



CASE NO: A-21-831556-B
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14 *Attorneys for Plaintiff John Matze*

15 **EIGHTH JUDICIAL DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 JOHN MATZE, an individual,

Case No.:

18 Plaintiff,

Dept. No.:

19 v.

COMPLAINT

20 PARLER LLC; NDMASCENDANT, LLC;
21 JEFFREY WERNICK; MARK MECKLER;
22 DAN BONGINO; REBEKAH MERCER;
23 DOES I-X, and ROE CORPORATIONS XI-XX,

**(Request for Business Court Assignment
Pursuant to EDCR 1.61(a)(2)(ii) and (iii))**

24 Defendants.

**(Exempt from Arbitration –
Declaratory/Equitable Relief Requested)**

25 For his complaint, Plaintiff John Matze hereby states and alleges as follows:

26 **NATURE OF THE CASE**

27 1. Plaintiff John Matze ("Matze") is the founder and former Chief Executive Officer
28 ("CEO") of the microblog and social network entity commonly known as Parler, which in French
means "to speak." Matze served as CEO from Parler's creation and until January 2021, when he
was abruptly ousted in violation of the law and public policy for endeavoring to preserve Parler's
commitment to free expression while combatting any misuse by violent extremists and domestic
terrorists in the wake of the January 6, 2021 attack at the U.S. Capitol. Rather than protect Parler,
its other owner, Rebekah Mercer, sought to co-opt it as a symbol or as the "tip of the spear" for
her brand of conservatism, and plotted to force Matze out as CEO, Manager, and Member, and
steal his forty percent (40%) ownership interest. Indeed, while Mercer readily acknowledged and

1 broadly boasted (including to business and political acquaintances) that Parler was an enterprise
2 worth hundreds of millions of dollars, if not a billion dollars, she and others orchestrated a theft of
3 Matze's 40% ownership, claiming that it could be taken from him for a mere \$3.00. This
4 outlandish and arrogant theft, which occurred in Nevada, is the product of a conspiratorial
5 agreement and actions taken both inside and outside of Nevada, that include intimidating threats
6 and defamatory accusations of misconduct all designed to bully and deprive Matze of his valuable
7 personal property and legal rights. This scheme is epitomized by oppression, fraud, and malice,
8 for which Matze is entitled to punitive damages trebling (at a minimum) the millions that he is
9 owed in compensatory damages.

10 **THE PARTIES**

11 **PARTIES AND RELATED PERSONS/ENTITIES**

12 2. Plaintiff John Matze is and was at all relevant times a resident of the State of
13 Nevada.

14 3. Defendant Parler LLC ("Parler") is and was at all relevant times a Nevada limited
15 liability company, with its present headquarters and principal place of business at
16 209 South Stephanie Street, Suite B135, Henderson, Nevada.

17 4. Defendant NDMascendant, LLC ("NDM"), upon information and belief, is and
18 was at all relevant times a Delaware limited liability company with its present headquarters and
19 principal place of business at 209 South Stephanie Street, Suite B135, Henderson, Nevada. NDM
20 is one of the two owners of Parler.

21 5. Defendant Jeffrey Wernick ("Wernick"), upon information and belief, is and was
22 at all relevant times a resident of California and in control (at least in part) over convertible debt
23 in Parler. As further set forth, Wernick was a party to, and an active participant in, the conspiracy
24 to oust Matze from Parler, defame him, and steal his property.

25 6. Defendant Mark Meckler ("Meckler"), upon information and belief, is and was at
26 all relevant times a resident of Texas and now operates as the CEO of Parler from Parler's
27 headquarters in Henderson, Nevada. As further set forth, Meckler was a party to and an active
28 participant in the conspiracy to oust Matze from Parler, defame him, and steal his property.

COMMON ALLEGATIONS

I. THE FOUNDING OF PARLER

13. What ultimately would become the social media platform known as Parler was the brainchild of Matze, with the assistance of his college roommate.

14. In 2017, Matze was introduced to Rebekah Mercer, and thereafter had discussions with her concerning politics and concepts surrounding free expression.

15. Matze learned that Mercer had some affiliation with Breitbart News and, considering his knowledge and experience in coding, the two of them discussed the possibility of creating a community commenting platform that could be leased to Breitbart. Mercer indicated she would provide financing, and supply Matze with business contacts and everything else he needed to build the commenting platform.

16. While Matze worked on building the commenting platform, the business contacts and potential Breitbart relationship did not materialize. But Matze had an additional idea: Create a social media platform, one devoted to real principles of free expression and not owing to mainstream media. Mercer indicated that she liked Matze's idea, and agreed to finance it. The name "Parler" was later agreed upon. In French, the word "parler" means "to speak." The name "Parler" was available for a reasonable price, and would be consistent with the planned platform's objectives of promoting a free and open platform. Matze promptly purchased the name "Parler."

17. As an experienced coder, Matze personally created the iOS app for Parler, devoting thousands of hours to creating it. The Parler app first became available via Apple's App Store in August, 2018.

18. In May of 2018, Matze and Mercer formed Parler LLC, a Nevada limited liability company, with the assistance of legal counsel, Greenberg Traurig, in Las Vegas.

19. At her direction, Mercer's ownership in Parler was initially intended to be secret, and thus held in the name of Defendant NDM.

20. However, Matze alleges and believes that NDM simply served as Mercer's alter ego to mask her role in Parler. Mercer herself believed that her involvement would serve as a distraction and would be potentially toxic to Parler's business objectives.

1 21. On May 19, 2020, the parties signed the "Operating Agreement" for Parler LLC.

2 22. The Operating Agreement provided that the purported Mercer entity, NDM, would
3 be the 60% owner of all voting shares, and would have the power to appoint two managers.
4 Under the Operating Agreement, Matze is the 40% owner with the power to appoint one manager,
5 with the agreement specifying that Matze would be the original designated manager. On July, 23,
6 2020, Mercer designated Matthew Richardson as one of her designated managers. Later, Matze
7 would be informed that Mercer had appointed J.D. Vance as her second manager, although Matze
8 was never provided with confirming documentation. Vance did attend at least one manager's
9 meeting purporting to hold himself out as a manager of Parler.

10 **II. JEFFREY WERNICK'S INVOLVEMENT**

11 23. In Matze's view, starting in the fall of 2019, Mercer seemed to lose interest in
12 Parler and in providing additional funding for its operations. But as an early startup, Parler was
13 certainly in need of financing and capital to continue to grow its business.

14 24. Accordingly, Matze began to explore alternatives. He was introduced to
15 Defendant Wernick who held himself out as a person of some financial means and one interested
16 in what Matze was doing with Parler. Wernick also held himself out as having experience in the
17 social media realm. Wernick lead Matze to believe that he could provide valuable advice and
18 guidance to Matze in growing Parler.

19 25. Wernick was never an officer nor an owner of Parler, although he was allowed to
20 portray himself as Chief Operating Officer. In actuality, he was not. Instead, Wernick was a
21 third-party consultant who ultimately was affiliated with entities that entered into convertible debt
22 agreements with Parler. The first such entity was Kryptos Alpha, Limited ("Kryptos"), which
23 Matze understood to be a California entity. Wernick informed Matze that he (Wernick) controlled
24 Kryptos, but that several high-profile conservative media personalities had provided funding for
25 Kryptos' convertible debt investment. Subsequently, another entity affiliated with Wernick,
26 Dream Seekers Limited from Shanghai, China, provided convertible debt funding. Mercer
27 ultimately approved the convertible debt arrangement.

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1 26. Wernick had no authority or power to act on behalf of Parler. But in his role as an
2 outside consultant, Wernick urged Matze, and later Mercer, to bring political commentator
3 Dan Bongino into the company in a more substantive capacity. Wernick insisted that Bongino
4 could use his media presence and various media platforms and appearances in order to promote
5 Parler, and that it was worth providing Bongino a stake in Parler for all of the promotion that
6 Bongino would be able to accomplish.

7 27. At present, Matze is unclear about the interests, if any, Bongino purports to have,
8 as Matze was aware of documents and discussions about granting Bongino an ownership stake.
9 Matze believes that Mercer avoided executing any of the ownership documents to allow her to
10 later dispute that Bongino has any such interest.

11 28. In the summer and fall of 2020, with Parler's popularity increasing, Mercer's
12 interest in Parler and its operations returned and she once again began to regularly engage with
13 Matze.

14 29. One of the issues Matze and others, including Mercer, discussed was how to
15 position Parler for its future. Matze laid out three options. The first focused on growing the
16 accounts base and expansion. This first strategy would require Parler's continued reliance upon
17 "big tech" providers, like Amazon, because that was the only means by which to scale up
18 sufficient operations to handle additional accounts and functions. The second alternative was to
19 maintain its current scale, but provide some additional features to the platform. The third option
20 centered on disassociation from "big tech" like Amazon, and diversify, a prospect that was not
21 possible if growth was desired.

22 30. Everyone agreed that the growth option was preferable, despite the required
23 continued reliance upon companies like Amazon as the hosting platform. Absent a large scale
24 cloud provider, such as Amazon, with sufficient scale and reach, quick exponential further growth
25 was not a viable option. Indeed, Wernick and Bongino were pushing their insistence that the
26 soon-to-be former President Donald Trump would be joining the Parler platform after the
27 inauguration. To accommodate the expected expanded number of accounts, immediate enhanced
28 scale capacity would be a necessity.

1 31. As Mercer would repeatedly represent to Matze, she believed that Parler had
2 become, and would continue to be, quite successful and valuable. Confirming that view, Mercer
3 proposed allowing a friend to invest in Parler at a \$200 million valuation, a level that she
4 conceded was heavily discounted as an accommodation to her friend and to better protect her
5 interest from future dilution. But, outside of this self-interested suggestion, Mercer stated that she
6 was not interested in any transaction with a valuation of less than \$500 million. She and Matze
7 continually discussed that the enterprise should have a valuation of at least one billion dollars. In
8 fact, Parler recently reiterated the one-billion-dollar valuation in ongoing litigation.

9 32. In November, 2020, with Mercer's interest renewed in both Parler and its value,
10 her involvement in Parler also became public. A friend of Mercer's revealed her involvement to
11 the Wall Street Journal. In response, Mercer issued her own statement on Parler, confirming what
12 she and Matze had created with Parler:



23 33. With Parler's increasing popularity and growth, Matze was focused on additional
24 expansion. Toward that end, Matze and Mercer discussed the need to reorganize the company
25 into a C Corporation, which would provide a more sustainable platform for financing and a path
26 toward a Series A Preferred Stock financing. Matze and Mercer began to have disagreements
27 concerning the dilutive effect of new funds inserted into Parler. Matze began to realize that
28 Mercer was claiming the exact same investment funds as simultaneously being both her equity

1 and debt owed to her. While Mercer's NDM entity was listed as owning 60% of Parler, there is
2 no evidence that NDM actually put anything into Parler. Rather, the funds that Mercer and/or her
3 family provided were later characterized as personal loans that must be repaid by Parler. In short,
4 the very same dollars that were the supposed 60% equity stake were also being claimed as debt.

5 34. By December 2020, Mercer's relationship with Matze became more antagonistic,
6 with Matze questioning efforts by Mercer to claim that Matze's 40% should be subject to dilution
7 for any additional financing that came in to Parler but that her 60% should be preserved.

8 35. Despite these discussions, both Matze and Mercer were optimistic and enthusiastic
9 about Parler and its future. Its growth had skyrocketed, and by the fall of 2020, it was earning
10 substantial advertising revenues. Indeed, by the beginning of 2021, the Parler app was one of the
11 most downloaded apps in the Apple Store, even reaching the status of the number one
12 downloaded app at times.

13 **III. THE SCHEME TO CHEAT MATZE**

14 36. But Mercer's now-public involvement in Parler also threatened to add fuel to the
15 already toxic political environment. In the face of the January 6, 2021 events at the U.S. Capitol,
16 multiple media sources began blaming Parler and, not coincidentally, citing Mercer's role in the
17 company. In fact, it was Matze's understanding and belief – and media sources also referenced –
18 that Mercer was playing a substantial role in funding legal challenges to contest the outcome of
19 the presidential election.

20 37. On January 9, 2021, Apple suspended Parler's app from the App Store, claiming
21 Parler had not done enough to preclude extreme or violent rhetoric on the platform. On
22 January 11, 2021, Amazon web services suspended service to Parler citing similar concerns.
23 Parler maintains that the actions of Apple, Amazon, and others in refusing to do business with
24 Parler was the result of their desire to appease and avoid media inquiries, monopolistic practices,
25 or were politically motivated rather than the reasons proffered.

26 38. In the face of threats from Apple and Amazon to suspend services to Parler, Matze
27 proposed to implement industry-wide satisfactory moderation policies and procedures that would
28 preserve the right of free expression for all points of view, but would preclude content that is

1 inciting violence and acts of domestic terrorism. To address what Matze viewed as improper
2 threats from Apple and Amazon, Matze proposed to Mercer and her representative, Matthew
3 Richardson ("Richardson"), that Parler bar any identifiable extremist groups like QAnon and neo
4 Nazis from Parler's platform, i.e., inciting violence and acts of domestic terrorism. Matze's
5 proposal was met with dead silence, which he took to be a rejection of his proposal.

6 39. Mercer's refusal to heed Matze's suggestion about reasonable moderation policies –
7 without impacting the substance and viewpoint of expression – became more alarming for Matze
8 during a marketing meeting where an individual named Mark Meckler suddenly made an
9 appearance for the first time, ostensibly acting on behalf of Mercer. It became apparent to Matze
10 that Meckler's efforts were not to grow Parler as a free expression platform, but instead to redirect
11 it into what Meckler called as the "tip of the conservative spear" for a brand of conservatism in
12 keeping with Mercer's preferences. Simply put, Parler was now being hijacked to advance the
13 personal political interests and personal advantages of Defendants rather than serve as the free
14 expression platform as originally conceived.

15 40. Mercer's and the other Defendants' personal desires to drive the company in the
16 direction of their own personal political branding and enrichment were in conflict with, and
17 detrimental to, the company's interests. Pushing Parler in the direction of their personal political
18 brands – as opposed to an open free expression platform – would only create further alienation
19 and loss of business. Defendants' actions and inactions conferred personal benefits upon
20 themselves that were not shared by the company.

21 41. Matze became concerned Mercer and her allies would begin to strong-arm him out
22 of the company because of Matze's competing vision of the company's direction including, in
23 part, due to his objections to allowing violent extremists to abuse Parler's platform. Subsequent
24 events confirmed Matze's fears about Mercer's scheme to kick him out of the company that he
25 founded. On January 28, 2020, Wernick, at the clear and apparent direction by Mercer, contacted
26 Matze and threatened him with financial ruin if he did not immediately sign a release of claims
27 and resign. Wernick threatened Matze that he would be buried under an avalanche of legal claims
28 and expenses if he dared defy Mercer. Wernick further warned Matze to not consult Matze's own

1 legal counsel, and threatened that he would be ruined if he did so. When Matze refused to
2 relinquish his rights, and in fact consulted his legal counsel, he was abruptly and unceremoniously
3 fired the next day through Meckler without reason, who also asserted that he (Meckler) had been
4 installed as a manager of Parler by Mercer. Meckler further declared that he was now acting CEO
5 of Parler.

6 42. Through Matze's firing, Defendants financially benefitted in their personal
7 capacities, including dividing up the spoils of their theft of Matze's 40% ownership.

8 43. After Matze refused to go away quietly or genuflect to the demands of the
9 billionaires (as insinuated by Wernick), the Defendants set in motion a plan to defame Matze's
10 business reputation, claiming that he had been fired for misconduct and that he had breached his
11 obligations as a manager. This was all false, and the Defendants knew it was false, but they knew
12 it would advance their scheme and agreement to try and bully Matze into giving up what they,
13 themselves, acknowledged to be multi-million dollar rights.

14 44. Defendants enlisted what they considered to be their public relations "bulldog,"
15 Bongino, to lead the attack on Matze's personal and professional reputation. Indeed, as part of the
16 scheme, on February 3, 2020, Bongino published an unhinged rant claiming that he was "pissed"
17 and accused Matze of lying and further insinuating that Matze's ouster was warranted, referring to
18 himself and two others as the purported owners. Bongino did not specify just who these other
19 owners purported to be. The gist of Bongino's sting accused Matze of impropriety and
20 misconduct in his business. Matze believes and alleges that this statement was in furtherance of a
21 scheme to deprive him of his valuable property, and was at the direction and involvement of the
22 other Defendants.

23 45. Now, having fabricated false claims of "misconduct," the conspirators then
24 claimed that the Parler Operating Agreement allowed the forced sale and purchase of Matze's
25 40% ownership stake. Demonstrating the depravity of their arrogance and tactics, Mercer,
26 through Meckler and Richardson, claimed that they had determined that the "fair market value" of
27 Matze's 40% interest to be a mere \$3.00. Thus, Defendants took Matze's property and smeared
28

1 his name and asserted that his sole entitlement is to \$3.00. That is the true nature of these
2 Defendants.

3 46. Further underscoring that they knew their attacks on Matze were false and
4 malicious, Parler has now largely endeavored to follow Matze's technological AI and server plans
5 to get back online and to screen for extreme content. For example, before his wrongful ouster,
6 Matze had secured a hosting platform for Parler to return to service. As of today, that is the exact
7 platform Parler is using. Similarly, Matze had set up an industry-compliant moderating process
8 which Parler has, in fact, employed with its relaunch but without the careful attention to detail of
9 Matze. However, as Meckler lacked the technical know-how to actually run such a social media
10 platform – and his real role was to simply push a political agenda – the implementation was
11 beyond lacking. In other words, the very technological pathway for Parler's future operations as
12 conceived by Matze is, in fact, what Parler is presently doing, albeit with poor implementation,
13 despite the lies having been told about Matze and scapegoating him in order to steal his
14 40% ownership.

15 **FIRST CAUSE OF ACTION**

16 **(Breach of Contract – the Operating Agreement)**

17 **(Parler and NDM)**

18 47. Matze repeats, realleges, and incorporates all of the allegations contained in the
19 preceding and subsequent paragraphs as though fully set forth herein.

20 48. The Operating Agreement constitutes a valid, binding, and enforceable contract.

21 49. At all times relevant hereto, Matze fulfilled his contractual obligations, or was
22 excused from performance under the same.

23 50. As set forth herein, Parler and NDM materially breached their obligations without
24 justification or excuse.

25 51. As a direct and proximate result, Matze has suffered and will continue to suffer
26 damages in an amount to be proven at trial, but in any event in excess of \$15,000, plus
27 prejudgment interest.

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1 entitled to recover punitive damages from Defendants for the purpose of deterring them and
2 others similarly situated from engaging in like conduct in the future

3 75. Matze has been forced to retain counsel to address the conduct complained of
4 herein and is therefore entitled to all of his attorneys' fees and costs associated with bringing this
5 action.

6 **FIFTH CAUSE OF ACTION**

7 **(Civil Conspiracy to Commit Conversion)**

8 **(Wernick, Meckler, Bongino and Mercer)**

9 76. Matze hereby repeats, realleges, and incorporates all of the allegations contained in
10 the preceding and subsequent paragraphs as though fully set forth herein.

11 77. Wernick, Meckler, Bongino and Mercer are each capable of making agreements.

12 78. They agreed, acted in concert, conspired, and intended to accomplish the unlawful
13 objective of converting Matze's personal property.

14 79. They intended to harm Matze.

15 80. As a direct and proximate result of their civil conspiracy, Matze has suffered
16 damages in an amount to be proven at trial but in excess of \$15,000.

17 81. In committing the acts herein above alleged, these Defendants are guilty of
18 oppression, fraud, and malice toward Matze. Therefore, in addition to general damages, Matze is
19 entitled to recover punitive damages from Defendants for the purpose of deterring them and
20 others similarly situated from engaging in like conduct in the future.

21 82. Matze has been forced to retain counsel to address the conduct complained of
22 herein and is therefore entitled to all of his attorneys' fees and costs associated with bringing this
23 action.

24 **SIXTH CAUSE OF ACTION**

25 **(Tortious Discharge in Violation of Public Policy)**

26 **(Parler)**

27 83. Matze repeats, realleges, and incorporates all of the allegations contained in the
28 preceding and subsequent paragraphs as though fully set forth herein.

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5. For attorneys' fees and costs of suit herein, as allowed by law, in an amount to be determined; and

6. Any additional relief this Court deems just and proper.

DATED this 22nd day of March, 2021.

PISANELLI BICE PLLC

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