

of this request, the information or material described in Rule 194.2(a) - (l).

2. At all times relevant to this cause, Plaintiff Asia Vision, Inc. was and is a validly existing Texas corporation. It operates entertainment and a broadcasting business predominately located in Houston, Harris County, Texas, although it also has affiliated markets in other regions of Texas and the United States. Asia Vision's principal place of business is in Houston, Harris County, Texas.

3. Plaintiff Rehan Siddiqi is one of the owners and the CEO of Asia Vision, and is the on-air radio broadcast personality behind Asia Vision. Siddiqi's principal place of business is in Houston, Harris County, Texas.

4. Defendant, BusinessRadio Network, LP d/b/a BizRadio Texas, LLC d/b/a Biz Radio Network d/b/a Biz Radio Network LP, and d/b/a BizRadio Houston, LLC, is a limited partnership organized under the laws of the State of Texas. This Defendant has made an appearance in this case.

5. Defendant Business Radio, Inc. is a corporation organized under the laws of the State of Texas. This Defendant is a general partner of Business Radio Network, LP. This Defendant has made an appearance in this case.

6. Defendant BizRadio Colorado, LLC, is a limited liability company organized under the laws of the State of Texas. This Defendant has made an appearance in this case.

7. Defendant BusinessRadio Licensee, LLC ("BusinessRadio Licensee") is a limited liability company that is believed to be operated by the other Defendants and/or affiliated with them. BusinessRadio Licensee, LLC, may be served with citation and process by serving one of its members/owners at its principal place of business located at 3050 Post Oak Blvd., Suite 1680, Houston, Texas 77056. BusinessRadio Licensee, LLC is and has been actively engaged in business

in Harris County, Texas, and was doing so/continues to do so at all material times relevant to the claims at issue in this lawsuit.

8. Defendant Daniel Sholom Frishberg has made an appearance in this case.

9. Defendant Albert F. Kaleta is an individual doing business in Houston, Harris County, Texas, and is a partner to Defendant Frishberg and/or one of the owners, officers and management-level personnel with the Defendant entities in this case. Albert F. Kaleta may be served with citation and process by serving him at his place of business located at 3050 Post Oak Blvd., Suite 1680, Houston, Texas, 77056, or wherever he may be found. Kaleta is and has been actively engaged in business in Harris County, Texas, and was doing so/continues to do so at all material times relevant to the claims at issue in this lawsuit.

10. Defendant Elisea Frishberg is an individual who is believed to reside and/or be doing business in Houston, Harris County Texas, and is one of the owners, officers and/or management-level personnel with the Defendant entities. She is also the spouse to Defendant Daniel Sholom Frishberg, and was involved in the operations and the fraudulent and wrongful conduct of these Defendants as set forth herein. Elisea Frishberg may be served with citation and process by serving her at her residence located at 3019 Rosemary Park Lane, Houston, Texas, 77082, or at her principal place of business located at 3050 Post Oak Blvd., Suite 1680, Houston, Texas, 77056, or wherever she may be found. Elisea Frishberg has ownership interests in the Defendant entities. Elisea Frishberg is and has been actively engaged in business in Harris County, Texas, and was doing so/continues to do so at all material times relevant to the claims at issue in this lawsuit.

11. Defendant BusinessRadio Houston, L.L.C. (“BizRadio Houston”) is/was a foreign limited liability company with its principal place of business and operations located at 3050 Post Oak Blvd., Suite 1680, Houston, Harris County, Texas 77056. BizRadio Houston forfeited its charter to exist, operate and do business as of October 30, 2009, yet continued to doing business and entering into contracts and agreements at least through portions of March of 2010. BizRadio Houston, LLC, may be served with citation and process through serving C T Corporation System at 350 North St. Paul Street, Dallas, Texas 75201.

12. Defendant BusinessRadio Houston Licensee, LLC (“BRH Licensee”) filed to do business in Texas on March 4, 2010. This entity appears to be owned and/or governed by BusinessRadio Houston, LLC, which was owned and/or controlled by Frishberg. BusinessRadio Houston Licensee, LLC, may be served with citation and process through serving C T Corporation System at 350 North St. Paul Street, Dallas, Texas 75201. BusinessRadio Houston Licensee, LLC, was operating and doing business in Houston, Harris County, at all material times at issue in this case.

13. Defendant South Texas Broadcasting, Inc. (“South Texas Broadcasting”) is a corporation that was organized to do business and operate in Houston, Harris County, Texas. South Texas Broadcasting, Inc., may be served with citation and process by serving National Registered Agents, Inc., at 16055 Space Center, Suite 235, Houston, Texas 77062.

14. Defendant Salem Communications Corporation (“Salem”) is a foreign corporation that does not appear to have a designated registered agent in the State of Texas, although it routinely operates and does business in Texas. Salem Communications Corporation may be served with citation and process by serving Christopher J. Henderson, its Vice President and General Counsel,

at 4880 Santa Rosa Road, Camarillo, California 93012.

15. Defendant Christopher J. Henderson (“Henderson”) is believed to be affiliated with both South Texas Broadcasting, Inc., and Salem Communications Corporation. He holds himself out as Vice President and Secretary of South Texas Broadcasting, and as Vice President and General Counsel of Salem Communications Corporation. Henderson may be served with citation and process by serving him at his place of business located at 4880 Santa Rosa Road, Camarillo, California 93012. Henderson is and has been actively engaged in business in Harris County, Texas, and was doing so/continues to do so at all material times relevant to the claims at issue in this lawsuit.

16. All of the entities owned or controlled by Frishberg, and with which Frishberg is affiliated, including all of the BusinessRadio defendants, may be collectively referred to as “BusinessRadio Entities.” All of the Salem Communications, South Texas Broadcasting, and Henderson defendants may be collectively referred to herein as the “Salem Communications” defendants.

17. Plaintiffs’ causes of action arose from or are connected with one or more acts of Defendants that arose in whole or in part in Harris County, Texas. Venue is proper in this Court, in the county in which all or part of the claims accrued.

18. The monetary damages sought by Plaintiff, exclusive of attorneys’ fees, costs of court, and punitive damages, exceed the minimum jurisdictional limits of this Court.

II. FACTUAL BACKGROUND

19. This case brings claims and causes of action for breach of contract; fraud and misrepresentation; tortious interference with existing contractual agreements and/or existing and

prospective business relationships; conspiracy claims; breach of fiduciary duties; claims for injunctive relief; claims for declaratory judgment relief; claims for quantum meruit/unjust enrichment; conversion and theft; and claims for temporary and permanent injunctive relief, among other things. Absent the ability to broadcast Plaintiffs' radio programming on KTEK 1110 AM, FCC Facility No. 10827 licensed and broadcasting out of Alvin, Texas (the station at issue in this case), Plaintiffs' losses, damages and injuries continue to increase. Moreover, if Defendants take any actions to sell, divest or otherwise transfer ownership of KTEK 1110 AM in a manner that breaches Plaintiffs' purchase option for the radio station, Plaintiffs' damages will exponentially increase. At the present time, Plaintiffs are seeking damages in excess of \$18 million.

20. Plaintiff Siddiqi is the CEO of Asia Vision, and is the on-air personality and promoter of one of the Asian community's largest radio broadcasts in the Houston and surrounding areas. Plaintiffs have operated and broadcast daily radio broadcast's in the Houston market for over twelve (12) years, and have maintained a radio presence almost continuously, at least until the wrongful acts and evens that were committed by the Frishbergs, Kaleta and other working with and for them. Plaintiffs' radio broadcasts were most recently being done on Houston's AM 1180 station through a lease/brokered programmer's agreement. Plaintiffs' broadcasting business generated substantial advertising and other revenue for Plaintiffs, and was the core business that allowed Plaintiffs to expand into other entertainment markets and business opportunities. Without the ability to broadcast the radio program, Plaintiffs' core business would be decimated. Plaintiffs built their business, radio show, and broadcast into one of the premier broadcasts and businesses serving the Asian community.

21. Prior to November of 2009, Defendants approached Plaintiffs about Plaintiffs broadcasting on Defendants' KTEK AM Station 1110, and entering into a long-term, five-year

lease/brokered programmer's agreement with Defendants. Unbeknownst to Plaintiffs, Defendants were in financial difficulties, and certain of them were being investigated by the Securities and Exchange Commission ("SEC") for violations of Securities Acts and other laws. The SEC had launched an investigation into the investment sources and funding obtained by certain of the Defendants and their related entities. On or about November 13, 2009, the SEC filed a Complaint against Kaleta and related entities in the United States District Court for the Southern District of Texas, Houston Division, alleging claims of violations of various securities laws and regulations, among other things. Certain of the BusinessRadio entities, along with Daniel Frishberg's financial services and capital management company, were also brought into the federal lawsuit. Again, unbeknownst to Plaintiff, on December 2, 2009, the Federal Court entered an order appointing a Receiver over certain of the Defendants' assets/entities. This Order purported to limit the ability of certain of the Defendants to take actions related to Receivership assets. Based on the limited information provided and obtained to date, Defendants were engaged in fraudulent and/or other improper and illegal transactions and activities related to money and funds used in Defendants' operations, including the BizRadio and/or BusinessRadio companies.

22. On November 25, 2009, Asia Vision/Siddiqi and Defendants, or certain of them (including BusinessRadio Network, LP d/b/a Biz Radio Texas, LLC d/b/a Biz Radio Network; BusinessRadio Houston Licensee, LLC; BusinessRadio Houston, LLC; Kaleta; and/or Frishberg) entered into a five (5) year lease agreement with an option to purchase entitled "Brokered Programmer's Agreement" (hereinafter referred to as "Agreement"). The Agreement was executed by Mr. Ronald Crider, Co-CEO of BizRadio Network, LP and also part of the management of the other Defendant entities, with the knowledge and approval of all of the other Defendants, including

Daniel Frishberg. The parties entered into the Agreement in order for BizRadio/BusinessRadio (which includes BusinessRadio Houston, LLC, and BusinessRadio Houston Licensee, LLC) to lease Houston frequency AM 1110 to Asia Vision, Inc., to allow Siddiqi to broadcast his radio program, and to allow Plaintiffs to conduct business. The lease term of the Agreement was from January 1, 2010, through December 31, 2015. Plaintiffs were provided with the opportunity to lease KTEK 1110 AM for \$50,000.00 per month. This Agreement also provided Plaintiffs the option to purchase the radio station and license (KTEK 1110 AM), which includes all of the assets of the radio station, FCC Facility No. 10827, for \$3.5 million. Numerous representations were made by Defendants, and numerous warranties and covenants were provided as part of the Agreement. A true and correct copy of the Agreement is attached hereto as Exhibit "1."

23. Defendant Daniel Frishberg was interesting in broadcasting his radio program from another station broadcast in Houston as AM 1180. This was the station on which Plaintiffs were broadcasting for approximately five years. Defendants wanted to lease that station and depart from broadcasting on KTEK 1110. In order to do so, it was essential that Defendants convince Plaintiffs to lease KTEK 1110, and give up their rights to continue to lease station AM 1180 where Defendant Frishberg was interested in broadcasting. Defendants, including Frishberg, were involved in all aspects of the negotiations; were notified through correspondences and other written communications about the terms of the deal with Plaintiffs; and/or ratified and agreed to all such Agreement terms as they took place or occurred. By way of example, attached hereto as Exhibit "2" is correspondence that reflects all of the Defendants, including Daniel Frishberg and Albert Kaleta, were kept apprized and "in the loop" about all aspects of the broker agreement/lease and purchase option between Defendants and Plaintiffs.

24. Before Plaintiffs took possession of radio station KTEK 1110 AM and before any broadcast occurred, Defendants, by and through their duly authorized representatives and agents, approached Siddiqi and Asia Vision attempting to obtain up-front money from Plaintiffs for the first six months of the lease. Defendants were in dire financial straits and needed up-front capital to run their operations and to fund their ability to lease and broadcast their radio programming on station 1180 AM. In return for Plaintiffs agreeing to pay “up front” money for the first six months of the lease, Defendants offered to reduce the monthly rental payments from \$50,000.00 per month to \$30,000.00 per month. Defendants were in need of immediate funds to continue Defendants’ operations, and went to great lengths to induce and convince Plaintiffs to provide the “up front” funds for the first six months of the lease.

25. Through a series of payments and further negotiations, Plaintiffs agreed to provide the up-front consideration and value totaling \$180,000.00 to Defendants. The parties further negotiated the specific terms of the “up front” payments to be made by Plaintiffs to Defendants, culminating in and memorialized by a written document dated December 29, 2009, and attached hereto as Exhibit “3.” Certain commission credits were provided to Plaintiff, with the remainder of the “up front” funds given to certain of the Defendants prior to January 1, 2010. Defendants accepted the funds, and deposited them into accounts owned and controlled by Defendants. The payments represented a deposit and lease payments covering Plaintiffs’ lease of KTEK 1110 AM from January 2010 through and including June 2010 and/or covering a portion of the purchase of that station. Plaintiffs fully performed all conditions precedent to the full, uninterrupted lease of KTEK 1110 AM for the six-month time period. Moreover, in reliance upon the Agreement, Plaintiffs advertised the move from Station 1180 AM to Station 1110 AM; incurred substantial sums of money

advertising and promoting the move to the new radio station; sought out and obtained advertisers at rates and prices consistent with the deal Plaintiffs had with Defendants; agreed to terms with, and locked in advertising prices relating to, advertisers on the new KTEK 1110 AM broadcasts that Plaintiffs would have beginning January 1, 2010 through December 31, 2015; and accepted payments from advertisers based on the broadcasts that Plaintiffs anticipated given the Agreement Plaintiffs had with Defendants. Advertisers relied on the lease agreement that Plaintiffs had with Defendants; likewise, Plaintiffs relied on Defendants to be honorable and to allow for the quiet, uninterrupted lease of radio station KTEK 1110 AM. Defendants proved to be less than honorable.

26. As further evidence of the ratification and acknowledgment of the agreement between Defendants and Plaintiffs, BizRadio Houston (Frishberg and his radio broadcast) moved to AM 1180, with Plaintiffs moving to KTEK 1110 AM. All parties performed under the terms of the Agreement for the month of January, 2010. Plaintiffs broadcast their radio programming on KTEK 1110 AM for the entire month, and had prepaid lease payments through June 30, 2010.

27. Based on information discovered recently, and unbeknownst to Plaintiff, Defendants were in dire financial straits, despite receiving the “up front” lease payments from Plaintiffs. Defendants’ financial condition was made even worse with the SEC investigation, the SEC complaint, the appointment of the Receiver referenced above, and the freezing of certain assets. Frishberg and his companies could not come up with the required financial commitments they needed to remain on station 1180 AM. As of the end of January 2010, it became apparent to Defendants that Frishberg would lose the right to broadcast on station 1180 AM.

28. The Frishbergs and their partner/co-owner Kaleta, along with other personnel affiliated with them, schemed and conspired to defraud Plaintiffs and to interfere with and take away

their rights pursuant to the Agreement. At 9:51 PM on February 1, 2010, Daniel Frishberg (acting individually and on behalf of all of the organizational defendants with which he is affiliated or owns, including all of the BizRadio and BusinessRadio entities) sent to Plaintiff Siddiqi an email notice effectively preventing Plaintiffs from broadcasting on KTEK 1110 AM as of the following morning on February 2, 2010. Defendants, or certain of them, tortiously interfered with Plaintiffs' rights pursuant to the Agreement; their rights to broadcast on KTEK 1110 AM; and their rights to purchase the station and all related licenses, rights, privileges and benefits for the contracted purchase option price.

29. Plaintiffs immediately filed suit for injunctive relief, among other claims and causes of action. While Plaintiffs received TRO relief, during a hearing on Plaintiffs' request for a temporary injunction, Defendant Frishberg and others committed perjury and submitted false testimony under oath. Defendants then set out to conspire with others, and to further deprive Plaintiffs of their rights under the Agreement. Plaintiffs later discovered that Defendants had engaged in discussions with Salem Communications Corporation, which owns and/or operates approximately 95 radio stations across the United States, to purchase from Defendants all rights to KTEK 1110 AM, despite the existing Agreement and purchase option that Defendants had with Plaintiffs, and despite taking "up front" money from Plaintiffs for six months of lease rentals through June 30, 2010. Defendants' fraud, scheme and conspiracy to cheat Plaintiffs continued to take even more devious turns.

30. Salem Communications, along with persons affiliated with it and its affiliate, South Texas Broadcasting, Inc., including Defendant Christopher J. Henderson, were provided information reflecting Plaintiffs' claims and rights to radio station KTEK 1110 AM; were provided the

Agreement between Plaintiffs and Defendants for the lease/purchase of the radio station; were provided proof of payments being made for the “up front” six months of lease rentals; were provided other documents whereby Defendants acknowledged the Agreement and Plaintiffs’ rights to lease the radio station, as well as Plaintiffs’ purchase option; and were apprized of ongoing legal proceedings between Plaintiffs and Defendants. It was made clear to Salem Communications the position that Plaintiffs were taking concerning their rights to radio station KTEK 1110 AM. Defendants, nonetheless, continued on a path to perpetuate the frauds they had committed, and to smear, malign and destroy Plaintiffs’ and their businesses.

31. Daniel Frishberg, acting individually as well as on behalf of other persons and entities, tortiously interfered with Plaintiffs’ Agreement, and took away Plaintiffs’ ability to broadcast on KTEK 1110 AM. Instead of honoring the Agreement for which Frishberg and his partner Kaleta received the “up front” funds and allowing Plaintiffs to broadcast on radio station KTEK 1110 AM, Frishberg began broadcasting his own programming on radio frequency AM 1110. Despite acknowledgments made by the Defendant entities’ management personnel that Plaintiffs were entitled to lease and possess radio station KTEK 1110 AM and the broadcasting rights to that radio station, and despite Defendants taking the funds from Plaintiffs and depositing those funds into Defendants’ own bank accounts and ratifying the lease/broker Agreement, Defendants interfered with and took away Plaintiffs’ rights to radio station KTEK 1110 AM. As a result of the wrongful and illegal actions in which Defendants engaged, Plaintiffs have lost over \$100,000 per month in revenue and earnings from advertisers and brokers. Plaintiffs continue to lose customers and clients, and continue to suffer damage and harm to their business and professional reputations and appearances.

32. Plaintiffs have contractual obligations that depend on their ability to broadcast and air their radio programming. As a direct and proximate result of Defendants' actions, Plaintiffs have lost and continue to lose customers and clients. Plaintiffs' reputations and standing in the commercial broadcasting and radio programming business and industry have been harmed and damaged, and will continue to suffer and incur injuries. Plaintiffs have other business interests that are directly and indirectly tied to their ability to broadcast their radio programs, which interests are now being jeopardized. Given the financial standing of Defendants; their fraud and investment scams; their moving of funds and money to a number of related entities; their hiding of funds and assets; and the ongoing Federal SEC proceedings, Plaintiffs injuries and damages appear to be, and are likely to remain, irreparable and uncompensable. Defendants have demonstrated a lack of sufficient funds to stay on radio station 1180 AM, and have shown that they lack the financial wherewithal to compensate Plaintiffs for the damages they have inflicted, and continue to inflict, on Plaintiffs. Asia Vision continues to lose advertising revenue and advertisers as each day goes by with Plaintiffs being defrauded by Defendants, and with Plaintiffs being unable to broadcast their radio programming. Siddiqi's radio personality has been and continues to be severely damaged as a result of Defendants' fraud, breaches and ongoing conspiracy.

33. Defendants have a demonstrated history of engaging in fraudulent transactions and creating sham entities used to defraud investors and others. They used a similar sham and conspiracy to do the same to Plaintiffs. Defendants created and utilized a number of sham entities, many of which have deceptively similar names, to confuse Plaintiffs and others, and to perpetrate the fraud that has occurred. The wrongful actions of the Defendants is further exemplified in the affidavit of Ronald Crider, who was an Officer and in upper management with the Defendant entities, which is

attached hereto as Exhibit "4," along with email correspondences attached hereto as Exhibits "5."

The affidavit of Ronald Crider supports Plaintiffs' request for injunctive relief as set forth herein.

34. Time is of the essence in the entertainment industry. The longer Plaintiffs are unable to broadcast, the more substantial their damages and injuries become. Likewise, the more substantial the monetary damages are, the more irreparable the harm that Plaintiffs will sustain. Moreover, the property rights inherent with KTEK 1110 AM are "one of a kind," distinct, and specifically identifiable property rights inherent to an owner or lessee of such radio broadcasting rights. This is even more apparent given the specialized markets and listeners to whom the broadcast is intended to reach. Moreover, Plaintiffs have exhausted other efforts to remain "on the air" and continue to broadcast their radio programming. As a direct and proximate result of Defendants' wrongful, illegal and deceitful actions as set forth herein, the harm to Plaintiffs is irreparable.

35. Unbeknownst to Plaintiffs, sometime in February of 2010, the Salem Communications defendants (including Salem Communications Corporation, South Texas Broadcasting, Inc., and Henderson, or certain of them acting on behalf of the other related persons and entities), began their scheme and conspiracy to tortiously interfere with Plaintiffs' known and existing contractual rights and agreements, as well as its business relationships, concerning KTEK 1110 AM, FCC Facility No. 10827, and the related property and business rights related to such property. More specifically, these Salem Communications Defendants began efforts to purchase KTEK 1110 AM (along with FCC Facility No. 10827 and all of the related assets, licenses and airway frequency) from the BusinessRadio Entities and Frishberg, and to deprive Plaintiffs of their interests (both lease interest and purchase right in and to) in the radio station, the radio frequency, and all of its assets. The Salem Communications Defendants were notified about Plaintiffs' interests

in and rights to KTEK 1110 AM, and were provided the pertinent documents reflecting such interests in and rights to same. These Defendants were also provided notice of the ongoing lawsuit and the claims and causes of action being asserted by Plaintiffs against any and all of the Defendants involved with KTEK 1110 AM.

36. Additionally, on March 2, 2010, Plaintiffs sent notice to the BusinessRadio/Frishberg Defendants exercising their purchase option under the Agreement to purchase radio station KTEK 1110 AM, along with all rights, property and equipment related to the broadcasting transmission facilities of that station. Attached hereto as Exhibit "7" is the correspondence exercising the purchase option and reflecting Plaintiffs' willingness to tender the purchase option amount of \$3.5 million.

37. Despite being provided notice of Plaintiffs' interests in and rights to KTEK 1110 AM, the related litigation, the documents reflecting Plaintiffs' up-front payments for the lease of the radio station or that would be applied towards the purchase of the radio station and all assets, the Salem Communications Defendants nonetheless continued their illegal scheme and actions to interfere with Plaintiffs' rights to and interests in KTEK 1110 AM and all related assets. Thereafter, purportedly on or about March 5, 2010, the BusinessRadio/Frishberg Defendants sold KTEK 1110 AM to the Salem Communications Defendants. Attached hereto as Exhibit "6" is what has been represented by Defendants as the Asset Purchase Agreement for KTEK 1110 AM, or at least the portion that Plaintiffs were able to obtain. However, a number of inconsistencies exist concerning the status of the entities that purported to convey title to KTEK 1110 AM to the Salem Communications Defendants. As of March 5, 2010 (two days after Plaintiffs elected to exercise their purchase option for KTEK 1110 AM), BusinessRadion Houston, LLC, (an entity ultimately owned and/or controlled

by Frishberg) was not an existing entity in that its charter had been forfeited the previous October 30, 2009. Moreover, on March 3, 2010, BusinessRadio Houston Licensee, LLC (an entity that appears to be owned and/or controlled by BusinessRadio Houston, LLC) was not authorized to do business in Texas. Frishberg purportedly was acting on behalf of both entities as its owner and management.

38. It appears that neither of the entities that conveyed title to KTEK 1110 AM was properly authorized to do business in Texas as of March 3, 2010. Moreover, it further appears that defects in their proper existence on the date title to KTEK 1110 AM was purportedly conveyed to the Salem Communications Defendants existed. Therefore, either title and ownership was improperly named, or Frishberg created multiple sham entities with similar names in an intricate web of companies to defraud and deceive persons, including Plaintiffs. In the process, the Salem Communications Defendants tortiously interfered with Plaintiffs' existing contractual agreements as well as their prospective and continuing business relationships. Moreover, the Salem Communications Defendants were conspirators with Frishberg and his companies to circumvent existing agreements to lease and/or to purchase KTEK 1110 AM, and to defraud Plaintiffs.

39. In selling KTEK 1110 AM on the terms set forth in the Asset Purchase Agreement, it became evident that Frishberg and his companies accomplished the fraudulent scheme he/they had set in motion, and committed perjury in the process. Frishberg gave testimony and made representations under oath in State District Court, which testimony and representations proved to be false. Frishberg knowingly and intentionally committed perjury and accomplished his fraudulent scheme, to the detriment and injury of Plaintiffs. Moreover, the BusinessRadio Defendants and Frishberg conspired with the Salem Communications Defendants to attempt to bypass the legal

obligations and requirements that the law imposed concerning the agreements, representations and promises that were made to and with Plaintiffs concerning KTEK 1110 AM, which resulted in financial benefits and profits to Defendants, and substantial financial injuries and damages to Plaintiffs.

III. CAUSES OF ACTION

A. Breach of Agreement

40. Based on the foregoing and incorporating the facts pled above, Plaintiffs bring claims against the BusinessRadio entities, Kaleta, and the Frishberg Defendants for breach of contract. Plaintiffs and certain of the Defendants and/or their related entities, acting by and through duly-authorized management, agents and personnel, entered into the Agreement allowing Plaintiffs to lease KTEK 1110 AM, and allowing them the option to purchase the radio station. Additionally, Defendants entered into an agreement reducing the monthly lease payments upon the payment by Plaintiffs of the “up front” amount as set forth in Exhibit “C.” This lease reduction agreement resulted in Plaintiffs pre-paying the lease rentals through July of 2010. Plaintiffs fully performed by paying the funds, and Defendants accepted the funds, deposited the funds, and partially performed the terms of the agreements through January of 2010. Plaintiffs fully performed all aspects of their obligations set forth in the agreements. Defendants accepted Plaintiffs’ full performance. Thereafter, Defendants breached the terms of the agreements by refusing to allow Plaintiffs access to operate the radio station; by refusing to allow Plaintiffs the full benefits to the lease of KTEK 1110 AM; by refusing to allow Plaintiffs to broadcast on KTEK 1110 AM; and by refusing to allow Plaintiffs the opportunity to purchase the station at the agreed-upon purchase option price. Plaintiffs tendered to the BusinessRadio/Frishberg Defendants their notice exercising their purchase option

under the Agreement. Defendants have deprived Plaintiffs of the benefits, rights and privileges of the agreements. Plaintiffs have suffered significant and substantial damages proximately caused by Defendants' breaches as set forth herein.

B. Fraud and Misrepresentation

41. Based upon and incorporating the facts above, Defendants, by and through their management agents, representatives, owners and employees, made misrepresentations and false statements to Plaintiffs concerning Plaintiffs leasing KTEK 1110 AM and obtaining the broadcast rights to the radio station; concerning Plaintiffs receiving an option to purchase the radio station; and concerning the reduction in monthly lease rentals through July 31, 2010, among other things. The statements, representations and assurances given to Plaintiffs by Defendants and their agents and representatives misled Plaintiffs into entering into the Brokered Programmer's Agreement, and misled Plaintiffs into paying "up front" funds for the six-month paid-up lease through July of 2010. The statements and representations also induced Plaintiffs to forego other broadcasting and leasing opportunities, and to invest substantial sums of money, time, resources and broadcasting air time to shift Plaintiffs' programs and advertising to the new station that Plaintiffs were leasing and going to purchase.

42. Defendants and their agents, employees and representatives, made numerous misrepresentations, misstatements and omissions to state that caused Plaintiffs to take actions, or to refrain from taking certain actions, and to invest substantial sums of money and resources towards the new broadcasting opportunities on KTEK 1110 AM set forth in the agreements. Plaintiffs relied on the misrepresentations, misstatements and omissions to state to their detriment. The representations, misrepresentations, misstatements, and omissions to state were material

misrepresentations and omissions to state of past or existing facts, or false promises to do some act in the future, upon which Defendants intended Plaintiffs to rely, or upon which Defendants induced Plaintiffs to take certain actions or to engage in further actions (or refrain from taking certain actions), and upon which Plaintiffs did reasonably rely and take further actions (or refrain from taking certain actions and pursuing other broadcasting opportunities) in reliance on the truthfulness of the statements and representations. Moreover, Plaintiffs geared the advertising contracts and agreements with Plaintiffs' advertisers and prospective advertising opportunities to the parameters of the modified lease terms and purchase agreement.

43. The misrepresentations, misstatements and omissions to state were false and were made intentionally, or alternatively were made with gross negligence. As a result of the material misrepresentations upon which Plaintiffs relied, as well as the failures and omissions to state, Plaintiffs have suffered injuries and damages. Defendants' fraudulent conduct included acts, omissions or concealment that involved breaches of a legal duty, trust, or confidence justly reposed and that were injurious to Plaintiffs by which an undue and unconscionable advantage was taken. Plaintiffs relied on such representations to her detriment.

44. Additionally, Defendants conjured up a scheme and course of action to defraud Plaintiffs out of substantial funds in the form of the "up front" lease payments that were made to secure the radio station and broadcasting rights to KTEK 1110 AM through July 31, 2010. Defendants were integrally involved in the negotiations, and were kept fully apprized of all terms of the agreements, as evidenced in written correspondences, yet claimed to not have knowledge of any aspects of the terms of the agreements. Defendants turned the radio station over to Plaintiffs in accordance with the terms of the agreements and as called for in Defendants' representations to

Plaintiffs, yet claimed to not have agreed to do so. Defendants took substantial funds from Plaintiffs for the “up front” lease payments and deposited those funds into their bank accounts, yet claimed Plaintiffs had no rights to the leased property, broadcasting rights or radio station. These same Defendants were also involved in fraudulent schemes and conspiracies about which the SEC filed suit and sought the appointment of a receiver, at the same time that the events at issue in this case occurred.

45. Defendants and their agents and representatives made promises, misrepresentations, and omissions to state that Defendants knew they had no intention of keeping or knew were false and misleading, or in the alternative, made such representations and misrepresentations with utter disregard for their truth, veracity, or misleading nature and, therefore, were made with negligence and gross negligence. Plaintiffs relied on the misrepresentations and failures and omissions to state to their great detriment and injury.

46. Defendants’ actions constitute a constructive fraud on Plaintiffs. Defendants are liable for the aforementioned fraudulent misrepresentations of material facts and for the aforementioned omissions and failures to state as such misrepresentations and omissions are imposed by statute, law and public policy because of the circumstances of the immediate parties to the transactions and the tendency to deceive others, to violate confidences, or to injure the public interest. The actions of Defendants constitute breaches of legal and equitable duties which the law deems to be fraudulent and/or illegal. Plaintiffs have been damaged as a result of the misrepresentations and fraudulent statements and actions of Defendants.

**C. Tortious Interference With Existing Contractual Agreements
and With Existing and Prospective Business Opportunities and Relationships**

47. Based upon and incorporating the facts above, and in addition to the claims set forth above or in the alternative, certain of the Defendants tortiously interfered with Plaintiffs' contractual arrangements/agreements, and with prospective business opportunities, relationships and rights to KTEK 1110 AM as set forth herein. Additionally, Defendants tortiously interfered with Plaintiffs' ability to procure ownership of the radio station frequency AM 1110 as set forth in the Agreement signed by Defendants and Plaintiffs. As a result, Plaintiffs have suffered damages proximately caused by Defendants' officious intermeddling, including lost income and lost earnings opportunities, and may reasonably be expected to continue to suffer harm if Defendants are allowed to continue on their chosen course of illegal action. Accordingly, Plaintiffs have suffered substantial damages and, further, seeks preliminary and permanent injunctive relief prohibiting Defendants from engaging in additional harmful acts in this regard.

48. Defendant Daniel Sholom Frishberg, along with other related companies in which he has an ownership or management position, has interfered, and continues to interfere, with Plaintiffs' business and contractual relationships. Defendants' actions interfered and continue to interfere with Plaintiffs' business and other relationships with their clients and advertisers, and with business opportunities, and has the intended effect of terminating and/or discouraging Asia Vision, Inc.'s clients from continuing their advertising/business relationship with Plaintiffs. Plaintiffs have also lost and will continue to lose audience/listeners, as well as market share, directly and proximately caused by Defendants' tortious interference as set forth herein.

49. The Salem Communications Defendants tortiously interfered with Plaintiffs known

and existing contractual agreements, and with known prospective business relationships. These Defendants interfered with Plaintiffs' lease of KTEK 1110 AM, and with the purchase of that radio station and all related rights, privileges, property and assets. The Salem Communications were well aware of the existence of the Agreement that Plaintiffs had for KTEK 1110 AM, and elected to tortiously interfere with those contractual rights. The Salem Communications Defendants did so in order to capitalize and profit at the expense and hardship of Plaintiffs. Plaintiffs suffered substantial injuries and damages as a result of the actions of the Salem Communications Defendants.

D. Breach of Fiduciary Duties and Breach of Duty of Good Faith and Fair Dealing

50. Adopting and incorporating the facts, statements, acts and omissions as set forth herein, and in addition to or in the alternative to the claims and allegations set forth herein, Defendants Frishberg and Kaleta committed acts and/or omissions which constituted breach of fiduciary duties and breach of the duty of good faith and fair dealing. Given the relationship between Siddiqi and these Defendants, these parties developed a close relationship that went beyond the typical lessor/lessee or buyer/seller relationship. Frishberg and Kaleta took actions and made statements and representations that caused Plaintiff Siddiqi to trust and rely on the honesty and integrity of these Defendants. Avenues of trust were created.

51. Based on the close, personal relationship that developed, these Defendants, along with other agents and representatives acting on behalf of these Defendants, took actions and relayed information to Siddiqi that made it appear that Defendants were looking out for and creating avenues of trust with Siddiqi that would benefit Plaintiffs as well as Defendants. Plaintiffs were put into a situation where Defendants Frishberg and Kaleta convinced Siddiqi to trust them and to rely upon them to be truthful, honest and trustworthy with respect to the dealings at issue in this case.

52. Defendants engaged in a course of conduct to encourage Plaintiffs to trust them and to rely upon them with respect to the substantial investment of funds that Plaintiffs were making and providing, up front, to Defendants. Defendants failed to act in good faith; failed to deal fairly, honestly and with utmost loyalty; failed to provide complete and accurate information; omitted key information and data that would have allowed Plaintiffs to make full, complete and proper decisions; and breached their duties in this regard. Defendants created and owed Plaintiffs fiduciary duties of good faith, honesty, loyalty and fair dealing. Defendants breached fiduciary duties to Plaintiffs, proximately causing these Plaintiffs to sustain substantial injuries and damages.

E. Perjury and Subornation of Perjury

53. Based on and incorporating the facts set forth herein, Defendants Frishberg and Kaleta, jointly and severally, singly and in concert and conspiracy with each other and with other employees, agents and representatives of Defendants, engaged in efforts and actions to suborn perjury. In particular, these Defendants provided false, misleading and fraudulent testimony under oath to perpetuate the fraud, thefts and other wrongful and deceptive acts as set forth herein. These Defendants also caused and/or attempted to cause others to submit false, fraudulent and perjured statements and testimony, all in an effort to effectuate their illegal actions. In this regard, these Defendants committed perjury and suborned perjury, proximately causing damages and injuries to Plaintiff.

F. Conversion and Theft

54. Adopting and incorporating the facts, statements, acts and omissions as set forth herein, Defendants illegally and wrongfully stole and converted Plaintiffs' leasehold and ownership interests in, rights to, and title to specifically identifiable property and assets, including KTEK 1110

AM radio station and related frequency, airwaves, and related property. Defendants' actions were done singly and in combination, concert and conspiracy with others, and constitute an unlawful and wrongful exercise of dominion, ownership and control by Defendants over the property and property rights of Plaintiffs to the exclusion of the exercise of those rights by Plaintiffs. Additionally, Defendants' acts constitute the taking of property without the consent of Plaintiffs. Plaintiffs suffered injuries and damages as a proximate and producing cause of Defendants' actions.

G. Conspiracy and Aiding and Abetting

55. Based upon and incorporating the facts set forth herein, Defendants entered into a conspiracy and common course of action to achieve an illegal or wrongful result. Defendants combined for purposes of defrauding Plaintiffs out of the funds used as "up front" lease payments through July 31, 2010, and to defraud Plaintiffs out of the purchase option for KTEK 1110 AM. Defendants engaged in a scheme to conspire and defraud Plaintiffs out of lease rights, broadcasting rights, and consideration provided for the purchase option. Defendants created and /or utilized sham entities and multiple related yet deceptively-named entities to defraud Plaintiffs. Defendants had a meeting of minds to accomplish an unlawful purpose, or to achieve a lawful purpose through unlawful means. Defendants conspired with each other and with others to commit the fraud and ruin Plaintiffs' businesses. Such conspiracy resulted in substantial damages and injuries to Plaintiffs.

56. Additionally, the Salem Communications Defendants aided and abetted the BusinessRadio entities and the Frishberg individuals in accomplishing the breaches, frauds, misrepresentations, and other tortious, wrongful and illegal acts and practices as set forth herein. Multiple meetings occurred between all of the Defendants, wherein discussions took place and actions were implemented to avoid and get around the existing lease/purchase agreement that

Plaintiffs had for KTEK 1110 AM. Defendant Henderson, acting on behalf of the Salem Communication entity defendants, participated in the conspiracies, and aided and abetted the other Defendants in accomplishing the wrongful acts set forth herein.

H. Declaratory Judgment Relief

57. Based on and incorporating the facts set forth herein above, Plaintiffs seek declaratory judgment relief concerning the rights of and obligations by and between Plaintiffs and Defendants as set forth in the documents and agreements between the parties. More specifically, Plaintiffs request that the Court and jury construe the terms and provisions of the documents and agreements, and determine the duties and obligations of Defendants set forth in the various agreements signed by them and their agents, employees, owners and representatives; determine the leasehold rights of Plaintiffs; determine the ownership interests and purchase options that belong to Plaintiffs as set forth in the documents and agreements; to determine the propriety of Plaintiffs' exercising their purchase option to KTEK 1110 AM, the tender of the purchase option funds, and the priority that Plaintiffs have to ownership of that radio station and all related assets and the radio frequency; and to ultimately declare the rights and obligations of the parties as set forth in the agreements and as should now exist, under doctrines of fairness and equity, as a result of the breaches and failures that have occurred on the part of Defendants. Plaintiffs move the Court to make such orders as would result in just and fair performance by and between the parties, and that would result in the accomplishing of equity between the parties. Plaintiffs further move the Court for attorneys fees and other costs as a result of the wrongful actions and conduct of Defendants, and the need for the declaratory relief pled herein.

I. Quantum Meruit and Unjust Enrichment

58. Based upon and incorporating the facts above, and in addition to or in the alternative, Plaintiffs are entitled to recover against Defendants under quantum meruit and unjust enrichment. Plaintiffs would show that the BusinessRadio/Frishberg/Kaletka Defendants were unjustly enriched with over one hundred thousand dollars, and also took back the radio station and broadcasting rights inherent with KTEK 1110 AM. Additionally, these Defendants were unjustly enriched by using, stealing and converting Plaintiffs' rights in and to KTEK 1110 AM, and using those assets in the BusinessRadio entities bargaining and negotiations with the Salem Communications defendants. The Salem Communications Defendants were unjustly enriched by receiving the rights to KTEK 1110 AM enhanced by Plaintiffs. Defendants are unjustly receiving the increased value inherent in the radio station. Defendants have been unjustly enriched, and equity would require that Defendants disgorge themselves of the benefits of the radio station and broadcasting rights for which they received the funds referenced herein. Accordingly, Plaintiffs are entitled to recovery under quantum meruit, unjust enrichment, fairness and equity.

J. Request for Temporary and Permanent Injunctive Relief

59. Based upon and incorporating the facts and reasons above, Plaintiffs request, pending a trial on the merits, Defendants be enjoined from selling, leasing or otherwise transferring ownership or possession of the radio station, KTEK 1110 AM, any broadcasting rights, and any and all other rights related to or inherent with such property. Plaintiffs request that the Court Order temporary injunctive relief allowing Plaintiffs to receive the possession and control of KTEK 1110 AM pending a trial on the merits, and allow Plaintiffs to broadcast radio programming on that station. Plaintiffs request that, after trial, a permanent injunction be issued enjoining Defendants and

any person or entity acting in concert with them or at Defendants' behest, including but not limited to their attorneys, agents, servants, employees, heirs and assigns, from in any way disrupting or interfering with Plaintiffs' exclusive rights to access and use radio station frequency AM 1110, from using all property and assets related to that radio station, and from taking any actions to contravene Plaintiffs' property rights pursuant to the Agreement.

60. Plaintiffs also seek injunctive relief conveying ownership and the rights to purchase KTEK 1110 AM to Plaintiffs, and further seek injunctive relief disgorging Defendants from any further rights to, ownership of, or possession of KTEK 1110 AM and its assets. Plaintiffs request that the Court enter all injunctive relief, both temporary and permanent, necessary to accomplish the express and implied intent and benefit of the Agreement with respect to Plaintiffs' lease of KTEK 1110 AM as well as Plaintiffs' purchase of that radio station and all related assets.

IV. CAUSATION AND JOINT LIABILITY

61. Each and all of the above were the proximate or producing cause of damages to Plaintiffs, who are innocent of any fault contributing to or causing these damages. All conditions precedent to Plaintiffs' recovery of damages have been met or have occurred.

62. Plaintiffs allege and assert, as appropriate, the doctrines of agency, respondent superior and vicarious liability. The individual Defendants (the Frishbergs, and Kaleta) are believed to be, at all material times, the owners, management-level employees, agents and representatives of the BusinessRadio defendant entities, and/or the instrumentality of the BusinessRadio entity defendants. The BusinessRadio defendant entities all appear to be or all are believed to be affiliated companies and entities, engaged in a common course and scope of conduct and activities, and intertwined and related in such a fashion that they have, to some degree, common ownership, control

and/or management. Moreover, some of these BusinessRadio entities own other entities, and all have common management and ownership.

63. The Salem Communications defendants all appear to be or all are believed to be affiliated companies and entities, engaged in a common course and scope of conduct and activities, and intertwined and related in such a fashion that they have, to some degree, common ownership, control and/or management. Moreover, Defendant Henderson is one of the officers of, and in a managerial capacity within, the Salem Communications defendants, including South Texas Broadcasting, Inc., as well as Salem Communications Corporation.

64. The entity Defendants adopted and ratified the acts of the individual Defendants, and other employees and agents. The individual Defendants ratified the actions of other employees and agents of the entity Defendants. The entity Defendants are managed and operated by and through the individual Defendants and others under their direction and control. Accordingly, all Defendants are jointly and severally liable for Plaintiffs' damages and injuries.

65. The individual Defendants are also liable in their personal, individual capacities for the wrongful and illegal actions and conduct as set forth herein. These Defendants are individually liable for the fraud and misrepresentations, and the misleading and deceptive acts and practices, which induced Plaintiffs to enter into certain of the transactions and to pay the "up front" lease/purchase funds.

V. DAMAGES

66. As a direct and proximate result of Defendants' unlawful acts, Plaintiffs suffered, suffers and will continue to suffer economic losses; loss of revenues, net profits, compensation and benefits; damage to personal and business reputations; loss of property rights; additional costs and

expenses resulting in the radio and broadcasting operations; increased interest and operational costs; diminishment in and loss of earnings opportunities and earning capacities, both past and future; diminished deferred and extended earnings; lost consequential and related business earnings; and other damages as will be proven at trial.

67. Plaintiffs have also incurred damages and injuries in the form of out-of-pocket costs and expenses to correct Defendants' unlawful and wrongful acts as asserted herein above including, but not limited to, litigation costs; attorney's fees for such legal services in connection with preparation, trial, appeal and collection as may become necessary; prejudgment and post judgment interest as allowed by law; and all other such incidental and consequential damages as are supported by the facts underlying Plaintiffs' claims in this litigation. The total amount of damages that Plaintiffs have incurred and will likely incur in the future are continuing in nature and are anticipated to increase and continue in the future.

68. Because of Defendants' fraud, perjury, and misstatements to the Court, Defendants' actions have resulted in depriving Plaintiffs of the ability to broadcast their radio programming on terms and conditions that are economically viable to Plaintiffs. Defendants' actions continue to cause the loss of over \$100,000.00 in advertising revenue per month. At a distinct point in time, Plaintiffs' ability to maintain a radio presence, and to maintain a viable broadcasting business, will be permanently destroyed. Plaintiffs' continuous 12-year radio presence in the Houston market has been damaged, and will likely cease for the foreseeable future because of the Defendants and the fraud, breaches and other wrongful conduct set forth herein. Moreover, absent the relief sought herein, Plaintiffs will lose the rights, opportunity, and ability to purchase the radio station altogether, jeopardizing Plaintiffs' opportunities to maintain a presence in the radio broadcasting business and

to own this and other broadcasting rights and radio stations. Absent corrective action and/or injunctive relief in the near future, Plaintiffs' damages and injuries will exceed \$18,000,000.00. Accordingly, Plaintiffs seek all reasonable general, special, incidental and consequential damages as are available, whether at law or in equity, and as shall be proven at trial. Plaintiffs seek in excess of \$18,000,000.00 from Defendants, jointly and severally.

69. The amount of total damages Plaintiff has sustained is significant and continuing in nature and has been incurred in the past and future. The maximum amount of Plaintiffs' damages continues to increase because certain elements of the lost business and revenue, along with the diminution in value of the business operations, are continuing in nature and increasing over time. Given Defendants' ongoing fraud and SEC violations, among other illegal and criminal actions, as well as Defendants' shifting and moving of assets, Plaintiffs are unlikely to ever be able to recover for their losses, damages and injuries. Plaintiffs will most likely be unable to be made whole as a result of Defendants' wrongful conduct as set forth herein. Accordingly, injunctive relief is necessary due to the irreparable damage that will result to Plaintiffs in addition to the partial monetary compensation pled herein.

70. Because Defendants' conduct was intentional, willful and malicious, or alternatively was reckless and grossly negligent, Plaintiffs further seek punitive and exemplary damages in an amount to be determined by the jury but no less than is appropriate, necessary and proper to punish Defendants, for their unlawful, malicious conduct; to deter Defendants from committing such unlawful, malicious conduct in the future; and to serve as an example to others. Plaintiffs particularly seek punitive and exemplary damages being assessed against the Frishbergs and Kaleta for being the masterminds behind the fraud and deceptive acts and practices, and for the particularly

repulsive manner in which they provided false testimony concerning the transactions at issue in this case. Plaintiffs also seek punitive and exemplary damages against all of the Salem Communications Defendants for their knowing and intentional tortious interference with Plaintiffs' existing contractual agreements and existing and prospective business relationships and opportunities. Given the size, net worth, and gravity of the actions of the Salem Communications Defendants, Plaintiffs seek punitive and exemplary damages against them in amounts sufficient to send the appropriate message to them and to penalize them for their wrongful actions and conduct.

71. Plaintiffs seek pre-judgment interest at a rate commensurate with the actual rate of interest in the marketplace or, alternatively, the statutory rate of interest because of the delay in receiving the damages and also to avoid unjust enrichment to the Defendants. Plaintiffs also seek post judgment interest at the maximum rate allowed by law.

VI. JURY TRIAL REQUESTED

72. A jury trial is demanded on all issues.

WHEREFORE, premises considered, Plaintiffs respectfully request that all Defendants be cited to appear and answer this Amended Petition and that, on final hearing, Plaintiffs have and recover judgment against Defendants, jointly and severally, as follows:


- a. All general, special, incidental and consequential damages to which Plaintiffs may be entitled pursuant to this Petition or any amendment(s) thereto, including but not limited to lost revenues, profits, earnings, earnings opportunities, property rights, and all other actual damages;
- b. Compensatory damages for damage to business reputations, compensatory and consequential damages, attorneys fees and litigation costs, and out of pocket expenses;
- c. Injunctive relief, both temporary and permanent, as necessary to ensure that Defendants comply with the law and to prevent irreparable harm to Plaintiffs;

- d. Declaratory judgment relief as set forth herein;
- e. Punitive damages in amounts as allowed under Texas law;
- f. Prejudgment interest at the highest rate permitted by law;
- g. Post judgment interest at the highest rate permitted by law from the date of judgment until paid;
- h. Costs of Court; and

all such other and further relief, at law or in equity, to which Plaintiffs may be justly entitled whether by this amended Petition or by any amendment hereto and which this Court deems proper.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on all counsel of record in compliance with the Texas Rules of Civil Procedure on July 12, 2010 as follows:

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