Jody Goodman (DC Bar No. 404879)
(202) 326-3096; jgoodman1@ftc.gov
Elsie Kappler (MA Bar No. 562265)
(202) 326-2466; ekappler@ftc.gov
Federal Trade Commission
600 Pennsylvania Ave., NW, CC-8528
Washington, DC 20580

Local Counsel
Jeffrey Tang (CA Bar No. 308007)
(310) 824-4303; jtang@ftc.gov
Federal Trade Commission
10990 Wilshire Boulevard, Suite 400
Los Angeles, California 90024
Attorneys for Plaintiff

FILED
CLERK, U.S. DISTRICT COURT
9/9/24
CENTRAL DISTRICT OF CALIFORNIA
BY: MRV DEPUTY

IN THE UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,
Plaintiff,
v.
Ascend Capventures Inc., also doing business as Ascend Ecom LLC; Ascend Ecomm LLC; ACV; ACV Partners; Accelerated Ecommerce Ventures; Ascend Distribution LLC; Ethix Capital; and ACV Nexus, a Wyoming close corporation profit corporation,
Ascend Ecommerce Inc., also doing business as Ascend Ecom LLC, a Wyoming close corporation profit corporation,
Ascend Administration Inc., a California general stock corporation,
Ascend Ecom LLC, a Wyoming limited liability company,
Ascend Distribution LLC, a Texas limited liability company,
William Michael Basta, individually and as officer and/or owner of Ascend Ecom

No. 2:24-cv-07660SPG(JPRx)

FILED UNDER SEAL

PLAINTIFF FEDERAL TRADE COMMISSION'S EXHIBITS

VOLUME XI

Exhibit 34

Pages 3055 to 3087

LLC, Ascend Capventures Inc., Ascend Ecommerce Inc., Ascend Administration Inc., and Ascend Distribution LLC, and **Jeremy Kenneth Leung**, individually and as an officer and/or owner of Ascend Ecom LLC, Ascend Capventures Inc., Ascend Ecommerce Inc., Ascend Administration Inc., and Ascend Distribution LLC,

Defendants.

Volume XI – Exhibit List

Ex.	Description	Beginning Page #	Ending Page #
34	Second Declaration of Blanca Graham Cordova	3055	3087

Exhibit 34

DECLARATION OF BLANCA GRAHAM CORDOVA

1. I, Blanca Graham Cordova, hereby declare that I have personal knowledge of the facts set forth below and, if called to testify, I could and would testify as follows:

2. I am a United States citizen. I work as an Investigator for the Federal Trade Commission ("FTC") in the Bureau of Consumer Protection's Division of Marketing Practices. The Division of Marketing Practices investigates persons and entities that may be violating the FTC Act and other laws enforced by the FTC. My office address is 600 Pennsylvania Avenue, NW, CC-8563, Washington, DC 20580.

3. In the course of my work, I was assigned to work on an investigation involving Ascend Ecom LLC, and numerous related entities ("Ascend"), as well as William Basta and Jeremy Leung.

LITIGATION AGAINST DEFENDANTS

4. In the course of my work on the Ascend Ecom investigation, I found two cases brought in California state courts.

5. In the first case, *Justin Langford and Langford Exchange, LLC v. Ascend Ecom LLC and Does 1-25* (37-2023-00025224-CU-BC-NC), the Plaintiffs filed their Complaint on June 15, 2023, in the Superior Court of California, County of San Diego, North County Division. **Attachment A** is a true and correct copy of the complaint that was filed in this case.

6. The Plaintiffs in the second case, *Aaron Watkins; Watkins FBA, LLC; and Watkins Colaborations (sic.), LLC v. Ascend Ecom LLC* (23STCV18082), filed their complaint on August 1, 2023, in the Superior Court of the State of California, County of Los Angeles. **Attachment B** is a true and correct copy of the complaint that was filed in this case. Plaintiffs filed an amended complaint on September 13, 2023, adding Will Basta, Jeremy Leung,

and Does 1-10, as Defendants to the action. **Attachment C** is a true and correct copy of the amended complaint that was filed in this case.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 6, 2024 at El Paso, Texas.

BLANCA GRAHAM CORDOVA Digitally signed by BLANCA GRAHAM CORDOVA Date: 2024.09.06 20:08:28 -04'00'

Blanca Graham Cordova

Attachment A

Richard R. Rice (SBN 159315)
THE LAW OFFICE OF RICHARD R. RICE
1084 North El Camino Real, Suite B121
Encinitas CA 92024-1334
Telephone: 760.943.0100
Facsimile: 760.943.0942
Email: rrrice@rrrlaw.net

Attorney for Plaintiffs
JUSTIN LANGFORD and LANGFORD EXCHANGE, LLC

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
06/15/2023 at 07:48:55 AM
Clerk of the Superior Court
By Irma Ledesma,Deputy Clerk

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN DIEGO

NORTH COUNTY DIVISION

JUSTIN LANGFORD, an individual; and LANGFORD EXCHANGE, LLC, a California limited liability company,

Plaintiff,

v.

ASCEND ECOM, LLC, a Wyoming limited liability company; and DOES 1-25, inclusive,

Defendants.

Case No. 37-2023-00025224-CU-BC-NC

I/C Judge:
Dept.:

COMPLAINT FOR:

1. **BREACH OF CONTRACT**
2. **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**
3. **INTENTIONAL MISREPRESENTATION**
4. **FALSE PROMISE**
5. **NEGLIGENT MISREPRESENTATION**
6. **VIOLATION OF CALIFORNIA PENAL CODE § 496**
7. **MONEY HAD AND RECEIVED**
8. **UNJUST ENRICHMENT**
9. **CONVERSION**
10. **VIOLATION OF CALIFORNIA CIVIL CODE § 1812.200 et seq.**

[Unlimited Jurisdiction]

Plaintiffs JUSTIN LANGFORD and LANGFORD EXCHANGE, LLC allege as follows:

I.

THE PARTIES

1. Plaintiff JUSTIN LANGFORD ("Langford") is and at all times alleged herein was an individual residing in the County of San Diego. Plaintiff LANGFORD EXCHANGE, LLC ("LE"), is and at all times alleged herein was a limited liability company organized and existing under the laws of the State of California. Langford is the sole member and manager of LE. Langford and LE are sometimes referred to herein collectively as "Plaintiffs".

2. Defendant ASCEND ECOM, LLC ("Defendant"), is and at all times mentioned herein was a limited liability company organized and existing under the laws of the State of Wyoming and is and was doing business in the State of California and the County of San Diego.

3. The true names or capacities, whether individual, corporate, associate or otherwise, of Defendants DOES 1-25, inclusive, are unknown to Plaintiffs who therefore sue these Defendants by their fictitious names. Each of said fictitiously named Defendants, whether acting for itself or as its agents, corporations, associations, limited liability companies, or otherwise, is in some way liable or responsible to the Plaintiffs on the facts herein alleged and caused the injury or damages proximately thereby as hereinafter alleged. Plaintiffs will seek leave of court to amend this Complaint to show the true names and capacities of these Defendants when and if the same are ascertained.

4. Plaintiffs are informed and believe and thereon allege that, at all times herein alleged, each of the Defendants, including DOES 1-25, inclusive, was the agent, servant, employee or authorized representative of each of the remaining defendants, and was acting within the course, scope and purpose of said agency, employment or service with the knowledge, consent, and permission of the other Defendants. Each of the Defendants, DOES herein 1-25, was the conspirator with, aided and abetted the other defendants' conduct, or acted in concert with the other defendants in causing the harm alleged herein.

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II.

JURISDICTION AND VENUE

5. Venue is proper in the San Diego County Superior Court because the Defendant is conducting business in the County of San Diego, the acts and transactions giving rise to the violations of law and duties complained of herein occurred in the County of San Diego, and Plaintiffs' resulting damages occurred in San Diego County.

III.

FACTUAL ALLEGATIONS

6. In or around October 2022 Defendant solicited Plaintiffs with a so-called "investment opportunity" in the budding and heavily regulated world of Amazon ecommerce.

7. On November 11, 2022, Plaintiffs and Defendant entered into an Amazon Master Services Agreement (the "Agreement") whereby Defendant agreed to provide to Plaintiffs various services as necessary and required to prepare, manage, and operate an Amazon.com store (the "Store") on Plaintiffs' behalf. According to the terms of the Agreement, Plaintiffs paid to Defendant an "Initial Service Fee" of Forty-Eight Thousand Dollars ($48,000.00). In addition to the Initial Service Fee, Defendant was to receive a thirty percent (30%) commission on all net profits generated by sales through the Store. The initial term of the Agreement was to be for a period of twenty-four (24) months which was to begin once the Store had been approved and launched with products actively for sale.

8. Plaintiffs paid the Initial Service Fee in two installments of Forty Thousand Dollars ($40,000.00) and Eight Thousand Dollars ($8,000.00). Despite having paid the Initial Service Fee in full as required by the Agreement, Defendant has provided no services whatsoever to Plaintiffs. Despite repeated demands Defendant has failed and refused either to perform according to the terms of the Agreement, or to refund the Initial Service Fee.

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IV.

FIRST CAUSE OF ACTION

(Breach of Contract)

9. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

10. At all relevant times there existed between Plaintiffs and Defendant a contract under which Defendant agreed to provide to Plaintiffs various services as necessary and required to prepare, manage, and operate the Store on Plaintiffs' behalf.

11. Plaintiffs have performed all obligations on their part to be performed according to the terms of the Agreement.

12. Defendant breached the Agreement by, without limitation, failing and refusing to provide any services whatsoever even though Plaintiffs paid the Initial Service Fee in full.

13. As a proximate result of Defendant's breach of the Agreement, Plaintiffs have suffered legally compensable damages the exact amount of which will be shown according to proof according to proof at the time of trial.

V.

SECOND CAUSE OF ACTION

(Breach of Implied Covenant of Good Faith and Fair Dealing)

14. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

15. At all relevant times there existed between Plaintiffs and Defendant a contract under which Defendant agreed to provide to Plaintiffs various services as necessary and required to prepare, manage, and operate the Store on Plaintiffs' behalf.

16. Plaintiffs have performed all obligations on their part to be performed according to the terms of the Agreement.

17. Defendant deprived Plaintiffs of the benefits due to them under the Agreement by failing and refusing to provide any services whatsoever even though Plaintiffs paid the Initial Service Fee in full.

18. In acting or failing to act as alleged, Defendant has not acted fairly or in good faith.

19. As a proximate result of Defendant's breach of the Agreement, Plaintiffs have suffered legally compensable damages the exact amount of which will be shown according to proof according to proof at the time of trial.

VI.

THIRD CAUSE OF ACTION

(Intentional Misrepresentation)

20. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

21. Defendant represented to Plaintiffs that in exchange for the payment of the Initial Service Fee they would provide the services as specified in the Agreement.

22. Defendant's representations were false.

23. Defendant knew that their representations were false when they were made or made them recklessly without regard for their truth.

24. Defendant intended that Plaintiffs rely on its representations.

25. As a proximate result of Defendant's conduct, Plaintiffs have suffered legally compensable damages the exact amount of which will be shown according to proof according to proof at the time of trial.

26. Defendant's conduct as alleged herein was carried out willfully, maliciously, and/or with wanton disregard for Plaintiffs' rights entitling Plaintiffs to an award of punitive damages.

VII.

FOURTH CAUSE OF ACTION

(False Promise)

27. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

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28. Defendant promised Plaintiffs that in exchange for payment of the Initial Service Fee, it would provide the services specified in the Agreement.

29. Defendant did not intend to provide any of the services specified in the Agreement.

30. Defendant intended that Plaintiffs rely on their promises to provide the services specified in the Agreement.

31. Plaintiffs reasonably relied on Defendant's promises as alleged herein.

32. Despite Plaintiffs having paid the Initial Service Fee in full, Defendant has failed and refused to provide any services under the Agreement, or to refund the Initial Service Fee to Plaintiffs.

33. As a proximate result of Plaintiffs' reliance on Defendant's promises, Plaintiff has suffered legally compensable damages the exact amount of which will be shown according to proof according to proof at the time of trial.

34. Defendant's conduct as alleged herein was carried out willfully, maliciously, and/or with wanton disregard for Plaintiffs' rights entitling Plaintiffs to an award of punitive damages.

VIII.

FIFTH CAUSE OF ACTION

(Negligent Misrepresentation)

35. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

36. Defendant represented to Plaintiffs that in exchange for the payment of the Initial Service Fee it would provide the services as specified in the Agreement.

37. Defendant's representations were false.

38. Although Defendant may have honestly believed its representations were true, it had no reasonable grounds to have such a belief at the time the representations were made.

39. Defendant intended that Plaintiffs rely on its representations.

40. Plaintiffs reasonably relied on Defendant's representations as alleged herein.

41. As a proximate result of Defendants' conduct, Plaintiff has suffered legally compensable damages the exact amount of which will be shown according to proof according to proof at the time of trial.

IX.

SIXTH CAUSE OF ACTION

(Violation of California Penal Code § 496)

42. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

43. Defendant violated California Penal Code § 496 by obtaining money belonging to Plaintiffs by theft and knowingly withholding the money from Plaintiffs or by aiding in obtaining and knowingly withholding said money.

44. Plaintiffs have been injured by Defendant's violations of California Penal Code § 496, the full nature and extent of which are presently unknown to Plaintiffs but will be shown according to proof at the time of trial.

45. Pursuant to California Penal Code § 496(c), Plaintiffs are entitled to three times the amount of their actual damages, an amount which will be shown according to proof at the time of trial. Plaintiffs are also entitled to recover their costs of suit, including reasonable attorney's fees incurred in prosecuting this action.

X.

SEVENTH CAUSE OF ACTION

(Money Had and Received)

46. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

47. Within the last four years Defendant became indebted to Plaintiffs for money had and received by Defendant for the use and benefit of Plaintiffs in an amount to be shown according to proof at the time of trial.

48. Plaintiffs have repeatedly demanded payment from Defendant.

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49. No payment has been made by Defendant to Plaintiffs and there is now owing a sum to be determined according to proof at the time of trial together with interest thereon.

XI.

EIGHTH CAUSE OF ACTION

(Unjust Enrichment)

50. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

51. Within the last four years Defendant has received money from Plaintiffs that should have been repaid to Plaintiffs in an amount to be determined according to proof at the time of trial. Because Defendant has not repaid said monies, it has been unjustly enriched in that amount.

XII.

NINTH CAUSE OF ACTION

(Conversion)

52. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

53. Plaintiffs possess an interest in the monies which were paid to Defendant under the Agreement based on Defendant having breached the Agreement.

54. Defendant substantially interfered with Plaintiffs' property by knowingly and intentionally taking possession of the monies paid by Plaintiffs under the Agreement and then refusing to return those monies after Plaintiffs demanded their return.

55. At no time did Plaintiffs consent to Defendant's retention of the monies paid under the Agreement.

56. As a proximate result of Defendant's conduct as alleged herein, Plaintiffs have suffered legally compensable damages the exact amount of which will be shown according to proof according to proof at the time of trial.

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57. Defendant's conduct as alleged herein was carried out willfully, maliciously, and/or with wanton disregard for Plaintiffs' rights entitling Plaintiffs to an award of punitive damages.

XIII.

TENTH CAUSE OF ACTION

(Violation of California Civil Code § 1812.200 et seq.)

58. Plaintiffs incorporate all other allegations of this Complaint as if set forth fully herein.

59. Defendant offered to Plaintiffs a "seller assisted marketing plan" as defined in California Civil Code § 1812.201(a) which required an initial cash payment of more than five hundred dollars ($500.00), but less than fifty thousand dollars ($50,000.00). This initial cash payment was to aid Plaintiffs and to be used on their behalf incidental to beginning, maintaining, and operating the Store.

60. Defendant solicited this initial cash payment by representing to Plaintiffs that through the Agreement (a) they would earn, or would be likely to earn, or could earn an amount in excess of the initial payment; and (b) there was a market for the products or services.

61. Defendants did not provide any of the disclosures or information to Plaintiffs as required by California Civil Code § 1812.200 et seq.

62. As alleged herein Defendants made numerous untrue and misleading statements to Plaintiffs in order to induce them to enter into the Agreement. Based on such untrue and misleading statements and pursuant to California Civil Code §1812.215, the Agreement is voidable at Plaintiffs request and is unenforceable as contrary to public policy.

63. As a proximate result of Defendant's conduct as alleged herein, Plaintiffs have suffered legally compensable damages the exact amount of which will be shown according to proof at the time of trial.

64. Pursuant to California Civil Code § 1812.218, Plaintiffs are entitled to recover their costs of suit, including reasonable attorney's fees in prosecuting this action.

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XIV.

PRAYER

1. For judgment against Defendants, and each of them, for actual, direct, incidental, consequential, and/or statutory damages in favor of Plaintiffs in such amounts as will be proven at trial as appropriate for each cause action alleged on their behalf in this Complaint.

2. For pre- and post-judgment interest on all amounts owed by Defendants, and each of them, as provided by law.

3. For punitive damages.

4. For costs of suit.

5. For attorney's fees.

6. For such other and further relief as the Court deems just and proper.

THE LAW OFFICE OF RICHARD R. RICE

Dated: June 15, 2023

By: /s/ Richard R. Rice
Richard R. Rice
Attorney for Plaintiffs JUSTIN LANGFORD and LANGFORD EXCHANGE, LLC

Attachment B

Jordan Susman, Esq. (SBN 246116)
Heather L. Mayer, Esq. (SBN 210544)
Margo Arnold, Esq. (SBN 278288)
NOLAN HEIMANN LLP
16000 Ventura Blvd., Ste. 1200
Encino, California 91423
Telephone: (818) 574-5710
E-mail: jsusman@nolanheimann.com
hmayer@nolanheimann.com
marnold@nolanheimann.com

Attorneys for Plaintiffs
Aaron Watkins, Watkins FBA, LLC
and Watkins Colaborations, LLC

Electronically FILED by
Superior Court of California,
County of Los Angeles
8/01/2023 10:17 AM
David W. Slayton,
Executive Officer/Clerk of Court,
By Y. Ayala, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTRY OF LOS ANGELES

AARON WATKINS; WATKINS FBA, LLC; WATKINS COLABORATIONS, LLC,

Plaintiffs,

vs.

ASCEND ECOM LLC,

Defendant.

Case No.: 23STCV18082

COMPLAINT FOR:

1. **BREACH OF CONTRACT**
2. **BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**
3. **FRAUD**
4. **ACCOUNTING**
5. **UNFAIR BUSINESS PRACTICES [CAL. BUS. & PROF. CODE § 17200]**

DEMAND FOR JURY TRIAL

Plaintiffs Aaron Watkins, Watkins FBA, LLC, and Watkins Colaborations, LLC by and through their undersigned attorneys, allege upon knowledge as to themselves and their own acts and allege upon information and belief as to all other matters, bring this Complaint.

THE PARTIES

1. Plaintiff Aaron Watkins is an individual who resides in Los Angeles County.

2. Plaintiff Watkins FBA, LLC is an Arizona limited liability company with its principal place of business in Maricopa County, Arizona.

3. Plaintiff Watkins Colaborations, LLC is an Arizona limited liability company with its principal place of business in Maricopa County, Arizona. Aaron Watkins, Watkins FBA, LLC, and Watkins Colaborations, LLC are referred to herein individually as a "Plaintiff" and collectively as the "Plaintiffs."

4. Defendant Ascend Ecom, LLC ("Ascend") is a Wyoming limited liability company with its principal place of business in Los Angeles County, California.

FACTS COMMON TO ALL CAUSES OF ACTION

The Parties' Agreement

5. Amazon is the largest retailer of goods outside of China. Given the size and reach of Amazon, an entire industry has developed of businesses that manage and grow individual sellers' Amazon accounts or "stores." Unfortunately, many of these businesses are scam operations that make grandiose promises, demand exorbitant fees, and then provide little or no actual services. Defendant Ascend is one such scam operation.

6. In March 2022, each Plaintiff entered into its own written agreement with Ascend, each entitled "Amazon FBA Management Agreement" and collectively referred to herein as the "Agreements." Pursuant to the Agreements, Ascend agreed to provide each Plaintiff with "skills, guidance, expertise, know-how, and deliverables" related to Amazon, including "Amazon store build + FBA [fulfillment by Amazon] product sourcing, Amazon Store Management + growth, and a reseller certificate." In return, each Plaintiff agreed to pay Ascend a monthly fee and a percentage of its profits.

7. Ascend failed and refused to provide multiple services required of it under its Agreements with Plaintiffs. Further, as demonstrated by its actions (and inaction), Ascend never

intended to perform its obligations under its Agreements, and defrauded Plaintiffs into entering into the Agreements and paying it tens of thousands of dollars.

8. Because Ascend continues to refuse to honor its ethical and contractual obligations, Plaintiffs are left with no alternative but to file this action.

FIRST CAUSE OF ACTION

(Breach of Written Contract)

9. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint as if fully set forth herein.

10. The Agreements, and each of them, are valid and enforceable contracts between Plaintiffs, on the one hand, and Ascend, on the other hand.

11. Plaintiffs have fully performed all duties, obligations, covenants and conditions required of them pursuant to the Agreements, except to the extent such performance was waived, excused, or prevented by reason of the acts and omissions of Ascend.

12. Paragraph 1.1 of each Agreement provides in relevant part that Ascend will provide the following services: "Amazon.com store approval services; reseller certificate services; product research, sourcing, selecting and listing of products for sale on amazon.com; sourcing wholesale contracts; handling customer service, returns, issuing refunds, bookkeeping, and handling all issues that arise concerning Plaintiffs' Amazon.com seller accounts including customer claims, chargebacks, and negative feedback; provide oversight of the store and its financial performance and provide proper billing for account management services."

13. Amazon breached the Agreements, and each of them, by failing to provide Amazon.com store approval services; reseller certificate services; product research, sourcing, selecting and listing of products for sale on amazon.com; sourcing wholesale contracts; handling customer service, returns, issuing refunds, bookkeeping, and handling all issues that arise concerning Plaintiffs' Amazon.com seller accounts including customer claims, chargebacks, and negative feedback; provide oversight of the store and its financial performance and provide proper billing for account management services.

14. Paragraph 2.5 of each Agreement provides in relevant part that Ascend will provide each Plaintiff with a written statement of account showing the net compensation/profits received by it on Plaintiffs' behalf and the expenses (if any) it incurred under the Agreements.

15. Amazon breached the Agreements, and each of them, by failing to provide each Plaintiff with a written statement of account showing the net compensation/profits received by it on Plaintiffs' behalf and the expenses (if any) it incurred under the Agreements.

16. Paragraph 4.1 of each Agreement provides in relevant part that Ascend will provide Plaintiffs a statement with an invoice on the first of each month detailing Plaintiffs' profits and Ascend's commission share.

17. Amazon breached the Agreements, and each of them, by failing provide each Plaintiff a statement with an invoice on the first of each month detailing Plaintiffs' profits and Ascend's commission share.

18. As a direct and proximate result of Ascend's material breaches of the Agreements, Plaintiffs have been damaged, and continue to accrue damages, in excess of the jurisdictional minimum of this Court, and subject to proof at trial.

SECOND CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

19. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

20. The Agreements, and each of them, are valid and enforceable contracts between Plaintiffs, on the one hand, and Ascend, on the other hand.

21. Plaintiffs have fully performed all duties, obligations, covenants, and conditions required of them pursuant to the Agreements, except to the extent such performance was waived, excused, or prevented by reason of the acts and omissions of Ascend.

22. The Agreements require Ascend to deal fairly and in good faith with Plaintiffs. Among other obligations, Ascend is required under the terms of the Agreements, including the implied covenant of good faith and fair dealing, to refrain from doing anything which would frustrate the agreed upon purposes of the Agreements or injure Plaintiffs' rights to receive the benefits of the Agreements.

23. Ascend has breached, and continues to breach, the Agreements' implied covenant of good faith and fair dealing by the following conduct, among other things:

- Failing and refusing to provide timely updates to Plaintiffs regarding their respective Amazon stores;
- Failing and refusing to provide timely invoices to Plaintiffs;
- Losing products that were to be sold through Plaintiffs' Amazon stores and then failing and refusing to reimburse Plaintiffs for the product losses;
- Failing to fulfill orders made through Plaintiffs' Amazon stores;
- Failing to address customer service issues;
- Failing and refusing to provide store inventories to Plaintiffs;
- Failing and refusing to provide Plaintiffs with accurate accountings of costs, fees and profits.

24. The foregoing conduct by Ascend unfairly interfered with Plaintiffs' right to receive the benefits of the Agreements.

25. As a direct and proximate result of Ascend's breach of the implied covenant of good faith and fair dealing, Plaintiffs have been damaged, and continue to accrue damages, in excess of the jurisdictional minimum of this Court, and subject to proof at trial.

THIRD CAUSE OF ACTION

(Fraud: False Promise)

26. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

27. Ascend made at least two false promises to Plaintiffs.

28. First, in executing the Agreements, Ascend falsely represented or implied in the Agreements that it would fulfill its obligations therein.

29. The foregoing representations were false when made, as Ascend knew that it had no intention of honoring its obligations under the Agreements.

30. Second, Ascend falsely represented or implied in the Agreements that it had the technical capability, resources, and skills to fulfill its obligations under the Agreements.

31. The foregoing representations were false when made, as Ascend knew or should have known that it did not have resources or capability to fulfill its obligations under the Agreements.

32. Ascend intended to induce Plaintiffs' reliance on these representations when made.

33. Plaintiffs justifiably and reasonably relied upon Ascend's false representations to their detriment, as Ascend appeared for all intents and purposes to be a successful and honest company.

34. As a result of their reasonable reliance, Plaintiffs entered into the Agreements and paid Ascend significant sums of money that Ascend pocketed without providing the agreed upon services.

35. As a direct and proximate result of Plaintiffs' justifiable and reasonable reliance on Ascend's false representations, they have been damaged, and continue to accrue damages, in an amount subject to proof at trial, but, in any event, is in excess of the jurisdictional minimum of this Court.

36. Ascend's aforementioned misconduct was intentional, willful, and done for the purpose of depriving Plaintiffs of property and/or legal rights or otherwise causing injury. This despicable conduct subjected Plaintiffs to cruel and unjust hardship in conscious disregard of their rights, so as to justify an award of exemplary and punitive damages in an amount appropriate to punish or make an example of Ascend, and to deter such conduct in the future, the exact amount of such damages subject to proof at the time of trial.

FOURTH CAUSE OF ACTION

(Accounting)

37. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

38. A relationship exists between Plaintiffs, on the one hand, and Ascend, on the other hand for which an accounting of Ascend's books and records is appropriate.

39. Plaintiffs do not know the precise amount of monies received by Ascend and owing to Plaintiffs but such monies can be determined by an accounting of Ascend's books and records.

40. Plaintiffs also pray for the Court to impose a constructive trust on all monies wrongfully withheld by Ascend, in accordance with common law and California Civil Code §§ 2223-2224, for the benefit of Plaintiffs and Plaintiffs' interests.

FIFTH CAUSE OF ACTION

(Violation of Bus. and Prof. Code § 17200)

41. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

42. California's Unfair Competition Law (the "UCL"), set forth in California Business & Professions Code §§ 17200, *et seq*., provides that unfair competition shall mean and include any unlawful and unfair business act or practice.

43. Ascend's acts and practices as set forth herein include, but are not limited to, unlawful and fraudulent business practices. They constitute unlawful and unfair business acts and practices under California Business & Professions Code §§ 17200 *et seq*., because such acts are unscrupulous, unethical, unfair, and injurious to Plaintiffs. Accordingly, Ascend's conduct constitutes a violation of the UCL.

44. As a direct and proximate result of Ascend's unlawful and unfair business acts and practices, it has been unjustly enriched, and Plaintiffs have suffered monetary harm. Plaintiffs thus seek disgorgement and restitution of all money, property, profits, and other benefits acquired by Ascend by means of its unfair business practices.

WHEREFORE, Plaintiffs pray for judgment against Ascend as follows:

1. General and special damages according to proof;
2. Punitive damages in an amount appropriate to punish or make an example of Ascend and to deter such conduct in the future, the exact amount of such damages subject to proof at the time of trial;
3. Restitution of all money, property, profits, and other benefits acquired by Ascend by means of its unfair business practices;
4. Imposition of a constructive trust on the monies wrongfully withheld by Ascend;
5. All costs of suit incurred herein;
4. Pre-judgment interest at the maximum legal rate; and
5. Such other and further relief as the Court may deem to be just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury on all issues so triable.

Dated: August 1, 2023

NOLAN HEIMANN, LLP

By: _____
Jordan Susman
Attorneys for Plaintiffs
Aaron Watkins, Watkins FBA, LLC, and Watkins Colaborations, LLC

Attachment C

Electronically Received 09/13/2023 07:11 PM

Jordan Susman, Esq. (SBN 246116)
Heather L. Mayer, Esq. (SBN 210544)
Margo Arnold, Esq. (SBN 278288)
NOLAN HEIMANN LLP
16000 Ventura Blvd., Ste. 1200
Encino, California 91423
Telephone: (818) 574-5710
E-mail: jsusman@nolanheimann.com
hmayer@nolanheimann.com
marnold@nolanheimann.com

Attorneys for Plaintiffs
Aaron Watkins, Watkins FBA, LLC
and Watkins Colaborations, LLC

FILED
Superior Court of California
County of Los Angeles
09/13/2023
David W. Slayton, Executive Officer / Clerk of Court
By: N. Osollo Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTRY OF LOS ANGELES

AARON WATKINS; WATKINS FBA, LLC; WATKINS COLABORATIONS, LLC,

Plaintiffs,

vs.

ASCEND ECOM LLC; WILL BASTA; JEREMY LEUNG; DOES 1-10;

Defendants.

Case No.: 23STCV18082

FIRST AMENDED COMPLAINT FOR:

1. **BREACH OF CONTRACT**
2. **BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**
3. **FRAUD**
4. **ACCOUNTING**
5. **UNFAIR BUSINESS PRACTICES [CAL. BUS. & PROF. CODE § 17200]**

DEMAND FOR JURY TRIAL

Plaintiffs Aaron Watkins, Watkins FBA, LLC, and Watkins Colaborations, LLC by and through their undersigned attorneys, allege upon knowledge as to themselves and their own acts and allege upon information and belief as to all other matters, bring this Complaint.

THE PARTIES

1. Plaintiff Aaron Watkins is an individual who resides in Los Angeles County.

2. Plaintiff Watkins FBA, LLC is an Arizona limited liability company with its principal place of business in Maricopa County, Arizona.

3. Plaintiff Watkins Colaborations, LLC is an Arizona limited liability company with its principal place of business in Maricopa County, Arizona. Aaron Watkins, Watkins FBA, LLC, and Watkins Colaborations, LLC are referred to herein individually as a "Plaintiff" and collectively as the "Plaintiffs."

4. Defendant Ascend Ecom, LLC ("Ascend") is a dissolved Wyoming limited liability company with its principal place of business in Los Angeles County, California.

5. Defendant Will Basta ("Basta") is an individual who resides in Los Angeles County.

6. Defendant Jeremy Leung ("Leung") is an individual who resides in Texas but has minimum contacts with California such that the assertion of jurisdiction by it does not offend traditional notions of fair play and substantial justice.

7. Plaintiffs are unaware of the true names and capacities of defendants, whether individual, corporate, associate, or otherwise, named herein as Does 1 through 10, inclusive, and therefore sue said defendants by such fictitious names (the "Doe Defendants"). Plaintiffs will seek leave to amend this Complaint to state their true names and capacities when they are ascertained. All of the Defendants, including the Doe Defendants, are referred to herein singularly as a "Defendant" and collectively as the "Defendants."

8. At all times herein mentioned, each Defendant was the agent and/or employee of the other, and at all times were and are acting within the purpose and scope of such agency and/or employment, and with knowledge, authorization, permission, consent, and/or subsequent ratification and approval of each other. Each Defendant knowingly and willfully conspired and agreed among themselves to deprive Plaintiffs of their rights and to cause the damages described herein.

9. At all times relative to this action, Ascend was the alter ego of Basta and Leung, and there exists, and at all times herein mentioned has existed, a unity of interest and ownership between and among Ascend, Basta, and Leung such that any separateness has ceased to exist. Ascend, Basta, and Leung have commingled personal and corporate funds and assets. Ascend has disregarded necessary legal formalities that corporate entities must follow, including filing a request for dissolution shortly after this action was filed. Basta and Leung use Ascend in an attempt to evade liability for their own unlawful actions. Consequently, adherence to the fiction of the separate existence of Ascend as an entity distinct from Basta and Leung would permit an abuse of the corporate privilege and would sanction fraud and promote injustice in that the acts alleged herein were the result of Ascend's acts, however, Basta and Leung benefitted from the acts alleged herein.

FACTS COMMON TO ALL CAUSES OF ACTION

The Parties' Agreement

10. Amazon is the largest retailer of goods outside of China. Given the size and reach of Amazon, an entire industry has developed of businesses that manage and grow individual sellers' Amazon accounts or "stores." Unfortunately, many of these businesses are scam operations that make grandiose promises, demand exorbitant fees, and then provide little or no actual services. Defendant Ascend is one such scam operation.

11. In March 2022, each Plaintiff entered into its own written agreement with Ascend, each entitled "Amazon FBA Management Agreement" and collectively referred to herein as the "Agreements." Pursuant to the Agreements, Ascend agreed to provide each Plaintiff with "skills, guidance, expertise, know-how, and deliverables" related to Amazon, including "Amazon store build + FBA [fulfillment by Amazon] product sourcing, Amazon Store Management + growth, and a reseller certificate." In return, each Plaintiff agreed to pay Ascend a monthly fee and a percentage of its profits.

12. Ascend failed and refused to provide multiple services required of it under its Agreements with Plaintiffs. Further, as demonstrated by its actions (and inaction), Ascend never intended to perform its obligations under its Agreements, and defrauded Plaintiffs into entering into the Agreements and paying it tens of thousands of dollars.

13. Because Ascend continues to refuse to honor its ethical and contractual obligations, Plaintiffs are left with no alternative but to file this action.

FIRST CAUSE OF ACTION

(Breach of Written Contract)

14. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint as if fully set forth herein.

15. The Agreements, and each of them, are valid and enforceable contracts between Plaintiffs, on the one hand, and Ascend, on the other hand.

16. Plaintiffs have fully performed all duties, obligations, covenants and conditions required of them pursuant to the Agreements, except to the extent such performance was waived, excused, or prevented by reason of the acts and omissions of Ascend.

17. Paragraph 1.1 of each Agreement provides in relevant part that Ascend will provide the following services: "Amazon.com store approval services; reseller certificate services; product research, sourcing, selecting and listing of products for sale on amazon.com; sourcing wholesale contracts; handling customer service, returns, issuing refunds, bookkeeping, and handling all issues that arise concerning Plaintiffs' Amazon.com seller accounts including customer claims, chargebacks, and negative feedback; provide oversight of the store and its financial performance and provide proper billing for account management services."

18. Amazon breached the Agreements, and each of them, by failing to provide Amazon.com store approval services; reseller certificate services; product research, sourcing, selecting and listing of products for sale on amazon.com; sourcing wholesale contracts; handling customer service, returns, issuing refunds, bookkeeping, and handling all issues that arise concerning Plaintiffs' Amazon.com seller accounts including customer claims, chargebacks, and negative feedback; provide oversight of the store and its financial performance and provide proper billing for account management services.

19. Paragraph 2.5 of each Agreement provides in relevant part that Ascend will provide each Plaintiff with a written statement of account showing the net compensation/profits received by it on Plaintiffs' behalf and the expenses (if any) it incurred under the Agreements.

20. Amazon breached the Agreements, and each of them, by failing to provide each Plaintiff with a written statement of account showing the net compensation/profits received by it on Plaintiffs' behalf and the expenses (if any) it incurred under the Agreements.

21. Paragraph 4.1 of each Agreement provides in relevant part that Ascend will provide Plaintiffs a statement with an invoice on the first of each month detailing Plaintiffs' profits and Ascend's commission share.

22. Amazon breached the Agreements, and each of them, by failing provide each Plaintiff a statement with an invoice on the first of each month detailing Plaintiffs' profits and Ascend's commission share.

23. As a direct and proximate result of Ascend's material breaches of the Agreements, Plaintiffs have been damaged, and continue to accrue damages, in excess of the jurisdictional minimum of this Court, and subject to proof at trial.

24. As Ascend is the alter ego of Basta and Leung, Basta and Leung are liable for Ascend's breach of contract to the same extent as Ascend.

SECOND CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

25. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

26. The Agreements, and each of them, are valid and enforceable contracts between Plaintiffs, on the one hand, and Ascend, on the other hand.

27. Plaintiffs have fully performed all duties, obligations, covenants, and conditions required of them pursuant to the Agreements, except to the extent such performance was waived, excused, or prevented by reason of the acts and omissions of Ascend.

28. The Agreements require Ascend to deal fairly and in good faith with Plaintiffs. Among other obligations, Ascend is required under the terms of the Agreements, including the implied covenant of good faith and fair dealing, to refrain from doing anything which would frustrate the agreed upon purposes of the Agreements or injure Plaintiffs' rights to receive the benefits of the Agreements.

29. Ascend has breached, and continues to breach, the Agreements' implied covenant of good faith and fair dealing by the following conduct, among other things:

- Failing and refusing to provide timely updates to Plaintiffs regarding their respective Amazon stores;
- Failing and refusing to provide timely invoices to Plaintiffs;
- Losing products that were to be sold through Plaintiffs' Amazon stores and then failing and refusing to reimburse Plaintiffs for the product losses;
- Failing to fulfill orders made through Plaintiffs' Amazon stores;
- Failing to address customer service issues;
- Failing and refusing to provide store inventories to Plaintiffs;
- Failing and refusing to provide Plaintiffs with accurate accountings of costs, fees and profits.

30. The foregoing conduct by Ascend unfairly interfered with Plaintiffs' right to receive the benefits of the Agreements.

31. As a direct and proximate result of Ascend's breach of the implied covenant of good faith and fair dealing, Plaintiffs have been damaged, and continue to accrue damages, in excess of the jurisdictional minimum of this Court, and subject to proof at trial.

32. As Ascend is the alter ego of Basta and Leung, Basta and Leung are liable for Ascend's breach of the implied covenant of good faith and fair dealing to the same extent as Ascend

THIRD CAUSE OF ACTION

(Fraud: False Promise)

33. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

34. Ascend made at least two false promises to Plaintiffs.

35. First, in executing the Agreements, Ascend falsely represented or implied in the Agreements that it would fulfill its obligations therein.

36. The foregoing representations were false when made, as Ascend knew that it had no intention of honoring its obligations under the Agreements.

37. Second, Ascend falsely represented or implied in the Agreements that it had the technical capability, resources, and skills to fulfill its obligations under the Agreements.

38. The foregoing representations were false when made, as Ascend knew or should have known that it did not have resources or capability to fulfill its obligations under the Agreements.

39. Ascend intended to induce Plaintiffs' reliance on these representations when made.

40. Plaintiffs justifiably and reasonably relied upon Ascend's false representations to their detriment, as Ascend appeared for all intents and purposes to be a successful and honest company.

41. As a result of their reasonable reliance, Plaintiffs entered into the Agreements and paid Ascend significant sums of money that Ascend pocketed without providing the agreed upon services.

42. As a direct and proximate result of Plaintiffs' justifiable and reasonable reliance on Ascend's false representations, they have been damaged, and continue to accrue damages, in an amount subject to proof at trial, but, in any event, is in excess of the jurisdictional minimum of this Court.

43. Ascend's aforementioned misconduct was intentional, willful, and done for the purpose of depriving Plaintiffs of property and/or legal rights or otherwise causing injury. This despicable conduct subjected Plaintiffs to cruel and unjust hardship in conscious disregard of their rights, so as to justify an award of exemplary and punitive damages in an amount appropriate to punish or make an example of Ascend, and to deter such conduct in the future, the exact amount of such damages subject to proof at the time of trial.

44. As Ascend is the alter ego of Basta and Leung, Basta and Leung are liable for Ascend's fraud to the same extent as Ascend.

FOURTH CAUSE OF ACTION

(Accounting)

45. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

46. A relationship exists between Plaintiffs, on the one hand, and Ascend, on the other hand for which an accounting of Ascend's books and records is appropriate.

47. Plaintiffs do not know the precise amount of monies received by Ascend and owing to Plaintiffs but such monies can be determined by an accounting of Ascend's books and records.

48. Plaintiffs also pray for the Court to impose a constructive trust on all monies wrongfully withheld by Ascend, in accordance with common law and California Civil Code §§ 2223-2224, for the benefit of Plaintiffs and Plaintiffs' interests.

49. As Ascend is the alter ego of Basta and Leung, Basta and Leung are liable for Ascend's need to provide an accounting to the same extent as Ascend.

FIFTH CAUSE OF ACTION

(Violation of Bus. and Prof. Code § 17200)

50. Plaintiffs reallege and incorporate by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

51. California's Unfair Competition Law (the "UCL"), set forth in California Business & Professions Code §§ 17200, *et seq*., provides that unfair competition shall mean and include any unlawful and unfair business act or practice.

52. Ascend's acts and practices as set forth herein include, but are not limited to, unlawful and fraudulent business practices. They constitute unlawful and unfair business acts and practices under California Business & Professions Code §§ 17200 *et seq*., because such acts are unscrupulous, unethical, unfair, and injurious to Plaintiffs. Accordingly, Ascend's conduct constitutes a violation of the UCL.

53. As a direct and proximate result of Ascend's unlawful and unfair business acts and practices, it has been unjustly enriched, and Plaintiffs have suffered monetary harm. Plaintiffs thus seek disgorgement and restitution of all money, property, profits, and other benefits acquired by Ascend by means of its unfair business practices.

54. As Ascend is the alter ego of Basta and Leung, Basta and Leung are liable for Ascend's violation of the UCL to the same extent as Ascend

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

1. General and special damages according to proof;

2. Punitive damages in an amount appropriate to punish or make an example of Defendants and to deter such conduct in the future, the exact amount of such damages subject to proof at the time of trial;

3. Restitution of all money, property, profits, and other benefits acquired by Defendants by means of its unfair business practices;

4. Imposition of a constructive trust on the monies wrongfully withheld by Defendants;

5. All costs of suit incurred herein;

4. Pre-judgment interest at the maximum legal rate; and

5. Such other and further relief as the Court may deem to be just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury on all issues so triable.

Dated: September 13, 2023

NOLAN HEIMANN, LLP

By: _____
Jordan Susman
Attorneys for Plaintiffs
Aaron Watkins, Watkins FBA, LLC, and Watkins Colaborations, LLC