

Chandler G. Weeks, Esq., CSB No. 245503  
Email: cgw@weeksnelson.com  
WEEKS NELSON  
462 Stevens Avenue, Suite 310  
Solana Beach, CA 92075  
Telephone: (858) 794-2140  
Fax: (858) 794-2141  
Email: Office@weeksnelson.com

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

**Kay Strategies, Inc.**, a Nevada corporation, **Makaiwi & Associates, Inc.**, a Nevada corporation, **JTS Investments, Inc.**, a California corporation, **Result Corporation**, a Nevada corporation

Plaintiffs,

vs.

**Ubiquity, Inc.**, a Nevada corporation, **Chris Carmichael**, an individual, **Connie Carmichael**, an individual, **Brenden Garrison**, an individual, **Henry Blessley**, an individual, **Nicholas Mitsakos**, an individual, **Gregg E. Jaclin**, an individual, **Szaferman, Lakind, Blumstein & Blader, P.C.**, a New Jersey professional corporation,

Defendants.

) Case No.: '15CV2720 H DHB  
)  
) COMPLAINT FOR VIOLATION OF  
) FEDERAL SECURITIES LAWS;  
) VIOLATION OF CALIFORNIA  
) CORPORATE CODE §§ 25401 AND  
) 25403; VIOLATION OF  
) CALIFORNIA COMMERCIAL  
) CODE § 8401 & NEVADA  
) REVISED STATUTES § 104.8401;  
) FRAUD; CONSPIRACY TO  
) COMMIT FRAUD; NEGLIGENT  
) MISREPRESENTATION; BREACH  
) OF FUDICIARY DUTY; LEGAL  
) MALPRACTICE  
)  
) DEMAND FOR JURY TRIAL

1 Plaintiffs Kay Strategies, Inc., Makaiwi & Associates, Inc., JTS  
2 Investments, Inc. and Result Corporation (collectively “Plaintiffs”) hereby  
3 complain of Ubiquity, Inc., Chris Carmichael, Connie Carmichael, Brenden  
4 Garrison, Henry Blessley, Nicolas Mitsakos, Gregg E. Jaclin, and Szaferman,  
5 Lakind, Blumstein & Blader, P.C. (collectively “Defendants”), and alleges as  
6 follows:

7 **JURISDICTION AND VENUE**

8 1. This action arises under and pursuant to Section 10(b) of Securities  
9 Exchange Act of 1934 (15 U.S.C. §78j(b)), and Securities and Exchange  
10 Commission Rule 10b-5 (17 C.F.R. §240.10b-5). The jurisdiction of this Court is  
11 invoked pursuant to 28 U.S.C. §1331 and 15 U.S.C. §78aa. This Court also has  
12 supplemental jurisdiction pursuant to 28 U.S.C. § 1367 over the related state  
13 claims asserted herein.

14 2. Venue is proper under Section 27 of the Securities Exchange Act of  
15 1934 and 28 U.S.C. § 1391(b). The Defendant made materially false statements  
16 and misleading information to residents in this District and sold securities and/or  
17 provided services in this District.

18 **THE PARTIES**

19 3. Plaintiff Kay Strategies, Inc. (“KAY”) is a corporation organized  
20 and existing under the laws of the State of Nevada, having its place of business at  
21 5405 Soledad Road, La Jolla, California 92037, and is doing business within this  
22 judicial district.

23 4. Makaiwi & Associates, Inc. (“MAKAIWI”) is a corporation  
24 organized and existing under the laws of the State of Nevada having a place of  
25 business at 13907 Poway Road, Suite B, Poway, California 92064, and is doing  
26 business within this judicial district.

27 5. JTS Investments, Inc. (“JTS”) is a corporation organized and  
28 existing under the laws of the State of California having its principal place of

1 business at 2513 Jamacha Road, STE 502-142, El Cajon, California 92019, and is  
2 doing business within this judicial district.

3 6. Result Corporation (“RESULT”) is a corporation organized and  
4 existing under the laws of the State of Nevada having its principal place of  
5 business at 4151 Rogers Lane, Spring Valley, California 91977, and is doing  
6 business within this judicial district.

7 7. Plaintiffs are informed and believe, and thereupon allege that  
8 Defendant Ubiquity, Inc. (“UBIQ”) is a Nevada corporation having its principal  
9 place of business located at 9801 Research Drive, Irvine, California 92618, and is  
10 doing business within this judicial district.

11 8. Plaintiffs are informed and believe, and thereupon allege that  
12 Defendant Chris Albert Carmichael (“CARMICHAEL”) resides at 4 Shelter  
13 Cove, Laguna Niguel, California 92677 and has an executive office located at  
14 9801 Research Drive, Irvine, California 92618. CARMICHAEL is the Chairman  
15 of UBIQ’s Board of Directors and also the CEO of UBIQ.

16 9. Plaintiffs are informed and believe, and thereupon allege that  
17 Defendant Connie Susan Carmichael, AKA Connie Jordan (“JORDAN”) resides  
18 at 4 Shelter Cove, Laguna Niguel, California 92677 and has an executive office  
19 located at 9801 Research Drive, Irvine, California 92618. JORDAN is a member  
20 of UBIQ’s Board of Directors and is the Senior Vice President of UBIQ.

21 10. Plaintiffs are informed and believe, and thereupon allege that  
22 Defendant Nicholas Mitsakos (“MITSAKOS”) resides at 3320 Baker Street, San  
23 Francisco, California 94123 and has an executive office located at 2475 Hanover  
24 Street, Palo Alto, CA 94304. MITSAKOS is a member of UBIQ’s Board of  
25 Directors.

26 11. Plaintiffs are informed and believe, and thereupon allege that  
27 Defendant Brenden Garrison (“GARRISON”) resides at 29267 Country Hills  
28 Road, San Juan Capistrano, California 92675 and has an executive office located

1 at 9801 Research Drive, Irvine, California 92618. GARRISON is UBIQ's Chief  
2 Financial Officer.

3 12. Plaintiffs are informed and believe, and thereupon allege that  
4 Defendant Henry Webb Blessley ("BLESSLEY") resides at 657 Rossmoor  
5 Tower #2 Laguna Woods, California and has an executive office located at 9801  
6 Research Drive, Irvine, California 92618. BLESSLEY is a member of UBIQ's  
7 Board of Directors and is UBIQ's Secretary and Treasurer.

8 13. Plaintiffs are informed and believe, and thereupon allege that  
9 Defendant Gregg E. Jaclin ("JACLIN"), an attorney, with a law office located at  
10 101 Grovers Mill Road, Suite 200, Lawrenceville, New Jersey 08548. JACLIN  
11 provided legal services to Plaintiffs in San Diego County, California.

12 14. Plaintiffs are informed and believe, and thereupon allege that  
13 Defendant Szaferman, Lakind, Blumstein & Blader, P.C. ("SZAFERMAN  
14 LAKIND"), is a New Jersey Professional Corporation located at 101 Grovers  
15 Mill Road, Suite 200, Lawrenceville, NJ 08648. SZAFERMAN LAKIND  
16 provided legal services to Plaintiffs in San Diego County, California.

17 15. Plaintiffs are informed and believe, and thereupon allege, that  
18 Defendants are doing business within this judicial district and have sold securities  
19 or provided services within this judicial district and to residents of this district.  
20 Defendants JACLIN and SZAFERMAN LAKIND have provided legal services  
21 within this judicial district to the Plaintiffs and others. UBIQ has made  
22 misleading statements related to the sale of securities in this judicial district.  
23 Defendants have breached their fiduciary duty to the Plaintiffs in this judicial  
24 district. The Defendants have damaged the Plaintiffs in this judicial district.

25 **FACTUAL BACKGROUND**

26 16. In 2012, the infamous pump and dump law firm of Carrillo Huettel,  
27 LLP, assisted the registering of securities for Fermo Group, Inc., ("FERMO").  
28 Carrillo Huettel, LLP was shut down in 2013 by the SEC for securities fraud.

1           17. FERMO's registration purpose was to raise money to purchase a  
2 donut manufacturing machine to open a donut shop in Germany.

3           18. On March 5, 2013, Ubiquity Broadcasting Corporation entered into  
4 a merger agreement with FERMO. As a result of the merger, a donut shop in  
5 Germany became "a multimedia company focused on the intersection of cloud-  
6 based cross platform applications synchronized across all screen for enhancing  
7 the digital lifestyle" now located in California (UBIQ March 5, 2013 Form 8-K).

8           19. Plaintiffs are informed and believe, and thereupon allege that,  
9 CARMICHAEL acquired FERMO for the purposes of a scheme to manipulate  
10 the stock market through securities fraud and to siphon the investments of  
11 unknowing investors to make him and others involved in the scheme rich.

12           20. In March of 2013, CARMICHAEL hired MITSAKOS as a member  
13 of UBIQ's Board of Directors and had UBIQ pay him \$25,000 per month. From  
14 2013 and present, UBIQ has never turned a profit or made sales sufficient to pay  
15 its employees. None-the-less, and on information and belief, CARMICHAEL  
16 paid MITSAKOS through UBIQ \$25,000 per month to be part of the scheme to  
17 manipulate the stock market and to commit securities fraud. In 2013 alone,  
18 MITSAKOS was paid in cash and stock options of \$1,331,648.00 by UBIQ.  
19 (UBIQ Form 10-K for December 31, 2013)

20           21. In 2013, CARMICHAEL and MITSAKOS hired JACLIN of  
21 SZAFERMAN LAKIND, as legal counsel for UBIQ. JACLIN has been involved  
22 in multiple alleged pump and dumps schemes (securities fraud) including  
23 Luxeyard, Inc., Premier Brands, Inc. and others. JACLIN is not licensed to  
24 practice law in the State of California or Nevada.

25           22. Plaintiffs are informed and believe, and thereupon allege that  
26 CARMICHAEL and MITSAKOS hired JACLIN and his law firm SZAFERMAN  
27 LAKIND to assist in soliciting the sale of unregistered securities, perpetuating  
28 securities fraud and conspiring in a market manipulation. For his assistance in

1 this scheme, UBIQ would pay his attorney's fees, plus UBIQ would require all  
2 shareholders wanting to sell unregistered shares to obtain Rule 144 Legal  
3 Opinions in order to remove the share certificate's restrictive legend and denied  
4 the use of independent counsel, requiring shareholders to only use JACLIN and  
5 SZAFERMAN LAKIND, which would additionally compensate JACLIN and  
6 SZAFERMAN LAKIND.

7 23. Plaintiffs are informed and believe, and thereupon allege that  
8 CARMICHAEL, MITSAKOS, and JACLIN brought others into the company,  
9 including JORDAN (CARMICHAEL'S wife), GARRISON, and BLESSLEY to  
10 assist in their pyramid scheme to manipulate the market and receive personal gain  
11 through securities fraud.

12 24. Plaintiffs are informed and believe, and thereupon allege that the  
13 Defendants devised a plan/scheme to use UBIQ to solicit sales and obtain  
14 millions of dollars from unsophisticated and unknowing investors through the  
15 sale of unregistered securities, misrepresentations, fraud and market  
16 manipulation.

17 25. The Defendants entered into a pyramid scheme to sell their own  
18 unregistered shares as well as solicit shareholder investments into a highly  
19 speculative, over-valued penny stock, UBIQ, in which investments would be  
20 siphoned out of UBIQ to the Defendants, all for Defendants' personal gain.

21 26. The Defendants then continued their pyramid scheme via stock  
22 manipulation and artificially limiting the supply of stock deposited and ineligible  
23 for trading in the public markets in an effort to keep the stock price up and in  
24 turn, allow Defendants to sell their own securities at an artificially inflated price.  
25 All for the purpose of Defendants' personal gain.

26 27. Defendants' pyramid scheme included making material  
27 misrepresentations regarding the operations of UBIQ in an effort to entice  
28 unknowing investors to purchase UBIQ securities, including the Plaintiffs.

1           28. Upon successful fraudulent inducements of sale, Defendants'  
2 scheme included continuing to make material misrepresentations to unknowing  
3 investors related to their ability to sell UBIQ stock in the public markets.  
4 Defendants would misrepresent to investors that they could remove the restrictive  
5 legends on their stock certificates, which would allow them to deposit and free up  
6 their restricted UBIQ stock by a certain date and sell their unregistered securities  
7 in the public market through a Rule 144 exemption. With the cooperation of the  
8 seller, UBIQ counsel, and UBIQ, Investors would purchase UBIQ stock based on  
9 these representations, including the Plaintiffs.

10           29. Defendants' pyramid scheme included making material  
11 representations to unknowing investors that they would file paperwork ("8a12g")  
12 to becoming an obligatory reporting company under the Securities Act of 1934.  
13 Investors would purchase UBIQ stock based on these representations, including  
14 Plaintiffs.

15           30. Defendants' pyramid scheme included issuing fraudulent press  
16 releases representing that the company applied to uplist to the NASDAQ  
17 exchange despite knowing that they were no eligible due to not having filing the  
18 paperwork that would subject them to transparency by becoming an obligatory  
19 reporting company under the Securities Act of 1934. Investors would purchase  
20 UBIQ stock based on these representations.

21           31. Defendants' scheme prohibited unknowing investors from using  
22 outside counsel and included requiring investors to only use JACLIN and  
23 SZAFERMAN LAKIND to issue legal opinions regarding the tradability of the  
24 unregistered shares under Rule 144. By doing so, the Defendants were able to  
25 control and manipulate the distribution or lack thereof, of UBIQ securities and  
26 provide additional profit for JACLIN and SZAFERMAN LAKIND.

27           32. Defendants' scheme included intentionally not filing SEC required  
28 documents so that Defendants could restrict investors from using the Rule 144

1 exemption, which requires that the company to be current on SEC filings. By  
2 doing so, the Defendants were able to control and manipulate the sale of UBIQ  
3 securities. Despite not filing the SEC required documents, UBIQ continued to  
4 issue false and misleading press releases in order to induce and solicit additional  
5 securities sales.

6 33. Defendants' scheme included selectively deciding which and when  
7 investors would receive their UBIQ stock certificates, including restricting some  
8 investors while providing certificates to other investors that were willing to  
9 purchase additional securities or that were part of Defendants' scheme.

10 34. Defendants' scheme included refusing to register certain securities  
11 in violation of California Commercial Code Section 8401 and Nevada Revised  
12 Statutes Section 104.8401. By doing so, the Defendants were able control and  
13 manipulate the sale of UBIQ securities.

14 35. Each and every Defendant personally profited from the pyramid  
15 scheme through salary, bonuses, stock options or other payouts from UBIQ. All  
16 of such moneys came from unknowing investors.

17 36. Defendants also used others to assist in their scheme. Defendants  
18 compensated others for their assistance through UBIQ stock and other payments.

19 37. CARMICHAEL received an employment compensation plan that  
20 included millions in stock options, salary, a percentage of net capital  
21 contributions, 20% of all revenues from a special project, and bonuses. In 2013,  
22 CARMICHAEL paid himself through the money raised by UBIQ from  
23 shareholders, \$842,196 in salary and \$3,743,521.00 in option awards. In 2014,  
24 CARMICHAEL paid himself through UBIQ \$1,738,597 in salary and Option  
25 Awards. CARMICHAEL is not a registered securities broker and therefore  
26 cannot receive compensation for the sale of securities. Despite it being unlawful,  
27 CARMICHAEL paid himself a commission of 5% of all capital contributions of  
28



1 UBIQ. (UBIQ Form 10-K for December 31, 2013; UBIQ Form 10-K for  
2 December 31, 2014)

3 38. JORDAN, who is CARMICHEAL'S wife, received an employment  
4 compensation plan that included millions in stock options, salary, a percentage of  
5 capital contributions and bonuses. In 2013, CARMICHAEL paid JORDAN  
6 through the money raised by UBIQ from shareholders, \$250,774 in salary and  
7 \$1,655,907.00 in option awards. JORDAN is not a registered securities broker  
8 and therefore cannot receive compensation or commission for the sale of  
9 securities. Despite it being unlawful, JORDAN was compensated 1.5% of all  
10 capital contributions of UBIQ. (UBIQ Form 10-K for December 31, 2013)

11 39. GARRISON received employment compensation plan of salary and  
12 stock options. In 2013, GARRISON was paid \$198,375 in salary and \$121,598 in  
13 Option Awards. (UBIQ Form 10-K for December 31, 2013)

14 40. The Defendants' compensation from UBIQ was beyond excessive.  
15 UBIQ was unprofitable and overvalued, had minimal revenue and in pyramid  
16 scheme fashion, its only real money came from capital contributions. Such  
17 capital contributions were looted and siphoned out of the company to pay the  
18 excessive salaries and bonuses of the Defendants in furtherance of their scheme.

19 41. In early 2014, Sea Coast Advisors, Inc. ("SEA COAST") and its  
20 officer Troy Flowers ("TROY") presented an investment opportunity to the  
21 Plaintiffs to purchase UBIQ stock. SEA COAST is an advisor to UBIQ and  
22 registered beneficial owner of UBIQ of 10% or more of UBIQ. SEA COAST was  
23 assisting UBIQ with inducing capital investments. The investment "opportunity"  
24 presented to Plaintiffs by SEA COAST included the purchase of shares of UBIQ  
25 that had not been registered with the SEC.

26 42. On information and belief, SEA COAST was assisting the  
27 Defendants in their scheme by inducing a capital investment into UBIQ in  
28 exchange for UBIQ stock. CARMICHAEL and JORDAN, in addition to their

1 salaries, bonuses and stock options received a percentage of these capital  
2 contributions brought in by SEA COAST.

3 43. Before the Plaintiffs would invest, they wanted assurances that the  
4 UBIQ shares, bearing a restrictive legend, would have the restrictive legend  
5 removed and be eligible to trade freely in the public markets under Rule 144.  
6 TROY set up a phone call with UBIQ's corporate counsel, JACLIN to provide  
7 such assurances. Unbeknown to Plaintiffs, JACLIN was also representing the  
8 sellers, TROY and SEA COAST.

9 44. On or about June 12, 2014, Plaintiffs' representative Robert Wheat  
10 ("Wheat"), TROY and JACLIN had a phone call. On the phone call, JACLIN  
11 stated that he was UBIQ's corporate counsel and represented on behalf of UBIQ  
12 that if the Plaintiff's purchased the UBIQ shares, that UBIQ would guarantee that  
13 the restrictions on the shares would be lifted by September 27, 2014, JACLIN  
14 and UBIQ would provide a Rule 144 Legal Opinion to remove the restrictive  
15 trading legend by September 27, 2014, that UBIQ would re-issue the certificates  
16 legend free by September 27, 2014 and that the shares would be eligible to trade  
17 under Rule 144 by September 27, 2014.

18 45. JACLIN also told Wheat that the Plaintiffs would be required to hire  
19 him and his law firm, SZAFERMAN LAKIND, for legal services to write Legal  
20 Opinions and that the Plaintiffs could not use independent counsel to obtain the  
21 necessary Legal Opinions. JACLIN did not disclose the Defendant's stock  
22 manipulations scheme or that JACLIN also represented the seller's agent, TROY  
23 and the seller, SEA COAST.

24 46. JACLIN also represented on the phone call that UBIQ would be  
25 making SEC filings to become an obligatory reporting company under the 1934  
26 Securities Act and would be uplisted to the NASDAQ exchange. UBIQ also  
27 issued a press release on September 11, 2014 regarding these representations.  
28

1           47. Based on such representations and guarantees from UBIQ and  
2 JACLIN, the Plaintiffs purchased UBIQ shares through a private stock  
3 transaction.

4           48. The representations and guarantees made by UBIQ and JACLIN  
5 were part of the Defendants' scheme to defraud Plaintiffs and artificially inflate  
6 the proceeds resultant from purchase.

7           49. UBIQ, JACLIN and SZAFERMAN LAKIND required Plaintiffs to  
8 hire JACLIN and SZAFERMAN LAKIND as legal counsel to issue the Rule 144  
9 Legal Opinion Letters in order to remove the restrictive legend on Plaintiffs'  
10 stock and be eligible to trade under Rule 144. Thus, Plaintiffs hired JACLIN and  
11 SZAFERMAN LAKIND as legal counsel to issue the Legal Opinion Letters and  
12 pre-paid them \$700 for each of the four Legal Opinion Letters. Such a fee was  
13 excessive.

14           50. However, despite being already paid for the legal services and  
15 having an attorney-client fiduciary duty to provide the Legal Opinion Letters by  
16 September 27, 2014, JACLIN and SZAFERMAN LAKIND failed to timely  
17 provide such Legal Opinion Letters. Instead of receiving the Legal Opinion  
18 Letters as promised by JACLIN and SZAFERMAN LAKIND by September 27,  
19 2014, the Legal Opinion Letters were provided many months after, causing  
20 damage to the Plaintiffs. JACLIN and SZAFERMAN LAKIND were aware that  
21 any delay would caused direct damage to Plaintiffs as Plaintiffs informed them of  
22 their need and desire to sell the UBIQ stock immediately after September 27,  
23 2014 and that delay would lead to a lower sales price.

24           51. Plaintiffs are informed and believe, and thereupon allege that  
25 JACLIN and SZAFERMAN LAKIND intentionally delayed the Legal Opinion  
26 Letters in furtherance of the scheme between the Defendants.

27           52. In furtherance of Defendants' scheme to manipulate the price of the  
28 securities and make additional sales to unknowing investors, JACLIN and

1 SZAFERMAN LAKIND did not provide the Rule 144 Legal Opinion Letters to  
2 the Plaintiffs as promised by September 27, 2014.

3 53. By JACLIN and SZAFERMAN LAKIND refusing to provide the  
4 Legal Opinion Letters and UBIQ refusing to issues securities, the Defendants  
5 were able to manipulate the stock market, causing direct damage to the Plaintiffs.

6 54. Plaintiffs presented their UBIQ certificated securities in registered  
7 form to UBIQ with a request to register the securities without a restrictive legend  
8 on or before October 2, 2014.

9 55. In violation of California Commercial Code Section 8401 and  
10 Nevada Revised Statute Section 104.8401, UBIQ refused to register the securities  
11 as requested.

12 56. As a result of UBIQ's failure to register the securities, Plaintiffs  
13 were unable to sell such securities, which resulted in a loss.

14 57. Wheat had a meeting with CARMICHAEL and GARRISON on or  
15 about November 18, 2014 at the office of UBIQ. At the meeting,  
16 CARMICHAEL informed Wheat that he would not free up the stock unless the  
17 Plaintiffs invested additional capital into UBIQ. CARMICHAEL knew that such  
18 an investment would yield him 5% of such investment and 1.5% to his wife.

19 58. On information and belief, the Defendants scheme included illegally  
20 holding securities of investors in an effort to require them to make further capital  
21 investments, which would provide cash payouts to individual Defendants.

22 59. As a direct result of Defendant's conduct, Plaintiffs lost over  
23 \$1,660,000. The UBIQ stock price was at \$5.53 per share on October 2, 2014  
24 with Plaintiffs' stock value of \$1,843,331. Due to the unreasonable and/or  
25 intentional delays of Defendants, Plaintiffs sold their shares for approximately  
26 \$175,438.

27  
28





1 be misleading prior to and/or shortly after these statements were issued and had  
2 the ability to prevent the issuance of statement or cause the statements to be  
3 corrected.

4 71. In particular, each of these Defendants had direct and/or supervisory  
5 involvement in the operations of the UBIQ and/ therefore, is presumed to have  
6 had the power to control or influence the particular transactions giving rise to the  
7 securities violations as alleged herein, and exercise the same. The Defendants  
8 culpably participated in the commission of the wrongs alleged herein.

9 72. As alleged above, UBIQ violated Section 10(b) and Rule 10b-5 by  
10 its acts and omissions as alleged in this Complaint. By virtue of their positions as  
11 controlling persons, the Defendants are liable pursuant to Section 20(a) of the  
12 Exchange Act. As a direct and proximate result of Defendants' wrongful conduct,  
13 Plaintiffs suffered damages in connection with their purchase of UBIQ common  
14 stock.

15 **THIRD CLAIM FOR RELIEF**

16 **Violation of California Corporate Code § 25401 against UBIQ,**  
17 **JACLIN, and SZAFERMAN LAKIND**

18 73. Plaintiffs repeat and reallaged each and every allegation contained  
19 above as if fully set forth herein.

20 74. As alleged more fully above, Defendants employed (a) a device,  
21 scheme or artifice to defraud; (b) made untrue statements of material fact or omit  
22 to state a material fact necessary to make the statements not misleading; (c)  
23 engage in acts, practices, or course of business that operates as a fraud or deceit  
24 upon the Plaintiffs.

25 75. Defendants made untrue statements of material fact on or about June  
26 12, 2014 through corporate counsel, JACLIN and SZAFERMAN LAKIND, to  
27 Plaintiffs. The untrue statements included a representation that the restrictions on  
28 UBIQ shares would be lifted by September 27, 2014 and that they would be

1 eligible to trade on that date under Rule 144. Additionally, Defendants made  
2 untrue statements that UBIQ would be making SEC filings to become an  
3 obligatory reporting company under the 1934 Securities Act and that UBIQ  
4 would be uplisted to the NASDAQ exchange.

5 76. Plaintiffs have suffered damages in that, in reliance on the material  
6 representations made by Defendants, they purchased UBIQ common stock.  
7 Plaintiffs would not have purchased UBIQ common stock if they had been aware  
8 that the Defendants' statements were false.

9 77. As a direct and proximate result of Defendants' wrongful conduct,  
10 Plaintiffs suffered damages in connection with their purchase of UBIQ common  
11 stock.

12 **FOURTH CLAIM FOR RELIEF**

13 **Violation of California Corporate Code § 25403 against**  
14 **CARMICHAEL, JORDAN, MITSAKOS, GARRISON, BLESSLEY,**  
15 **JACLIN and SZAFERMAN LAKIND**

16 78. Plaintiffs repeat and reallaged each and every allegation contained  
17 above as if fully set forth herein.

18 79. Defendants have direct or indirect controls over UBIQ and its  
19 business affairs. Defendants, with knowledge, induced UBIQ to violate the  
20 provisions of California Corporate Code Sections 25401 and 25403.

21 80. Defendants knowingly provided substantial assistance to UBIQ and  
22 others, including the Defendants, in violation of California Corporate Code  
23 Section 25401.

24 81. Defendants assisted in UBIQ's violation of California Commercial  
25 Code Section 8401.

26 82. As a direct and proximate result of Defendants' wrongful conduct,  
27 Plaintiffs suffered damages in connection with their purchase and/or sale of  
28 UBIQ common stock.



**FIFTH CLAIM FOR RELIEF**

**Violation of California Commercial Code § 8401 and Nevada Revised Statutes Section 104.8401 against UBIQ**

1  
2  
3  
4 83. Plaintiffs repeat and reallaged each and every allegation contained  
5 above as if fully set forth herein.

6 84. Both California and Nevada have similar statutes requiring  
7 corporations to issue certifies to shareholders on demand. California's statute is  
8 found in the California Commercial Code Section 8401. Nevada's statute is  
9 found in Nevada Revised Statutes Section 104.8401.

10 85. Plaintiffs lawfully purchased UBIQ securities and had a right to  
11 have the securities issued without restricted legend on September 27, 2014.

12 86. UBIQ is an issuer under California Commercial Code Section 8401  
13 and Nevada Revised Statutes Section 104.8401.

14 87. On or before, October 2, 2014, Plaintiffs presented their UBIQ  
15 certificated securities in registered form to UBIQ with a request to register the  
16 securities without a restrictive legend.

17 88. Plaintiffs meet all of the conditions of California Commercial Code  
18 Section 8401 and Nevada Revised Statues Section 104.8401, as rightful owners  
19 of the certificates.

20 89. In violation of California Commercial Code Section 8401 and  
21 Nevada Revised Statutes Section 104.8401, UBIQ refused to register the  
22 securities as requested.

23 90. As a result of UBIQ's failure to register the securities, Plaintiffs  
24 were unable to sell such securities, which resulted in a loss of \$1,667,893.

25 91. Under California Commercial Code Section 8401(b) and Nevada  
26 Revised Statutes Section 104.8401.2 UBIQ is liable for Plaintiff's loss. The loss  
27 is the difference between the stock price on October 2, 2014 and the date the  
28 securities were sold, \$1,667,893.

**SIXTH CLAIM FOR RELIEF**

**Fraud against UBIQ, JACLIN and SZAFERMAN LAKIND**

1  
2  
3 92. Plaintiffs repeat and reallaged each and every allegation contained  
4 above as if fully set forth herein.

5 93. Defendants made a material misrepresentation to Plaintiffs through  
6 Plaintiff's representative, Wheat.

7 94. Defendants made material misrepresentations on or about June 12,  
8 2014 through corporate counsel, JACLIN and SZAFERMAN LAKIND, to  
9 Plaintiffs via a telephone conversation between TROY, JACLIN and Wheat. The  
10 material misrepresentations included a representation that the restrictions on  
11 UBIQ shares would be lifted by September 27, 2014 and that they would be  
12 eligible to trade on that same date under Rule 144. Additionally, Defendants  
13 made untrue statements that UBIQ would be making SEC filings to become an  
14 obligatory reporting company under the 1934 Securities Act and that UBIQ  
15 would be uplisted to the NASDQ exchange.

16 95. Additionally, JACLIN and SZAFERMAN LAKIND on or about  
17 June 12, 2014 made material misrepresentations to Plaintiffs' representative  
18 Wheat, that their firm would provide Legal Opinion Letters to the Plaintiffs by  
19 September 27, 2014.

20 96. Defendants had knowledge that their representations were in fact  
21 false.

22 97. Defendants intended to defraud Plaintiffs to induce reliance by  
23 Plaintiffs. Such misrepresentations and fraud where in furtherance of Defendants'  
24 scheme.

25 98. Plaintiffs justifiable relied upon Defendants' misrepresentations and  
26 purchased the UBIQ securities.

27 99. As a direct and proximate result of Defendants' wrongful conduct,  
28 Plaintiffs suffered damages.

1 .....  
2 .....  
3 .....  
4 .....

**SEVENTH CLAIM FOR RELIEF**

**Conspiracy to Commit Fraud against CARMICHAEL, JORDAN,  
MITSAKOS, GARRISON, BLESSLEY, JACLIN and SZAFERMAN  
LAKIND**

9 100. Plaintiffs repeat and reallaged each and every allegation contained  
10 above as if fully set forth herein.

11 101. As provided more specifically above, UBIQ, JACLIN and  
12 SZAFERMAN LAKIND made material misrepresentations to Plaintiffs  
13 regarding the UBIQ securities and the Legal Opinion Letters.

14 102. Defendants were aware that UBIQ and JACLIN and SZAFERMAN  
15 LAKIND planned to commit fraud against the Plaintiffs. Defendants entered into  
16 a scheme that included making fraudulent misrepresentations to investors  
17 regarding UBIQ securities and specifically to Plaintiffs, among other things that  
18 are more fully described above.

19 103. Defendants CARMICHAEL, JORDAN, MITSAKOS, GARRISON,  
20 and BLESSLEY agreed with UBIQ and JACLIN and SZAFERMAN and  
21 intended that the fraud be committed.

22 104. UBIQ, JACLIN and SZAFERMAN LAKIND’S fraud was part of  
23 and in furtherance of Defendants’ scheme.

24 105. Plaintiffs were damaged as a result of Defendants’ conspiracy and  
25 scheme.

**EIGHTH CLAIM FOR RELIEF**

**Breach of Fiduciary Duty against all Defendants**

26  
27  
28

1           106. Plaintiffs repeat and reallege each and every allegation contained  
2 above as if fully set forth herein.

3           107. Defendants owned Plaintiffs a fiduciary duty including reasonable  
4 care and duty of loyalty. Defendants' fiduciary duty arises as a matter of law  
5 between Attorney and client for JACLIN and SZAFERMAN LAKIND.  
6 Defendants' fiduciary duty arises as a matter of law between corporate officers  
7 and directors and their shareholders for CARMICAHHEL, JORDAN,  
8 MITSAKOS, GARRISON, and BLESSLEY. CARMICHAL, JORDAN,  
9 MITSAKOS, GARRISON and BLESSLEY were all corporate officers and/or  
10 directors of UBIQ and owned Plaintiffs a fiduciary duty as UBIQ's shareholders.

11           108. Defendants JACLIN and SZAFERMAN LAKIND breached their  
12 duty of care and loyalty to Plaintiffs. JACLIN and SZAFERMAN LANKIND  
13 failed to provide reasonable care to its clients, the Plaintiffs, in its legal services,  
14 including failure to provide legal services on a timely basis. JACLIN and  
15 SZAFERMAN LANKIND breached their duty of loyalty by failing to disclose or  
16 obtain waivers regarding its representation of the Plaintiffs, Defendants and  
17 TROY in the UBIQ transactions. JACLIN and SZAFERMAN LAKIND further  
18 breached their duty of care and loyalty by their part in the Defendants' scheme  
19 and placing the interests of UBIQ and the other Defendants over the interest of  
20 the Plaintiffs.

21           109. Defendants CARMICAHHEL, JORDAN, MITSAKOS, GARRISON,  
22 and BLESSLEY breached their duty of reasonable care and loyalty. As directors  
23 and/or officers of UBIQ they failed to use reasonable care in fulfilling their  
24 obligations as officers and directors. CARMICAHHEL, JORDAN, MITSAKOS,  
25 GARRISON, and BLESSLEY failed to provide certificates to Plaintiffs in  
26 violation of California Commercial Code Section 8401. CARMICAHHEL,  
27 JORDAN, MITSAKOS, GARRISON, and BLESSLEY entered into a scheme  
28 with all the Defendants to defraud Plaintiffs and to manipulate Plaintiff's shares.

1 110. Defendants breached their duties to Plaintiffs as they violated  
2 securities laws, both federal and California blue-sky laws. Defendants breached  
3 their duties to Plaintiffs as they violated California Commercial Code Section  
4 8401 and Nevada Revised Statutes Section 104.8401.

5 111. Plaintiffs were damages by Defendants breach of duty of care and  
6 loyalty. Plaintiffs' damages were proximately caused by Defendants' breach of  
7 duty.

8 112. Plaintiffs request punitive damages.

9 **NINTH CLAIM FOR RELIEF**

10 **Negligent Misrepresentation against UBIQ, JACLIN and**  
11 **SZAFERMAN LAKIND**

12 113. Plaintiffs repeat and reallege each and every allegation contained  
13 above as if fully set forth herein.

14 114. Defendants UBIQ, JACLIN and SZAFERMAN LAKIND  
15 misrepresented a material fact regarding the sale of UBIQ securities. Defendants  
16 represented that the restrictions on UBIQ shares would be lifted by September  
17 27, 2014 and that they would be eligible to trade on that date under Rule 144.  
18 Additionally, Defendants made untrue statements that UBIQ would be making  
19 SEC filings to become an obligatory reporting company under the 1934  
20 Securities Act and that UBIQ would be uplisted to the NASDAQ exchange.

21 115. JACLIN and SZAFERMAN LAKIND misrepresented a material  
22 fact regarding providing the Legal Opinion Letters by September 27, 2014 date.

23 116. The Defendants did not have reasonable grounds for believing the  
24 representation to be true.

25 117. Defendants intended to induce Plaintiffs' reliance on the  
26 representation.

27 118. Plaintiffs were ignorant of the truth and justifiably relied upon the  
28 representations.

1 119. Plaintiffs were damaged from such misrepresentations.

2 ... ..

3 ... ..

4 ... ..

5 **TENTH CLAIM FOR RELIEF**

6 **LEGAL MALPRACTICE against JACLIN and SZAFERMAN LAKIND**

7 120. Plaintiffs repeat and reallege each and every allegation contained  
8 above as if fully set forth herein.

9 121. Plaintiffs hired JACLIN and SZAFERMAN LAKIND as legal  
10 counsel to write Rule 144 Legal Opinion Letters related to UBIQ stock. Such  
11 legal services were for Plaintiffs that are located in California and in this judicial  
12 district.

13 122. Defendants JACLIN and SZAFERMAN LAKIND owed Plaintiffs a  
14 duty as their legal counsel to use an ordinary degree of care, skill or knowledge  
15 expected from other attorneys under similar circumstances. Defendants JACLIN  
16 and SZAFERMAN LAKIND agreed to provide the Rule 144 Legal Opinion  
17 Letter by September 27, 2014. Defendants JACLIN and SZAFERMAN LAKIND  
18 had a duty to provide the Legal Opinion Letter by September 27, 2014 date.

19 123. Defendants JACLIN and SZAFERMAN LAKIND failed to use an  
20 ordinary degree of care, skill or knowledge expected from an attorney.  
21 Defendants JACLIN and SZAFERMAN LAKIND breached their duty to  
22 Plaintiffs by failing to provide the Legal Opinion Letter by September 27, 2014.

23 124. Defendants JACLIN and SZAFERMAN LAKIND breached their  
24 duty of loyalty as provided above in the Eight Claim for Relief.

25 125. Defendants JACLIN and SZAFERMAN LAKIND breached their  
26 duty resulting in actual damages to Plaintiffs. Plaintiffs were unable to sell their  
27 securities as a result of Defendants malpractice. But for Defendants malpractice,  
28 Plaintiffs lost \$1,667,893.

1 WHEREFORE, Plaintiffs pray as follows:

- 2 1. That Defendants, jointly and severely, be liable for Plaintiff's  
3 damages in the amount of \$1,667,893;
- 4 2. Other damages that may be proven at trial;
- 5 3. For Attorney's fees and other costs based on Defendants' fraudulent  
6 conduct and Defendants acted in bad faith, vexatiously, wantonly, or  
7 for oppressive reasons;
- 8 4. For punitive damages; and
- 9 5. For such other relief as the Court may deem appropriate at law or  
10 equity.

11 DATED: December 3, 2015 WEEKS NELSON

12  
13 /s/ Chandler G. Weeks  
14 Chandler G. Weeks  
15 Attorney for Plaintiffs

16  
17 JURY DEMAND

18 Plaintiffs hereby request a trial by jury in this matter.

19  
20 DATED: December 3, 2015 WEEKS NELSON

21  
22 /s/ Chandler G. Weeks  
23 Chandler G. Weeks  
24 Attorney for Plaintiffs

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

Kay Strategies, Inc., et al.

(b) County of Residence of First Listed Plaintiff San Diego County, CA  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Weeks Nelson  
462 Stevens Avenue, Suite 310  
Solana Beach, CA 92075 Telephone: 858-794-2140

**DEFENDANTS**

Ubiquity, Inc., et al.

County of Residence of First Listed Defendant Orange County, CA  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
|   | <b>PTF</b>                 | <b>DEF</b>                 |   | <b>PTF</b>                 | <b>DEF</b>                 |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes

**V. ORIGIN** (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
15 U.S.C. Section 78j(b); 17 C.F.R. Section 240.10b-5  
Brief description of cause:  
Violation of Federal Securities Law

**VII. REQUESTED IN COMPLAINT:**

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** 1,667,893.00 CHECK YES only if demanded in complaint: **JURY DEMAND:**  Yes  No

**VIII. RELATED CASE(S) IF ANY**

(See instructions): JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 12/03/2015 SIGNATURE OF ATTORNEY OF RECORD /s/Chandler G. Weeks

**FOR OFFICE USE ONLY**

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_