

Kevin Medina  
c/o Unified Names, Inc.  
960 41<sup>st</sup> Street  
Miami Beach, Florida 33140  
Pro Se

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U.S. DISTRICT COURT

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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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UnifiedNames, Inc, d/b/a	:	Civil Action No. 07-703 (PGS)
RegisterFly and John Naruszewicz,	:	
	:	
Plaintiffs and as to John Naruszewicz,	:	
Counterclaim Defendant	:	<b>ANSWER AND COUNTERCLAIM</b>
vs.	:	
	:	
Kevin Medina,	:	
	:	
Defendant/Third Party Plaintiff,	:	
vs.	:	
	:	
Glenn Stansbury,	:	
	:	
Third Party Defendant.	:	

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Defendant Kevin Medina, by way of answer to the Verified Complaint, by UnifiedNanes, Inc, (hereinafter the "Corporate Plaintiff" or the "Company" and by Plaintiff John Naruzewicz (hereinafter "JN") says:

**FACTS**

1. He affirms the allegations of paragraph 1, but also affirms that the Company also has an office in Miami Beach, Florida.
2. He affirms the allegations of paragraph 2.
3. He denies the allegations of paragraph 3.
4. He denies the allegations of paragraph 4.

5. He denies the allegations of paragraph 5, while affirmatively asserting that he has never been removed as, and presently serves as President, Board Member Chief Executive Officer or employee of the Company and that he is the sole shareholder thereof.
6. He affirms the allegations of paragraph 6.
7. He affirms the allegations of paragraph 7.
8. He affirms the allegations of paragraph 8.
9. He denies the allegations of paragraph 9.
10. He affirms the allegations of paragraph 10.
11. He denies that plaintiff validly asserts any claims or has any authority to do so and thus denies jurisdiction as alleged.
12. He denies that any events or omissions occurred as alleged, and therefore denies jurisdiction as alleged.
13. He affirms the allegations of paragraph 13.
14. He affirms the allegations of paragraph 14.
15. He affirms the allegations of paragraph 15.
16. He affirms the allegations of paragraph 16.
17. He denies the allegations of paragraph 17. As to said "float", which he understands means reserves for registering names, the Company normally requires reserves of approximately One Hundred and Fifty Thousand Dollars to Two Hundred Thousand Dollars and does not normally exceed Six Hundred Thousand and then stays at such levels for only for short periods during maximum registration periods.
18. He denies the allegations of paragraph 18.
19. He denies the allegations of paragraph 19.

20. He denies the allegations of paragraph 20.
21. He denies the allegations of paragraph 21.
22. He denies the allegations of paragraph 22, while affirming that the vendor sent the letter.
23. He denies the allegations of paragraph 23, while affirming that both defendant and plaintiff JN have used corporate funds for personal purposes.
24. He denies the "corporate crisis" as alleged, but affirmed that he and JN entered into an agreement dated January 12, 2007.
25. He denies the allegations of paragraph 25, but affirms and states that the defendant declared such agreement null and void on February 12, 2007 by reason of the massive breaches of said agreement including the failure of JN to pay for the stock of the Company as required herein.
26. He denies that JN has any ownership, directorship or officership or management or employment position in the Company, but affirms that the parties are unable to jointly manage the company.
27. He affirms the allegations of paragraph 27.
28. He affirms the terms of the Shareholders' Agreement, but denies that it has any ongoing effect as plaintiff JN failed to purchase the shares of the Company which was the predicate for the existence of said Agreement.
29. He affirms that he has refused to sell his shares to the company, but denies that he was removed by the board, that the board had any authority to remove him, or that he had or has any obligation to sell his shares, and that the Plaintiff JN is a shareholder at all much less an Oppressed Shareholder.
30. He denies the allegations of paragraph 30.

31. He denies the allegations of paragraph 31.

**COUNT I**

32. He repeats his responses to the preceding paragraphs as if fully set forth herein.

33. He denies the allegations of paragraph 33 or that there are any members of the Board of Directors of the Company or its affiliated companies, Registerfly.com and Hosting Services Corporation, other than the defendant Kevin Medina.

34. He affirms that he has duties as alleged, but denies that as the defendant is the sole shareholder and director of the Company that he owes any of those duties to the Plaintiff.

35. He denies the allegations of paragraph 35.

36. He denies the allegations of paragraph 36.

37. He denies the allegations of paragraph 37.

38. He denies the allegations of paragraph 38.

39. He denies the allegations of paragraph 39 in that there are, and have been, no other directors of Company other than the defendant, JN and other directors having lost their positions by reason of the failure of JN to purchase his stock interest in the Company as required.

40. He denies the allegations of paragraph 40 in that the Company does not have a Board of Directors.

41. He denies the allegations of paragraph 41.

**COUNT II**

42. He repeats his responses to the preceding paragraphs as if fully set forth herein.

43. He denies the allegations of paragraph 43.

44. He denies the allegations of paragraph 44.

45. He denies the allegations of paragraph 45.

**COUNT III**

46. He repeats his responses to the preceding paragraphs as if fully set forth herein.
47. He affirms the allegations of paragraph 47.
48. He affirms that he has refused to sell his shares but denies any obligation to do so.
49. He denies the allegations of paragraph 49.
50. He denies the allegations of paragraph 50.

WHEREFORE defendant, Kevin Medina, demands judgment dismissing the Complaint.

**AFFIRMATIVE DEFENSES**

1. The Complaint fails to state a cause of action upon which relief can be granted.
2. There is no corporate authority for Unifiednames, Inc. or its counsel to commence this lawsuit.
3. Plaintiff JN has no standing (either as shareholder or director or officer of Unifiednames, Inc. or in any other capacity) to authorize or bring this lawsuit on behalf of Unifiednames, Inc. or any of its affiliates).
4. Plaintiff JN's claims are barred by the doctrine of unclean hands.
5. Plaintiff JN's claims are barred by the doctrines of waiver and equitable estoppel.
6. The defendant owes to legal duties to the Plaintiff JN who holds no ownership, directorship or employment interest in the Company.

**COUNTERCLAIMS AND THIRD PARTY COMPLAINT**

Defendant/Counterclaimant, Kevin Medina ("KM"), by way of counterclaim against plaintiff John Naruszewicz, and third party complaint against the defendant Glenn Stansbury ("GS") alleges:

**Jurisdiction and venue**

1. He is the sole shareholder, director, and President and Chief Executive Officer of plaintiff Unifiednames, Inc. (“the Company”).
2. The Company is a closely held corporation with a principal place of business at 404 Main Street, Boonton, Morris County, New Jersey and in Miami, Florida.
3. The Company is a corporation formed pursuant to the laws of the State of New Jersey.
4. He resides at 450 Alton Road, Unit 4002, Miami Beach, Florida 33139.
5. Plaintiff John Naruszewicz (“JN”) resides at 254 Elmwynd Drive, City of Orange, Essex County, New Jersey.
6. Third party defendant Glenn Stansbury (“GS”) resides at Avon By the Sea, in the County of Ocean, State of New Jersey. GS continues to work as the Vice President of Operations of the Boonton New Jersey office of the Company despite having been terminated by the Third Party Plaintiff Kevin Medina on February 12, 2007 by reason of his improper and unauthorized assumption of authority in the Company, and, assistance of the counterclaim defendant JN in breaching the Agreement with Kevin Medina dated January 12, 2007 and in conspiring with the defendant JN in illegally assuming ownership of stock in the Company and authority in the Company as an officer and director thereof.
7. This court possess diversity jurisdiction pursuant to 28 U.S.C. 1332 because the amount in controversy exceeds \$75,000 and there is complete diversity between the parties.

8. Venue is proper in this court pursuant to 28 U.S.C. 1391 because a substantial part of the events or omissions giving rise to these claims occurred in Morris County, New Jersey.

**Nature of The Company's business**

9. The Company is engaged in the business of registering web site domain names on the internet, among other worldwide web services.
10. On a monthly basis The Company must forward payments on behalf of its customers to various internet domain name registries.
11. Upon receipt of these payments the registries reserve the requested internet domain name for the Company's customers.
12. The registries will not reserve the requested domain names without payment of required fees.
13. In order to serve as a registrar the Company through its wholly subsidiary Registerfly.com must receive and maintain its accreditation from ICANN the governing body for such registrations and the Company presently has such an accreditation.
14. The Company's ICANN accreditation is currently being placed in jeopardy by the actions of JN and GS in behalf of the Company.
15. In order to protect and monitor its data and servers, the Company entered into a relationship with Sagonet, a provider of co-location and managed hosting services which is critical to the running and security of the data of the Company.

**Prior relationship between KM and JN**

16. KM and JN had a personal and romantic relationship commencing approximately 1997.
17. In 2000 KM started The Company, and over subsequent years he developed and supported the business, both financially and with his technological expertise.
18. JN tried to assist with the development of The Company commencing approximately 2002. However, largely because of his inability to deal with customers, he played no significant role in The Company until the company started to hire employees.
19. From that point forward JN handled payroll duties. Due to their personal relationship KM made him Secretary of the Company and paid him a generous salary.
20. Commencing October 2006 the personal relationship between KM and JN began to deteriorate. At the same time, their ability to work together also deteriorated. In November, 2006 KM relocated to Miami, Florida and commenced opening an office there.

**Negotiation and execution of the January 12, 2007 Agreement**

21. As the parties' personal relationship broke up, JN became hostile and unstable. He also made demands for an interest in The Company.
22. At the same time, the Company, because of an expansion that included purchasing Registerfly.com, a direct domain name registry, rather than just being a reseller for other registrar's of names. The expanding business needed an infusion of cash.
23. In order to calm down the tension and to obtain needed capital, the parties entered into an Agreement ("the Agreement") that KM executed January 12, 2007 and JN



executed January 23, 2007. The terms of the Agreement are fully incorporated in this Complaint.

24. Among the pertinent terms of the Agreement were:
  - a. JN would make an investment of \$500,000 in The Company no later than February 11, 2007.
  - b. In return, he would be issued stock for a 50% ownership of the Company.
  - c. KM would continue to own the remaining 50% of The Company.
  - d. There would be a Board of Directors comprised of KM, JN and a third party to be selected.
  - e. The hiring and firing of all personnel was to be agreed upon by both JN and KM.
  - f. KM and JN would move forward "in good faith" to put in place a Shareholders' Agreement and other documents required to implement the Agreement.
  - g. JN and GS would run the Boonton office and KM, who would serve as President and Chief Executive of the entire operation, would run and build the Miami, Florida office.
25. On January 23 the attorney who had prepared the Agreement, William Campbell, advised KM by email that he would be preparing the Shareholders Agreement and other documents.
26. On or about February 5 KM received from Mr. Campbell a package including the Shareholders' Agreement By-Laws, Share Certificates and resolutions.
27. The By-Laws included the following provisions:
  - a. Any special meeting of the Board of Directors required one day's notice if given orally (either by telephone or in person) or by telegraph.

- b. The notice of a special Board meeting was to specify the time and place of the meeting.
28. KM signed the pertinent documents and returned them to Mr. Campbell by overnight mail. He did so on the understanding that there would be a closing at which JN would pay the \$500,000 and would in return receive the stock certificates.
29. Instead, Mr. Campbell turned the documents, including the stock certificates, over to GS, a colleague working in the Boonton office, who would benefit from the viability of the Agreement which would assure that the Boonton office would remain open.
30. JN and GS promptly took the Shareholders' Agreement and Stock Certificates and went to the Company's bank, Commerce Bank, and attempted to have GS added as a signor and to take control of the account
31. KM learned of the problem at Commerce Bank on February 7 as he was unable to transfer funds between Company accounts. He told GS that he would be back in New Jersey on Monday, February 12 to try to resolve the problems with the bank, and that if JN had not paid the \$500,000 by noon on February 12 he would cancel the Agreement.
32. GS assured KM that JN said he had the money to make his \$500,000 investment. He advised KM that he thought a conference call regarding JN's investment might be required, alluding that JN was in Germany. KM became suspicious because he noted that KM appeared to be home.
33. Upon information and belief, on or about Friday January 9, 2007, in order to avoid the impending cancellation of the Agreement and not intending to pay for the stock in the Company, JN met with counsel who represents Plaintiff in this action, Mirzian

Shoenbrodt, to protect his interests, brandishing the stock certificates which he had not paid for as proving his right to ownership in the Company.

**The February 12, 2007 meeting**

34. On Saturday, February 10, 2007 at approximately 11:00 p.m. JN left KM a voice mail advising that there would be a meeting or conference call on Monday, February 12. He did not advise or give notice to KM whether it would be a “board meeting” with legal consequences or where it would be conducted. The message advised that JN would send KM a text message of the location of the meeting.
35. KM believed that the referenced meeting would include the closing at which JN would make his \$500,000 payment and would be issued shares of The Company in return.
36. On February 11 KM advised GS that his flight to Newark would arrive at 10:30. On the morning of Monday February 12 he further advised GS that his flight was now scheduled to arrive at 10:30 a.m. He arrived in Newark and at 11:23 sent a text message to GS advising he would be in Boonton (i.e. the office of the Company) after twelve.
37. At 11:24 GS sent KM a text message advising that he should come to 17 Pine Street, the Morristown law office of Mirzaian and Schoenbrodt. GS also provided driving directions to KM via text message.
38. KM arrived at the law offices shortly after noon on February 12. He was given a notice of termination of his employment and told that the Board meeting had been conducted at 10:00 a.m. and that Steve Helfin, the third agreed upon director, had participated. Mr. Helfin was the sales director of Afilias, one of registries that the

Company works with, who was chosen as third director in furtherance of the agreement that JN would purchase stock and become a member of the Board..

39. KM was also told that the Board had voted to terminate his employment, to install JN as President, to retain Mirzaian Schoenbrodt as counsel, and to commence the within litigation to have him removed as Director and to force a buyout of his shares in The Company.
40. KM was never provided with notice of the purported special Board meeting as required by the By-Laws.
41. KM did not receive notice of the location of the purported special meeting until he received a text message from GS at 11:27 on February 12.
42. KM was not notified that the meeting was to be a board meeting until he arrived at Mizraian Schoenbrodt and was told a board meeting had already taken place and was concluded.
43. Upon information and belief JN and GS choreographed this sham meeting to prevent KM from taking action to cancel the meeting, and to make sure that KM would not take action to protect his rights as owner and founder of the Company.
44. In immediate response to the action, KM advised JN and his counsel that the meeting and coup of February 12, 2007 was illegal and fraudulent and that the Agreement was null and void and he terminated both JN and GS. These statements and actions were confirmed by counsel for the Company consulted with by JM.
45. Despite such termination, JS and DS have failed and refused to terminate their relationship with the Company but in fact have sought to control the board and operations of the Company through their illegal and improper assertion of authority,

including the bringing of the within action against KM and hiring of counsel for the Company who would protect their interests.

**Improper and harmful actions taken by JN and GS and their representatives subsequent to February 12 and harm suffered by counterclaimant and the Company.**

46. The impact of the illegal and improper actions of JN and its counsel in implementing the sham resolutions at the purported meeting, has been devastating on the Company and KM, including the following:
47. Banking institutions and credit card processors froze Company accounts because of these disputes.
48. Customers and vendors were not paid or their orders; processed properly; and staff remained unpaid.
49. At the illegal direction of JN, Sagonet had charges for services of Sagonet illegally and improperly reversed, placing the continuation of its services at risk.
50. Also at the direction of JN, the website of the Company has been pointed away from the Sagonet services, preventing the Company from receiving the benefit of such valuable hosting services.
51. Complaints were made by registries and vendors and customers with the result that ICANN, the accreditation agency, has sent two letters threatening termination of the accreditation of the Company as a registry;
52. Payments to critical vendors such as Sagonet were reversed.
53. Untrue and inflammatory statements were made by JN to the press and to bloggers and prosecutors about KM and the Company with the intent and/or effect of damaging reputations of KM and the Company.

54. The Company's website at Registerfly.com has twice been brought down as JN determined to change the site and location of the server where the site is co-located from Sagonet to The Planet, without the authority of or consultation with KM;
55. The law firm representing both JN and the Company in this case continue to hold themselves out to the public as well as to vendors and their counsels and customers who have complaints as the counsel to the Company without authority and despite their representation of JN against whom the Company has massive claims.
56. Because of the public and private chaos caused by JN the Company is losing good will and customers.
57. The value of the Company constitutes most of the assets which KM has accumulated over his life and the major source of his livelihood. Unless this action is stopped, and, KM is returned to his rightful position and authority within the Company he will be irreparably harmed.

**COUNT I**

**Breach of Contract (January 12 Agreement);  
Declaratory Judgment and Claims for Injunctive Relief  
Against JN and GS**

58. Counterclaimant/Third party plaintiff repeats the allegations of the all of preceding paragraphs as if fully set forth herein.
59. The January 12 Agreement required JN to make a cash investment in The Company in the amount of \$500,000 no later than February 11, 2007.
60. JN failed to make the investment.

61. Neither JN nor GS or any other party named therein is therefore not entitled to any of the benefits of the Agreement, including ownership or directorship or the right to serve as an officer or employee of the Company.
62. All actions taken by or at the direction of JN that were premised upon his being an owner or Director of The Company or officer of Uni are null and void.
63. Such actions include all matters that were the subject of the purported Company resolution dated February 12, 2007, including the hiring of counsel and bringing of this law suit.
64. All such actions are null and void and future actions must be immediately restrained, as the uncertainty and damage of the actions taken hereinabove referenced are harming JN and the Company, may have already caused irreparable harm and if not promptly stopped and enjoined by the Court will destroy the company and its business as well as provide irreparable harm to KM.
65. This matter is ripe for action pursuant to the N.J. Declaratory Judgment Act, N.J.S.A. 2A:16-50 et seq.
66. There is no adequate remedy at law.

WHEREFORE Counterclaimant Kevin Medina demands judgment:

- A. Declaring that John Naruszwicz is not a shareholder of Unifiednames and ordering John Naruszwicz to return the stock certificate which he holds in such Company back to KM as President of the Company;
- B. Declaring that John Naruszwicz is not a director of Unifiednames, Inc.;
- C. Declaring that John Naruszwicz is not an employee of Unifiednames, Inc.;

- D. Declaring that John Naruszwicz is not an officer of Unifiednames, Inc.
- E. Declaring that Kevin Medina remains the sole shareholder, President and CEO of Unifiednames, Inc.;
- F. Enjoining John Naruszwicz from taking action or representing to third parties that he has positions or authority of a shareholder, director, employee or officer of Unifiednames, Inc.;
- G. Requiring that John Naruszwicz immediately remove himself from the business premises of Unifiednames, Inc. and return forthwith all of the possessions and data and property and confidential or business information of the Company, including but not limited to cell phones, computers, computer and company data, keys to the business premises, copies of all papers;
- H. Requiring that John Naruszwicz not damage, delete or copy information or data of Unifiednames, Inc. or provide same to any third parties;
- I. Terminating Mirzaian Schoenbrodt from representing the Company in this action or acting as general counsel to the Company and requiring it to turn over any and all legal files related to the Company to KM as President of the Company;
- J. Declaring that Kevin Medina continues to be the President of Unifiednames, Inc.;
- K. Declaring that there was no corporate authority on behalf of Unifiednames, Inc. to commence this lawsuit and dismissing this law suit on behalf of the Company;



L. Declaring that the resolutions purportedly passed by Unifiednames, Inc. on February 12, 2007 as well as the corporate documents executed in relation thereto, including the Shareholders Agreement, Board of Director and Shareholder resolutions are null and void and have never had any validity.

M. For such other relief as the Court may deem appropriate.

**COUNT II**

**Breach of Contract (By-Laws);  
Declaratory Judgment**

67. Counterclaimant/Third Party Plaintiff repeats the allegations of the preceding paragraphs as if fully set forth herein.
68. KM was not given notice of the purported special Directors meeting of February 12, 2007.
69. As a result, no actions taken at such meeting have any validity.
70. JM and KM executed a Consent of Shareholders whereby they, as shareholders, elected KM President of the Company.
71. Such action by shareholders cannot be reversed except upon ten days' notice to the shareholders.
72. No such notice was ever provided to the Unifiednames shareholders.

WHEREFORE Counterclaimant Kevin Medina demands judgment:

- A. Declaring that Kevin Medina continues to be the President of Unifiednames, Inc.

- B. Declaring that there was no corporate authority on behalf of Unifiednames, Inc. to commence this lawsuit and that the lawsuit must therefore be dismissed.
- C. Declaring that the resolutions purportedly passed by Unifiednames, Inc. on February 12, 2007 are null and void and have never had any validity.
- D. Requiring Mizraian Schoenbrodt to withdraw as counsel for Unifiednames, Inc.
- E. For such other relief as the Court may deem appropriate.

### **COUNT III**

#### **Fraud Against JN and GS**

- 73. Counterclaimant/Third Party Plaintiff repeats the allegations of the preceding paragraphs as if fully set forth herein.
- 74. JN and GS induced KM to sign the January 12 Agreement, the Shareholders' Agreement and the certificates of stock in the name of JN, based upon the representation that JN would abide by the terms of the January 12 Agreement and that JN had and would pay the money required following the execution and delivery of such agreement to counsel.
- 75. Such representations by JN and GS were false at the time they made them.
- 76. JN and GS made such representations with the intent that KM would rely upon them.
- 77. KM did rely upon such representations, to his severe detriment.
- 78. Such representations and the actions taken in furtherance thereof following the obtaining of the stock certificates and hiring of counsel by JN on behalf of the Company were fraudulent in that they were made with full knowledge that such

actions (including holding of the stock and the actions taken in this law suit and the resolutions) were illegal and unlawful and contrary to the terms and intent of the January 12, 2007 Agreement.

79. Such actions were willful and wanton or done with the willful or reckless disregard for whether or not they would cause they would cause to KM and the Company. WHEREFORE counterclaimant Kevin Medina demands judgment against John Naruszwicz for damages, punitive damages, together with interest and costs of suit.

#### **COUNT IV**

##### **Equitable Estoppel**

80. Counterclaimant/Third Party Plaintiff repeats the allegations of the preceding paragraphs as if fully set forth herein.
81. JN knowingly and intentionally represented to KM and to others that he intended to abide by the January 12 Agreement.
82. JN specifically, knowingly and intentionally represented to KM and to others that he intended to make a \$500,000 into The Company by February 11, 2007.
83. JN specifically, knowingly and intentionally represented to KM and to others that only in return for the timely \$500,000 investment would he achieve shareholder status in The Company.
84. JN made all such representations with the intention that KM would rely upon them.
85. JN knew that KM would probably rely upon such representations.
86. KM did rely upon such representations to his detriment.
87. JN has subsequently taken the position that he does not need to comply with his obligation to make a \$500,000 investment into The Company in order to achieve shareholder status in The Company.

88. JN must be estopped from any attempts to deny that his shareholder status in the Company was contingent upon his making a \$500,000 investment by February 11, 2007.

WHEREFORE counterclaimant, Kevin Medina, demands judgment estopping John Naruszwicz from denying his obligation to make a \$500,000 investment in Unifiednames, Inc. before he would achieve shareholder status

### **COUNT VI**

#### **Breach of Covenant of Good Faith and Fair Dealing**

89. Counterclaimant/Third Party Plaintiff repeats the allegations of the preceding paragraphs as if fully set forth herein.
90. The January 12 Agreement included a specific representation by both parties that they would move forward in good faith to implement the Agreement.
91. The January 12 Agreement is also subject to the common law requirement of good faith and fair dealing.
92. KM breached both his contractual requirement and the common law requirement of good faith and fair dealing by, inter alia, the following:
- A. Refusing to make the required \$500,000 investment in the Company;
  - B. Extracting the signed Shareholders' Agreement and stock certificates from KM by misrepresentation;
  - C. Plotting a coup against KM that included retaining Mirzaian Schoenbrodt, trying to schedule a special Directors meeting without proper or adequate notice to KM, trying to remove KM as President, trying to install himself as President, trying to terminate KM's

employment at The Company, and otherwise trying to wrest control over  
The Company from KM.

WHEREFORE counterclaimant Kevin Medina demands judgment against defendant  
John Naruszewicz for damages, punitive damages, together with interest and costs of suit

Dated: March 8, 2007

  
\_\_\_\_\_  
KEVIN MEDINA, pro se