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Attorney For Plaintiff BLACK TIE GROUP,
LLC

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

BLACK TIE GROUP, LLC, a
California Limited Liability Company

Plaintiff,

vs.

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

Defendants

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.

- 1 4. Defendant Method 3, and/or fictitious defendants 21 through 30, is a Texas
2 limited liability company with its principal place of business located at
3 12041 Dessau Road, no.1308, Austin, Texas 78754.
4
5 5. Fictitious Defendants identified herein as Does 31 through 50 are
6 individuals, corporations, limited liability companies, partnerships, joint
7 ventures, or business entities the forms of which are presently unknown to
8 the plaintiff and whose identities are presently unknown to the plaintiff.
9 Plaintiff alleges that Fictitious Defendants identified herein as Does 31
10 through 50 acted intentionally, willfully, recklessly, wantonly or negligently
11 and are in some manner responsible for causing the damages and harm
12 complained of herein. Plaintiff Black Tie will make a reasonable and good
13 faith effort to determine the identities of the Fictitious Defendants identified
14 herein and will seek to amend this complaint to insert the true and correct
15 name of each Fictitious Defendant when ascertained.
16
17
18

19 **II.**

20 **JURISDICTION**
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22

- 23 6. This action is brought on the basis of diversity of citizenship of the parties
24 pursuant to the provisions of 28 U.S.C. § 1332. Plaintiff Black Tie's
25 domicile is in the state of California. Defendant Method 3's domicile is in
26 the state of Texas, and the domicile of both the Defendants High Times and
27
28

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
9 8. On or about January 28, 2020, Black Tie entered into a written contract with
10 High Times and THC to purchase a title sponsorship of the High Times
11 Hemp Cup (“Hemp Cup”) to be held in Austin, Texas March 20, 2020
12 through March 21, 2020.
- 13
14 9. In accordance with the written purchase order and credit card authorization,
15 electronically signed and submitted by Black Tie to High Times, true and
16 correct copies of which are attached hereto collectively as Exhibit (“EX.”)
17 A, on or about January 28, 2020, at the direction of Kevin Giles, vice
18 president of sales at HighTimes, Black Tie issued a check in the amount of
19 twenty five thousand and 00/100 dollars (\$25,000.00) against its account at
20 First Fidelity Bank, N.A. payable to defendant Method 3, the event
21 promoter, as a deposit for the event in question.
- 22
23
24
25 10. Between January 28, 2020 and March 9, 2020, in reliance on the deposit
26 paid, Black Tie incurred expenses totaling \$39,527.44 purchasing an exhibit
27 booth, cabinets, iPad tablets, and a Square card reader in preparation for the
28

event.

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

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

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

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

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

16. The Hemp Cup event in question has not been rescheduled and has in fact

1 been cancelled as a result of the COVID-19 public health crisis.

2 **IV.**

3 **FIRST CAUSE OF ACTION**

4 (Rescission pursuant to Civil Code §§ 1689-1693)

5
6 17. Black Tie adopts and incorporates by reference each of the allegations in
7 paragraphs 1 through 16 above as if fully set forth herein.

8
9 18. On or about March 20, 2020, Black Tie gave notice to High Times, THC,
10 and Method 3 of its rescission of the contract in question in accordance with
11 Civil Code § 1691 based on the failure of consideration which resulted from
12 cancellation of the 2020 Hemp Cup due to the COVID-19 public health
13 crisis.

14
15 19. On or about March 20, 2020, Black Tie demanded return of the
16 consideration paid to High times, THC and Method 3.

17
18 20. Black Tie is entitled to rescind the contract in question and a return of the
19 consideration paid pursuant to Civil Code § 1693(b)(3) because the agreed
20 to consideration is void due to cancellation of the 2020 Hemp Cup due to
21 the COVID-19 public health crisis.

22
23 21. Black Tie is entitled to rescind the contract in question and a return of the
24 consideration paid pursuant to Civil Code § 1693(b)(4) because the agreed
25 to consideration is fails in all material respects due to cancellation of the
26 2020 Hemp Cup due to the COVID-19 public health crisis.

- 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 24. As a direct and proximate result of the failure of consideration as set forth
14 above, Black Tie suffered incidental and consequential damages which have
15 resulted in economic loss and damage to Black Tie's business reputation.
16 Black Tie seeks an award of monetary damages in an amount determined
17 by the trier of fact in accordance with the evidence presented at trial which
18 will adequately and fully compensate Black Tie for all such losses pursuant
19 to Civil Code § 1692.
- 20
- 21 25. As a direct and proximate result of the failure of consideration as herein
22 alleged, Black Tie has been caused to and did incur a financial obligation to
23 pay reasonable attorneys' fees and expenses in an about its effort to recover
24 the consideration paid to High Times, THC and Method 3. Accordingly,
- 25
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1 Black Tie seeks a judgement from the above entitled Court balancing the
2 equities pursuant to Civil Code § 1692 and ordering said defendants to
3 compensate Black Tie for all such attorneys' fees and costs of litigation so
4 incurred.
5

6 V.

7 **SECOND CAUSE OF ACTION**

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

9
10 26. Black Tie adopts and incorporates by reference each of the allegations in
11 paragraphs 1 through 25 above as if fully set forth herein.

12
13 27. Defendants High Times, THC and Method 3 deliberately and maliciously
14 engaged in unlawful, deceptive and unfair business practices by issuing the
15 following deceptive and misleading statements to sponsors and patrons of
16 the 2020 Hemp Cup including, but not limited to Black Tie, to wit:

- 17
18 - In the credit authorization attached hereto as part of EX. A, "I have read
19 this entire agreement and understand that I will be held fully responsible
20 for its terms and charges and I agree not to chargeback THC as long as I
21 receive the services that are defined within the terms of the agreement."
22
23 - In the notice of March 20, 2020 postponing the Hemp Cup due to
24 COVID-19, "For all refunds or credits, please contact your sales rep."
25

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

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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27
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1 restitution in its favor directing defendants High Times, THC and Method
2 3, jointly and severally, to return to Black Tie all funds tendered and paid
3 on or about January 28, 2020 as alleged herein together with prejudgment
4 interest at a rate of seven percent (7%) per annum from March 20, 2020.
5

6 33. As a direct and proximate result of the unlawful conduct of High Times,
7 THC and Method 3 as set forth above, Black Tie suffered incidental and
8 consequential damages which have resulted in economic loss and damage
9 to Black Tie's business reputation. Black Tie seeks an award of monetary
10 damages in an amount determined by the trier of fact in accordance with the
11 evidence presented at trial which will adequately and fully compensate
12 Black Tie for all such losses pursuant to Civil Code § 1692.
13
14

15 34. Black Tie also seeks an award of punitive and exemplary damages against
16 High Times, THC and Method 3 for willfully and maliciously depriving
17 Black Tie of the benefits of its funds and the services for which it paid as
18 more particularly set forth herein.
19
20

21 **V.**

22 **THIRD CAUSE OF ACTION**

23 (Conversion)
24

25 35. Black Tie adopts and incorporates by reference each of the allegations in
26 paragraphs 1 through 34 above as if fully set forth herein.
27
28

1 36. On or about January 28, 2020 Black Tie paid High Times, THC and Method
2 3 Twenty Five Thousand and 00/100 Dollars (\$25,000.00) as a 50% deposit
3 for a title sponsorship of the 2020 Hemp Fest in Austin, Texas which was
4 to take place on March 20, 2020 to March 21, 2020.
5

6 37. High Times, THC and Method 3 postponed and ultimately cancelled the
7 subject event and refuse to refund all sums paid by Black Tie despite the
8 fact that Black Tie did not receive the services for which it contracted and
9 agreed to pay such consideration.
10

11 38. As a direct and proximate result of the unlawful conduct of High Times,
12 THC and Method 3 as set forth above, Black Tie has been wrongfully
13 deprived of the benefit and use of its funds and is entitled to an order of
14 restitution in its favor directing defendants High Times, THC and Method
15 3, jointly and severally, to return to Black Tie all funds tendered and paid
16 on or about January 28, 2020 as alleged herein together with prejudgment
17 interest at a rate of seven percent (7%) per annum from March 20, 2020.
18
19

20
21 39. As a direct and proximate result of the unlawful conduct of High Times,
22 THC and Method 3 as set forth above, Black Tie suffered incidental and
23 consequential damages which have resulted in economic loss and damage
24 to Black Tie's business reputation. Black Tie seeks an award of monetary
25 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.

Date: May 19, 2020

SCHILLECI & TORTORICI, P.C.

Jason Tortorici

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

SERVICE LIST

1 Stephen A. Weiss
2 Registered Agent
3 HIGH TIMES PRODUCTIONS, INC.
4 1800 Century Park East
5 14th Floor
6 Los Angeles, California 90067
7 Tel: 310-400-0110

5 Stephen A. Weiss
6 Registered Agent
7 TRANS-HIGH CORPORATION
8 1800 Century Park East
9 14th Floor
10 Los Angeles, California 90067
11 Tel: 310-400-0110

10 Niles K. Patel
11 Registered Agent
12 METHOD THREE EVENTS, LLC
13 12041 Dessau Road, no.1308
14 Austin, Texas 78754
15 Tel: 512-587-8136

EXHIBIT "A"



High Times Purchase Agreement

Invoice

Date: 01/28/2020
Invoice No: IN-141592
Rep: Kevin Giles

Client agrees to purchase the line items of products listed below at the purchase price. If you have any questions regarding this invoice, please contact your sales representative.

Customer

Company Name
Black Tie CBD
Company Contact
Kyle Colpack

Billing Address

Phone/E-Mail
18887022285
kyle@blacktiecbd.net

Invoice Items

Product Name	Line Description	Quantity	Sales Price	Total Price
Title Sponsorship	Presenting Sponsorship - High Times Hemp Cup 3/20-3/21 (Entries due 2/17-2/24)	1.00	\$50,000.00	\$50,000.00
Total:				\$50,000.00

Payment is due upon receipt.

Payment can be made in one of the following ways:

- Credit Card (Please see attached authorization form)
- Cashier's check
- Money order
- Wire transfer (Please contact your sales representative for details)

Please sign below to indicate that you have read and will abide by the terms of this invoice as outlined above. No Refunds, Credit or Charge-Backs will be allowed.

DocuSigned by:
A handwritten signature in black ink that reads "Kyle Colpack".

8DD9C358DCED4D0...

Authorized Signature of the Client

1/28/2020

Date

Thank You - we really appreciate your business!

Trans-High Corporation
120 West 45th Street, Ste 1505
New York, NY 10036
T 212-387-0500
F 212-475-7684

THC CREDIT CARD CHARGE AUTHORIZATION AGREEMENT

I, kyle colpack, the holder of (check one, please):

Visa ☒ Mastercard ☐ American Express ☐ Discover ☐

Card Number: 4554980000182555 CSV 038 and expiration date 12/23

hereby authorize Trans High Corporation, as the Parent company of High Times, to charge the
above card in the amount \$ 25,000 representing the payment for participation in the
HIGH TIMES Cannabis Cup and/or High Times print/digital advertising.

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.

Cardholder: Kyle E. Colpack

Company: Black Tie Group LLC

Address: 730 Kiley Ave.

City, State, Zip: Yuba City, CA 95991

Telephone: (530-961-3276)

Signature:  8DD99E358B6CFD4D0...

Date: 1/28/2020 / /

EXHIBIT "B"

HIGH TIMES[®]



HIGH TIMES HEMP HOUSE 2020

MARCH 20-21, 2020

THE VENUE ATX

AUSTIN, TEXAS
21+

PRESENTING SPONSOR

\$50,000.00

QTY: 1

HIGH TIMES



HIGH TIMES HEMP HOUSE 2020

ACTIVATION LOCATION

- Stage
- Green Room
- Space for a table activation

INCLUSIONS

- Naming Rights “High Times Hemp House Presented by XXX”
- Inclusion on stage banners
- Triple logo rotation on all venue screens
- 5 premium banner placements, banners provided by sponsor per HT spec
- Bottle Service in Green Room with 20 passes
- Opportunity to sell Hemp Derived CBD Products or other non-cannabis products direct to consumer

HIGH TIMES LIVE

- 4:20 Live Feature
- 45 minute stage seminar session
- Featured Podcast with Green Lab

HIGH TIMES PRINT

- Inside Front Spread in High Times Magazine (\$10,000 value)

DIGITAL HIGH TIMES

- Inclusion in all digital post creative
- Tagging in all social media posts by High Times
- Digital Banners (\$5,000)
- Sponsored Social Engagement (\$5,000)

COMPETITION

- 6 Free Entries to the High Times Hemp Cup (\$3000)
- Inclusion in best onsite product category
- 50% Discount on additional competition entries (\$250 per)

ENTRYWAY SPONSOR

\$25,000.00

QTY: 1

ACTIVATION LOCATION

Entry Activation
Space First Come,
First Reserve

HIGH TIMES



HIGH TIMES HEMP HOUSE 2020

INCLUSIONS

- Inclusion on stage banners
- Double Logo Rotation on Stage Screens
- 2 premium banner placements, banners provided by sponsor per HT spec
- Opportunity to sell Hemp Derived CBD Products or other non-cannabis products direct to consumer

HIGH TIMES LIVE

- 4:20 Live Inclusion from event
- 15 minute stage seminar session
- Podcast Inclusion with Green Lab

HIGH TIMES PRINT

- 1 Full Page Spread in High Times Magazine (\$4,500)

DIGITAL HIGH TIMES

- Inclusion in all digital post creative
- Tagging in all social media posts by High Times
- Sponsored Content on HighTimes.com (\$5,000)

COMPETITION

- 2 Free Entries to the High Times Hemp Cup (\$1000)
- Inclusion in best onsite product category
- 50% Discount on additional competition entries (\$250 per)

PREMIER SPONSOR

\$20,000.00

QTY: 6

HIGH TIMES



HIGH TIMES HEMP HOUSE 2020

ACTIVATION LOCATION

Various Event Locations

INCLUSIONS

- Inclusion on stage banners
- Double Logo Rotation on Stage Screens
- 2 premium banner placements, banners provided by sponsor per HT spec
- Opportunity to sell Hemp Derived CBD Products or other non-cannabis products direct to consumer

HIGH TIMES LIVE

- 4:20 Live Inclusion from event
- 15 minute stage seminar session
- Podcast Inclusion with Green Lab

HIGH TIMES PRINT

- 1 Full Page Spread in High Times Magazine (\$4,500)

DIGITAL HIGH TIMES

- Inclusion in all digital post creative
- Tagging in all social media posts by High Times
- Sponsored Content on HighTimes.com (\$5,000)

COMPETITION

- 2 Free Entries to the High Times Hemp Cup (\$1000)
- Inclusion in best onsite product category
- 50% Discount on additional competition entries (\$250 per)

EVENT SPONSOR

\$15,000.00

QTY: 1

HIGH TIMES



HIGH TIMES HEMP HOUSE 2020

ACTIVATION LOCATION

Interior Lounge

INCLUSIONS

- Inclusion on stage banners
- Single Logo Rotation on Stage Screens
- 1 premium banner placements, banners provided by sponsor per HT spec
- Opportunity to sell Hemp Derived CBD Products or other non-cannabis products direct to consumer

HIGH TIMES LIVE

- 4:20 Live Inclusion from event

HIGH TIMES PRINT

- 1 Full Page Spread in High Times Magazine (\$4,500)

DIGITAL HIGH TIMES

- Inclusion in all digital post creative
- Tagging in all social media posts by High Times

COMPETITION

- 2 Free Entries to the High Times Hemp Cup (\$1000)
- Inclusion in best onsite product category
- 50% Discount on additional competition entries (\$250 per)

HIGH TIMES

HIGH TIMES HEMP HOUSE 2020

COMPETITION

High Times' first ever Hemp-only competition
to identify and award the best
Hemp-Derived CBD products across the nation!

CATEGORIES:

- Hemp-Derived CBD Ingestibles - Food items
- Hemp-Derived CBD Ingestibles - Non-Food items
- Hemp-Derived CBD Topicals
- Hemp-Derived CBD Flower
- Hemp-Derived CBD Pre-Rolls
- Hemp-Derived CBD Concentrates
- Hemp-Derived CBD Vape Pens
- Hemp-Derived CBD Pet Products
- Onsite Best Product

PRICING:

\$500 per entry
Discounts offered for more than 5 entries

ENTRY DROP-OFF DATES:

Monday, February 17—Monday, February 24, 2020

ENTRY DROP-OFF LOCATION:

To be revealed upon registration

AWARDS SHOW:

FRIDAY, MARCH 20

