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Attorneys for Anthony Willoughby, II

IN THE UNITIED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

DJCBP Corporation DBA Tier One Consulting, a California Corporation and David Ju, an individual,

Plaintiffs,

vs.

CITY OF BALDWIN PARK, a municipality; ROBERT NACIONALES-TAFOYA, an individual; ANTHONY WILLOUGHBY, II, an individual; RICARDO PACHECO, an individual; ISAAC GALVAN, an individual; MANUEL LOZANO, an individual; LOURDES MORALES, an individual and Does 1-50,

Defendants.

ANTHONY WILLOUGHBY, II, an individual,

Cross-Complainant,

vs.

DJCBP Corporation DBA Tier One Consulting, a California Corporation

Case No.: **2:23-cv-00384**

DEFENDANT ANTHONY WILLOUGHBY II'S CROSS-COMPLAINT FOR:

1) **BREACH OF CONTRACT;**
2) **BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING;**
3) **FRAUD IN THE INDUCEMENT OF CONTRACT; AND**
4) **UNJUST ENRICHMENT**

Action Filed: January 18, 2023

and David Ju, an individual and Roes 1-50,

Cross-Defendants.

INTRODUCTION

1. Cross-Complainant Anthony W. Willoughby II ("Willoughby") is an individual residing in Los Angeles County.
2. Cross-Defendant DJCBP Corporation DBA Tier One Consulting ("DJCBP") is a California corporation doing business in Los Angeles County.
3. Cross-Defendant David Ju ("Ju") is an individual doing business in Los Angeles County.
4. Willoughby is informed, believes, and thereon alleges, that Cross-Defendant Ju is the alter ego of DJCBP in that he wholly controls and manipulates DJCBP, its business affairs, its money, and that at all times herein mentioned, DJCBP, was and is a mere shell, instrumentally, and conduit through which Ju carried on business, exercising control and dominance of such businesses to such an extent that any separateness between Ju on the one hand, and DJCBP, on the other hand, does not, and at all relevant times, did not exist.
5. Willoughby is ignorant of the true names and capacities of Cross-Defendants sued herein as ROES 1-10, inclusive, and therefore sues said Cross-Defendants by such fictitious names. Willoughby will amend his Cross-Complaint to allege their true names and capacities when ascertained.
6. Willoughby is informed and believes, and based thereon alleges, that each of these fictitiously named Cross-Defendants participated or acted in concert with Cross-Defendants and is/are responsible in some manner for the acts, occurrences and/or omissions alleged herein and has thereby proximately

caused damages to Willoughby and is liable by reason of the facts alleged herein.

7. At all times herein mentioned, each and every defendant herein was the agent, servant, employee, partner, or joiner of ventures of the other defendants herein; that at all said times, each of said defendants was acting within the course and scope of said agency, service, employment, partnership, and joint venture.

FIRST CLAIM

BREACH OF CONTRACT

(All Cross-Defendants)

8. Willoughby incorporates paragraphs 1 through 6, inclusive, by reference as though set forth in full herein.
9. On May 22, 2017, Tier 1 Consulting & Advocacy LLC ("Tier 1") entered into an employment contract with Willoughby.
10. At the time of the contract, Tier 1 was owned by Anthony Willoughby, the father of Willoughby.
11. Attached hereto as Exhibit A, and incorporated herein by reference as through fully set forth, is a true and correct copy of the employment agreement between Tier 1 Consulting & Advocacy LLC and Willoughby.
12. On or about November 30, 2017, and pursuant to his duties under the employment contract with Tier 1, Willoughby signed for an application to the City of Baldwin Park ("City") for Tier 1 to obtain a commercial cannabis license.
13. In or around July of 2018, City issued a license to Tier 1 in the name of Willoughby.
14. In October of 2018, Willoughby was informed that Tier 1 was to be sold.
15. In assisting with the sale of Tier 1, Willoughby executed a sale agreement disclaiming any ownership interest Willoughby may have in Tier 1.

16. Willoughby is informed and believes and thereon alleges that Tier 1 was sold, in its entirety, to Cross-Defendant David Ju.

17. Willoughby performed all obligations under his employment contract with Tier 1.

18. Tier 1 terminated Willoughby as an employee on or before December 31, 2018.

19. Willoughby is informed and believes and thereon alleges that Cross-Defendant David Ju and Cross-Defendant DJCBP are the successors, assigns, and/or owners of Tier 1.

20. Pursuant to the terms of Willoughby's employment contract with Tier 1, Willoughby is entitled to indemnity and to be held harmless from all liability in United States District Court, for the Central District of California, Case No.: 2:23-cv-00384 which stems from any act that occurred as a result of Willoughby's employment with Tier 1.

21. Further, Willoughby is entitled to the payment of up to $1,000,000.00 (One Million Dollars) in damages based on the accusations of criminal conduct made by Cross-Defendant David Ju and Cross-Defendant DJCBP in United States District Court, for the Central District of California, Case No.: 2:23-cv-00384.

22. Tier 1, by and through its successors, assigns, and/or owners Cross-Defendant David Ju and Cross-Defendant DJCBP, has breached its contract to Willoughby by failing to indemnify and hold Willoughby harmless from all liability in United States District Court, for the Central District of California, Case No.: 2:23-cv-00384 which stems from any act that occurred as a result of Willoughby's employment with Tier 1.

23. Tier 1, by and through its successors, assigns, and/or owners Cross-Defendant David Ju and Cross-Defendant DJCBP, has breached its contract to Willoughby by failing to pay Willoughby the sum of $1,000,000.00 (One

Million Dollars) in damages based on the accusations of criminal conduct made by Cross-Defendant David Ju and Cross-Defendant DJCBP in United States District Court, for the Central District of California, Case No.: 2:23-cv-00384.

24. As a result of the foregoing conduct, Willoughby was harmed. Willoughby has been forced to pay for his own legal representation and has not been paid the sum of $1,000,000.00 (One Million Dollars) as required under the contract.

25. The conduct of Cross-Defendant David Ju and Cross-Defendant DJCBP was a substantial factor in causing Willoughby's harm.

SECOND CLAIM

BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

(All Cross-Defendants)

26. Willoughby incorporates paragraphs 1 through 25, inclusive, by reference as though set forth in full herein.

27. Each contract contains a covenant of good faith and fair dealing that imposes on each party to the contract, a duty to refrain from doing anything which would render performance of the contract impossible by any act of his/its own. Additionally, the covenant imposes a duty on each party to a contract to do everything that a contract presupposes each party will do to accomplish its purpose.

28. On May 22, 2017, Tier 1 Consulting & Advocacy LLC ("Tier 1") entered into an employment contract with Willoughby.

29. Willoughby is informed and believes and thereon alleges that Cross-Defendant David Ju and Cross-Defendant DJCBP are the successors, assigns, and/or owners of Tier 1.

30. Cross-Defendant David Ju and Cross-Defendant DJCBP continued to use the license obtained for Tier 1 by Willoughby.

31. Cross-Defendant David Ju and Cross-Defendant DJCBP have caused United States District Court, for the Central District of California, Case No.: 2:23-cv-00384 to be filed against Willoughby.

32. By bringing the action against Willoughby based on the work performed during his employment at Tier 1, Cross-Defendant David Ju and Cross-Defendant DJCBP have not acted fairly or in good faith.

33. By refusing to remit payments due to Willoughby and refusing to communicate with Willoughby, Cross-Defendant David Ju and Cross-Defendant DJCBP have not acted fairly or in good faith.

34. By simultaneously using the work products of Willoughby's employment with Tier 1 and denying Willoughby the protections thereof, Cross-Defendant David Ju and Cross-Defendant DJCBP have breached their covenant of good faith and fair dealing.

35. As a direct and proximate result of the conduct of Cross-Defendant David Ju and Cross-Defendant DJCBP, Willoughby has been damaged in the minimum amount of the benefit of the contract, at least but according to proof at trial.

THIRD CLAIM

FRAUD IN THE INDUCEMENT OF CONTRACT

(All Cross-Defendants)

36. Willoughby incorporates paragraphs 1 through 35, inclusive, by reference as though set forth in full herein.

37. On May 22, 2017, Tier 1 Consulting & Advocacy LLC ("Tier 1") entered into an employment contract with Willoughby.

38. Willoughby would not have entered into the contract with Tier 1 but for the protections outlined therein for indemnity and payment for reputational damages.

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39. Willoughby is informed and believes and thereon alleges that Cross-Defendant David Ju and Cross-Defendant DJCBP are the successors, assigns, and/or owners of Tier 1.

40. Tier 1, through its successors, assigns, and/or owners Cross-Defendant David Ju and Cross-Defendant DJCBP, knew or reasonable should have known that it did not intend to honor the promise for indemnity and payment for reputational damages.

41. Tier 1, through its successors, assigns, and/or owners Cross-Defendant David Ju and Cross-Defendant DJCBP, knew or reasonable should have known that it would not perform on its obligations to Willoughby.

42. Tier 1, through its successors, assigns, and/or owners Cross-Defendant David Ju and Cross-Defendant DJCBP, knew or reasonable should have known that the representations made to Willoughby to induce Willoughby to come into the employment of Tier 1 were false, misleading, or otherwise concealed the truth of Tier 1's unwillingness to perform on the contract.

43. Tier 1's conduct, through its successors, assigns, and/or owners Cross-Defendant David Ju and Cross-Defendant DJCBP, were willful and malicious fraud in the inducement of contract which caused Willoughby damages.

44. As a direct and proximate result of the conduct of Cross-Defendant David Ju and Cross-Defendant DJCBP, Willoughby has been damaged in the minimum amount of the benefit of the contract, at least but according to proof at trial.

FOURTH CLAIM

UNJUST ENRICHMENT

(All Cross-Defendants)

45. Willoughby incorporates paragraphs 1 through 44, inclusive, by reference as though set forth in full herein.

46. On May 22, 2017, Tier 1 Consulting & Advocacy LLC ("Tier 1") entered into an employment contract with Willoughby.

47. On or about November 30, 2017, and pursuant to his duties under the employment contract with Tier 1, Willoughby signed for an application to the City of Baldwin Park ("City") for Tier 1 to obtain a commercial cannabis license.

48. In or around July of 2018, City issued a license to Tier 1 in the name of Willoughby.

49. Willoughby is informed and believes and thereon alleges that Tier 1 was sold, in its entirety, to Cross-Defendant David Ju.

50. Willoughby performed all obligations under his employment contract with Tier 1.

51. Tier 1 terminated Willoughby as an employee on or before December 31, 2018.

52. Willoughby is informed and believes and thereon alleges that Cross-Defendant David Ju and Cross-Defendant DJCBP are the successors, assigns, and/or owners of Tier 1.

53. Cross-Defendant David Ju and Cross-Defendant DJCBP continued to use the license obtained for Tier 1 by Willoughby.

54. Willoughby is informed and believes and alleges thereon that Cross-Defendant David Ju and Cross-Defendant DJCBP are receiving all of the benefits of Willoughby's work product for Tier 1 without providing Willoughby the benefits due to him under the Contract.

55. As a direct and proximate result of the conduct of Cross-Defendant David Ju and Cross-Defendant DJCBP, Willoughby has been damaged in the minimum amount of the benefit of the contract, at least but according to proof at trial.

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PRAYER FOR RELIEF

Wherefore, Willoughby prays for damages against all Cross-Defendants as follows:

1. For general damages in an amount according to proof with applicable interest;
2. For special damages in an amount according to proof with applicable interest;
3. For exemplary and punitive damages;
4. Pre-judgment interest;
5. Attorneys' fees and costs with interest thereon; and
6. Any other relief the Court considers just and proper.

Dated: March 29, 2024

LAW OFFICE OF J. BLACKNELL

Kellen J. Davis

Kellen Davis

Attorney for Defendant

Anthony Willoughby, II

EXHIBIT A

TIER 1 CONSULTING & ADVOCACY
EMPLOYMENT AGREEMENT

In consideration of the employment of Anthony Willoughby II ("Employee") with Tier 1 Consulting & Advocacy, LLC (Entity ID No.: 201530910259; commonly known as "Tier One" or "Tier 1"), a California corporation, with offices at 200 Corporate Pointe, Suite 495, Culver City, CA 90230 (hereinafter "Company"), and the compensation paid or to be paid, Employee and Company (jointly as "Parties") agree as follows:

1. **EMPLOYEE'S OBLIGATIONS:** Employee shall perform diligently, faithfully and to the best of his ability, all duties assigned and instructions given to him by authorized personnel of the Company, to comply with the rules, regulations, policies and procedures of the Company, and to act and comport himself at all times in the best interests of the Company.

2. **COMPENSATION:** The Parties acknowledge and agree that in compensation for services rendered to Company, Employee shall receive and Company shall issue the sum of $100,000.00 (One Hundred Thousand Dollars) per month beginning the first month wherein Company begins its operation. Employee shall not be entitled to receive compensation under this provision if Company is unable to operate for any reason.

3. **OWNERSHIP OF WORK PRODUCT:** The Parties acknowledge and agree that all products and results of Employee's services rendered during the course of his employment with the Company belongs to and shall be the sole and exclusive property of the Company. The Parties acknowledge and agree that the following shall apply with respect to any and all work product, including, but not limited to, licenses, documents (written or electronic), conceptions, ideas and/or improvements created, conceived, obtained, or developed by Employee (whether alone or in combination with others) at any time during Employee's employment by the Company:

(a) Employee shall promptly disclose the details of each such item of work product to an authorized representative of the Company and provide such representative with all information in his possession relative thereto;

(b) All work product shall be deemed the sole and exclusive property of the Company;

(c) Employee shall execute any and all documents which the Company deems necessary to transfer or assign such rights to the Company, or any authorized person designated by the Company; and

(d) Employee shall execute any and all documents which the Company deems necessary to obtain, maintain and/or enforce its rights to any work product, including, if necessary, cooperating with the Company in the obtaining, maintaining and enforcing any such rights.

4. **OWNERSHIP OF TRADEMARKS AND COPYRIGHTS:** The Parties acknowledge and agree that the Company shall retain all right, title, and interest in all trademarks, trade dress, and good will that results from the use of such trademarks and trade dress within any field in which the Company has operated.

5. **CONFIDENTIALITY AND TRADE SECRETS:** The Parties acknowledge and agree that Employee may have occasion to conceive, create, develop, review, or receive information which is considered by the Company to be confidential or proprietary including information relating to inventions, patent, trademark and copyright applications, improvements, know-how, specifications, drawings, cost data,

process flow diagrams, customer and vendor lists, cost and pricing information, bills, ideas and/or any other written material referring to same (the "Confidential Information"). The Parties acknowledge and agree that the Confidential Information is valuable to the Company since the Confidential Information is not generally known to the public or to other persons who can obtain economic value from its disclosure or use. The Parties acknowledge and agree that Employee shall maintain in confidence such Confidential Information unless or until: (1) it shall have been made public by an act or omission of a party other than Employee; or (2) Employee receives such Confidential Information from an unrelated third party on a non-confidential basis, whichever shall first occur. The Parties aeknowledge and agree that Employee shall use all reasonable precautions to assure that all such Confidential Information is properly protected and kept from unauthorized persons or disclosure.

6. **EMPLOYEE INDEMNITY:** The Parties acknowledge and agree that Company shall indemnify Employee and hold Employee harmless from any civil actions, civil claims, and any damages, costs and expenses in connection with such civil actions or claims arising as a direct result of acts performed by Employee in the course of their employment with the Company. The Parties acknowledge and agree that indemnity shall expressly include the cost of legal representation inclusive of administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees.

7. **EMPLOYEE REPUTATION:** The Parties acknowledge and agree that the nature of Company's business, related to cannabis sales, may from time-to-time result in negative or derogatory information being disseminated by third parties about Company and Employee. The Parties acknowledge and agree that Company shall not be responsible for routine complaints or derogatory comments by the public about Employee. Notwithstanding the foregoing, the Parties acknowledge and agree that should Employee be accused of having engaged in criminal acts as a result of carrying out his duties to Company, Employee shall be entitled to claim and receive up to $1,000,000.00 (One Million Dollars) as compensation for any such harm to Employee's reputation. The Parties acknowledge and agree that the true harm to Employee's reputation will be difficult, if not impossible, to measure and the sum of $1,000,000.00 (One Million Dollars) is a reasonable estimation thereof.

8. **EFFECT OF TERMINATION:** The Parties acknowledge and agree that the obligations under Paragraphs 3, 4, 5, 6 and 7 shall survive expiration or termination of this Agreement. The Parties acknowledge and agree that Paragraphs 3, 4, 5, 6 and 7 shall be explicitly binding upon the parties and their successors and assigns including any subsequent holder of all or any portion of the rights or property of the Company and shall be binding on any holder of any interest or ownership in Company. The Parties acknowledge and agree that their obligations under Paragraphs 3, 4, 5, 6 and 7 shall tax precedence over provision of this Agreement.

9. **EMPLOYMENT AT WILL:** The Parties acknowledge and agree that nothing in this Agreement creates a contract for any specific duration. The Parties acknowledge and agree that Company can terminate Employee at any time, with or without reason or notice.

10. **GOVERNING LAW/DISPUTES:** The Parties acknowledge and agree that this Agreement shall be governed in accordance with the laws of the State of California.

11. **AGREEMENT BINDING ON SUCCESSORS:** The Parties acknowledge and agree that the provisions of the Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their heirs, administrators, successors and assigns.

12. WAIVER: The Parties acknowledge and agree that no waiver by either party of any default shall be deemed as a waiver of prior or subsequent default of the same of other provisions of this Agreement.

13. SEVERABILITY: The Parties acknowledge and agree that if any term, paragraph, clause or provision in this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, paragraph, clause or provision and such invalid term, paragraph, clause or provision shall be deemed to be severed from the Agreement.

14. ASSIGNABILITY: The Parties acknowledge and agree that this Agreement and the rights and obligations under the Agreement are personal with respect to Employee and may not be assigned by any act without the prior written consent of the Company.

15. INTEGRATION: The Parties acknowledge and agree that this Agreement constitutes the entire understanding of the Parties, and revokes and supersedes all prior agreements between the Parties and is intended as a final expression of their Agreement. It shall not be modified or amended except in writing signed by the Parties and specifically referring to this Agreement. This Agreement shall take precedence over any other documents which may conflict with this Agreement.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have executed this Agreement on the dates indicated below:

EMPLOYEE

(Signature)

5/22/17
(Date)

Anthony Willoughby II
(Printed Name)

TIER 1 CONSULTING & ADVOCACY

(Signature)

5/22/17
(Date)

Anthony W. Willoughby
Owner and President

CERTIFICATE OF SERVICE

I am over the age of 18 and not a party to action. My business address is: 12071 W. Jefferson Blvd, Los Angeles, CA 90230. My email address is kellen@fight4justice.com. A true and correct copy of the foregoing document entitled DEFENDANT ANTHONY WILLOUGHBY II'S CROSS-COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING; (3) FRAUD IN THE INDUCEMENT OF CONTRACT; AND (4) UNJUST ENRICHMENT will be served via the Court's CM/ECF system on the following individuals:

Jesus Hinojosa
hinojosa@sylvalawcorp.com

Shawna Shahnaz Nazari
snazari@ssnlegal.com

Martha E Romero
romero@sylvalawcorp.com

Julia E Sylva
sylva@sylvalawcorp.com; hinojosa@sylvalawcorp.com

David G Torres-Siegrist
dgts@icloud.com; snazari@ssnlegal.com

In addition, a copy will be mailed via FIRST CLASS MAIL to:
Judge Christina A. Snyder
United States Courthouse
350 W. First Street,
Clerk's Office on the 4th Floor
Los Angeles, CA 90012

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 29th day of March 2024, at Signal Hill, California.

Dated: March 29, 2024

LAW OFFICE OF J. BLACKNELL

Kellen J. Davis
Kellen Davis
Attorney for Anthony Willoughby, II