

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

GATE FIVE LLC,

Plaintiff,

v.

BEYONCÉ KNOWLES-CARTER and BEYONCÉ, INC.,

Defendants.

Index No. _____

**SUMMONS
WITH
NOTICE**

Venue is based on CPLR § 503(a)

TO THE ABOVE NAMED DEFENDANTS:

PLEASE TAKE NOTICE THAT YOU ARE HEREBY SUMMONED to appear in this action by serving a notice of appearance on the plaintiff at the address set forth below, and to do so within twenty (20) days after the service of this summons (not counting the day of service itself), or within thirty (30) days after service is complete if this summons is not delivered to you personally within the State of New York.

YOU ARE HEREBY NOTIFIED THAT, should you fail to answer or appear a judgment will be entered against you by default for the relief demanded below. A summary of plaintiff Gate Five LLC's ("**Gate Five**") claim is as follows:

Gate Five seeks to hold Ms. Carter, the iconic pop star known as Beyoncé, along with her company, Beyoncé, Inc. (collectively, "**Ms. Carter**"), accountable for a bad faith breach of contract so callous that, on what appeared to be a whim, she destroyed Gate Five's business, and drove 70 people into unemployment, the week before Christmas. As will be described in detail in the Complaint that Gate Five will file as soon as it has resolved a confidentiality issue with

Ms. Carter's counsel, Ms. Carter breached the Services and Exclusive License Agreement she entered into with Gate Five on June 15, 2010 ("**Agreement**") by abruptly abandoning the lucrative joint venture she and Gate Five were pursuing to commercialize a video game called *Starpower: Beyoncé*. Though she had already negotiated lavish compensation terms to which she was contractually bound, Ms. Carter, at a crucial moment in the project's development, made an extortionate demand for entirely new compensation terms she suddenly decided she wanted. When her maneuver backfired and drove away the financier (who found Ms. Carter too erratic to do business with), she pulled out of the project in breach of the Agreement. Her actions were so unscrupulous that her then manager (who is also her father) renounced them, while a senior executive of the company that had agreed to finance the project condemned her conduct as "morally reprehensible" in an e-mail he sent to one of her talent agents.

As is also set forth in detail in Gate Five's soon to be filed Complaint, Ms. Carter's breach of the Agreement caused Gate Five to lose the \$6.7 million it had invested in the business venture, as well as more than \$100 million in profits it would have earned had Ms. Carter honored the Agreement. Gate Five seeks to recover those monetary damages in this action, and also seeks an injunction that would prohibit Ms. Carter from commercially associating with any other video game, and from using any of the confidential information that she received in connection with her association with Gate Five. In addition to its claim for breach of the explicit terms of the Agreement, Gate Five also seeks to hold Ms. Carter liable, in the alternative, for breach of the implied duty of good faith and fair dealing owed to Gate Five under the Agreement, which Ms. Carter breached by purporting to terminate the Agreement, on pre-textual

grounds, after Gate Five relied to its detriment on her commitment to complete the business venture.

Dated: New York, New York
April 26, 2011

KENNEDY JOHNSON GALLAGHER LLC

By:  _____

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- and -

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