

I. Party Information

Plaintiff(s)

STEVEN C. JACOBS

Attorney (name/address/phone):

J. Colby Williams, Esq.

Donald J. Campbell, Esq.

700 S. Seventh Street, Las Vegas, Nevada 89101

702-382-5222

Defendant(s)

LAS VEGAS SANDS CORP., a Nevada corporation; SANDS CHINA LTD., a Cayman Islands corporation; DOES I through X; and ROE CORPORATIONS I through X

Attorney (name/address/phone):

II. Nature of Controversy (Please check applicable bold category and applicable subcategory, if appropriate)

Arbitration Requested

Civil Cases

Real Property	Torts	
<input type="checkbox"/> Landlord/Tenant <input type="checkbox"/> Unlawful Detainer <input type="checkbox"/> Title to Property <input type="checkbox"/> Foreclosure <input type="checkbox"/> Liens <input type="checkbox"/> Quiet Title <input type="checkbox"/> Specific Performance <input type="checkbox"/> Condemnation/Eminent Domain <input type="checkbox"/> Other Real Property <input type="checkbox"/> Partition <input type="checkbox"/> Planning/Zoning	<p style="text-align: center;">Negligence</p> <input type="checkbox"/> Negligence – Auto <input type="checkbox"/> Negligence – Medical/Dental <input type="checkbox"/> Negligence – Premises Liability (Slip/Fall) <input type="checkbox"/> Negligence – Other	<input type="checkbox"/> Product Liability <input type="checkbox"/> Product Liability/Motor Vehicle <input type="checkbox"/> Other Torts/Product Liability <input type="checkbox"/> Intentional Misconduct <input type="checkbox"/> Torts/Defamation (Libel/Slander) <input type="checkbox"/> Interfere with Contract Rights <input type="checkbox"/> Employment Torts (Wrongful termination) <input type="checkbox"/> Other Torts <input type="checkbox"/> Anti-trust <input type="checkbox"/> Fraud/Misrepresentation <input type="checkbox"/> Insurance <input type="checkbox"/> Legal Tort <input type="checkbox"/> Unfair Competition
Probate	Other Civil Filing Types	
Estimated Estate Value: _____ <input type="checkbox"/> Summary Administration <input type="checkbox"/> General Administration <input type="checkbox"/> Special Administration <input type="checkbox"/> Set Aside Estates <input type="checkbox"/> Trust/Conservatorships <input type="checkbox"/> Individual Trustee <input type="checkbox"/> Corporate Trustee <input type="checkbox"/> Other Probate	<input type="checkbox"/> Construction Defect <input type="checkbox"/> Chapter 40 <input type="checkbox"/> General <input checked="" type="checkbox"/> Breach of Contract <input type="checkbox"/> Building & Construction <input type="checkbox"/> Insurance Carrier <input type="checkbox"/> Commercial Instrument <input type="checkbox"/> Other Contracts/Acct/Judgment <input type="checkbox"/> Collection of Actions <input checked="" type="checkbox"/> Employment Contract <input type="checkbox"/> Guarantee <input type="checkbox"/> Sale Contract <input type="checkbox"/> Uniform Commercial Code <input type="checkbox"/> Civil Petition for Judicial Review <input type="checkbox"/> Foreclosure Mediation <input type="checkbox"/> Other Administrative Law <input type="checkbox"/> Department of Motor Vehicles <input type="checkbox"/> Worker's Compensation Appeal	<input type="checkbox"/> Appeal from Lower Court (also check applicable civil case box) <input type="checkbox"/> Transfer from Justice Court <input type="checkbox"/> Justice Court Civil Appeal <input type="checkbox"/> Civil Writ <input type="checkbox"/> Other Special Proceeding <input type="checkbox"/> Other Civil Filing <input type="checkbox"/> Compromise of Minor's Claim <input type="checkbox"/> Conversion of Property <input type="checkbox"/> Damage to Property <input type="checkbox"/> Employment Security <input type="checkbox"/> Enforcement of Judgment <input type="checkbox"/> Foreign Judgment – Civil <input type="checkbox"/> Other Personal Property <input type="checkbox"/> Recovery of Property <input type="checkbox"/> Stockholder Suit <input type="checkbox"/> Other Civil Matters

III. Business Court Requested (Please check applicable category; for Clark or Washoe Counties only.)

- | | | |
|---|--|---|
| <input type="checkbox"/> NRS Chapters 78-88 | <input type="checkbox"/> Investments (NRS 104 Art. 8) | <input type="checkbox"/> Enhanced Case Mgmt/Business |
| <input type="checkbox"/> Commodities (NRS 90) | <input type="checkbox"/> Deceptive Trade Practices (NRS 598) | <input type="checkbox"/> Other Business Court Matters |
| <input type="checkbox"/> Securities (NRS 90) | <input type="checkbox"/> Trademarks (NRS 600A) | |

10.26.10

Date

[Handwritten Signature]

Signature of initiating party or representative

See other side for family-related case filings.

CLERK OF THE COURT

1 **COMP**
2 CAMPBELL & WILLIAMS
3 DONALD J. CAMPBELL, ESQ. (#1216)
4 djc@campbellandwilliams.com
5 J. COLBY WILLIAMS, ESQ. (#5549)
6 jcw@campbellandwilliams.com
7 700 South Seventh Street
8 Las Vegas, Nevada 89101
9 Telephone: (702) 382-5222
10 Facsimile: (702) 382-0540

11 *Attorneys for Plaintiff*
12 *Steven C. Jacobs*

13 **DISTRICT COURT**

14 **CLARK COUNTY, NEVADA**

15 **A- 10- 627691- C**

16 STEVEN C. JACOBS,)
17)
18 Plaintiff,)

19 CASE NO.
20 DEPT. NO. **XXV**

21 vs.)

22 **COMPLAINT**

23 LAS VEGAS SANDS CORP., a Nevada)
24 corporation; SANDS CHINA LTD., a Cayman)
25 Islands corporation; DOES I through X; and)
26 ROE CORPORATIONS I through X,)
27 Defendants.)

28 **Exempt from Arbitration**
Amount in Excess of \$50,000

Plaintiff, for his causes of action against Defendants, alleges and avers as follows:

PARTIES

1. Plaintiff Steven C. Jacobs ("Jacobs") is a citizen of the State of Florida who also maintains a residence in the State of Georgia.

2. Defendant Las Vegas Sands Corp. ("LVSC") is a corporation organized and existing under the laws of the State of Nevada with its principal place of business in Clark County, Nevada.



CAMPBELL & WILLIAMS
ATTORNEYS AT LAW

700 SOUTH SEVENTH STREET
LAS VEGAS, NEVADA 89101
PHONE: 702/382-5222
FAX: 702/382-0540

1 3. Defendant Sands China Ltd. ("Sands China") is a Cayman Islands corporation and
2 a majority-owned subsidiary of LVSC through which the latter engaged in certain of the acts and
3 omissions alleged below. LVSC is the controlling shareholder of Sands China and, thus, has the
4 ability to exercise control over Sands China's business policies and affairs. Sands China, through
5 its subsidiary Venetian Macau, S.A. (also known as Venetian Macau Limited ("VML")), is the
6 holder of a subconcession granted by the Macau government that allows Defendants to conduct
7 gaming operations in Macau.
8

9 4. The true names and capacities, whether individual, corporate, partnership,
10 associate or otherwise of Defendants named herein as DOES I through X, inclusive, and ROE
11 CORPORATIONS I through X, inclusive, and each of them are unknown to Plaintiff at this time,
12 and he therefore sues said Defendants and each of them by such fictitious names. Plaintiff will
13 advise this Court and seek leave to amend this Complaint when the names and capacities of each
14 such Defendants have been ascertained. Plaintiff alleges that each said Defendant herein
15 designated as a DOE or ROE is responsible in some manner for the events and happenings herein
16 referred to as hereinafter alleged.
17
18

19 5. Each Defendant is the agent of the other Defendants such that each Defendant is
20 fully liable and responsible for all the acts and omissions of all of the other Defendants as set
21 forth herein.
22

JURISDICTION AND VENUE

23 6. The Court has personal jurisdiction over the Defendants and the claims set forth
24 herein pursuant to NRS 14.065 on grounds that such jurisdiction is not inconsistent with the
25 Nevada Constitution or United States Constitution.
26

27 7. Venue is proper in this Court pursuant to NRS 13.010 *et seq.* because, among other
28 reasons, LVSC operates its principal place of business in Clark County, Nevada, Sands China

1 engages is a number of systematic and ongoing transactions with LVSC in Nevada, and this
2 action arises out of agreements originating in Clark County, Nevada.

3 **ALLEGATIONS COMMON TO ALL CLAIMS**

4 **Background**

5
6 8. LVSC and its subsidiaries develop and operate large integrated resorts worldwide.
7 The company owns properties in Las Vegas, Nevada, Macau (a Special Administrative Region of
8 China), Singapore, and Bethlehem, Pennsylvania.

9 9. The company's Las Vegas properties consist of The Palazzo Resort Hotel Casino,
10 The Venetian Resort Hotel Casino, and the Sands Expo and Convention Center.

11
12 10. Macau, which is located on the South China Sea approximately 37 miles southwest
13 of Hong Kong and was a Portuguese colony for over 400 years, is the largest and fastest growing
14 gaming market in the world. It is the only market in China to offer legalized gaming. In 2004,
15 LVSC opened the Sands Macau, the first Las Vegas-style casino in Macau. Thereafter, LVSC
16 opened the Venetian Macau and the Four Seasons Macau on the Cotai Strip section of Macau
17 where the company has resumed development of additional casino-resort properties.

18
19 11. Beginning in or about 2008, LVSC's business (as well as that of its competitors in
20 the gaming industry) was severely and adversely impacted by the global economic downturn.
21 LVSC's problems due to the economy in general were exacerbated when the Chinese government
22 imposed visa restrictions limiting the number of permitted visits by Chinese nationals to Macau.
23 Because Chinese nationals make up more than half the patrons of Macau casinos, China's policy
24 significantly reduced the number of visitors to Macau from mainland China, which adversely
25 impacted tourism and the gaming industry in Macau.

26
27 12. As a result of the deteriorating economy, adverse visa developments in Macau,
28 and related issues, LVSC faced increased cash flow needs which, in turn, threatened to trigger a



1 breach of the company's maximum leverage ratio covenant in its U.S. credit facilities. The
2 management of LVSC (which was led at the time by the company's longtime and well-respected
3 President and Chief Operating Officer ("COO"), William Weidner) and the company's Board of
4 Directors (which is led by the company's notoriously bellicose Chief Executive Officer and
5 majority shareholder, Sheldon G. Adelson) engaged in serious disagreements regarding how and
6 when to obtain liquidity in order to avoid a covenant breach. The disagreements were significant
7 enough to force the company to form a special committee to address the serious conflicts between
8 management and Adelson.
9

10
11 13. Because Adelson delayed accessing the capital markets, against Weidner's
12 repeated advice and the advice of LVSC's investment bank, the company was forced to engage in
13 a number of emergency transactions to raise funds in late 2008 and early 2009. These
14 transactions included large investments in the company by Adelson through the purchase of
15 convertible senior notes, preferred shares, and warrants. Additionally, LVSC, which was already
16 publicly traded on the New York Stock Exchange, conducted a further public offering of the
17 company's common stock. Finally, LVSC also took measures to preserve company funds, which
18 included the shelving of various development projects in Las Vegas, Macau, and Pennsylvania.
19

20 14. Despite the efforts of LVSC to stop its financial hemorrhaging, the company's
21 stock plummeted to an all-time low closing price of \$1.41 per share on March 9, 2009. Less than
22 one year earlier, in April 2008, the stock had traded at more than \$80 per share. The all-time low
23 share price coincided with LVSC's public announcement that William Weidner had left the
24 company due to his ongoing disagreements with the mercurial Adelson about the management of
25 the company. Weidner was replaced as President and COO by Michael Leven, a member of
26 LVSC's Board of Directors.
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1 **LVSC Hires Steven Jacobs To Run Its Macau Operations**

2 15. Prior to his elevation to the post of LVSC's President and COO, Mr. Leven had
3 reached out to Plaintiff Steven Jacobs to discuss with him the identification and evaluation of
4 various candidates then being considered for the position by LVSC's Board of Directors. Messrs.
5 Leven and Jacobs had known each other for many years having worked together as executives at
6 U.S. Franchise Systems in the 1990's and in subsequent business ventures thereafter. After
7 several outside candidates were interviewed without reaching an agreement, Leven received an
8 offer from LVSC's board to become the company's President and COO. Leven again reached out
9 to Jacobs to discuss the opportunity and the conditions under which he should accept the position.
10 The conditions included but were not limited to Leven's compensation package and a
11 commitment from Jacobs to join Leven for a period of 90-120 days to "ensure my [Leven's]
12 success."

13
14
15 16. Jacobs travelled to Las Vegas in March 2009 where he met with Leven and
16 Adelson for several days to review the company's Nevada operations. While in Las Vegas, the
17 parties agreed to consulting contract between LVSC and Jacobs' company, Vagus Group, Inc.
18 Jacobs then began working for LVSC restructuring its Las Vegas operations.

19
20 17. Jacobs, Leven, and Adelson subsequently travelled to Macau to conduct a review
21 of LVSC's operations in that location. While in Macau, Leven told Jacobs that he wanted to hire
22 him to run LVSC's Macau operations. Jacobs and Leven returned to Las Vegas after spending
23 approximately a week in Macau. Jacobs then spent the bulk of the next 2-3 weeks working on the
24 Las Vegas restructuring program and also negotiating with Leven regarding the latter's desire to
25 hire him as a full-time executive with the company and the terms upon which Jacobs would agree
26 to do so.



1 18. On May 6, 2009, LVSC, through Leven, announced that Jacobs would become the
2 interim President of Macau Operations. Jacobs was charged with restructuring the financial and
3 operational aspects of the Macau assets. This included, among other things, lowering operating
4 costs, developing and implementing new strategies, building new ties with local and national
5 government officials, and eventually spinning off the Macau assets into a new company to be
6 taken public on the Hong Kong Stock Exchange.
7

8 19. Notwithstanding that Jacobs would be spending the majority of his time in Macau
9 focusing on LVSC's operations in that location, he was also required to perform duties in Las
10 Vegas including, but not limited to, working with LVSC's Las Vegas staff on reducing costs
11 within the company's Las Vegas operations, consulting on staffing and delayed opening issues
12 related to the company's Marina Bay Sands project in Singapore, and participating in meetings of
13 LVSC's Board of Directors.
14

15 20. On June 24, 2009, LVSC awarded Jacobs 75,000 stock options in the company to
16 reward him for his past performance as a LVSC team member and to incentivize him to improve
17 his future performance as well as that of the company. LVSC and Jacobs executed a written
18 Nonqualified Stock Option Agreement memorializing the award, which is governed by Nevada
19 law.
20

21 21. On or about August 4, 2009, Jacobs received a document from LVSC styled
22 "Offer Terms and Conditions" (the "Term Sheet") for the position of "President and CEO
23 Macau[.]" The Term Sheet reflected the terms and conditions of employment that had been
24 negotiated by Leven and Jacobs while Jacobs was in Las Vegas working under the original
25 consulting agreement with LVSC and during his subsequent trips back to Las Vegas. The Term
26 Sheet was signed by Leven on behalf of LVSC on or about August 3, 2009 and faxed to Jacobs in
27 Macau by Pattie Murray, an LVSC executive assistant located in the company's Las Vegas
28



1 offices. Jacobs signed the Term Sheet accepting the offer contained therein and returned a copy
2 to LVSC. LVSC's Compensation Committee approved Jacobs' contract on or about August 6,
3 2009.
4

5 **Jacobs Saves the Titanic**

6 22. The accomplishments for the four quarters over which Jacobs presided created
7 significant value to the shareholders of LVSC. From an operational perspective, Jacobs and his
8 team removed over \$365 million of costs from LVSC's Macau operations, repaired strained
9 relationships with local and national government officials in Macau who would no longer meet
10 with Adelson due to his rude and obstreperous behavior, and refocused operations on core
11 businesses to drive operating margins and profits, thereby achieving the highest EBITDA figures
12 in the history of the company's Macau operations.
13

14 23. During Jacobs' tenure, LVSC launched major new initiatives to expand its reach
15 into the mainland frequent and independent traveler marketplace and became the Macau market
16 share leader in mass and direct VIP table game play. Due in large part to the success of its Macau
17 operations under Jacobs' direction, LVSC was able to raise over \$4 billion dollars from the
18 capital markets, spin off its Macau operations into a new company—Sands China—which
19 became publicly traded on the Hong Kong Stock Exchange in late November 2009, and restart
20 construction on a previously stalled expansion project on the Cotai Strip known as "Parcels 5 and
21 6." Indeed, for the second quarter ending June 2010, net revenue from Macau operations
22 accounted for approximately 65% of LVSC's total net revenue (*i.e.*, \$1.04 billion USD of a total
23 \$1.59 billion USD).
24

25 24. To put matters in perspective, when Jacobs began performing work for the
26 company in March 2009, LVSC shares were trading at just over \$1.70 per share and its market
27
28



1 cap was approximately \$1.1 billion USD. At the time Jacobs left the company in July 2010,
2 LVSC shares were over \$28 per share and the market cap was in excess of \$19 billion USD.

3
4 25. Simply put, Jacobs' performance as the President and Chief Executive Officer of
5 LVSC's Macau operations was nothing short of remarkable. When members of the company's
6 Board of Directors asked Leven in February 2010 to assess Jacobs' 2009 job performance, Leven
7 advised as follows: "*there is no question as to Steve's performance[;] the Titanic hit the*
8 *iceberg[,] he arrived and not only saved the passengers[,] he saved the ship.*" The board
9 awarded Jacobs his full bonus for 2009. Not more than three months later, in May 2010, in
10 recognition of his ongoing contributions and outstanding performance, the board awarded Jacobs
11 an additional 2.5 million stock options in Sands China. The options had an accelerated vesting
12 period of less than two years. Jacobs, however, would be wrongfully terminated in just two
13 months.
14

15 **Jacobs' Conflicts with Adelson**

16 26. Jacobs' performance was all the more remarkable given the repeated and
17 outrageous demands made upon him by Adelson which included, but were not limited to, the
18 following:
19

- 20 a. demands that Jacobs use improper "leverage" against senior
21 government officials of Macau in order to obtain Strata-Title for
the Four Seasons Apartments in Macau;
- 22 b. demands that Jacobs threaten to withhold Sands China business
23 from prominent Chinese banks unless they agreed to use influence
24 with newly-elected senior government officials of Macau in order
to obtain Strata-Title for the Four Seasons Apartments and
25 favorable treatment with regards to labor quotas and table limits;
- 26 c. demands that secret investigations be performed regarding the
27 business and financial affairs of various high-ranking members of
the Macau government so that any negative information obtained
28 could be used to exert "leverage" in order to thwart government
regulations/initiatives viewed as adverse to LVSC's interests;



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- d. demands that Sands China continue to use the legal services of Macau attorney Leonel Alves despite concerns that Mr. Alves' retention posed serious risks under the criminal provisions of the United States code commonly known as the Foreign Corrupt Practices Act ("FCPA"); and
- e. demands that Jacobs refrain from disclosing truthful and material information to the Board of Directors of Sands China so that it could decide if such information relating to material financial events, corporate governance, and corporate independence should be disclosed pursuant to regulations of the Hong Kong Stock Exchange. These issues included, but were not limited to, junkets and triads, government investigations, Leonel Alves and FCPA concerns, development issues concerning Parcels 3, 7 and 8, and the design, delays and cost overruns associated with the development of Parcels 5 and 6.

27. When Jacobs objected to and/or refused to carry out Adelson's illegal demands, Adelson repeatedly threatened to terminate Jacobs' employment. This is particularly true in reference to: (i) Jacobs' refusal to comply with Adelson's edict to terminate Sands China's General Counsel, Luis Melo, and his entire legal department and replace him/it with Leonel Alves and his team; and (ii) Adelson's refusal to allow Jacobs to present to the Sands China board information that the company's development of Parcels 5 and 6 was at least 6 months delayed and more than \$300 million USD over-budget due to Adelson-mandated designs and accoutrements the Sands China management team did not believe would be successful in the local marketplace.

28. Jacobs' ongoing disagreements with Adelson came to a head when they were in Singapore to attend the grand opening of LVSC's Marina Bay Sands in late June 2010. While in Singapore, Jacobs attended several meetings of LVSC executives including Adelson, Leven, Ken Kay (LVSC's Chief Financial Officer), and others. During these meetings, Jacobs disagreed with Adelson's and Leven's desire to expand the ballrooms at Parcels 5 and 6, which would add an incremental cost of approximately \$30 million to a project already significantly over budget when Sands China's existing facilities were already underutilized. In a separate meeting, Jacobs disagreed with Adelson's desire to aggressively grow the junket business within Macau as the



1 margins were low, the decision carried credit risks, and Jacobs was concerned given recent
2 investigations by Reuters and others alleging LVSC involvement with Chinese organized crime
3 groups, known as Triads, connected to the junket business. Following these meetings, Jacobs re-
4 raised the issue about the need to advise the Sands China board of the delays and cost overruns
5 associated with the development of Parcels 5 and 6 in Macau so that a determination could be
6 made of whether the information must be disclosed in compliance with Hong Kong Stock
7 Exchange regulations. Adelson informed Jacobs that he was Chairman of the Board and the
8 controlling shareholder of Sands China and would "do as I please."
9

10 29. Recognizing that he owed a fiduciary duty to all of the company's shareholders,
11 not just Adelson, Jacobs placed the matter relating to the delays and cost overruns associated with
12 Parcels 5 and 6 on the agenda for the upcoming meeting of the Sands China board. Jacobs
13 exchanged multiple e-mails with Adelson's longtime personal assistant, Betty Yurcich, in
14 attempts to obtain Adelson's concurrence with the agenda. Adelson finally relented and allowed
15 the matter to remain on the agenda, but it would come at a price for Jacobs.
16

17 30. On July 23, 2010, Jacobs attended a meeting with Leven and LVSC/Sands China
18 board member, Irwin Siegel, for the ostensible purpose of discussing the upcoming Sands China
19 board meeting. During the meeting, Leven unceremoniously advised Jacobs that he was being
20 terminated effective immediately. When Jacobs asked whether the termination was purportedly
21 "for cause" or not, Leven responded that he was "not sure" but that the severance provisions of
22 the Term Sheet would not be honored. Leven then handed Jacobs a terse letter from Adelson
23 advising him of the termination. The letter was silent on the issue of "cause."
24

25 31. After the meeting with Leven and Siegel, Jacobs was escorted off the property by
26 two members of security in public view of many company employees, resort guests, and casino
27
28



1 patrons. Jacobs was not permitted to return to his office to collect his belongings, but was instead
2 escorted to the border to leave Macau.

3
4 32. Nearly two weeks later and after an unsuccessful effort to dig up any real “dirt” on
5 Jacobs, LVSC sent a second letter to Jacobs on VML letterhead which identified 12 pretextual
6 items that allegedly support a “for cause” termination of his employment. In short, the letter
7 contends that Jacobs exceeded his authority and—in the height of hypocrisy—failed to keep the
8 companies’ Boards of Directors informed of important business decisions. The reality is that
9 none of the 12 items, even assuming *arguendo* that some of them are accurate, constitute “cause”
10 as they simply reflect routine and appropriate actions of a senior executive functioning in the
11 president and chief executive role of a publicly traded company.
12

13 33. Within approximately four weeks of Jacobs’ termination, Sands China went
14 forward with Adelson’s desire to terminate its General Counsel, Luis Melo, and replace him with
15 Leonel Alves despite acknowledged disputes within Sands China regarding Alves’ employment
16 with the company. In or about the same time frame, Sands China publicly announced a material
17 delay in the construction of Parcels 5 and 6 and a cost increase of \$100 million to the project,
18 thereby acknowledging the correctness of Jacobs’ position that such matters must be disclosed.
19

20 **FIRST CAUSE OF ACTION**

21 **(Breach of Contract - LVSC)**

22 34. Plaintiff restates all preceding and subsequent allegations as though fully set forth
23 herein.

24 35. Jacobs and LVSC are parties to various contracts, including the Term Sheet and
25 Nonqualified Stock Option Agreement identified herein.
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27 36. The Term Sheet provides, in part, that Jacobs would have a 3-year employment
28 term, that he would earn an annual salary of \$1.3 million plus a 50% bonus upon attainment of



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certain goals, and that he would receive 500,000 LVSC stock options (in addition to the previously awarded 75,000 LVSC options) to vest in stages over three years.

37. The Term Sheet further provides that in the event Jacobs was terminated "Not For Cause," he would be entitled to one year of severance plus accelerated vesting of all his stock options with a one-year right to exercise the options post-termination.

38. Jacobs has performed all of his obligations under the contracts except where excused.

39. LVSC has breached the Term Sheet agreement by purportedly terminating Jacobs for "cause" when, in reality, the purported bases for Jacobs' termination, as identified in the belatedly-manufactured August 5, 2010 letter, are pretextual and in no way constitute "cause."

40. On September 24, 2010, Jacobs made proper demand upon LVSC to honor his right to exercise the remaining stock options he had been awarded in the company. The closing price of LVSC's stock on September 24, 2010 was \$33.63 per share. At the time of filing the instant action, LVSC's stock was trading at approximately \$38.50 per share. LVSC rejected Jacobs' demand and, thus, further breached the Term Sheet and the stock option agreement by failing to honor the vesting and related provisions contained therein based on the pretext that Jacobs was terminated for "cause."

41. LVSC has wrongfully characterized Jacobs' termination as one for "cause" in an effort to deprive him of contractual benefits to which he is otherwise entitled. As a direct and proximate result of LVSC's wrongful termination of Jacobs' employment and failure to honor the "Not For Cause" severance provisions contained in the Term Sheet, Jacobs has suffered damages in an amount to be proven at trial but in excess of \$10,000.

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SECOND CAUSE OF ACTION

(Breach of Contract – LVSC and Sands China Ltd.)

42. Plaintiff incorporates all preceding and subsequent allegations as though fully set forth herein.

43. On or about May 11, 2010, LVSC caused Sands China to grant 2.5 million Sands China share options to Jacobs. Fifty percent of the options were to vest on January 1, 2011, and the other fifty percent was to vest on January 1, 2012. The grant is memorialized by a written agreement between Jacobs and Sands China.

44. Pursuant to the Term Sheet agreement between Jacobs and LVSC, Jacobs' stock options are subject to an accelerated vest in the event he is terminated "Not for Cause." The Term Sheet further provides Jacobs with a one-year right to exercise the options post-termination.

45. Jacobs has performed all his obligations under the contracts except where excused.

46. On September 24, 2010, Jacobs made proper demand upon LVSC and Sands China to honor his right to exercise the remaining 2.5 million stock options he had been awarded in Sands China. The closing price of Sands China's stock on September 24, 2010 was \$12.86 HKD per share. At the time of filing the instant action, Sands China's stock was trading at approximately \$15.00 per share. LVSC and Sands China rejected Jacobs' demand and, thus, further breached the Term Sheet and the Sands China share grant agreement by characterizing Jacobs' termination as being for "cause" when, in reality, the purported bases for Jacobs' termination, as identified in the belatedly-manufactured August 5, 2010 letter, are pretextual and in no way constitute "cause."

47. LVSC and Sands China have wrongfully characterized Jacobs' termination as one for "cause" in an effort to deprive him of contractual benefits to which he is otherwise entitled.



1 As a direct and proximate result of LVSC's and Sands China's actions, Jacobs has suffered
2 damages in an amount to be proven at trial but in excess of \$10,000.

3
4 **THIRD CAUSE OF ACTION**

5 **(Breach of the Implied Covenant of Good Faith and Fair Dealing - LVSC)**

6 48. Plaintiff incorporates all preceding and subsequent allegations as though fully set
7 forth herein.

8 49. All contracts in Nevada contain an implied covenant of good faith and fair dealing.

9 50. The conduct of LVSC described herein including, but not limited to, the improper
10 and illegal demands made upon Jacobs by Adelson, Adelson's continual undermining of Jacobs'
11 authority as the President and CEO of LVSC's Macau operations (and subsequently Sands
12 China), and the wrongful characterization of Jacobs' termination as being for "cause," is
13 unfaithful to the purpose of the agreements between Jacobs and LVSC and was not within the
14 reasonable expectations of Jacobs.
15

16 51. As a direct and proximate result of LVSC's wrongful conduct, Jacobs has suffered
17 damages in an amount to be proven at trial but in excess of \$10,000.
18

19 **FOURTH CAUSE OF ACTION**

20 **(Tortious Discharge in Violation of Public Policy - LVSC)**

21 52. Plaintiff incorporates all preceding and subsequent allegations as though fully set
22 forth herein.

23 53. As an officer of LVSC and an officer and director of Sands China, Jacobs owed a
24 fiduciary duty to the shareholders of both companies.

25 54. Certain of the improper and illegal demands made upon Jacobs by Adelson as set
26 forth above would have required Jacobs to engage in conduct that he, in good faith, believed was
27 illegal. In other instances, the improper and illegal demands would have required Jacobs to
28



1 refrain from engaging in conduct required by applicable law. Both forms of demands would have
2 required Jacobs to violate his fiduciary duties to the shareholders of LVSC and Sands China.

3
4 55. LVSC retaliated against Jacobs' by terminating his employment because he (i)
5 objected to and refused to participate in the illegal conduct requested by Adelson, and (ii)
6 attempted to engage in conduct that was required by law and favored by public policy. In so
7 doing, LVSC tortiously discharged Jacobs in violation of public policy.

8 56. As a direct and proximate result of LVSC's tortious discharge, Jacobs has suffered
9 damages in an amount to be proven at trial but in excess of \$10,000.

10 57. LVSC's conduct, which was carried out and/or ratified by managerial level agents
11 and employees, was done with malice, fraud and oppression, thereby entitling Jacobs to an award
12 of punitive damages.
13

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as
16 follows:

- 17 1. For compensatory damages in excess of Ten Thousand Dollars (\$10,000.00), in an
18 amount to be proven at trial;
19
20 2. For punitive damages in excess of Ten Thousand Dollars (\$10,000.00), in an amount
21 to be proven at trial;
22
23 3. For pre-judgment and post-judgment interest, as allowed by law;
24
25 4. For attorney fees and costs of suit incurred herein, as allowed by law, in an amount to
26 be determined; and
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.....



CAMPBELL
& WILLIAMS
ATTORNEYS AT LAW

700 SOUTH SEVENTH STREET
LAS VEGAS, NEVADA 89101
PHONE: 702/382-5222
FAX: 702/382-0540

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5. For such other and further relief as the Court may deem just and proper.
DATED this 20th day of October, 2010.

CAMPBELL & WILLIAMS

By /s/ Donald J. Campbell
DONALD J. CAMPBELL, ESQ. (1216)
J. COLBY WILLIAMS, ESQ. (5549)
700 South Seventh Street
Las Vegas, Nevada 89101

Attorneys for Plaintiff
Steven C. Jacobs