



From BillionAyre To Bozo

B.C. STOCK FRAUDSTER CALVIN AYRE ON LONG FALL TO BOTTOM AGAIN

By Paddy Roberts

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Just over a year ago, notorious BC stock fraudster Calvin Ayre appeared on the cover of Forbes magazine, featured as one of the world's newest billionaires. To those who knew him well, it was only a matter of time before one of this province's most persistent con artists burst his own bubble. Last week, it popped.

Of the few questions that remain about Calvin Ayre's latest debacle, the one hardest to answer will be how much of somebody else's money will be lost this time.

In the early morning of August 28th, online gaming forums began to carry posts about difficulties with the website at Bodog, the brand allegedly created by Ayre and which he says makes him the leading expert in online branding in the world. Persons trying to access the site received a message saying the server couldn't be found.



As the day wore on, word came out that Bodog was involved in a "domain name dispute" to use the words of the spin Bodog management tried to put on the events. It wasn't long, however, before a very bright poster on the Major Wager (<http://www.majorwager.com>) forum ferreted out the truth. Bodog had been legally decapitated by a US firm that had successfully sued Ayre's "digital entertainment empire" for a serious breach of patent involving the software Bodog victims downloaded to their computers in order to use the gaming website.

A Sociopathic Disregard For Other People's Property and Money

If one obvious trait characterizes Calvin Ayre's "business" life, it has been a sociopathic disregard for other people's money. This time it has been for the intellectual property of an American PHD who holds a patent on some software technology that allows for better transmission of data over limited bandwidth networks. It is a patent innovation that is critical to most software that has a high graphics content, such as that used in gaming.

1st Technology LLC (1T) holds an assignment of a patent issued to Scott Lewis, a Harvard MBA and an Oxford PHD and a Marshall Scholar. 1T had reportedly been warning Bodog for some time that it had no license to incorporate the techniques patented by



1T in what Bodog describes as its own “proprietary” gaming software. 1T had been demanding that Bodog either enter into a license agreement with 1T and pay royalties, or cease and desist the patent infringement.

In November of 2006, Bodog was served with a Summons to attend a Complaint of Patent Infringement in the Nevada State courts. It disregarded the summons and sources say that Ayre maintained his famous arrogance about the law and his own indifference to it. He maintained that no US court had jurisdiction over Bodog.

The Nevada Court did not take that view and on February 26th, 2007 issued a default judgment in the amount of \$46, 597, 849 against Bodog Entertainment Group S.A., Bodog.com and Bodog.net. Plus interest.

The Bozo School of Law...

The feature of Bodog’s existence that Ayre had gambled on to allow him to infringe the 1T patent with impunity was that Bodog has no corporate presence or assets in the United States. However, 1T has found a devastating tactic to get around that issue.

In late June of 2007, 1T followed up its default judgment with another application to the Nevada court that originally issued the judgment. This order was in the nature of an injunction against anyone doing business with Bodog.

1T maintained the order was necessary to stop Bodog from stealing its patent and doing damage to its economic interests and market share of its existing licensees by Bodog’s continued provision of downloadable infringing software to US customers.

It’s A Shotgun Order

The order referred to the Bodog Entities, which included all of Ayre’s ventures he lumps under the absurd characterization of a “digital entertainment empire”. The Entities consist of the Bodog gaming business, plus two nonsensical business ventures known as Bodog Fight and Bodog Music.

Bodog Fight is a much maligned and ridiculed attempt at competition to the established UFC mixed martial arts fighting competitions that have gained some popularity in recent times. Bodog Music is an equally ridiculed attempt to portray Ayre as a music company executive and which advertises a stable of primarily yesterday and day before yesterday’s musical has beens. Bing Crosby has not yet been featured as a signing, but that may be only because he’s dead.

The fight and music ventures are transparent attempts by Ayre to launder money from the illegal operations he conducts in and out of the US via the internet. They are clear money losers and there is growing concern amongst online forum gamblers that the losses from these “bizzfarts”, as they have been described, are threatening the financial liquidity of the gaming operations and risking the “post-up” money of those who deposit their funds with Bodog..



The injunction application covered the following:

- An order enjoining the Bodog Entities from conducting any further advertising accessible in the United States through websites, internet service providers (ISPs), magazines, newspapers, or other forms of media, including any use of the Bodog logos or marks;
- An order enjoining the Bodog Entities from downloading their infringing software to US customers;
- An order enjoining the use of any of the infringing Bodog products or services by anyone in the US.
- An order enjoining the marketing or promotion of any of the Bodog products or services by any person or entity in the U.S. an order which effectively eliminates the use of affiliates, proxy organizations which recruit gamblers to various sites in exchange for fees, which often include percentages of the losses “sign-ups” from these affiliates accrue at Bodog;
- An order stopping the importation of infringing Bodog products or services by anyone in the US, for example, cable and satellite operators could not enable US customers to access Bodog Fight pay per view, nor could music stores import music under the Bodog Music label.
- An order enjoining all transactions related to any of the products or services of the Bodog Entities within the US, an order which will exacerbate already existing Bodog problems in getting money from customers and which will probably stop the few payments Bodog

is now making to those who request withdrawals from their accounts.

- An order enjoining any websites, ISPs, and domain name registrars from facilitating any Bodog products or services, or else to redirect Bodog traffic to an alternative site operated by 1T;

The above constitute a summary and amalgamation of the general thrust of the orders sought by 1T. It is not known if the judge hearing the application ordered all the injunctions requested because a copy of the order is not yet available, but given that the application was unopposed, it is likely that all that was asked for was given.

Domain Names The Tip of the Iceberg

In early August, 1T “domesticated” their Nevada judgment to the appropriate court in Washington state, where the domain registrar for Bodog’s domain names was carrying on business.

On August 21st, it appears that a specific order was issued against the domain registrar and on August 28th, the Bodog sites went down. It was the beginning of the end for the Bodog brand and resulted from an act of almost incomprehensible stupidity and arrogance on the part of Calvin Ayre.

It is not clear if the domain bullet was the first fired from the 1T gun. Other injunctions may have issued in other states against banks, credit card companies, and cheque processors, but without such dramatic consequences as a website going down.

There is evidence that may already have happened. Some months ago, Bodog customers



were treated to a period of bounced cheques from last year's Forbes "billionaire". At about the same time as the injunction order was being granted in Nevada, Bodog announced that those requesting withdrawals from their accounts could expect to have delays of 30 days in receiving their money. All of this would be consistent with IT having domesticated the Nevada order in other states where they found banks or payment processors assisting Bodog.

It is impossible for Bodog to function in the face of these legal restraints, which are in essence a IT stranglehold around the Bodog neck. IT can be expected to pursue any person or entity subject to the injunctive orders to states outside of Nevada and take legal steps to end their relationship with Bodog, thus ending the cash flows that flow to Bodog through those relationships.

Bodog personnel, including Ayre, who continue to facilitate the downloads of the software into the United States will find themselves subject to criminal contempt of court charges in the US when they are identified.

Bodog is, by any rational standard, a bankrupt and defunct organization, another business corpse left in the deceitful and arrogant trail of Calvin Ayre.

How Many Are Trapped in the Bozo Mine?

As with other Calvin Ayre productions that he has walked away from with other people's money in his pockets, it will be difficult

to assess the damage he has caused with Bodog, his longest running scam.

No one really knows how many people continue to have money in accounts at the Bodog gaming section. The sum of all monies owing is also not known. It may be \$100,000, it may be \$20 million.

The problem arises in two areas. Ayre is known to be a blatant liar in terms of exaggerating virtually everything about every business he has ever been involved in. He is about to be facing perjury charges in British Columbia as a result of a false affidavit he filed with a court there in a child custody dispute some years ago. He will also be facing obstruction of justice charges along with one or two others. His claims about how many people play at Bodog have zero probability of being remotely accurate

The second issue is that depositors may be trapped in the Bodog Bozo mine and unable to get out. Forums have carried stories for at least two months of the difficulties in getting paid by Bodog and of long delays in processing payout requests that are dealt with by legitimate sites within several days. It is not now possible to determine how much damage to depositors Calvin Ayre will do before he disappears or is arrested and extradited to the US from some country where he couldn't bribe officials for protection.

It's unlikely to be peanuts with Bozo the Clown, however, when the day of reckoning comes.