

## **Parker And Jennett File \$150 Million Lawsuit Against Gryphon Investors And MSD Ignition For Taking Superchips Deal**

For Immediate Release

SAN FRANCISCO/EWORLDWIRE/April 6, 2005 --- Today, Larry Parker and Tom Jennett filed a \$150 million lawsuit against Gryphon Investors, MSD Ignition and others including David Andrews and Jeffrey Ott of Gryphon and Daniel Gresham of MSD Ignition, for allegedly taking their Superchips deal.

Gryphon Investors is a leveraged buyout firm in San Francisco that specializes in acquisitions of middle-market companies. Superchips is a manufacturer of high-performance programmers and computer chips for cars and trucks. According to Gryphon's Web site ([www.gryphon-inv.com](http://www.gryphon-inv.com)), Gryphon acquired Superchips through Gryphon's subsidiary MSD Ignition in February 2005. Gryphon is a relative newcomer to the automotive after-market industry, and Superchips is its second purchase - following its acquisition of MSD Ignition last year. Terms of the deal were not disclosed.

According to the lawsuit, in August 2004 Parker and Jennett negotiated the exclusive right to purchase Superchips and then partnered with Gryphon to jointly purchase the company - however, Gryphon bought the company without them.

Quoting from the lawsuit:

--"This lawsuit is about two men who had their company stolen out from under them. Between them, M. Lawrence ("Larry") Parker and Thomas R. ("Tom") Jennett have more than 60 years of experience in the automotive industry. Their impressive resumes include senior executive management positions at Ford, Chrysler, Delco and other large automotive companies. But after all those years helping to run some of the world's largest companies, they wanted to own their own business and grow it. Finally, after years of looking for the right company, in the fall of 2003 they found a company that was perfect. A mid-sized company called 'Superchips' that manufactured computer chips and software that 'suped-up' the engines of normal cars and trucks, adding horsepower and performance to standard GMs, Fords and Chryslers."

--"Parker and Jennett negotiated a deal with the owners of Superchips to buy the company . . . . On August 9, 2004, they signed an agreement with Superchips giving Parker and Jennett the exclusive right to buy the company for the next 120 days, allowing them that long to get their financing in place."

--"Gryphon promised Parker and Jennett that they would co-own the holding company; along with Gryphon and equally with Dan Gresham, the CEO of MSD Ignition. Moreover, Gryphon promised that Parker & Jennett would be employed to manage the combined Superchips and MSD Ignition entity equally with Gresham. In the meeting in San Francisco, Gryphon specifically promised: That the Superchips deal would be a "partnership between Parker, Jennett, Gresham (together the 'Executive Partners') and Gryphon . . . Performance Motorsports, LLC [the holding company to be formed from the Superchips acquisition and merger with MSD Ignition] will be managed like a partnership between the four key parties of Parker, Jennett, Gresham and Gryphon . . . The Executive Partners will form an Executive Committee where they will be jointly responsible for overall Performance Motorsports, LLC performance. . . Parker and Jennett to each receive stock options for 4.5 percent of the combined common equity consistent with Dan Gresham's package."

--"According to Gryphon, each \$250,000 investment by Parker & Jennett would be worth from \$18,059,000 to \$20,739,000 to each of them in five years, assuming that the 'MSD/Superchips combination' made no further acquisitions. If further acquisitions occurred, Gryphon told Parker and Jennett that their \$250,000 investment would be worth between \$22,227,000 and \$25,543,000 to each of them in five years."

Parker and Jennett allege that they put their trust in the wrong people. The lawsuit further alleges:

--"On December 21, 2004 at about 1 p.m., Ott telephoned Parker and told him that the Superchips deal was finally done - Superchips had signed the purchase agreement. Even during this call, there was no hint by Ott that Gryphon had betrayed Parker and Jennett. In fact, during the call, Parker and Ott discussed the future opportunities for Superchips and what steps Parker and Jennett should take to move the company forward over the next hundred days.

--"Two hours later everything changed. Inexplicably, in a conference call with Parker and Jennett, Ott told them that Gryphon was not going to give them an ownership interest in the company and was not going to give them employment."

--"After forming a joint venture and working together for nearly four months to close the Superchips deal, Ott told Parker and Jennett that it 'wasn't a good fit.' Moreover, after paying Parker and Jennett for four months of their six-month consulting agreement, Gryphon suddenly, without warning, stopped paying them and has refused to pay them for the remaining two months."

Parker and Jennett have alleged 14 causes of action including Breach of Fiduciary Duty, Fraud and Misappropriation of Trade Secrets. They each seek \$25 million in compensatory damages as well as punitive damages of at least two times the compensatory damages.

**About Seeger &#8729; Salvas LLP**

Seeger &#8729; Salvas LLP is a law firm that specializes in litigating complex cases. More information about Seeger &#8729; Salvas LLP can be found at <http://www.seegersalvas.com>.

HTML: <http://www.eworldwire.com/pressreleases/11816>

MOBILE: <http://e4mobile.com/pressreleases/11816>

PDF: <http://www.eworldwire.com/pdf/11816.pdf>

ONLINE NEWSROOM: <http://www.eworldwire.com/newsroom/305822.htm>

LOGO: <http://www.eworldwire.com/newsroom/305822.htm>

**CONTACT:**

Kenneth Seeger  
Seeger Salvas LLP  
601 Montgomery St.  
Suite 325  
San Francisco, CA 94111  
PHONE. (415) 981-9260  
FAX. (415) 981-9266  
E-MAIL: [kseeger@seegersalvas.com](mailto:kseeger@seegersalvas.com)  
<http://www.seegersalvas.com>

**KEYWORDS:** Superchips, MSD Ignition, Gryphon Investors, David Andrews, Jeffrey Ott, Daniel Gresham, Larry Parker, Tom Jennett

**SOURCE:** Larry Parker and Tom Jennett