

Verus Founder Sues Venture Capital Firm, Claiming It's Shortchanging Him In Sale

Verus Financial Management Chief Executive Rich Roberts has sued the company's venture capital backer, claiming it broke a promise to pay him an extra \$10 million from proceeds of Verus' sale that closed today.

The complaint was filed a week after San Francisco-based FT-Ventures denied making the promise in a lawsuit of its own.

The suits offer differing versions of conversations that took place between Roberts and FTVentures Managing Partner Richard Garman before the parties agreed to the \$325 million deal, under which Verus is being sold to Sage Group PLC, Britain's biggest maker of accounting software.

Roberts claims that Garman offered to pay the extra \$10 million from FTVentures' \$155 million share of sale proceeds in exchange for Roberts' agreeing to put Verus up for sale earlier than he would have liked.

Garman said he had agreed only to find other ways to add to Roberts' compensation if the Verus CEO's personal share of overall proceeds from the sale was less than \$50 million.

Roberts could be paid at least \$52 million from the sale of Verus, the Nashville processor of credit cards and checks he founded in 2002 with FTVentures' backing, according to the venture capital firm's legal filings.

The venture capital firm contends in court documents that Roberts wants the additional money to compensate him in the event that he is ordered to give a share of the proceeds to his wife in a pending divorce settlement.

FTVentures claims that Nashville federal court, where Roberts filed his countersuit last week, is the wrong venue for the case because FTVentures doesn't have operations here. It asked that the case be moved to California, where it filed its lawsuit.

Roberts has asked federal Judge Aleta Trauger to force FT-Ventures to abide by what he dubbed a "handshake" deal. He also her to block the venture firm from distributing its \$155 million share of sales proceeds to its limited partners to require that \$10 million of those proceeds be set aside until his lawsuit has been decided.

"The lawsuit is not going to affect the closing in any way," **Richard L. Robbins**, an Atlanta lawyer for Roberts, said of the sale. "It's a side dispute."