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Matthew J. Matern (SBN 159798)
Joshua D. Boxer (SBN 226712)
MATERN LAW GROUP, PC
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266
Telephone: (310) 531-1900
Facsimile: (310) 531-1901
mmatern@maternlawgroup.com
jboxer@maternlawgroup.com

Corey B. Bennett (SBN 267816)
MATERN LAW GROUP, PC
1330 Broadway, Suite 436
Oakland, California 94612
Telephone: (510) 227-3998
Facsimile: (310) 531-1901
cbennett@maternlawgroup.com

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO – UNLIMITED JURISDICTION

GEORGE ENGERS, an individual, and
GARRETT WEBB, an individual,

Plaintiffs,

vs.

TOP SHELF, LLC dba CANNAZON, a
California limited liability company, PHI LE,
an individual, QUAN LE, an individual,
CYNDI NGUYEN, an individual, HARVARD
VENTURES, LLC, a California limited
liability company, DISTRO AVENUE, LLC, a
California limited liability company, and DOES
1 through 50, inclusive,

Defendants.

CASE NO.:

COMPLAINT

1. Whistleblower Retaliation (Cal. Lab. Code § 1102.5);
2. Wrongful Termination in Violation of Public Policy;
3. Defamation;
4. Intentional Infliction of Emotional Distress;
5. Failure to Timely Pay Wages upon Termination;
6. Breach of Contract;
7. Fraud, Constructive Fraud, and Fraudulent Omission;
8. Breach of Fiduciary Duty;
9. Accounting.

DEMAND FOR JURY TRIAL

BY FAX

1 PLAINTIFFS GEORGE ENGERS and GARRETT WEBB ("PLAINTIFFS"), individuals,
2 hereby allege as follows:

3 **JURISDICTION AND VENUE**

4 1. The Superior Court of the State of California has jurisdiction in this matter because
5 PLAINTIFFS are residents of the State of California, and Defendants TOP SHELF, LLC dba
6 CANNAZON, HARVARD VENTURES, LLC and DISTRO AVENUE, LLC, and DOES 1
7 through 50 inclusive, are qualified to do business in California and regularly conduct business in
8 California, and Defendants PHI LE, QUAN LE, and CYNDI NGUYEN (collectively
9 "DEFENDANTS"), are citizens of the State of California. Further, no federal question is at issue
10 because the claims are based solely on California law.

11 2. Venue is proper in this judicial district and the County of Sacramento, California
12 because PLAINTIFFS performed work for DEFENDANTS in the County of Sacramento,
13 DEFENDANTS maintain offices and facilities and transact business in the County of
14 Sacramento, and because DEFENDANTS' illegal acts, policies, and practices that are the subject
15 of this action occurred or were applied, at least in part, in the County of Sacramento.

16 **PLAINTIFFS**

17 3. PLAINTIFF George Engers is a former employee of DEFENDANTS. He was at
18 all relevant times a resident of the State of California, County of Sacramento.

19 4. PLAINTIFF Garrett Webb a former employee of DEFENDANTS. He was at all
20 relevant times a resident of the State of California, County of Sacramento.

21 **DEFENDANTS**

22 5. PLAINTIFFS are informed and believe, and thereon allege, that DEFENDANT
23 TOP SHELF, LLC dba CANNAZON ("CANNAZON"), is, and at all times relevant hereto was, a
24 limited liability company organized and existing under the laws of the State of California.
25 PLAINTIFFS are further informed and believe, and thereon allege, that DEFENDANT
26 CANNAZON is authorized to conduct business in the State of California, and does conduct
27 business in the State of California. Specifically, DEFENDANT CANNAZON maintains offices
28 and facilities and conducts business in, and engages in unlawful acts and illegal payroll practices

1 or policies in, the County of Sacramento, State of California.

2 6. PLAINTIFFS are informed and believe, and thereon allege, that DEFENDANT
3 HARVARD VENTURES, LLC, is, and at all times relevant hereto was, a limited liability
4 company organized and existing under the laws of the State of California. PLAINTIFFS are
5 further informed and believe, and thereon allege, that DEFENDANT HARVARD VENTURES is
6 authorized to conduct business in the State of California, and does conduct business in the State
7 of California. Specifically, DEFENDANT HARVARD VENTURES maintains offices and
8 facilities and conducts business in, and engages in unlawful acts and illegal payroll practices or
9 policies in, the County of Sacramento, State of California.

10 7. PLAINTIFFS are informed and believe, and thereon allege, that DEFENDANT
11 DISTRO AVENUE, LLC, is, and at all times relevant hereto was, a limited liability company
12 organized and existing under the laws of the State of California. PLAINTIFFS are further
13 informed and believe, and thereon allege, that DEFENDANT DISTRO AVENUE is authorized to
14 conduct business in the State of California, and does conduct business in the State of California.
15 Specifically, DEFENDANT DISTRO AVENUE maintains offices and facilities and conducts
16 business in, and engages in unlawful acts and illegal payroll practices or policies in, the County of
17 Sacramento, State of California.

18 8. PLAINTIFFS are informed and believe, and thereon allege, that DEFENDANT
19 PHI LE is, and at all times relevant hereto was, Chief Executive Officer for CANNAZON and a
20 resident of the State of California.

21 9. PLAINTIFFS are informed and believe, and thereon allege, that DEFENDANT
22 QUAN LE is, and at all times relevant hereto was, a supervisor, officer, director, or agent for
23 CANNAZON or DISTRO AVENUE and a resident of the State of California.

24 10. PLAINTIFFS are informed and believe, and thereon allege, that DEFENDANT
25 CYNDI NGUYEN is, and at all times relevant hereto was, a supervisor, officer, director, or agent
26 for CANNAZON or DISTRO AVENUE and a resident of the State of California. On information
27 and belief, CYNDI NGUYEN is also the spouse or domestic partner of QUAN LE.

28 11. The true names and capacities of DOES 1 through 50, inclusive, are unknown to

1 PLAINTIFFS at this time, and PLAINTIFFS therefore sue such DOE Defendants under fictitious
2 names. PLAINTIFFS are informed and believe, and thereon allege, that each Defendant
3 designated as a DOE is in some manner highly responsible for the occurrences alleged herein, and
4 that PLAINTIFFS' injuries and damages, as alleged herein, were proximately caused by the
5 conduct of such DOE Defendants. PLAINTIFFS will seek leave of the court to amend this
6 Complaint to allege their true names and capacities of such DOE Defendants when ascertained.

7 12. At all relevant times herein, DEFENDANTS were the joint employers of
8 PLAINTIFFS. PLAINTIFFS are informed and believe, and thereon allege, that at all times
9 material to this complaint DEFENDANTS were the alter egos, divisions, affiliates, integrated
10 enterprises, joint employers, subsidiaries, parents, principals, related entities, co-conspirators,
11 authorized agents, partners, joint venturers, and/or guarantors, actual or ostensible, of each other.
12 Each Defendant was completely dominated by his, her or its co-Defendant, and each was the alter
13 ego of the other.

14 13. PLAINTIFFS are informed and believe, and thereon allege, that each and every
15 one of the acts and omissions alleged herein were performed by, and/or attributable to, all
16 DEFENDANTS, each acting as agents and/or employees, and/or under the direction and control
17 of, each of the other DEFENDANTS, and that said acts and failures to act were within the course
18 and scope of said agency, employment and/or direction and control.

19 14. As a direct and proximate result of the unlawful actions of DEFENDANTS,
20 PLAINTIFFS have suffered, and continue to suffer, from loss of earnings in amounts as yet
21 unascertained, but subject to proof at trial, and within the jurisdiction of this Court.

22 **FACTUAL ALLEGATIONS**

23 15. PLAINTIFF GEORGE ENGERS is an experienced professional in the burgeoning
24 cannabis industry with experience working in a number of positions at various cannabis entities.

25 16. In January or February 2021, PLAINTIFF ENGERS contacted DEFENDANT
26 QUAN LE, a prior business acquaintance, and the two began discussing a new cannabis venture.
27 On February 12, 2021, QUAN LE texted PLAINTIFF ENGERS that he had discussed with his
28 other business partners and inquired as to whether ENGERS would consider coming on board in

1 three months, if not right away.

2 17. While the new position entailed a substantial pay-cut; (he previously made
3 \$150,000), PLAINTIFF ENGERS was lured by the promise of a significant ownership interest
4 and the ability to build a company from the ground up.

5 18. On April 1, 2021, PLAINTIFF ENGERS and DEFENDANT QUAN LE met at
6 2431 Manning Street in Sacramento to discuss a business/employment agreement. After the
7 meeting, ENGERS emailed LE to confirm the material terms of the oral agreement they had
8 discussed. Specifically, they had agreed that PLAINTIFF ENGERS would become the Chief
9 Operations Officer and work full-time to manage operations and implement strategies for rapid
10 growth within a cannabis retail (non-storefront) delivery business. In exchange, DEFENDANTS
11 would pay PLAINTIFF ENGERS a base salary of \$54,000 per year with a partner's ownership
12 interest of 21%. QUAN LE confirmed, writing, "I'm stokes (sic). Let (sic) get agreement outline
13 and rock n roll bro."

14 19. While a formal agreement was never drafted and signed, PLAINTIFF ENGERS
15 AND QUAN LE continued to perform according to the material terms of his their agreement.
16 Throughout his employment, PLAINTIFF ENGERS relied on the representations by QUAN LE
17 that he had a vested 21% ownership interest.

18 20. According to the personnel file produced by DEFENDANTS, PLAINTIFF
19 ENGERS was hired on April 5, 2021. In his capacity as Chief Operations Officer, ENGERS was
20 expected to hire other employees as needed and did not need approval from anyone else to do so.
21 In fact, throughout his tenure at CANNAZON, PLAINTIFF ENGERS hired roughly 30
22 employees, the hiring of whom did not require approval from QUAN LE or anyone else.
23 Additionally, PLAINTIFF ENGERS was responsible for handling myriad issues pertaining to
24 payroll, finances, compliance, and general operations. He frequently exchanged text messages
25 with CYNDI NGUYEN regarding these operational issues, and at no time did she or anyone else
26 dispute his authority to handle these matters.

27 21. One of PLAINTIFF ENGERS' first hires was a former colleague, PLAINTIFF
28 GARRETT WEBB, previously an assistant manager at Kolas, another cannabis company where

1 ENGERS had worked. Initially, PLAINTIFF WEBB was paid an hourly wage.

2 22. Over time, CANNAZON grew to include two more deliver companies under the
3 same license (Prime Time and NorCal Medicine Man), each of which were separate legal entities.
4 PLAINTIFF ENGERS was tasked with managing these additional businesses. While QUAN LE
5 collected money from these companies, the additional revenue was never incorporated into
6 CANNAZON's books. Given this increased revenue and responsibility, PLAINTIFF ENGERS
7 discussed increasing his salary with QUAN LE, who agreed. In or around December 2021, with
8 QUAN LE's approval, PLAINTIFF ENGERS applied the salary increase. Additionally, at
9 PLAINTIFF ENGERS' recommendation and with QUAN LE's approval, PLAINTIFF WEBB
10 was converted to a salaried employee and received a nominal pay increase to reflect his additional
11 duties. PLAINTIFF ENGERS never received complaints or concerns about either of these
12 decisions from any of the other individuals who had access to and monitored CANNAZON's
13 payroll.

14 23. Beginning in January 2022, PLAINTIFF ENGERS began noticing unusual
15 account withdrawals that were beyond his control. Despite his inquiries, he did not receive an
16 explanation.

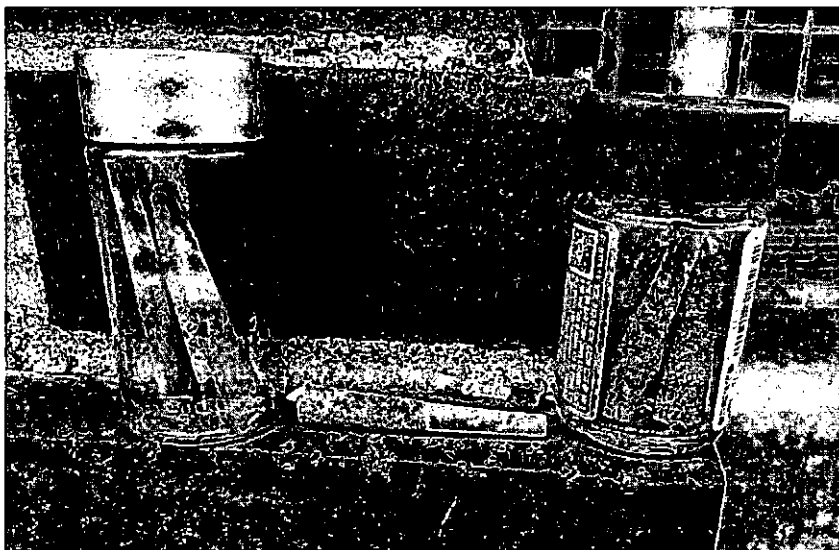
17 24. Again, in summer 2022, after noticing multiple unusual withdrawals, PLAINTIFF
18 ENGERS asked QUAN LE, CYNDI NGUYEN, and Crystal Tse to see bank statements to
19 reconcile the activity, but was denied access.

20 25. Around this time, in approximately June or July 2022, PLAINTIFF WEBB learned
21 that DEFENDANTS were manufacturing counterfeiting products from Jeeter, a major cannabis
22 brand. QUAN LE presented him with a clear plastic jar containing three pre-rolled cannabis joints
23 that contained the Jeeter logo. QUAN LE specifically wanted PLAINTIFF WEBB's opinion on
24 the quality of the batch they had manufactured next door.

25 26. The counterfeiting Jeeter products DEFENDANTS manufactured is pictured
26 below:

27 \\

28 \\



27. In the picture above, the counterfeit product is on the left/bottom and the authentic on the right/top. PLAINTIFF WEBB was aware that DEFENDANTS kept pallets of Jeeter-branded packaging at the facility, but until then was unaware of their use.

28. Aside from the legal exposure associated with counterfeiting other companies' products, PLAINTIFF WEBB was concerned that the product could be harmful to the public. He informed PLAINTIFF ENGERS who then asked the Jeeter sales representative to remove him from the account and put QUAN LE on it.

29. Soon after that, DEFENDANTS transferred another shipment that PLAINTIFF WEBB could not ensure was authentic, prompting him to blow the whistle.

30. On September 13, 2022, PLAINTIFF ENGERS met with QUAN LE and Crystal Tse, who claimed CANNAZON had a serious problem with debt and could not make payroll without a cash deposit. PLAINTIFF ENGERS, as COO, was concerned because the cash on hand was intended to pay vendors. PLAINTIFF ENGERS again demanded explanations for the previous account withdrawals and asked to see bank statements, but was denied.

31. On September 15, 2022, Crystal Tse texted PLAINTIFF ENGERS (copying QUAN LE and CYNDI NGUYEN) demanding all CANNAZON receipts, records, and transactions. PLAINTIFF ENGERS replied, requesting clarification as to which records she wanted and inquired as to the status of his request to see bank statements because he suspected

1 embezzlement. CYNDI NGUYEN replied, accusing PLAINTIFF ENGERS of unlawfully
2 withholding company property, and said he had “no right to request” the bank statements.
3 PLAINTIFF ENGERS reminded them that he had a vested ownership interest and did have the
4 right to see financial records. NGUYEN accused him of incurring unauthorized debts, ordered
5 him to surrender all company property, declared that he had no ownership interest, and threatened
6 legal action if he ever returned to the facility.

7 32. PLAINTIFF ENGERS did not believe NGUYEN had the authority to terminate
8 him, so he contacted QUAN LE who assured him that NGUYEN could not.

9 33. On September 15, 2022, PLAINTIFF ENGERS texted QUAN LE to request a
10 written contract “so I don’t have to worry about something like this happening again.” QUAN LE
11 responded, “I’ll get it done.”

12 34. On September 16, 2022, PLAINTIFF WEBB received an email from Jeeter with
13 an invoice. PLAINTIFF WEBB replied, copying Crystal Tse, and informed Jeeter that
14 DEFENDANTS were actively counterfeiting their products and moving METRC-compliant
15 product across state lines. He informed them he would no longer be involved on the account and
16 directed Jeeter to Crystal Tse. PLAINTIFF ENGERS replied to Jeeter as well, confirming the
17 discovery of DEFENDANTS’ unlawful conduct.

18 35. PLAINTIFFS spoke with Adam Cintas, Director of Compliance for Dreamfields,
19 which manufactures Jeeter products, to further discuss these issues. Cintas assured PLAINTIFFS
20 he would follow up with the Department of Cannabis Control.

21 36. On September 16, 2022, PLAINTIFF ENGERS emailed Crystal Tse and QUAN
22 LE to report the aforementioned retaliation and illegal activities, including transporting products
23 across state lines and counterfeiting major brands. He also asked for clarification as to whether
24 NGUYEN had the authority to take the action she had and, if not, to explain how the company
25 planned to address her conduct.

26 37. On September 16, 2022, PLAINTIFF ENGERS also filed complaints with the
27 California Department of Cannabis Control and the Federal Bureau of Investigation to report the
28 unlawful activity.

1 38. On September 18, 2022, a CANNAZON employee emailed PLAINTIFF WEBB
2 informing him of “concerning statements” made by Crystal Tse two days earlier. According to
3 Swift, Tse told him that PLAINTIFF ENGERS had been fired and implied PLAINTIFF WEBB
4 would not be around much longer—saying that she could not trust him and accusing them (both
5 to Swift and other staff) of giving themselves “secret raises.”

6 39. On September 19, 2022, at approximately 8:00 a.m., PLAINTIFF WEBB received
7 an email from PHI LE with the subject, “Warning on post-employment communication with
8 Cannazon vendors, customers and employees.” PHI LE explained there was a “clear written
9 record” that PLAINTIFF WEBB’s “good personal friend,” PLAINTIFF ENGERS, had given him
10 an unapproved salary increase, that PLAINTIFF WEBB had made false statements about
11 CANNAZON, and directed him to cease and desist all communications relating to CANNAZON.

12 40. Nothing in PLAINTIFF WEBB’s personnel file supports the contention that he
13 received a salary increase after December 2021. His gross salary listed on each and every
14 biweekly paystub is \$2,083.33.

15 41. Nothing in PLAINTIFF ENGERS’ personnel file supports the contention that he
16 received a salary increase after December 2021 either. His gross salary listed on each and every
17 biweekly paystub is \$2,708.33.

18 42. On September 19, 2022 at approximately 9:00 a.m., another CANNAZON
19 employee notified PLAINTIFF WEBB that a disturbing notice had been posted at the facility.
20 The notice was a letter dated September 18, 2022, and signed by PHI LE, stating that
21 PLAINTIFFS had “been creating and spreading serious, unverified and untrue statements” that
22 were defamatory and illegal, and asked all employees and business associates of CANNAZON
23 (1) not to communicate with PLAINTIFFS, (2) to forward evidence relating to PLAINTIFFS’
24 employment to PHI LE, and (3) to contact PHI LE with any questions.

25 43. On information and belief, on September 19, 2022, QUAN LE contacted STIIZY’s
26 (a major cannabis brand) Vice President of Sales, Michael Kim, and told him that PLAINTIFF
27 ENGERS had incurred massive debts and had to be let go. This statement was knowingly false
28 and specifically aimed to harm PLAINTIFF ENGERS’ reputation in retaliation for his reporting

1 unlawful activity.

2 44. On September 20, 2022, after learning about this defamation, PLAINTIFFS
3 requested their personnel files and directed DEFENDANTS to cease and desist all defamatory
4 communications.

5 45. According to personnel files produced by DEFENDANTS, PLAINTIFFS'
6 employment was terminated on October 10, 2022. There is, however, no evidence that either was
7 compensated for any work performed after September 11, 2022.

8 46. PLAINTIFF ENGERS received his final paycheck on September 22, 2022.

9 47. PLAINTIFF WEBB has yet to receive his final paycheck. He filed a complaint
10 with the Labor Commissioner on September 21, 2022.

11 48. On October 22, 2022, a CANNAZON employee sent pictures of additional
12 counterfeit products to PLAINTIFFS. On information and belief, DEFENDANTS did not have a
13 licensing agreement to manufacture any of the Jeeter or STIIZY products, but did so without the
14 companies' knowledge.

15 49. On information and belief, DEFENDANT DISTRO AVENUE was a suspended
16 entity for some of PLAINTIFFS' employment, even though the name appeared on their paystubs.

17 50. Following his termination, PLAINTIFF ENGERS applied for unemployment
18 benefits with the State of California. At a November 3, 2022 hearing, CYNDI NGUYEN
19 appeared as a DISTRO AVENUE representative and stated that PLAINTIFF ENGERS had
20 resigned. Later, she changed her mind and stated he was fired for a suspected theft. Both
21 statements were knowingly false.

22 51. On November 14, 2022, PLAINTIFF WEBB delivered the counterfeit Jeeter
23 products shown above to the Department of Consumer Affairs Division of Investigation (Case
24 No. 20-02962-DT).

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1 **FIRST CAUSE OF ACTION**

2 **Whistleblower Retaliation**

3 **[Cal. Lab. Code § 1102.5(b)]**

4 **(By Plaintiffs Against Defendants Top Shelf LLC dba Cannazon, Distro Avenue LLC, and**
5 **Harvard Ventures, LLC)**

6 52. PLAINTIFFS incorporate, by specific reference as though fully set forth herein,
7 the factual allegations in the foregoing paragraphs.

8 53. At all relevant times herein, California Labor Code § 1102.5 was in full force and
9 effect and was binding on DEFENDANTS. Section 1102.5(b), in pertinent part, provides:

10 [a]n employer, or any person acting on behalf of the employer, shall not retaliate
11 against an employee for disclosing information, or because the employer believes
12 that the employee disclosed or may disclose information, to a government or law
13 enforcement agency, to a person with authority over the employee or another
14 employee who has the authority to investigate, discover, or correct the violation or
15 noncompliance . . . if the employee has reasonable cause to believe that the
16 information discloses a violation of state or federal statute, or a violation of or
17 noncompliance with a local, state, or federal rule or regulation, regardless of
18 whether disclosing the information is part of the employee's job duties.

19 54. As alleged herein, PLAINTIFFS complained to multiple supervisors about
20 DEFENDANTS' violations of state and federal laws and regulations governing the manufacture,
21 marketing, transportation, and sale of cannabis products, suspected embezzlement, and other
22 statutory violations and illegal practices.

23 55. Immediately following these complaints, PLAINTIFFS were terminated,
24 threatened with legal action, and defamed by DEFENDANTS.

25 56. As a direct and proximate result of DEFENDANTS' unlawful acts, practices, and
26 omissions, PLAINTIFFS have suffered damages in an amount subject to proof at trial.
27 PLAINTIFFS claim such amount as damages together with prejudgment interest thereon pursuant
28 to California Civil Code §§ 3287, 3288, and/or any other applicable provision providing for

1 prejudgment interest.

2 57. As a direct and proximate result of DEFENDANTS' unlawful acts, practices, and
3 omissions, and inasmuch as DEFENDANTS are corporations or limited liability companies,
4 PLAINTIFFS seek civil penalties against DEFENDANTS pursuant to California Labor Code §
5 1102.5(e), which provides in pertinent part: "[i]n addition to other penalties, an employer that is a
6 corporation or limited liability company is liable for a civil penalty not exceeding ten thousand
7 dollars (\$10,000) for each violation of this section."

8 58. By engaging in the aforementioned unlawful acts, practices, omissions, and by
9 condoning and ratifying such acts by failing to properly investigate and adequately discipline the
10 perpetrators of these practices and omissions, DEFENDANTS intended to cause injury to
11 PLAINTIFFS. DEFENDANTS' intentional and injurious conduct toward PLAINTIFFS was
12 reckless, malicious, and despicable, and was carried out with a conscious and willful disregard of
13 the rights and safety of others. Therefore, PLAINTIFFS seek an award of punitive damages,
14 sufficient to punish DEFENDANTS and to serve as an example to deter them from similar
15 conduct in the future. PLAINTIFFS claim such amount as damages together with prejudgment
16 interest thereon pursuant to California Civil Code §§ 3287, 3288, and/or any other applicable
17 provision providing for prejudgment interest.

18 **SECOND CAUSE OF ACTION**

19 **Wrongful Termination in Violation of Public Policy**

20 **(By Plaintiffs Against Defendants Top Shelf LLC dba Cannazon, Distro Avenue LLC, and**
21 **Harvard Ventures, LLC)**

22 59. PLAINTIFFS incorporate, by specific reference as though fully set forth herein,
23 the factual allegations in the foregoing paragraphs.

24 60. PLAINTIFFS were employed by DEFENDANTS.

25 61. PLAINTIFFS were subjected to working conditions that violated public policy,
26 including violations of state and federal laws and regulations governing the manufacture,
27 marketing, transportation, and sale of cannabis products, suspected embezzlement, and other
28 statutory violations and illegal practices.

1 62. DEFENDANTS knowingly created these working conditions and retaliated against
2 PLAINTIFFS for reporting them by terminating PLAINTIFFS, threatening them with legal
3 action, defaming them, and otherwise treating them less favorably than non-complaining
4 employees.

5 63. PLAINTIFFS' reporting and refusing to participate in DEFENDANTS' unlawful
6 business practices was a substantial motivating reason for PLAINTIFFS' discharge.

7 64. PLAINTIFFS suffered harm, as set forth in this Complaint, including, but not
8 limited to monetary damages, humiliation, embarrassment, mental anguish, damage to reputation,
9 and physical and emotional distress, in an amount subject to proof at trial. PLAINTIFFS claim
10 such amount as damages, together with pre-judgment interest under California Civil Code
11 sections 3287 and 3288, and/or any other applicable provision of law providing for prejudgment
12 interest.

13 65. DEFENDANTS knew, or should have known, of DEFENDANTS' conduct and
14 failed to properly investigate, reprimand, terminate, or take an appropriate disciplinary action
15 against DEFENDANTS for their egregious conduct, thereby ratifying his actions.
16 DEFENDANTS engaged in the aforementioned unlawful acts, practices, and omissions and/or
17 ratified such acts, practices, and omissions. In doing so, DEFENDANTS engaged in intentional,
18 reckless, willful, oppressive, and malicious conduct, acted with willful and conscious disregard of
19 PLAINTIFFS' rights, welfare, and safety, and caused great physical and emotional harm to
20 PLAINTIFFS. Therefore, an award of punitive damages, sufficient to punish DEFENDANTS and
21 to deter them and others from similar conduct in the future, is appropriate. PLAINTIFF claims
22 such amount as damages to be determined at trial.

23 **THIRD CAUSE OF ACTION**

24 **Defamation**

25 **(By Plaintiffs Against All Defendants)**

26 66. PLAINTIFFS incorporate, by specific reference as though fully set forth herein,
27 the factual allegations in the foregoing paragraphs.

28 67. As described herein, on information and belief, PHI LE, QUAN LE, and CYNDI

1 NGUYEN engaged in a smear campaign against PLAINTIFFS that was designed to create the
2 impression that they were dishonest, irresponsible, and justifiably terminated.

3 68. Accordingly, they made false statements to Michael Kim at STIIZY and published
4 false statements in the letter posted at the facility. DEFENDANTS did so knowing of their falsity
5 and with the intent to damage PLAINTIFFS' reputations and conceal the truth about
6 DEFENDANTS' illegal and dangerous practices and procedures.

7 69. Such statements are and were injurious to PLAINTIFFS' personal and professional
8 reputations and standing in the community, and had (and has) a tendency to injure them.

9 70. As a direct and proximate result of DEFENDANTS' defamatory conduct,
10 PLAINTIFFS have and will suffer economic and emotional distress damages.

11 71. Further DEFENDANTS' intentional and injurious conduct toward PLAINTIFFS
12 was reckless, malicious, and despicable, and was carried out with a conscious and willful
13 disregard of PLAINTIFFS' rights and reputation. Therefore, PLAINTIFFS seeks an award of
14 punitive damages, sufficient to punish and deter DEFENDANTS and to serve as an example to
15 deter them from similar conduct in the future.

16 **FOURTH CAUSE OF ACTION**

17 **Intentional Infliction of Emotional Distress**

18 **(By Plaintiffs Against All Defendants)**

19 72. Plaintiffs incorporate, by specific reference as though fully set forth herein, the
20 factual allegations in the foregoing paragraphs.

21 73. By committing the outrageous and malicious acts and omissions complained of
22 herein, DEFENDANTS knew, or should have known, that their conduct would result in
23 PLAINTIFFS' severe emotional distress. Moreover, DEFENDANTS' acts and omissions were
24 perpetrated with the intent of inflicting humiliation, mental anguish, and severe emotional distress
25 upon PLAINTIFF.

26 74. Because managing agents participated in the conduct alleged herein,
27 DEFENDANTS have condoned and ratified this conduct by failing to correct, terminate, suspend,
28 sanction, or otherwise take any action against any DEFENDANT for falsely accusing

1 PLAINTIFFS of financial mismanagement after they reported in good faith unlawful conduct that
2 threatened the company, employees, and the general public.

3 75. As a direct and proximate result of DEFENDANTS' unlawful acts, practices, and
4 omissions, PLAINTIFFS have suffered monetary damages, humiliation, mental anguish, and
5 physical and emotional distress, in an amount subject to proof at trial.

6 76. The unlawful acts and practices of DEFENDANTS alleged herein were
7 intentional, reckless, and willful, and caused great physical and emotional harm to PLAINTIFFS.
8 Therefore, an award of punitive damages, sufficient to punish DEFENDANTS and to serve as an
9 example to deter them from similar conduct in the future, should be made. PLAINTIFFS claim
10 such amount as damages together with prejudgment interest thereon pursuant to California Civil
11 Code §§ 3287, 3288, and/or any other applicable provision providing for prejudgment interest.

12 **FIFTH CAUSE OF ACTION**

13 **Failure to Pay All Wages Due to Discharged Employees**

14 **[Cal. Lab. Code §§ 201, 202, 203, 558, 558.1]**

15 **(Against Defendants Top Shelf LLC dba Cannazon, Distro Avenue LLC, and Harvard**
16 **Ventures, LLC)**

17 77. PLAINTIFF incorporates, by specific reference as though fully set forth herein, the
18 factual allegations in the foregoing paragraphs.

19 78. DEFENDANTS have willfully failed to pay accurate wages and other
20 compensation to PLAINTIFFS in accordance with California Labor Code § 201.

21 79. On information and belief, PHI LE, QUAN LE, or CYNDI NGUYEN were at all
22 relevant times herein owners, directors, officers, or managing agents of the entity
23 DEFENDANTS, as defined in California Labor Code § 558.1(b).

24 80. As described herein, PLAINTIFF ENGERS' compensation included a salary and
25 ownership interest. His final paycheck did not reflect any such interest; in fact, DEFENDANTS
26 disavowed any such interest. As such, PLAINTIFF ENGERS was not paid all wages owed.

27 81. As described herein, PLAINTIFF WEBB has yet to receive a final paycheck, even
28 though he was terminated almost two months ago.

82. Pursuant to California Labor Code § 201, 202, and 203, DEFENDANTS are required to pay all earned and unpaid wages to an employee who is discharged. California Labor Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately.

83. California Labor Code § 203 provides that if an employer willfully fails to pay, in accordance with California Labor Code § 201, any wages of an employee who is discharged, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to 30 workdays.

84. DEFENDANTS have willfully failed to pay accurate wages and other compensation to PLAINTIFFS in accordance with California Labor Code § 201.

85. As a result, PLAINTIFFS are entitled to all available statutory penalties, including the waiting time penalties provided in California Labor Code § 203, together with interest thereon, civil penalties under California Labor Code § 558 and 558.1 as well as other available remedies.

86. As a result of DEFENDANTS' unlawful actions and omissions, PLAINTIFFS has been deprived of compensation in an amount according to proof at the time of trial, but in excess of the jurisdiction of this Court, and are entitled to recovery of such amounts, plus interest thereon, and attorneys' fees and costs, pursuant to California Labor Code §§ 1194 and 2699.

SIXTH CAUSE OF ACTION

Breach of Contract

(By Plaintiff Engers Against Defendants Top Shelf LLC dba Cannazon, Distro Avenue LLC, and Harvard Ventures, LLC)

87. PLAINTIFF incorporates, by specific reference as though fully set forth herein, the factual allegations in the foregoing paragraphs.

88. On or about April 1, 2021, PLAINTIFF ENGERS entered into an oral agreement to perform services for DEFENDANTS in exchange for a salary and a 21% ownership interest.

89. PLAINTIFF ENGERS relied on this agreement in deciding to leave a job that paid him a higher salary and in performing work for DEFENDANTS pursuant to this agreement.

1 90. PLAINTIFF ENGERS performed all, or substantially all, of the things he was
2 required to do under the agreement.

3 91. DEFENDANTS breached this agreement by terminating PLAINTIFF ENGERS
4 for reporting unlawful activity and by disavowing his ownership interest.

5 92. On information and belief, DEFENDANTS further breached the implied covenant
6 of good faith and fair dealing by knowingly engaging in unlawful activity—namely,
7 counterfeiting products and embezzling money.

8 93. As a direct result of DEFENDANTS' breach of the agreement and covenant of
9 good faith and fair dealing, PLAINTIFF ENGERS suffered harm.

10 **SEVENTH CAUSE OF ACTION**

11 **Fraud, Constructive Fraud, and Fraudulent Omission**

12 **(By Plaintiff Engers Against All Defendants)**

13 94. PLAINTIFF incorporates, by specific reference as though fully set forth herein, the
14 factual allegations in the foregoing paragraphs.

15 95. As alleged herein, PLAINTIFF ENGERS was given a 21% ownership interest as
16 part of the agreement to work for DEFENDANTS.

17 96. DEFENDANTS never intended to abide by this term.

18 97. DEFENDANTS had a duty to disclose that they were engaging in unlawful and
19 fraudulent conduct, but failed to do so. DEFENDANTS conduct not only interfered with
20 performance of the agreement, it jeopardized PLAINTIFF ENGERS' ownership interest.
21 Consequently, upon termination, PLAINTIFF ENGERS did not receive the full value of the
22 agreement.

23 98. DEFENDANTS' failure to recognize PLAINTIFF ENGERS' ownership interest
24 under the agreement and to compensate him for it, and their unlawful business practices are
25 material facts, which had PLAINTIFF ENGERS known of the scheme, he would not have entered
26 into the agreement.

27 99. As a direct and proximate result of DEFENDANTS' misrepresentations and
28 omissions, PLAINTIFF ENGERS was induced to enter into the agreement and to continue
performance under the agreement.

1 100. As a further direct and proximate result of DEFENDANTS' misrepresentations
2 and omissions, PLAINTIFF ENGERS performed services for compensation less than what
3 PLAINTIFF could have achieved in a competitive market.

4 101. DEFENDANTS' acts constitute unconscionable fraudulent, deceptive, and unfair
5 business practices. These acts also constitute the concealment, suppression and omission of
6 material facts, whether knowing or not, with regard to material elements of the agreement and
7 thus constitutes constructive fraud.

8 102. By reason of the foregoing, PLAINTIFF ENGERS has been damaged by
9 DEFENDANTS in such an amount as may be shown by the evidence and determined at trial.

10 103. DEFENDANTS were, at all times, in a superior position of knowledge and control
11 regarding their unlawful and fraudulent conduct.

12 104. PLAINTIFF ENGERS is informed and believes, and therefore alleges, that the
13 actions of DEFENDANTS were undertaken with fraud, oppression, malice, and reckless
14 disregard for PLAINTIFF ENGERS' well-being, such that an award of punitive damages is
15 justified.

16 **EIGHTH CAUSE OF ACTION**

17 **Breach of Fiduciary Duty**

18 **(By Plaintiff Engers Against All Defendants)**

19 105. PLAINTIFF incorporates, by specific reference as though fully set forth herein, the
20 factual allegations in the foregoing paragraphs.

21 106. At all relevant times, DEFENDANTS and PLAINTIFF ENGERS, as partners in
22 CANNAZON, owed to each other a fiduciary duty to act with the utmost good faith in the best
23 interest of the partners.

24 107. At all relevant times, PLAINTIFF ENGERS acted in good faith and with great
25 competence for the purpose of lawfully growing CANNAZON and increasing revenues that
26 would benefits all partners.

27 108. On information and belief, DEFENDANTS failed to act with reasonable care and
28 thus breached this duty by embezzling money and counterfeiting products—creating significant
legal exposure to CANNAZON and threatening to undermine PLAINTIFF ENGERS' ownership

1 interest.

2 109. DEFENDANTS' conduct harmed PLAINTIFF ENGERS and was a substantial
3 factor in cause this harm.

4 **NINTH CAUSE OF ACTION**

5 **Accounting**

6 **(By Plaintiff Engers Against All Defendants)**

7 110. PLAINTIFF incorporates, by specific reference as though fully set forth herein, the
8 factual allegations in the foregoing paragraphs.

9 111. PLAINTIFF ENGERS contends that DEFENDANTS owe him money—namely,
10 the value of a 21% ownership interest that was a material term to their agreement.

11 112. DEFENDANTS received money that was intended for the benefit of CANNAZON
12 and the owners thereof.

13 113. Said money was not used for the benefit of CANNAZON and the owners thereof.

14 114. DEFENDANTS have not given PLAINTIFF ENGERS any money representing
15 his ownership interest and have in fact disavowed his claim to such ownership interest.

16 115. Therefore, DEFENDANTS have been unjustly enriched and should have their ill-
17 gotten gains disgorged.

18 **PRAYER FOR RELIEF**

19 **WHEREFORE**, PLAINTIFFS respectfully pray for relief against DEFENDANTS and
20 DOES 1 through 50, inclusive, and each of them, as follows:

- 21 1. For compensatory and punitive damages in amounts to be ascertained at trial;
- 22 2. For reasonable attorneys' fees and costs pursuant to California Labor Code
23 §§ 1194, 2699, 2802, California Civil Code § 1021.5, and any other applicable provisions
24 providing for attorneys' fees and costs;
- 25 3. For declaratory relief regarding PLAINTIFF ENGERS' ownership rights;
- 26 4. For an accounting;
- 27 5. For contractual damages related to DEFENDANTS' breach of the agreement with
28 PLAINTIFF ENGERS;

1 6. For injunctive relief regarding DEFENDANTS' efforts to defame and cause
2 reputational harm to PLAINTIFFS; and

3 7. For such further relief that the Court may deem just and proper.

4
5 DATED: November 28, 2022

Respectfully submitted,

6 **MATERN LAW GROUP, PC**

7
8 By: 

9 Matthew J. Matern

10 Joshua D. Boxer

11 Corey B. Bennett

12 Attorneys for Plaintiffs

13 GEORGE ENGERS and GARRETT WEBB

DEMAND FOR JURY TRIAL

PLAINTIFFS hereby demand a jury trial with respect to all issues triable of right by jury.

DATED: November 28, 2022

Respectfully submitted,

MATERN LAW GROUP, PC

By: _____

Matthew J. Matern
Joshua D. Boxer
Corey B. Bennett
Attorneys for Plaintiffs
GEORGE ENGERS and GARRETT WEBB