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10 Attorneys for Plaintiffs

11 **IN AND FOR THE SUPERIOR COURT OF CALIFORNIA**  
12 **COUNTY OF SACRAMENTO - UNLIMITED JURISDICTION**

13 SPOOKY ACTION, LLC, a California  
14 limited liability company; JAMES NEALE,  
15 an individual; RICARDO SALGADO, an  
16 individual; and LISA POWELL, an  
17 individual;

18 Plaintiffs,

19 v.

20 CALIFORNIA GROWN, a California  
21 corporation; GREEN WAVE FARM, a  
22 California corporation; GREEN WAVE  
23 INC., a California corporation; THE KANA  
24 COMPANY, a California corporation;  
25 MAMA N POPS, a California corporation;  
26 MAMA N POPS FARM, a California  
27 corporation; RICHARD ANTHONY  
28 VASQUEZ, an individual; STEFANIE  
VASQUEZ, an individual; TYLER  
VASQUEZ, an individual; and DOES 1  
THROUGH 25;

Defendants.

**FILED/ENDORSED**

**MAY -7 2020**

By:           K. Spichka            
Deputy Clerk

CASE NO.: 34-2019-00270418 **BY FAX**

**FIRST AMENDED COMPLAINT FOR**

1. Breach of Oral Contract
2. Breach of Oral Contract (Powell)
3. Breach of Fiduciary Duty
4. Conversion
5. Unjust Enrichment
6. Quantum Meruit
7. Fraud (Intentional Misrepresentation)
8. Fraudulent Inducement to Contract
9. Promissory Estoppel
10. Equitable Estoppel
11. Intentional Interference with Prospective Economic Advantage
12. Declaratory Relief
13. Accounting
14. Equitable Indemnity - Taxes
15. Failure to Pay Minimum Wage (Cal. Labor Code §1197) (Powell)
16. Failure to Pay Minimum Wage (Cal. Labor Code §1197) (Salgado)
17. Failure to Pay Minimum Wage (Cal. Labor Code §1197) (Neale)
18. Failure to Pay Regular and Overtime Wages (Cal. Labor Code §§ 204 and 510) (Powell)
19. Failure to Pay Regular and Overtime Wages (Cal. Labor Code §§ 204 and 510) (Salgado)

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- 20. **Failure to Pay Regular and Overtime Wages (Cal. Labor Code §§ 204 and 510) (Neale)**
- 21. **Failure to Pay Final Wages (Cal. Labor Code §201 *et. seq.*) (Powell)**
- 22. **Failure to Pay Final Wages (Cal. Labor Code §201 *et. seq.*) (Salgado)**
- 23. **Failure to Pay Final Wages (Cal. Labor Code §201 *et. seq.*) (Neale)**
- 24. **Failure to Provide Meal Periods (Cal. Labor Code §226.7) (Powell)**
- 25. **Failure to Provide Meal Periods (Cal. Labor Code §226.7) (Salgado)**
- 26. **Failure to Provide Meal Periods (Cal. Labor Code §226.7) (Neale)**
- 27. **Failure to Provide Rest Periods (Cal. Labor Code §226.7) (Powell)**
- 28. **Failure to Provide Rest Periods (Cal. Labor Code §226.7) (Salgado)**
- 29. **Failure to Provide Rest Periods (Cal. Labor Code §226.7) (Neale)**
- 30. **Failure to Furnish Accurate Itemized Statements (Cal. Labor Code §226) (Powell)**
- 31. **Failure to Furnish Accurate Itemized Statements (Cal. Labor Code §226) (Salgado)**
- 32. **Failure to Furnish Accurate Itemized Statements (Cal. Labor Code §226) (Neale)**
- 33. **Unfair Business Practices (Cal. Bus & Prof. Code §17200)**

JURY TRIAL DEMANDED

1 Plaintiffs Spooky Action, LLC, a California limited liability company, James Neale, an  
2 individual, Ricardo Salgado, an individual, and Lisa Powell, an individual, (collectively,  
3 “Plaintiffs”) allege as follows:

#### 4 **INTRODUCTION**

5 1. Old habits die hard. Defendant Richard Anthony Vasquez (“Tony”) has operated  
6 cannabis businesses in the illicit and grey markets for years, and like many others, he has  
7 struggled to adjust to California’s highly regulated legal cannabis industry. The hallmark of illicit  
8 market operators is the old handshake deal, born previously out of fear of criminal prosecution  
9 but continuing today as a favorite tool of those who never intended to honor their agreements, to  
10 the detriment of their contract counterparties. What follows in this complaint is the story of  
11 Tony’s extensive cannabis cultivation “Ponzi” scheme. Plaintiffs seek redress for their injuries  
12 following their grave mistake of trusting Tony with over \$1.3 million dollars and years of labor,  
13 eventually running his suite of companies for him, only to be locked out when Tony determined  
14 that Plaintiffs were asking too many questions.

#### 15 **THE PARTIES**

16 2. California Grown (“CalGrown”) is a California corporation owned by Richard  
17 Anthony “Tony” Vasquez. CalGrown owns and operates a cannabis manufacturing site in Davis,  
18 California. Plaintiffs James Neale (“Neale”) and Ricardo Salgado (“Salgado”) invested  
19 approximately \$300,000 into the equipment, labor costs, and other resources used to set up and  
20 open this site.

21 3. Green Wave Farm (“GWF”) is a California corporation engaged in cannabis  
22 cultivation in Clarksburg, California. GWF is ostensibly owned by Tony’s wife, Stefanie Vasquez  
23 (“Stefanie”), but in reality, Tony controls all of the interests and has not disclosed that ownership  
24 to the regulators. Beginning around March 2017, Neale and Salgado invested a total of  
25 approximately \$1,050,000 into GWF.

26 4. Green Wave Inc., doing business as GreenWave Distribution (“GD”), is a  
27 California corporation engaged in cannabis distribution in Sacramento, California. GD’s  
28 registration with the California Secretary of State is currently suspended. GD is ostensibly owned

1 by Tony and Stefanie’s son, Tyler Vasquez (“Tyler”) (currently around 26 years old), but in  
2 reality, Tony controls all of the interests and has not disclosed that ownership to the regulators.  
3 From about December 2018 to about April 2019, Neale contributed approximately \$25,000 to  
4 GD, paying for labor costs and machinery among other things. Plaintiff Lisa Powell (“Powell”)  
5 also contributed approximately 900 hours of labor working for GD from Fall 2018 to Spring  
6 2019, which have not been compensated.

7 5. The Kana Company (“Kana”) is a California corporation that engages in cannabis  
8 manufacturing and retail. Its registration with the California Secretary of State is currently  
9 suspended, and no statement of information has been filed since Kana incorporated in 2018.  
10 Kana’s business address, as listed on its articles of incorporation, is 513 Broadway in Sacramento.  
11 Stefanie is listed as the incorporator; however, it is Tony who controls all of the interests in Kana.  
12 From June 15, 2017, to around April 21, 2019, Neale, Salgado, and Powell collectively  
13 contributed approximately 800 hours of labor working for Kana, which have not been  
14 compensated. Neale and Salgado also managed the application for a conditional use permit, paid  
15 for related legal costs, and provided equipment for Kana.

16 6. Mama N Pops (“MNP”) is a California corporation that, among other things, does  
17 business as a cannabis retailer under the name 515 Broadway Collective, which is located at 515  
18 Broadway in Sacramento. MNP’s business address, like Kana’s, is 513 Broadway in Sacramento.  
19 Tony owns all of the interests in MNP. From April 2017 to September 2018, Powell contributed  
20 over 45 hours of labor working for MNP, which have not been compensated.

21 7. Mama N Pops Farm (“MNPF”) is a California corporation that operates out of 513  
22 Broadway, which is connected to the dispensary 515 Broadway Collective, and operates a  
23 cannabis cultivation site at 511 Broadway in Sacramento. Its registration with the California  
24 Secretary of State is also currently suspended. Tony owns all of the interests in MNPF.

25 8. CalGrown, GWF, and Kana will hereinafter be referred to collectively as  
26 “Defendant Companies.” GD, MNP, and MNPF will be referred to individually.

27 9. On information and belief, Tony is an owner, principal, and agent of Defendant  
28 Companies, GD, MNPF, and MNP.

1           10.     On information and belief, Stefanie is also an owner, principal, and agent of  
2 Defendant Companies, MNPF, and MNP.

3           11.     Tyler is the owner of record and manager of GD. He also managed the cultivation  
4 side of CalGrown for the 2018 season.

5           12.     Tony, Stefanie, and Tyler will be referred to collectively hereinafter as “the  
6 Vasquezes.” The Vasquezes, Defendant Companies, GD, MNP, MNPF, and Does 1-25 constitute  
7 all of the defendants in this action and are collectively referred to herein as “Defendants.”

8           13.     Plaintiffs are informed and believe, and on that basis allege, that the Vasquezes are  
9 and were at all relevant times residents of Sacramento County, California.

10          14.     Spooky Action, LLC (“Spooky”) is a California limited liability corporation  
11 located in Sacramento, California. Neale and Salgado are Spooky’s sole members. The bulk of the  
12 above-described investments of time and labor by Neale and Salgado were made through Spooky.

13          15.     Plaintiff Powell is Salgado’s girlfriend. She also contributed money and labor to  
14 Defendants in her individual capacity, and she has not been repaid or compensated for these  
15 contributions.

16          16.     Spooky, Neale, and Salgado will hereinafter be referred to collectively as “SA  
17 Plaintiffs.”

18          17.     Plaintiff Neale invested money, time, and other resources into the operation of  
19 CalGrown, GWF, GD, and Kana.

20          18.     Plaintiff Salgado invested money, time, and other resources into the operation of  
21 CalGrown, GWF, GD, Kana, MNP, and MNPF.

22          19.     Plaintiff Powell invested money, time, and other resources into the operation of  
23 CalGrown, GWF, GD, Kana, MNP, and MNPF.

24          20.     Plaintiffs Neale, Salgado, and Powell all reside in El Dorado County, California.

25          21.     Plaintiffs do not know the true names and capacities of defendants Does 1 to 25,  
26 inclusive, and therefore sue these defendants by fictitious names under California Code of Civil  
27 Procedure section 474. Plaintiffs will amend this Complaint to state the true names and capacities  
28 of these defendants as they are ascertained. Plaintiffs are informed and believe, and thereupon

1 allege, that each of these defendants was in some manner legally responsible for the acts herein  
2 alleged and for Plaintiffs' damages.

3 22. On information and belief, Defendants, and each of them, including the fictitiously  
4 named Does 1-25, inclusive, are and were at all relevant times acting as the duly authorized agent,  
5 employee, or joint venturer of each and every other defendant, and were acting within the course  
6 and scope of such agency, employment, or joint venture. Each Defendant, including all Doe  
7 defendants, and all of them, knowingly conspired with each other, aided and abetted, or acted as  
8 the alter ego of each other.

### 9 **FACTUAL ALLEGATIONS**

#### 10 **A. The Basic Agreement and Breakdown of the Relationship**

11 23. SA Plaintiffs' collective involvement with Defendant Companies, GD, MNP, and  
12 the Vasquezes began in the Spring of 2017 and was the result of an express oral agreement,  
13 memorialized in various documents, that SA Plaintiffs' monetary investments would be returned  
14 and any profits of Defendant Companies would be shared, with Spooky receiving 50 percent of  
15 such profits.

16 24. Based on their course of dealing, SA Plaintiffs and the Vasquezes formed and  
17 operated a general partnership with respect to Defendant Companies. Tony referred to their  
18 agreement as a "sharecropping agreement."

19 25. In reliance on this oral "sharecropping agreement," Neale, Salgado, and Powell  
20 collectively invested over \$1.3 million and years of their own labor, all to the benefit of Tony and  
21 his suite of companies.

22 26. In or around April 2019, the Vasquezes dismissed all of the workers that SA  
23 Plaintiffs had hired from GWF's and GD's facilities. They also locked all of the Plaintiffs out of  
24 these facilities. These workers were effectively Tony's workers, since it is Tony's facilities that  
25 hold licenses to work in commercial cannabis, but Spooky was the hiring entity.

26 27. When asked about the lockout, Stefanie alleged that Plaintiffs stole product from  
27 GD's distribution facility. This was the first time any such allegation had been made. Stefanie's  
28 allegation was fabricated to justify excluding Neale, Salgado, Powell, and Spooky from the

1 Defendant Companies' and GD's premises. Plaintiffs later learned that Tony told one of his  
2 workers that he had never intended to uphold his agreement with Plaintiffs.

3 **B. The History of SA Plaintiffs' Contract with Tony and Stefanie to Own and Operate**  
4 **Defendant Companies**

5 28. Salgado first met the Vasquezes in 2016. At the time, Salgado was a concentrate-  
6 product vendor for 515 Broadway Collective, which is owned and operated by MNP.

7 29. Later in 2016, Tony requested that Salgado perform toll processing services as  
8 well as provide ad hoc expert advice and consulting on product and businesses practices. Salgado  
9 did so for Tony from 2016 to 2018.

10 30. In or around January 2017, Tony and Stefanie solicited Neale and Salgado with a  
11 "business opportunity" to invest in, fund, build, operate, and manage a county-approved and  
12 licensed cannabis cultivation site in Yolo County. Tony characterized this arrangement as a  
13 "partnership for a crop share" or a "sharecropping agreement."

14 31. Tony took Neale and Salgado to visit the proposed site in or about late January or  
15 early February 2017.

16 32. Within a couple of weeks, SA Plaintiffs and the Vasquezes (through Tony as their  
17 agent), had entered into an oral contract ("Contract") for SA Plaintiffs' involvement in the project,  
18 according to which SA Plaintiffs would provide all the upfront funding, including for the  
19 construction and infrastructure development for the cultivation site, as well as the licensing and  
20 permit fees. SA Plaintiffs were also responsible for the staffing, compliance, cultivation, and  
21 general management of the project. Tony would provide the land and approval for the cultivation  
22 permit, which had been approved by the locality but not yet paid for. At the end of the cultivation  
23 season, SA Plaintiffs would be reimbursed for their entire financial investment. Any remaining  
24 profit would be split in half, with 50 percent to SA Plaintiffs and 50 percent to the Vasquezes.  
25 This project was under the business umbrella of GWF.

26 33. As part of this Contract, SA Plaintiffs were to store GWF's product at GD's  
27 distribution facility and were in charge of selling GWF's product. GD would not charge a  
28 handling fee, so that SA Plaintiffs could more easily recover their investment.

1           34.     Around June 15, 2017, the Vasquezes invited SA Plaintiffs to become partners in  
2 Kana due to Salgado’s expert manufacturing knowledge and SA Plaintiffs’ aptitude in securing  
3 funding and navigating zoning regulations.

4           35.     An oral agreement expanding the original partnership Contract to include the  
5 manufacturing operation in Davis, California, was finalized in or around October 2017, with the  
6 same 50/50 profit-sharing arrangement. Due to the Vasquezes’ obfuscation, Plaintiffs do not  
7 know which of the Defendant Companies is the record owner of this manufacturing operation. On  
8 information and belief, this manufacturing site is owned and operated by CalGrown, Kana, or  
9 both.

10    **C.     Performance by SA Plaintiffs of their Obligations under the Contract**

11           36.     In accordance with the Contract, Neale and Salgado proceeded to pay GWF’s  
12 licensing fee of \$77,296 in February 2017. They also interacted with Yolo County officials as  
13 agents of GWF, which one witness (a county official) confirms.

14           37.     By March 2017, Neale and Salgado had begun ordering and paying for materials  
15 for GWF’s cultivation project, including arranging the bulk soil purchase with Mitchell Lopez  
16 that became the subject of the “soil lawsuit” described further below.

17           38.     In or around May 2017, due to Tony’s failure to verify that the site was in  
18 compliance with land-use laws, the original GWF cultivation site was declared eminent domain,  
19 and the use planned by the Vasquezes and SA Plaintiffs was prohibited. GWF’s cultivation  
20 project was relocated to pastureland – Spooky funded the massive costs associated with the  
21 relocation.

22           39.     Upon becoming partners in Kana later in 2017, Salgado presented the  
23 manufacturing project to the Davis Planning Commission and City Council as an agent of Kana.

24           40.     SA Plaintiffs also dedicated hundreds of hours to working with Kana’s licensing  
25 lawyer, Sherri Kirk, on securing Kana’s conditional use permit. SA Plaintiffs paid for Ms. Kirk’s  
26 legal services on Kana’s behalf.

27           41.     Upon completing the conditional use permit application, SA Plaintiffs proceeded  
28 to pay for several professional consultants for Kana, including an architect, a stick builder, a

1 mechanical engineer, and an electrical engineer. They also paid for the infrastructure for a  
2 modular manufacturing lab per Tony's request.

3 42. Kana's manufacturing conditional use permit was issued on April 12, 2018. Tony  
4 then gave Neale and Salgado the task of managing the buildout of the manufacturing space.

5 43. Spooky also paid Sherri Kirk approximately \$34,000 for legal services in securing  
6 a license for CalGrown's cultivation facility at 7 Morrison Avenue in Sacramento, California. The  
7 conditional use permit application for this project was submitted on August 15, 2018.

8 44. Spooky paid for GWF's 2018 licensing fee as well as operation and management  
9 costs.

10 45. Spooky also paid for GWF's 2019 licensing fee. Plaintiffs were then locked out of  
11 GWF's facilities about a week later, on or about the day that the license became operational.  
12 Another week after that, Plaintiffs were locked out of GD's facilities, and the Vasquezes  
13 conveyed that Plaintiffs no longer could enter the facilities of any of the Defendant Companies.

14 **D. The Extent of the Parties' Entanglements**

15 46. Multiple text-message and email communications between Tony, Neale, and  
16 Salgado document that SA Plaintiffs paid for the security services, permit and licensing fees, and  
17 a number of other expenses for GWF, as well as permitting and related expenses for CalGrown  
18 and Kana.

19 47. Neale and Salgado were involved as co-owners and investors in the daily  
20 management, operation, and development of CalGrown and GWF from approximately April 2017  
21 to April 2019. These companies and the Vasquezes failed to notify the State of California's  
22 Bureau of Cannabis Control ("BCC") of SA Plaintiffs' ownership and financial interests and are  
23 currently in violation of several commercial cannabis regulations.

24 48. SA Plaintiffs recovered approximately \$65,000 of their financial investments into  
25 Defendant Companies, through their own labor making sales for GWF, but reinvested  
26 approximately \$50,000 of this amount back into GWF, including paying for GWF's 2019 local  
27 licensing fee – at Tony's request.

28 49. Defendants are still in possession of several items of SA Plaintiffs' personal

1 property, including but not limited to: (1) tractor and related implements, including but not  
2 limited to a “Brush Hog,” disc plow, bed shaper, box scraper, ground plow, and bucket; (2) three  
3 Conex Boxes and the tools within them, including but not limited to pick-axes, breaker bars, six  
4 shovels, two skill saws, and a jig saw; (3) reefer container; (4) dual-axel truck; (5) small  
5 greenhouse; (6) six white 275-gallon watering tanks; (7) two large green 2000+ gallon watering  
6 tanks; (8) small John Deere lawn mower; (9) 400 50-cell trays, including drain bottoms; (10) one  
7 dozen 4 x 8 flood-and-drain tables; (11) four 2-cubic-yard totes of VermiSoil; (12) one dozen of  
8 T5 vegetative lights; and (13) additional tools.

9 50. Per their agreement with Tony regarding GWF, SA Plaintiffs stored GWF’s  
10 product (which Plaintiffs paid to produce and labored to grow and harvest) at GD’s distribution  
11 facility.

12 51. In the course of storing GWF’s product there, Neale and Salgado also performed  
13 work for the benefit of GD, including but not limited to cleaning the facility, preparing GWF’s  
14 product for distribution, doing inventory, and securing clientele for GD.

15 **E. Vasquezes’ Lockout of SA Plaintiffs from Defendant Companies’ Facilities and**  
16 **Baseless Refusal to Repay SA Plaintiffs’ Investments**

17 52. In or around January 2018, the 2017 cultivation season ended.

18 53. In or around December 2018, the Vasquezes and Defendant Companies had funds  
19 available to begin repaying SA Plaintiffs’ financial investments into Defendant Companies.

20 54. In or around February 2019, SA Plaintiffs recovered approximately \$65,000 of  
21 their financial investments into the Defendant Companies. Per the Vasquezes’ instructions, SA  
22 Plaintiffs recouped the funds themselves through the sale of GWF’s product, using their own  
23 labor to earn the funds to start repaying their investments.

24 55. SA Plaintiffs then reinvested approximately \$50,000 of this money back into  
25 GWF, including paying for GWF’s 2019 local licensing fee at Tony’s request.

26 56. Since then, SA Plaintiffs have not been repaid at all for their investments, nor have  
27 they received their share of profits as agreed under the Contract.

28 57. On information and belief, Tony and Tyler deliberately prevented sales of GWF

1 product to prevent SA Plaintiffs' recovery of funds in 2018 and 2019. Among these prospective  
2 sales were several deals with Kase Manufacturing and Sisu Extractions in or around the Spring of  
3 2019, for which Tony and Tyler refused to provide the shipping manifests from GD, as is required  
4 for any legal sale of cannabis in California. Also in the Spring of 2019, SA Plaintiffs packaged  
5 and organized GWF product to be sent to several distributors in Northern California, but Tony  
6 and Tyler again refused to provide the manifests needed to effectuate the transfers. The total value  
7 of these prospective sales in the Spring of 2019 was over \$700,000.

8 58. Upon information and belief, Tony and Tyler thwarted the sales of GWF's product  
9 to third parties in order to further their own illegal scheme of selling product to themselves in the  
10 vertical supply chain: Tony took the product from GWF that SA Plaintiffs paid and labored to  
11 produce, sold it to himself as GD, then again sold it to himself as MNP operating 515 Broadway  
12 Collective. The California cannabis regulation scheme does not allow for such self-dealing. The  
13 ultimate effect of this self-dealing is to artificially deflate the price of the goods for two purposes:  
14 1) to prevent having to pay any profit to SA Plaintiffs, and 2) to reduce or eliminate the tax on the  
15 sale and transfer of cannabis, by both reducing the taxable dollar amount and calling the products  
16 by names that do not reflect the reality so as to avoid paying taxes on cannabis flower.

17 59. Neale and Salgado were continuously involved in the daily management,  
18 operation, and development of Defendant Companies as co-owners and investors from  
19 approximately March 2017, when they first entered the Contract with respect to GWF, to April  
20 2019. This included hiring necessary staff and consultants for the operation of CalGrown and  
21 GWF. Meanwhile, Tony deliberately kept SA Plaintiffs in the dark about the financial activities  
22 of the companies, instead keeping them focused on the time-consuming operational aspects.

23 60. Despite SA Plaintiffs' enormous financial interest in the Defendant Companies, the  
24 Vasquezes and Defendant Companies have not notified the BCC of SA Plaintiffs' financial  
25 interest.

26 **F. The Soil Lawsuit**

27 61. Based on the Contract, SA Plaintiffs spent hundreds of thousands of dollars to  
28 prepare the Vasquezes' farms for cannabis cultivation. This included purchasing soil, which

1 turned out to be defective and inconsistent with its advertised specifications. This defective soil  
2 was too high in boron and burned the cannabis crops, causing a loss to all who used it for this  
3 purpose.

4 62. In September 2017, CalGrown, GWF, and GD sued Lopez Ag Service, Inc., Kong  
5 Grow, LLC, and several related individuals (Sacramento County Superior Court Case No. 34-  
6 2017-00218749) over the defective soil (the “soil lawsuit”).

7 63. The complaint in the soil lawsuit contains judicial admissions that Neale and  
8 Salgado are, at the very least, agents of CalGrown, GWF, and GD.

9 64. Neale and Salgado have been actively involved in the soil lawsuit. Neale and  
10 Salgado have been the primary drivers of that lawsuit and have worked with the plaintiffs’  
11 attorney in that case, Matthew Eason, as agents of these companies. After all, Spooky’s money  
12 financed the soil purchases that are the subject of the soil lawsuit. Salgado and Neale are Mr.  
13 Eason’s clients as well, even though not listed as named plaintiffs in the soil lawsuit.

14 **G. Neale and Salgado’s Additional Unremunerated Labor for the Vasquezes**

15 65. Per their agreement with Tony regarding GWF, SA Plaintiffs stored GWF’s  
16 product (which Plaintiffs paid to produce and labored to grow and harvest) at GD’s distribution  
17 facility.

18 66. In the course of storing GWF’s product there, Neale and Salgado also performed  
19 work for the benefit of GD, including but not limited to cleaning the facility, preparing GWF’s  
20 product for distribution, doing inventory, and securing clientele for GD.

21 67. From June 15, 2017, to around April 21, 2019, Neale and Salgado collectively  
22 worked approximately 755 hours for the benefit of Kana, some of which was for Kana’s retail  
23 operation rather than the manufacturing operation that was the original subject of their October  
24 2017 agreement with the Vasquezes. Among these hours worked, Salgado labored approximately  
25 20 hours on Kana’s retail opening in 2018.

26 68. Salgado also worked approximately 20 to 25 hours for the benefit of MNPF at its  
27 511 Broadway cultivation site in 2018. This work consisted of both cultivation consulting and  
28 physical labor.

1           69.     Additionally, Salgado conducted an employee training for 515 Broadway  
2 Collective's "budtenders" at the Vasquezes' request, which consisted of approximately 15 hours  
3 of labor, also in 2018. 515 Broadway is owned and operated by MNP.

4           70.     The Vasquezes ignored the meal, rest break, and overtime rules that protect  
5 California workers when they induced Salgado and Neale to work long shifts without proper  
6 breaks and had them work more than eight (8) hours in a day.

7           71.     Neither Neale nor Salgado has been compensated for any of this labor.

8 **H.     Powell's Unremunerated Labor Investment Based on the Vasquezes' False Promise**  
9 **of Employment**

10          72.     From April 2017 to February 2019, at Stefanie and Tony's request, Powell  
11 performed at least 90 hours of work for the benefit of Kana, MNPF, and MNP, often at a  
12 moment's notice to fill in during staffing shortages. Over 45 of these hours were performed for  
13 MNP and/or MNPF between April 2017 and September 2018. Powell has not been compensated  
14 for any of this labor.

15          73.     Similarly, from Fall 2018 to Spring 2019, Powell performed approximately 900  
16 hours of work for the benefit of GD, which have not been compensated.

17          74.     The Vasquezes ignored the meal, rest break, and overtime rules that protect  
18 California workers when they induced Powell to work long shifts without proper breaks and had  
19 her work more than eight (8) hours in a day.

20          75.     Stefanie and Tony represented that Powell would become a paid employee as a  
21 result of her efforts, but Powell was never added to payroll or compensated for her labor.

22          76.     In or around August 2018, Stefanie interviewed Powell to run GD's operations,  
23 quoting \$22.50 to \$25 per hour as the contemplated compensation. Powell was never made a paid  
24 employee of GD, even though she was working for the benefit of GD.

25 **I.     Powell's Machinery Investment Secured by Tony's False Promise to Share Profits**

26          77.     At Tony's request, Powell personally contributed approximately \$5,500 toward a  
27 canning machine for GD in or around June 2018. Tony represented that he could no longer afford  
28 payments on the machine and that it would be repossessed without Powell's contribution. They

1 agreed that Tony would move the machine to the GD facility in or around November 2018, and  
2 that Powell would have use of the machine and share in the resulting profits of future products  
3 produced from the machine, including co-packing for other producers. Costs would be reimbursed  
4 after each production run, and the remaining proceeds would be split.

5 78. Tony prevented any such use of the machine by failing to move the machine to the  
6 GD facility as agreed. Powell inquired numerous times about why the machine had not been  
7 moved over to be put into use, and Tony claimed there was no space for the machine at the GD  
8 facility, even though he had previously represented that there was sufficient space. Consequently,  
9 Powell has neither been repaid her investment of \$5,500 nor reaped any proceeds from the use of  
10 this canning machine, which she helped to pay for.

11 **J. Vasquezes' Pattern of Defrauding Investors and Business Partners**

12 79. The Vasquezes, largely through Tony's dealings, have similarly defrauded several  
13 participants in the cannabis industry. Their *modus operandi* is to make oral agreements (i.e.,  
14 "sharecropping" agreements) with investors and partners who would provide all or most of the  
15 capital and labor, on the promise that they would be paid back, and then making off with the  
16 assets and profits without paying the investors/partners back.

17 80. Among those the Vasquezes have defrauded are Gevorg Kadzhikyan, Gayk  
18 Serobyanyan, and Joseph Karapetyan, who operate multiple cannabis dispensaries in Sacramento  
19 County. Pursuant to their oral agreement with Tony, Messrs. Kadzhikyan, Serobyanyan, and  
20 Karapetyan fronted all of the costs of a cannabis cultivation operation. As with the SA Plaintiffs'  
21 Contract with the Vasquezes, these investors were supposed to be reimbursed from the proceeds  
22 of the cultivation, with remaining profits to be shared. However, Tony never reimbursed them for  
23 their costs or shared any profits with them.

24 81. Messrs. Kadzhikyan, Serobyanyan, and Karapetyan were also victims of the defective  
25 soil purchase that was the subject of the soil lawsuit. After a settlement was reached in that suit,  
26 Tony misinformed Messrs. Kadzhikyan, Serobyanyan, and Karapetyan that there were no settlement  
27 proceeds to reimburse them for their losses. Once Messrs. Kadzhikyan, Serobyanyan, and Karapetyan  
28 discovered this lie, Tony furnished payment to them from those settlement proceeds.



1 SA Plaintiffs have incurred damages in an amount according to proof at trial, plus prejudgment  
2 interest from April 21, 2019.

3 **SECOND CAUSE OF ACTION**

4 **Breach of Oral Agreement**

5 **(Powell against Tony and Stefanie)**

6 90. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
7 paragraphs as though fully set forth herein.

8 91. At Tony's request, Powell individually contributed approximately \$5,500 toward a  
9 canning machine for GD in or around June 2018, with the agreement that Powell would be able to  
10 use the machine and share in the resulting profits of the products produced from that machine,  
11 including co-packing for other producers. Costs would be reimbursed after each production run,  
12 and the remaining proceeds would be split. Powell and Tony agreed that Tony would move the  
13 machine to the GD facility in or around November 2018.

14 92. Tony prevented any such use of the machine by failing to move the machine to the  
15 GD facility as agreed. Powell inquired numerous times about why the machine had not been  
16 moved over to be put into use; Tony claimed there was no space for the machine at the GD  
17 facility, even though he had previously represented that there was sufficient space. Consequently,  
18 Powell has not been repaid her investment of \$5,500 or reaped any proceeds from the use of this  
19 canning machine that she helped to pay for.

20 93. Powell paid the \$5,500 toward the canning machine and has thus performed all, or  
21 substantially all, of her obligations under the agreement or is excused from doing so.

22 94. Powell is informed and believes, and thereupon alleges, that Tony intends to  
23 continue breaching the agreement regarding repayment of Powell's financial investment and her  
24 profit-sharing interest in the canning machine.

25 95. As a direct and proximate result of Tony's breach of this agreement, Powell has  
26 incurred damages in an amount according to proof at trial, plus prejudgment interest from  
27 November 2018.

28

1 **THIRD CAUSE OF ACTION**

2 **Breach of Fiduciary Duty**

3 **(SA Plaintiffs against the Vasquezes)**

4 96. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
5 paragraphs as though fully set forth in full herein.

6 97. SA Plaintiffs and the Vasquezes created a partnership by contributing time,  
7 resources, and services toward the operation and purchase of the Defendant Companies. They  
8 agreed that SA Plaintiffs would supply the funds necessary to set up, operate, and manage  
9 Defendant Companies; Tony would provide the land and the access to the cultivation permit for  
10 GWF, which had been approved by the locality but not yet paid for; and at the end of each  
11 cultivation season, SA Plaintiffs would be reimbursed for their entire financial investment, and  
12 any remaining profit would be split in half, with 50 percent to SA Plaintiffs and 50 percent to the  
13 Vasquezes. The 50/50 profit sharing arrangement would continue into the future, so long as SA  
14 Plaintiffs remained involved in the Defendant Companies.

15 98. At all relevant times herein mentioned, the Vasquezes owed fiduciary duties to SA  
16 Plaintiffs as partners, including the duties of care and of loyalty.

17 99. The Vasquezes violated their duties of care by, among other acts and omissions,  
18 failing to repay SA Plaintiffs' financial investments when the 2017 cultivation season ended and  
19 then locking Plaintiffs out of the Defendant Companies' facilities in or around April 2019,  
20 thereby depriving SA Plaintiffs of their rights as partners, owners, and investors in the Defendant  
21 Companies.

22 100. The Vasquezes violated their duties of loyalty by, among other acts and omissions,  
23 failing to repay SA Plaintiffs' financial investments when the 2017 cultivation season ended and  
24 when the funds became available, and then locking Plaintiffs out of the Defendant Companies'  
25 facilities in or around April 2019, thereby depriving SA Plaintiffs of their rights as partners,  
26 owners, and investors in the Defendant Companies.

27 101. As a direct, proximate, and foreseeable result of the Vasquezes' breaches of their  
28 fiduciary duties, SA Plaintiffs have been damaged in an amount subject to proof at trial.

1 102. Furthermore, as the Vasquezes' conduct was willful, malicious, oppressive and  
2 fraudulent, SA Plaintiffs are entitled to punitive damages pursuant to California Civil Code  
3 section 3294.

4 **FOURTH CAUSE OF ACTION**

5 **Conversion**

6 (Plaintiffs against the Vasquezes and Defendant Companies)

7 103. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
8 paragraphs as though fully set forth herein.

9 104. The Vasquezes and Defendant Companies are still in possession of several items  
10 of SA Plaintiffs' personal property, including but not limited to: (1) tractor and related  
11 implements, including but not limited to a "Brush Hog," disc plow, bed shaper, box scraper,  
12 ground plow, and bucket; (2) three Conex Boxes and the tools within them, including but not  
13 limited to pick-axes, breaker bars, six shovels, two skill saws, and a jig saw; (3) reefer container;  
14 (4) dual-axel truck; (5) small greenhouse; (6) six white 275-gallon watering tanks; (7) two large  
15 green 2000+ gallon watering tanks; (8) small John Deere lawn mower; (9) 400 50-cell trays,  
16 including drain bottoms; (10) one dozen 4 x 8 flood-and-drain tables; (11) four 2-cubic-yard totes  
17 of VermiSoil; (12) one dozen of T5 vegetative lights; and (13) additional tools.

18 105. The Vasquezes' and Defendant Companies' failures to repay SA Plaintiffs'  
19 financial investments according to the terms of the Contract and their deprivation of SA  
20 Plaintiffs' access to the Defendant Companies, including the tangible property SA Plaintiffs  
21 contributed and the aforementioned personal property SA Plaintiffs loaned to Defendant  
22 Companies, constitute conversion of SA Plaintiffs' property. In particular, the Vasquezes have  
23 failed and refused, and continue to fail and refuse, to pay and account for these monetary amounts  
24 to SA Plaintiffs and to return SA Plaintiffs' personal property.

25 106. SA Plaintiffs have a right to possess their personal property and the return of their  
26 invested funds pursuant to the terms of the Contract.

27 107. SA Plaintiffs have demanded the return of their personal property and invested  
28 funds.



1 request in an amount around \$1.35 million, according to proof at trial.

2 118. Neale and Salgado provided accounting, expertise, networking, management,  
3 negotiating, and other business services to the Vasquezes and Defendant Companies for  
4 approximately two years. During that time, Neale and Salgado also leveraged their industry  
5 connections for the benefit of these defendants.

6 119. Neale and Salgado also engaged in the daily management, operation, and  
7 development of CalGrown and GWF beginning in 2017.

8 120. From June 15, 2017, to around April 21, 2019, Neale and Salgado collectively  
9 worked approximately 755 hours for the benefit of Kana, some of which was for Kana's retail  
10 operation rather than the manufacturing operation that was the original subject of their October  
11 2017 agreement with the Vasquezes. Among these hours worked, Salgado labored approximately  
12 20 hours on Kana's retail opening in 2018.

13 121. Salgado also worked approximately 20 to 25 hours for the benefit of MNPF at its  
14 511 Broadway cultivation site in 2018. This work consisted of both cultivation consulting and  
15 physical labor.

16 122. Additionally, Salgado conducted an employee training for 515 Broadway  
17 Collective's "budtenders" at the Vasquezes' request, which consisted of approximately 15 hours  
18 of labor, also in 2018. 515 Broadway is owned and operated by MNP.

19 123. All of this work by Neale and Salgado was performed at the Vasquezes' request.

20 124. Neither Neale nor Salgado has been compensated for any of this labor.

21 125. At Stefanie and Tony's request, Powell performed work for the benefit of GD,  
22 Kana, MNP, and MNPF from April 2017 to Spring 2019. During this period, Powell worked at  
23 least 45 hours for MNP and MNPF, around 45 hours for Kana, and approximately 900 hours for  
24 GD, all of which have not been compensated.

25 126. As a result of Plaintiffs' efforts on Defendants' behalf, Defendants earned and  
26 received substantial revenue and will continue to receive revenue from the successful operation of  
27 Defendant Companies, GD, MNP, and MNPF into the future.

28 127. SA Plaintiffs also paid for a portion of the professional services Sherri Kirk

1 provided to Kana and CalGrown. SA Plaintiffs paid approximately \$5,000 to Kirk for her legal  
2 services in securing necessary permitting and licensure for Kana, and \$34,000 to Kirk for  
3 CalGrown's legal work.

4 128. Defendants have been unjustly enriched by their wrongful withholding and  
5 retention of the monies and services provided by Plaintiffs. Plaintiffs seek repayment of the  
6 reasonable value of their services and the funds they provided to Defendants, in an amount  
7 according to proof at trial.

8 **SIXTH CAUSE OF ACTION**

9 **Quantum Meruit**

10 **(Plaintiffs against Defendants)**

11 129. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
12 paragraphs as though fully set forth herein.

13 130. Neale and Salgado provided accounting, expertise, networking, management,  
14 negotiating, and other business services to the Vasquezes and Defendant Companies for  
15 approximately two years at Tony and Stefanie's request. During that time, Neale and Salgado  
16 leveraged their industry connections for the benefit of said defendants.

17 131. Neale and Salgado also engaged in the daily management, operation, and  
18 development of CalGrown and GWF beginning in 2017.

19 132. From June 15, 2017, to around April 21, 2019, Neale and Salgado collectively  
20 worked approximately 755 hours for the benefit of Kana, some of which was for Kana's retail  
21 operation rather than the manufacturing operation that was the original subject of their October  
22 2017 agreement with the Vasquezes. Among these hours worked, Salgado labored approximately  
23 20 hours on Kana's retail opening in 2018.

24 133. Salgado also worked approximately 20 to 25 hours for the benefit of MNPF at its  
25 511 Broadway cultivation site in 2018. This work consisted of both cultivation consulting and  
26 physical labor.

27 134. Additionally, Salgado conducted an employee training for 515 Broadway  
28 Collective's "budtenders" at the Vasquezes' request, which consisted of approximately 15 hours

1 of labor, also in 2018. 515 Broadway is owned and operated by MNP.

2 135. All of this work by Neale and Salgado was performed at the Vasquezes' request.

3 136. At Stefanie's and Tony's request and on their promise of paid employment, Powell  
4 worked approximately 1,000 hours for GD, Kana, MNPF, and MNP from 2017 to 2019.

5 137. Defendants have not paid or otherwise compensated Plaintiffs for these services at  
6 all.

7 138. Plaintiffs are entitled to the reasonable value of their services, according to proof at  
8 trial.

9 **SEVENTH CAUSE OF ACTION**

10 **Fraud (Intentional Misrepresentation)**

11 **(Plaintiffs against Defendants)**

12 139. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
13 paragraphs as though fully set forth herein.

14 140. In or around January 2017, Tony and Stefanie orally solicited Neale and Salgado  
15 with a "business opportunity" to invest in, fund, build, operate, and manage a county-approved  
16 and licensed cannabis cultivation site in Yolo County. Tony characterized this arrangement as a  
17 "partnership for a crop share" or a "sharecropping agreement."

18 141. Within a couple of weeks, SA Plaintiffs and the Vasquezes (through Tony as their  
19 agent), had entered into an oral contract ("Contract") for SA Plaintiffs' involvement in the project,  
20 according to which SA Plaintiffs would provide all the upfront funding, including for the  
21 construction and the infrastructure development for the cultivation site, as well as licensing and  
22 permit fees. SA Plaintiffs were also responsible for the staffing, compliance, cultivation, and  
23 general management of the project. Tony would provide the land and access to the cultivation  
24 permit, which had been approved by the locality but not yet paid for. At the end of the cultivation  
25 season, SA Plaintiffs would be reimbursed for their entire financial investment. Any remaining  
26 profit would be split in half, with 50 percent to SA Plaintiffs and 50 percent to the Vasquezes.  
27 This project was under the business umbrella of GWF.

28 142. In or around October 2017, this Contract expanded to include a manufacturing

1 operation in Davis, California, with the same 50/50 profit-sharing arrangement. Due to the  
2 Vasquezes' obfuscation, Plaintiffs do not know which of the Defendant Companies is the record  
3 owner of this manufacturing operation. On information and belief, this manufacturing site is  
4 owned and operated by CalGrown, Kana, or both.

5 143. As an agent for Defendants, Tony represented to SA Plaintiffs that their financial  
6 investment would be repaid in full, that SA Plaintiffs would be given 50 percent of the profits of  
7 the Defendant Companies, and that SA Plaintiffs would be partners in the Defendant Companies  
8 in which they invested.

9 144. This representation was false, as the Vasquezes had no intention of repaying SA  
10 Plaintiffs' investments or sharing profits with them, which is evidenced by the Vasquezes'  
11 locking SA Plaintiffs out when SA Plaintiffs began asking about returning their capital and their  
12 50% of the profits.

13 145. Tony knew the representation was false when he made it, as evidenced by his  
14 statements to a witness that he had never intended to repay SA Plaintiffs or share profits with  
15 them.

16 146. Tony intended for SA Plaintiffs to rely on his representations so that they would  
17 invest their money, labor, time, and other resources into Defendant Companies.

18 147. SA Plaintiffs reasonably relied on the Vasquezes' misrepresentations to their  
19 detriment by providing services and funding to the Defendant Companies. In the cannabis  
20 industry, oral agreements have traditionally been the most common form of business deals, due to  
21 the risk of criminal prosecution if law enforcement ever found a written contract for the  
22 cultivation of cannabis. Salgado also had a history with Tony and had established a trusting  
23 rapport.

24 148. As a result of Tony's misrepresentation, SA Plaintiffs have been harmed and have  
25 sustained damages in an amount to be determined at trial.

26 149. SA Plaintiffs' reliance on Tony's false representations was a substantial factor in  
27 causing their harm.

28 150. Tony has similarly defrauded other participants in the cannabis industry by making

1 nearly identical oral agreements (i.e., “sharecropping” agreements) with them and then failing to  
2 uphold his end of the deal.

3 151. Among others thus defrauded, Tony did this to Gevorg Kadzhikyan, Gayk  
4 Serobyanyan, and Joseph Karapetyan, who operate multiple cannabis dispensaries in Sacramento  
5 County. According to their oral agreement with Tony, Messrs. Kadzhikyan, Serobyanyan, and  
6 Karapetyan would front all the costs of a cannabis cultivation operation, which were to be  
7 reimbursed from the proceeds of the cultivation, and profits would be shared. However, Tony  
8 never reimbursed them for their costs or shared any profits with them.

9 152. Messrs. Kadzhikyan, Serobyanyan, and Karapetyan were also victims of the faulty soil  
10 purchase that was at issue in the soil lawsuit. After a settlement was reached in that suit, Tony lied  
11 and stated that there were no settlement proceeds to reimburse Messrs. Kadzhikyan, Serobyanyan,  
12 and Karapetyan for their losses. Once Messrs. Kadzhikyan, Serobyanyan, and Karapetyan discovered  
13 this lie, Tony paid them from those settlement proceeds.

14 153. These facts establish that Tony has a pattern and practice of defrauding cannabis  
15 cultivators by getting them to finance his operations and then refusing to pay them back their  
16 investment, let alone any profit.

17 154. At Stefanie’s and Tony’s request, Powell worked approximately 1,000 hours for  
18 GD, Kana, MNP, and MNPF from 2017 to 2019.

19 155. Tyler is the owner of record of GD.

20 156. Stefanie and Tony represented to Powell that she would be made a paid employee  
21 as a result of her efforts. In or around August 2018, Stefanie solicited Powell to run GD’s  
22 operations, quoting \$22.50 to \$25 per hour as the contemplated compensation.

23 157. These representations of paid employment were false.

24 158. At the time they made these false representations, Stefanie and Tony had no  
25 intention of ever paying Powell for her labor.

26 159. Stefanie and Tony intended for Powell to rely on their representation in performing  
27 the work requested of her for Defendants’ benefit.

28 160. Powell reasonably relied on Stefanie and Tony’s representations based on their

1 prior course of dealing, as this was before Plaintiffs were refused repayment of their investments  
2 and locked out of Defendants' facilities.

3 161. Powell was harmed in that she was never added to payroll or compensated for any  
4 of her labor on the Defendants' behalf.

5 162. Powell's reliance on Stefanie and Tony's representations of eventual compensation  
6 for her labor was a substantial factor in causing her harm.

7 163. The Vasquezes' conduct was and is fraudulent, oppressive, and malicious, and in  
8 conscious disregard of Plaintiffs' rights. By reason thereof, Plaintiffs are entitled to recover, and  
9 hereby request, an award of punitive and exemplary damages pursuant to California Civil Code  
10 section 3294, in an amount to be determined at trial.

### 11 **EIGHTH CAUSE OF ACTION**

#### 12 **Fraudulent Inducement to Contract**

13 **(Plaintiffs against Defendants)**

14 164. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
15 paragraphs as though fully set forth herein.

16 165. Defendants fraudulently induced SA Plaintiffs to enter into the Contract and invest  
17 their money, labor, and time.

18 166. Defendants, through Tony as their agent, made a knowingly false representation  
19 that SA Plaintiffs would be repaid their full financial investment at the end of the cultivation  
20 season and would receive half of the profits of the Defendant Companies and be partners therein.

21 167. When he made this representation, Tony, as agent for the Vasquezes and the  
22 Defendant Companies, intended to deceive SA Plaintiffs or induce their reliance so that they  
23 would invest their money, labor, and time into the development and operation of Defendant  
24 Companies. Tony even told one witness that he never intended to honor his obligations to SA  
25 Plaintiffs.

26 168. SA Plaintiffs justifiably relied on Tony's representations, as Salgado had a  
27 working relationship with Tony and oral agreements are common in the cannabis industry.

28 169. Tony has similarly defrauded other participants in the cannabis industry by making

1 nearly identical oral agreements (i.e., a “sharecropping” agreements) with them and then failing to  
2 uphold his end of the deal.

3 170. Among others thus defrauded, Tony did this to Gevorg Kadzhikyan, Gayk  
4 Serobyanyan, and Joseph Karapetyan, who operate multiple cannabis dispensaries in Sacramento  
5 County. According to their oral agreement with Tony, Messrs. Kadzhikyan, Serobyanyan, and  
6 Karapetyan would front all the costs of a cannabis cultivation operation, which were to be  
7 reimbursed from the proceeds of the cultivation, and profits would be shared. However, Tony  
8 never reimbursed them for their costs or shared any profits with them.

9 171. Messrs. Kadzhikyan, Serobyanyan, and Karapetyan were also victims of the faulty soil  
10 purchase that was at issue in the soil lawsuit. After a settlement was reached in that suit, Tony lied  
11 and stated that there were no settlement proceeds to reimburse Messrs. Kadzhikyan, Serobyanyan,  
12 and Karapetyan for their losses. Once Messrs. Kadzhikyan, Serobyanyan, and Karapetyan discovered  
13 this lie, Tony paid them from those settlement proceeds.

14 172. These facts establish that Tony has a pattern and practice of defrauding cannabis  
15 cultivators by getting them to finance his operations and then refusing to pay them back their  
16 investment, let alone any profit.

17 173. Additionally, Stefanie and Tony fraudulently induced Powell to enter into the  
18 agreement to provide labor for GD, Kana, and MNP.

19 174. Stefanie and Tony made a knowingly false representation that Powell would  
20 eventually become a paid employee and be compensated for her labor.

21 175. When they made this representation, Stefanie and Tony intended to deceive Powell  
22 or induce her reliance so that she would invest her money, labor, and time into the development  
23 and operation of GD, Kana, MNPF, and MNP.

24 176. As a result, Plaintiffs have suffered damages in an amount to be determined at  
25 trial.

1 **NINTH CAUSE OF ACTION**

2 **Promissory Estoppel**

3 **(Plaintiffs against Defendants)**

4 177. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
5 paragraphs as though fully set forth herein.

6 178. The Vasquezes promised to pay back the money SA Plaintiffs invested for the  
7 establishment, improvement, and operation of Defendant Companies.

8 179. The Vasquezes, through Tony as their agent, induced SA Plaintiffs' investments by  
9 promising them half the profits of GWF and the Davis manufacturing operation of CalGrown  
10 and/or Kana, partnership therein, and the prompt return of SA Plaintiffs' invested funds.

11 180. The Vasquezes' promise to SA Plaintiffs was clear and unambiguous.

12 181. As alleged above, the Vasquezes breached that promise.

13 182. SA Plaintiffs relied on the Vasquezes' promise in agreeing to invest in, and  
14 providing the financial backing necessary to establish, improve, and operate, the Defendant  
15 Companies.

16 183. Stefanie and Tony promised Powell that she would become a paid employee as a  
17 result of her labor for GD, Kana, MNP, and MNPF at Stefanie and Tony's request. Stefanie and  
18 Tony thereby induced Powell to work for those companies without compensation.

19 184. Tony promised Powell access to, use of, and profits from the canning machine if  
20 she invested \$5,500 to help pay for it, thereby inducing Powell's payment of the \$5,500.

21 185. Stefanie and Tony's promises to Powell were clear and unambiguous.

22 186. Stefanie and Tony breached their promises to Powell, as set forth above.

23 187. Powell relied on Stefanie and Tony's promises in agreeing to work for their  
24 companies and to help pay for the canning machine.

25 188. Plaintiffs' reliance on Defendants' promises was reasonable and foreseeable.

26 189. As a direct and proximate result of Defendants' acts alleged above, Plaintiffs have  
27 been damaged in an amount to be proven at trial.

28

1 **TENTH CAUSE OF ACTION**

2 **Equitable Estoppel**

3 **(SA Plaintiffs against Defendants)**

4 190. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
5 paragraphs as though fully set forth herein.

6 191. Defendants induced SA Plaintiffs to spend SA Plaintiffs' money and time to  
7 benefit Defendant Companies on the basis of an oral agreement that Tony referred to as a  
8 "sharecropping agreement." Tony, as the representative of Defendants, knew that he had made an  
9 oral agreement with the SA Plaintiffs to fund his operations, recoup their investment, and split the  
10 profits 50%. Tony, as a representative of Defendants, intended that his oral promise be acted upon  
11 by SA Plaintiffs.

12 192. SA Plaintiffs, ignorant of the true facts of the situation (i.e., that Tony has a habit  
13 of defrauding cultivators) relied on the oral promises that they would recoup their invested money  
14 and then receive 50% of the profits from the operations of Defendant Companies.

15 193. Given the long history of cannabis prohibition in the United States, it was common  
16 practice for business deals not to be reduced to writing for fear of criminal prosecution. Plaintiffs  
17 are seasoned cannabis cultivation professionals, and they reasonably relied on the Vasquezes' oral  
18 promises, as oral promises and the "sharecropping" structure were common in the industry.

19 194. Upon information and belief, the Vasquezes will deny the existence of the oral  
20 contract and attempt to use the Statute of Frauds as a shield.

21 195. Plaintiffs have been severely harmed by their reliance on Defendants' oral  
22 promises, such that it would be inequitable to deny them relief on the basis of the Statute of  
23 Frauds.

24 **ELEVENTH CAUSE OF ACTION**

25 **Intentional Interference with Prospective Economic Advantage**

26 **(SA Plaintiffs against Tony and Tyler)**

27 196. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
28 paragraphs as though fully set forth herein.





1 taxation scheme through self-dealing transactions across Tony, Stefanie, and Tyler’s suite of  
2 cannabis cultivation, manufacturing, distribution, and retail sale businesses.

3 216. Plaintiffs anticipate that California’s taxing authorities will discover Defendants’  
4 tax evasion scheme, and liability for taxes may flow through to SA Plaintiffs as a result of the  
5 “sharecropping agreement.”

6 217. Plaintiffs should not be held responsible for Defendants’ tax evasion scheme, as  
7 the scheme was designed to defraud Plaintiffs, too.

8 218. Plaintiffs pray for a declaration that equity demands that Defendants indemnify  
9 Plaintiffs for any tax liability attributable to the operations of the Defendant Companies, GD,  
10 MNP, or MNPF.

11 **FIFTEENTH CAUSE OF ACTION**

12 **Failure to Pay Minimum Wage in Violation of Cal. Labor Code §1197**

13 **(Powell against the Vasquezes, GD, Kana, MNP, and MNPF)**

14 219. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
15 paragraphs as though fully set forth herein.

16 220. From Fall 2018 to Spring 2019, Powell performed approximately 900 hours of  
17 work for the benefit of GD, which have not been compensated.

18 221. Between April 2017 and Spring 2019, Powell performed approximately 45 hours  
19 of work for the benefit of Kana, which have not been compensated.

20 222. From April 2017 to September 2018, Powell performed over 45 hours of work for  
21 the benefit of MNP and/or MNPF, which have not been compensated.

22 223. At all relevant and respective times, these defendant entities employed Powell by  
23 engaging, suffering, or permitting her to work on their behalf.

24 224. Powell performed all of this work at Tony and Stefanie’s request, and Tyler is the  
25 owner of record of GD.

26 225. During these periods, Powell worked substantial regular time and overtime for the  
27 benefit of the Vasquezes, GD, Kana, MNPF, and MNP, to fulfill the duties that Tony and Stefanie  
28 requested of Powell, and these defendants did not pay Powell for any of the hours she worked.

1           226. Since Powell worked for GD, Kana, MNPF, and MNP at Tony and Stefanie's  
2 request, on the promise of eventual payment, they established an employment relationship.

3           227. For GD, Powell worked more than forty (40) hours per week, several weeks during  
4 the period of November 2017 through March 2018, without any compensation for such time.

5           228. For Kana, MNPF, and MNP, Powell worked for more than eight (8) hours in a  
6 single day several times between 2017 and 2019, without any compensation for such time.

7           229. In violation of California Labor Code section 1197, and the applicable Industrial  
8 Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040), the Vasquezes, GD, Kana,  
9 MNP, and MNPF have engaged in an ongoing, unlawful employment and business practice of  
10 failing to compensate Powell at least at the minimum wage for each hour worked, which, pursuant  
11 to California law, must be paid irrespective of whether the minimum standard would be met by  
12 averaging all hours worked in a work week paid at a higher, contracted, or salaried rate. At all  
13 relevant times alleged herein, the Vasquezes, GD, Kana, MNP, and MNPF were required to  
14 provide Powell with a minimum wage as set in California at the time the work was performed.

15           230. Pursuant to California Labor Code section 1194, Powell is entitled to recover the  
16 unpaid balance of the full amount of this minimum wage compensation, including interest  
17 thereon, reasonable attorneys' fees, and costs of suit. Powell is further entitled to recover  
18 liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon,  
19 pursuant to California Labor Code section 1194.2.

20           231. As a direct, foreseeable, and proximate result of these defendants' failure to pay  
21 Powell the minimum wage as alleged herein, Powell has suffered damages, entitling her to  
22 recover the following damages in amounts according to proof at trial:

- 23           a. Powell's due and owing minimum wages;  
24           b. Any and all statutory penalties and liquidated damages;  
25           c. Interest, pursuant to California Labor Code sections 218.6, 1194, and 1194.2; and  
26           d. Reasonable attorneys' fees and costs, pursuant to California Labor Code section  
27 1194.  
28

1 **SIXTEENTH CAUSE OF ACTION**

2 **Failure to Pay Minimum Wage in Violation of Cal. Labor Code §1197**

3 **(Salgado against Defendants)**

4 232. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
5 paragraphs as though fully set forth herein.

6 233. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
7 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
8 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
9 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
10 on behalf of the Vasquezes and Defendant Companies.

11 234. Neale and Salgado provided accounting, expertise, networking, management,  
12 negotiating, and other business services to the Vasquezes and Defendant Companies for  
13 approximately two years. During that time, Neale and Salgado leveraged their industry  
14 connections for the benefit of said defendants.

15 235. Neale and Salgado also engaged in the daily management, operation, and  
16 development of CalGrown and GWF beginning in 2017.

17 236. Per their agreement with Tony regarding GWF, SA Plaintiffs stored GWF's  
18 product (which Plaintiffs paid to produce and labored to grow and harvest) at GD's distribution  
19 facility. In the course of storing GWF's product there, Neale and Salgado also performed work for  
20 the benefit of GD, including but not limited to cleaning the facility, preparing GWF's product for  
21 distribution, doing inventory, and securing clientele for GD.

22 237. From June 15, 2017, to around April 21, 2019, Neale and Salgado collectively  
23 worked approximately 755 hours for the benefit of Kana, some of which was for Kana's retail  
24 operation rather than the manufacturing operation that was the original subject of their October  
25 2017 agreement with the Vasquezes. Among these hours worked, Salgado labored approximately  
26 20 hours on Kana's retail opening in 2018.

27 238. Salgado also worked approximately 20 to 25 hours for the benefit of MNPF at its  
28 511 Broadway cultivation site in 2018. This work consisted of both cultivation consulting and

1 physical labor.

2 239. Additionally, Salgado conducted an employee training for 515 Broadway  
3 Collective's "budtenders" at the Vasquezes' request, which consisted of approximately 15 hours  
4 of labor, also in 2018. 515 Broadway is owned and operated by MNP.

5 240. At all relevant and respective times, Defendants employed Salgado by engaging,  
6 suffering, or permitting him to work on their behalf.

7 241. Salgado performed all of this work at the Vasquezes' request.

8 242. During these periods, Salgado worked substantial regular time and overtime for the  
9 benefit of Defendants, to fulfill the duties requested of him, and Defendants did not pay Salgado  
10 for any of the hours he worked.

11 243. Since Salgado worked for Defendants at the Vasquezes' request, they established  
12 an employment relationship if Salgado was not an owner of said companies.

13 244. In violation of California Labor Code section 1197, and the applicable Industrial  
14 Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040), Defendants have engaged  
15 in an ongoing, unlawful employment and business practice of failing to compensate Salgado at  
16 least at the minimum wage for each hour worked, which, pursuant to California law, must be paid  
17 irrespective of whether the minimum standard would be met by averaging all hours worked in a  
18 work week paid at a higher, contracted, or salaried rate. At all relevant times alleged herein,  
19 Defendants were required to provide Salgado with a minimum wage as set in California at the  
20 time the work was performed.

21 245. Pursuant to California Labor Code section 1194, Salgado is entitled to recover the  
22 unpaid balance of the full amount of this minimum wage compensation, including interest  
23 thereon, reasonable attorneys' fees, and costs of suit. Salgado is further entitled to recover  
24 liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon,  
25 pursuant to California Labor Code section 1194.2.

26 246. As a direct, foreseeable, and proximate result of Defendants' failure to pay  
27 Salgado the minimum wage as alleged herein, he has suffered damages, entitling him to recover  
28 the following damages in amounts according to proof at trial:

- a. Salgado's due and owing minimum wages;
- b. Any and all statutory penalties and liquidated damages;
- c. Interest, pursuant to California Labor Code sections 218.6, 1194, and 1194.2; and
- d. Reasonable attorneys' fees and costs, pursuant to California Labor Code section 1194.

**SEVENTEENTH CAUSE OF ACTION**

**Failure to Pay Minimum Wage in Violation of Cal. Labor Code §1197**

(Neale against the Vasquezes, Defendant Companies, and GD)

247. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding paragraphs as though fully set forth herein.

248. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and their investments of money, time, and labor therein. In the alternative, if their ownership interests are not recognized, Neale and Salgado were employees of Defendant Companies and the Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work on behalf of the Vasquezes and Defendant Companies.

249. Neale and Salgado provided accounting, expertise, networking, management, negotiating, and other business services to the Vasquezes and Defendant Companies for approximately two years. During that time, Neale and Salgado leveraged their industry connections for the benefit of said defendants.

250. Neale and Salgado also engaged in the daily management, operation, and development of CalGrown and GWF beginning in 2017.

251. Per their agreement with Tony regarding GWF, SA Plaintiffs stored GWF's product (which Plaintiffs paid to produce and labored to grow and harvest) at GD's distribution facility. In the course of storing GWF's product there, Neale and Salgado also performed work for the benefit of GD, including but not limited to cleaning the facility, preparing GWF's product for distribution, doing inventory, and securing clientele for GD.

252. From June 15, 2017, to around April 21, 2019, Neale and Salgado collectively worked approximately 755 hours for the benefit of Kana, some of which was for Kana's retail

1 operation rather than the manufacturing operation that was the original subject of their October  
2 2017 agreement with the Vasquezes. Among these hours worked, Salgado labored approximately  
3 20 hours on Kana's retail opening in 2018.

4 253. At all relevant and respective times, these defendants employed Neale by  
5 engaging, suffering, or permitting him to work on their behalf.

6 254. Neale performed all of this work at the Vasquezes' request.

7 255. During these periods, Neale worked substantial regular time and overtime for the  
8 benefit of the Vasquezes, Defendant Companies, and GD, to fulfill the duties requested of him,  
9 and these defendants did not pay Neale for any of the hours he worked.

10 256. Since Neale worked for the Vasquezes, Defendant Companies, and GD at the  
11 Vasquezes' request, they established an employment relationship if Neale was not an owner of  
12 said companies.

13 257. For Defendant Companies, Neale regularly worked more than forty (40) hours per  
14 week from 2017 to 2019, without any compensation for such time.

15 258. For Defendant Companies, Neale regularly worked for more than eight (8) hours in  
16 a single day from 2017 to 2019, without any compensation for such time.

17 259. In violation of California Labor Code section 1197, and the applicable Industrial  
18 Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040), the Vasquezes, Defendant  
19 Companies, and GD have engaged in an ongoing, unlawful employment and business practice of  
20 failing to compensate Neale at least at the minimum wage for each hour worked, which, pursuant  
21 to California law, must be paid irrespective of whether the minimum standard would be met by  
22 averaging all hours worked in a work week paid at a higher, contracted, or salaried rate. At all  
23 relevant times alleged herein, the Vasquezes, Defendant Companies, and GD were required to  
24 provide Neale with a minimum wage as set in California at the time the work was performed.

25 260. Pursuant to California Labor Code section 1194, Neale is entitled to recover the  
26 unpaid balance of the full amount of this minimum wage compensation, including interest  
27 thereon, reasonable attorneys' fees, and costs of suit. Neale is further entitled to recover liquidated  
28 damages in an amount equal to the wages unlawfully unpaid and interest thereon, pursuant to

1 California Labor Code section 1194.2.

2 261. As a direct, foreseeable, and proximate result of these defendants' failure to pay  
3 Neale the minimum wage as alleged herein, he has suffered damages, entitling him to recover the  
4 following damages in amounts according to proof at trial:

- 5 a. Neale's due and owing minimum wages;
- 6 b. Any and all statutory penalties and liquidated damages;
- 7 c. Interest, pursuant to California Labor Code sections 218.6, 1194, and 1194.2; and
- 8 d. Reasonable attorneys' fees and costs, pursuant to California Labor Code section  
9 1194.

10 **EIGHTEENTH CAUSE OF ACTION**

11 **Failure to Pay Regular and Overtime Wages in**  
12 **Violation of California Labor Code §§ 204 and 510**

13 (Powell against the Vasquezes, GD, Kana, MNP, and MNPF)

14 262. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
15 paragraphs as though fully set forth herein.

16 263. Powell worked substantial regular time and overtime for the benefit of the  
17 Vasquezes, GD, Kana, MNP, and MNPF to fulfill the duties that Tony and Stefanie requested of  
18 her, and these defendants did not pay Powell for any of the hours she worked.

19 264. For GD, Powell worked more than forty (40) hours per week for several weeks  
20 during the period of November 2017 through March 2018, without any compensation for such  
21 time.

22 265. For Kana, MNP, and MNPF, Powell worked for more than eight (8) hours in a  
23 single day at times between 2017 and 2019, without any compensation for such time.

24 266. At all relevant and respective times, these defendant entities employed Powell by  
25 engaging, suffering, or permitting Powell to work on their behalf.

26 267. In violation of California Labor Code sections 204 and 510, and the applicable  
27 Industrial Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040), the Vasquezes,  
28 GD, Kana, MNP, and MNPF failed to compensate Powell for all of the regular time and the

1 overtime hours she worked for these defendants. The Vasquezes, GD, Kana, MNP, and MNPF  
2 were and are required to compensate Powell for overtime hours at a rate of one and one-half (1.5)  
3 times the regular rate of pay for all hours worked in excess of forty (40) hours in any one  
4 workweek, and eight (8) hours up to and including twelve (12) hours in any workday, and/or for  
5 the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek. The  
6 Vasquezes, GD, Kana, MNP, and MNPF were and are also required to compensate Powell for  
7 overtime hours at a rate of double the regular rate of pay for all hours worked in excess of twelve  
8 (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh  
9 (7th) consecutive day of work in a workweek.

10 268. Additionally, pursuant to California Labor Code section 1194, Powell is entitled to  
11 recover the unpaid balance of the full amount of overtime compensation, including interest  
12 thereon, reasonable attorneys' fees, and costs of suit.

13 269. Powell did not qualify for any exemption from overtime pay under California's  
14 Labor Code or the Industrial Welfare Commission's Wage Orders.

15 270. As a direct, foreseeable, and proximate result of the Vasquezes, GD, Kana, MNP,  
16 and MNPF's failure to pay Powell her overtime wages as alleged herein, Powell has suffered and  
17 continues to suffer damages, entitling her to recover the following damages in amounts according  
18 to proof at trial:

- 19 a. Powell's due and owing regular and overtime wages;
- 20 b. Any and all statutory penalties;
- 21 c. Interest, pursuant to California Labor Code sections 218.6 and 1194; and
- 22 d. Reasonable attorneys' fees and costs incurred by Powell herein, pursuant to  
23 California Labor Code sections 218.5 and 1194.

#### 24 **NINETEENTH CAUSE OF ACTION**

#### 25 **Failure to Pay Regular and Overtime Wages in** 26 **Violation of California Labor Code §§ 204 and 510**

27 **(Salgado against the Vasquezes, GWF, GD, and Kana)**

28 271. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding

1 paragraphs as though fully set forth herein.

2 272. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
3 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
4 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
5 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
6 on behalf of the Vasquezes and Defendant Companies.

7 273. Salgado worked substantial regular time and overtime for the benefit of the  
8 Vasquezes, GWF, GD, and Kana to fulfill the duties they requested of him, and these defendants  
9 did not pay Salgado for any of the hours he worked.

10 274. From 2017 to 2019, Salgado regularly worked more than forty (40) hours per week  
11 for GWF, Kana, and/or GD, without any compensation for such time.

12 275. For GWF, Kana, and GD, Salgado worked for more than eight (8) hours in a single  
13 day several times between 2017 and 2019, without any compensation for such time.

14 276. For GWF, Kana, and GD, Salgado repeatedly worked seven (7) days in a single  
15 workweek between 2017 and 2019, without any compensation for such time.

16 277. At all relevant and respective times, these defendants employed Salgado by  
17 engaging, suffering, or permitting him to work on their behalf if he was not an owner of the  
18 companies for which he was performing work.

19 278. In violation of California Labor Code sections 204 and 510, and the applicable  
20 Industrial Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040), the Vasquezes,  
21 GWF, GD, and Kana failed to compensate Salgado for all of the regular time and the overtime  
22 hours he worked for them. The Vasquezes, GWF, GD, and Kana were and are required to  
23 compensate Salgado for overtime hours at a rate of one and one-half (1.5) times the regular rate of  
24 pay for all hours worked in excess of forty (40) hours in any one workweek, and eight (8) hours  
25 up to and including twelve (12) hours in any workday, and/or for the first eight (8) hours worked  
26 on the seventh (7th) consecutive day of work in a workweek. The Vasquezes, GWF, GD, and  
27 Kana were and are also required to compensate Salgado for overtime hours at a rate of double the  
28 regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all

1 hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a  
2 workweek.

3 279. Additionally, pursuant to California Labor Code section 1194, Salgado is entitled  
4 to recover the unpaid balance of the full amount of overtime compensation, including interest  
5 thereon, reasonable attorneys' fees, and costs of suit.

6 280. If he was not an owner of the entity for which he performed the work, Salgado did  
7 not qualify for any exemption from overtime pay under California's Labor Code or the Industrial  
8 Welfare Commission's Wage Orders.

9 281. As a direct, foreseeable, and proximate result of the Vasquezes, GWF, GD, and  
10 Kana's failure to pay Salgado his overtime wages as alleged herein, Salgado has suffered and  
11 continues to suffer damages, entitling him to recover the following damages in amounts according  
12 to proof at trial:

- 13 a. Salgado's due and owing regular and overtime wages;
- 14 b. Any and all statutory penalties;
- 15 c. Interest, pursuant to California Labor Code sections 218.6 and 1194; and
- 16 d. Reasonable attorneys' fees and costs incurred by Salgado herein, pursuant to  
17 California Labor Code sections 218.5 and 1194.

## 18 **TWENTIETH CAUSE OF ACTION**

### 19 **Failure to Pay Regular and Overtime Wages in** 20 **Violation of California Labor Code §§ 204 and 510**

21 **(Neale against the Vasquezes and Defendant Companies)**

22 282. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
23 paragraphs as though fully set forth herein.

24 283. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
25 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
26 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
27 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
28 on behalf of the Vasquezes and Defendant Companies.

1           284. Neale worked substantial regular time and overtime for the benefit of the  
2 Vasquezes and Defendant Companies to fulfill the duties they requested of him, and these  
3 defendants did not pay Neale for any of the hours he worked.

4           285. Neale consistently worked more than forty (40) hours per week for Defendant  
5 Companies from 2017 to 2019, without any compensation for such time.

6           286. Neale worked for more than eight (8) hours in a single day for Defendant  
7 Companies several times between 2017 and 2019, without any compensation for such time.

8           287. Neale repeatedly worked seven (7) days in a single workweek for Defendant  
9 Companies between 2017 and 2019, without any compensation for such time.

10          288. At all relevant and respective times, the Vasquezes and Defendant Companies  
11 employed Neale by engaging, suffering, or permitting him to work on their behalf if he was not an  
12 owner of the entity for which he was performing work.

13          289. In violation of California Labor Code sections 204 and 510, and the applicable  
14 Industrial Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040), the Vasquezes  
15 and Defendant Companies failed to compensate Neale for all of the regular time and the overtime  
16 hours he worked for these defendants. The Vasquezes and Defendant Companies were and are  
17 required to compensate Neale for overtime hours at a rate of one and one-half (1.5) times the  
18 regular rate of pay for all hours worked in excess of forty (40) hours in any one workweek, and  
19 eight (8) hours up to and including twelve (12) hours in any workday, and/or for the first eight (8)  
20 hours worked on the seventh (7th) consecutive day of work in a workweek. The Vasquezes and  
21 Defendant Companies were and are also required to compensate Neale for overtime hours at a  
22 rate of double the regular rate of pay for all hours worked in excess of twelve (12) hours in any  
23 workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive  
24 day of work in a workweek.

25          290. Additionally, pursuant to California Labor Code section 1194, Neale is entitled to  
26 recover the unpaid balance of the full amount of overtime compensation, including interest  
27 thereon, reasonable attorneys' fees, and costs of suit.

28          291. If he was not an owner of the entity for which he performed the work, Neale did

1 not qualify for any exemption from overtime pay under California’s Labor Code or the Industrial  
2 Welfare Commission’s Wage Orders.

3 292. As a direct, foreseeable, and proximate result of the Vasquezes and Defendant  
4 Companies’ failure to pay Neale his overtime wages as alleged herein, Neale has suffered and  
5 continues to suffer damages, entitling him to recover the following damages in amounts according  
6 to proof at trial:

- 7 a. Neale’s due and owing regular and overtime wages;
- 8 b. Any and all statutory penalties;
- 9 c. Interest, pursuant to California Labor Code sections 218.6 and 1194; and
- 10 d. Reasonable attorneys’ fees and costs incurred by Neale herein, pursuant to  
11 California Labor Code sections 218.5 and 1194.

12 **TWENTY-FIRST CAUSE OF ACTION**

13 **Failure to Pay Final Wages in Violation of Cal. Labor Code §201, et. seq.**

14 **(Powell against the Vasquezes, GD, Kana, MNP, and MNPF)**

15 293. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
16 paragraphs as though fully set forth herein.

17 294. As alleged herein, the Vasquezes, GD, Kana, MNP, and MNPF owed and continue  
18 to owe Powell certain wages, including minimum, regular, and overtime wages, which these  
19 defendants have failed to pay her, and which are due and owing at this time. At all relevant and  
20 respective times, these entities employed Powell by engaging, suffering, or permitting her to work  
21 on their behalf.

22 295. The Vasquezes, GD, Kana, MNP, and MNPF effectively terminated Powell’s  
23 employment as alleged herein by locking her out of all facilities of Defendant Companies, GD,  
24 MNP, and MNPF, and telling her she was not welcome to return. They did not pay Powell’s  
25 wages that were earned and unpaid at the time of discharge. Therefore, under California Labor  
26 Code sections 201 and 203, Powell is also entitled to thirty (30) days’ continued wages as a  
27 penalty for willful failure to pay wages when due, in an amount according to proof.

28 296. As a direct, foreseeable, and proximate result of the Vasquezes, GD, Kana, MNP,

1 and MNPF's failure to pay Powell her final wages, including all minimum, regular, and overtime  
2 wages, as alleged herein, Powell has suffered and continues to suffer damages, entitling her to  
3 recover the following damages in amounts according to proof at trial:

- 4 a. Powell's due and owing regular and overtime wages;
- 5 b. Thirty days' (30) continued wages as a penalty for willful failure to pay wages  
6 when due under California Labor Code sections 201 and 203;
- 7 c. Interest, pursuant to California Labor Code section 218.6; and
- 8 d. Reasonable attorneys' fees and costs incurred by Powell herein, pursuant to  
9 California Labor Code section 218.5.

10 **TWENTY-SECOND CAUSE OF ACTION**

11 **Failure to Pay Final Wages in Violation of Cal. Labor Code §201, et. seq.**

12 **(Salgado against Defendants)**

13 297. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
14 paragraphs as though fully set forth herein.

15 298. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
16 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
17 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
18 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
19 on behalf of the Vasquezes and Defendant Companies.

20 299. At all relevant and respective times, Defendants employed Salgado by engaging,  
21 suffering, or permitting him to work on their behalf if he was not an owner of the entity for which  
22 he performed work.

23 300. As alleged herein, if Salgado was not an owner of the Defendant Companies,  
24 Defendants owed and continue to owe Salgado certain wages, including minimum, regular, and  
25 overtime wages, which Defendants have failed to pay Salgado, and which are due and owing at  
26 this time.

27 301. Defendants effectively terminated Salgado's employment as alleged herein by  
28 locking him out of all facilities of Defendant Companies, GD, MNP, and MNPF, and telling

1 Salgado he was not welcome to return. They did not pay Salgado's wages that were earned and  
2 unpaid at the time of discharge. Therefore, under California Labor Code sections 201 and 203,  
3 Salgado is also entitled to thirty (30) days' continued wages as a penalty for willful failure to pay  
4 wages when due, in an amount according to proof.

5 302. As a direct, foreseeable, and proximate result of Defendants' failure to pay  
6 Salgado his final wages, including all minimum, regular, and overtime wages, as alleged herein,  
7 Salgado has suffered and continues to suffer damages, entitling him to recover the following  
8 damages in amounts according to proof at trial:

- 9 a. Salgado's due and owing regular and overtime wages;
- 10 b. Thirty days' (30) continued wages as a penalty for willful failure to pay wages  
11 when due under California Labor Code sections 201 and 203;
- 12 c. Interest, pursuant to California Labor Code section 218.6; and
- 13 d. Reasonable attorneys' fees and costs incurred by Salgado herein, pursuant to  
14 California Labor Code section 218.5.

### 15 **TWENTY-THIRD CAUSE OF ACTION**

#### 16 **Failure to Pay Final Wages in Violation of Cal. Labor Code §201, et. seq.**

17 (Neale against the Vasquezes, Defendant Companies, and GD)

18 303. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
19 paragraphs as though fully set forth herein.

20 304. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
21 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
22 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
23 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
24 on behalf of the Vasquezes and Defendant Companies.

25 305. At all relevant and respective times, the Vasquezes, Defendant Companies, and  
26 GD employed Neale by engaging, suffering, or permitting him to work on their behalf if he was  
27 not an owner of the entity for which he performed work.

28 306. As alleged herein, if Neale was not an owner of the Defendant Companies, the

1 Vasquezes, Defendant Companies, and GD owed and continue to owe Neale certain wages,  
2 including minimum, regular, and overtime wages, which these defendants have failed to pay him,  
3 and which are due and owing at this time.

4 307. The Vasquezes, Defendant Companies, and GD effectively terminated Neale's  
5 employment as alleged herein by locking him out of all facilities of these entities and telling him  
6 he was not welcome to return. They did not pay Neale's wages that were earned and unpaid at the  
7 time of discharge. Therefore, under California Labor Code sections 201 and 203, Neale is also  
8 entitled to thirty (30) days' continued wages as a penalty for willful failure to pay wages when  
9 due, in an amount according to proof.

10 308. As a direct, foreseeable, and proximate result of the Vasquezes, Defendant  
11 Companies, and GD's failure to pay Neale his final wages, including all minimum, regular, and  
12 overtime wages, as alleged herein, Neale has suffered and continues to suffer damages, entitling  
13 him to recover the following damages in amounts according to proof at trial:

- 14 a. Neale's due and owing regular and overtime wages;
- 15 b. Thirty days' (30) continued wages as a penalty for willful failure to pay wages  
16 when due under California Labor Code sections 201 and 203;
- 17 c. Interest, pursuant to California Labor Code section 218.6; and
- 18 d. Reasonable attorneys' fees and costs incurred by Neale herein, pursuant to  
19 California Labor Code section 218.5.

20 **TWENTY-FOURTH CAUSE OF ACTION**

21 **Failure to Provide Meal Periods in Violation of California Labor Code §226.7**

22 (Powell against the Vasquezes, GD, Kana, MNP, and MNPF)

23 309. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
24 paragraphs as though fully set forth herein.

25 310. During Powell's employment with the Vasquezes, GD, Kana, MNP, and MNPF,  
26 these defendants were required to provide Powell a duty-free meal period of not less than thirty  
27 (30) minutes for each work period of more than five (5) hours, pursuant to California Labor Code  
28 section 226.7 and the applicable Industrial Welfare Commission's Wage Order (e.g., 8 Cal. Code

1 Regs. §11040). On certain occasions, Powell worked at least five (5) days per week for at least  
2 eight (8) hours per day, and in excess of ten (10) hours in a single day.

3 311. Powell did not qualify for any exemption from meal breaks under California's  
4 Labor Code or the Industrial Welfare Commission's Wage Orders.

5 312. The Vasquezes, GD, Kana, MNP, and MNPF did not properly provide Powell with  
6 the required duty-free meal periods, and instead required Powell to work through her meal periods  
7 and/or expected that she use her meal periods to fulfill her job duties for the benefit of these  
8 defendants.

9 313. Accordingly, as a direct, foreseeable, and proximate result of the conduct alleged  
10 herein, Powell has suffered and continues to suffer damages, entitling her to recover damages in  
11 amounts according to proof at trial, including a premium of one full payable hour of wages at the  
12 regular rate of compensation for each day that Powell was not provided with one or more thirty  
13 (30) minute duty-free meal periods, pursuant to California Labor Code section 226.7(b).

14 **TWENTY-FIFTH CAUSE OF ACTION**

15 **Failure to Provide Meal Periods in Violation of California Labor Code §226.7**

16 **(Salgado against Defendants)**

17 314. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
18 paragraphs as though fully set forth herein.

19 315. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
20 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
21 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
22 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
23 on behalf of the Vasquezes and Defendant Companies.

24 316. At all relevant and respective times, Defendants employed Salgado by engaging,  
25 suffering, or permitting him to work on their behalf if he was not an owner of the entity for which  
26 he performed work.

27 317. During Salgado's employment with Defendants, they were required to provide  
28 Salgado a duty-free meal period of not less than thirty (30) minutes for each work period of more

1 than five (5) hours, pursuant to California Labor Code section 226.7 and the applicable Industrial  
2 Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040). On certain occasions,  
3 Salgado worked at least five (5) days per week for at least eight (8) hours per day, and in excess  
4 of ten (10) hours in a single day.

5 318. If he was not an owner of the entity for which he performed the work, Salgado did  
6 not qualify for any exemption from meal breaks under California's Labor Code or the Industrial  
7 Welfare Commission's Wage Orders.

8 319. Defendants did not properly provide Salgado with the required duty-free meal  
9 periods, and instead required him to work through his meal periods and/or expected that he use  
10 his meal periods to perform work for the benefit of Defendants.

11 320. Accordingly, as a direct, foreseeable, and proximate result of the conduct alleged  
12 herein, Salgado has suffered and continues to suffer damages, entitling him to recover damages in  
13 amounts according to proof at trial, including a premium of one full payable hour of wages at the  
14 regular rate of compensation for each day that Salgado was not provided with one or more thirty  
15 (30) minute duty-free meal periods, pursuant to California Labor Code section 226.7(b).

16 **TWENTY-SIXTH CAUSE OF ACTION**

17 **Failure to Provide Meal Periods in Violation of California Labor Code §226.7**

18 (Neale against the Vasquezes, Defendant Companies, and GD)

19 321. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
20 paragraphs as though fully set forth herein.

21 322. SA Plaintiffs are owners in Defendant Companies by virtue of the Contract and  
22 their investments of money, time, and labor therein. In the alternative, if their ownership interests  
23 are not recognized, Neale and Salgado were employees of Defendant Companies and the  
24 Vasquezes, who employed Neale and Salgado by engaging, suffering, or permitting them to work  
25 on behalf of the Vasquezes and Defendant Companies.

26 323. At all relevant and respective times, the Vasquezes, Defendant Companies, and  
27 GD employed Neale by engaging, suffering, or permitting him to work on their behalf if he was  
28 not an owner of the entity for which he performed work.



1 days per week for at least eight (8) hours per day, and in excess of ten (10) hours in a single day.

2 330. Powell did not qualify for any exemption from rest breaks under California's  
3 Labor Code or the Industrial Welfare Commission's Wage Orders.

4 331. The Vasquezes, GD, Kana, MNP, and MNPF did not properly authorize and  
5 permit Powell to take the required rest periods, and instead required Powell to work through her  
6 rest periods and/or expected that she use her rest periods to fulfill her job duties for the benefit of  
7 these defendants.

8 332. Accordingly, as a direct, foreseeable, and proximate result of these defendants'  
9 conduct alleged herein, Powell has suffered and continues to suffer damages, entitling her to  
10 recover damages in amounts according to proof at trial, including a premium of one full payable  
11 hour of wages at the regular rate of compensation for each day that these defendants failed to  
12 provide Powell one or more rest periods, pursuant to California Labor Code section 226.7(b).

13 **TWENTY-EIGHTH CAUSE OF ACTION**

14 **Failure to Provide Rest Periods in Violation of California Labor Code §226.7**

15 **(Salgado against Defendants)**

16 333. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
17 paragraphs as though fully set forth herein.

18 334. If Salgado was not an owner of the entity for which he performed the work, then  
19 the alternative is that Salgado was Defendants' employee. As an employee, Salgado did not  
20 qualify for any exemption from rest breaks under California's Labor Code or the Industrial  
21 Welfare Commission's Wage Orders.

22 335. During Salgado's employment with Defendants, they were required to authorize  
23 and permit Salgado to take rest periods at the rate of ten (10) minutes net rest time for each four  
24 (4) hours of work or major fraction thereof, pursuant to California Labor Code section 226.7 and  
25 the applicable Industrial Welfare Commission's Wage Order (e.g., 8 Cal. Code Regs. §11040).  
26 On certain occasions, Salgado worked at least five (5) days per week for at least eight (8) hours  
27 per day, and in excess of ten (10) hours in a single day.

28 336. Defendants did not properly authorize and permit Salgado to take the required rest

1 periods, and instead required Salgado to work through his rest periods and/or expected that he use  
2 his rest periods to perform work for the benefit of Defendants.

3 337. Accordingly, as a direct, foreseeable, and proximate result of Defendants' conduct  
4 alleged herein, Salgado has suffered and continues to suffer damages, entitling him to recover  
5 damages in amounts according to proof at trial, including a premium of one full payable hour of  
6 wages at the regular rate of compensation for each day that Defendants failed to provide Salgado  
7 one or more rest periods, pursuant to California Labor Code section 226.7(b).

### 8 **TWENTY-NINTH CAUSE OF ACTION**

#### 9 **Failure to Provide Rest Periods in Violation of California Labor Code §226.7**

10 (Neale against the Vasquezes, Defendant Companies, and GD)

11 338. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
12 paragraphs as though fully set forth herein.

13 339. If Neale was not an owner of the entity for which he performed the work, then the  
14 alternative is that Neale was an employee of the Vasquezes, Defendant Companies, and GD. As  
15 an employee, Neale did not qualify for any exemption from rest breaks under California's Labor  
16 Code or the Industrial Welfare Commission's Wage Orders.

17 340. During Neale's employment with the Vasquezes, Defendant Companies, and GD,  
18 these defendants were required to authorize and permit Neale to take rest periods at the rate of ten  
19 (10) minutes net rest time for each four (4) hours of work or major fraction thereof, pursuant to  
20 California Labor Code section 226.7 and the applicable Industrial Welfare Commission's Wage  
21 Order (e.g., 8 Cal. Code Regs. §11040). On certain occasions, Neale worked at least five (5) days  
22 per week for at least eight (8) hours per day, and in excess of ten (10) hours in a single day.

23 341. The Vasquezes, Defendant Companies, and GD did not properly authorize and  
24 permit Neale to take the required rest periods, and instead required Neale to work through his rest  
25 periods and/or expected that he use his rest periods to perform work for the benefit of these  
26 defendants.

27 342. Accordingly, as a direct, foreseeable, and proximate result of these defendants'  
28 conduct alleged herein, Neale has suffered and continues to suffer damages, entitling him to

1 recover damages in amounts according to proof at trial, including a premium of one full payable  
2 hour of wages at the regular rate of compensation for each day that these defendants failed to  
3 provide Neale one or more rest periods, pursuant to California Labor Code section 226.7(b).

4 **THIRTIETH CAUSE OF ACTION**

5 **Failure to Furnish Accurate Itemized Statements in Violation of Labor Code §226**

6 **(Powell against the Vasquezes, GD, Kana, MNP, and MNPF)**

7 343. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
8 paragraphs as though fully set forth herein.

9 344. At all relevant times alleged herein, pursuant to California Labor Code section  
10 226, the Vasquezes, GD, Kana, MNP, and MNPF were required to, semimonthly or at the time of  
11 each payment of wages, furnish Powell an accurate itemized statement in writing showing, among  
12 other things: (1) gross wages earned, (2) total hours worked, (3) the number of piece-rate units  
13 earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all  
14 deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the employee's  
15 name and identification number or social security number, (8) the name and address of the legal  
16 entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and  
17 the corresponding number of hours worked at each hourly rate by the employee.

18 345. Since Powell worked for GD, Kana, MNP, and MNPF at Tony and Stefanie's  
19 request, on the promise of eventual payment, they established an employment relationship. At all  
20 relevant and respective times, these defendant entities employed Powell by engaging, suffering, or  
21 permitting Powell to work on their behalf.

22 346. During Powell's employment with the Vasquezes, GD, Kana, MNP, and MNPF,  
23 these defendants repeatedly, knowingly, and intentionally failed to comply with these  
24 requirements and failed to provide Powell with accurate and complete information as required by  
25 any one or more items of California Labor Code section 226(a).

26 347. As a direct, foreseeable, and proximate result of the Vasquezes, GD, Kana, MNP,  
27 and MNPF's failure to furnish Powell with accurate itemized statements as alleged herein, Powell  
28 is entitled to recover, pursuant to California Labor Code section 226(e), in an amount according to

1 proof at trial, the greater of all actual damages or \$50.00 for the initial pay period in which a  
2 violation occurred and \$100.00 for each violation in a subsequent pay period, not to exceed an  
3 aggregate penalty of \$4,000.00, and is entitled to an award of costs and reasonable attorneys' fees.

4 **THIRTY-FIRST CAUSE OF ACTION**

5 **Failure to Furnish Accurate Itemized Statements in Violation of Labor Code §226**

6 (Salgado against Defendants)

7 348. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
8 paragraphs as though fully set forth herein.

9 349. If Salgado was not an owner of the company for which he performed the work,  
10 Salgado and Defendants established an employment relationship since Salgado performed the  
11 work at Defendants' request. At all relevant and respective times, Defendants employed Salgado  
12 by engaging, suffering, or permitting him to work on their behalf, if he was not an owner of the  
13 entity for which he performed the work.

14 350. At all relevant times alleged herein, pursuant to California Labor Code section  
15 226, Defendants were required to, semimonthly or at the time of each payment of wages, furnish  
16 Salgado an accurate itemized statement in writing showing, among other things: (1) gross wages  
17 earned, (2) total hours worked, (3) the number of piece-rate units earned and any applicable piece  
18 rate if the employee is paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the  
19 inclusive dates of the pay period, (7) the employee's name and identification number or social  
20 security number, (8) the name and address of the legal entity that is the employer, and (9) all  
21 applicable hourly rates in effect during the pay period and the corresponding number of hours  
22 worked at each hourly rate by the employee.

23 351. During Salgado's employment with Defendants, Defendants repeatedly,  
24 knowingly, and intentionally failed to comply with these requirements and failed to provide  
25 Salgado with accurate and complete information as required by any one or more items of  
26 California Labor Code section 226(a).

27 352. As a direct, foreseeable, and proximate result of Defendants' failure to furnish  
28 Salgado with accurate itemized statements as alleged herein, Salgado is entitled to recover,

1 pursuant to California Labor Code section 226(e), in an amount according to proof at trial, the  
2 greater of all actual damages or \$50.00 for the initial pay period in which a violation occurred and  
3 \$100.00 for each violation in a subsequent pay period, not to exceed an aggregate penalty of  
4 \$4,000.00, and is entitled to an award of costs and reasonable attorneys' fees.

5 **THIRTY-SECOND CAUSE OF ACTION**

6 **Failure to Furnish Accurate Itemized Statements in Violation of Labor Code §226**

7 (Neale against the Vasquezes, Defendant Companies, and GD)

8 353. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
9 paragraphs as though fully set forth herein.

10 354. Neale and the Vasquezes, Defendant Companies, and GD established an  
11 employment relationship if Neale was not an owner of the company for which he performed the  
12 work, since Neale performed the work at those defendants' request. At all relevant and respective  
13 times, these defendants employed Neale by engaging, suffering, or permitting him to work on  
14 their behalf, if he was not an owner of the entity for which he performed the work.

15 355. At all relevant times alleged herein, pursuant to California Labor Code section  
16 226, the Vasquezes, Defendant Companies, and GD were required to, semimonthly or at the time  
17 of each payment of wages, furnish Neale an accurate itemized statement in writing showing,  
18 among other things: (1) gross wages earned, (2) total hours worked, (3) the number of piece-rate  
19 units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all  
20 deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the employee's  
21 name and identification number or social security number, (8) the name and address of the legal  
22 entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and  
23 the corresponding number of hours worked at each hourly rate by the employee.

24 356. During Neale's employment with the Vasquezes, Defendant Companies, and GD,  
25 these defendants repeatedly, knowingly, and intentionally failed to comply with these  
26 requirements and failed to provide Neale with accurate and complete information as required by  
27 any one or more items of California Labor Code section 226(a).

28 357. As a direct, foreseeable, and proximate result of the Vasquezes, Defendant

1 Companies, and GD's failure to furnish Neale with accurate itemized statements as alleged  
2 herein, Neale is entitled to recover, pursuant to California Labor Code section 226(e), in an  
3 amount according to proof at trial, the greater of all actual damages or \$50.00 for the initial pay  
4 period in which a violation occurred and \$100.00 for each violation in a subsequent pay period,  
5 not to exceed an aggregate penalty of \$4,000.00, and is entitled to an award of costs and  
6 reasonable attorneys' fees.

### 7 **THIRTY-THIRD CAUSE OF ACTION**

#### 8 **Unfair Business Practices (Violation of Cal. Bus & Prof. Code § 17200)**

9 **(Plaintiffs against Defendants)**

10 358. Plaintiffs hereby incorporate by reference the allegations set forth in the preceding  
11 paragraphs as though fully set forth herein.

12 359. Under California Business and Professions Code section 17200, also known as the  
13 Unfair Competition Law ("UCL"), "any unlawful, unfair or fraudulent business act or practice"  
14 constitutes unfair competition.

15 360. The UCL provides a distinct cause of action for unlawful business practices when  
16 another law has been violated in the conduct of business. *See Durell v. Sharp Healthcare*, 183  
17 Cal.App.4th 1350, 1360-61 (2010); *see also Chabner v. United Omaha Life Ins. Co.*, 225 F.3d  
18 1042 (9th Cir. 2000).

19 361. There are three separate causes of action that can be brought under the UCL: (1)  
20 unlawful practices; (2) unfair practices; and (3) fraudulent practices.

21 362. An "unlawful practice" exists when some substantive law, "be it civil or criminal,  
22 federal, state, or municipal, statutory, regulation, or court-made," is violated. *Saunders v. Sup. Ct.*,  
23 27 Cal.App.4th 832, 838-839 (1994). In other words, an unlawful-practice claim must be tethered  
24 to another statute or piece of case law.

25 363. By failing to disclose SA Plaintiffs' financial interest in the Defendant Companies  
26 to state regulators, the Vasquezes and Defendant Companies violated Business and Professions  
27 Code section 26051.5 (d) and its implementing regulations.

28 364. An "unfair practices" claim arises in light of conduct that "offends an established

1 public policy” or a practice that is “substantially injurious to consumers.” *S. Bay Chevrolet v.*  
2 *Gen. Motors Acceptance Corp.*, 72 Cal.App.4th 861, 886-87 (1999); *see also Scripps Clinic v.*  
3 *Super. Ct.*, 108 Cal. App. 4th 917, 940 (2003).

4 365. One of the purposes of California’s laws regulating cannabis is to effect policy  
5 decisions regarding consumer protection. Business and Professions Code section 26011.5 states,  
6 “The protection of the public shall be the highest priority for all licensing authorities in exercising  
7 licensing, regulatory, and disciplinary functions under this division. Whenever the protection of  
8 the public is inconsistent with other interests sought to be promoted, the protection of the public  
9 shall be paramount.”

10 366. By failing to follow state law and regulations requiring disclosure of the financial  
11 interest holders of Defendant Companies, all of which are cannabis licensees, the Vasquezes and  
12 Defendant Companies have engaged in unfair business practices.

13 367. A “fraudulent practices” claim exists when the public is likely to be deceived by  
14 the alleged business acts of the Defendant. *See Klein v. Earth Elements*, 59 Cal.App.4th 965, 970  
15 (1997); *see also In re Tobacco II Cases*, 46 Cal. 4th 198, 312 (2009).

16 368. The public is likely to be deceived by the Vasquezes’ and Defendant Companies’  
17 failures to disclose SA Plaintiffs’ financial and ownership interests in the Defendant Companies.  
18 SA Plaintiffs are agents of Defendant Companies, but this is not documented as legally required.  
19 Anyone interacting with Defendant Companies, through Plaintiffs or others acting as agents,  
20 would be inadequately informed of who actually possesses authority to act on behalf of the  
21 Defendant Companies.

22 369. Thus, the Vasquezes and Defendant Companies have engaged in fraudulent  
23 practices in violation of the UCL.

24 370. Powell also has claims for unlawful and unfair practices because she was deceived  
25 into providing unpaid labor to the Vasquezes, GD, Kana, MNP, and MNPF, in violation of  
26 California labor and employment laws.

27 371. By inducing Powell to work for them and not paying her at all, let alone the  
28 minimum wage and overtime pay to which she was entitled, the Vasquezes, GD, Kana, MNP, and

1 MNPF violated various California labor and employment laws, which gave them an unfair,  
2 fraudulent, and unlawful advantage in the marketplace.

3 372. California’s labor and employment laws are intended to protect workers from such  
4 exploitation and are to be liberally construed. According to the California Supreme Court, “in  
5 light of the remedial nature of the legislative enactments authorizing the regulation of wages,  
6 hours and working conditions for the protection and benefit of employees, the statutory provisions  
7 are to be liberally construed with an eye to promoting such protection.” (*Industrial Welfare Com.*  
8 *v. Superior Court* (1980) 27 Cal.3d 690, 702, 166 Cal.Rptr. 331, 613 P.2d 579.)

9 373. By failing to compensate Powell for her labor, the Vasquezes, GD, Kana, MNP,  
10 and MNPF have offended this established public policy of protecting workers from laboring  
11 without proper compensation.

12 374. Thus, the Vasquezes, GD, Kana, MNP, and MNPF have engaged in unlawful and  
13 unfair business practices in violation of the UCL with respect to Powell.

14 375. As a further consequence of the Vasquezes, GD, Kana, MNP, and MNPF’s  
15 aforementioned violations, they have been unjustly enriched by their failure to properly  
16 compensate Powell and by wrongfully withholding and retaining such wages and related amounts  
17 for their own use and benefit. Powell therefore seeks restitution under California Business and  
18 Professions Code section 17200, *et. seq.*, in an amount according to proof at trial equal to the  
19 amount of the unpaid wages, waiting time penalties, and any other restitution owed to Powell as a  
20 result of the Vasquezes, GD, Kana, MNP, and MNPF’s unlawful employment practices.

21 376. By reason of the foregoing, and as a direct, foreseeable, and proximate result of  
22 Defendants’ acts as alleged herein, Plaintiffs have suffered and continue to suffer damages.  
23 Plaintiffs seek and are entitled to all of the remedies available under California Business and  
24 Professions Code section 17200, *et. seq.*, including, but not limited to, injunctive relief; equitable  
25 restitution; and disgorgement of profits, revenues, and compensation or other payments obtained  
26 by way of the unlawful business practices alleged herein.

27 377. Plaintiffs are also entitled to reasonable attorneys’ fees incurred herein, pursuant to  
28 California Code of Civil Procedure section 1021.5, upon proof that Plaintiffs have sought to

1 enforce important rights affecting the public interest and because all remedies are cumulative  
2 pursuant to California Business and Professions Code section 17205.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiffs pray for judgment as follows:

- 5 1. For actual, compensatory, restitutionary, general, special, and/or incidental
- 6 damages in an amount to be proven at trial;
- 7 2. For statutory damages and penalties in an amount to be proven at trial;
- 8 3. For prejudgment interest;
- 9 4. For reasonable attorneys' fees as permitted by statute, law, or contract;
- 10 5. For specific performance of the obligations under the Contract as provided by its
- 11 terms;
- 12 6. For declaratory relief;
- 13 7. For equitable indemnification;
- 14 8. For an accounting by the Vasquezes and Defendant Companies;
- 15 9. For restitution and other remedies under California Business and Professions Code
- 16 section 17200, *et. seq.*; and
- 17 10. For punitive damages;
- 18 11. For costs of suit; and
- 19 12. For such other relief as the Court deems proper.

20  
21 Dated: April 16, 2020

**AD ASTRA LAW GROUP, LLP**

22  
23 By:   
24 \_\_\_\_\_  
25 Katy Young  
26 Courtney Chu  
27 Attorneys for Plaintiffs  
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**PROOF OF SERVICE**

I am a citizen of the United States, over the age of eighteen years and not a party to the within entitled action. My business address is Ad Astra Law Group, LLP, 582 Market Street, 17th Floor, San Francisco, CA 94104. On **April 17, 2020**, I served the document(s) identified below on the interested parties in said action in the manner indicated below.

**FIRST AMENDED COMPLAINT**

- BY MAIL:** I caused true and correct copies of the above document(s) to be served by mail on the above date by personally placing and sealing said document(s) in an envelope or package suitable for mailing, addressed to the addressee(s) below and including this firm’s return address, and then, following ordinary office practice, placing said sealed envelope in the office’s usual location for collection and mailing with the United States Postal Service.
- BY NEXT-DAY OVERNIGHT SERVICE:** I caused true and correct copies of the above document(s) to be placed within a sealed envelope or other package suitable for overnight shipment, addressed to the addressee(s) below and including this firm’s return address, and delivered on the date stated above to an overnight delivery service for delivery to the addressee(s) on the following business day.
- BY HAND DELIVERY:** I caused true and correct copies of the above document(s) to be placed within a sealed envelope or other package suitable for handling by a messenger or courier service and then caused the package to be hand-delivered by a same-day messenger service to the addressee(s) below on this date.
- BY EMAIL:** I caused true and correct copies of the above document(s) to be sent via email to the addressee(s) below on this date. I did not receive a notice indicating delivery failure.
- BY E-SERVICE:** I caused true and correct copies of the above document(s) to be sent via electronic transmission to the email addressee(s) below through a court-approved e-service vendor in conformity with applicable Local Rules.

Counsel for All Defendants:

Stephen R. Matulich, Esq.  
601 University Ave Ste 245,  
Sacramento, CA 95825-6720

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed **April 17, 2020**, at San Francisco, California.

  
\_\_\_\_\_  
Kate Morin