IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF ARKANSAS
CENTRAL DIVISION

ERIC GREATHOUSE, ERNESTO COVARRUBIAS, TIFFANY SUMRALL and BARBARA MYLES, individually and on behalf of all others similarly situated, Plaintiffs, v. CAPITAL PLUS FINANCIAL, LLC and CROSSROADS SYSTEMS, INC., Defendants.	Case No. 4:21-cv-01243-BRW **ADDENDUM TO AMENDED COMPLAINT**

Pursuant to the Court's Text Order (ECF No. 32) requiring an Addendum setting forth the changes in the Amended Complaint, Plaintiffs Eric Greathouse, Ernesto Covarrubias, Tiffany Sumrall, and Barbara Myles (collectively, "Plaintiffs"), individually and on behalf of all others similarly situated, state as follows:

1. On March 28, 2022, Plaintiffs filed an Amended Complaint (ECF No. 31) in accordance with the Court's Text Order on March 2, 2022 (ECF No. 29).

2. Attached hereto as **Exhibit A** is a redline reflecting all changes between Plaintiff's Original Complaint and the Amended Complaint. This redline also was filed, and is attached to, the Amended Complaint as Exhibit B (ECF No. 31 at ECF pp. 71-129).

3. Set forth below is a description of the primary changes in the Amended Complaint.

   a. The Amended Complaint adds three (3) named Plaintiffs, Ernesto Covarrubias, Tiffany Sumrall, and Barbara Myles (¶¶ 17-19) and specific allegations to support their claims (ECF No. 31 ¶¶ 103, 120-158). "Plaintiff" was changed to

"Plaintiffs" and the singular was changed to the plural throughout the Amended Complaint to reflect the additional parties added.

b. The Amended Complaint adds allegations to support Plaintiffs' alter ego and related claims that Defendant Capital Plus Financial, LLC ("CPF") was at all relevant times dominated and controlled by its corporate parent Crossroads Systems, Inc. ("Crossroads") concerning the PPP lending at issue (*id*. ¶¶ 6-11, 14-15, 38, 79, 90).

c. The Amended Complaint adds allegations to support the assertion of personal jurisdiction over both Defendants (*id*. ¶¶ 23-38).

d. The Amended Complaint adds allegations regarding other firms with whom Defendants worked regarding aspects of PPP lending, Blue Acorn PPP, LLC and Oto Analytics, Inc. d/b/a Womply, one of which (Womply) has sued Defendants and one of Defendants' dual senior executives for allegedly defrauding it out of its share of PPP loan and other fees (*id*. ¶¶ 29, 71-73).

e. The Amended Complaint adds allegations regarding what Defendant Crossroads in its own financial statements called the "windfall" Defendant CPF, which was the SBA-approved lender, received in PPP loan processing fees and "upstreamed" to Defendant Crossroads as if Defendants were one and the same company (*id*. ¶¶ 77, 80-82, 91).

f. The Amended Complaint adds allegations regarding Defendants' knowledge, via their own internal and external emails, of CPF's failure to fund SBA-approved PPP loans (*id*. ¶¶ 102-03).

g. The Amended Complaint adds North Carolina and California subclasses (*id.* ¶ 161).

h. The Amended Complaint adds claims for North Carolina and California subclasses under, respectively, the North Carolina Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. Ann. §§ 75-1.1, *et seq*. (*id*. ¶¶ 218-30), and the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et seq*. (*id*. ¶¶ 204-17).

i. The Amended Complaint adds a request for an accounting (Prayer for Relief, §§ D and E).

Dated: March 31, 2022

Respectfully submitted,

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