

IN THE CIRCUIT COURT OF HARRISON COUNTY, WEST VIRGINIA

RONALD LANE, INC., a West Virginia
corporation, CHRISTOPHER LANE, and
NORMAN LANE

Plaintiffs,

v.

RONALD LANE

Defendant.

Case No.: 21-C-12-2

Complaint

COMES NOW, the Plaintiffs, Ronald Lane, Inc., a West Virginia Corporation, Christopher Lane and Norman Lane by and through their undersigned counsel, and bring this Complaint against Defendant, Ronald Lane, as follows:

I. Parties

1. Plaintiff Ronald Lane, Inc. ("RLI" or "the Company") is a West Virginia Corporation with its principal place of business at 339 Wilsonburg Road, Clarksburg, West Virginia 26301.

2. Plaintiff Christopher Lane is an adult individual residing in Clarksburg, West Virginia.

3. Plaintiff Norman Lane is an adult individual residing in Orma, West Virginia.

4. Defendant Ronald Lane is an adult individual residing in Shinnston, West Virginia.

II. Introduction/Background

5. Defendant Ronald Lane is a former shareholder, officer and director of RLI, and was a shareholder, officer and director of RLI at all relevant times for purposes of the allegations in this Complaint.

6. Prior to January 31, 2014, Defendant Ronald Lane was the sole shareholder of RLI.

7. On or about January 31, 2014, Defendant Ronald Lane executed a Shareholder Agreement, whereby Tracy Lancaster, Eric Lane, Christopher Lane and Norman Lane became non-voting shareholders of RLI, (“the 2014 Shareholder Agreement”).

8. Defendant Ronald Lane retained one hundred percent (100%) of the voting shares of RLI pursuant to the 2014 Shareholder Agreement.

9. Tracy Lancaster and Eric Lane withdrew as shareholders of RLI and their shares in the Company were redeemed by the Company on or about August 31, 2017.

10. RLI was under the adverse domination of Defendant Ronald Lane at all times prior to at least November 14, 2018, during which time Defendant Ronald Lane controlled RLI and acted, at various times, adversely to the interests of the Company.

11. At all times prior to at least November 14, 2018, Defendant Ronald Lane, as sole voting shareholder and as President of RLI, controlled the Company’s financial information and records, and limited the access of non-voting shareholders to that information.

12. On or about November 14, 2018, Plaintiffs Christopher Lane and Norman Lane and Defendant Ronald Lane, (all of the then remaining shareholders of RLI), entered into a Restated and Amended Shareholder’s Agreement (“the 2018 Shareholder’s Agreement”).

13. In recognition of their contributions to the success of RLI and as an inducement for them to remain as shareholders, officers and employees of the Company, Norman Lane and

Christopher Lane were allocated thirty-three (33) voting-shares each, of the one hundred (100) voting-shares in the Company, while Ronald Lane, who had ceased working in the business on a full-time basis, retained the remaining thirty-four (34) voting shares pursuant to the 2018 Shareholder's Agreement.

14. Defendant Ronald Lane, as President of RLI, continued to control and limit the access of other shareholders to corporate financial and other information, even after the execution of the 2018 Shareholder's Agreement.

15. Defendant Ronald Lane, as President of RLI, was frequently absent from the Company in 2018 and 2019, spending considerable time at his Florida home.

16. Defendant Ronald Lane's performance as President of RLI became increasingly erratic in 2018 and thereafter, such that, on multiple occasions, he engaged in intentional, reckless and/or grossly negligent conduct deleterious to the business of RLI, which harmed the Company's reputation, value and significantly diminished the Company's goodwill.

17. Following the amendment of the Shareholder's Agreement in November 2018, the other shareholders of RLI began to discover that Defendant Ronald Lane had been unilaterally diverting monies, material and man hours from RLI to his personal use on a large scale.

18. Following the amendment of the Shareholder's Agreement in November 2018, the other shareholders of RLI also eventually discovered that Defendant Ronald Lane had, on several occasions, usurped corporate opportunities of RLI and instructed the Company's accountants to "bonus" or lend him amounts necessary to purchase, in his own name, individually, unimproved land identified by the Company for development ("development properties").

19. After purchasing such development properties with funds surreptitiously "bonused," advanced or loaned to him from the Company's accounts, Defendant Ronald Lane

falsely represented and implied to the other shareholders that the properties were assets of RLI, and the Company's investment in each of these development properties, although understated, was carried, and still remains, as a corporate asset on the Company books.

20. Thereafter, and in reliance upon the misrepresentations, omissions, actions and/or false implications made by Defendant Ronald Lane, RLI spent millions of dollars improving the development lands nominally owned by Ronald Lane, individually.

21. These improvements to the development properties nominally owned by Ronald Lane, individually, were improved at the significant expense of RLI and at the express direction of Defendant, Ronald Lane.

22. Upon learning of the actions of Defendant Ronald Lane, Shareholder Christopher Lane confronted Defendant Ronald Lane regarding some of the Defendant's past acts of misfeasance and malfeasance in 2019 and demanded mediation pursuant to a dispute resolution mechanism set forth in paragraph 31 of the Amended Shareholder's Agreement.

23. Defendant Ronald Lane declined and refused to participate in mediation.

24. In July of 2020, with the disputes between himself and the other shareholders unresolved, Defendant Ronald Lane expressly invoked paragraph 31(b) of the Amended Shareholder's Agreement ("Option to Demand Purchase or Sale at Designated Price") and made an offer to buy or sell shares to shareholders Norman Lane and Christopher Lane on July 31, 2020.

25. Defendant Ronald Lane's offer to buy or sell shares valued the Company at \$1289.51 per share "as established by the company's CPA firm and valued as of December 31, 2019." A true and correct copy of Ronald Lane's July 31, 2020 offer to buy or sell shares (the "Offer Letter") is attached hereto and incorporated herein as Exhibit "1".

26. The valuation of the Company in Defendant Ronald Lane's Offer Letter included the Company's investment in those development properties nominally titled in Ronald Lane's name, individually, each of which was carried on the books of the Company, although understated in value, as a corporate asset at the time Defendant Ronald Lane made his offer to buy or sell shares. These development properties nominally titled in Defendant Ronald Lane's name, individually, are identified as follows:

- a. In Ritchie County, West Virginia, those parcels known and referred to within the Company as "Cairo," conveyed by Deed to Ronald Lane, individually, by Deed dated December 20, 2013, and recorded in the office of the Clerk of the County Commission of Ritchie County, West Virginia in Deed Book No. 323, at Page 916, and more particularly described as follows:
 - i. Grant District, Map 58, Parcel 47.1, Near Cairo 40 x 138 x 120 x 85 x 40 x 150, Lots #56 – 59 SUR., ;
 - ii. Grant District, Map 58, Parcel 48, Near Cairo (Douglas Addition), 85 x 120 TR #17;
 - iii. Grant District, Map 58, Parcel 50, Douglas Addition, Lots 53-54-55, 156 x 156 x 130 x 150; and
 - iv. Grant District, Map 58, Parcel 51, Near Cairo 150 x 348 x 153 x 320, Lots # 46-47-48-49-50-51-52.
- b. In Ritchie County, West Virginia, those parcels known and referred to within the Company as "Ellenboro," conveyed by Deed to Ronald Lane, individually, by Deed dated February 4, 2006, and recorded in the office of the Clerk of the County Commission of Ritchie County, West Virginia in Deed Book No. 294, at Page 526, and more particularly described as follows:
 - i. Clay District, Map 24, Parcel 33, Husher's Run 24.25 AC SUR & ½ OGM B; and
 - ii. Clay District, Map 24, Parcel 38, Husher's Run 19.50 AC FEE.
- c. In Harrison County, West Virginia, those parcels known and referred to within the Company as "Sun Valley conveyed by Deed to Ronald Lane, individually, by Deed dated July 10, 2013, and recorded in the office of the Clerk of the County Commission of Harrison County, West Virginia in Deed Book No. 1514, at Page 1165, and by Deed to Ronald Lane, individually, by Deed dated August 23, 2013, and recorded in said Clerks' in Deed Book No. 1557, at Page 244, and more particularly described as follows:

- i. Coal Outside District, Map 305, Parcel 5, 59.28 AC Limestone;
 - ii. Coal Outside District, Map 305, Parcel 5.6, 1 Lot (4.25 AC) Limestone; and
 - iii. Coal Outside District, Map 305, Parcel 6.6, 1.32 +/- AC South of Rt 50.
- d. In Harrison County, West Virginia, those parcels known and referred to within the Company as "Wilsonburg," conveyed by Deed to Ronald Lane, individually, by Deed dated September 21, 2011, and recorded in the office of the Clerk of the County Commission of Harrison County, West Virginia in Deed Book No. 1478, at Page 94, and by Deed to Ronald Lane, individually, by Deed dated April 17, 2013, and recorded in said Clerks' in Deed Book No. 1509, at Page 1307, and by Deed to Ronald Lane, individually, by Deed dated January 11, 2012, and recorded in said Clerks' in Deed Book No. 1482, at Page 305 and more particularly described as follows:
- i. Coal Outside District, Map 286, Parcel 84.2, 14.92 AC NR RT 50 Limestone;
 - ii. Coal Outside District, Map 286, Parcel 98, 2.65 AC Abandoned Parkersburg Branch R/R; and
 - iii. Coal Outside District, Map 286, Parcel 82, 2.72 AC Limestone.
- e. In Calhoun County, West Virginia, those parcels known and referred to within the Company as "Arnoldsburg" conveyed by Deed to Ronald Lane, individually, by Deed dated January 21, 1982, and recorded in the office of the Clerk of the County Commission of Calhoun County, West Virginia in Deed Book No. 142, at Page 156, and by Deed to Ronald Lane, individually, by Deed dated June 3, 1988, and recorded in said Clerk's office in Deed Book No. 161, at Page 453, and more particularly described as follows:
- i. Lee District, Map 23, Parcel 39.6-6001, 24.72 AC SUR WF Lane Warehouses & 4.93 AC;
 - ii. Lee District, Map 23, Parcel 39.6-6002, 24.72 AC SUR WF B Miller Excavating & 19.79 AC; and
 - iii. Lee District, Map 23, Parcel 51.2, 1 AC SUR WF.

(collectively referred to herein as the "RLI Developments").

27. The valuation given the Company in Defendant Ronald Lane's buy/sell offer also included the value of the RLI "Headquarters" building, generally known as 339 Wilsonburg Road, Clarksburg, West Virginia 26301 " conveyed by Deed to Ronald Lane, Inc. by Deed dated August

3, 2015, and recorded in the office of the Clerk of the County Commission of Harrison County, West Virginia in Deed Book No. 1559, at Page 229, and more particularly described as Coal Outside District, Map 286, Parcel 84.1, 7.68 AC NR RT 50 Limestone (Rental), (referred to herein as the "RLI Headquarters") which property was deeded in the name of the Company and which, like the RLI Developments, was treated by the Company as a corporate asset at all time material hereto.

28. RLI spent significant sums improving the Headquarters Building at the express direction of Defendant, Ronald Lane.

29. RLI has spent significant sums in maintaining the development properties and the Headquarters and has incurred significant costs and expenses in utility costs, taxes, insurance and other expenses associated with these properties.

30. Upon information and belief, the Company, with Defendant Ronald Lane as President, never issued a form 1099 or W-2 to Defendant Ronald Lane, identifying or valuing the millions of dollars invested by the Company in improving or maintaining the RLI Developments, as income to Defendant Ronald Lane.

31. Upon information and belief, Defendant Ronald Lane has never paid state or federal income taxes on the millions of dollars invested by the Company in the RLI Developments or the RLI Headquarters building.

32. In response to Defendant Ronald Lane's Offer Letter (Exhibit "1"), Shareholders Norman Lane and Christopher Lane elected to purchase all of Defendant Ronald Lane's shares in RLI at the valuation selected and set by Defendant Ronald Lane in the July 31, 2020 Offer Letter.

33. Shareholders Norman Lane and Christopher Lane notified Defendant Ronald Lane, in writing, of their election to purchase Defendant Ronald Lane's shares in RLI at the valuation selected and set by Defendant Ronald Lane on or about August 27, 2020.

34. In accordance with and pursuant to the 2018 Amended Shareholder's Agreement, Ronald Lane, thereafter, sold one hundred percent (100%) of his shares in RLI, voting and non-voting, to Norman Lane and Christopher Lane on or about November 17, 2020.

35. Ronald Lane, RLI, Norman Lane and Christopher Lane entered into a Standstill and Tolling Agreement on or about October 28, 2020, pursuant to which all applicable statutes of limitations applicable to the claims of RLI, Norman Lane and Christopher Lane against Defendant Ronald Lane were tolled until November 16, 2020.

36. Ronald Lane, RLI, Norman Lane and Christopher Lane entered into a subsequent Tolling Agreement on or about November 13, 2020 pursuant to which all applicable statutes of limitations were tolled until January 15, 2021.

III. The Acquisition of the RLI Developments and RLI Headquarters

37. RLI, at all times material hereto, was engaged, *inter alia*, in the business of "pipelining," i.e., constructing pipelines and similar work for the oil and gas and other industries.

38. RLI also is and has been in the business of commercial real estate development.

39. RLI's development strategy is and has been to acquire largely undeveloped land in strategic locations and perform the required earth and site work to construct commercial buildings, typically to suit the needs of tenants or prospective tenants.

40. RLI's commercial development work is and was, at all times material hereto, a central part of the Company's business.

41. In fact, by 2019, commercial development work had become RLI's most significant source of revenue, given the deleterious effects of Defendant Ronald Lane's erratic behavior on the Company's work constructing pipelines for the oil and gas industry.

42. Unbeknownst to the other shareholders, and without any resolution or direction by the Board of Directors, Defendant Ronald Lane had, on numerous occasions, unilaterally directed the Company's accountants to "bonus" or loan him funds from the Company with which to purchase, in Ronald Lane's own name, certain undeveloped real estate, identified by the Company for acquisition and development.

43. Defendant Ronald Lane used the corporate funds disbursed to him to purchase the RLI Developments.

44. The Company additionally purchased the RLI Headquarters for use as its corporate headquarters and center of operations.

45. RLI Headquarters has at all times been titled/deeded in the Company's name.

46. The Company has, from the date(s) of acquisition until the present, treated all of the properties described above, including the RLI Developments and the RLI Headquarters, as corporate assets.

47. The Company has, from the date(s) of acquisition, paid all applicable property taxes on each of the RLI Developments and RLI Headquarters.

48. The Company has, from the date(s) of acquisition until the present, performed all required maintenance and upkeep on each of the RLI Developments and RLI Headquarters, using Company personnel, material and equipment.

49. The Company has, from the date(s) of acquisition until the present, paid all applicable utility bills for service to the RLI Developments and RLI Headquarters, unless paid by a tenant of the Company.

50. The Company has, from the date(s) of acquisition until the present, paid all applicable insurance premiums for the RLI Developments and RLI Headquarters.

51. The Company, at the direction of Defendant Ronald Lane, expended considerable expense, including personnel (payroll), equipment, material and outside contractor expenses in improving the RLI Developments and RLI Headquarters.

52. Defendant Ronald Lane contends that he, individually, and his son, former RLI shareholder and Vice-President Eric Lane, entered into an oral agreement whereby Ronald Lane acknowledged the Company's interest in the investment, expenditures and improvements made by the Company in the RLI Developments created by the Company on raw land deeded to Ronald Lane, individually.

53. Defendant Ronald Lane contends that the terms of the alleged oral agreement provide that Ronald Lane, individually, is to be paid twenty percent (20%) of rents received from tenants leasing the RLI Developments, while the Company is to retain eighty percent (80%) of such rents.

54. Defendant Ronald Lane has released any and all claims to rents received from the tenants at the RLI Developments on or prior to November 13, 2020. See, November 13, 2020 Term Sheet, a true and correct copy which is attached hereto and incorporated herein as Exhibit "2".

IV. The Company's Investment in the RLI Developments and RLI Headquarters

A. The "Cairo" Property

55. At Cairo, the Company performed, at great expense to it, work including, but not limited to, debris demolition and removal, placed stone, supplied Company employees and materials, contributed stone as partial consideration for the purchase price of this property, and paid all applicable property taxes, insurance, utilities, fuel costs and maintenance costs on the Cairo properties up through and including the present.

56. The cost to the Company of the improvements to and maintenance of the Cairo parcels was and is substantial.

57. The Fair Market Value of the Cairo parcel(s), after the Company's investment therein, has increased substantially.

58. Defendant Ronald Lane paid nothing out of pocket for any of the described improvements, taxes, costs or utilities on the Cairo properties, with the exception of the 2020 taxes.

B. The "Ellenboro" Property

59. At Ellenboro, the Company performed, at great expense to it, work including, but not limited to, earthwork, installing infrastructure and utilities, constructed buildings, hired sub-contractors, supplied Company employees and materials, and paid all applicable property taxes, insurance, utilities, fuel costs and maintenance costs on the Ellenboro properties up through and including the present.

60. The cost to the Company of the improvements to and maintenance of the Ellenboro parcels was and is substantial.

61. The Fair Market Value of the Ellenboro parcels, after the Company's investment therein, has increased substantially.

62. Defendant Ronald Lane paid nothing out of pocket for any of the described improvements, taxes, costs or utilities on the Ellenboro properties, with the exception of the 2020 taxes.

C. The "Sun Valley" Property

63. At Sun Valley, the Company performed, at great expense to it, work including, but not limited to, earthwork, installing infrastructure and utilities, constructed buildings, hired sub-contractors, supplied Company employees and materials, and paid all applicable property taxes, insurance, utilities, fuel costs and maintenance costs on the Sun Valley properties up through and including the present.

64. The cost to the Company of the improvements to and maintenance of the Sun Valley parcels was and is substantial.

65. The Fair Market Value of the Sun Valley parcels, after the Company's investment therein, has increased substantially.

66. Defendant Ronald Lane paid nothing out of pocket for any of the described improvements, taxes, costs or utilities on the Sun Valley properties, with the exception of the 2020 taxes.

D. The "Wilsonburg" Property

67. At Wilsonburg, the Company performed, at great expense to it, work including, but not limited to, earthwork, installing infrastructure and utilities, constructed buildings, hired sub-contractors, supplied Company employees and materials, and paid all applicable property taxes,

insurance, utilities, fuel costs and maintenance costs on the Wilsonburg properties up through and including the present.

68. The cost to the Company of the improvements to and maintenance of the Wilsonburg parcels was and is substantial.

69. The Fair Market Value of the Wilsonburg parcels, after the Company's investment therein, has increased substantially.

70. Defendant Ronald Lane paid nothing out of pocket for any of the described improvements, taxes, costs or utilities on the Wilsonburg properties, with the exception of the 2020 taxes.

E. The "Arnoldsburg" Property

71. At Arnoldsburg, the Company performed, at great expense to it, work including, but not limited to, earthwork, installing infrastructure and utilities, constructed buildings, hired sub-contractors, supplied Company employees and materials, and paid all applicable property taxes, insurance, utilities, fuel costs and maintenance costs on the Arnoldsburg properties up through and including the present.

72. The cost to the Company of the improvements to and maintenance of the Arnoldsburg parcels was and is substantial.

73. The Fair Market Value of the Arnoldsburg parcels, after the Company's investment therein, has increased substantially.

74. Upon information and belief, Defendant Ronald Lane paid nothing out of pocket for any of the described improvements, taxes, costs or utilities on the Arnoldsburg properties, with the exception of the 2020 taxes.

F. RLI Headquarters

75. The Company purchased the building used as RLI Headquarters on or about August 3, 2015.

76. The RLI Headquarters property is properly deeded to the Company, Ronald Lane, Inc. See Deed recorded in Deed Book 1559, Page 229, a true and correct copy of which is attached hereto and incorporated herein as Exhibit "5".

77. The RLI Headquarters property has been treated by the Company as a corporate asset since its acquisition in 2015.

78. The Company has paid all applicable property taxes on the RLI Headquarters property at all times since its acquisition.

79. Defendant Ronald Lane, as a shareholder and President of RLI, represented to the other shareholders that RLI Headquarters was owned by the Company.

80. Defendant Ronald Lane testified, under oath, at a hearing conducted in the Circuit Court of Harrison County in Civil Action No. 20-P-165 on September 30, 2020 that RLI Headquarters is owned by the Company.

81. Defendant Ronald Lane now claims, in connection with the sale of his shares in RLI and his exit from the Company, that he purchased RLI Headquarters as an individual.

82. At the time that RLI Headquarters was purchased, the Company had shareholders other than Ronald Lane.

83. RLI Headquarters was identified by the Company as meeting the Company's operational needs and the corporate decision was made to acquire the property.

84. Purchase of RLI Headquarters was a corporate opportunity of the Company.

85. The Board of Directors of the Company never approved the acquisition of RLI Headquarters by Ronald Lane, individually.

86. The shareholders of RLI, other than Ronald Lane, were never informed that RLI Headquarters was to be purchased by Ronald Lane, individually.

87. At RLI Headquarters, the Company performed, at great expense to it, work including, but not limited to, earthwork, installing infrastructure and utilities, constructed buildings, hired sub-contractors, supplied Company employees and materials, and paid all applicable property taxes, insurance, utilities, fuel costs and maintenance costs on the RLI Headquarters property up through and including the present.

88. The cost to the Company of the improvements to and maintenance of the Headquarters parcel was and is substantial.

89. The Fair Market Value of the Headquarters parcel, after the Company's investment therein, has increased substantially.

90. Defendant Ronald Lane paid nothing out of pocket for any of the described improvements, taxes, costs or utilities on the Headquarters property.

Count I – Quiet Title

91. Paragraphs 1 through 90, inclusive, are incorporated herein by reference as though more fully set forth at length herein.

92. Plaintiffs are informed and believe that Defendant Ronald Lane claims an interest in the RLI Developments and RLI Headquarters adverse to Plaintiffs herein.

93. The claims of Defendant Ronald Lane are without any right whatsoever, and Defendant Ronald Lane has no legal or equitable right, claim, or interest in said property.

94. Plaintiffs therefore seek a declaration that title to each of the RLI Developments and to RLI Headquarters is vested in Plaintiff RLI alone and that the Defendant Ronald Lane be declared to have no estate, right, title or interest in the subject properties and that said Defendant be forever enjoined from asserting any estate, right, title or interest in the subject properties adverse to Plaintiffs herein.

WHEREFORE, Plaintiffs pray for judgment against Defendant Ronald Lane as follows:

- 1) For an order compelling said Defendant to transfer legal title and possession of the RLI Developments to Plaintiff RLI herein;
- 2) For a declaration and determination that Plaintiff RLI is the rightful holder of title to the RLI Developments and RLI Headquarters and that Defendant Ronald Lane be declared to have no estate, right, title or interest in said properties;
- 3) For a judgment forever enjoining said Defendant Ronald Lane from claiming any estate, right, title or interest in the RLI Developments and RLI Headquarters;
- 4) Alternatively, for a Declaration, Order or Decree either requiring Ronald Lane to convey the RLI Developments to RLI, with just, equitable and fair payment to Ronald Lane from RLI for the value of the unimproved real estate or, for a Declaration, Order or Decree requiring Ronald Lane to make fair payment to RLI for the value of the improvements made by RLI to the RLI Developments and reimbursement for all sums paid by RLI with respect to the RLI Developments;
- 5) For costs of suit and attorney fees herein incurred; and
- 6) For such other and further relief as this Honorable Court may deem to be just and proper under the circumstances.

Count II Equity/Partition

95. The foregoing paragraphs 1 through 94, inclusive, are incorporated herein by reference as though more fully set forth at length herein.

96. To the extent that Defendant Ronald Lane is deemed to be the owner of the RLI Developments or the RLI Headquarters Plaintiff RLI has an equitable claim to an interest in those properties, as improved by the Company at the Company's expense.

97. In each instance, i.e., at Cairo, Ellenboro, Sun Valley, Wilsonburg and Arnoldsburg, as well as at RLI Headquarters, should it be determined that Defendant Ronald Lane is the owner thereof, which contention is expressly denied, then and in that event, Defendant Ronald Lane knowingly and intentionally directed the use of RLI company monies, material and personnel to perform earth and site work, construct buildings and otherwise develop and maintain the RLI Developments and the RLI Headquarters.

98. In each instance, Defendant Ronald Lane, knowing that the RLI Development parcels were titled to him, individually, directed Company personnel and/or the Company's outside accountants not to track Company expenditures or investment in the RLI Developments or otherwise properly ascribe the expenditure to the RLI Developments.

99. In each instance, Defendant Ronald Lane, knowing that the RLI Development parcels were titled to him, individually, represented to other shareholders that the RLI Developments were Company assets and that the improvement of the RLI Developments would inure to the benefit of the Company and its shareholders.

100. In each instance, Defendant Ronald Lane, knowing that the RLI Development parcels were titled to him, individually, never disclosed to the other shareholders that he intended for the Company to develop, improve and maintain the RLI Developments for his personal benefit.

101. In each instance, Defendant Ronald Lane made no personal, out of pocket contribution to the development, improvement or maintenance of the RLI Developments or the RLI Headquarters.

102. In each instance, the Defendant Ronald Lane, upon information and belief, has never declared the value of the improvements made to the RLI Developments as his own personal income, nor has he paid federal or state income tax on the value of such improvements.

WHEREFORE, Plaintiffs pray for judgment against Defendant Ronald Lane as follows:

1) For a Declaration, Order and/or Decree compelling and directing Defendant Ronald Lane to transfer legal title and possession of the RLI Developments to Plaintiff RLI herein;

2) For a Declaration, Order and/or Decree and determination that Plaintiff RLI is the rightful holder of title to the RLI Developments and RLI Headquarters, and that Defendant Ronald Lane herein, be declared to have no estate, right, title or interest in said properties;

3) For a Declaration, Order and/or Decree forever enjoining Defendant Ronald Lane from claiming any estate, right, title or interest in RLI Developments and RLI Headquarters;

4) Alternatively, for a Declaration, Order or Decree either requiring Ronald Lane to convey the RLI Developments to RLI, with just, equitable and fair payment to Ronald Lane for the value of the unimproved real estate or, for a Declaration, Order or Decree requiring Ronald Lane to make fair payment to RLI for the value of the improvements made by RLI to the RLI Developments and reimbursement for all sums paid by RLI with respect to the RLI Developments;

5) For costs of suit and attorney fees herein incurred; and

6) For such other and further relief as this Honorable Court may deem to be just and proper under the circumstances.

Count III – Estoppel in Pais

103. Plaintiffs incorporate the foregoing paragraphs 1 through 102, inclusive, as though the same were more fully set forth at length herein.

104. Defendant Ronald Lane represented to the other shareholders of RLI, namely, Chris Lane and Norman Lane, that the RLI Developments and RLI Headquarters were Company projects and would provide for the retirement of RLI shareholders.

105. Defendant Ronald Lane concealed from the other shareholders of RLI the fact that the RLI Development properties were titled in his name, individually.

106. Defendant Ronald Lane directed the Company's accountants to carry the Company's investment in the RLI Development properties, although understated, on the books of RLI, as Company assets, knowing that the real estate was titled in his name, individually.

107. The shareholders of RLI other than Defendant Ronald Lane were unaware, while the Company was investing millions of dollars into the RLI Developments, that the RLI Developments were titled to Ronald Lane, individually.

108. Defendant Ronald Lane concealed the fact that the RLI Developments were titled in his name, individually, from the other shareholders of RLI in order to induce them to allow RLI to invest millions of dollars in the RLI Developments.

109. Defendant Ronald Lane represented to the other shareholders that the RLI Developments were RLI Company projects, that would be the shareholders' "retirement" in order to induce them to allow RLI to invest millions of dollars in the RLI Developments.

110. Defendant Ronald Lane instructed the Company's accountants to carry the Company's investment in the RLI Developments, although understated, on the books of the Company and caused the Company to otherwise treat the RLI Developments as Company assets.

111. Defendant Ronald Lane now asserts that RLI Headquarters, presently and accurately titled in the Company's name, was purchased by him, individually, and should be titled in his name, which contention is expressly denied.

112. Plaintiffs were induced by and relied to their detriment upon Defendant Ronald Lane's fraudulent misrepresentations and material omissions to invest millions of dollars into the RLI Developments.

113. Similarly, if it is determined that RLI Headquarters should be titled in Defendant's name, individually, Plaintiffs were induced by and relied to their detriment upon defendant Ronald Lane's fraudulent misrepresentations and material omissions to invest millions of dollars into RLI Headquarters.

114. Defendant Ronald Lane treated the RLI Developments and RLI Headquarters in all respects as the property of Plaintiff RLI, from the time of their acquisition through and including in his offer to buy or sell shares of July 31, 2020, in which he included the value of the RLI Developments and RLI Headquarters in his valuation of the Company.

115. In each instance, the Defendant Ronald Lane made no personal, out of pocket contribution to the development, improvement or maintenance of the RLI Developments or RLI Headquarters.

116. In each instance, Defendant Ronald Lane, upon information and belief, has never declared the value of the improvements made to the RLI Developments or RLI Headquarters as his own personal income, nor has he paid federal or state income tax on the value of such properties or improvements.

117. Defendant Ronald Lane, in making his July 31, 2020 offer to buy or sell shares in RLI, expressly included the value of the RLI Developments and the RLI Headquarters in his valuation of the Company.

118. Shareholders Norman Lane and Christopher Lane relied upon Defendant Ronald Lane's valuation of the Company in deciding to exercise their rights to purchase Ronald Lane's shares in RLI at the price set by him, which included the value of the RLI Developments and the RLI Headquarters.

119. Defendant Ronald Lane, by his conduct as described above, is and should be estopped from claiming ownership of the RLI Developments or RLI Headquarters.

WHEREFORE, Plaintiffs pray for judgment against Defendant Ronald Lane as follows:

- 1) For a Declaration, Order and/or Decree compelling and directing Defendant Ronald Lane to transfer legal title and possession of the RLI Developments to Plaintiff RLI herein;
- 2) For a Declaration, Order and/or Decree and determination that Plaintiff RLI is the rightful holder of title to the RLI Developments and RLI Headquarters, and that Defendant Ronald Lane herein, be declared to have no estate, right, title or interest in said properties;
- 3) For a Declaration, Order and/or Decree forever enjoining Defendant Ronald Lane from claiming any estate, right, title or interest in RLI Developments and RLI Headquarters;
- 4) Alternatively, for a Declaration, Order or Decree either requiring Ronald Lane to convey the RLI Developments to RLI, with just, equitable and fair payment to Ronald Lane for the value of the unimproved real estate, or for a Declaration, Order or Decree requiring Ronald Lane to make fair payment to RLI for the value of the improvements made by RLI to the RLI Developments and reimbursement for all sums paid by RLI with respect to the RLI Developments;
- 5) For costs of suit and attorney fees herein incurred; and
- 6) For such other and further relief as this Honorable Court may deem to be just and proper under the circumstances.

Count IV- Unjust Enrichment

120. Plaintiffs incorporate the foregoing paragraphs 1 through 119, inclusive, are incorporated herein by reference as though more fully set forth at length herein.

121. In each instance at the RLI Developments, i.e., at Cairo, Ellenboro, Sun Valley, Wilsonburg and Arnoldsburg, as well as at RLI Headquarters, should it be determined that the RLI Developments and/or RLI Headquarters are owned by Defendant Ronald Lane, individually, which contention is expressly denied, then and in that event, the Company, through a reasonable

mistake of fact and in good faith, performed earth and site work, erected buildings, performed maintenance, and paid property taxes, utility bills, insurance, and incurred other costs and expenses entirely upon land titled in the name of Defendant Ronald Lane, individually, with reasonable belief that such land was owned by RLI and that such work and expenditures would inure to the benefit of the Company.

122. In each instance at the RLI Developments, i.e., at Cairo, Ellenboro, Sun Valley, Wilsonburg, and Arnoldsburg, as well as at the RLI Headquarters, Defendant Ronald Lane represented to the other shareholders of RLI, that the RLI Developments and RLI Headquarters were assets of Plaintiff RLI and that the funds, material and manhours invested by the Company into the RLI Developments and RLI Headquarters were Company projects, the improvement and development of which would inure to the benefit of the Company and its shareholders.

123. Defendant Ronald Lane, during that time that he controlled the Company, represented to Plaintiffs Norman Lane and Christopher Lane that the RLI Developments and RLI Headquarters were assets of the Company.

124. RLI consequently paid most, if not, all of the applicable property taxes and insurance on each of the RLI Developments and RLI Headquarters and one hundred percent of the costs of improving, developing and maintaining them.

125. RLI and its shareholders, Christopher Lane and Norman Lane, worked in good faith in improving and developing the RLI Developments and RLI Headquarters, in the reasonable belief that the RLI Developments and RLI Headquarters were Company assets and that such work and expenditures would inure to the benefit of the Company.

126. In each instance, Defendant Ronald Lane stood by and accepted the value of the Company's investment in the RLI Developments, and, if applicable, RLI Headquarters, knowing

that RLI and its other shareholders were acting in good faith, believing they were improving Company assets.

127. Defendant Ronald Lane in fact represented to the other shareholders, on multiple occasions, that the RLI Developments would be the shareholders' "retirement."

128. To the extent that Defendant Ronald Lane now claims the ownership of the RLI Developments and, if applicable, RLI Headquarters, to the exclusion of Plaintiff RLI, Defendant has been unjustly enriched.

129. Plaintiff RLI, under these circumstances, is entitled to receive from Defendant Ronald Lane the value of the improvements made by RLI to the RLI Developments and reimbursement for all sums paid by RLI with respect to the RLI Developments, or, alternatively, Defendant Ronald Lane should be compelled to surrender title to the RLI Developments to the Company upon payment of the value of each of the unimproved parcels of land in the state as they existed before Plaintiff RLI undertook to improve and develop them.

130. Plaintiff RLI, under these circumstances, and if RLI Headquarters is determined to belong to Defendant Ronald Lane, which contention is expressly denied, is entitled to receive from Defendant Ronald Lane the value of the improvements made by RLI to RLI Headquarters and reimbursement for all sums paid by RLI with respect to RLI Headquarters, or, alternatively, to the confirmation of RLI's title in RLI Headquarters.

WHEREFORE, Plaintiffs pray for judgment against Defendant Ronald Lane as follows:

- 1) For a Declaration, Order and/or Decree compelling and directing Defendant Ronald Lane to transfer legal title and possession of the RLI Developments to Plaintiff RLI herein;
- 2) For a Declaration, Order and/or Decree and determination that Plaintiff RLI is the rightful holder of title to the RLI Developments and RLI Headquarters, and that Defendant Ronald Lane herein, be declared to have no estate, right, title or interest in said properties;

- 3) For a Declaration, Order and/or Decree forever enjoining Defendant Ronald Lane from claiming any estate, right, title or interest in RLI Developments and RLI Headquarters;
- 4) Alternatively, for a Declaration, Order or Decree either requiring Ronald Lane to convey the RLI Developments to RLI, with just, equitable and fair payment to Ronald Lane for the value of the unimproved real estate or, for a Declaration, Order or Decree requiring Ronald Lane to make fair payment to RLI for the value of the improvements made by RLI, and reimbursement for all sums paid by RLI with respect to the RLI Developments and RLI Headquarters;
- 5) For costs of suit and attorney fees herein incurred; and
- 6) For such other and further relief as this Honorable Court may deem to be just and proper under the circumstances.

Count V – Conversion

131. Plaintiffs incorporate the foregoing paragraphs 1 through 130 by reference as though more fully set forth at length herein.

132. Defendant Ronald Lane directed the use of RLI funds, material and personnel in the improvement of the RLI Developments and, if applicable, RLI Headquarters, intending to keep the improvements so made as his personal property, to the exclusion of the Company.

133. Defendant Ronald Lane directed the use of RLI funds, material and personnel in the improvement of the RLI Developments and, if applicable, RLI Headquarters, under the false pretense that the RLI Developments were and would be assets of RLI.

134. In acting as described, Defendant Ronald Lane has wrongfully exerted dominion over the property of RLI in denial of the rights of RLI.

135. Defendant Ronald Lane has tortiously converted to his own use the property of RLI and wrongfully appropriated such property to his own use, exercising a claim of right in the RLI Developments in opposition to the rights of RLI.

136. Plaintiffs have suffered damages in an amount to be determined at trial as a direct and proximate result of Defendant's unlawful conversion of Plaintiff's assets.

WHEREFORE, Plaintiffs demand judgment against Defendant Ronald Lane in an amount to be determined at trial, plus costs of suit, attorney fees and such further relief as this Honorable Court may deem to be just and proper under the circumstances.

Count VI – Breach of Fiduciary Duty

137. Plaintiffs incorporate the foregoing paragraphs 1 through 136, by reference as though more fully set forth at length herein.

138. Defendant Ronald Lane, as a shareholder, director and officer (President and/or Treasurer) of Plaintiff RLI, owed a fiduciary duty to the Company and its shareholders.

139. Under West Virginia law, officers of a corporation must perform their duties in good faith, with the care that a person in a like position would reasonably exercise under similar circumstances, and in a manner that the officer reasonably believes to be in the best interests of the Company. W.Va. Code §31D-8-842.

140. Under West Virginia law, directors of a corporation must perform their duties in good faith and in a manner the director reasonably believes to be in the best interests of the Company. W.Va. Code §31D-8-830.

141. Defendant Ronald Lane served as President and/or Treasurer of RLI at all times material until his removal as President and Treasurer on or about October 26, 2020.

142. Defendant Ronald Lane served as Director of RLI at all times material until his removal as Director on or about November 17, 2020.

143. Defendant Ronald Lane contends that, as President and/or Treasurer and Director of RLI, he entered into an oral agreement with the Company by which he, individually, would

acquire certain parcels of undeveloped land, with monies advanced to him by the Company as “bonuses” or “loans,” with such parcels to be improved and developed by the Company, using Company funds, employees and resources.

144. The properties in question are the “RLI Developments,” and, if applicable, RLI Headquarters.

145. Defendant Ronald Lane further contends that, as to the RLI Developments, he entered into an oral agreement with the Company to share the rental income produced by the properties, in their improved and developed state, with the Company on an eighty percent/twenty percent split, with the Company receiving eighty percent and Defendant Ronald Lane, individually, receiving twenty percent.

146. No agreement between the Company and Defendant Ronald Lane for the Company to bonus and/or loan Defendant Ronald Lane funds with which to purchase the parcels upon which the Company created the RLI Developments was ever approved by the Board of Directors of the Company nor is any such agreement reflected in any motion, resolution or other official action taken by the Directors or Shareholders of the Company.

147. No agreement between the Company and Defendant Ronald Lane for the allocation of rents from the RLI Developments, whether in the ratio of eighty percent to twenty percent or otherwise, was ever approved by the Directors of the Company nor is any such agreement reflected in any motion, resolution or other official action taken by the Directors or Shareholders of the Company.

148. Defendant Ronald Lane, to the extent that he purported to enter into the “bonus/loan” agreement(s) or the “eighty/twenty” agreement on behalf of the Company, as its

President or Director with himself, as an individual, breached his fiduciary duty to the Company and other shareholders and engaged in impermissible self-dealing.

149. Ronald Lane further contends, apparently, that RLI is entitled only to recoup, through this eighty percent/twenty percent split, such amounts as the Company has expended in improving and developing the RLI Developments, and, if applicable, the RLI Headquarters.

150. Defendant Ronald Lane also contends that RLI Headquarters, which was acquired by the Company in 2015, was somehow intended to have been titled in Defendant Ronald Lane's name, individually.

151. To the extent that Defendant Ronald Lane, as President, Treasurer and Director of RLI, claims to have entered into an agreement with the Company by which RLI would again "bonus" or "loan" Ronald Lane the funds necessary to purchase RLI Headquarters in his own name, no such agreement was ever disclosed to the other shareholders, no such agreement was ever approved by the Directors of the Company, nor is any such agreement reflected in any motion, resolution or other official action taken by the Directors or Shareholders of the Company.

152. Defendant Ronald Lane, to the extent that he purported to enter into agreement for the acquisition of RLI Headquarters to be purchased by him, individually on behalf of the Company, as its President and/or Treasurer and Director with himself, as an individual, breached his fiduciary duty to the Company and engaged in impermissible self-dealing.

153. Defendant Ronald Lane, as President, Treasurer and Director of RLI, wasted the assets of RLI by wrongfully directing the use of Company assets for his personal enrichment, as described.

154. As a direct and proximate result of the Defendant Ronald Lane's breaches of fiduciary duty and improper self-dealing, Plaintiffs have suffered damages as shall be proven at trial.

155. Any agreement purportedly entered into by Defendant Ronald Lane, individually and Ronald Lane, as President, Treasurer and/or Director of RLI, regarding the RLI Developments and/or the RLI Headquarters is and should be void *ab initio*.

WHEREFORE, Plaintiffs demand judgment against Defendant Ronald Lane in an amount to be determined at trial, plus costs of suit, attorney fees and such further relief as this Honorable Court may determine to be just and proper under the circumstances.

Count VII- (In the Alternative) Usurpation of Corporate Opportunity

156. Plaintiffs incorporate the foregoing paragraphs 1 through 155, by reference as though more fully set forth at length herein.

157. Plaintiff RLI purchased RLI Headquarters on or about August 3, 2015.

158. At the time of the acquisition of RLI Headquarters in 2015, Defendant Ronald Lane was the President and/or Treasurer and Director of Plaintiff RLI and, as such, owed a fiduciary duty to the Company and its shareholders.

159. The Company identified RLI Headquarters as suitable for the Company's needs.

160. The shareholders and officers of the Company directed Company personnel to acquire RLI Headquarters for the Company.

161. The Company, at the time that it identified RLI Headquarters as suitable for the Company's needs, had the necessary resources to purchase RLI Headquarters.

162. The acquisition of RLI Headquarters was a business opportunity which the Company was financially able to undertake.

163. The acquisition of RLI Headquarters was, from its nature, in the line of the Company's business and was of practical advantage to it.

164. The acquisition of RLI Headquarters was an opportunity in which the Company had an interest or a reasonable expectancy.

165. Defendant Ronald Lane contends that RLI Headquarters was acquired by him, individually, notwithstanding the fact that the deed recorded in Deed Book 1559 at page 229 identifies the grantee as Plaintiff RLI.

166. Defendant Ronald Lane contends that he, as President and/or Treasurer or Director of RLI, caused the Company to issue a loan to him of monies sufficient to purchase RLI Headquarters and that he purchased RLI Headquarters as a personal asset, with the monies lent to him by the Company.

167. RLI Headquarters, contrary to Defendant Ronald Lane's assertions, was purchased by and is owned by the Company.

168. If, however, as Defendant Ronald Lane contends, RLI Headquarters was, in fact, purchased by him, individually, which contention is expressly denied, then and in that event, Defendant Ronald Lane by taking the opportunity to purchase RLI Headquarters for himself wrongly advanced his own self-interest, in conflict with the interest of RLI and its shareholders.

169. Plaintiffs have sustained damages, in an amount to be determined at trial, as a direct and proximate result of Defendant Ronald Lane's usurpation of the corporate opportunity of RLI to purchase RLI Headquarters.

WHEREFORE, Plaintiffs demand judgment against Defendant Ronald Lane in an amount to be determined at trial, plus costs of suit, attorney fees and such further relief as this Honorable Court may deem to be just and proper under the circumstances.

County VIII – Breach of Contract

170. Plaintiffs incorporate the foregoing paragraphs 1 through 169 by reference as though more fully set forth at length herein.

171. Defendant Ronald Lane was, at all times material hereto, a shareholder in RLI and a party first to the 2014 Shareholder Agreement and then the 2018 Restated and Amended Shareholder's Agreement.

172. Defendant Ronald Lane was obligated, as a party to each of the shareholder agreements, to comply with the terms thereof.

173. Each of the shareholder agreements contains a non-compete clause, by which the shareholders, including Defendant Ronald Lane, agreed not to compete with the Company.

174. Each of the shareholder agreements require company and/or director approval before purchasing property in excess of a certain dollar amount.

175. Each of the shareholder agreements is deemed to impose, as a matter of law, an implied covenant of good faith and fair dealing on the part of the shareholders.

176. Defendant Ronald Lane, as a shareholder, officer, director and employee of RLI, was contractually obligated to act in the best interests of the Company and comply with the terms of the shareholder agreements.

177. Defendant Ronald Lane breached the shareholder agreements and the implied covenant of good faith and fair dealing as described above.

178. Plaintiffs have sustained damages, in an amount to be determined at trial, as a direct and proximate result of Defendant Ronald Lane's breaches of contract.

WHEREFORE, Plaintiffs demand judgment against Defendant Ronald Lane in an amount to be determined at trial, plus costs of suit, attorney fees and such further relief as this Honorable Court may deem to be just and proper under the circumstances.

Count IX – Declaratory Judgment

179. Plaintiffs incorporate the foregoing paragraphs 1 through 178 by reference as though more fully set forth at length herein.

180. Defendant Ronald Lane was a signatory to and was bound by the January 31, 2014 Shareholder Agreement and the November 14, 2018 Restated and Amended Shareholder's Agreement.

181. Each of the Shareholder Agreements imposed upon Defendant Ronald Lane a contractual obligation of good faith and fair dealing.

182. Each of the Shareholder Agreements imposed upon Defendant Ronald Lane an obligation not to compete with RLI.

183. Plaintiff requests a Declaration, pursuant to the Uniform Declaratory Judgments Act, West Virginia Code §55-13-1 et seq., of the respective rights of RLI and Defendant Ronald Lane in the RLI Developments and the RLI Headquarters pursuant to the January 31, 2014 Shareholder Agreement and the November 14, 2018 Restated and Amended Shareholder's Agreement.

WHEREFORE, Plaintiffs pray for judgment against Defendant Ronald Lane as follows:

1) For a Declaration, Order and/or Decree compelling and directing Defendant Ronald Lane to transfer legal title and possession of the RLI Developments to Plaintiff RLI herein;

2) For a Declaration, Order and/or Decree and determination that Plaintiff RLI is the rightful holder of title to the RLI Developments and the RLI Headquarters, and that Defendant Ronald Lane herein, be declared to have no estate, right, title or interest in said properties;

3) For a Declaration, Order and/or Decree forever enjoining Defendant Ronald Lane from claiming any estate, right, title or interest in RLI Developments and the RLI Headquarters;

4) Alternatively, for a Declaration, Order or Decree either requiring Ronald Lane to convey the RLI Developments to RLI, with just, equitable and fair payment to Ronald Lane for the value of the unimproved real estate or, for a Declaration, Order or Decree requiring Ronald Lane to make fair payment to RLI for the value of the improvements made by RLI to the RLI Developments, and if applicable, the RLI Headquarters, and reimbursement for all sums paid by RLI with respect to the RLI Developments and, if applicable, the RLI Headquarters;


5) For costs of suit and attorney fees herein incurred; and

6) For such other and further relief as this Honorable Court may deem to be just and proper under the circumstances.

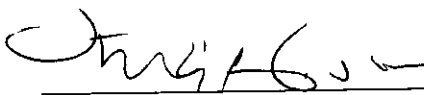
JURY DEMAND

Plaintiffs, Ronald Lane, Inc., Christopher Lane and Norman Lane hereby demand a trial by jury on each and every claim set forth in this Complaint where a jury is available as a matter of West Virginia law.

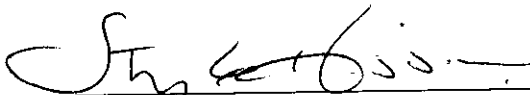
**RONALD LANE, INC.,
CHRISTOPHER LANE, AND
NORMAN LANE,**
By counsel:



Stephen G. Higgins, WVSB #6330
John R. Hoblitzell, WVSB #1746
Matthew D. Elshiaty, WVSB #12535
Kay Casto & Chaney PLLC
150 Clay Street, Suite 100
Morgantown, WV 26501
Phone: 304-225-0970
Facsimile: 304-225-0974
Counsel for Ronald Lane, Inc.

 , with Permission

of Daniel M. Taylor, Jr., WVSB #10247
Kyle T. McGee, WVSB #11000
Margolis Edelstein
The Oliver Building
535 Smithfield Street, Suite 1100
Pittsburgh, PA 15222
Phone: 412-355-4957
Facsimile: 412-642-2380
Counsel for Christopher Lane

 , with Permission

of James "Rocky" Gianola, WVSB #1378
John Gianola, WVSB #10879
Gianola Barnum Bechtel & Jecklin, L.C.
1714 Mileground
Morgantown, WV 26505
Phone: 304-291-6300
Facsimile: 304-291-6307
Counsel for Norman Lane