[redacted], ESQ. (State Bar No. [redacted]

[redacted]

Attorneys for Plaintiff

[redacted]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

[redacted], an individual,

Plaintiff,

v.

EDGE INNOVATIONS INC., a California corporation; EDGE INNOVATIONS LLC, a Nevada limited liability company; GARY D. MERTEN, an individual; [redacted], an individual; [redacted], an individual; [redacted], an individual; and DOES 1 through 10, inclusive;

Defendants.

CASE NO.: 20STCV38499

UNLIMITED JURISDICTION

JUDGE: Hon. Lia Martin

COMPLAINT FOR:

(1) Breach of Contract; (2) Breach of Implied Covenant of Good Faith and Fair Dealing; (3) Intentional Misrepresentation; (4) Negligent Misrepresentation; (5) Concealment; (6) Money Had and Received; and (7) Declaratory Relief

COMES NOW plaintiff [redacted] ("Plaintiff") and files the following complaint (the "Complaint") against defendants Edge Innovations Inc., Edge Innovations LLC, Gary

Merten, [redacted], [redacted], [redacted], and DOES 1 through 10, inclusive (hereinafter collectively referred to herein as "Defendants") as follows:

I.

JURISDICTION AND VENUE

1. Upon information and belief, all Defendants are subject to the personal jurisdiction of this Court, in that all Defendants reside and/or transact business in the State of California, County of Los Angeles, and the present action relates to the Defendants' activities in the State of California, Los Angeles County, where the majority of evidence and witnesses are available.

2. Venue is proper under California Code of Civil Procedure § 395(a) in that some of the Defendants reside in the County of Los Angeles, and the Defendants have contracted to perform obligations, entered into the contract that is subject of this action, and took the actions and entered into the transactions alleged in this Complaint in the County of Los Angeles.

II.

THE PARTIES

3. Plaintiff [redacted] is an individual residing in the State of California, County of Los Angeles.

4. Upon information and belief, Defendant Edge Innovations Inc. ("Edge INC." or "Borrower") is a corporation formed under the laws of the State of California with a principal place of business located at 22939 Hawthorne Boulevard, Suite 301, Torrance, CA 90505.

5. Upon information and belief, Defendant Edge Innovations LLC ("Edge LLC" or the "Company") is a limited liability company formed under the laws of the State of Nevada with a principal place of business located at 22939 Hawthorne Boulevard, Suite 301, Torrance, CA 90505.

6. Upon information and belief, Defendant Gary Merten ("Merten") is an individual residing in the State of California, County of Los Angeles.

7. Upon information and belief, Defendant [redacted] ("[redacted]") is an individual transacting business in, including the activities upon which this action arises, and maintained minimum contacts with the State of California, County of Los Angeles.

8. Upon information and belief, Defendant [redacted] ("[redacted]") is an individual transacting business in, including the activities upon which this action arises, and maintained minimum contacts with the State of California, County of Los Angeles.

9. Upon information and belief, Defendant [redacted] ("[redacted]") is an individual residing in the State of California, County of Los Angeles.

10. The true names and capacities, whether individual, corporate, associate, or otherwise, of DOES 1 through 10, inclusive, and each of them, are unknown to Plaintiff at this time, and Plaintiff therefore sues said defendants by such fictitious names. Plaintiff will seek leave of this Court to amend this Complaint when the names of said DOE Defendants have been ascertained. Plaintiff is informed and believes, and thereupon alleges, that each of said DOE Defendants herein described are responsible in some manner for the events and happenings herein referred to or as hereinafter alleged.

11. Plaintiff is informed and believes, and thereupon alleges, that at all times herein mentioned, each of the Defendants sued herein as a DOE was the agent, employee, and/or co-conspirator of each of the remaining Defendants, and in doing the things alleged herein, was acting within the scope and purpose of such agency, employment, and/or conspiracy with the permission and consent of their co-Defendants.

12. Plaintiff is informed and believes, and thereupon alleges, that at all relevant times herein alleged Defendants, and each of them, including without limitation those Defendants herein sued as DOES, were acting in concert or participation with each other, or were joint participants and collaborators in the acts complained of, and were the agents, servants, co-conspirators, alter-egos and/or employees of the others in doing the acts complained of herein, each and all of them acting within the capacity, course and scope of said relationship with the others, each and all of them acting in concert one with the others and all together.

III.

FACTUAL ALLEGATIONS

13. Edge LLC is in the business of the design, development, marketing, distribution and sale of licensed consumer retail and promotional products. The present action arises from an agreement entered into by and between the Plaintiff, on the one hand, and Edge INC and Merten, on the other hand, by which the Plaintiff purchased an ownership interest and right to distributions in Edge LLC.

14. Upon information and belief, on or about July 9, 2013, Merten caused to be filed an application with the United States Patent and Trademark Office ("USPTO") for a patent with respect to an invention titled: "Travel Mug with Attached Ring" (the "Travel Tumbler").

15. On or about January 28, 2015, Merten organized Edge LLC in Nevada, identifying himself as the managing member. Upon information and belief, Merten chose the State of Nevada because there was already an unrelated limited liability company organized in the State of California under that same name (such that another entity with the same name could not be organized or register to do business in that state). Notwithstanding, Merten operated Edge LLC from a principal place of business located in the State of California.

16. In early 2015, Merten approached the Plaintiff with drawings of the Travel Tumbler. The product consisted of a travel mug with a decorative ring attached to the side, such that a person holding the mug would slide his or her finger through the ring so that it appears as if the person was wearing the ring as jewelry. Merten represented to the Plaintiff that he had three or four patents in connection with the product and similar items, which were intended to be developed and sold as promotional items. Merten's primary objective was to enter into licensing agreements with sports teams or leagues, whereby a team's logo or trademark would be printed on the mug, the ring would be modeled after championship rings given to winning teams, and the products would be marketed and sold to fans of the respective teams.

17. Merten represented to the Plaintiff that there was an opportunity to purchase an ownership interest in Edge LLC which owns the intellectual property rights and business described by Merten. Merten knew that Plaintiff had several contacts in the entertainment, sports or live event industry that would provide the exact clients sought by

Edge LLC. Merten offered to provide the Plaintiff with more information and financial statements about the company in order to gain the Plaintiff's trust and interest in investing in and working for the business.

18. Merten and Plaintiff engaged in ongoing discussions with respect to Edge LLC. During such time, Merten expanded on the intellectual property rights and business structure for the company. This included the following:

a. On May 12, 2015, the USPTO issued a patent for the Travel Tumbler to Merten with patent number D729,009.

b. On June 5, 2015, Merten caused an application to be filed with the USPTO to trademark the word "Blingware" for Edge LLC.

c. On June 30, 2015, Merten caused the filing of the Articles of Incorporation for Edge INC in the State of California. Based on Edge INC's annual filings, the officers were and continue to include Merten as Chief Executive Officer and Director, and Merten's wife as Secretary.

d. On or about July 17, 2015, Merten applied for a patent with the USPTO with respect to an invention identified as "Cup with Ring" (the "Travel Cup"). (The patent was issued on or about November 7, 2017 with patent number D801,751.)

19. Merten was now confident enough to convince the Plaintiff to invest $100,000 in Edge LLC. On October 19, 2015, Merten represented to the Plaintiff that, "As of this month company valuation is $13MM. I am offering 3% of the company at the current subscription of $100K for 1%."

20. Merten provided the Plaintiff with a hard copy document titled "Prospectus". Merten would thereafter demand that the Plaintiff return the hard copy Prospectus to Merten. Merten repeatedly revised and issued new versions of the Prospectus throughout the development of the business to update the status of licenses acquired or projected operational benchmarks. Much of the information regarding the company, its background and products remained the same in each version, each of which was issued by Edge INC to elicit investments in Edge LLC. Therefore, each version of the Prospectus was set up with Edge INC being the holding company of Edge LLC, offering to sell newly issued membership interests in Edge LLC.

21. In the Prospectus, Merten, Edge INC and Edge LLC represented that patents had been issued or was in the process of being issued with respect to the Travel Tumbler and the Travel Cup. The Prospectus also stated that patents were pending or provisional patents filed in 2015 with respect to the following: "Drink Holder with Ring", Serial No. 31/844,376; "Ring Opener Keychain", Serial No. 31/844,376; "Trailer Hitch Cover", Application No. 62164995; and "Holiday Ornament", Application No. 43552621.

22. Based on these stated terms, Plaintiff agreed to purchase a 1% membership interest in Edge LLC in exchange for $100,000 and conveyed the same to Merten on October 19, 2015.

23. Upon receiving Plaintiff's commitment to invest in Edge LLC, on October 21, 2015, Merten caused to be filed two assignments with the USPTO, assigned all rights, title and interests in and to any patent (or pending application) with respect to the Travel Tumbler and the Travel Cup from Merten, individually, to Edge LLC.

24. On November 1, 2015, Plaintiff and Edge INC entered into a "Loan Agreement", a true and correct copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference. The Loan Agreement provided that on the "Due Date" of November 1, 2019, Plaintiff could elect to receive either an entire or partial payout of principal and interest, or retain 10,000 membership units of Edge LLC which would vest on that due date.

25. In accordance with the Loan Agreement, Plaintiff delivered a cashier's check to Merten payable to Edge INC in the amount of $100,000 dated October 29, 2015, a true and correct copy of which is attached hereto as Exhibit "B".

26. Immediately upon the execution of the Loan Agreement and the Plaintiff's performance of his payment obligations thereunder, Plaintiff became actively involved in the business of Edge LLC. Edge LLC maintained main business offices in Torrance, California and Las Vegas, Nevada. According to the Prospectus, the Torrance office "executes sales, marketing, product engineering, and quality control for manufacturing." Plaintiff regularly worked out of the Torrance office to pursue leads, negotiate agreements and maintain client relationships for the company. Plaintiff secured valuable contracts for Edge LLC with notable organizations. In particular, due to Plaintiff's sole efforts and personal contacts, Edge LLC was able to obtain a licensing agreement with the University of Southern California, becoming a source of significant revenue to Edge LLC.

27. Edge LLC's business and goodwill was becoming well known, operating under the tradename, "Blingware". The pending trademark application was approved, and the trademark registered on September 6, 2016. A fictitious business name for Blingware was registered with the Los Angeles County on August 15, 2016.

28. Although the business was growing and should have been generating revenue, Plaintiff was not seeing any payback personally on his investment or acknowledgment of his increasing contributions to the company. Plaintiff was aware that Merten had pursued other investors for Edge LLC who would own minority interests similar to that of Plaintiff. However, Plaintiff discovered that there were conflicting accounts of what the actual ownership was, the amounts paid for any ownership, and the actual operations and financial condition of the business.

29. For example, Plaintiff had been told by Merten that he had two investors located in Las Vegas, Nevada — [redacted] and [redacted], who operated under a venture capital firm named Victoire Ventures, LLC. Due to the valuable contributions made by the Plaintiff to expand the operations and value of Edge LLC and its business, Plaintiff sought a larger membership interest in the company to account for his additional contributions. Therefore, at the end of 2016, Plaintiff decided to approach [redacted] and [redacted] whom he believed held sufficient ownership and voting rights in Edge LLC to approve an increased ownership share for him. However, [redacted] and [redacted] stated that neither were aware of any membership interest held by the Plaintiff, or the Loan Agreement, or the $100,000 paid by the Plaintiff to purchase a 1% interest in Edge LLC. [redacted] and [redacted] stated that they believed Plaintiff was merely providing services as a consultant or independent contractor to Merten to assist with the business operations, but not that the Plaintiff held any right or interest in the company itself.

30. Plaintiff also learned that [redacted] was yet another person asserting himself as an owner or member of Edge LLC.

31. Moreover, Plaintiff discovered that the capital contributions made by [redacted], [redacted], and [redacted] were each substantially less per percentage interest than what Merten had demanded from the Plaintiff for his 1% interest. Merten was, therefore, purportedly selling interests in the LLC without the other members knowledge or consent, and doing so at arbitrary values.

32. Plaintiff began to suspect that the Loan Agreement and related transactions were part of wider fraudulent scheme perpetrated by Merten and involving several other individuals as either participants or victims. Upon information and belief, Merten was inducing new investors to provide funds to him which he could then use to pay increments to existing investors to hold them at bay, or to falsely inflate the value of Edge LLC and its business to attract larger investors. Merten took what could have been a legitimate business venture and essentially turned it into another Ponzi scheme.

33. To date, Plaintiff has been unable to verify the existence or confirm the status of patents that Merten, Edge INC and Edge LLC had represented in the Prospectus were pending or provisional, other than the Travel Tumbler and the Travel Cup. Therefore, there is a possibility that no such additional patents may actually exist or be pending notwithstanding the claims in the Prospectus.

34. In January 2017, Plaintiff attempted to resolve the dispute as to his ownership interest in Edge LLC with [redacted] and [redacted]. However, [redacted] and [redacted] ultimately refused to acknowledge any ownership interests by Plaintiff, notwithstanding the fact that they did not dispute that the Plaintiff had paid $100,000 for his interest and acknowledged that the Plaintiff contributed valuable services to the company thereafter that remained uncompensated. [redacted] and [redacted] claimed that the membership interests granted to the Plaintiff under the Loan Agreement or otherwise were transferred from Merten's membership interests, and that any additional interests to be transferred should come from Merten's ownership share alone.

35. Plaintiff therefore attempted to resolve the dispute directly with Merten during that same period. Merten again acknowledged the payment and receipt of the Plaintiff's $100,000 investment and the services contributed thereafter. Merten also acknowledged that the Plaintiff had provided such monies and services with the understanding and intention that the Plaintiff would receive the equivalent value in the form of membership interests in Edge LLC in exchange therefor. Throughout this time, Merten repeatedly represented to the Plaintiff that the Plaintiff would receive cash payment of interest and his vested membership interests in Edge LLC on the due date of the Loan Agreement. Merten promised payment and additional membership interests to the Plaintiff, stating that there were large investors in the wings waiting to inject significant funds from which to pay the Plaintiff. Merten represented to the Plaintiff that Merten planned to buy out the other members (namely, [redacted] and [redacted]), and that Plaintiff would be entitled to and receive a larger share of the membership interests in Edge LLC, such that Plaintiff should discontinue any further discussions with [redacted], [redacted] or [redacted]. In reliance thereon, Plaintiff did stall further discussions with the other members.

36. The due date of November 1, 2019 passed, and Merten, Edge INC and Edge LLC have all failed to pay any amounts due and owing to the Plaintiff, and refuse to effectively transfer any membership interests to Plaintiff, thereby necessitating this action.

FIRST CAUSE OF ACTION

(For Breach of Contract Against All Defendants and DOES 1 through 10)

37. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 36 as though fully set forth herein.

38. Plaintiff entered into the Loan Agreement with Edge INC.

39. Plaintiff has performed all conditions, covenants, and promises required by it on his part to be performed in accordance with the terms and conditions of the Loan Agreement save only as excused and/or prevented by the acts, omissions and breaches of said Defendants as herein alleged.

40. Edge INC breached the terms of the Loan Agreement by refusing to pay any amount to the Plaintiff, or confirm the vesting of 10,000 membership units in the Edge LLC, on the November 1, 2019 due date of the Loan Agreement.

41. At all relevant times herein alleged, Defendants, and each of them, including without limitation those Defendants herein sued as DOES, were acting in concert or participation with each other, or were joint participants and collaborators in the acts complained of, and were the agents, servants, co-conspirators, alter-egos and/or employees of the others in doing the acts complained of herein, each and all of them acting within the capacity, course and scope of said relationship with the others, each and all of them acting in concert one with the others and all together.

42. As a result of the Defendants' breach, Plaintiff has suffered damages in an amount to be determined at trial, but no less than $150,000, plus interest at the legal rate.

43. In accordance with the Loan Agreement, Plaintiff is also entitled to an award of attorneys fees incurred herein.

SECOND CAUSE OF ACTION

(Breach of Implied Covenant of Good Faith and Fair Dealing Against All Defendants and DOES 1 through 10)

44. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 43 as though fully set forth herein.

45. Plaintiff entered into the Loan Agreement with Edge INC.

46. Plaintiff has performed all conditions, covenants, and promises required by it on his part to be performed in accordance with the terms and conditions of the Loan Agreement save only as excused and/or prevented by the acts, omissions and breaches of said Defendants as herein alleged.

47. Edge INC breached the terms of the Loan Agreement by refusing to pay any amount to the Plaintiff, or confirm the vesting of 10,000 membership units in the Edge LLC, on the November 1, 2019 due date of the Loan Agreement.

48. At all relevant times herein alleged, Defendants, and each of them, including without limitation those Defendants herein sued as DOES, were acting in concert or participation with each other, or were joint participants and collaborators in the acts complained of, and were the agents, servants, co-conspirators, alter-egos and/or employees of the others in doing the acts complained of herein, each and all of them acting within the capacity, course and scope of said relationship with the others, each and all of them acting in concert one with the others and all together.

49. Edge Inc, Merten, and any of the other Defendants had no intention to follow through on the Loan Agreement. The Loan Agreement was set up to cause the Plaintiff to entrust $100,000 in the hands of the Defendants, to be used for unauthorized purposes or inflate the value of the company. In doing so, Defendants have breached the implied covenant of good faith and fair dealing.

50. As a result of the Defendants' breach, Plaintiff has suffered damages in an amount to be determined at trial, but no less than $150,000, plus interest at the legal rate.

51. In accordance with the Loan Agreement, Plaintiff is also entitled to an award of attorneys fees incurred herein.

THIRD CAUSE OF ACTION

(Fraud Based on Intentional Misrepresentation Against All Defendants and DOES 1 through 10)

52. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 51 as though fully set forth herein.

53. On October 19, 2015, Merten, individually and on behalf of Edge INC and Edge LLC, represented to the Plaintiff, both in text messages and phone conferences, that: (a) Edge LLC was valued at $13 million; (b) Edge INC was the holding company for Edge LLC and thereby the sole member of Edge LLC at that time; (c) Edge INC would sell to the Plaintiff a 1% membership interest in Edge LLC in exchange for $100,000; (d) Plaintiff would receive both a cash payment based on the interest accrued on his $100,000 contribution, and the vesting of his membership interests in exchange for the $100,000, upon a certain due date after the contribution is made; and (e) Edge LLC held patents in a number of inventions identified in the Prospectus.

54. On November 1, 2015, Merten, individually and on behalf of Edge INC and Edge LLC, represented to the Plaintiff in writing through the Loan Agreement that (a) Edge INC would sell to the Plaintiff a 1% membership interest in Edge LLC in exchange for $100,000; and (b) Plaintiff would receive both a cash payment based on the interest accrued on his $100,000 contribution, and the vesting of his membership interests in exchange for the $100,000, upon the due date of November 1, 2019.

55. In January 2017, Merten, individually and on behalf of Edge INC and Edge LLC, represented to the Plaintiff orally in person and by telephone that Merten had negotiated with a new investor to buy out the other members, which would result in Plaintiff receiving the larger membership interest to which he was entitled.

56. The statement and representations made by Merten to the Plaintiff were false. The true facts were that Edge LLC did not have a value of $13 million in or about October 2015; Merten, Edge INC and Edge LLC were purportedly selling interests in Edge LLC for arbitrary amounts simply to raise capital to make the company appear more valuable to attract further investors and keep existing investors at bay; and Merten, Edge INC and Edge LLC had no intention of paying any amounts to the Plaintiff or honoring the vesting of any interest in Edge LLC.

57. At all relevant times herein alleged, Defendants, and each of them, including without limitation those Defendants herein sued as DOES, were acting in concert or participation with each other, or were joint participants and collaborators in the acts complained of, and were the agents, servants, co-conspirators, alter-egos and/or employees of the others in doing the acts complained of herein, each and all of them acting within the capacity, course and scope of said relationship with the others, each and all of them acting in concert one with the others and all together.

58. When Defendants made the representations to the Plaintiff, they knew they were false or intentionally made without knowing whether such statements were true.

59. Defendants made the representations intending the Plaintiff to rely on them to their detriment and enter into the Loan Agreement, provide $100,000 in readily available funds, and provide additional services to secure valuable contracts for the business of Edge LLC.

60. Had the Plaintiff known the true facts, he would not have entered into the Loan Agreement or any of the related and subsequent transactions.

61. Plaintiff has been damaged as a direct and proximate result of the statements and misrepresentations made to him by the Defendants.

62. Plaintiff has been damaged in the loss of his $100,000 investment, time and services, and the $150,000 to be determined at trial.

63. Defendants' acts alleged above were willful, wanton, malicious and oppressive and were undertaken with the intent to defraud, and justify the awarding of exemplary and punitive damages.

FOURTH CAUSE OF ACTION

(Fraud Based on Negligent Misrepresentation Against All Defendants and DOES 1 through 10)

64. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 63 as though fully set forth herein.

65. On October 19, 2015, Merten, individually and on behalf of Edge INC and Edge LLC, represented to the Plaintiff, both in text messages and phone conferences, that: (a) Edge LLC was valued at $13 million; (b) Edge INC was the holding company for Edge LLC and thereby the sole member of Edge LLC at that time; (c) Edge INC would sell to the Plaintiff a 1% membership interest in Edge LLC in exchange for $100,000; (d) Plaintiff would receive both a cash payment based on the interest accrued on his $100,000 contribution, and the vesting of his membership interests in exchange for the $100,000, upon a certain due date after the contribution is made; and (e) Edge LLC held patents in a number of inventions identified in the Prospectus.

66. On November 1, 2015, Merten, individually and on behalf of Edge INC and Edge LLC, represented to the Plaintiff in writing through the Loan Agreement that (a) Edge INC would sell to the Plaintiff a 1% membership interest in Edge LLC in exchange for $100,000; and (b) Plaintiff would receive both a cash payment based on the interest accrued on his $100,000 contribution, and the vesting of his membership interests in exchange for the $100,000, upon the due date of November 1, 2019.

67. In January 2017, Merten, individually and on behalf of Edge INC and Edge LLC, represented to the Plaintiff orally in person and by telephone that Merten had negotiated with a new investor to buy out the other members, which would result in Plaintiff receiving the larger membership interest to which he was entitled.

68. The statements and representations made by Merten to the Plaintiff were false. The true facts were that Edge LLC did not have a value of $13 million in or about October 2015; Merten, Edge INC and Edge LLC were purportedly selling interests in Edge LLC for arbitrary amounts simply to raise capital to make the company appear more valuable to attract further investors and keep existing investors at bay; and Merten, Edge INC and Edge LLC had no intention of paying any amounts to the Plaintiff or honoring the vesting of any interest in Edge LLC.

69. At all relevant times herein alleged, Defendants, and each of them, including without limitation those Defendants herein sued as DOES, were acting in concert or participation with each other, or were joint participants and collaborators in the acts complained of, and were the agents, servants, co-conspirators, alter-egos and/or employees of the others in doing the acts complained of herein, each and all of them acting within the capacity, course and scope of said relationship with the others, each and all of them acting in concert one with the others and all together.

70. When Defendants made the representations described above, they had no reasonable grounds for believing them to be true based on their personal knowledge of the membership interests of Edge LLC.

71. Defendants made the representations intending the Plaintiff to rely on them to their detriment and enter into the Loan Agreement, provide $100,000 in readily available funds, and provide additional services to secure valuable contracts for the business of Edge LLC.

72. Had the Plaintiff known the true facts, he would not have entered into the Loan Agreement or any of the related and subsequent transactions.

73. Plaintiff has been damaged as a direct and proximate result of the statements and misrepresentations made to him by the Defendants.

74. Plaintiff has been damaged in the loss of his $100,000 investment, time and services, and the $150,000 to be determined at trial.

75. Defendants' acts alleged above were willful, wanton, malicious and oppressive and were undertaken with the intent to defraud, and justify the awarding of exemplary and punitive damages.

FIFTH CAUSE OF ACTION

(Concealment Against All Defendants and DOES 1 through 10)

76. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 75 as though fully set forth herein.

77. Merten, Edge INC and Edge LLC concealed to the Plaintiff in the Prospectus and communications with the Plaintiff that Edge LLC was not issuing new membership interests directly to the Plaintiff, and that Edge INC was not the sole member of Edge LLC at the time.

78. At all relevant times herein alleged, Defendants, and each of them, including without limitation those Defendants herein sued as DOES, were acting in concert or participation with each other, or were joint participants and collaborators in the acts complained of, and were the agents, servants, co-conspirators, alter-egos and/or employees of the others in doing the acts complained of herein, each and all of them acting within the capacity, course and scope of said relationship with the others, each and all of them acting in concert one with the others and all together.

79. Defendants concealed this fact with the intention of inducing the Plaintiff to act in reliance on the representations in the manner here alleged, or with the expectation that the Plaintiff would so act.

80. Had Plaintiff known the true facts, he would not have entered into the Loan Agreement or any of the related and subsequent transactions.

81. Plaintiff has been damaged in the loss of his $100,000 investment, time and services, and the $150,000 to be determined at trial.

SIXTH CAUSE OF ACTION

(For Money Had and Received Against All Defendants and DOES 1 through 10)

82. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 81 as though fully set forth herein.

83. On or about October 29, 2015, Defendants received the sum of $100,000 from the Plaintiff.

84. Plaintiff is informed and believes and based thereon alleges that the money received by the Defendants was not in fact used for the purposes so intended — as an investment in exchange for an ownership interest in Edge LLC.

85. This sum has not been paid by Defendants to the Plaintiff although demand has been made (and is hereby again made by virtue of this Complaint), and there is now due, owing, and unpaid not less than $150,000.00 plus accrued interest as of the filing of this Complaint.

86. As a further direct and proximate result of said Defendants' actions and inactions, as herein alleged, Plaintiff has suffered and will continue to suffer additional damages in amount to be proven at the time of trial.

SEVENTH CAUSE OF ACTION

(For Declaratory Relief Against All Defendants and DOES 1 through 10)

87. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 through 86 as though fully set forth herein.

88. An actual controversy has arisen and exists between Plaintiff, on the one hand, and Defendants, including those fictitiously named, on the other hand, concerning whether the Plaintiff holds an ownership interest in Edge LLC and to what extent, along with related matters.

89. Plaintiff is informed and believes, and based thereon alleges, that Defendants dispute the above contentions. A declaratory judgment is necessary and appropriate at this time in order that the rights and obligations of the parties may be determined.

PRAYER FOR RELIEF

ON THE FIRST CAUSE OF ACTION: 1. For damages in an amount in excess of $150,000.00. 2. For attorneys fees.

ON THE SECOND CAUSE OF ACTION: 1. For damages in an amount in excess of $150,000.00.

ON THE THIRD CAUSE OF ACTION: 1. For damages in an amount in excess of $150,000.00. 2. For punitive damages in an amount to be determined by the trier of fact.

ON THE FOURTH CAUSE OF ACTION: 1. For damages in an amount in excess of $150,000.00. 2. For punitive damages in an amount to be determined by the trier of fact.

ON THE FIFTH CAUSE OF ACTION: 1. For damages in an amount in excess of $150,000.00.

ON THE SIXTH CAUSE OF ACTION: 1. For damages in an amount in excess of $150,000.00.

ON THE SEVENTH CAUSE OF ACTION: 1. For a declaration that Plaintiff holds a membership interest in Edge LLC.

ON ALL CAUSES OF ACTION: 1. For costs of suit herein; 2. For attorney's fees if allowed pursuant to contract or statute; 3. For such other relief as this Court deems proper.

DATED: October 6, 2020

[redacted]

By: [redacted], ESQ.

[redacted], ESQ.

Attorneys for Plaintiff

[redacted]