UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW SEARCHLAND

JONAS GRUMBY, On Behalf of Himself and All Others Similarly Situated, Plaintiff, v. VOLTERON CORP. and JANE DOE and JOHN DOE, in their individual capacities as officers of Volteron Corp., Defendants.	Civ. No. CLASS ACTION **COMPLAINT** DEMAND FOR JURY TRIAL

Plaintiff, Jonas Grumby, individually and on behalf of all other persons and entities similarly situated, by his undersigned attorneys, alleges upon personal knowledge as to himself and his own acts, and upon information and belief as to all other matters, based upon, *inter alia*, the investigation made by and through his attorneys, which investigation included, among other things, a review of public documents, Securities and Exchange commission ("SEC") filings, analyst reports, news releases and media reports concerning Volteron Corporation ("Volteron" or the "Company") as follows:

NATURE OF THE ACTION

1. This is a securities fraud class action on behalf of purchasers of the common stock of Volteron Corp. ("Volteron") between June 1, 1999 and December 2, 2001 ("The Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

JURISDICTION AND VENUE

2. The claims alleged herein arise under Sections 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t, and Rule 10b-5, 17 C.F.R. § 240.10b-5 promulgated thereunder.

3. The jurisdiction of this Court is based on Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1331 (federal question jurisdiction).

4. Venue is proper in this judicial district pursuant to Section 27 of the Exchange Act. Many of the acts and transactions giving rise to the violations of law complained of herein occurred in this judicial district. The Company is incorporated and maintains its principal place of business in New Searchland.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

6. Plaintiff, Jonas Grumby, as set forth in the accompanying certification, incorporated by reference herein, purchased the common stock of Volteron at artificially inflated prices during the Class Period and has been damaged thereby. Plaintiff is a citizen of New Searchland.

7. Defendant Volteron is a New Searchland corporation and maintains its principal executive offices in New Searchland. Volteron produces electric energy and natural gas.

8. Defendant John Doe was Chief Financial Officer (the "CFO") of Volteron at all relevant times. The CFO participated in making the false and misleading statements and/or omissions referenced herein.

9. Defendant Jane Doe was the Chief Executive Officer (the "CEO") of Volteron at all relevant times. The CEO participated in making the false and misleading statements and/or omissions referenced herein.

10. Collectively, the defendants identified in paragraphs 8 and 9 are referred to as the "Individual Defendants." The Individual Defendants, through their positions as senior officers of Volteron, had responsibility for the management of Volteron's business and operations.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

11. Plaintiff brings this action as a class action pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(3) on behalf of himself and all persons and entities other than defendants who purchased or otherwise acquired the securities of Volteron between June 1, 1999, and December 2, 2001, inclusive (the "Class"). Excluded from the Class are defendants herein, members of the immediate family of each of the defendants, any person, firm, trust, corporation, officer, director or other individual or entity in which any defendant has a controlling interest or which is related to or affiliated with any of the defendants, and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party.

12. The members of the Class are so numerous that joinder of all members is impracticable. As of June 21, 2001, Volteron had more than 300 million shares outstanding. The precise number of Class members is unknown to plaintiff at this time but is believed to be in the thousands. In addition, the names and addresses of the Class members can be ascertained from the books and records of Volteron. Notice can be provided to such record owners by a combination of published notice and first-class mail, using techniques and a form of notice similar to those customarily used in class actions arising under the federal securities laws.

13. The members of the Class are located in geographically diverse areas and are so numerous that joinder of all members is impractical. While the exact number of Class members is unknown to the plaintiff at this time, and can only be ascertained through appropriate discovery, plaintiff believes there are, at a minimum, thousands of members of the Class.

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

(a) Whether defendants engaged in acts or conduct in violation of the securities laws as alleged herein;

(b) Whether defendants had a duty to disclose certain information;

(c) Whether defendants knowingly or recklessly made materially false and misleading statements and/or omissions or failed to correct such statements and/or omissions upon learning that they were materially false and misleading during the Class Period;

(d) Whether the market price of the Company's securities during the Class Period was artificially inflated because of defendants' conduct complained of herein; and

(e) Whether members of the Class have sustained damages and, if so, the proper measure of damages.

15. Plaintiff's claims are typical of the claims of the members of the Class because plaintiff and members of the Class sustained damages arising out of defendants' wrongful conduct in violation of federal law as complained of herein.

16. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

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

SUBSTANTIVE ALLEGATIONS

18. On April 2, 2001, the Company released its annual report on Form 10-K, containing information concerning Volteron's financial position as of December 31, 2000. The 10-K included a certification pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, signed by both John Doe and Jane Doe, stating that the financial report included in the 10-K "does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by [the] report," and that "the financial statements, and other financial information included in [the] report, fairly present in all material respects the financial conditions, results of operations and cash flows of [Volteron] as of, and for the periods represented in [the] report."

19. During a conference call with financial analysts held on April 17, 2001, when the CEO was asked a question about an ambiguous item on Volteron's balance sheet, the CEO responded that the inquirer "[did not] need to worry because [Volteron's] compliance department is the best in the industry," and that "the only thing lacking in our accounting practices is error."

20. By late April 2001, an anonymous whistleblower came forward and made a number of allegations of wrongdoing by Volteron, which were printed in an article appearing in the Wall Street Journal.

21. As a result of the article in the Wall Street Journal, several criminal and regulatory investigations ensued, revealing that, unbeknownst to shareholders at the time of the release of the 10-K on April 2, 2001, and the public statements made by John Doe on behalf of Volteron on April 17, 2001, defendants had failed to disclose the following facts which were known or should have been known at the time the misrepresentations and omissions were made:

a. A special purpose entity ("SPE") called RND7 was created by Volteron employees in late 1999, as a vehicle to hide Volteron's liabilities, so the Company could report strong earnings in its 1999 year-end financial report. RND7 participated in a wide variety of investments and convoluted financial transactions designed to deceive Volteron's investors and to enrich defendants;

b. Various improper accounting manipulations affected many aspects of Volteron's reported financial condition, as they falsely inflated Volteron's revenues, earnings, assets, and equity, and concealed billions of dollars in debt that should have been shown on Volteron's balance sheet;

c. The accounting techniques improperly used by Volteron included, but were not limited to, (i) engaging in structured commodity transactions known as "prepay transactions" and (ii) engaging in transactions that Volteron characterized as compliant with FAS 140 (or its predecessor FAS 125);

d. By mid-to-late April 2001, as more and more revelations came to light about the true financial condition of the Company, Volteron executives undertook massive efforts to destroy documents and evidence relating to RND7 and Volteron's improper accounting practices. For example, for a period of several days, Volteron employees worked nonstop in Volteron's New Searchland headquarters to shred hard-copy documents. Moreover, electronic data was deliberately deleted as part of the massive evidence destruction effort;

e. Volteron knowingly and intentionally filed energy schedules and bids that misrepresented the amount and geographic location of the load they intended to serve. Volteron did so for the purpose of increasing the appearance of congestion on transmission lines in order to increase the market price for congestion fees for transmission between zones and to earn congestion payments that otherwise would not have been available. This manipulation produced market prices that were not the result of true competitive conditions and therefore did not produce just and reasonable prices in the energy market; and

f. Finally, it was disclosed that hundreds of Volteron employees had participated in a company-wide internet fantasy football league and National Football League gambling ring. As a result of Volteron's involvement in this unlawful gambling ring, a group of employees who had lost thousands of dollars participating in illegal gambling activities brought a class action lawsuit against Volteron. The fines, penalties and other liability likely to accrue as a result of

criminal, regulatory, and civil actions in connection with this misconduct should have been recorded in Volteron's litigation reserve, as required under Generally Accepted Accounting Principles (GAAP). Furthermore, Volteron should have disclosed this liability in its financial statements but knowingly and intentionally chose not to do so. Volteron's failure to disclose this information artificially and materially inflated Volteron's stock price during the Class Period, such that when the news of the gambling ring was ultimately leaked to the general public, Volteron's reputation was irreparably harmed, which further contributed to its collapse.

22. The revelation of the aforementioned facts severely damaged Volteron's reputation, leading to its downfall and eventual bankruptcy filing on December 2, 2001.

23. At the time of Volteron's bankruptcy, the Class Members held and continued to hold Volteron common stock purchased during the Class Period.

24. When Volteron collapsed and filed for bankruptcy protection on December 2, 2001, Plaintiffs suffered substantial losses. The equities held by Plaintiffs became worthless and the debt securities held by Plaintiffs were worth pennies on the dollar.

Fraud on the Market Presumption

25. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

(a) Defendants made misrepresentations or failed to disclose material facts regarding Volteron's financial situation during the Class Period;

(b) the misrepresentations or omissions were material;

(c) the securities of the Company were actively traded at all relevant times on the New Searchland Stock Exchange ("NSSE"), an efficient and open market;

(d) the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and

(e) Plaintiff and the members of the Class, without knowledge of the misrepresented or omitted facts, purchased their Volteron securities between the time defendants misrepresented and/or failed to disclose material facts and the time the truth was disclosed.

26. Volteron trades on the NSSE. The price of Volteron's stock reflects the effect of news disseminated in the market.

27. Based upon the foregoing, plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

The Safe Harbor Provision is Inapplicable

28. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward-looking, they were not adequately identified as "forward-looking statements" when made, and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor is intended to apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-

looking statements was made, the defendants had actual knowledge that the particular forward-looking statement was materially false or misleading.

CAUSES OF ACTION

COUNT 1
For Violation of
Sections 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder

29. Plaintiff incorporates by reference and realleges each allegation above as if fully set forth herein.

30. During the Class Period, defendants engaged in a plan, scheme and course of conduct, pursuant to which they knowingly and/or recklessly engaged in acts, transactions, practices, and a course of business which operated as a fraud upon plaintiff and other members of the Class, made various untrue and deceptive statements of material fact, and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to plaintiff and other Class members. The purpose and effect of this scheme was to induce plaintiff and other members of the Class to purchase Volteron common stock at artificially inflated prices.

31. During the Class Period, defendants, pursuant to their plan, scheme and unlawful course of conduct, knowingly and/or recklessly issued, or caused to be issued, misleading and/or false statements and/or omissions to the investing public, including Plaintiff and other Class members, as described above.

32. As high-level executives of Volteron during the Class Period and as members of the Company's management team, the Individual Defendants' primary liability and controlling liability arises from the fact that The Individual Defendants (i) had access to the nonpublic

information detailed above and was aware of the company's dissemination of information to the investing public, which he knew or recklessly disregarded was materially false and misleading; (ii) was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; and (iii) enjoyed significant personal contact and familiarity with other members of the company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times.

33. Throughout the Class Period, Volteron acted through The Individual Defendants, whom it portrayed and represented to the press and public as its valid representative. The willfulness, motive, knowledge, and recklessness of The Individual Defendants are therefore imputed to Volteron, which is primarily responsible for The Individual Defendants' violations of the securities laws, as he was acting in his official capacity as a company representative, or, in the alternative, which is liable for The Individual Defendants' acts under the doctrine of *respondeat superior*.

34. Defendants knew or recklessly disregarded the fact that the above acts and practices, misleading statements and omissions would adversely affect the integrity of the market in Volteron common stock. Had the adverse facts defendants concealed been properly disclosed, Volteron's shares would not have sold at the artificially inflated prices at which they were sold during the Class Period.

35. Having been lied to and mislead by defendants, plaintiff and other members of the Class relied, to their detriment, on the integrity of the market as to the price of Volteron common stock.

36. Had plaintiff and other members of the Class known of the true operating and financial results of Volteron, which, due to the actions of defendants were not disclosed, plaintiff and the Class would not have purchased or otherwise acquired their Volteron common stock during the Class Period or, if they had acquired Volteron common stock during the Class Period, they would not have done so at the artificially inflated prices at which they purchased their stock during the Class Period. Therefore, plaintiff and other members of the Class were damaged by defendants' violations of Section 10(b) and Rule 10b-5.

37. The price of Volteron common stock declined materially upon public disclosure of the true facts which had been misrepresented or concealed, as alleged in this Complaint. Plaintiff and other members of the Class have suffered substantial damages as a result of this decline and the wrongs alleged herein.

38. By reason of the foregoing, defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

COUNT 2
For Violation of
Section 20(a) of the Exchange Act

39. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

40. The Individual Defendants acted as controlling persons of Volteron within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of his high-level positions, and his ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the company with the SEC and disseminated to the investing public, The Individual Defendants had the

power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which plaintiffs contend are false and misleading. The Individual Defendants was provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

41. In particular, The Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

42. As set forth above, Volteron violated Section 10(b) and Rule 10b-5 by its acts and omissions as alleged in this Complaint. By virtue of his position as a controlling person, The Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

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

A. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiffs counsel as Lead Counsel;

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

C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: New Searchland, New Searchland
June 18, 2009

PLAINTIFF'S REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to Rule 34 of the Federal Rules of Civil Procedure, plaintiffs Jonas Grumby, et al., request that defendants Volteron Corp., Jane Doe, and John Doe produce all responsive documents requested herein at the office of undersigned counsel as soon as practicable.

INSTRUCTIONS

1. These requests require the production of all responsive documents within the sole or joint possession, custody or control of the Defendants, including their agents, departments, attorneys, directors, officers, employees, consultants, investigators, insurance companies, or other persons subject to Defendants' custody or control.

2. All documents that respond, in whole or in part, to any portion of these Requests must be produced in their entirety, including all attachments and enclosures.

3. For purposes of these requests, the words used are considered to have, and should be understood to have, their ordinary, everyday meanings. Plaintiffs refer Defendants to any dictionary in the event Defendants asserts that the wording of a request is vague, ambiguous, unintelligible, or confusing.

DEFINITIONS

4. The words "and," "or," "each," "any," "all," "refer," and "discuss," shall be construed in their broadest form and the singular shall include the plural and the plural shall include the singular whenever necessary so as to bring within the scope of these Requests all documents (defined below) that might otherwise be construed to be outside their scope.

5. "Person" or "individual" means natural persons, corporations, firms, partnerships, unincorporated associations, trusts, and any other legal entity.

6. The term "plans" means tentative and preliminary proposals, recommendations, or considerations, whether or not finalized or authorized, as well as those that have been adopted.

7. The term "relating to" means in whole or in part constituting, containing, concerning, discussing, describing, analyzing, identifying or stating.

8. Solely for the purpose of the TREC 2009 Legal Track, the term "defendant" includes the named company above as well as all other companies or persons whose records are found in the TREC Legal Track Enron Test Collection.

9. Solely for the purpose of the TREC 2009 Legal Track, "document" means all data, information or writings stored in the TREC Legal Track Enron Test Collection, including without

limitation: any written, electronic or computerized files, data or software; memoranda; emails; correspondence; OCR scanned images; voice mail or voice recordings; communications; reports; summaries; studies; analyses; evaluations; notes or notebooks; indices; spreadsheets; logs; books; pamphlets; binders; calendar or diary entries; ledger entries; press clippings; graphs; tables; charts; printouts; drawings; maps; meeting minutes; transcripts. The term "document" encompasses all metadata associated with the document. The term also includes all drafts associated with any particular document.

10. Solely for the purpose of the TREC 2009 Legal Track, the term "Prepay Transactions" refers to transactions in which the Company: (i) delivers (or pays the financial equivalent of) a commodity in the future, in exchange for a single prepayment from a conduit entity or other counterparty; (ii) repays the prepayment over time, with a fixed amount of interest, through a prepaid forward contract or swap; and (iii) receives the precise amounts of commodities (or the financial equivalent) it contracted to deliver.

FIRST SET OF REQUESTS FOR PRODUCTION:

Plaintiffs request that Defendants produce all responsive documents on the following topics.

201. All documents or communications that describe, discuss, refer to, report on, or relate to the Company's engagement in structured commodity transactions known as "prepay transactions."

202. All documents or communications that describe, discuss, refer to, report on, or relate to the Company's engagement in transactions that the Company characterized as compliant with FAS 140 (or its predecessor FAS 125).

203. All documents or communications that describe, discuss, refer to, report on, or relate to whether the Company had met, or could, would, or might meet its financial forecasts, models, projections, or plans at any time after January 1, 1999.

204. All documents or communications that describe, discuss, refer to, report on, or relate to any intentions, plans, efforts, or activities involving the alteration, destruction, retention, lack of retention, deletion, or shredding of documents or other evidence, whether in hard-copy or electronic form.

205. All documents or communications that describe, discuss, refer to, report on, or relate to energy schedules and bids, including but not limited to, estimates, forecasts, descriptions, characterizations, analyses, evaluations, projections, plans, and reports on the volume(s) or geographic location(s) of energy loads.

206. All documents or communications that describe, discuss, refer to, report on, or relate to any discussion(s), communication(s), or contact(s) with financial analyst(s), or with the firm(s)

that employ them, regarding (i) the Company's financial condition, (ii) analysts' coverage of the Company and/or its financial condition, (iii) analysts' rating of the Company's stock, or (iv) the impact of an analyst's coverage of the Company on the business relationship between the Company and the firm that employs the analyst.

207. All documents or communications that describe, discuss, refer to, report on, or relate to fantasy football, gambling on football, and related activities, including but not limited to, football teams, football players, football games, football statistics, and football performance.

Important procedural note specific to Topic 207: solely for the purpose of the TREC 2009 Legal Track, any participant who chooses to submit results for Topic 207 must also submit results for at least one of the other topics (201-206) featured in the 2009 Interactive Task.