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6 Jason P. Tortorici, State Bar No. 207972
7 Joseph P. Schilleci, Jr., *Pro Hac Vice application pending*

8 Attorney For Plaintiff BLACK TIE GROUP,
9 LLC

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12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **WESTERN DIVISION**

15
16 **BLACK TIE GROUP, LLC, a**
California Limited Liability Company

17 **Plaintiff,**

18 vs.

19
20 **HIGH TIMES PRODUCTIONS, INC.**
21 **a New York Corporation; TRANS-**
22 **HIGH CORPORATION, a New York**
23 **Corporation; METHOD THREE**
24 **EVENTS, LLC, a Texas Limited**
Liability Company; and DOES 1
through 50 inclusive,

25 **Defendants**
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Case No.:

COMPLAINT

- 1. Rescission**
- 2. Unlawful Business Practices**
- 3. Conversion**

DEMAND FOR JURY TRIAL

COMPLAINT

COMES NOW, the Plaintiff, BLACK TIE GROUP, LLC (“Black Tie” or “Plaintiff”), by and through the undersigned counsel of record and for causes of action against the Defendants, HIGH TIMES PRODUCTIONS, INC. (“High Times”), TRANS-HIGH CORPORATION (“THC”), and METHOD THREE EVENTS, LLC (“Method 3”), states and alleges as follows:

I.

PARTIES

1. Plaintiff Black Tie is a California Limited Liability Company with its principal place of business located at 1881 Sling Shot Drive, in the city of Plumas Lake, California.
2. Defendant High Times, and/or fictitious defendants 1 through 10, is a New York corporation with its principal place of business located at 119 West 24th Street, New York, New York 10011. High Times is properly registered and conducts business in the state of California at its office located at 10990 Wilshire Boulevard, Penthouse, Los Angeles, California 90024.
3. Defendant THC, and/or fictitious defendants 11 through 20, is a New York corporation with its principal place of business located at 119 West 24th Street, New York, New York 10011. THC is properly registered and conducts business in the state of California at its office located at 10990 Wilshire Boulevard, Penthouse, Los Angeles, California 90024.

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4. Defendant Method 3, and/or fictitious defendants 21 through 30, is a Texas limited liability company with its principal place of business located at 12041 Dessau Road, no.1308, Austin, Texas 78754.

5. Fictitious Defendants identified herein as Does 31 through 50 are individuals, corporations, limited liability companies, partnerships, joint ventures, or business entities the forms of which are presently unknown to the plaintiff and whose identities are presently unknown to the plaintiff. Plaintiff alleges that Fictitious Defendants identified herein as Does 31 through 50 acted intentionally, willfully, recklessly, wantonly or negligently and are in some manner responsible for causing the damages and harm complained of herein. Plaintiff Black Tie will make a reasonable and good faith effort to determine the identities of the Fictitious Defendants identified herein and will seek to amend this complaint to insert the true and correct name of each Fictitious Defendant when ascertained.

II.

JURISDICTION

6. This action is brought on the basis of diversity of citizenship of the parties pursuant to the provisions of 28 U.S.C. § 1332. Plaintiff Black Tie’s domicile is in the state of California. Defendant Method 3’s domicile is in the state of Texas, and the domicile of both the Defendants High Times and

1 THC is in the state of New York. Accordingly, there is a complete diversity
2 of citizenship. The amount in controversy exceeds \$75,000.

3
4 **III.**

5 **FACTUAL ALLEGATIONS**

- 6 7. Black Tie adopts and incorporates by reference each of the allegations in
7 paragraphs 1 through 6 above as if fully set forth herein.
- 8 8. On or about January 28, 2020, Black Tie entered into a written contract with
9 High Times and THC to purchase a title sponsorship of the High Times
10 Hemp Cup (“Hemp Cup”) to be held in Austin, Texas March 20, 2020
11 through March 21, 2020.
- 12 9. In accordance with the written purchase order and credit card authorization,
13 electronically signed and submitted by Black Tie to High Times, true and
14 correct copies of which are attached hereto collectively as Exhibit (“EX.”)
15 A, on or about January 28, 2020, at the direction of Kevin Giles, vice
16 president of sales at HighTimes, Black Tie issued a check in the amount of
17 twenty five thousand and 00/100 dollars (\$25,000.00) against its account at
18 First Fidelity Bank, N.A. payable to defendant Method 3, the event
19 promoter, as a deposit for the event in question.
- 20 10. Between January 28, 2020 and March 9, 2020, in reliance on the deposit
21 paid, Black Tie incurred expenses totaling \$39,527.44 purchasing an exhibit
22 booth, cabinets, iPad tablets, and a Square card reader in preparation for the
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1 event.

2 11. Black Tie expected to receive promotional mentions and advertising on all
3 banners, signs and video screens at the event itself as well as conspicuous
4 placement, tagging, and mention in all related social media posts and digital
5 advertising.
6

7 12. Black Tie was promised visibility in live segments of the show and
8 prominent placement in related podcasts and other media broadcasts related
9 to the event.
10

11 13. On or about March 9, 2020, High Times, through its Client Services
12 Director, Mikaila Strycharz, issued notice to Black Tie and other sponsors
13 of Hemp Cup that in light of the COVID-19 pandemic and the related public
14 health crisis, the Hemp Cup event scheduled for March 20, 2020 and March
15 21, 2020 would not take place and that sponsors, including Black Tie,
16 should contact their sales representative for a credit or refund.
17

18 14. On or about March 11, 2020, in accordance with the notice, Black Tie
19 contacted Mercedes Feris at Method 3 and Kevin Giles at High Times and
20 demanded a refund of the consideration paid in light of the cancellation of
21 the event for which the consideration was paid.
22

23 15. Neither Method 3 nor High Times have refused to return the consideration
24 paid by Black Tie.
25

26 16. The Hemp Cup event in question has not been rescheduled and has in fact
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1 22. Black Tie is entitled to rescind the contract in question and a return of the
2 consideration paid pursuant to Civil Code § 1693(b)(6) because the agreed
3 to consideration is against the public interest due to cancellation of the 2020
4 Hemp Cup due to the COVID-19 public health crisis.

5
6 23. As a direct and proximate result of the failure of consideration of the
7 contract as set forth above, Black Tie is entitled to an order of restitution in
8 its favor directing defendants High Times, THC and Method 3, jointly and
9 severally, to return to Black Tie all funds tendered and paid on or about
10 January 28, 2020 as alleged herein together with prejudgment interest at a
11 rate of seven percent (7%) per annum from March 20, 2020.

12
13
14 24. As a direct and proximate result of the failure of consideration as set forth
15 above, Black Tie suffered incidental and consequential damages which have
16 resulted in economic loss and damage to Black Tie's business reputation.
17 Black Tie seeks an award of monetary damages in an amount determined
18 by the trier of fact in accordance with the evidence presented at trial which
19 will adequately and fully compensate Black Tie for all such losses pursuant
20 to Civil Code § 1692.

21
22
23 25. As a direct and proximate result of the failure of consideration as herein
24 alleged, Black Tie has been caused to and did incur a financial obligation to
25 pay reasonable attorneys' fees and expenses in an about its effort to recover
26 the consideration paid to High Times, THC and Method 3. Accordingly,
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Black Tie seeks a judgement from the above entitled Court balancing the equities pursuant to Civil Code § 1692 and ordering said defendants to compensate Black Tie for all such attorneys’ fees and costs of litigation so incurred.

V.

SECOND CAUSE OF ACTION

(Unfair and Unlawful Business Practice pursuant to Civil Code § 17200)

26. Black Tie adopts and incorporates by reference each of the allegations in paragraphs 1 through 25 above as if fully set forth herein.

27. Defendants High Times, THC and Method 3 deliberately and maliciously engaged in unlawful, deceptive and unfair business practices by issuing the following deceptive and misleading statements to sponsors and patrons of the 2020 Hemp Cup including, but not limited to Black Tie, to wit:

- In the credit authorization attached hereto as part of EX. A, “I have read this entire agreement and understand that I will be held fully responsible for its terms and charges and I agree not to chargeback THC as long as I receive the services that are defined within the terms of the agreement.”
- In the notice of March 20, 2020 postponing the Hemp Cup due to COVID-19, “For all refunds or credits, please contact your sales rep.”

28. Defendants High Times, THC and Method 3 made misleading and deceptive statements in advertising and promotional materials related to the

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1 advertising and promotion that would be provided to presenting sponsors of
2 the Hemp Cup event in exchange for payment of the agreed to consideration.

3 A true and correct copy of the sponsorship solicitation issued by the
4 defendants is attached hereto as Ex. B.
5

6 29. Defendants High Times, THC and Method 3 knew or in the exercise of
7 reasonable care that sponsors and patrons of the 2020 Hemp Cup, including
8 but not limited to Black Tie, would be or were likely to be misled and
9 deceived that refund and return of all deposits and fees paid would be issued
10 by High Times, THC and/or Method 3 when in fact the defendants had no
11 intention of issuing any such refunds.
12

13 30. Defendants High Times, THC and Method 3 willfully and deliberately
14 misled the public, including Black Tie, with the intention of withholding
15 and depriving them of the benefits for which they contracted.
16

17 31. Defendants High Times and THC further acted willfully and maliciously in
18 misleading Black Tie and others as set forth above so as to deprive them of
19 the use of their funds and the services for which they paid as High Times
20 and THC are pursuing other business ventures, namely the opening of a
21 chain of legal marijuana dispensaries throughout the state of California and
22 are actively raising and conserving capital for this purpose.
23

24 32. As a direct and proximate result of the unlawful conduct of High Times,
25 THC and Method 3 as set forth above, Black Tie is entitled to an order of
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restitution in its favor directing defendants High Times, THC and Method 3, jointly and severally, to return to Black Tie all funds tendered and paid on or about January 28, 2020 as alleged herein together with prejudgment interest at a rate of seven percent (7%) per annum from March 20, 2020.

33. As a direct and proximate result of the unlawful conduct of High Times, THC and Method 3 as set forth above, Black Tie suffered incidental and consequential damages which have resulted in economic loss and damage to Black Tie’s business reputation. Black Tie seeks an award of monetary damages in an amount determined by the trier of fact in accordance with the evidence presented at trial which will adequately and fully compensate Black Tie for all such losses pursuant to Civil Code § 1692.

34. Black Tie also seeks an award of punitive and exemplary damages against High Times, THC and Method 3 for willfully and maliciously depriving Black Tie of the benefits of its funds and the services for which it paid as more particularly set forth herein.

V.

THIRD CAUSE OF ACTION

(Conversion)

35. Black Tie adopts and incorporates by reference each of the allegations in paragraphs 1 through 34 above as if fully set forth herein.

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36. On or about January 28, 2020 Black Tie paid High Times, THC and Method 3 Twenty Five Thousand and 00/100 Dollars (\$25,000.00) as a 50% deposit for a title sponsorship of the 2020 Hemp Fest in Austin, Texas which was to take place on March 20, 2020 to March 21, 2020.

37. High Times, THC and Method 3 postponed and ultimately cancelled the subject event and refuse to refund all sums paid by Black Tie despite the fact that Black Tie did not receive the services for which it contracted and agreed to pay such consideration.

38. As a direct and proximate result of the unlawful conduct of High Times, THC and Method 3 as set forth above, Black Tie has been wrongfully deprived of the benefit and use of its funds and is entitled to an order of restitution in its favor directing defendants High Times, THC and Method 3, jointly and severally, to return to Black Tie all funds tendered and paid on or about January 28, 2020 as alleged herein together with prejudgment interest at a rate of seven percent (7%) per annum from March 20, 2020.

39. As a direct and proximate result of the unlawful conduct of High Times, THC and Method 3 as set forth above, Black Tie suffered incidental and consequential damages which have resulted in economic loss and damage to Black Tie's business reputation. Black Tie seeks an award of monetary damages in an amount determined by the trier of fact in accordance with the

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evidence presented at trial which will adequately and fully compensate Black Tie for all such losses pursuant to Civil Code § 1692.

40. Black Tie also seeks an award of punitive and exemplary damages against High Times, THC and Method 3 for willfully and maliciously depriving Black Tie of the benefits of its funds and the services for which it paid as more particularly set forth herein.

PRAYER FOR RELIEF

WHEREFORE, these premises considered, Plaintiff BLACK TIE GROUP, LLC, prays for judgment in its favor and against Defendants HIGH TIMES PRODUCTIONS, INC., TRANS-HIGH CORPORATION, METHOD THREE EVENTS, LLC and Does 1 through 50 as follows:

1. For economic and non-economic damages according to proof;
2. For compensatory damages according to proof;
3. For punitive and exemplary damages;
4. For restitution of all monies and consideration paid;
5. For prejudgment interest in accordance with Civil Code § 3287 or as otherwise allowed by law;
6. For attorneys’ fees in accordance with Civil Code § 1692;
7. For costs of suit incurred herein; and
8. For such other relief as this Court deems just and proper.

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Date: May 19, 2020

SCHILLECI & TORTORICI, P.C.

Jason Tortorici

Jason P. Tortorici
Attorney For Plaintiff
BLACK TIE GROUP, LLC

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SERVICE LIST

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6 Los Angeles, California 90067
7 Tel: 310-400-0110

8 Stephen A. Weiss
9 Registered Agent
10 TRANS-HIGH CORPORATION
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