

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

**T. BOONE PICKENS,**

**Plaintiff,**

**VS.**

**WILLIAM E. FRANKE,  
RUTH A. FRANKE,  
W.E.F. FAMILY LIMITED PARTNERSHIP,  
GOLDEN ASIA CAPITAL, LLC,  
JOHN W. SHIPLEY,  
DAVID W. WEYGANDT,  
QUANG HIEN NGO, and  
GANNON HOMES, LLC,**

## Defendants.



**Civil Action No.**\_\_\_\_\_

## JURY DEMANDED

## PLAINTIFF'S ORIGINAL COMPLAINT

Plaintiff T. Boone Pickens (“Plaintiff”), a Texas resident, files this, his Original Complaint against Defendants William E. Franke, a Virginia resident, Ruth A. Franke, a Virginia resident, W.E.F. Family Limited Partnership, a Missouri limited partnership, Golden Asia Capital, LLC, a Missouri limited liability company, John W. Shipley, a Missouri resident, David W. Weygandt, an Illinois resident, Quang Hien Ngo, a French citizen residing in Vietnam, and Gannon Homes, LLC, a Missouri limited liability company.

**I.**

**PRELIMINARY STATEMENT**

T. Boone Pickens holds an unpaid, multi-million dollar judgment against William E. Franke, as well several garnishments and turnover orders against some of his various entities. For the last few years, Franke has furiously engaged in a series of transactions to avoid paying his judgment. He claims, without a hint of coherence, that these transactions are for “tax reasons.” For a man with a modest income and double digit million dollar loss carry forwards, this is specious at best. Instead, these transactions are all about hiding assets. In the process, he has been enabled by some of his employees and a spouse who knowingly and willingly take part in his schemes. Through this action, T. Boone Pickens seeks to recover fraudulent conveyances from Franke, his co-conspirators, and some of his controlled entities.

**II.**

**PARTIES**

1. Plaintiff is a resident of the State of Texas.
2. Defendant William E. Franke (“Franke”) is a resident of the Commonwealth of Virginia, and he resides within this district. The last four digits of his social security number are 6917; he carries Virginia driver’s license with the last four digits of 3235. He may be served with process at his residence, 6533 Sunny Hill Ct., McLean, Virginia 22101-1640.
3. Defendant Ruth A. Franke (“Ruth Franke”) is a resident of the Commonwealth of Virginia, and she resides within this district. She is married to Defendant William E. Franke. The last four digits of her social security number are 2670; she carries a Virginia driver’s license with the last four digits of 2328. She may be served with process at her residence, 6533 Sunny Hill Ct., McLean, Virginia 22101-1640.

4. Defendant W.E.F. Family Limited Partnership (“W.E.F. FLP”) is a Missouri limited partnership with its principal place of business in St. Louis, Missouri. None of its partners are Texas residents. It is controlled by Franke. It may be served with process through its registered agent, Michael E. Kohn, at his law office at 8251 Maryland Avenue, Suite 108, St. Louis, MO 63105.

5. Defendant John W. Shipley is a resident of Missouri. He may be served with process his residence at 841 Dunbarton Drive, Weldon Springs, Missouri 63304-1082.

6. Defendant David W. Weygandt is a resident of Illinois. He may be served with process at his residence at 3015 Croatia Drive, Columbia, Illinois 62236-4174.

7. Defendant Quang Hien Ngo is a French citizen residing in Vietnam. He carries a French Passport with the number 14DC20898. He may be served with process at Suite #3A2C -4-7, Garden Court 1, Tam Phong Ward, District 7, HCMC, Vietnam.

8. Defendant Gannon Homes, LLC (“Gannon Homes”) is a Missouri limited liability company with its principal place of business in St. Louis, Missouri. None of its members are Texas residents. It is controlled by Franke. It may be served with process through its registered agent, John W. Shipley, at his residence at 841 Dunbarton Drive, Weldon Springs, Missouri 63304-1082.

9. Non-party Allied Chance Investments Ltd. (“Allied Chance”) is a Hong Kong company. It may be served with a copy of this Complaint through its registered agent, Hill Dickinson Hong Kong, 3205 Tower Two, Lippo Centre, 89 Queensway, Hong Kong, China.

10. Non-party Nice Meadow Ltd. (“Nice Meadow”) is a Hong Kong company. It may be served with a copy this Complaint through its registered agent, Hill Dickinson Hong Kong, 3205 Tower Two, Lippo Centre, 89 Queensway, Hong Kong, China.

**III.**

**JURISDICTION & VENUE**

11. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. § 1332(a)(3).
12. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b)(1) & (2).

**IV.**

**FACTS APPLICABLE TO ALL COUNTS**

**A. Pickens' Judgment Against Franke**

13. On October 23, 2013, Plaintiff obtained a judgment against Franke in the amount of more than \$3,100,000.00 in the 101st Judicial District Court of Dallas County, Texas. A true, correct, and complete copy of the Judgment is attached as **Exhibit "A."**

14. The Judgment accrues interest at 18% by its plain terms.
15. The Judgment is presently over \$4,500,000.00.
16. The Judgment remains due, owing and unsatisfied.
17. Franke has never voluntarily paid a dime to Plaintiff in satisfaction of the Judgment.

**B. Defendants' Relationships**

18. At all times relevant to this litigation, Franke was an agent, officer, director, shareholder, member, partner, limited partner or otherwise a control person of W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes. As such, Franke directly participated in and/or was at least aware of all operations and transactions of W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes. Moreover, Franke was aware that he owed Plaintiff significant sums.

19. Franke's knowledge is imputed to W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes.

20. At all times relevant to this litigation, Franke (a) retained an interest in all of the transferred property; (b) encumbered assets through intra-family transfers; (c) was being pursued by Plaintiff at the time of each and every transfer; (d) consummated a series of transactions that lacked consideration, or if it had any, the consideration was grossly inadequate for the conveyance; and (e) retained possession and/or control of the property after the alleged transfer.

21. At all times relevant to this litigation, Franke controlled the finances of W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes, including but not limited to decision making authority as to issuance of payments and which bills were paid. Franke had the ability to write checks and/or direct payments on behalf of W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes.

22. Throughout the last three years of Plaintiff's collection efforts, Franke has been evasive at best and consistently deceitful. Upon information and belief, Franke has historically (and fraudulently) backdated documents in his dispute with Plaintiff. Specifically, Franke has backdated at least: (a) Assignment and Sale of Judgment allegedly signed April of 2013 from Franke to his mother; (b) Assignment of interest allegedly dated April 2010 from Franke to, *inter alia*, Ruth Franke; and (c) Promissory Note between one of his entities and an entity that Plaintiff foreclosed upon, allegedly signed in August of 2009, here from Gannon Technology Group, LLC to Gannon International, Ltd.

23. Ruth Franke is Franke's wife. At all times relevant to this litigation, Ruth Franke was an agent, officer, director, shareholder, member, partner, limited partner or otherwise a control person of W.E.F. FLP and Gannon Homes. As such, Ruth Franke directly participated in and/or was at least aware of all operations and transactions of W.E.F. FLP and Gannon Homes. Moreover, Ruth Franke was aware that Franke owed Plaintiff significant sums of money.

24. Shipley, Weygandt, and Ngo are agents, officers, directors, shareholders, members, partners, limited partners or otherwise among some of the control persons of W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes. As such, Shipley, Weygandt, and Ngo directly participated in and/or were instrumentalities of operations and transactions of W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, and Gannon Homes. The purpose of those transactions was to avoid Plaintiff's judgment against Franke and benefit Franke and Ruth Franke. Moreover, Shipley, Weygandt, and Ngo were aware that Franke owed Plaintiff significant sums of money.

25. Shipley, Weygandt, and Ngo, each travelled to this District in furtherance of their actions with and for Franke, each accepted and maintained employment by and with Franke, each communicated regularly with Franke, and each does what Franke tells them to do with respect to W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, Gannon Homes and other Franke entities (*i.e.*, Gannon Joint Venture, L.P., The Gannon Equities Company, and W.E.F. 7700, L.P., *etc.*). In their respective roles, Shipley, Weygandt, and Ngo each facilitated transactions with Franke as well as Ruth Franke and their controlled entities (*i.e.*, W.E.F. FLP, Allied Chance, Nice Meadow, Golden Asia, Gannon Homes, Gannon Joint Venture, L.P., The Gannon Equities Company, and W.E.F. 7700, L.P., *etc.*) in this District.

**C. The Allied Chance / Nice Meadow Transactions**

26. Franke personally owned 6644 of the outstanding 10,000 shares of Allied Chance in early 2017 which comprised controlling interest in the company.

27. In early 2017, Allied Chance owned 100% of Nice Meadow.

28. Nice Meadow owns or owned real property interests in Vietnam.

29. On February 16, 2017, Plaintiff secured a turnover order of Franke's shares on Allied Chance in Texas state court.

30. Allegedly, on February 9, 2017, Franke transferred 100% of his interest in Allied Chance to W.E.F. FLP. This transfer and its embodying document(s) was, upon information and belief, backdated to avoid a turnover order from Plaintiff.

31. Allied Chance, for its part, transferred its ownership of Nice Meadow to Golden Asia also allegedly on February 9, 2017. This transfer and its embodying document(s) was, upon information and belief, backdated.

32. Both of these transactions were without consideration or, alternatively, were made for grossly inadequate consideration and were done to avoid Plaintiff's efforts at collecting his judgment against Franke.

33. Franke, Ruth Franke, Shipley, Weygandt, and Ngo personally participated in the Allied Chance / Nice Meadow conveyances.

**D. "Starting Over" – Franke continues to steal through Gannon Homes**

34. Prior to the summer of 2014, Plaintiff had secured charging orders against four of Franke's entities: (i) Gannon Joint Venture, L.P. (in Texas state court); (ii) The Gannon Equities Company (in Texas state court); (iii) W.E.F. FLP (in Missouri state court); and (iv) W.E.F. 7700, L.P. (in Missouri state court). Two of these entities, Gannon Joint Venture, L.P. and W.E.F. 7700, L.P. were to receive proceeds from the sale of an apartment complex in St. Louis.

35. Instead, those proceeds were sent to Gannon Homes in avoidance of existing charging orders.

36. Franke has stated that the purpose of Gannon Homes was to rebuild his real estate business. To date, Gannon Homes has bought no real estate and has no assets other than cash. Instead, Franke and Ruth Franke control Gannon Homes as their own personal reservoir of funds.

37. Franke, Ruth Franke, Shipley and Weygandt personally participated in the Gannon Homes conveyances.

**V.**

**CAUSES OF ACTION**

**A. COUNT ONE: FRAUDULENT CONVEYANCE**

38. Plaintiff incorporates the provisions of the above paragraphs.

39. With knowledge of Franke's insolvency, Defendants fraudulently transferred funds and other assets of Allied Chance, Nice Meadow, and Gannon Homes, to the Defendants, to third parties for the benefit of Defendants, and other affiliated entities, insiders, and preferred creditors other than Plaintiff as set forth in detail above.

40. Franke also engaged in these transaction with the intent to delay, hinder or defraud Plaintiff's collection efforts.

41. In connection with the transfers made to Defendants, the possession and control of the funds transferred remained within the same control group.

42. The transfers to Defendants, or for their benefit, were made with actual intent to hinder, delay, and defraud Plaintiff. Specifically, (a) these payments were made to insiders and affiliates, including Defendants, or for their benefit; and (b) the transfers were of substantially all of the available assets of Allied Chance and Nice Meadow.

43. Alternatively, such transfers to Defendants or for their benefit were made without receiving a reasonably equivalent value in exchange for the transfers.

44. The transfers to Defendants, or for their benefit, were concealed from Plaintiff, and conducted during and after Plaintiff's efforts to collect on the amounts due from Franke, Gannon Joint Venture, L.P., The Gannon Equities Company, W.E.F. FLP, and W.E.F. 7700, L.P.



45. As a result of the improper conveyances, Franke has removed and concealed assets for his benefit.

46. Neither Franke nor W.E.F. FLP nor Golden Asia nor Gannon Homes nor Ruth Franke provided reasonable equivalent value(s) in return for the transfers.

47. Franke, Ruth Franke, Shipley, Weygandt and Ngo failed to ensure that Allied Chance, Nice Meadow, Gannon Homes, Gannon Joint Venture, L.P. and W.E.F. 7700, L.P. received reasonably equivalent value for the conveyances.

48. Pursuant to Virginia Code § 55-80, Plaintiff seeks to set aside any fraudulent conveyances by and among Defendants after December 23, 2009.

49. Pursuant to Virginia Code § 55-81, Plaintiff seeks to set aside any transfers to Ruth Franke after December 23, 2009 as fraudulent conveyances.

50. Pursuant to Virginia Code § 55-82.2, Plaintiff seeks all remedies available under this code section including judicially ordered sale in favor of Plaintiff.

**B. COUNT TWO: ATTORNEYS' FEES & COSTS**

51. Plaintiff incorporates the provisions of the above paragraphs.

52. Pursuant to Virginia Code § 55-82.1, Plaintiff seeks his attorneys' fees against all Defendants.

53. Plaintiff seeks his costs against all Defendants.

**C. COUNT THREE: CONSTRUCTIVE TRUST**

54. Plaintiff incorporates the provisions of the above paragraphs.

55. In the alternative, Plaintiff asserts this claim for constructive trust against all Defendants.

56. By failing to provide adequate consideration for the conveyances described above, Defendants improperly benefited.

57. As a direct and proximate result of this unjust enrichment, Defendants have and will continue to benefit from more than two million dollars.

58. A constructive trust is necessary to avoid the unjust enrichment of the Defendants and arises independently of the intention of the parties, by construction of law, and should be fastened upon the party or entity that has the legal estate, in order to prevent what otherwise would be a fraud upon Plaintiff.

59. Allowing Defendants to keep and otherwise enjoy the conveyances described above without providing reasonably equivalent value for the transfers amounts to a fraud and is inequitable as a matter of law.

60. It is necessary that a constructive trust be imposed on any assets in Gannon Homes, W.E.F. FLP, and/or Golden Asia to prevent a failure of justice.

**D. COUNT FOUR: AIDING AND ABETTING**

61. Plaintiff incorporates the provisions of the above paragraphs.

62. In the alternative, Plaintiff, with respect to each claim of fraudulent conveyance, asserts that the Defendants had knowledge of the facts and circumstances sufficient to know or have reason to know that Franke's actions, as the primary actor, were unlawful. Defendants had the intent of assisting the primary actor in the unlawful transfers and transactions, including to further their fraudulent schemes. Defendants assisted and encouraged the unlawful transfers and transactions, and such participation was a substantial factor in causing the unlawful transfers and transactions.

63. The unlawful transfers and transactions were highly likely to harm Plaintiff by denuding available funds to satisfy Plaintiff's judgment and did in fact harm Plaintiff's ability to recover.

64. Accordingly, in connection with each claim of fraudulent conveyance, Defendants are likewise liable under aiding and abetting through assisting and encouraging the unlawful transfers and transactions, assisting and participating, conspiracy, and acting in a concert of action.

**E. COUNT FIVE: VICARIOUS LIABILITY**

65. Plaintiff incorporates the provisions of the above paragraphs.

66. As set forth in detail above, Defendants: (a) used the entity forms to perpetrate a fraud; (b) organized and operated the Defendant entities and operated them as a mere tool or business conduit of the others; (c) used the entity form to evade legal obligations; and (d) were inadequately capitalized.

67. As set forth in detail above, the Defendants caused the Defendant entities to be used for the purpose of perpetrating and did perpetrate an actual fraud on Plaintiff primarily for the direct benefit of the Defendants.

68. Accordingly, each of the Defendants should be held liable for the Judgment, and each of the claims set forth in this Complaint.

**F. COUNT SIX: CIVIL CONSPIRACY**

69. Plaintiff incorporates the provisions of the above paragraphs.

70. Defendants formed a combination of two or more persons for an unlawful or improper objective.

71. As an objective, Franke has debts, including Plaintiff's, that he improperly wants to avoid.

72. As an objective, Ruth Franke wants to avoid her husband's debts, including Plaintiff's.

73. Defendants had a meeting of minds on the course of action in trying to change the character of ownership in Allied Chance, Nice Meadow, Gannon Homes, Gannon Joint Venture, L.P. and W.E.F. 7700, L.P. and perhaps other entities to shield some or all of the asset(s) and/or its sale(s) proceeds from Plaintiff's collection efforts.

74. In furtherance of the objective, Defendants have changed or sought to change the ownership structure of Allied Chance, Nice Meadow, Gannon Homes, Gannon Joint Venture, L.P. and W.E.F. 7700, L.P. and other entities to avoid Plaintiff's collection efforts.

75. In furtherance of the objective, Defendants engaged in the fraudulent conveyances made the subject of Count One.

76. Plaintiff has been damaged as a proximate result.

## **VI.**

### **DISCOVERY RULE**

77. Plaintiff avers that the Discovery Rule is applicable to the facts of this case and suspends accrual and the running of any period of limitations until Plaintiff knew, or in the exercise of reasonable diligence should have known of the wrongful acts of Defendants and the resulting injuries.

78. During the period of limitations, Plaintiff was unaware of Defendants' misconduct and resulting injuries.

79. As necessary, Plaintiff seeks application of the Discovery Rule to toll any and all applicable limitations.

**VII.**

**REQUEST FOR JURY TRIAL**

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff makes his demand for trial by jury on all issues so triable.

**VIII.**

**PRAYER**

Plaintiff requests that the Court award it the following relief against the Defendants above as may be appropriate:

- (1) A Judgment awarding actual, compensatory, damages in the amount of not less \$4,500,000.00;
- (2) A Judgment awarding uncapped exemplary and punitive damages;
- (3) Attorneys' fees and costs of court;
- (4) Pre- and post-judgment interest at the highest legal rate allowed by law from the earliest time allowed by law; and
- (5) All other relief to which Plaintiff is justly entitled.

Respectfully submitted,

/s/ James E. Hannon, Jr.

**ATTORNEYS FOR PLAINTIFF**

James E. Hannon, Jr. (VSB # 79837)  
Williams & Hannon, PLLC  
493 McLaws Circle, Suite 2  
Williamsburg, Virginia 23185  
(757) 345-3600  
jh@WilliamsHannonLaw.com