

IN THE CIRCUIT COURT OF THE
SEVENTEENTH JUDICIAL CIRCUIT IN
AND FOR BROWARD COUNTY, FLORIDA

GENERAL JURISDICTION DIVISION

SHARON A. MCTURK,
RUTHERFORD ENTERPRISES, LLC,
SJB SOLUTIONS, LLC, and ASTRA
SUPPLY CHAIN, LLC

CASE NO.

Plaintiffs,

vs.

LOTTERY.COM, INC., and MATTHEW
MCGAHAN

Defendants.

COMPLAINT

Plaintiffs, SHARON A. MCTURK, RUTHERFORD ENTERPRISES, LLC, SJB SOLUTIONS, LLC, and ASTRA SUPPLY CHAIN, LLC, sue Defendants, LOTTERY.COM, INC., and MATTHEW MCGAHAN, and allege:

JURISDICTION, PARTIES AND VENUE

1. This is an action for damages greater than \$50,000 and within the jurisdiction of this Court.
2. Plaintiff, Sharon A. McTurk, is a resident of Broward County, Florida.
3. Plaintiff, Rutherford Enterprises, LLC ("Rutherford"), is a Florida Limited Liability Company, with its principal place of business in Broward County.
4. Plaintiff, SJB Solutions, LLC ("SJB"), is a Florida Limited Liability Company, with its principal place of business in Broward County.
5. Plaintiff, Astra Supply Chain, LLC ("Astra"), is a Florida Limited Liability

Company, with its principal place of business in Broward County.¹

6. Defendant, Lottery.com, Inc., ("Lottery.com") is a Delaware Corporation with its principal offices in Texas.

7. Defendant, Matthew McGahan, is a resident of Boca Raton, Florida, and the Chairman of the Board and Chief Executive Officer of Lottery.com

8. Lottery.com and McGahan are subject to personal jurisdiction in this forum because they committed wrongs in this state by engaging in fraudulent conduct in this state, aiding and abetting and conspiring with a Florida resident to defraud Plaintiffs, a Florida resident and Florida entities, in this state. Further, McGahan is a Florida resident.

9. Venue is proper in Broward County because the wrongs alleged herein occurred in Broward County, where Plaintiffs were defrauded.

10. All conditions precedent to filing this action have been performed or have occurred.

GENERAL ALLEGATIONS

11. Sharon A. McTurk is the managing member or president of the Plaintiff Entities.

12. Ronald Farah was a resident of Boca Raton, Florida at all times relevant to this action.

13. Ronald Farah told McTurk that he had a fantastic investment opportunity with Lottery.com.

14. After explaining the opportunity and the business of Lottery.com, Farah told McTurk that Lottery.com needed financing and in exchange she would receive shares of Lottery.com at below market price.

15. Rutherford and SJB were advancing funds to Farah so he can travel to

¹ Rutherford, SJB and Astra will be referred to collectively as the Plaintiff Entities.

Europe in furtherance of Lottery.com related business and to pay expenses for Lottery.com.

16. On September 19, 2022, at the direction of Farah, and to pay expenses of Lottery.com, Astra transferred \$500,000 to SAS Management. At the time, SAS Management was owned and controlled by Sohail Quraeshi, the CEO of Lottery.com.

17. Lottery.com used \$75,000 for expenses, including payroll, and the balance was eventually transferred to an account in London controlled by Woodford Eurasia Assets, LTD., (“Woodford”).

18. In or about September 2022, Woodford entered an agreement with Lottery.com to provide financing and in December 2022, entered into a credit facility agreement with Lottery.com to provide funding up to \$50 million.

19. Apparently, unable to fulfill its obligations to Lottery.com and Lottery.com still in need of funds to cover expenses, Farah joined forces with Lottery.com and McGahan, who was the Chairman of Lottery.com, to issue a letter to obtain more funds from the Plaintiffs.

20. Farah asked McTurk to form SMRF Holdings, LLC, wherein McTurk and Farah would be co-owners to effectuate the receipt of the Lottery.com shares Farah had been promising McTurk. SMRF Holdings was formed by McTurk.

21. At Farah’s direction, McGahan signed the letter, attached hereto as Exhibit A, (the “Letter”), and provided it to Farah so he could use it to obtain additional funding.

22. After McGahan sent the signed Letter for Farah, McGahan asked Farah, “if the letters worked.”

23. The Letter did work as intended – it was shared with McTurk and McTurk, individually, and the Plaintiffs Entities provided more funds to Farah for Lottery.com.

24. Farah would direct McTurk where to send the funds all based on

representations that the funds would be for Lottery.com and she would get Lottery.com shares in return.

25. Farah passed away on September 1, 2023.

26. Thereafter, Lottery.com took the position that, although it received funds directly or indirectly from Plaintiffs, the promise of shares in return was a fraud perpetrated by Farah.

27. In total, the Plaintiffs transferred approximately \$1.9 million at Farah's direction related to Lottery.com.

COUNT I

FRAUDULENT MISREPRESENTATION

28. Plaintiffs reallege the allegations set forth in paragraphs 1 through 27 above, as if set forth herein.

29. McGahan, individually, and as Chairman of Lottery.com, knew that Farah was obtaining funds from third parties to meet Lottery.com's financial needs.

30. McGahan, at the direction of Farah, executed the Letter attached as Exhibit A to induce McTurk and others to continue providing funds that would eventually reach Lottery.com, knowing that shares would not be issued to McTurk, the Plaintiff Entities, or any entity created by McTurk, such as SMRF.

31. McGahan, individually, and as Chairman of Lottery.com, knew the Letter was false as Farah was not providing services to Lottery.com that would allow for the issuance of shares and that the recipients of that Letter, including McTurk, would rely on the Letter to provide funds.

32. McTurk, individually, and on behalf of the Plaintiff Entities, relied on the letter to continue advancing funds resulting in damage to the Plaintiffs.

WHEREFORE, Plaintiffs demand judgment for damages against McGahan, individually, and Lottery.com, jointly and severally, costs and such further relief as the Court deems just and proper.

COUNT II

NEGLIGENT MISREPRESENTATION

33. Plaintiffs reallege the allegations set forth in paragraphs 1 through 27 above, as if set forth herein.

34. McGahan, individually, and as Chairman of Lottery.com made a misrepresentation of fact that he believed to be true but was in fact false with the Letter provided at the direction of Farah.

35. McGahan, individually, and as Chairman of Lottery.com was negligent in making the statements in the Letter because he should have known Farah was not providing any services and no shares would be issued as represented in the Letter.

36. McGahan, individually, and as Chairman of Lottery.com intended that the recipients of the Letter, including McTurk, would rely on the misrepresentation.

37. Plaintiffs were injured acting in justifiable reliance upon the misrepresentation.

WHEREFORE, Plaintiffs demand a judgment for damages against McGahan, individually, and Lottery.com, jointly and severally, costs and such further relief as the Court deems just and proper.

COUNT III

AIDING AND ABETTING

38. Plaintiffs reallege the allegations set forth in paragraphs 1 through 27 above, as if set forth herein.

39. An underlying fraud existed – the Plaintiffs were harmed by the fraud

committed by Farah. McGahan, individually and as Chairman of Lottery.com, provided Farah with the Letter to induce the recipients of the Letter to provide funds as directed by Farah, which funds would eventually go directly or indirectly to Lottery.com or to pay expenses of Lottery.com. McGahan, individually, and as Chairman of Lottery.com, aided and abetted this fraud because McGahan knew Farah needed the Letter to induce others to provide funds to be used by Lottery, and the Letter was used to induce McTurk and the Plaintiff Entities to transfer funds as directed by Farah.

40. McGahan and Lottery.com knew of the existence of the underlying fraud being committed by Farah.

41. McGahan and Lottery.com gave substantial assistance or encouragement to advance the commission of the fraud by affirmatively assisting.

42. The conduct of McGahan and Lottery.com was a substantial factor in causing harm to Plaintiffs.

43. The assistance of McGahan and Lottery.com was the legal cause of the damage suffered by Plaintiffs.

WHEREFORE, Plaintiffs demand a judgment for damages against McGahan, individually, and Lottery.com, jointly and severally, costs and such further relief as the Court deems just and proper.

COUNT IV

CONSPIRACY

44. Plaintiffs reallege the allegations set forth in paragraphs 1 through 27 above, as if set forth herein.

45. McGahan and Lottery.com engaged in an unlawful act by unlawful means, including by signing the Letter they knew and intended would be used to induce the recipients to transfer funds to Farah, who would then transfer money directly or indirectly to

Lottery.com.

46. McGahan and Lottery.com committed overt acts in pursuance of the conspiracy, including signing the Letter requested by Farah, intending it to be provided to individuals, such as McTurk, to induce them to transfer money as directed by Farah. The Letter was provided to McTurk to induce the Plaintiffs to transfer money as directed by Farah which would directly or indirectly reach Lottery.com or pay Lottery.com's expenses directly.

47. Plaintiffs were damaged because of the conspiracy.

WHEREFORE, Plaintiffs demand a judgment for damages against McGahan, individually, and Lottery.com, jointly and severally, costs and such further relief the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs demand trial by jury on all issues and matters triable by jury as a matter of right.

Dated May 1, 2024

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