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MONTANA ELEVENTH JUDICIAL DISTRICT COURT, FLATHEAD COUNTY

JOHN A. CORAPI and SANTA CRUZ
MEDIA, INC.,

Plaintiffs,

vs.

[REDACTED]

Defendant.

Cause No. [REDACTED]

COMPLAINT AND DEMAND FOR
JURY TRIAL

DAVID M ORTLEY

COMES NOW Plaintiffs, John A. Corapi and Santa Cruz Media, Inc., by and through their counsel, and for their cause of action against Defendants state and allege as follows:

GENERAL ALLEGATIONS

1. John A. Corapi (Corapi) is an individual currently residing in Whitefish, Montana.
2. Santa Cruz Media, Inc., is a Nevada corporation that is authorized to transact business in Montana, with a principal place of business at 450 Corporate Drive, Suite 108, Kalispell, Montana.
3. [REDACTED] is an individual currently residing in [REDACTED]

4. [REDACTED] is a former employee of Santa Cruz Media, Inc.
5. John A. Corapi is an ordained Priest in the Catholic Church, who was ordained on May 26, 1991.
6. Corapi is a member of The Society Of Our Lady Of The Most Holy Trinity (SOLT). The SOLT is overseen by the Diocese of Corpus Christi, Texas.
7. Corapi performs his priestly ministry and shares his teachings and message through the creation and distribution of various media including, without limitation, books, audio programs, video, television shows on the EWTN network, radio shows on stations across the country and through conferences at which he is invited to speak.
8. The effectiveness and success of Corapi's ministry depends on his reputation and his position as a Priest in good standing with the Catholic Church.
9. Santa Cruz Media, Inc., is the owner of all intellectual property rights for Corapi's audio, video, written and other protectable intellectual property interests.
10. Santa Cruz Media, Inc., produces and sells for profit the media through which Corapi performs his priestly ministry and books all speaking and other engagements in which Corapi participates.
11. The creation, production, distribution and sale of Corapi's media and other products and the booking of Corapi's speaking and other engagements is the only business in which Santa Cruz Media, Inc., is engaged.
12. Santa Cruz Media, Inc.'s revenues and success depend on Corapi's reputation, his position as a Priest in good standing with the Catholic Church and the presence of his television and radio programming on the EWTN television network and radio stations across the country.

COUNT I
LIBEL
(John A. Corapi)

13. Corapi hereby re-alleges and incorporates all of the allegations contained in paragraphs 1-12 of this Complaint as if fully set forth herein.

14. On or about February 11, 2011, [REDACTED] sent a letter that was received by the intended recipients containing a number of false, malicious and unprivileged statements about Corapi to numerous third parties including the Chancellor of the Diocese of Corpus Christi, Our Lady of Corpus Christi (SOLT), the Archdiocese of Chicago and the Archdiocese of Boson (the "Letter").

15. [REDACTED] Letter contained numerous false, malicious and unprivileged statements about Corapi including, among others: (a) Corapi met [REDACTED] when she was sent to meet him by an escort service whom Corapi had contacted; (b) Corapi was a regular drug purchaser and user who used drugs with [REDACTED] and did drugs with three of her sisters; (c) Corapi engaged in sexual acts and sexual intercourse with [REDACTED] (d) Corapi engaged in sexual intercourse with one of [REDACTED] sisters; (d) Corapi punched [REDACTED] in the face; and (e) Corapi currently has a "new mistress."

16. All of the alleged events giving rise to the false, malicious and unprivileged statements included in [REDACTED] Letter allegedly took place during the time that Corapi was an ordained Priest in the Catholic Church.

17. [REDACTED] publication of the Letter was unprivileged and made with knowledge of its falsity and with reckless disregard of the truth. These acts constitute actual malice.

18. [REDACTED] Letter has caused actual damages to Corapi.

19. As a result of [REDACTED] publication of the Letter, the Catholic Church has placed Corapi on administrative leave from priestly ministry for allegedly behaving in a manner unbecoming of a priest.

20. The SOLT released a statement regarding Corapi being placed on administrative leave from priestly ministry for allegedly behaving in a manner unbecoming of a priest.

21. The SOLT's statement and the Church's placing Corapi on administrative leave has been reported by media outlets across the country.

22. As a result of [REDACTED] publication of the Letter, Corapi's regularly scheduled television shows were removed from EWTN television network and Corapi's regularly scheduled radio programs were removed from radio stations across the country.

23. [REDACTED] publication of the Letter has caused permanent and irreparable damage to Corapi's good name, reputation and to his ability to perform his occupation.

24. Corapi is entitled to punitive damages due to [REDACTED] actual malice in publishing the Letter with knowledge of its falsity and with reckless disregard of the truth.

COUNT II
BREACH OF CONTRACT
(Corapi and Santa Cruz Media, Inc.)

25. Corapi and Santa Cruz Media, Inc., hereby re-allege and incorporate all of the allegations contained in paragraphs 1-24 of this Complaint as if fully set forth herein.

26. Santa Cruz Media, Inc., terminated [REDACTED] for cause effective September 30, 2009.

27. Santa Cruz Media, Inc., Corapi and [REDACTED] entered into a Separation Agreement and Release of Claims related to [REDACTED] termination on October 29, 2009.

28. Section 12 of the Separation Agreement and Release of Claims (a true and accurate copy of which is attached hereto and filed under seal) states:

12. Agreement Not to Interfere or Trespass. [REDACTED] agrees not to interfere with, disparage or otherwise cast a negative light upon Santa Cruz or John Corapi or their activities. [REDACTED] will not attend Santa Cruz seminars or other events or take any actions to discourage or dissuade others from attending Santa Cruz seminars or other events. [REDACTED] shall not enter the premises of any property of Santa Cruz or Corapi for any reason whatsoever. For a period of 5 years from the date of this Agreement, [REDACTED] will not contact, communicate with or harass Santa Cruz or Corapi or their respective agents or employees, except that [REDACTED] may communicate with her spouse, [REDACTED] who may perform certain work or services for Santa Cruz as an independent contractor, or any of her children who may perform services for Santa Cruz, so long as the communications do not involve [REDACTED] entering upon the premises of Santa Cruz or Corapi and except that [REDACTED] may communicate in writing with Santa Cruz or Corapi regarding this Agreement.
29. [REDACTED] breached the Separation Agreement and Release of Claims by publishing the Letter.
30. [REDACTED] unprivileged publication of the Letter interfered with, disparaged and cast a negative light on Corapi and Santa Cruz Media, Inc.
31. [REDACTED] unprivileged publication of the Letter discouraged or dissuaded others from attending Santa Cruz Media, Inc., seminars and events.
32. [REDACTED] unprivileged publication of the Letter constitutes harassment of Corapi and Santa Cruz Media, Inc.
33. As a result of [REDACTED] breach of the Separation Agreement and Release of Claims, Catholic Charities cancelled an event featuring Corapi which Santa Cruz Media, Inc., had booked for Corapi in DeKalb, Illinois, which was scheduled for March 26, 2011.
34. Santa Cruz Media, Inc., sells significant amounts of Corapi related merchandise at and following such events.
35. As a result of [REDACTED] breach of the Separation Agreement and Release of Claims, Santa Cruz Media, Inc., is unable to book any Church related speaking engagements for Corapi until such time as Corapi's priestly faculties are restored by the Catholic Church.

36. As a result of [REDACTED] breach of the Separation Agreement and Release of Claims, Corapi has suffered damages in his occupation, business and to his reputation in an amount to be proven at trial.

37. As a result of [REDACTED] breach of the Separation Agreement and Release of Claims, Santa Cruz Media, Inc., has suffered damages to its business and reputation in an amount to be proven at trial.

38. Section 13.e of the Forbearance Agreement and Release of Claims provides that the prevailing party in any dispute or legal or equitable action arising from the Forbearance Agreement and Release of Claims shall be entitled to their attorney's fees and costs.

39. As a result of [REDACTED] breach of the Forbearance Agreement and Release of Claims, Corapi and Santa Cruz Media, Inc., have initiated these proceedings to enforce the terms of the Separation Agreement and Release of Claims and have obligated themselves to pay attorney's fees and costs.

COUNT III
BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING
(Corapi and Santa Cruz Media, Inc.)

40. Corapi and Santa Cruz Media, Inc., hereby re-allege and incorporate all of the allegations contained in paragraphs 1-39 of this Complaint as if fully set forth herein.

41. [REDACTED] publication of the Letter is a breach of the implied covenant of good faith and fair dealing which is implied in all contracts in Montana.

42. [REDACTED] breach of the implied covenant of good faith and fair dealing has caused damages to Corapi and Santa Cruz Media, Inc., in an amount to be proven at trial.

WHEREFORE, John A. Corapi prays for judgment as follows:

1. For damages in an amount to be proven at trial;

2. For punitive damages;
3. For his reasonable attorney's fees and costs;
4. For his costs of suit; and
5. For such other relief that this Court may deem just.


AND WHEREFORE Santa Cruz Media, Inc., prays for judgment as follows:

1. For damages in an amount to be proven at trial;
2. For its reasonable attorney's fees and costs;
3. For its costs of suit; and
4. For such other relief that this Court may deem just.

DATED this 4th day of April, 2011.

CHRISTENSEN, MOORE, COCKRELL, CUMMINGS
& AXELBERG, P.C.

By: _____



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Jay T. Johnson
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Demand for Jury Trial

Pursuant to M.R.Civ.P., Rule 38(a), Plaintiffs hereby demand a trial by jury of all issues that are triable by jury under Montana law.

Dated this 4th day of April, 2011.

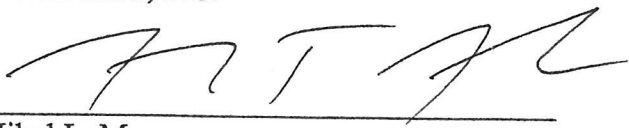
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