THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-- X

ANTHONY CHIARENZA, individually and on behalf of all others Similarly Situated,

Plaintiff,

vs.

IBSG INTERNATIONAL, INC., MICHAEL RIVERS, GEOFFREY BIRCH and JEWETT, SCHWARTZ, WOLFE & ASSOCIATES,

Defendants.

-- X

CASE NO. 09 0408

CLASS ACTION COMPLAINT FOR VIOLATIONS OF FEDERAL SECURITIES LAWS

JURY TRIAL DEMANDED

MAUSKOPF, J.

GO, M.J.

LEVI & KORSINSKY, LLP
Eduard Korsinsky, Esq.
39 Broadway, Suite 1601
New York, New York 10006
Tel: (212) 363-7500
Fax: (212) 363-7171

Plaintiff Anthony Chiarenza ("Plaintiff") brings this action on behalf of himself and the purchasers of the common stock of IBSG International, Inc. ("IBSG" or "Company") between April 1, 2008 and January 12, 2009, inclusive (the "Class Period"). (Such purchasers, along with Plaintiff, are collectively referred to as the "Class.") This complaint is alleged upon personal knowledge as to Plaintiff's own acts, and upon information and belief as to all other matters, based upon Plaintiff's counsel's investigation, including review of IBSG's public filings with the United States Securities and Exchange Commission ("SEC"), wire and press releases published by and regarding IBSG, securities analysts' reports and advisories, information available in the media and on the Internet, and interviews with knowledgeable confidential witnesses. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

INTRODUCTION

1. Throughout the Class Period, Defendants issued financial statements which purported to state IBSG's financial results, including revenues, net income, and assets, including cash on hand, in accordance with generally accepted accounting principles. However, on January 12, 2008, the last day of the Class Period, the truth was revealed that, throughout the Class Period, IBSG's financial statements contained material discrepancies, and could not be relied upon, and that the Company was commencing an investigation which could necessitate a restatement of IBSG's financial statements. These material discrepancies included misstatements of IBSG's recognized revenues and reported cash on hand. The material discrepancies in revenue recognition occurred despite the fact that substantially all of the Company's revenue came from just three key customers, and hence revenues could likely only be misstated deliberately or with reckless disregard of the true state of affairs.

2. Moreover, on the same date (Jan. 12, 2009), the Company announced the resignation of its new Chief Financial Officer – less than one week after the termination of IBSG's CEO (defendant Rivers), and less than two weeks after the announcement of the resignation and replacement of its prior Chief Financial Officer (defendant Birch). As a result, the price of IBSG's common stock, which was artificially inflated by Defendants' false statements throughout the Class Period, significantly declined, causing Plaintiff and the other members of the Class to suffer damages.

JURISDICTION AND VENUE

3. The claims asserted here arise under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. §240.10b-5.

4. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1337 and Section 27 of the Exchange Act, 15 U.S.C. §78aa.

5. Venue is proper in this District pursuant to Section 27 of the Exchange Act, and 28 U.S.C. §1391(b). Many of the acts charged herein, including the trading of IBSG common stock, occurred in substantial part in this District. Plaintiff resides within this District.

6. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

7. Plaintiff **Anthony Chiarenza**, an individual residing at 29-05 215th Place, Bayside, New York 11360, purchased the common stock of IBSG during the Class Period, as set

forth in the accompanying certification, and has been damaged by the acts and omissions alleged herein.

8. Defendant **IBSG International, Inc.** is a Florida corporation with its principal executive offices located at 1132 Celebration Boulevard, Celebration, FL 34747. IBSG is a holding company for four software subsidiaries. Through these subsidiaries, the Company provides various software solutions and services. IBSG offers BizWorld Pro, an e-commerce platform to enhance the operating efficiency for state small business development centers, business associations, and various corporations through the licensing of its turnkey digital service center software, which provides a range of digital budgetary, administrative, and commercial services; and (ironically,) Secure Blue Pro, a Sarbanes-Oxley compliance and security software suite for small and mid cap public companies, as well as for private companies that work with public companies. According to the Company's Form 10-KSB for 2007, IBSG leases offices in Celebration, Florida; London, UK; Ahmedabad, India; and Johannesburg, South Africa.

9. Defendant **Michael Rivers** ("Rivers") was the President, Chief Executive Officer and a director of IBSG from 2003, until he was relieved of his position as CEO on January 6, 2009. Rivers signed the 2007 10-KSB on behalf of IBSG as the Company's Principal Executive Officer, and signed the 2008 10-Qs on behalf of IBSG as the Company's Chairman and Chief Executive Officer. According to IBSG's 2007 10-KSB, as of March 24, 2008, a trust established by Rivers for the benefit of Rivers' wife and children beneficially owned 1,134,111 shares (11.97%) of IBSG's common stock.

10. Defendant **Geoffrey Birch** ("Birch") was the Treasurer and a director of IBSG from November 2003, until his resignation on December 23, 2008. Birch signed the 2007 10-

KSB on behalf of IBSG as the Company's Principal Accounting Officer, and signed the 2008 10-Qs on behalf of IBSG as the Company's Chief Financial Officer. According to IBSG's 2007 10-KSB, as of March 24, 2008, Birch beneficially owned 220,000 shares (2.32%) of IBSG's common stock.

11. Defendant **Jewett, Schwartz, Wolfe & Associates** ("JSWA") is a full-service accounting and tax advisory firm with a principal place of business located at 200 S. Park Road Suite 150, Hollywood, Florida 33021. According to IBSG's 2007 10-KSB, JSWA was hired to audit IBSG's annual financial statements on January 18, 2008. JWSA's audit report for IBSG's fiscal year 2007 financials, entitled "Report of Independent Registered Public Accounting Firm," included JWSA's opinion that IBSG's financial statements conformed with generally accepted accounting principles, and was included in IBSG's 2007 10-KSB.

CLASS ACTION ALLEGATIONS

12. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired the securities of IBSG between April 1, 2008 and January 12, 2009, inclusive, and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

13. The members of the Class are so numerous that joinder of all members is impracticable. IBSG trades on the NASD OTC Bulletin Board ("OTC") under the symbol IBIN.

14. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of

federal law that is complained of herein.

15. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

16. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

a. whether the federal securities laws were violated by defendants' acts;

b. whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations, and financial statements of IBSG; and

c. the extent to which the members of the Class have sustained damages and the proper measure of damages.

17. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

FACTS

18. The Class Period began on April 1, 2008 when the Company filed its Form 10-KSB for fiscal year ending December 31, 2007 ("2007 10-KSB"). In the 2007 10-KSB, the Company reported net income of $4,859,093 for fiscal year 2007.

19. The 2007 10-KSB reported that the primary reason for the significant increase in

net income from $697,114 for fiscal year 2006 to $4,859,093 for fiscal year 2007 was "due to more revenue recorded in 2007 than in 2006." The 2007 10-KSB reported revenue of $14,571,283 for 2007, approximately double the revenue of $7,604,678 reported for 2006.

20. The 2007 10-KSB reported that the Company's "cash on hand" as of December 31, 2007 was $2,138,496.00 and total assets were $35,756,989.

21. The 2007 10-KSB included certifications of Chief Executive Officer and Chief Financial Officer pursuant to Exchange Act Rules 13A-14 and 15D-14, signed by defendants Rivers and Birch, respectively, certifying, *inter alia*: that the 2007 10-KSB "does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report"; that based on the certifying officer's knowledge, "the financial statements, and other financial information included in [the 2007 10-KSB], fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report"; and that the certifying officers were responsible for establishing, maintaining and evaluating IBSG's disclosure controls and had disclosed to IBSG's auditors and board "all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect [IBSG]'s ability to record, process, summarize and report financial information."

22. In addition, the 2007 10-KSB included Rivers' and Birch's signed certifications pursuant to 18 U.S.C. § 1350, adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that IBSG's 2007 10-KSB fully complied with Exchange Act §§ 13(a) or 15(d) and that "[t]he information contained in the [2007 10-KSB] fairly presents, in all material respects, the financial

condition and results of operations of the Company."

23. The 2007 10-KSB also included a Report of Independent Accountants issued by defendant Jewett, Schwartz, Wolfe & Associates, which stated, in part:

> We have audited the accompanying consolidated balance sheet of IBSG International, Inc. and Subsidiaries at December 31, 2007, and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
>
> We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
>
> In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of IBSG International, Inc. and Subsidiaries at December 31, 2007, and the results of their operations and their cash flows for the year ended December 31, 2007 in conformity with United States generally accepted accounting principles.
>
> As discussed in Note 11 to the consolidated financial statements, the Company has restated its financial statements for the year ended December 31, 2006. This action was taken to correct errors relating to revenue recognition. Adjustments have been made to correct revenue, deferred revenue and the tax provision.
>
> Jewett, Schwartz, Wolfe & Associates
> Hollywood, Florida
> March 27, 2008

24. On May 15, 2008, defendants filed IBSG's Form 10-Q for the quarterly period ending March 31, 2008 ("1Q2008 10-Q"), which reported net income of $1,131,209 and revenue of $4,779,745 for 1Q2008; cash on hand as of March 31, 2008 of $4,001,375.00; and total assets

of $40,040,008.00 as of the same date.

25. On August 14, 2008, defendants filed IBSG's Form 10-Q for the quarterly period ending June 30, 2008 ("2Q2008 10-Q"), which reported net income of $1,265,048 and revenue of $4,424,798 for 2Q2008. Reported revenue increased 45% compared to the three months ended June 30, 2007, and 52% for the six months ended June 30, 2007. The reported increase was stated to be due to additional satellite contracts closing during the prior six months. The 2Q2008 10-Q also reported cash on hand of $7,376,612.00 and total assets of $43,479,870.00.

26. On November 14, 2008, defendants filed IBSG's Form 10-Q for the quarterly period ending September 30, 2008 ("3Q2008 10-Q"), which reported net income of $712,024 and revenue of $3,728,152 for 3Q2008, and cash on hand of $8,952,415.00 and total assets of $45,395,956.00 as of September 30, 2008.

27. The 1Q2008 10-Q, 2Q2008 10-Q, and 3Q2008 10-Q are collectively referred to as the "2008 10-Qs."

28. The 2007 10-KSB and 2008 10-Qs were materially false and misleading because, *inter alia*, revenue was improperly recognized, and consequently, the reported revenue and net income figures were materially misstated; the Company did not earn $4,859,093, $1,131,209, $1,265,048, and $712,024 in fiscal 2007, 1Q2008, 2Q2008, and 3Q2008, respectively; and cash on hand and other assets were materially misstated.

29. On December 31, 2008, the Company filed a Form 8-K announcing that defendant Birch resigned as CFO on December 23, 2008, and that Renata Sirota was appointed as the new CFO, also on December 23, 2008.

30. On January 8, 2009, the Company filed a Form 8-K announcing that "On January 6, 2009, due to significant health reasons impacting his ability to carry out his functions at the

present time, [defendant] Michael Rivers was relieved of his position as Chief Executive Officer." Rivers remained a member of the Board of Directors.

31. On the last day of the Class Period, January 12, 2009, the truth was revealed regarding the materially false and misleading financial information reported during the Class Period. On that date, the Company filed a Form 8-K announcing that there were "possible issues underlying the recording of the proceeds from business transactions as revenue," and that the "Company's previously issued financial statements during the 2008 fiscal year should not be relied upon at this time." The revenue recording issues involved the misreporting of revenue as "recognized," instead of "deferred," which overstated the Company's recognized revenue and net income.

32. The Form 8-K filed on January 12, 2009 stated:

> **Non-reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review**
>
> The Company has commenced an investigation of issues that include, but may not be limited to, possible discrepancies in the amount of the Company's current assets reported, **possible issues underlying the recording of the proceeds from business transactions as revenue**, in addition to other issues regarding the Company's business and operations. The Company, in conjunction with its outside securities counsel, has retained outside counsel to conduct an investigation into these issues.
>
> As a result of the issues noted above and related uncertainties, the Board of Directors together with current executive officers of the Company determined on January 12, 2009 that **the Company's previously issued financial statements during the 2008 fiscal year should not be relied upon at this time**. If necessary, the Company intends to restate these financial statements based on the finding of its investigation. The Company is in the early stages of its internal investigation, and in the process of the investigation the Company may discover information that will raise other issues.

33. The 8-K filed on January 12, 2009 also announced the resignation of IBSG's new Chief Financial Officer, Renata Sirota, on January 8, 2009. Furthermore, the January 12, 2009

Form 8-K stated that "Ms. Sirota, through her company, Tatum, LLC reported on matters related to the Company's operations, policies and practices to [sic] which the Board of Directors are investigating."

34. Throughout the Class Period, defendants issued materially false and misleading financial statements concerning IBSG's revenues and income. The Class Period financial statements, which purported to be prepared in conformity with generally accepted accounting principles (GAAP), were materially false and misleading because these statements materially overstated IBSG's revenues, income, and cash on hand.

35. During the Class Period, IBSG's common stock traded as high as $1.54 per share. As a result of the disclosures on January 12, 2009 and thereafter of discrepancies in, and the lack of reliability of the Company's Class Period financial statements, IBSG's shares fell from a close of $ 0.27 per share on January 12, 2009 to close at $ 0.14 per share on January 13, 2009, on extremely high trading volume (764,000 shares – the second highest trading volume during the entire Class Period; Average daily trading volume during 2008 was 24,198 shares), and continued to slide to $ 0.07 per share on January 26, 2009.

36. After the end of the Class Period, the Company filed a Form 8-K on January 27, 2009, confirming that its financial statements issued in 2008 should not be relied upon and were inaccurate, that there were material discrepancies in reported cash on hand and other assets, and that the Company would need to restate its 2008 financials, and possibly also restate prior years' financial results:

> **Non-reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**
>
> As previously reported, on January 8, 2009, the Company commenced an investigation of numerous issues, including the amount of the Company's cash on hand and other assets

reported. The Company has learned that there is a material difference between previously expressed cash on hand and the actual cash on hand reported in the previously issued 2008 financial statements.

As a result of the above and related significant uncertainties, the Board of Directors together with current executive officers of the Company determined on January 27, 2009 that the Company's previously issued 2008 financial statements should not be relied upon and are inaccurate at this time. After further investigation, the Company intends to restate these financial statements based on the findings of its investigation. The Company is still in the early stages of its internal investigation, but has found material inconsistencies as stated above and in the process of the investigation the Company may discover additional information that will raise other issues or cause the Company to conclude that financial statements for other prior periods may also need to be restated.

ADDITIONAL SCIENTER ALLEGATIONS

37. Defendants were undoubtedly aware of or recklessly disregarded the Company's revenue recognition issues. IBSG's 2007 10-KSB states that the Company's "Critical Accounting Policies and Estimates" were "Revenue recognition," "Deferred Revenue," and "Accounts receivable, allowance for doubtful accounts and sales returns." Notably, revenue recognition issues arose at IBSG for fiscal years 2006 and 2005, similar to those at the end of the Class Period. In September 2007, IBSG announced that its Form 10-KSBs for the years ended 2006 ("2006 10-KSB") and 2005 ("2005 10-KSB") could no longer be relied upon and needed amending. On January 7, 2008, the Company amended its 2006 10-KSB and 2005 10-KSB, to provide that $2.7 million of revenue previously recognized in 2006, and $2.3 million of revenue previously recognized in 2005, would now be reported as deferred revenue, thereby decreasing IBSG's reported net income for fiscal 2006 and 2005. Defendants were thus aware or should have been aware, or recklessly disregarded that the Company's revenue recognition was a critical accounting issue and was previously false and needed to be carefully monitored.

38. Moreover, as noted in the Company's 2007 10-KSB, "substantially all of [IBSG's] revenue comes from three customers, all of whom are governmental entities."

Defendants were no doubt aware of, or recklessly disregarded the revenue received and recognized from such a small group of key customers.

39. In addition, Defendants' scienter is evidenced by the fact that, as the Company's filings repeatedly noted, there was a "lack of segregation of duties at the Company due to the small number of employees dealing with general and administrative matters."

40. In addition, Birch's knowledge of the Company's finances is evidenced by the fact that, as also reported repeatedly in the Company's filings, in lieu of appointing an audit committee, IBSG's board determined that defendant Birch "had the expertise to be financial expert [sic] as defined by Item 401(e)(2) of Regulation S-B of the Securities Exchange Act of 1934."

41. In addition, JSWA was aware of the Company's revenue recognition issues just prior to the Class Period, which served as a "red flag" to carefully examine such issues and other accounting issues for fiscal year 2007. In fact, JSWA's "Report of Independent Registered Public Accounting Firm" incorporated into the Company's 2007 10-KSB noted that "As discussed in Note 11 to the consolidated financial statements, the Company has restated its financial statements for the year ended December 31, 2006. This action was taken to correct errors relating to revenue recognition. Adjustments have been made to correct revenue, deferred revenue and the tax provision." In addition, "cash on hand" can be easily ascertained and audited, and the material discrepancies in reported cash and assets indicate, at a minimum, an extraordinary degree of recklessness.

NO SAFE HARBOR

42. The statutory safe harbor provided for forward-looking statements does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific

statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker knew that the forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of IBSG who knew that the statement was false when made.

FIRST CAUSE OF ACTION
For Violation of Section 10(b) of The Exchange Act and Rule 10b-5
(Against All Defendants)

43. Plaintiff repeats and realleges the foregoing allegations as if fully set forth herein.

44. During the Class Period, Defendants, individually and in concert, violated Section 10(b) of the Exchange Act and Rule 10b-5 by directly and indirectly, using means or instrumentalities of interstate commerce and/or of the mails, (i) employing devices, schemes, and artifices to defraud; (ii) making untrue statements of material fact and/or omitting to state material facts necessary to make the statements not misleading; and (iii) engaging in acts, practices, and a course of business which operated as a fraud and deceit upon the Class.

45. Defendants had duties of full disclosure imposed on defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative statements and reports to the investing public. In addition, defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-X (17 C.F.R.

Sections 210.01 et seq.) and Regulation S-K (17 C.F.R. Sections 229.10 et seq.) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and earnings so that the market price of the Company's securities would be based on truthful, complete and accurate information. Defendants failed to do this.

46. Defendants also may have failed to disclose material adverse information in connection with their insider sales of IBSG securities. (Information as to such sales is not available to Plaintiff at this time.)

47. The individual defendants' primary liability (as well as their controlling person liability), also arises from the fact that: (i) they were high-level executives and directors at the Company during the Class Period; (ii) by virtue of their responsibilities and activities as senior officers and directors of the Company, they were privy to and participated in the creation of the Company's financial reporting; (iii) they enjoyed significant personal contact familiarity and access to other members of the Company's management team, internal reports and other data and information about the Company's finances, revenues, cash balances, operations, and sales at all relevant times; and (iv) they were aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

48. Defendant Jewett, Schwartz, Wolfe & Associates' liability also arises from the fact that JSWA was IBSG's auditor, with access to IBSG's management and internal reports and other data and information, including "red flags" regarding the Company's recent improper revenue recognition practices, and certified IBSG's financial statements that contained materially false and misleading statements.

49. Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to

ascertain and to disclose such facts, even though such facts were available to them. Such material misrepresentations and/or omissions by defendants were done knowingly or recklessly and for the purpose and effect of concealing IBSG's financial and operating condition from the investing public and supporting the artificially inflated price of IBSG's securities. As demonstrated by Defendants' overstatements and misstatements of the Company's revenue, net income and cash balances throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

50. The market for IBSG securities was open, well-developed and efficient at all relevant times. Defendants' dissemination of materially false and misleading statements and omissions of material facts caused IBSG securities to trade at artificially inflated prices during the Class Period. Plaintiff and other members of the Class were damaged because they acquired IBSG securities relying directly or indirectly on Defendants' false and misleading statements and/or omissions, or upon the market's integrity, and would not have purchased or otherwise acquired their IBSG securities at the prices they paid, or at all, if they had known that Defendants' misleading statements and omissions artificially inflated market prices, and because when the truth was revealed, IBSG's securities price declined significantly, directly causing the losses of Plaintiff and other members of the Class.

51. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CAUSE OF ACTION
For Violation of Section 20(a) of The Exchange Act
(Against the Individual Defendants)

52. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

53. Defendants Michael Rivers and Geoffrey Birch acted as controlling persons of IBSG within the meaning of Section 20(a) of the Exchange Act and are liable thereunder. As senior officers and/or directors of IBSG, high-level executives of the Company, supervisors, decision-makers and participants in IBSG's operations, and owners of IBSG stock, the Individual Defendants had the power and authority to influence and control and did influence and control IBSG to engage in the wrongful conduct complained of herein.

54. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases and public filings prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the misleading statements or cause the statements to be corrected.

55. As a direct and proximate result of the Individual Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

A. Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

B. Awarding compensatory damages in favor of Plaintiffs and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of

Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding Plaintiffs and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Such other and further relief as the Court deems just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: January 29, 2009

LEVI & KORSINSKY, LLP

By: Eduard Korsinsky

Eduard Korsinsky (EK-8989)
39 Broadway, Suite 1601
New York, New York 10006
Tel: (212) 363-7500
Fax: (212) 363-7171

Attorneys for Plaintiff

CERTIFICATION

I, Anthony Chiarenza, state:

1. I reside at 29-05 215th Place, Bayside, New York 11360.

2. I have reviewed the Complaint entitled *Anthony Chiarenza v. IBSG International, Inc., et al,* and authorized its filing.

3. I am willing to serve as a representative and lead plaintiff on behalf of the Class.

4. I did not purchase any of the securities described below at paragraph 5 for the purpose of participating in this litigation.

5. Below is the amount of common stock that are the subject of this litigation that I purchased during the Class Period described in the Complaint (April 1, 2008 – January 12, 2009):

Security Name	Date	Purchase/Sale	Shares
IBSG International, Inc. (IBIN)	01/12/2009	Purchase	1,000
IBSG International, Inc. (IBIN)	01/05/2009	Purchase	2,000
IBSG International, Inc. (IBIN)	01/05/2009	Purchase	2,000
IBSG International, Inc. (IBIN)	01/05/2009	Purchase	1,000
IBSG International, Inc. (IBIN)	12/24/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	12/23/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	12/23/2008	Purchase	1,500
IBSG International, Inc. (IBIN)	12/19/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	12/18/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	12/18/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	12/17/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	12/08/2008	Purchase	500
IBSG International, Inc. (IBIN)	12/02/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	09/29/2008	Purchase	2,000
IBSG International, Inc. (IBIN)	09/17/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	08/19/2008	Purchase	500
IBSG International, Inc. (IBIN)	08/19/2008	Purchase	500
IBSG International, Inc. (IBIN)	08/18/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	08/08/2008	Purchase	689
IBSG International, Inc. (IBIN)	08/08/2008	Purchase	2,311
IBSG International, Inc. (IBIN)	08/08/2008	Purchase	2,000
IBSG International, Inc. (IBIN)	07/14/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	07/14/2008	Purchase	2,000
IBSG International, Inc. (IBIN)	06/25/2008	Purchase	437

IBSG International, Inc. (IBIN)	06/25/2008	Purchase	500
IBSG International, Inc. (IBIN)	06/25/2008	Purchase	2,000
IBSG International, Inc. (IBIN)	06/25/2008	Purchase	2,000
IBSG International, Inc. (IBIN)	06/24/2008	Purchase	63
IBSG International, Inc. (IBIN)	05/28/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	05/28/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	05/23/2008	Purchase	100
IBSG International, Inc. (IBIN)	05/23/2008	Purchase	1,400
IBSG International, Inc. (IBIN)	05/21/2008	Purchase	500
IBSG International, Inc. (IBIN)	05/19/2008	Purchase	1,500
IBSG International, Inc. (IBIN)	05/15/2008	Purchase	1,500
IBSG International, Inc. (IBIN)	5/15/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	5/15/2008	Purchase	4,000
IBSG International, Inc. (IBIN)	5/12/2008	Purchase	5,000
IBSG International, Inc. (IBIN)	4/18/2008	Purchase	1,000
IBSG International, Inc. (IBIN)	4/9/2008	Purchase	4,000

6. I did not sell any common stock or other securities of IBSG International, Inc. (IBIN) during the above Class Period.

7. I have not served/sought to serve as a representative party on behalf of a class under the federal securities laws during the last 3 years.

8. I have not received, been promised or offered, and will not accept, any form of compensation, directly or indirectly, for prosecuting or serving as a representative party in this class action, except for (i) such damages or other relief as the Court may award to me as my pro rata share of any recovery or judgment; (ii) such fees, costs or other payments as the Court expressly approves to be paid to or on behalf of me, or (iii) reimbursement, paid by my attorneys, of actual or reasonable out-of-pocket expenditures incurred directly in connection with the prosecution of this action.

9. I am also willing to provide testimony at deposition and trial, if necessary.

I declare under penalty of perjury that the aforementioned is true and correct.

Dated: January 28, 2009

Anthony Chiarenza