced and  
7 governed the entities, there is such unity of interest and ownership that the corporation and the  
8 person are inseparable from each other; and adherence to the notion of the corporation being an  
9 entity separate from the person would sanction fraud or manifest injustice. Further, WAROE is  
10 liable for the damages caused to Plaintiffs as a result of the duties she owed to them as an  
11 individual, separate and apart from her role as the owner of BROWN'S GYM, including without  
12 limitation her individual negligence concerning her direct knowledge of actions that threatened  
13 sexual abuse, molestation, physical, and psychological injuries to Plaintiffs.

14 16. Upon information and belief, and at all times relevant hereto, Defendants  
15 BROWN'S GYM, WAROE, DOES and ROES set forth above, inclusive, and each of them, were  
16 the agent, representative, servant, independent contractor, subcontractor, partner, joint venture,  
17 alter ego, successor in interest, affiliate, parent and/or subsidiary, employee and franchise of each  
18 of the remaining Defendants, and each of them herein, and were at all times acting within the  
19 purpose and scope of said agency, service, employment, partnership, joint venture,  
20 parent/subsidiary and franchise as such and with the express and/or implied permission,  
21 knowledge, consent, and ratification of all said other Defendants.

22 17. Defendant USA GYMNASTICS ("USAG"), USAG is an organization  
23 incorporated in Texas with its principal place of business in Indianapolis, Indiana. USAG is  
24 authorized to conduct business and does conduct business throughout the United States, including  
25 but not limited to Nevada, and has repeatedly held gymnastics competitions in Nevada.

26 18. That Defendants, DOES 1 through 40, and ROE CORPORATIONS 1 through 40  
27 were acting within the course and scope of their employment, service and/or agency, with the other  
28

1 Defendants, the Defendants, and each of them, are vicariously liable for the injuries and damages  
2 sustained by Plaintiffs as alleged herein.

3 19. That Defendants, DOES 1 through 40, and ROE CORPORATIONS 1 through 40,  
4 were acting in concert with the other Defendants, the Defendants and each of them, are vicariously  
5 and jointly and severally liable for the injuries and damages sustained by Plaintiffs as alleged  
6 herein.

7 20. That the true names and capacities, whether individual, corporate, associate, or  
8 otherwise, of the Defendants herein designated as DOES 1 through 40; ROE CORPORATIONS  
9 1 through 40; DOE ACCREDITING ORGANIZATIONS 1 through 40; ROE ACCREDITING  
10 ORGANIZATIONS 1 through 40; DOES COACHES 1 through 40; ROE COACHES 1 through  
11 40; DOE TRAINERS 1 through 40; ROE TRAINERS 1 through 40; ROE TRAINING CENTERS  
12 1 through 40; DOE EMPLOYEES 1 through 40; DOE NEGLIGENT EMPLOYEES 1 through 40;  
13 DOE NEGLIGENT EMPLOYERS 1 through 40; and ROE NEGLIGENT CORPORATIONS 1  
14 through 40, are unknown to Plaintiffs at this time who therefore sues said Defendants by fictitious  
15 names.

16 21. Plaintiffs allege that each named Defendants herein designated as DOES 1 through  
17 40; ROE CORPORATIONS 1 through 40; DOE ACCREDITING ORGANIZATIONS 1 through  
18 40; ROE ACCREDITING ORGANIZATIONS 1 through 40; DOES COACHES 1 through 40;  
19 ROE COACHES 1 through 40; DOE TRAINERS 1 through 40; ROE TRAINERS 1 through 40;  
20 ROE TRAINING CENTERS 1 through 40; DOE EMPLOYEES 1 through 40; DOE  
21 NEGLIGENT EMPLOYEES 1 through 40; DOE NEGLIGENT EMPLOYERS 1 through 40; and  
22 ROE NEGLIGENT CORPORATIONS 1 through 40, are negligently, willfully, contractually,  
23 and/or otherwise legally responsible for the events and happenings herein referred to and  
24 proximately caused injury and damages to Plaintiffs as herein alleged. Plaintiffs will seek leave  
25 of Court to amend this Complaint to insert the true names and capacities of such Defendants when  
26 same have been ascertained and will further seek leave to join said Defendants in these  
27 proceedings.

28 22. That exercise of the jurisdiction by this Court over each and every Defendant in

1 this action is appropriate because Defendants are either residents of the State of Nevada, and/or  
2 each and every Defendant has done, or continues to do, business in the State of Nevada.

3 23. That all facts and circumstances that give rise to the subject lawsuit occurred in  
4 the County of Clark, State of Nevada.

5 **III.**

6 **FACTUAL ALLEGATIONS**

7 24. That the elite national governing body for gymnastics in the United States, USA  
8 Gymnastics (“USAG”), selects and trains the United States gymnastics teams for the Olympics  
9 and World Championships.

10 25. That USAG has more than 174,000 athletes and professional members, it sanctions  
11 approximately 4,000 gymnastic competitions and events throughout the United States annually,  
12 and more than 148,000 athletes register for its competitive programs.

13 26. That upon information and belief, and at all times relevant hereto, GRAY is, and  
14 was, a certified and registered USAG coach.

15 27. That upon information and belief, and at all times relevant hereto, BROWN’S  
16 GYM is, and was, a USAG National Training Center.

17 28. That all times relevant hereto, Plaintiffs, and each of them, were under the age of  
18 eighteen (18) and were members of USAG and BROWN’S GYM as elite gymnasts during 2009  
19 to 2015.

20 29. GRAY first began coaching Plaintiffs in 2009. Plaintiffs allege that shortly after  
21 GRAY began coaching at BROWN’S GYM, until his departure in 2015, BROWN’S GYM was  
22 a hostile and sexually charged environment wherein GRAY sexually groomed, molested and  
23 abused some and/or all Plaintiffs by, among other things, inappropriately hugging them, lifting  
24 them up and squeezing their buttocks, slapping their buttocks with such force that it left handprints  
25 on their thigh and buttocks area, touching their breasts and vagina, giving them lingering  
26 massages to their lower back, inner thigh, groin and vaginal area, kissing them on or around  
27 mouth, stroking and kissing their necks, using his lips and teeth to nibble and bite their ears,  
28 whispering in their ear, calling them “babe,” and having an ongoing sexual relationship with at

1 least one gymnast.

2 30. Plaintiffs allege that under the guise of assisting some gymnasts with “stretching,”  
3 GRAY would “tickles” the area near their vagina by placing his hands and fingers on their waist  
4 and massaging his fingers down towards their vagina. GRAY’s “tickling” was not done in a  
5 manner to generate laughter, but instead, a sexual grooming technique to use tickling as an excuse  
6 to move his hands and fingers around their body, close to their vagina. GRAY’s “stretching” also  
7 consisted of him straddling a gymnast’s body, massaging her shoulders and arms, working his  
8 way down to her back and hamstrings, then placing his hands on her buttocks, and while using  
9 both his fingers and fists, rub and massage her buttocks. At the same time, GRAY would straddle  
10 their buttocks and rub his penis against their buttocks while rocking himself back and forth.  
11 Another “stretch” GRAY liked to perform consisted of him positioning himself in between a  
12 gymnast’s legs, similar to a sexual intercourse position, and either placing their feet in his thigh  
13 and groin area, placing his penis against their vagina, or laying directly on top of them. Often,  
14 GRAY would have gymnasts roll down their leotard, leaving them only in their sports bra and  
15 underwear, and rub his thumbs down their back, with his fingers eventually moving underneath  
16 their leotard.

17 31. Plaintiffs allege that GRAY’s sexual abuse and molestation also occurred while  
18 he was spotting gymnasts during practice. During which time, GRAY would make his best effort  
19 to try and touch their buttocks and vagina area by placing one hand on their buttocks and placing  
20 his other hand on top of their vagina. While some gymnasts were performing a press handstand,  
21 rather than spotting a gymnast near her knees and feet, GRAY would position himself behind the  
22 gymnast, grab her underneath her legs along the edge of her leotard, all while touching her vagina,  
23 then position her so that her vagina would point directly in his face. GRAY also required  
24 gymnasts to wear leotards, rather than shorts, and would tell them that he liked it when their  
25 leotards “rode up” their buttocks. Plaintiffs allege that GRAY’s perversion even went so far that  
26 he would get upset if a gymnast adjusted her leotard so that it was no longer riding up and  
27 exposing her buttocks and would make fun gymnasts if their leotard covered their entire buttocks.

28 32. Plaintiffs further allege that GRAY manipulated some and/or all Plaintiffs with

1 “rewards” for their performance. In one instance, he invited a gymnast to attend a Cirque du  
2 Soleil show, which, he claimed, was because she was performing well. However, this was not a  
3 reward for performance but instead, it was GRAY’s opportunity to go on a date with her. GRAY  
4 not only had the gymnast dress up for the show, but he picked her up for the show and throughout  
5 the evening, kissed her on the cheek, grabbed her buttocks, continuously pulled her close to him,  
6 and nibbled and bit her earlobe.

7 33. Plaintiffs also allege that GRAY sexually groomed some and/or all Plaintiffs by  
8 routinely telling them that he wanted a girl that was blonde with blue eyes, young, with a “nice  
9 butt,” and would specifically tell some gymnasts that he wished he could find a girl “that looked  
10 like her.” GRAY even texted one gymnast an unsolicited shirtless “selfie” and nicknamed a  
11 gymnast “wonderbutt.” GRAY also regularly told some gymnasts that they should dye their hair  
12 blonde, which some gymnasts did, hoping that if they had an appearance that GRAY liked, he  
13 would be more eager to coach them.

14 34. Plaintiffs further allege that GRAY exhibited control and manipulation by telling  
15 some and/or all Plaintiffs what they could and could not wear to school. He told one gymnast  
16 that she was not allowed to wear skirts to school because he did not want boys to look at her “like  
17 that.” GRAY also told her that she could only wear sweatpants to school and that she was not  
18 allowed to have a boyfriend. GRAY told her that he was the second man in her life, indicating  
19 that her father was the first man in her life. Plaintiffs allege that GRAY’s sexualization even went  
20 so far as telling one gymnast that she better not be having sex with boys because “she needed to  
21 save herself” for him, and that he did not like it when she had a boyfriend because she “needed to  
22 be with him.”

23 35. None of these sexual contacts or abuse behaviors was in any way necessary as part  
24 of GRAY’s duties as an elite gymnastics coach. These sexual assaults occurred when Plaintiffs  
25 were under the supervision of BROWN’S GYM and on the premises of BROWN’S GYM.  
26 Plaintiffs had no reason to suspect GRAY was anyone other than an elite gymnastics coach who  
27 truly cared for the well-being and advancement of BROWN’S GYM members. Plaintiffs trusted  
28 and had substantial confidence in GRAY.

1           36. Plaintiffs allege that in addition to GRAY's sexual abuse, GRAY was physically  
2 abusive to some and/or all Plaintiffs, which came in the form of forcing them to do a "Terry Run."  
3 A "Terry Run" consisted of numerous types of high intensity physical activities that took  
4 approximately twenty (20) minutes to complete. While doing a "Terry Run," GRAY would  
5 scream at the gymnasts and make them start over prior to completion without any regard as to  
6 whether a gymnast was overexerted and no longer able to stand.

7           37. Plaintiffs also allege that GRAY was psychologically, emotionally, and mentally  
8 abusive to some and/or all Plaintiffs. In one instance, after a gymnast broke her back and was  
9 working to return to gymnastics, GRAY told her that there was "no light at the end of the tunnel"  
10 and that she "was going nowhere." GRAY would also routinely scream at the gymnasts until  
11 they cried and use fear and manipulation to control them. GRAY would separate his favorite and  
12 least favorite gymnasts, and if a gymnast were not his favorite, he would tell her that she was  
13 going nowhere in gymnastics, that she "looked like shit," that she "should give up, that she  
14 "sucked," and would often call gymnasts "little bitch." GRAY would also manipulate some  
15 gymnasts by playing a "hard to get game," which required them to "earn his attention."

16           38. Plaintiffs further allege that GRAY had a practice of weighing and body shaming  
17 some and/or all Plaintiffs. GRAY would require gymnasts to weigh-in several times a week and  
18 would post their weight on a sticky note for everyone to see. After each weigh-in, GRAY would  
19 have the gymnasts line up so he could inspect their bodies. Plaintiffs allege that GRAY would  
20 then publicly shame some gymnasts and tell them if their butt looked "big," if they looked "good,"  
21 or if they were someone he wanted to be around. If GRAY "called out" a gymnast for gaining  
22 weight, he would not allow her to participate in practice and would force her to do a "Terry Run"  
23 until she was crying or until she was no longer able to stand.

24           39. Because some Plaintiffs were so anxious about gaining weight, they would eat  
25 very little, or not at all, and would regularly use laxatives to purge. As a result, some Plaintiffs  
26 have suffered from extreme and severe mental anguish and emotional distress, resulting in  
27 disordered eating, which required, and continues to require, medical and psychological treatment.  
28 Plaintiffs have suffered and continue to suffer as a result of GRAY's physical, mental and



1 emotional abuse.

2 40. During Plaintiffs' gymnastics careers, BROWN'S GYM hired GRAY as a  
3 gymnastics coach and gave him unfettered access to young gymnasts, even though it knew or  
4 should have known, of GRAY's sexual, physical, psychological, and emotional abuse and could  
5 have prevented it by taking abuse allegations seriously and maintaining a culture of accountability  
6 and transparency. BROWN'S GYM could have fired GRAY before he abused Plaintiffs, but  
7 instead of tackling the abuse head on, BROWN'S GYM elected to put its head in the sand,  
8 ignoring and actively concealing the sexual, physical, psychological, and emotional abuse being  
9 perpetrated by GRAY. When GRAY's inappropriate touching and abuse was reported to  
10 WAROE, WAROE indicated that unless she saw something "illegal," to never come to her again  
11 with a complaint about GRAY, and outright refused to fire GRAY, despite the numerous  
12 complaints she received about his inappropriate sexual and abusive behavior. WAROE even went  
13 to such great lengths to conceal GRAY's behavior that she asked GRAY to conduct his  
14 "stretching" on gymnasts in an area out of the public's view. More disturbing, after GRAY's  
15 departure, WAROE intentionally destroyed numerous documented complaints of GRAY's  
16 inappropriate sexual and abusive behavior.

17 41. Plaintiffs further allege that even after GRAY's departure from BROWN'S GYM,  
18 the physical, psychological, and emotional abuse continued under WAROE, who inflicted  
19 psychical, psychological and emotional abuse, by, among other things, humiliating Plaintiffs,  
20 body shaming Plaintiffs, pressuring Plaintiffs to lose weight, not allowing some and/or all  
21 Plaintiffs to practice until they lost weight, and requiring some and/or all Plaintiffs to continue  
22 intense training despite having serious injuries. As the owner of BROWN'S GYM, WAROE  
23 could have prevented Plaintiffs' abuse. Instead, WAROE enabled and ratified the abuse by  
24 GRAY against Plaintiffs and other members of BROWN'S GYM, furthered the ongoing  
25 concealment of abuse at BROWN'S GYM, and individually engaged in abuse.

26 42. BROWN'S GYM represented to the gymnastics community that GRAY was safe,  
27 trustworthy, ethical, and professionally competent. This led many parents to believe their children  
28 were safe in the care and custody of BROWN'S GYM, when in fact these children were in grave

1 danger. BROWN'S GYM portrayed this public image of GRAY to preserve its own public image  
2 and reputation, so BROWN'S GYM could retain and recruit members, for its own financial gain.

3 43. BROWN'S GYM maintained a hostile and sexually charged environment, as well  
4 as a culture of abuse, that intimidated impressionable young gymnasts who participated in its  
5 programs and kept them silent about illegal sexual activity and misconduct at BROWN'S GYM.

6 44. Plaintiffs did not discover their psychological injuries until 2017 when other  
7 victims of GRAY publicly came forward with their own experiences of sexual, physical,  
8 psychological, and emotional abuse at the hands of GRAY. Until this time, Plaintiffs never made  
9 a mental connection between the sexual, physical, psychological, and emotional abuse by GRAY  
10 and their permanent and irreversible psychological, physical, mental, and emotional injuries. At  
11 the time of the public revelations of other victims, Plaintiffs realized for the first time that GRAY  
12 was a serial molester, and abuser, and that Plaintiffs were his victims. This deferred realization  
13 is common for victims of abuse, particularly child sexual abuse and particularly sexual abuse  
14 arising out of relationships of trust and confidence, similar to that of GRAY and Plaintiffs. The  
15 commonplace nature of deferred realization of child sexual, physical, psychological, and  
16 emotional abuse is one of the reasons why the Nevada legislature has enacted a special statute of  
17 limitations for child sexual abuse. *See Nev. Rev. Stat. 11.215.*

18 45. Plaintiffs also allege that USAG had a legal responsibility to exercise reasonable  
19 care to protect the young gymnasts in its custody and care from abuse by its personnel. Instead of  
20 tackling a culture of abuse head on, USAG elected to ignore and actively conceal the abuse being  
21 perpetrated by its registered coaches, including GRAY. USAG also maintained a culture of abuse  
22 that intimidated impressionable young gymnasts who practiced in their USAG National Training  
23 Centers and kept them silent about the misconduct occurring at their training centers.

24 46. USAG has a written Code of Ethical Conduct that meant nothing in practice. The  
25 Code of Ethical Conduct states, in pertinent part:

26 ...Members of [USAG] are expected to promote a safe environment for  
27 participants, coaches, officials, volunteers and staff in all gymnastics disciplines,  
28 which includes an environment free from sexual misconduct. It is inconsistent with  
this obligation for any Member to: 1. Solicit or engage in sexual relations with any



1 minor. 2. Engage in any behavior that utilizes the influence of a professional  
2 Member's position as coach, judge, official or administrator to encourage sexual  
3 relations with an athlete or participant. 3. Engage in sexual harassment by making  
4 unwelcome advances, requests for sexual favors or other verbal or physical conduct  
5 of a sexual nature where such conduct creates an intimidating, hostile or offensive  
6 environment.

7 47. USAG's policies allow sexual relationships among its members to occur:  
8 "Professional Members of [USAG] must protect the integrity of the sport and the interests of the  
9 athletes they serve by avoiding sexual relationships with athletes except where the capacity and  
10 quality of the athlete's consent to enter that relationship is beyond question." It is indisputable  
11 that a girl under the age of 18 does not have the capacity to consent, or her consent lacks the  
12 sufficient quality to be beyond question.

13 48. According to its policies, USAG enforces this Code of Ethical Conduct "primarily  
14 upon understanding and voluntary compliance, secondarily upon reinforcement by peers, and  
15 when necessary, upon enforcement through disciplinary action.... Any Member ('Complainant')  
16 who believes that another Member of [USAG] has failed to meet such Member's obligations  
17 under this Code is, under all but the most egregious circumstances, encouraged to first address  
18 that concern directly to that Member."

19 49. Despite the Code of Ethical Conduct, USAG was notorious for maintaining a  
20 recklessly lax system of vetting coaches, staff, and administrators. It failed to follow its policy of  
21 reporting coaches who were known abusers to authorities. Its culture allowed coaches to move  
22 from gym to gym despite USAG's knowledge and notice of their inappropriate behavior. The  
23 organization has admitted to routinely dismissing allegations of abuse unless they came directly  
24 from the victim or the victim's parents. USAG kept records of complaints against coaches but  
25 kept them in a secret file, exposing thousands of young girls to the risk of sexual, physical,  
26 psychological, and emotional abuse.

27 50. Upon information and belief, and at all times relevant hereto, USAG engaged in a  
28 pattern and practice of employing coaches, staff, and volunteers and retaining members known to  
be a danger to the girls in their care, including GRAY. Defendants employed other coaches,  
professionals, staff, and agents who were known to be sexually, physically, psychologically, and

1 emotional abusive and continued to be a risk to young female gymnasts.

2 51. USAG's own systems to protect the girls from child sex abusers were a sham.  
3 USAG touted a list of banned coaches because they were child sex abusers. USAG's own website  
4 catalogues a list of over twenty (20) individuals, nationwide, who are "Permanently Ineligible  
5 Members" at USAG for violation of Bylaw § 9.2(a)(iii). Among other "Special Categories of  
6 Misconduct," this section of USAG's Bylaws specifically bars members who have 'been  
7 convicted of or ha[ve] entered a plea of guilty or no contest to a criminal charge or indictment  
8 issued by an applicable City, County, State or Federal jurisdiction, and such charge or indictment  
9 directly or indirectly involved or related to sexual misconduct, child abuse or conduct that is a  
10 violation of any law or regulation that is specifically designed to protect minors." But this list  
11 omitted several coaches who should have been on it, including GRAY, who had previously been  
12 reported as a child sex abuser.

13 52. Plaintiffs allege that as a USAG registered coach, GRAY held a position of trust  
14 and confidence of team members like Plaintiffs. Through this position of trust and confidence,  
15 GRAY was able to perpetrate his molestation and sexual, physical and psychological abuse upon  
16 Plaintiffs. GRAY abused Plaintiffs for his personal gratification and pleasure, and had a  
17 grotesque predilection for young gymnasts, like Plaintiffs. GRAY's molestation and sexual,  
18 physical and psychological abuse of Plaintiffs annoyed, disturbed, irritated, anguished,  
19 embarrassed, humiliated, permanently injured and offended Plaintiffs as it would have a  
20 reasonable person.

21 53. Plaintiffs did not consent to GRAY's sexual grooming, molestation, and sexual,  
22 physical, and psychological abuse and further, Plaintiffs were incapable of consenting to such  
23 because Plaintiffs were all minors at the time of GRAY's abuse.

24 54. By allowing GRAY to remain registered as a USAG coach, USAG represented to  
25 the gymnastics community that GRAY was safe, trustworthy, ethical, and professionally  
26 competent. This led many parents to believe their children were safe while training with GRAY,  
27 when in fact these children were in grave danger. USAG portrayed this public image of GRAY  
28

1 to preserve its own public image and reputation so USAG could retain and recruit members, thus  
2 allowing membership, donations, and other financial support to continue.

3 55. USAG had a duty to disclose to Plaintiffs' parents its knowledge and notice of  
4 complaints that GRAY was a child sex abuser. USAG breached this duty to disclose these facts  
5 to Plaintiffs, and their parents, by negligently or intentionally suppressing, concealing, and failing  
6 to disclose these prejudicial facts. The duty to disclose arose from the special relationship  
7 between USAG and Plaintiffs.

8 56. Defendants had notice of, knew of, or should have known of GRAY's past sexual,  
9 physical, psychological, and emotional abuse of children, past claims and investigations, and his  
10 propensity and disposition to engage in unlawful sexual activity with young gymnasts like  
11 Plaintiffs. Accordingly, Defendants knew or should have known that GRAY would commit  
12 wrongful sexual acts in the future with young gymnasts and members, including Plaintiffs.

13 57. Because of the relationship between Plaintiffs and Defendants, Defendants had an  
14 obligation and duty under the law not to hide material facts and information about GRAY's past,  
15 and his deviant sexual behavior and propensities. Additionally, Defendants had an affirmative  
16 duty to inform, warn, and institute appropriate protective measures to safeguard minors that were  
17 reasonably likely to encounter GRAY. Defendants willfully refused to notify, give adequate  
18 warning, and implement appropriate safeguards, thereby creating the peril that ultimately  
19 damaged Plaintiffs.

20 58. By virtue of Defendants' conspiratorial conduct, and in keeping with their intent  
21 to conceal GRAY's misconduct from the gymnastics community, the public, and law  
22 enforcement, Defendants allowed GRAY to remain in a position of influence where his  
23 unsupervised or negligently supervised conduct with minor participants and members made the  
24 molestation and abuse of minor participants and members possible.

25 59. During the period Plaintiffs were being sexually groomed, molested and physically  
26 and psychologically abused by GRAY, Defendants had the authority and ability to prevent such  
27 abuse by placing GRAY on USAG's list of banned coaches and by removing GRAY from his  
28 position as a coach at BROWN'S GYM. Defendants failed to do so, allowing the abuse to occur

1 and to continue unabated. Plaintiffs are informed and believe and, on that basis, allege that this  
2 failure was a part of Defendants' conspiratorial plan and arrangement to conceal GRAY's  
3 wrongful conduct, to avoid and inhibit detection, to block public disclosure, to avoid scandal, to  
4 avoid the disclosure of their tolerance of child sexual, physical, and psychological abuse, to  
5 preserve a false appearance of propriety, and to avoid investigation and action by public authority  
6 including law enforcement. Such actions were motivated by a desire to protect the reputation of  
7 Defendants and protect the monetary support of Defendants, while fostering an environment  
8 where such abuse could continue to occur.

9 60. Defendants, each of them, by actions and omissions as alleged herein directly and  
10 proximately caused the damages set forth in this Complaint.

11 61. As a result of the above-described conduct, Plaintiffs have suffered and continue  
12 to suffer great pain of mind and body, shock, emotional distress, physical manifestations of  
13 emotional distress including embarrassment, loss of self-esteem, disgrace, humiliations, and loss  
14 of enjoyment of life; have suffered and continue to suffer and were prevented and will continue  
15 to be prevented from performing daily activities and obtaining the full enjoyment of life; will  
16 sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur  
17 expenses for medical and psychological treatment, therapy, and counseling, each in an amount in  
18 excess of Fifteen Thousand Dollars (\$15,000.00).

19 62. As a direct and approximate result of the Defendants' conduct, as set forth herein,  
20 Plaintiffs have suffered injuries and/or severe emotional distress in an amount in excess of Fifteen  
21 Thousand Dollars (\$15,000.00).

22 63. Defendants, and each of them, acted with fraud, oppression, and/or malice toward  
23 Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard  
24 for the rights and safety of the Plaintiffs, and Defendants should be punished and made an  
25 example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen  
26 Thousand Dollars (\$15,000.00).

27 64. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been  
28 required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence

thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

IV.

**FIRST CAUSE OF ACTION**

**(Negligence – As Against Defendants USAG, BROWN'S GYM, WAROE And All Named DOES and ROES)**

65. Plaintiffs reallege each and every allegation contained in the preceding and subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set forth herein.

66. Prior to and after the first incident of GRAY's sexual grooming, molestation, sexual, physical, psychological, and emotional abuse of Plaintiffs, through the present, Defendants, knew and/or had reason to know that GRAY had and was capable of sexually, physically, psychologically, and emotionally abusing and harassing Plaintiffs or other victims.

67. Defendants and each of them had special duties to protect the minor Plaintiffs and the other participants and members, when such minors were entrusted to Defendants' care by their parents. Plaintiffs' care, welfare and physical custody was entrusted to Defendants. Defendants voluntarily accepted the entrusted care of Plaintiffs. As such, Defendants owed Plaintiffs, minor children, a special duty of care that adults dealing with children owe to protect them from harm. The duty to protect and warn arose from the special, trusting, confidential, and fiduciary relationship between Defendants and Plaintiffs.

68. Defendants breached their duties of care to the minor Plaintiffs by allowing GRAY to come into contact with the minor Plaintiffs and other participants and members, without supervision; by failing to adequately hire, supervise and retain GRAY whom they permitted and enabled to have access to Plaintiffs; by concealing from Plaintiffs, their families, and law enforcement that GRAY was sexually grooming, molesting and abusing minors; and by holding GRAY out to Plaintiffs and their families as being of high moral and ethical repute, in good standing and trustworthy.

69. Defendants breached their duties to Plaintiffs by failing to investigate or otherwise confirm or deny such facts of sexual, physical, psychological, and emotional abuse by GRAY,

1 failing to reveal such facts to Plaintiffs, their parents, the community, and law enforcement  
2 agencies, and by placing GRAY into a position of trust and authority, holding him out to  
3 Plaintiffs, their parents, and the public as being in good standing and trustworthy.

4 70. Defendants breached their duty to Plaintiffs by failing to adequately monitor and  
5 supervise GRAY and failing to prevent GRAY from committing wrongful sexual acts with minors  
6 including Plaintiffs. Defendants' past records of sexual, physical, psychological, and emotional  
7 misconduct by GRAY caused Defendants to know, or gave them reason to know, of GRAY's  
8 incapacity to serve as a coach.

9 71. As a result of the above-described conduct, Plaintiffs have suffered and continue  
10 to suffer great pain of mind and body, shock, emotional distress, physical manifestations of  
11 emotional distress including embarrassment, loss of self-esteem, disgrace, humiliations, and loss  
12 of enjoyment of life; have suffered and continue to suffer and were prevented and will continue  
13 to be prevented from performing daily activities and obtaining the full enjoyment of life; will  
14 sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur  
15 expenses for medical and psychological treatment, therapy, and counseling, each in an amount in  
16 excess of Fifteen Thousand Dollars (\$15,000.00).

17 72. Defendants, each of them, by actions and omissions as alleged herein directly and  
18 proximately caused the damages set forth in this Complaint.

19 73. As a direct and approximate result of the Defendants' negligence, Plaintiffs have  
20 suffered injuries and/or severe emotional distress in an amount in excess of Fifteen Thousand  
21 Dollars (\$15,000.00).

22 74. Defendants, and each of them, acted with fraud, oppression, and/or malice toward  
23 Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard  
24 for the rights and safety of the Plaintiffs, and Defendants should be punished and made an  
25 example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen  
26 Thousand Dollars (\$15,000.00).

27 75. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been  
28 required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence



thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

V.

**SECOND CAUSE OF ACTION**

**(Negligence *Per Se* Violation of Nevada Revised Statute Chapter 432B, et seq. – As Against Defendants USAG, BROWN'S GYM, WAROE And All Named DOES and ROES)**

76. Plaintiffs reallege each and every allegation contained in the preceding and subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set forth herein.

77. Under the Child Abuse and Neglect Reporting Act, Defendants, by and through their employees and agents, were childcare custodians and were under a statutory duty to report known or suspected incidents of sexual molestation or abuse of minors to a child protective agency, pursuant to Nevada Revised Statutes Chapter 432B, and not to impede the filing of any such report.

78. Defendants knew or had reason to know that their coach, GRAY, and other staff of Defendants, had sexually groomed, molested, physically, psychologically and emotionally abused or caused touching, battery, harm, and/or other injuries to minors, including Plaintiffs, giving rise to a duty to report such conduct under Nevada Revised Statutes Chapter 432B.

79. Defendants knew, or had reason to know, in the exercise of reasonable diligence, that an undue risk to minors, including Plaintiffs, existed because Defendants did not comply with Nevada's mandatory reporting requirements.

80. By failing to report the continuing molestations and abuse by GRAY, which Defendants knew or had reason to know about, and by ignoring the fulfillment of the mandated compliance with the reporting requirements provided under Nevada Revised Statutes Chapter 432B, Defendants created the risk and danger contemplated by the Child Abuse and Neglect Reporting Act, and as a result, unreasonably and wrongfully exposed Plaintiffs and other minors to sexual molestation and abuse.

81. Plaintiffs were a member of the class of persons for whose protection Nevada Revised Statutes Chapter 432B was specifically adopted to protect.

1           82. Had Defendants adequately reported the sexual, physical, psychological, and  
2 emotional abuse of Plaintiffs and other minors as required by Nevada Revised Statutes Chapter  
3 432B, further harm to Plaintiffs and other minors would have been avoided.

4           83. As a proximate result of Defendants' failure to follow the mandatory reporting  
5 requirements of Nevada Revised Statutes Chapter 432B, Defendants wrongfully denied Plaintiffs  
6 and other minors the intervention of child protection services. Such public agencies would have  
7 changed the then-existing arrangements and conditions that provided the access and opportunities  
8 for GRAY's sexual, physical, and psychological abuse of Plaintiffs.

9           84. The physical, mental, and emotional damages and injuries resulting from the  
10 sexual molestation of Plaintiffs by GRAY, were the type of occurrence and injuries that the Child  
11 Abuse and Neglect Reporting Act was designed to prevent.

12           85. As a result, Defendants' failure to comply with the mandatory reporting  
13 requirements of Nevada Revised Statutes Chapter 432B also constituted a per se breach of  
14 Defendants' duties to Plaintiffs.

15           86. Defendants, and each of them, breached their duty to Plaintiffs by, inter alia, by  
16 failing to adequately monitor and supervise GRAY and stop GRAY from committing wrongful  
17 sexual acts with minors including Plaintiffs.

18           87. As a result of the above-described conduct, Plaintiffs have suffered and continue  
19 to suffer great pain of mind and body, shock, emotional distress, physical manifestations of  
20 emotional distress including embarrassment, loss of self-esteem, disgrace, humiliations, and loss  
21 of enjoyment of life; have suffered and continue to suffer and were prevented and will continue  
22 to be prevented from performing daily activities and obtaining the full enjoyment of life; will  
23 sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur  
24 expenses for medical and psychological treatment, therapy, and counseling.

25           88. Defendants, each of them, by actions and omissions as alleged herein directly and  
26 proximately caused the damages set forth in this Complaint.

27           89. As a direct and approximate result of the Defendants' negligence, Plaintiffs have  
28 suffered injuries and/or severe emotional distress in an amount in excess of Fifteen Thousand



1 Dollars (\$15,000.00).

2 90. Defendants, and each of them, acted with fraud, oppression, and/or malice toward  
3 Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard  
4 for the rights and safety of the Plaintiffs, and Defendants should be punished and made an  
5 example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen  
6 Thousand Dollars (\$15,000.00).

7 91. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been  
8 required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence  
9 thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

10 **VI.**

11 **THIRD CAUSE OF ACTION**

12 **(Negligent Failure to Warn, Train, or Educate – As Against Defendants USAG, BROWN'S**  
13 **GYM, WAROE And All Named DOES and ROES)**

14 92. Plaintiffs reallege each and every allegation contained in the preceding and  
15 subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set  
16 forth herein.

17 93. Defendants owed Plaintiffs a duty to take reasonable protective measures to  
18 protect Plaintiffs and other minor participants and members from the risk of sexual, physical,  
19 psychological, and emotional abuse by GRAY by properly warning, training, or educating  
20 Plaintiffs and others about how to avoid such a risk.

21 94. Defendants breached their duty to take reasonable protective measures to protect  
22 Plaintiffs and other minor participants and members from the risk of child sexual, physical,  
23 psychological, and emotional abuse by GRAY, such as the failure to properly warn, train or  
24 educate Plaintiffs and other minor participants and members about how to avoid such a particular  
25 risk that GRAY posed of sexual misconduct.

26 95. Defendants breached their duty to take reasonable protective measures to protect  
27 Plaintiffs and other minor participants and members from the risk child sexual, physical,  
28 psychological, and emotional abuse by GRAY, by failing to supervise and stop employees of

Defendants, including GRAY, from committing wrongful sexual acts with minors, including Plaintiffs.

96. As a result of the above-described conduct, Plaintiffs have suffered and continue to suffer great pain of mind and body, shock, emotional distress, physical manifestations of emotional distress including embarrassment, loss of self-esteem, disgrace, humiliations, and loss of enjoyment of life; have suffered and continue to suffer and were prevented and will continue to be prevented from performing daily activities and obtaining the full enjoyment of life; will sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur expenses for medical and psychological treatment, therapy, and counseling.

97. Defendants, each of them, by actions and omissions as alleged herein directly and proximately caused the damages set forth in this Complaint.

98. As a direct and approximate result of the Defendants' negligence, Plaintiffs have suffered injuries and/or severe emotional distress in an amount in excess of Fifteen Thousand Dollars (\$15,000.00).

99. Defendants, and each of them, acted with fraud, oppression, and/or malice toward Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard for the rights and safety of the Plaintiffs, and Defendants should be punished and made an example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen Thousand Dollars (\$15,000.00).

100. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

## VII.

### FOURTH CAUSE OF ACTION

#### **(Negligent Hiring/Retention/Supervision – As Against Defendants USAG, BROWN'S GYM, WAROE And All Named DOES and ROES)**

101. Plaintiffs reallege each and every allegation contained in the preceding and subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set

1 forth herein.

2 102. By virtue of Plaintiffs' special relationship with Defendants, and Defendants'  
3 relation to GRAY, Defendants owed Plaintiffs a duty to provide reasonable supervision of GRAY,  
4 to use reasonable care in investigating GRAY's background, and to provide adequate warning to  
5 Plaintiffs, Plaintiffs' family, and minor participants and members of GRAY's dangerous  
6 propensities and unfitness. As an organization responsible for, and entrusted with, the welfare of  
7 minor children, USAG, BROWN'S GYM and WAROE had a duty to protect, supervise, and  
8 monitor both the Plaintiffs from being preyed upon by sexual predators, and to supervise and  
9 monitor GRAY such that he would not be placed in seclusion with minor children, including the  
10 Plaintiffs.

11 103. As representatives of USAG and BROWN'S GYM, where many of the  
12 participants and members thereof are vulnerable minors entrusted to USAG and BROWN'S  
13 GYM, Defendants' agents expressly and implicitly represented that coaches and staff, including  
14 GRAY, were not a sexual, physical, or psychological threat to children and others who would fall  
15 under GRAY's influence, control, direction, and care.

16 104. Defendants, by and through their respective agents, servants, and employees, knew  
17 or had reason to know of GRAY's dangerous and exploitive propensities and that GRAY was an  
18 unfit agent. Despite such knowledge, Defendants negligently failed to supervise GRAY in his  
19 position of trust and authority as a coach and authority figure over children, where he was able to  
20 commit wrongful acts of sexual, physical, and psychological misconduct against Plaintiffs.  
21 Defendants failed to provide reasonable supervision of GRAY, failed to use reasonable care in  
22 investigating GRAY, and failed to provide adequate warning to Plaintiffs and Plaintiffs' family  
23 of GRAY's dangerous propensities and unfitness. Defendants further failed to take reasonable  
24 steps to ensure the safety of minors, including Plaintiffs, from molestation and sexual, physical,  
25 psychological, and emotional abuse.

26 105. At no time during the periods of time alleged did Defendants have in place a  
27 reasonable system or procedure to investigate, supervise and monitor the coaches or staff,  
28 including GRAY, to prevent pre-sexual grooming, sexual molestation, and sexual, physical,

1 psychological, and emotional abuse of children, nor did they implement a system or procedure to  
2 oversee or monitor conduct toward minors and others in Defendants' care.

3 106. Defendants were aware or had reason to be aware of how vulnerable children were  
4 to sexual grooming, molestation and abuse by teachers, coaches, and other persons of authority  
5 within Defendants' entities.

6 107. Defendants were put on notice, knew, and had reason to know that GRAY had  
7 previously engaged and was continuing to engage in unlawful sexual conduct with minors, and  
8 had committed other felonies, for his own personal sexual gratification, and that it was foreseeable  
9 that he was engaging, or would engage in illicit sexual activities with Plaintiffs, and others, under  
10 the cloak of the authority, confidence, and trust, bestowed upon him through Defendants.

11 108. Defendants were placed on actual or constructive notice that GRAY had molested  
12 other minors and participants and members during his employment with Defendants. Defendants  
13 were informed of molestations of minors committed by GRAY prior to Plaintiffs' sexual,  
14 physical, and psychological abuse, and of conduct by GRAY that would put a reasonable person  
15 on notice of such propensity to molest and sexually, physically, psychologically, and emotionally  
16 abuse children.

17 109. Even though Defendants knew or had reason to know of these illicit sexual  
18 activities by GRAY, Defendants did not reasonably investigate, supervise, or monitor GRAY to  
19 ensure the safety of the minor participants and members.

20 110. Defendants' conduct was a breach of their duties to Plaintiffs.

21 111. Defendants, and each of them, breached their duty to Plaintiffs by, inter alia, by  
22 failing to adequately monitor and supervise GRAY and stop GRAY from committing sexual acts  
23 with minors including Plaintiffs.

24 112. As a result of the above-described conduct, Plaintiffs have suffered and continue  
25 to suffer great pain of mind and body, shock, emotional distress, physical manifestations of  
26 emotional distress including embarrassment, loss of self-esteem, disgrace, humiliations, and loss  
27 of enjoyment of life; have suffered and continue to suffer and were prevented and will continue  
28 to be prevented from performing daily activities and obtaining the full enjoyment of life; will

1 sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur  
2 expenses for medical and psychological treatment, therapy, and counseling.

3 113. Defendants, each of them, by actions and omissions as alleged herein directly and  
4 proximately caused the damages set forth in this Complaint.

5 114. As a direct and approximate result of the Defendants' negligence, Plaintiffs have  
6 suffered injuries and/or severe emotional distress in an amount in excess of Fifteen Thousand  
7 Dollars (\$15,000.00).

8 115. Defendants, and each of them, acted with fraud, oppression, and/or malice toward  
9 Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard  
10 for the rights and safety of the Plaintiffs, and Defendants should be punished and made an  
11 example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen  
12 Thousand Dollars (\$15,000.00).

13 116. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been  
14 required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence  
15 thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

16 **VIII.**

17 **FIFTH CAUSE OF ACTION**

18 **(Vicarious Liability/Respondeat Superior – As Against Defendant BROWN'S GYM And**  
19 **All Named DOES and ROES)**

20 117. Plaintiffs reallege each and every allegation contained in the preceding and  
21 subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set  
22 forth herein

23 118. That employers, masters and principals are vicariously liable for the torts  
24 committed by their employees, servants and agents if the tort occurs while the employee, servant  
25 or agent was acting in the course and scope of employment.

26 119. That at all times mentioned herein, GRAY was an employee of Defendant  
27 BROWN'S GYM and was acting within the course and scope of his employment with Defendant  
28 BROWN'S GYM.

1 120. Based on GRAY's history, and considering the nature and scope of his  
2 employment, it was reasonably foreseeable to BROWN'S GYM, that GRAY would sexually  
3 groom, molest, and abuse Plaintiffs.

4 121. That as GRAY's employer, Defendant BROWN'S GYM is vicariously liable for  
5 all of GRAY's actions, omissions and inactions performed within the course and scope of his  
6 agency, ostensible agency, joint venture, contractual or employment relationship with Defendant  
7 BROWN'S GYM.

8 122. That as a direct and proximate result of the acts of Defendants, and each of them,  
9 Plaintiffs are entitled to a judgment against Defendant BROWN'S GYM stating that it is  
10 vicariously liable for all of GRAY's actions as set forth herein.

11 123. As a result of the above-described conduct, Plaintiffs have suffered and continue  
12 to suffer great pain of mind and body, shock, emotional distress, physical manifestations of  
13 emotional distress including embarrassment, loss of self-esteem, disgrace, humiliations, and loss  
14 of enjoyment of life; have suffered and continue to suffer and were prevented and will continue  
15 to be prevented from performing daily activities and obtaining the full enjoyment of life; will  
16 sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur  
17 expenses for medical and psychological treatment, therapy, and counseling.

18 124. Defendants, each of them, by actions and omissions as alleged herein directly and  
19 proximately caused the damages set forth in this Complaint.

20 125. As a direct and approximate result of the Defendants' negligence, Plaintiffs have  
21 suffered injuries and/or severe emotional distress in an amount in excess of Fifteen Thousand  
22 Dollars (\$15,000.00).

23 126. Defendants, and each of them, acted with fraud, oppression, and/or malice toward  
24 Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard  
25 for the rights and safety of the Plaintiffs, and Defendants should be punished and made an  
26 example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen  
27 Thousand Dollars (\$15,000.00).

28 127. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been



1 required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence  
2 thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

3 **IX.**

4 **SIXTH CAUSE OF ACTION**

5 **(Negligent Infliction Of Emotional Distress – As Against Defendants USAG, BROWN'S**  
6 **GYM, WAROE And All Named DOES and ROES)**

7 128. Plaintiffs reallege each and every allegation contained in the preceding and  
8 subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set  
9 forth herein.

10 129. The conduct of GRAY toward Plaintiffs, as described herein, was outrageous and  
11 extreme.

12 130. A reasonable person would not expect or tolerate the sexual grooming,  
13 molestation, and sexual, physical, psychological, and emotional abuse of Plaintiffs by GRAY,  
14 and Defendants' knowledge and callous indifference thereof. Plaintiffs had great trust, faith, and  
15 confidence in in Defendants, which, by virtue of GRAY's and Defendants' wrongful conduct,  
16 turned to fear.

17 131. Defendants' conduct toward Plaintiffs, as described herein, was outrageous and  
18 extreme.

19 132. A reasonable person would not expect or tolerate Defendants putting GRAY, who  
20 was known to Defendants to have physically and sexually groomed, molested and abused other  
21 participants and members, in a position of care of Plaintiffs and other minor participants and  
22 members, which enabled GRAY to have access to minor participants and members so that he  
23 could commit wrongful sexual acts, including the conduct described herein, with minors,  
24 including Plaintiffs. Plaintiffs had great trust, faith, and confidence in Defendants, which, by  
25 virtue of Defendants' wrongful conduct, turned to fear.

26 133. A reasonable person would not expect or tolerate the Defendants and their agents  
27 to be incapable of supervising and/or stopping participants and members of Defendants, including  
28 GRAY, from committing wrongful sexual acts with minors, including Plaintiffs, or to supervise

GRAY. Plaintiffs had great trust, faith, and confidence in Defendants, which, by virtue of Defendants' wrongful conduct, turned to fear.

134. Defendants' conduct described herein was negligent and malicious and done for the purpose of causing or with the substantial certainty that Plaintiffs would suffer humiliation, mental anguish, and emotional and physical distress.

135. As a result of the above-described conduct, Plaintiffs have suffered and continue to suffer great pain of mind and body, shock, emotional distress, physical manifestations of emotional distress including embarrassment, loss of self-esteem, disgrace, humiliation, and loss of enjoyment of life; have suffered and continue to suffer and were prevented and will continue to be prevented from performing daily activities and obtaining the full enjoyment of life; will sustain loss of earnings and earning capacity, and/or have incurred and will continue to incur expenses for medical and psychological treatment, therapy, and counseling.

136. Defendants, each of them, by actions and omissions as alleged herein directly and proximately caused the damages set forth in this Complaint.

137. As a direct and approximate result of the Defendants' negligence, Plaintiffs have suffered injuries and/or severe emotional distress in an amount in excess of Fifteen Thousand Dollars (\$15,000.00).

138. Defendants, and each of them, acted with fraud, oppression, and/or malice toward Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard for the rights and safety of the Plaintiffs, and Defendants should be punished and made an example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen Thousand Dollars (\$15,000.00).

139. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

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X.

**SEVENTH CAUSE OF ACTION**

**(Breach of Fiduciary Duty - As Against Defendants USAG, BROWN'S GYM, WAROE  
And All Named DOES and ROES)**

140. Plaintiffs reallege each and every allegation contained in the preceding and subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set forth herein.

141. Defendants owed a fiduciary duty to Plaintiffs that arose out of the special relationship founded upon trust and confidence between Plaintiffs and Defendants. A fiduciary duty was formed because Defendants actively promoted itself as providing a safe and nurturing environment for its gymnasts and intended that Plaintiffs believe this to be true so as to participate in Defendants' programs.

142. Plaintiffs believed and trusted that USAG, and its member institutions, including BROWN'S GYM, would employ skilled, trained, competent, and ethical coaches and trainers, who would carry out said coaching and training without sexual, physical, and psychological abuse, and molestation.

143. Plaintiffs believed and trusted that Defendants would inform Plaintiffs and the public of any allegations and concerns relating to sexual, physical, and psychological abuse, and molestation committed by Defendants' coaches and trainers.

144. Defendants owed Plaintiffs the highest duty to protect them and other gymnasts from sexual predator coaches and trainers like GRAY.

145. Defendants breached its fiduciary duty to Plaintiffs by, among other things, creating a hostile and sexually charged environment, failing to protect them from sexual predators such as GRAY, and failing to warn them regarding same.

146. Defendants, each of them, by actions and omissions as alleged herein directly and proximately caused the damages set forth in this Complaint.

147. As a direct, proximate, and foreseeable consequence of these breaches, Plaintiffs sustained significant damages, including, without limitation, loss of opportunities, economic

1 injuries, and other direct and consequential damages. Plaintiffs are entitled to damages in an  
2 amount to be determined at trial, plus prejudgment interest, and appropriate equitable relief, as  
3 directed by the Court.

4 148. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been required  
5 to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence thereof,  
6 have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

7 **XI.**

8 **EIGHTH CAUSE OF ACTION**

9 **(Breach Of The Implied Covenant of Good Faith and Fair Dealing - As Against Defendants**  
10 **USAG, BROWN'S GYM, WAROE And All Named DOES and ROES)**

11 149. Plaintiffs reallege each and every allegation contained in the preceding and  
12 subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set  
13 forth herein.

14 150. At all times material hereto, a contractual relationship existed between Plaintiffs  
15 and Defendants. Defendants' mission statement, rules, policies, and procedures governing  
16 situations such as this one, the terms of which were unilaterally promulgated by Defendants,  
17 comprise the contract.

18 151. Pursuant to that contract, Defendants were required to act in accordance with their  
19 mission statement, rules, policies, and procedures, in resolving complaints of misconduct, in the  
20 investigation of those complaints, and in the process of adjudicating complaints of sexual  
21 misconduct.

22 152. The promises set forth in Defendants' mission statement, rules, policies, and  
23 procedures, are and were supported by valid consideration.

24 153. Plaintiffs fully complied with all their contractual obligations, including payment  
25 of membership dues and compliance with membership requirements.

26 154. Plaintiffs had a justifiable expectation to receive certain benefits consistent with  
27 the spirit of the contract, and that USAG, and its membership institutions, including BROWN'S  
28 GYM, would employ skilled, trained, competent, and ethical coaches and trainers, who would

1 carry out said coaching and training without sexual assault, sexual, physical, and psychological  
2 abuse, and molestation.

3 155. Defendants owed a duty to Plaintiffs that arose out of the special relationship  
4 founded upon trust and confidence between Plaintiffs and Defendants. A special relationship was  
5 formed because Defendants actively promoted itself as providing a safe and nurturing  
6 environment for its gymnasts and intended that Plaintiffs believe this to be true so as to participate  
7 in Defendants' programs.

8 156. Because of the special relationship between Plaintiffs and Defendants, Plaintiffs  
9 had a justifiable expectation that Defendants would not hide material facts and information about  
10 GRAY's past, and his deviant sexual behavior and physically and psychologically abusive  
11 propensities. Additionally, that Defendants would inform, warn, and institute appropriate  
12 protective measures to safeguard minors that were reasonably likely to encounter GRAY.

13 157. Defendants willfully and deliberately refused to notify, give adequate warning,  
14 and implement appropriate safeguards, thereby creating the peril that ultimately damaged  
15 Plaintiffs and that was direct violation of, and unfaithful to, the spirit of the contract.

16 158. Defendants, each of them, by actions and omissions as alleged herein directly and  
17 proximately caused the damages set forth in this Complaint.

18 159. As a direct, proximate, and foreseeable consequence of these breaches, Plaintiffs  
19 sustained significant damages, including, without limitation, loss of opportunities, economic  
20 injuries, and other direct and consequential damages. Plaintiffs are entitled to damages in an  
21 amount to be determined at trial, plus prejudgment interest, and appropriate equitable relief, as  
22 directed by the Court.

23 160. Defendants, and each of them, acted with fraud, oppression, and/or malice toward  
24 Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard  
25 for the rights and safety of the Plaintiffs, and Defendants should be punished and made an example  
26 of by imposition of punitive or exemplary damages in an amount in excess of Fifteen Thousand  
27 Dollars (\$15,000.00).

161. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been required to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence thereof, have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

**XII.**

**NINTH CAUSE OF ACTION**

**(Breach of Contract - As Against Defendants USAG, BROWN'S GYM, WAROE And All Named DOES and ROES)**

162. Plaintiffs reallege each and every allegation contained in the preceding and subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set forth herein.

163. At all times material hereto, a contractual relationship existed between Plaintiffs and Defendants. Defendants' mission statement, rules, policies, and procedures governing situations such as this one, the terms of which were unilaterally promulgated by Defendants, comprise the contract.

164. Pursuant to that contract, Defendants were required to act in accordance with their applicable mission statement, rules, policies, and procedures, in resolving complaints of misconduct, in the investigation of those complaints, and in the process of adjudicating complaints of sexual misconduct.

165. The promises set forth in the contract, among other mission statement, rules, policies, and procedures, are and were supported by valid consideration.

166. Plaintiffs fully complied with all their contractual obligations, including payment of membership dues and compliance with membership requirements.

167. Based on the aforementioned facts and circumstances, Defendants materially breached their contractual obligations to Plaintiffs by, among other things:

- a. failing to use reasonable care to protect participants and members from known or foreseeable dangers;
- b. failing to protect participants and members, and provide adequate supervision;

c. failing to ensure that any direction given to participants and members is lawful, and that its coaches and employees act fairly, responsible and respectfully towards participants and members;

d. failing to properly train coaches, staff, and employees so that they are aware of their individual responsibility for creating and maintaining a safe environment;

e. failing to review the criminal history of applicants and current employees, coaches and staff;

f. failing to provide diligent supervision over minors;

g. failing to act promptly and diligently and not ignore or minimize problems; and

h. failing to report suspected incidents of child abuse and more specifically child sexual abuse (Nev. Rev. Stat. 432B.220, et seq).

168. Defendants and each of them had and have a duty to protect participants and members, including Plaintiffs. Defendants were required to, and failed, to provide adequate supervision, and failed to be properly vigilant in seeing that supervision was sufficient.

169. Despite having a duty to do so, Defendants failed to adequately train and supervise all staff to create a positive and safe environment, specifically including training to perceive, report and stop inappropriate sexual conduct by its coaches and employees, specifically GRAY, with children.

170. Defendants failed to enforce their own rules and regulations designed to protect the health and safety of the participants and members. Further, they failed to adopt and implement safety measures, policies and procedures designed to protect minor children such as Plaintiffs from the sexually exploitive and abusive acts of their coaches and employees such as GRAY.

171. As a direct, proximate, and foreseeable consequence of these breaches, Plaintiffs sustained significant damages, including, without limitation, loss of opportunities, economic injuries, and other direct and consequential damages. Plaintiffs are entitled to damages in an amount to be determined at trial, plus prejudgment interest, and appropriate equitable relief, as

1 directed by the Court.

2 172. As a result of Defendants' conduct, as set forth herein, Plaintiffs have been required  
3 to retain the services of an attorney, and, as a direct, natural, and foreseeable consequence thereof,  
4 have been damaged thereby, and are entitled to reasonable attorneys' fees and costs.

5 **XIII.**

6 **TENTH CAUSE OF ACTION**

7 **(Alter Ego Liability - As Against WAROE)**

8 173. Plaintiffs reallege each and every allegation contained in the preceding and  
9 subsequent paragraphs, and by this reference incorporates said paragraphs as though fully set forth  
10 herein.

11 174. Upon information and belief, Defendant DAYNA WAROE is the alter ego of  
12 BROWN'S GYMNASTICS LAS VEGAS, INC. d/b/a BROWN'S GYM.

13 175. Additionally, Defendant WAROE and BROWN'S GYM are all alter egos of each  
14 other as each are run, maintained, managed via commingled assets and liabilities and/or influence  
15 and governance, unity of interest, and inseparableness that they should be considered as one so as  
16 not to sanction a fraud or injustice. In addition, WAROE and BROWN'S GYM were acting as  
17 alter egos, as a joint enterprise, common enterprise, single business enterprise, or affiliates and  
18 thus are liable pursuant to alter ego, joint enterprise, common enterprise liability, single business  
19 enterprise and/or affiliate liability.

20 176. Among other things, Defendant BROWN'S GYM was and is influenced and  
21 governed by Defendant WAROE, there is a unity of interest and ownership that one is inseparable  
22 from the other, the corporation was improperly capitalized, the corporation's assets were  
23 commingled with personal assets, and adherence to the corporate fiction of a separate entity would,  
24 under the circumstances, sanction a fraud or promote injustice. They are all one and should be  
25 treated as one under alter ego, joint enterprise, common enterprise liability, single business  
26 enterprise and/or affiliate liability.

27 177. Accordingly, Defendant WAROE is liable for the debts of BROWN'S GYM,  
28 including all liability for damages suffered by Plaintiffs, under an alter ego theory.

IX.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as follows:

1. General damages in an amount in an amount in excess of Fifteen Thousand Dollars (\$15,000.00);

2. Compensatory damages in an amount in excess of Fifteen Thousand Dollars (\$15,000.00);

3. Special damages in an amount in excess of Fifteen Thousand Dollars (\$15,000.00);

4. Medical and/or incidental expenses incurred and to be incurred in an amount in excess of Fifteen Thousand Dollars (\$15,000.00);

5. Defendants, and each of them, acted with fraud, oppression, and/or malice toward Plaintiffs, exhibited an intention and willingness to injure Plaintiffs and/or a conscious disregard for the rights and safety of the Plaintiffs, and Defendants should be punished and made an example of by imposition of punitive or exemplary damages in an amount in excess of Fifteen Thousand Dollars (\$15,000.00);

6. Damages for past and future pain, suffering, mental anguish, and loss of enjoyment of life in amount in excess of Fifteen Thousand Dollars (\$15,000.00);

7. For pre- and post-judgment interest as provided by law;

8. Costs of suit, reasonable attorney fees, interest incurred herein;

9. For such other and further relief as is just and proper.

Dated this 19th day of January, 2021.

**EGLET ADAMS**

/s/ Robert T. Eglet, Esq.  
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*Attorneys for Plaintiffs*



**DEMAND FOR JURY TRIAL**

Plaintiffs, by and through their attorneys of record, **EGLET ADAMS**, hereby demand a jury trial of all of the issues in the above matter.

Dated this 19th day of January, 2021.

**EGLET ADAMS**

/s/ Robert T. Eglet, Esq.  
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