

4. Defendant Elizabeth Albanese, also known as Lisa Jeanne Albanese, is an individual residing at 6 Meadow Ridge Drive, Trophy Club, Texas 76262.

III. JURISDICTION AND VENUE

5. The Court has jurisdiction over this proceeding because Plaintiffs' claims arose from Defendant's acts and/or omissions that have occurred in this County and the amount sued for by Plaintiffs exceeds the minimum jurisdictional limits of this Court.

6. Venue is proper in Dallas County because a substantial part of the events or omissions giving rise to Plaintiffs' claim in this lawsuit occurred in this County.

7. All conditions precedent to this action on the part of Plaintiffs, if any, have been satisfied, waived, or are futile.

IV. FACTS

8. The Press Club is a professional organization which includes media, public relations and affiliated professionals in the North Texas area. The organization's purpose is to promote the field of journalism, communication, literacy, current affairs, and First Amendment freedoms. The organization sponsors the annual Katie Awards for excellence in journalism and corporate communications. The Katie Awards are held each fall to honor the work of professional journalists and communicators and attract entries from a six-state area.

9. The Press Club is funded by membership dues and the Press Club Foundation. The Foundation is a nonprofit corporation that awards journalism scholarships to college students pursuing journalism. Funding is provided by an endowment created through proceeds from the Press Club of Dallas' three major fundraisers – one of which is the Katie Awards.

10. On information and belief, Ms. Albanese became active in the Press Club of Dallas in the early 2000s and by around 2003 she became involved in arranging the judging for

the Katie Awards. From August 2005 until March 2007, Ms. Albanese was president of the Press Club. In 2003 she also began winning numerous Katie Awards. Ms. Albanese has won 10 Katie Awards over the last four years. Ms. Albanese was the Dallas bureau chief of *The Bond Buyer*, a financial publication based in New York, until her resignation a few weeks ago. In 2006, Ms. Albanese won Katie Awards for best business news story, best business feature story, best specialty reporting, and best investigative reporting for a major-market newspaper.

11. After questions regarding the legitimacy of Ms. Albanese's Katie Awards first arose, she was asked for the names of the judges for the years in question, but to date, she has been unable or unwilling to provide names of persons who can be confirmed as having judged the contest. Recently published news reports also indicate that Ms. Albanese has a previous criminal record under the name of Lisa Albanese for charges of theft and forgery. On information and belief, Ms. Albanese was involved in dishonest and fraudulent activity during her involvement with the Press Club that included the Katie Awards and the finances of the Press Club.

V. CAUSES OF ACTION

A. CONVERSION

12. Plaintiffs incorporate by reference and re-allege all of the preceding paragraphs.

13. Defendant wrongfully exercised dominion and control over the Press Club Katie Awards, including, but not limited to, the 10 Katies awarded to Ms. Albanese, and all rights, privileges and honors associated therewith, for the years in question.

14. Defendant wrongfully exercised dominion and control over the Press Club and Foundation assets, including, but not limited to funds and a Press Club credit card.

15. Defendant's wrongful acts proximately caused injury to Plaintiffs.

16. Plaintiffs seek return of any and all Katie Awards in the possession of Defendant and unliquidated damages within the jurisdictional limits of this Court.

17. Plaintiffs' injury resulted from Defendant's malice or actual fraud, which entitles Plaintiffs to exemplary damages under Texas Civil Practice & Remedies Code section 41.003(a).

B. FRAUD

18. Plaintiffs incorporate by reference and re-allege all of the preceding paragraphs.

19. Among other things, Defendant knowingly or recklessly made material, false representations and/or non-disclosures to Plaintiffs about the circumstances surrounding the judging of the Katie Awards in the years in question, including, but not limited to, the false representations that independent judges were used to determine winners in at least some of the years in question.

20. Upon information and belief, Defendant's representations to Plaintiffs were a false statements of fact.

21. Defendant made the false representations and/or non-disclosures with the intent that Plaintiffs would rely upon them.

22. Plaintiffs relied on Defendant's false representations and/or non-disclosures.

23. Defendant's false representations and/or non-disclosures have caused Plaintiffs to sustain substantial injuries and/or damages in excess of the minimum jurisdictional limits of this Court. Because Defendant knew that the representations described above were false at the time they were made, the representations were fraudulent, malicious and/or grossly negligent, and constitute conduct for which the law allows the imposition of exemplary damages. *See* TEX. CIV. PRAC. & REM. CODE § 41.003(a). In this connection, Plaintiffs will show that they have incurred significant expenses, including attorneys' fees, in the investigation and prosecution of this action.

Accordingly, Plaintiffs requests that exemplary damages be awarded against the Defendant in a sum within the jurisdictional limits of the Court.

24. Plaintiffs also seek recovery of their court costs from Defendant.

C. VIOLATION OF THE TEXAS THEFT LIABILITY ACT

25. Plaintiffs incorporate by reference and re-allege all of the preceding paragraphs.

26. Defendant is liable to Plaintiffs for violation of the Texas Theft Liability Act. TEX. CIV. PRAC. & REM. CODE §§ 134.001, *et seq.* Specifically, on information and belief, Defendant unlawfully appropriated funds from Plaintiffs with intent to deprive Plaintiffs of the property. TEX. PENAL CODE § 31.03.

27. Because Defendant's conduct was fraudulent, malicious, and/or grossly negligent, Plaintiffs also seek and are entitled to recover exemplary damages from Defendant. Further, because, on information and belief, Defendant's wrongful conduct constitutes a felony under the Texas Penal Code, such damages are exempt from the cap on exemplary damages. *See* TEX. CIV. PRAC. & REM. CODE § 41.008.

28. Plaintiffs also seek recovery of their reasonable and necessary attorneys' fees and costs from Defendant. TEX. CIV. PRAC. & REM. CODE § 134.005(b).

D. BREACH OF FIDUCIARY DUTY

29. Plaintiffs incorporate by reference and re-allege all of the preceding paragraphs.

30. Defendant had a fiduciary duty to Plaintiffs as president of the Press Club.

31. Defendant breached her duties of loyalty and good faith by engaging in deception and self-dealing as set forth above.

32. Defendant's breach of fiduciary duty caused injury to Plaintiffs, which resulted in damages.

33. Defendant's breach of fiduciary duty benefited Defendant monetarily and by her enjoyment of all rights, privileges and honors associated with both her role as President of the Press Club and the Katie Awards that she received during the years in question.

34. Plaintiffs seek unliquidated damages within the jurisdictional limits of this Court.

35. Plaintiffs' injury resulted from Defendant's gross negligence, malice, or actual fraud, which entitles Plaintiffs to exemplary damages under Texas Civil Practice & Remedies Code section 41.003(a).

VI. JURY DEMAND

36. Plaintiffs demand a jury trial and tenders the appropriate fee with this petition.

VII. REQUEST FOR DISCLOSURE

37. Under Texas Rule of Civil Procedure 194, Plaintiffs request that Defendant disclose, within 50 days of the service of this request, the information or material described in Rule 194.2.

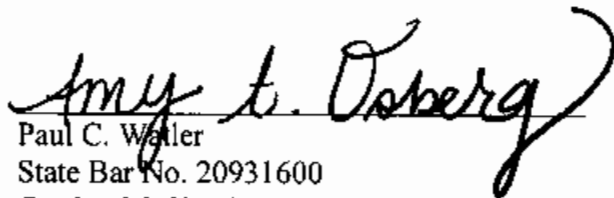
VIII. PRAYER FOR RELIEF

WHEREFORE PREMISES CONSIDERED, Plaintiffs request that Defendant be cited to appear and answer, and that on final trial Plaintiffs be awarded:

1. Actual damages from Defendant in excess of the jurisdiction limits of this Court;
2. Return of any and all Katie Awards in the possession of Defendant;
3. Statutory damages from Defendant under the Texas Theft Liability Act;
4. Punitive or exemplary damages for Defendant's fraudulent, malicious, grossly negligent, and/or criminal misconduct;
5. Pre-judgment interest at the maximum rate allowed by law;
6. Post-judgment interest at the maximum rate allowed by law;

7. All reasonable and necessary attorneys' fees, expenses and court costs through entry of judgment and final appeal; and
8. Such other and further relief, general and special, in law and in equity, to which Plaintiffs are justly entitled.

Respectfully submitted,



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