

1 Robert G. Klein, Esq., State Bar No. 128550
LAW OFFICE OF ROBERT G. KLEIN
2 8383 Wilshire Blvd., Suite 935
Beverly Hills, California 90211

3 Telephone: (833) 997-5529
4 Email: robert@kleinlitigation.com

5 Attorneys for Plaintiff Genesis Media LLC
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8 **UNITED STATES DISTRICT COURT**
9 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
10 **WESTERN DIVISION**

11 GENESIS MEDIA LLC, a Nevada Limited
Liability Company

12 Plaintiff,

13 vs.

14 OWNZONES MEDIA NETWORK, INC, a
15 corporation; DAN GOMAN, an individual;
16 JOSEPH GOMAN, an individual; MARY
LAU, an individual; JUDY KIM, an
17 individual; MITCH BERMAN, an
individual; JOHN CALKINS, an
18 individual; CRAIG KORNBLAU, an
individual and DOES 1 through 50
19 inclusive,

20 Defendants.
21

CASE NO.

COMPLAINT FOR:

- 1. **Violation of 18 U.S.C. §1962(d) by
Conspiring to Violate §1962(a)**
- 2. **Violation of 18 U.S.C. §1962(d) by
Conspiring to Violate §1962(c)**
- 3. **Violation of 18 U.S.C. §1962(c)**
- 4. **Breach of Implied Contract
Restitution-Unjust Enrichment**

DEMAND FOR JURY TRIAL

22 Plaintiff Genesis Media LLC, as and for its complaint against Ownzones Media
23 Network, Inc, a corporation; Dan Goman, an individual; Joseph Goman, an individual; Mary
24 Lau, an individual; Judy Kim, an individual; Mitch Berman, an individual; John Calkins, an
25 individual, and Craig Kornblau, an individual alleges as follows:

26 **Nature of Action**

27 1. This is an action arising out of defendants' violations of the Racketeer
28 Influenced and Corrupt Organizations Act. 18 U.S.C. §§1961-1968. This case emanates from

LAW OFFICE OF ROBERT G. KLEIN
8383 WILSHIRE BLVD., SUITE 510
BEVERLY HILLS, CALIFORNIA 90211
TELEPHONE (323) 653-3900

1 the defendants systematic pattern to defraud plaintiff out of the money plaintiff placed with
2 defendants as part of a business proposition. The defendants racketeering activities included
3 criminal violations of the wire fraud and mail fraud statutes, and included security law
4 violations found at Sections 20 and 22 of the Securities Act of 1933 and various sections of
5 15 U.S.C. §§ 21 and 27 of the Securities Exchange Act of 1934. The defendants scheme and
6 pattern of racketeering starts with Ownzones making false and fraudulent oral and written
7 representations inflating revenue projections to induce parties to enter into contracts with
8 Ownzones. In this case Ownzones provided Genesis Media inflated revenue projections to
9 induce Genesis Media into investing \$3.1 million with Ownzones. As part of the pattern of
10 racketeering Ownzones provided inflated returns on stock offerings Ownzones made to
11 prospective investors. The Securities and Exchange Commission sued Ownzones, Dan Goman
12 and Joseph Goman for fraud in connection with the sale of securities in violation of federal
13 securities laws. Ownzones continued its pattern of racketeering by submitting over-inflated
14 expense summaries, and embezzling money from Genesis Media by sending fraudulent bank
15 wire transfers to Ownzones' branch office in Romania.

16 2. Plaintiff seeks compensatory damages in excess of \$14 million, plus treble
17 damages under the RICO claims, along with interest, attorney fees, and cost of suit. Plaintiff
18 thus seeks recovery of damages from defendants in excess of \$56 million.

19 Parties

20 I. Plaintiff

21 3. Genesis Media LLC is a Nevada limited liability company created by Howard
22 Misle. Genesis Media was formed in March 2017 in anticipation of entering into a joint
23 venture partnership with Ownzones Media. Genesis Media raised slightly over \$6 million to
24 be used exclusively to fund a budget to create the 420Tv app.

25 II. Defendants

26 4. Ownzones Media Networks, Inc. is an entertainment technology company that
27 claims to provide a technology that allows content providers to make their content available
28 in a standardized format to various digital platforms. Ownzones Media Network is a Nevada

1 corporation with its principal office in Beverly Hills, California.

2 5. Ownzones founder and CEO is Dan Goman who is a resident of Los Angeles,
3 California. He is the founder, sole board member, president, chief executive officer, and
4 largest shareholder of Ownzones Media Network, Inc.

5 6. Joseph Goman, age 31, is a resident of Phoenix, Arizona. He is Dan Goman's
6 younger brother and was, until May 2018, a paid consultant for OwnZones who presented to
7 current and prospective investors and also performed business development and sales
8 functions. At all times relevant Joseph Goman worked out of Ownzones' Beverly Hills office.

9 7. Mary Lau is a citizen of Los Angeles, California. At all times she was an
10 employee and financial consultant of Ownzones Media Network. Mary Lau prepared financial
11 projections for Ownzones.

12 8. Judy Kim is Ownzones Media's in-house counsel. Judy Kim is actively involved
13 in all aspects of Ownzones Media's business including, but not limited to is financial dealings,
14 securities offerings, securities transactions and legal compliance with the securities and
15 corporate laws.

16 9. Mitch Berman at all times was a high level consultant and advisor to Ownzones
17 Media and a shareholder in Ownzones Media Network, Inc.. Mitch Berman was actively
18 involved in Ownzones' efforts to raise money and procure financing. Mitch Berman
19 intentionally concealed from Alex Nahai and Howard Misle the fact that Ownzones was under
20 investigation by the Securities and Exchange Commission for securities fraud during the time
21 Ownzones Media was negotiating the contract with Genesis Media. Mitch Berman is a citizen
22 of Los Angeles, California.

23 10. John Calkins is both a high level consultant, employee, and advisor to Ownzones
24 Media as well as a shareholder in the company. John Calkins' role at Ownzones included
25 advising Ownzones on financial matters including procuring financing from investors though
26 stock offerings. John Calkins is a citizen of Los Angeles, California.

27 11. Craig Kornblau at all times was an employee of Ownzones Media working from
28 its Beverly Hills office. Craig Kornblau has been a strategic advisor to Ownzones since

1 December 2017, was involved in fund raising, investor relations, and bringing investors to
2 Ownzones. Since February 2017 Craig Kornblau has been an advisor to Google Ventures and
3 an advisor for Row8 since April 2016 a company owned by John Calkins.

4 12. Each named defendant either played an active role in the securities fraud or were
5 part of a conspiracy to engage in the securities fraud violations and/or RICO violations.

6 **Jurisdiction and Venue**

7 13. The court has jurisdiction over the subject matter of this action pursuant to 18
8 U.S.C. §1961 et. seq., 28 U.S.C. §1331, 28 U.S.C. §1337 and 28 U.S.C. §1367.

9 14. Personal jurisdiction and venue in this District are proper pursuant to 18 U.S.C.
10 §1965 and 28 U.S.C. §1391(b) because: (I) defendants are found in, have agents in, and/or
11 transact business and affairs in, this District, and have minimum contacts with this District;
12 and (ii) a substantial part of the events or omissions giving rise to the claims for relief occurred
13 in this District.

14 **Relevant Time Period**

15 15. Defendants' racketeering conduct began in or about 2011 and continued until
16 at least when Ownzones Media was served with the SEC Complaint on April 2, 2020.

17 **General Allegations**

18 16. Plaintiff Genesis Media LLC is a Nevada limited liability company that was
19 formed in March 2017 for the sole purpose of entering into a joint venture partnership with
20 Ownzones Media Networks, Inc.

21 17. Effective May 22, 2017 the parties entered into the joint venture partnership
22 agreement called the Strategic Alliance Agreement. A copy of that agreement is attached as
23 Exhibit 1.

24 18. Before the parties signed the Strategic Alliance Agreement the parties always
25 referred to the money Genesis Media contributed to develop the app as the "budget" and part
26 of a joint venture partnership.

27 19. About a week before the parties signed the Strategic Alliance Agreement,
28 Ownzones insisted the term "budget" was replaced by the term "service agreement".

1 20. Genesis Media later learned that Ownzones Media wanted the Strategic Alliance
2 Agreement to claim it was a “service fee” and not a “budget” so Ownzones Media could
3 falsely represent to its potential investors that Ownzones had \$40 million asset on its balance
4 sheet (\$4.1 million per year for ten years).

5 21. In reality the money Genesis Media paid to develop the app did not belong to
6 Ownzones but instead was to be used exclusively to develop the app. As part of its scheme
7 and pattern of racketeering Ownzones was falsely inflating its balance sheet to attract
8 unsuspecting investors.

9 22. The joint venture was to develop an “app” called 420Tv using streaming digital
10 technology to create a “channel” marketed to people interested in, or curious about, the
11 cannabis lifestyle.

12 23. Under the Strategic Alliance Agreement Genesis Media, Ownzones Media, and
13 Alex Nahai Consulting would co-own, co-manage, and share profits on the 420Tv project.

14 24. The agreement required Genesis to fund the budget for the 420Tv app to: (a) to
15 create and/or hire third party content producers to create television shows and a weekly news
16 program on the cannabis industry; (b) licence movies from copyright holders that would pique
17 the interest of people curious about the cannabis lifestyle; (c) budget for technology needed
18 to operate the website and channel; and (d) pay for marketing and public relations. The last
19 page of the Strategic Alliance Agreement sets out the only allowable budget items

20 25. The parties anticipated the first year budget would be \$4.1 million however
21 Ownzones only spent about \$1.4 million on the 420Tv app in the first year. The parties
22 anticipated that Genesis would need to fund about \$600k in the second year after generating
23 about \$800k in anticipated ad sales. Ownzones projected the 420Tv app would generate
24 between \$10-\$12.5 million in the third year. By Ownzones’ projections, Genesis Media would
25 have recouped its total investment and the 420Tv app would be self-sustaining with sufficient
26 yearly revenues to perpetuate the business without any additional infusion of funds needed
27 from Genesis Media.

28 26. Ownzones represented it could get one million visitors to the 420Tv app and

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