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11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**
13

14 DANIEL E. SIEGGREEN, Individually and On
15 Behalf of All Others Similarly Situated,

16 Plaintiff,

17 v.

18 LIVE VENTURES INCORPORATED, JON
19 ISAAC, and VIRLAND A. JOHNSON,

20 Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

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1 Plaintiff Daniel E. Sieggreen (“Plaintiff”), individually and on behalf of all others similarly
2 situated, by and through his attorneys, alleges the following upon information and belief, except as
3 to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s
4 information and belief is based upon, among other things, his counsel’s investigation, which
5 includes without limitation: (a) review and analysis of regulatory filings made by Live Ventures
6 Incorporated (“Live” or the “Company”) with the United States (“U.S.”) Securities and Exchange
7 Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and
8 disseminated by Live; and (c) review of other publicly available information concerning Live.

9 **NATURE OF THE ACTION AND OVERVIEW**

10 1. This is a class action on behalf of persons and entities that purchased or otherwise
11 acquired Live securities between December 28, 2016 and August 3, 2021, inclusive (the “Class
12 Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934
13 (the “Exchange Act”).

14 2. Live is a holding company. Until 2015, Live focused on providing online marketing
15 solutions for small and medium business. But in fiscal 2015, the Company shifted to acquiring
16 purportedly profitable business in various industries that have demonstrated a strong history of
17 earnings power.

18 3. On August 3, 2021, the SEC filed a complaint against Live Ventures, its Chief
19 Executive Officer, and its Chief Financial Officer alleging "multiple financial, disclosure, and
20 reporting violations related to inflated income and earnings per share, stock promotion and secret
21 trading, and undisclosed executive compensation." Specifically, the SEC alleged that Live Ventures
22 had recorded income from a backdated contract, which increased pre-tax income for fiscal 2016 by
23 20%, and understated its outstanding share count, which overstated earnings per share by 40%.

24 4. On this news, the Company’s share price fell \$29.08, or 46%, to close at \$33.50 per
25 share on August 4, 2021, on unusually heavy trading volume. The stock price continued to decline
26 \$7.74, or 23%, over the next four consecutive trading sessions to close at \$25.76 per share on August
27 10, 2021.

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1 including the dissemination of materially false and/or misleading information, occurred in
2 substantial part in this Judicial District. In addition, the Company's principal executive offices are
3 in this District.

4 10. In connection with the acts, transactions, and conduct alleged herein, Defendants
5 directly and indirectly used the means and instrumentalities of interstate commerce, including the
6 United States mail, interstate telephone communications, and the facilities of a national securities
7 exchange.

8 **PARTIES**

9 11. Plaintiff Daniel E. Sieggreen, as set forth in the accompanying certification,
10 incorporated by reference herein, purchased Live securities during the Class Period, and suffered
11 damages as a result of the federal securities law violations and false and/or misleading statements
12 and/or material omissions alleged herein.

13 12. Defendant Live is incorporated under the laws of Nevada with its principal executive
14 offices located in Las Vegas, Nevada. Live's common stock trades on the NASDAQ Exchange
15 under the symbol "LIVE."

16 13. Defendant Jon Isaac ("Isaac") was the Company's Chief Executive Officer ("CEO")
17 at all relevant times. He was also the Company's Chief Financial Officer ("CFO") from February
18 2013 to January 2017.

19 14. Defendant Virland A. Johnson ("Johnson") has been the Company's CFO since
20 January 2017.

21 15. Defendants Isaac and Johnson (collectively the "Individual Defendants"), because of
22 their positions with the Company, possessed the power and authority to control the contents of the
23 Company's reports to the SEC, press releases and presentations to securities analysts, money and
24 portfolio managers and institutional investors, i.e., the market. The Individual Defendants were
25 provided with copies of the Company's reports and press releases alleged herein to be misleading
26 prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance
27 or cause them to be corrected. Because of their positions and access to material non-public
28 information available to them, the Individual Defendants knew that the adverse facts specified

1 herein had not been disclosed to, and were being concealed from, the public, and that the positive
2 representations which were being made were then materially false and/or misleading. The
3 Individual Defendants are liable for the false statements pleaded herein.

4 **SUBSTANTIVE ALLEGATIONS**

5 **Background**

6 16. Live is a holding company. Until 2015, Live focused on providing online marketing
7 solutions for small and medium business. But in fiscal 2015, the Company shifted to acquiring
8 purportedly profitable business in various industries that have demonstrated a strong history of
9 earnings power.

10 **Materially False and Misleading**

11 **Statements Issued During the Class Period**

12 17. The Class Period begins on December 28, 2016. On that day, Live issued a press
13 release entitled “Live Ventures Announces Biggest Year in Company History Achieving Record
14 Earnings of \$8.92 Per Share With Continued Growth Anticipated in 2017.” It stated, in relevant
15 part:

16 Reporting its most successful year in the Company’s history, Live Ventures reported
17 a record \$79M in revenues, an increase of 136 percent over the previous year, and
18 net profit of approximately \$17.82M, *representing earnings per share (EPS) of*
\$8.92.

19 Stockholders’ equity, which is management’s preferred measurement for
20 performance, increased by 192 percent over 2015. Since present management took
21 over five years ago, stockholders equity has grown at a rate of 100.58 percent
22 compounded annually.

23 18. The above statements identified in ¶ 17 were materially false and/or misleading, and
24 failed to disclose material adverse facts about the Company’s business, operations, and prospects.
25 Specifically, Defendants failed to disclose to investors: (1) that Live’s earnings per share for FY
26 2016 was actually only \$6.33 per share; and (2) that the Company used an artificially low share
27 count to boost the earnings per share by 40%.

28 19. On December 29, 2016, Live filed its annual report on Form 10-K for the year ended
September 30, 2016 (the “2016 10-K”), in which the Company reported \$6.33 earnings per share.

1 Live did not issue any public explanation for the discrepancy between the press release and the Form
2 10-K. And regarding “other income,” Live reported:

3 Other income increased for the year ended September 30, 2016 as compared to the
4 year ended September 30, 2015 by \$2,387,097. Vendor and note settlements
5 represent \$1,733,674 of the increase from fiscal 2016 vs. 2015. Gain on asset sales
6 were \$179,983 of the increase. The balance of the increase in other income \$473,440
7 represented refunds received and a small amount of rental income.

8 20. Under Item 11, “Executive Compensation,” of the 2016 10-K, Live stated that
9 Defendant Isaac was paid \$200,000 as salary and \$13,465 for an option award.

10 21. The above statements identified in ¶¶ 19-20 were materially false and/or misleading,
11 and failed to disclose material adverse facts about the Company’s business, operations, and
12 prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had used
13 an artificially low share count to boost the earnings per share by 40% in the prior release; (2) that
14 Live had overstated pre-tax income by 20% by including \$915,500 of “other income” related to
15 certain amendments that were not negotiated until after the close of the fiscal year; and (3) that the
16 Company’s CEO was paid \$120,000 that was not disclosed in the Form 10-K.

17 22. On February 14, 2018, Live filed its quarterly report on Form 10-Q for the period
18 ended December 31, 2017. Defendants Isaac and Johnson signed certifications pursuant to the
19 Sarbanes-Oxley Act of 2002 attesting to the accuracy of the financial statements, the effectiveness
20 of the Company’s internal controls, and the disclosure of all material facts. The report recognized
21 and recorded as “other income” a “bargain purchase gain on acquisition” of ApplianceSmart of
22 \$3,773,486, which Live claimed had “closed” during the quarter.

23 23. The above statements identified in ¶ 22 were materially false and/or misleading, and
24 failed to disclose material adverse facts about the Company’s business, operations, and prospects.
25 Specifically, Defendants failed to disclose to investors: (1) that Live’s acquisition of
26 ApplianceSmart did not close during the quarter; (2) that using December 30, 2017 as the
27 “acquisition date” and recognizing income therefrom did not conform to generally accepted
28 accounting principles; (3) that, by falsely stating that the acquisition closed during the quarter, Live
29 recognized bargain purchase gain, which enabled the Company to report positive net income in what
30 would otherwise have been an unprofitable quarter.

1 24. On January 18, 2018, Live filed its annual report on Form 10-K for fiscal 2017.
2 Under Item 11, "Executive Compensation," Live stated that Defendant Isaac was paid \$200,000 as
3 salary and \$54,000 as "All Other Compensation." The Company further stated that "'All Other
4 Compensation' for Mr. Isaac includes \$54,000 for each of 2017 and 2016, which was accrued by us
5 for the reasonable housing allowance to which Mr. Isaac is entitled under his employment
6 agreement."

7 25. The above statements identified in ¶ 24 were materially false and/or misleading, and
8 failed to disclose material adverse facts about the Company's business, operations, and prospects.
9 Specifically, Defendants failed to disclose to investors: (1) that the Company's CEO was paid
10 \$30,000 that was not disclosed in the Form 10-K.

11 26. On December 27, 2018, Live filed its annual report on Form 10-K for fiscal 2018.
12 Under Item 11, "Executive Compensation," Live stated that Defendant Isaac was paid \$200,000 as
13 salary and \$54,000 as "All Other Compensation." The Company further stated that "'All Other
14 Compensation' for Mr. Isaac includes \$54,000 for each of 2018 and 2017, which was accrued by us
15 for the reasonable housing allowance to which Mr. Isaac is entitled under his employment
16 agreement."

17 27. The above statements identified in ¶ 26 were materially false and/or misleading, and
18 failed to disclose material adverse facts about the Company's business, operations, and prospects.
19 Specifically, Defendants failed to disclose to investors: (1) that the Company's CEO was paid
20 \$165,000 that was not disclosed in the Form 10-K.

21 **Disclosures at the End of the Class Period**

22 28. On August 3, 2021, the SEC filed a complaint against Live Ventures, its Chief
23 Executive Officer, and its Chief Financial Officer alleging "multiple financial, disclosure, and
24 reporting violations related to inflated income and earnings per share, stock promotion and secret
25 trading, and undisclosed executive compensation." Specifically, the SEC alleged that Live Ventures
26 had recorded income from a backdated contract, which increased pre-tax income for fiscal 2016 by
27 20%, and understated its outstanding share count, which overstated earnings per share by 40%. In a
28 release summarizing the complaint, the SEC stated:

1 The Securities and Exchange Commission charged a publicly-traded Las Vegas-
2 based holding company, its CEO, its CFO, an LLC controlled by the CEO, and
3 another Nevada-based public company with multiple financial, disclosure, and
reporting violations related to inflated income and earnings per share, stock
promotion and secret trading, and undisclosed executive compensation.

4 The SEC's complaint alleges that Las Vegas-based Live Ventures Incorporated and
5 its CEO, Jon Isaac, recorded income from a backdated contract to boost Live
6 Ventures' pre-tax income for fiscal year 2016 by 20%. Live Ventures and Isaac also
7 allegedly overstated earnings per share by 40% by improperly understating Live
8 Ventures' outstanding share count. The complaint alleges that in addition to
disclosing falsified financial results, Isaac hired a stock promoter to boost interest in
9 Live Ventures. As alleged, the financial manipulation and stock promotion caused
10 Live Ventures' share price to spike. Isaac allegedly profited by secretly selling Live
11 Ventures shares in a nominee account that he controlled in the name of Kingston
12 Diversified Holdings.

13 The complaint also alleges that Live Ventures misrepresented the date on which it
14 had acquired a new subsidiary from Appliance Recycling Centers of America, Inc.
15 (ARCA, currently known as JanOne Inc.), enabling Live Ventures to report a positive
16 net income for its first quarter of 2018, which otherwise would have been an
unprofitable quarter. According to the complaint, Isaac and Virland A. Johnson, who
17 held the position of CFO at both Live Ventures and ARCA, engaged in a scheme to
18 misrepresent the effective acquisition date, and lied to Live Ventures' auditors about
19 the acquisition date to ensure Live Ventures could report positive net income. The
20 complaint further alleges that Isaac underreported his executive compensation in
21 Live Ventures' proxy statements. As alleged, for the fiscal years 2016, 2017, and
22 2018, Live Ventures disclosed that Isaac received, in aggregate, \$162,000 of
23 additional compensation, even though he had actually received approximately
24 \$315,000 during that period.

25 29. The SEC's complaint summarized the three fraudulent schemes as follows:

26 4. The first scheme occurred in late 2016, and centered on Jon Isaac's efforts to
27 boost LIVE's FY 2016 earnings, and then to profit from the resulting spike in LIVE's
28 stock when the earnings were announced. As part of the scheme, Jon Isaac
engineered a transaction after the close of FY 2016 that falsely created the
appearance that negotiations had started during FY 2016. ***The deal, made between
LIVE and Novalk Apps. S.A.S. ("Novalk"), created \$915,500 of fraudulent "other
income" and increased LIVE's FY 2016 pre-tax income by 20%. Jon Isaac lied to
LIVE's outside accountants to justify recognition of the "other income" in FY
2016. Next, Jon Isaac used LIVE's inflated earnings and a fraudulently reduced
share count to calculate an earnings per share amount for LIVE's FY 2016 that
was 40% higher than the earnings per share in its audited financial statements. He
put these fraudulently inflated earnings per share in a press release that LIVE
issued on December 28, 2016.*** Prior to the press release, Jon Isaac and LIVE hired a
stock promoter to hype LIVE's stock, and made arrangements to access the
brokerage account of Defendant Kingston Diversified Holdings LLC ("Kingston").
Jon Isaac, LIVE, and Kingston arranged to sell LIVE stock upon the anticipated rise
in LIVE's stock from the inflated results. If all the orders were executed, these
Defendants would have realized gross proceeds of over \$1.1 million. On December
29, Jon Isaac and LIVE issued its Form 10-K, which included the fraudulent
\$915,500 of other income and a disclosure about the circumstances that was false,
misleading, and omitted material information, including that the entire transaction
arose after the close of LIVE's FY 2016. Subsequently, Jon Isaac tried to cover up

1 his conduct by filing a Form 8-K and issuing a letter to shareholders in which he
2 fraudulently denied that he or LIVE had hired a stock promoter, and lied to the
3 Financial Industry Regulatory Authority (“FINRA”) about the scheme. Defendant
4 Virland Johnson (“Johnson”), aided and abetted LIVE’s false and misleading
5 statements about recognition of the “other income” from the engineered transaction
6 with Novalk.

7 5. In the second scheme, *LIVE falsely claimed that it had effectively closed the*
8 *acquisition of a subsidiary of Defendant JanOne Inc. (“JOI/ARCA”) named*
9 *“ApplianceSmart,” on December 30, 2017, and recognized a “bargain purchase*
10 *gain” of over \$3.7 million in its first quarter of FY 2018, which enabled LIVE to*
11 *report positive net income in what would have otherwise been an unprofitable*
12 *quarter.* In fact, as of December 31, 2017, neither LIVE nor JOI/ARCA had
13 transferred consideration to each other, and LIVE did not gain effective control of
14 ApplianceSmart until 2018. LIVE, Jon Isaac, and Johnson made materially false and
15 misleading statements about the ApplianceSmart transaction in LIVE’s Form 10-Q
16 for the quarter ending December 31, 2017. Jon Isaac and Johnson lied to LIVE’s
17 outside accountants to support recognition of December 30, 2017 as the acquisition
18 date for accounting purposes. Defendants LIVE, JOI/ARCA, Jon Isaac, and Johnson
19 engaged in a scheme to create the false appearance that the ApplianceSmart
20 transaction had closed on December 30, 2017, when in fact they knew that the facts
21 and circumstances did not support such a claim.

22 6. Third, throughout the period from 2016 to 2018, LIVE failed accurately to
23 disclose Jon Isaac’s total compensation, reporting accruals of \$162,000 in temporary
24 housing allowances when \$315,000 in additional compensation was actually paid to
25 Jon Isaac over that period. In addition, throughout that same period, LIVE failed to
26 have effective internal accounting controls to ensure that its financial results were
27 accurately reported in its public filings.

28 30. On this news, the Company’s share price fell \$29.08, or 46%, to close at \$33.50 per
share on August 4, 2021, on unusually heavy trading volume. The stock price continued to decline
\$7.74, or 23%, over the next four consecutive trading sessions to close at \$25.76 per share on August
10, 2021.

CLASS ACTION ALLEGATIONS

31. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased
or otherwise acquired Live securities between December 28, 2016 and August 3, 2021, inclusive,
and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers
and directors of the Company, at all relevant times, members of their immediate families and their
legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had
a controlling interest.

1 32. The members of the Class are so numerous that joinder of all members is
2 impracticable. Throughout the Class Period, Live’s shares actively traded on the NYSE. While the
3 exact number of Class members is unknown to Plaintiff at this time and can only be ascertained
4 through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of
5 members in the proposed Class. Millions of Live shares were traded publicly during the Class
6 Period on the NYSE. Record owners and other members of the Class may be identified from records
7 maintained by Live or its transfer agent and may be notified of the pendency of this action by mail,
8 using the form of notice similar to that customarily used in securities class actions.

9 33. Plaintiff’s claims are typical of the claims of the members of the Class as all members
10 of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that
11 is complained of herein.

12 34. Plaintiff will fairly and adequately protect the interests of the members of the Class
13 and has retained counsel competent and experienced in class and securities litigation.

14 35. Common questions of law and fact exist as to all members of the Class and
15 predominate over any questions solely affecting individual members of the Class. Among the
16 questions of law and fact common to the Class are:

17 (a) whether the federal securities laws were violated by Defendants’ acts as
18 alleged herein;

19 (b) whether statements made by Defendants to the investing public during the
20 Class Period omitted and/or misrepresented material facts about the business, operations, and
21 prospects of Live; and

22 (c) to what extent the members of the Class have sustained damages and the
23 proper measure of damages.

24 36. A class action is superior to all other available methods for the fair and efficient
25 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
26 damages suffered by individual Class members may be relatively small, the expense and burden of
27 individual litigation makes it impossible for members of the Class to individually redress the wrongs
28 done to them. There will be no difficulty in the management of this action as a class action.

1 **UNDISCLOSED ADVERSE FACTS**

2 37. The market for Live’s securities was open, well-developed and efficient at all
3 relevant times. As a result of these materially false and/or misleading statements, and/or failures to
4 disclose, Live’s securities traded at artificially inflated prices during the Class Period. Plaintiff and
5 other members of the Class purchased or otherwise acquired Live’s securities relying upon the
6 integrity of the market price of the Company’s securities and market information relating to Live,
7 and have been damaged thereby.

8 38. During the Class Period, Defendants materially misled the investing public, thereby
9 inflating the price of Live’s securities, by publicly issuing false and/or misleading statements and/or
10 omitting to disclose material facts necessary to make Defendants’ statements, as set forth herein,
11 not false and/or misleading. The statements and omissions were materially false and/or misleading
12 because they failed to disclose material adverse information and/or misrepresented the truth about
13 Live’s business, operations, and prospects as alleged herein.

14 39. At all relevant times, the material misrepresentations and omissions particularized in
15 this Complaint directly or proximately caused or were a substantial contributing cause of the
16 damages sustained by Plaintiff and other members of the Class. As described herein, during the
17 Class Period, Defendants made or caused to be made a series of materially false and/or misleading
18 statements about Live’s financial well-being and prospects. These material misstatements and/or
19 omissions had the cause and effect of creating in the market an unrealistically positive assessment
20 of the Company and its financial well-being and prospects, thus causing the Company’s securities
21 to be overvalued and artificially inflated at all relevant times. Defendants’ materially false and/or
22 misleading statements during the Class Period resulted in Plaintiff and other members of the Class
23 purchasing the Company’s securities at artificially inflated prices, thus causing the damages
24 complained of herein when the truth was revealed.

25 **LOSS CAUSATION**

26 40. Defendants’ wrongful conduct, as alleged herein, directly and proximately caused
27 the economic loss suffered by Plaintiff and the Class.

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1 41. During the Class Period, Plaintiff and the Class purchased Live's securities at
2 artificially inflated prices and were damaged thereby. The price of the Company's securities
3 significantly declined when the misrepresentations made to the market, and/or the information
4 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,
5 causing investors' losses.

6 **SCIENTER ALLEGATIONS**

7 42. As alleged herein, Defendants acted with scienter since Defendants knew that the
8 public documents and statements issued or disseminated in the name of the Company were
9 materially false and/or misleading; knew that such statements or documents would be issued or
10 disseminated to the investing public; and knowingly and substantially participated or acquiesced in
11 the issuance or dissemination of such statements or documents as primary violations of the federal
12 securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their
13 receipt of information reflecting the true facts regarding Live, their control over, and/or receipt
14 and/or modification of Live's allegedly materially misleading misstatements and/or their
15 associations with the Company which made them privy to confidential proprietary information
16 concerning Live, participated in the fraudulent scheme alleged herein.

17 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

18 **(FRAUD-ON-THE-MARKET DOCTRINE)**

19 43. The market for Live's securities was open, well-developed and efficient at all
20 relevant times. As a result of the materially false and/or misleading statements and/or failures to
21 disclose, Live's securities traded at artificially inflated prices during the Class Period. On June 8,
22 2021, the Company's share price closed at a Class Period high of \$70.74 per share. Plaintiff and
23 other members of the Class purchased or otherwise acquired the Company's securities relying upon
24 the integrity of the market price of Live's securities and market information relating to Live, and
25 have been damaged thereby.

26 44. During the Class Period, the artificial inflation of Live's shares was caused by the
27 material misrepresentations and/or omissions particularized in this Complaint causing the damages
28 sustained by Plaintiff and other members of the Class. As described herein, during the Class Period,

1 Defendants made or caused to be made a series of materially false and/or misleading statements
2 about Live's business, prospects, and operations. These material misstatements and/or omissions
3 created an unrealistically positive assessment of Live and its business, operations, and prospects,
4 thus causing the price of the Company's securities to be artificially inflated at all relevant times, and
5 when disclosed, negatively affected the value of the Company shares. Defendants' materially false
6 and/or misleading statements during the Class Period resulted in Plaintiff and other members of the
7 Class purchasing the Company's securities at such artificially inflated prices, and each of them has
8 been damaged as a result.

9 45. At all relevant times, the market for Live's securities was an efficient market for the
10 following reasons, among others:

11 (a) Live shares met the requirements for listing, and was listed and actively
12 traded on the NYSE, a highly efficient and automated market;

13 (b) As a regulated issuer, Live filed periodic public reports with the SEC and/or
14 the NYSE;

15 (c) Live regularly communicated with public investors via established market
16 communication mechanisms, including through regular dissemination of press releases on the
17 national circuits of major newswire services and through other wide-ranging public disclosures,
18 such as communications with the financial press and other similar reporting services; and/or

19 (d) Live was followed by securities analysts employed by brokerage firms who
20 wrote reports about the Company, and these reports were distributed to the sales force and certain
21 customers of their respective brokerage firms. Each of these reports was publicly available and
22 entered the public marketplace.

23 46. As a result of the foregoing, the market for Live's securities promptly digested
24 current information regarding Live from all publicly available sources and reflected such
25 information in Live's share price. Under these circumstances, all purchasers of Live's securities
26 during the Class Period suffered similar injury through their purchase of Live's securities at
27 artificially inflated prices and a presumption of reliance applies.

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1 47. A Class-wide presumption of reliance is also appropriate in this action under the
2 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),
3 because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or
4 omissions. Because this action involves Defendants' failure to disclose material adverse
5 information regarding the Company's business operations and financial prospects—information that
6 Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery.
7 All that is necessary is that the facts withheld be material in the sense that a reasonable investor
8 might have considered them important in making investment decisions. Given the importance of
9 the Class Period material misstatements and omissions set forth above, that requirement is satisfied
10 here.

11 **NO SAFE HARBOR**

12 48. The statutory safe harbor provided for forward-looking statements under certain
13 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The
14 statements alleged to be false and misleading herein all relate to then-existing facts and conditions.
15 In addition, to the extent certain of the statements alleged to be false may be characterized as forward
16 looking, they were not identified as “forward-looking statements” when made and there were no
17 meaningful cautionary statements identifying important factors that could cause actual results to
18 differ materially from those in the purportedly forward-looking statements. In the alternative, to the
19 extent that the statutory safe harbor is determined to apply to any forward-looking statements
20 pleaded herein, Defendants are liable for those false forward-looking statements because at the time
21 each of those forward-looking statements was made, the speaker had actual knowledge that the
22 forward-looking statement was materially false or misleading, and/or the forward-looking statement
23 was authorized or approved by an executive officer of Live who knew that the statement was false
24 when made.

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1 **FIRST CLAIM**

2 **Violation of Section 10(b) of The Exchange Act and**

3 **Rule 10b-5 Promulgated Thereunder**

4 **Against All Defendants**

5 49. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
6 set forth herein.

7 50. During the Class Period, Defendants carried out a plan, scheme and course of conduct
8 which was intended to and, throughout the Class Period, did: (i) deceive the investing public,
9 including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other
10 members of the Class to purchase Live's securities at artificially inflated prices. In furtherance of
11 this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions
12 set forth herein.

13 51. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue
14 statements of material fact and/or omitted to state material facts necessary to make the statements
15 not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a
16 fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially
17 high market prices for Live's securities in violation of Section 10(b) of the Exchange Act and Rule
18 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct
19 charged herein or as controlling persons as alleged below.

20 52. Defendants, individually and in concert, directly and indirectly, by the use, means or
21 instrumentalities of interstate commerce and/or of the mails, engaged and participated in a
22 continuous course of conduct to conceal adverse material information about Live's financial well-
23 being and prospects, as specified herein.

24 53. Defendants employed devices, schemes and artifices to defraud, while in possession
25 of material adverse non-public information and engaged in acts, practices, and a course of conduct
26 as alleged herein in an effort to assure investors of Live's value and performance and continued
27 substantial growth, which included the making of, or the participation in the making of, untrue
28 statements of material facts and/or omitting to state material facts necessary in order to make the

1 statements made about Live and its business operations and future prospects in light of the
2 circumstances under which they were made, not misleading, as set forth more particularly herein,
3 and engaged in transactions, practices and a course of business which operated as a fraud and deceit
4 upon the purchasers of the Company's securities during the Class Period.

5 54. Each of the Individual Defendants' primary liability and controlling person liability
6 arises from the following facts: (i) the Individual Defendants were high-level executives and/or
7 directors at the Company during the Class Period and members of the Company's management team
8 or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities
9 as a senior officer and/or director of the Company, was privy to and participated in the creation,
10 development and reporting of the Company's internal budgets, plans, projections and/or reports;
11 (iii) each of these defendants enjoyed significant personal contact and familiarity with the other
12 defendants and was advised of, and had access to, other members of the Company's management
13 team, internal reports and other data and information about the Company's finances, operations, and
14 sales at all relevant times; and (iv) each of these defendants was aware of the Company's
15 dissemination of information to the investing public which they knew and/or recklessly disregarded
16 was materially false and misleading.

17 55. Defendants had actual knowledge of the misrepresentations and/or omissions of
18 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to
19 ascertain and to disclose such facts, even though such facts were available to them. Such defendants'
20 material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose
21 and effect of concealing Live's financial well-being and prospects from the investing public and
22 supporting the artificially inflated price of its securities. As demonstrated by Defendants'
23 overstatements and/or misstatements of the Company's business, operations, financial well-being,
24 and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the
25 misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by
26 deliberately refraining from taking those steps necessary to discover whether those statements were
27 false or misleading.

28

1 56. As a result of the dissemination of the materially false and/or misleading information
2 and/or failure to disclose material facts, as set forth above, the market price of Live’s securities was
3 artificially inflated during the Class Period. In ignorance of the fact that market prices of the
4 Company’s securities were artificially inflated, and relying directly or indirectly on the false and
5 misleading statements made by Defendants, or upon the integrity of the market in which the
6 securities trades, and/or in the absence of material adverse information that was known to or
7 recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during
8 the Class Period, Plaintiff and the other members of the Class acquired Live’s securities during the
9 Class Period at artificially high prices and were damaged thereby.

10 57. At the time of said misrepresentations and/or omissions, Plaintiff and other members
11 of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other
12 members of the Class and the marketplace known the truth regarding the problems that Live was
13 experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class
14 would not have purchased or otherwise acquired their Live securities, or, if they had acquired such
15 securities during the Class Period, they would not have done so at the artificially inflated prices
16 which they paid.

17 58. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act
18 and Rule 10b-5 promulgated thereunder.

19 59. As a direct and proximate result of Defendants’ wrongful conduct, Plaintiff and the
20 other members of the Class suffered damages in connection with their respective purchases and
21 sales of the Company’s securities during the Class Period.

22 **SECOND CLAIM**

23 **Violation of Section 20(a) of The Exchange Act**

24 **Against the Individual Defendants**

25 60. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
26 set forth herein.

27 61. Individual Defendants acted as controlling persons of Live within the meaning of
28 Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their

1 ownership and contractual rights, participation in, and/or awareness of the Company's operations
2 and intimate knowledge of the false financial statements filed by the Company with the SEC and
3 disseminated to the investing public, Individual Defendants had the power to influence and control
4 and did influence and control, directly or indirectly, the decision-making of the Company, including
5 the content and dissemination of the various statements which Plaintiff contends are false and
6 misleading. Individual Defendants were provided with or had unlimited access to copies of the
7 Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be
8 misleading prior to and/or shortly after these statements were issued and had the ability to prevent
9 the issuance of the statements or cause the statements to be corrected.

10 62. In particular, Individual Defendants had direct and supervisory involvement in the
11 day-to-day operations of the Company and, therefore, had the power to control or influence the
12 particular transactions giving rise to the securities violations as alleged herein, and exercised the
13 same.

14 63. As set forth above, Live and Individual Defendants each violated Section 10(b) and
15 Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as
16 controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.
17 As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of
18 the Class suffered damages in connection with their purchases of the Company's securities during
19 the Class Period.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

22 (a) Determining that this action is a proper class action under Rule 23 of the Federal
23 Rules of Civil Procedure;

24 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members
25 against all defendants, jointly and severally, for all damages sustained as a result of Defendants'
26 wrongdoing, in an amount to be proven at trial, including interest thereon;

27 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this
28 action, including counsel fees and expert fees; and

1 (d) Such other and further relief as the Court may deem just and proper.

2 **JURY TRIAL DEMANDED**

3 Plaintiff hereby demands a trial by jury.

4

5 DATED: August 13, 2021

Respectfully submitted,

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MUEHLBAUER LAW OFFICE, LTD.

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/s/ Andrew R. Muehlbauer

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