

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 1:20-cv-00052-CMA-KMT

WESTERN ACCEPTANCE, LLC

Plaintiff,

v.

**GENERAL AGRICULTURE INC. F/K/A
GENERAL AGRICULTURE LLC,
SONOMA STAINLESS, INC., STIG
WESTLING; CALLAGHAN BECKER;
PHIL TAGAMI; CALIFORNIA CAPITAL
& INVESTMENT GROUP, INC.**

Defendants.

PLAINTIFF'S SECOND AMENDED COMPLAINT

Plaintiff Western Acceptance, LLC files this Second Amended Complaint¹ against Defendants General Agriculture Inc. f/k/a General Agriculture LLC; Sonoma Stainless, Inc.; Stig Westling; Callaghan Becker; Phil Tagami; and California Capital & Investment Group, Inc.; and respectfully shows as follows:

¹ Three Defendants have filed Rule 12(b)(6) motions to dismiss. In the respective Responses, Plaintiff noted that should the Court deem inadequate facts were in the pleading to sufficiently state any claim, it would request leave to amend its pleadings to cure any purported defect. Plaintiff contends its First Amended Complaint adequately meets the requirement of Rule 8 and this Second Amended Complaint merely adds another party to the litigation. Should the Court grant any of the Rule 12(b)(6) motions, Plaintiff reiterates its request to plead additional facts as required.

I.
PARTIES

1. Plaintiff WESTERN ACCEPTANCE, LLC is a Colorado Limited Liability Company.

2. Defendant GENERAL AGRICULTURE INC. F/K/A GENERAL AGRICULTURE LLC is a California corporation with its principal place of business in Oakland, California. It has made an appearance in this case through counsel.

3. Defendant SONOMA STAINLESS, INC. is a California corporation. It has made an appearance in this case through counsel.

4. Defendant STIG WESTLING is an individual residing in California and may be served with process at 1005 Northgate Drive, #310; San Rafael, California 94903.

5. Defendant CALLAGHAN BECKER is an individual residing in California. He has made an appearance in this case through counsel.

6. Defendant PHIL TAGAMI is an individual residing in California He has made an appearance in this case through counsel.

7. Defendant CALIFORNIA CAPITAL & INVESTMENT GROUP, INC. is a California corporation that can be served through its agent for service Skylar Sanders; 300 Frank H. Ogawa Plaza, Suite 340; Oakland, California 94612.

II.
JURISDICTION AND VENUE

8. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a)(1) as there is complete diversity of citizenship among the parties to this suit and the amount in controversy exceeds \$75,000.00, exclusive of interests and costs.

9. The Court has personal jurisdiction over Defendants because Defendants conduct business in Colorado, entered into relationships with Plaintiff in Colorado, and committed actions

in Colorado that give rise to this cause of action. This Court may properly maintain personal jurisdiction over Defendants because Defendants' contacts with this state and this judicial district are sufficient for the exercise of jurisdiction over Defendants to comply with traditional notions of fair play and substantial justice. Damages sought are within the jurisdictional limits of this Court.

III. FACTUAL BACKGROUND

10. Plaintiff contracted with SXIP, LLC for the design and manufacture of equipment to be utilized in Plaintiff's business. The equipment consisted of many parts but, in short, all the components together formed what can be called a Distillate Unit. Plaintiff paid SXIP approximately \$2 million for the Distillate Unit.

11. Defendant General Agriculture Inc. ("GenAg") is a California company. At all times herein, GenAg operated through its executives, officers, and agents Defendants Stig Westling, Phil Tagami and Callaghan Becker, (hereinafter "GenAg Agents"), along with non-parties Tiffany Weaver, Taher Afghani, Christine Miller Martin Kaufman, Peter Huson, Brady Glaughier, and Brian Mehrhoff. Upon information and belief, Defendant Tagami was a consultant for GenAg or was employed by GenAg in some form or fashion. Upon information and belief, Defendant Tagami also owns or controls the building in California that is leased by GenAg.

12. According to Defendant Tagami, he was an employee of Defendant California Capital & Investment Group, LLC (hereinafter "CCIG"). Defendant GenAg retained CCIG and Tagami as consultants to assist in the hemp-extraction business. In addition to acting as an agent for GenAg, Defendant Tagami also acted as an agent for CCIG at all times referenced herein. Tagami personally participated in the tortious act described below and his actions benefitted not only himself, but also CCIG and GenAg.

13. At some point in time during the manufacturing of the Distillate Unit, most likely in the Spring of 2019, SXIP was acquired by GenAg or one of its affiliates. Plaintiff was told of the acquisition directly by Defendant Becker, the head of GenAg and Afghani, the head of SXIP. Following or during said acquisition, Plaintiff began dealing directly with GenAg Agents for the manufacture of the Distillate Unit. Mr. Afghani became an agent for GenAg during the manufacturing process around the time of the acquisition. Mr. Afghani and Ms. Miller visited the Colorado Springs facility of the Plaintiff.

14. Plaintiff's facility in Colorado Springs was visited personally by GenAg Agents and many of the GenAg Agents lived in Colorado Springs for a time to work with Plaintiff at its facility. The GenAg agents who personally visited the Colorado facility of Plaintiff were Callaghan Becker, Phil Tagami, Stig Westling, Brian Mehrhoff, Peter Huson, Tiffany Weaver, Taher Afghani, Martin Kaufman, and Gene Walt. Each of these persons visited the Colorado Springs facility for the benefit of GenAg, and for the purpose of soliciting Plaintiff's business and performing the contractual duties of GenAg. In addition to benefiting GenAg, Tagami also benefited himself and CCIG.

15. During the visits to Plaintiff's Colorado Springs facility, all Defendants created a ruse that they wanted to partner with Plaintiff, help Plaintiff grow its business, and utilize the concept Plaintiff created to further business ventures for all involved. This ruse was nothing more than pure trickery.

16. In fact, Defendant Tagami, who visited Plaintiff's facility multiple times under the guise of being a compliance consultant for GenAg, told Plaintiff that Plaintiff was out of compliance and that Plaintiff should move its entire operation to a facility that he designated. This was the Defendants' first attempt to take Plaintiff's equipment, which ultimately occurred.

17. In addition to personally visiting Plaintiff's facility, GenAg took monies directly from Plaintiff for the manufacture of the Distillate Unit. GenAg, during its many visits to Colorado Springs, told Plaintiff additional work would need to be done on the Distillate Unit for which Plaintiff paid GenAg directly.

18. GenAg learned while visiting Plaintiff's facility that Heaters were necessary for the processing of distillate. Thereafter, sometime following the many visits to Colorado, persons from GenAg showed up at Plaintiff's Colorado Springs facility and took heaters and other component parts (hereinafter "Heaters") necessary for the distillate process.

19. In addition to GenAg, CCIG and each of their agents, Plaintiff was damaged by the actions of Defendant Sonoma Stainless. Upon information and belief, SXIP and/or GenAg subcontracted to Sonoma Stainless various portions of the manufacturing process for the Distillate Unit. Sonoma Stainless was concerned about getting paid by SXIP and GenAg, so Sonoma Stainless orally contracted with Plaintiff for the providing of monies and direction directly from Plaintiff with regard to the manufacture of the Distillate Unit.

20. Sonoma Stainless chose to deal directly with Plaintiff on part of the payment for its work rather than rely on the companies based in California. Sonoma Stainless requested to enter into this agreement directly with Plaintiff knowing it was a Colorado company and knowing that the Distillate Unit was to be shipped to Colorado upon completion

21. During the manufacturing process, Plaintiff visited Sonoma Stainless' facility in California to check on progress of the Distillate Unit. During this meeting, Weaver was in attendance. Weaver told Plaintiff that after completion of the Distillate Unit, GenAg wanted to take possession of it. Plaintiff vehemently refused and told Weaver and Vincent Frere, owner of

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