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SUPERIOR COURT OF CALIFORNIA

COUNTY OF MARIN – UNLIMITED CIVIL JURISDICTION

HYPERCONSTRUCT CO, a Delaware Corporation; LAGUNA LABS, a California Limited Liability Company; WILLIAM COLLINS-BROZA,

s,

v.

SHAW WALTERS; and Does 1-50, inclusive,

Cross-Defendants.

SHAW WALTERS; LEA WALTERS

Cross-Complainants,

v.

HYPERCONSTRUCT CO, a Delaware Corporation; LAGUNA LABS, a California Limited Liability Company; WILLIAM COLLINS-BROZA; METAVERSE CONSTRUCTION COMPANY, INC., a Delaware Corporation, and Does 1-50, inclusive,

Case No. CIV 2300516

CROSS-COMPLAINT FOR DAMAGES:

1. **CONVERSION**
2. **VIOLATION OF CALIFORNIA'S UNIFORM TRADE SECRETS ACT [CAL. CIV. CODE § 3426, ET. SEQ.])**
3. **UNFAIR COMPETITION**
4. **DEFAMATION PER SE**
5. **BREACH OF CONTRACT**
6. **FRAUD**
7. **MONEY HAD AND RECEIVED**
8. **UNFAIR COMPETITION – BUS. & PROF. CODE §§ 17200-17210**
9. **UNJUST ENRICHMENT**

Cross-Defendants and Cross-Complainant SHAW WALTERS ("SHAW" or "Cross-Complainant") brings this action for damages and alleges the following:

I. JURISDICTION, VENUE, AND PARTIES TO THIS ACTION

1. Defendant and Cross-Complainant SHAW WALTERS (hereinafter "SHAW") is an individual and resides within the County of Marin. SHAW is referred to herein as "Cross-Complainant."

2. Cross-Complainant LEA WALTERS (hereinafter "LEA") is the biological mother of SHAW. On or about August 24, 2021, LEA and METAVERSE CONSTRUCTION COMPANY, INC., a Delaware Corporation (hereinafter "MCCI"), entered into that certain agreement, the "Metaverse Construction Company Inc - Lea Walters Postmoney Safe," signed on behalf of MCCI by its CTO and Founder, and Cross-Defendants WILLIAM COLLINS-BROZA, whereby MCCI certified that LEA "Investor" paid to MCCI $100,000 as 2.0 BitCoin valued at $50,000 each (the "Purchase Amount") for the right to certain shares of the Company's Capital Stock as alleged further below.

3. Cross-Defendant HYPERCONSTRUCT CO (hereinafter "HYPERCONSTRUCT" or "Cross-Defendants") is a Delaware corporation, registered as a foreign corporation in the State of California with a principal place of business in the County of Orange, State of California.

4. Cross-Defendant WILLIAM COLLINS-BROZA (hereinafter "LIAM" or "Cross-Defendants") is the chairman of the board of directors and chief executive officer of HYPERCONSTRUCT, and resides in the County of ORANGE.

5. Cross-Defendant LAGUNA LABS LLC (hereinafter "LAGUNA LABS" or "Cross-Defendants") is a California limited liability company, organized under the laws of the State of California, with its principal place of business in the County of Orange. LIAM is the managing member of LAGUNA LABS. HYPERCONSTRUCT, LAGUNA LABS, and LIAM are collectively referred to herein as "Cross-Defendants".

6. SHAW and LIAM formed Cross-Defendant METAVERSE CONSTRUCTION COMPANY, INC. (hereinafter "MCCI").

7. The true names and capacities, whether individual, corporate, associative, or otherwise, of the Cross-Defendants named herein as DOES 1-50, inclusive is unknown to Cross-Complainant who therefore sues such DOE Cross-Defendants by fictitious names. Cross-Complainant is informed and believes, and thereon alleges, that each of the DOE Cross-Defendants are responsible in some manner for the acts and omissions alleged herein, and a legal cause of action of the damages Cross-Complainant has suffered as a result of such acts and omissions. Cross-Complainant will amend this Complaint to show the true names and capacities of the DOE Cross-Defendants, or any of them, when they have been fully ascertained.

8. Cross-Complainant is informed and believes and thereon alleges that at all times relevant hereto each of the Cross-Defendants, including DOES 1-50, was the agent, affiliate, officer, director, manager, principal, alter-ego, employee and/or successor of the other Cross-Defendants, and was at all times relevant herein acting within the course and scope of such agency, affiliation, alter-ego relationship, and/or employment, and actively participated in or subsequently ratified adopted, or both, with full knowledge the wrongful conduct and the harm resulting from Cross-Defendants' statements and actions.

GENERAL ALLEGATIONS

9. At all times relevant to s' Complaint and this Cross-Complaint, LIAM treated SHAW as an equal partner in LAGUNA LABS and referred to third parties including investors that SHAW and LIAM were the "LAGUNA LABS team."

10. On or about August 16, 2021, LIAM and SHAW agreed to form the METAVERSE CONSTRUCTION COMPANY, INC., ("MCCI") a Delaware Domestic Corporation. LIAM filed MCCI with the Delaware Secretary of State on August 16, 2021, File Number 6170766.

11. On August 26, 2021, LIAM and Lea Walters, SHAW'S mother, entered into that certain agreement, the "Metaverse Construction Company Inc - Lea Walters Postmoney Safe" (the "Postmoney Safe") which provides in part:

> THIS CERTIFIES THAT in exchange for the payment by Lea Walters (the "Investor") of $100,000 as 2.0 BitCoin valued at $50,000 each (the "Purchase Amount") on or about August 24nd, [(sic)] 2021, Metaverse Construction Company Inc., a Delaware corporation (the "Company"), issues to the Investor the right to certain shares of the Company's Capital Stock, subject to the terms described below.

A true and correct copy of the Postmoney Safe is attached hereto as **Exhibit A** and incorporated by reference as if fully set forth herein.

12. On August 26, 2021, LIAM executed the PostMoney Safe via DocuSign (DocuSign Envelope ID: 789EA252-AC58-41C8-9C79-B431773B8B73) as "William D Collins-Broza, CTO and Co-Founder" of Metaverse Construction Company Inc.

13. After forming MCCI, the partnership between LIAM and SHAW soured when LIAM began misappropriating intellectual property SHAW created and had the rights thereto.

14. LIAM breached fiduciary duties to Cross-Complainants by commingling project funds and converting them to his own personal use.

15. On one project LIAM met with SHAW and their client and accepted $12,000 in payment for that project which he placed into his own personal bank account in violation the agreement between LIAM and SHAW.

16. SHAW originated the XREngine, XRFoundation projects owns the rights to the code, which Cross-Defendants have no license over. Cross-Complainants seek damages against Cross-Defendants including damage to reputation and lost business opportunities.

17. LIAM sought to damage the professional reputation of SHAW, and did damage SHAW'S professional reputation by casting SHAW in a false light and making defamatory statements to third parties including business associates and investors that SHAW "embezzled money" and "commingled finances." In actuality, LIAM transferred all monies that SHAW and LIAM made on projects to LIAM's made went into his personal bank accounts.

18. LIAM and Cross-Defendants have breached multiple agreements causing damage to SHAW and LEA.

19. When LEA inquired about the status of her investment in MCCI, LIAM's counsel accused her of forging the Postmoney Safe Agreement, only to later backtrack and allege that LEA's payments of the 2.0Bitcoin were to payoff SHAW's purported debts.

20. On October 27, 2021 LAGUNA LABS entered into that certain agreement, the "Freeside Station Group Simple Token Purchase Agreement," (the "Token PA") which provides in part:

> THIS CERTIFIES THAT in exchange for the payment by the undersigned purchaser (the "Purchaser") of $350,000 USD (the "Purchase Amount") in a series of tranches as set out below, LAGUNA LABS LLC at 30872 Calle Moraga Laguna Niguel, California 92677 (the "Company"), hereby issues to the Purchaser the right (the "Right") to certain units in Freeside Station (the "Token") upon Network Launch of the Freeside Station.
>
> The Company acknowledges that the Right acquired by the Purchaser includes the right to any related royalties, tokens, governance rights and ownership of intellectual property in equal proportion to th epercentage of Tokens allocated to the Purchaser. Upon the Freeside Station Network Launch, the Purchaser shall receive Freeside Station tokens equal to20% of the total token supply. The Purchaser acknowledges and accepts that this 20% token allocationwill be subject to the same vesting schedule as that applied to the rest of the founding team.The Business Proposal attached below sets out additional details around the key project milestones,payment tranches and deliverables.Laguna Labs agrees to accept payment for the Right purchased under this agreement in either USDC orICP to be made on each of the key milestone dates.

A true and correct copy of the Token PA is attached hereto as **Exhibit B** and incorporated by reference as if fully set forth herein.

21. The Token PA incorporates the "**Freeside Station Group** Business Proposal" which provides:

● Freeside Station Group intends to form as a DAO with the following ownership percentages, covering any related royalties, tokens, governance rights and ownership of intellectual property.

This will be issued to members of the Laguna Labs team, along with Matt Symons and Harrison Hines, as investors in the project.

○ 20% - Matt Symons
○ 2.5% - Harrison Hines and to be distributed to Fleek team
○ 7.5% - Donation to XRFoundation
○ 70% - Shaw Walters, Liam Broza and to be distributed to Laguna Labs team

● The domain of the corporation's intellectual property includes all brands, artwork and content contained within the virtual and conceptual space of Freeside Station, including but not limited to The Nexus, all sub-brands and content within.

● Matt Symons will invest $350,000 over 4 months, in 3 development milestones. If both parties agree, Matt can option to purchase another an additional 10% from Laguna Labs in order to fund the next development phase of the project

● This corporation may convert assets in the future to an autonomous organizational model – any future governance token or organization will be divided according to the shares of this corporation.

● Fleek will support the infrastructure, including development on Internet Computer, hosting with IPFS and other core area services. Fleek will be given a floor in the Governance Building for meetings and other metaverse needs, along with the Crown Club; a private club only open to "those who wear the Crown". These are both NFT assets which may be customized and sold at any time.

Payment Schedule

Payment will be issued by the investor into a wallet owned by Laguna Labs at the beginning of each milestone. This will cover software development, content and artwork, hosting and all service expenses for the duration of this portion of the project.

Milestone 1

Start November 1st $150,000 paid on start
End January 15th (10 weeks)

Deliverables
1. Cryptosabers (developed and ready for launch)
2. Nexus Plaza
3. Character Creator / Avatars Set

4. Website and branding

Milestone 2
Start January 15th $100,000 paid on start
End March 1st (6 weeks)

Deliverables
1. The Towers
2. The Black Sun Club
3. Fleek Crown Club

Milestone 3
Start March 1st $100,000 paid on start
End April 15th (6 weeks)

Deliverables
1. The Nexus Grand Opening
2. CTRL Arcade
3. Bar Moloko
4. Governance Building

This agreement represents a contract in good faith between Matt Symons and the Laguna Labs team.

While the exact specifics of development might change, we are confident that we can build an impressive experience within the above budget and timeline. Specific details on resources, manpower, budget and timeline will be included in appendices to this agreement.

22. LIAM further defamed SHAW and LEA by accusing them of forging the Postmoney Safe agreement, and telling third parties that SHAW stole Cross-Defendants' intellectual property ("IP") – after LIAM had signed over all IP in the Token PA.

23. In response to LIAM'S and Cross-Defendants' defamatory statements, breaches of contract, and breaches of fiduciary duties to SHAW and LEA, LEA sent LIAM a request to refund the money she paid to MCCI.

24. Four months after LIAM / LAGUNA LABS signed the Token PA, he accessed Google Drives associated with SHAWS new company and deleted all of the files, including all 3D artwork, code, and backups of everything. This was the primary work drive of SHAW's new company and LIAM's conduct set the company back significantly. In addition, LIAM has slandered SHAW to more than twenty professional colleagues, clients and business partners, specifically claiming that SHAW "embezzled money from his company so he had to fire me".

25. LIAM misappropriated IP that SHAW and his girlfriend created at Hackathon. LIAM was at the Hackathon but contributed no work to the project which may be found here: https://www.youtube.com/watch?v=DMkQu7npdGU SHAW and his girlfriend did not assign to LIAM or any Cross-Defendants any rights to this project, but LIAM immediately took the project and pitched it for investment as his own project for a company that SHAW and his girlfriend had no part in and proceeded to display it on YouTube and his website as though it was his own product.

26. As a result of LIAM's and all Cross-Defendants malfeasance, LIAM has suffered serious reputational damage resulting in lost clients, lost employees, lost investment, lost grants, and lost relationships of all kinds. LIAM messaged almost everyone he and SHAW mutually know and told them that SHAW was "embezzling money from the company to buy cocaine" and variations on that. Most people who are close to SHAW saw through it, but many people who are not as close did not want to take the risk that his false accusations against SHAW are true.

II. CAUSES OF ACTION

FIRST CAUSE OF ACTION

(Conversion)

27. The s reallege and incorporate by reference the allegations contained in the preceding paragraphs and following paragraphs.

28. Cross-Defendants wrongfully exercised control over Cross-Complainants' property, and in doing so committed Conversion.

29. Per the Token PA, Cross-Complainants own and have a right to possess the code for the character creator, as well as the client lists, employee lists, training materials, and other proprietary information and materials. Cross-Defendants substantially interfered with Cross-

Complainants' property, namely LEA's 2.0 BitCoin investment, and SHAW's character creator code, by knowing and intentionally deleting and / or taking possession of the character creator code they had assigned. Under the Token PA, Cross-Defendants assigned all rights and consented consent to SHAW acquiring the character creator code and other IP, and also consented to SHAW using the character creator with WEBAVERSE.

30. SHAW was harmed, by among other things, through the loss of competitive advantage, lost productivity, and lost business. Cross-Defendants' conduct was a substantial factor in causing Cross-Complainants' harm.

31. Cross-Defendants, and each of them, have caused Cross-Complainant's damages through their conversion of Cross-Complainants property by taking possession and dominion over LEA's investment funds and SHAW's character creator code. Cross-Complainants have suffered substantial damages, the precise amount of which will be the subject of proof at the time of trial.

32. Cross-Defendants deliberately and knowingly deleted Cross-Complainants' character creator code after assigning all rights thereto, and to Cross-Defendants' competitive advantage and financial benefit. In doing so, Cross-Defendants have acted with malice, oppression, and fraud. Accordingly, Cross-Complainants will seek an award of punitive damages against Cross-Defendants, and each of them, at the time of trial.

33. Cross-Defendants' wrongful conduct has caused Cross-Complainants' substantial and irreparable harm. Accordingly, Cross-Complainants seek injunctive relief from this court to prevent or at least minimize the irreparable harm Cross-Complainants will suffer if Cross-Defendants are not restrained from using, distributing, or selling s' intellectual property, trade secrets, and personal property.

SECOND CAUSE OF ACTION

(Violation of California's Uniform Trade Secrets Act [Cal. Civ. Code § 3426, et. seq.])

34. The Cross-Complainants reallege and incorporate by reference the allegations contained in the preceding paragraphs and following paragraphs.

35. Cross-Complainant SHAW was the rightful owner of the client list, employee list, training materials, character creator code and avatars that were created from it. The code was developed by SHAW or was otherwise assigned to him under the Token PA, was proprietary because it constituted a program that Cross-Defendants did not make available to the public, was a trade secret at the time Cross-Defendants deleted the code and other IP, and was misappropriated by the Cross-Defendants when they improperly accessed and deleted the code and IP after assigning rights thereto to SHAW.

36. Cross-Defendants' breach of the Token PA, misappropriation of the code, and other IP materials caused Cross-Complainants' harm, and as a result Cross-Defendants were unjustly enriched because they received consideration in exchange for assigning the IP rights to SHAW.

37. Cross-Defendants improperly deleted SHAW's IP from his servers without permission, and Cross-Defendants' conduct was a substantial factor in causing s' harm, namely the loss of time, resources, and business opportunities.

38. Furthermore, Cross-Defendants' misappropriation of Cross-Complainants' trade secrets will continue to cause Cross-Complainants' substantial damages consisting of financial losses and loss of competitive advantage. The amount of damages will be subject to proof at the time of trial.

39. Cross-Complainants are informed and believe and thereon allege that Cross-Defendants' misappropriation and deletion of IP that it had assigned to SHAW was willful and malicious. Accordingly, under Cal. Civ. Code § 3426.4, the Court may award reasonable attorney's fees and costs to s, including a reasonable sum to cover the services of any expert witnesses.

40. By misappropriating Cross-Complainants' trade secrets, Cross-Defendants are guilty of malice, oppression, and fraud. Accordingly, Cross-Complainants, in addition to their actual damages, seek to recover an award of punitive damages from Cross-Defendants.

THIRD CAUSE OF ACTION
(Unfair Competition)

41. Cross-Complainants reallege and incorporate by reference the allegations contained in the preceding paragraphs and following paragraphs.

42. Cross-Defendants, and each of them, have engaged in and continue to engage in unfair competition against Cross-Complainant's, including impersonating them, stealing their clients, interfering with investor relations, violating trademarks, usurping trade secrets, utilizing or destroying Cross-Complainants' intellectual property, and defrauding them through investment agreements.

43. As discussed above, the Cross-Defendants made false statements about Cross-Complainants to investors, the wider Metaverse community, and the public at large in a successful effort to damage Cross-Complainant's standing in the marketplace and cause lost business. Cross-Defendants also committed unfair business practices, by taking advantage of Cross-Complainants' resources, including deleting IP that Cross-Defendants had assigned under the Token PA.

44. Based on the foregoing, Cross-Complainants seek an order from this court requiring Cross-Defendants to disgorge the value of what they have taken from Cross-Complainants and restore to Cross-Complainants their investment funds, their intellectual property, trade secrets, personal property, and all benefit Cross-Defendants have secured through their unlawful, unfair, and fraudulent business acts.

45. Cross-Defendants' unfair competition and violations of the UCL have caused and will continue to cause s substantial and irreparable harm that cannot be remedied solely through an award of damages. Accordingly, s request that this court grant them equitable relief, including a temporary restraining order and a preliminary injunction prohibiting selling, and profiting in any way from their use of s' intellectual property, trade secrets, know how, and property, including the character creator code that Cross-Defendants deleted.

FOURTH CAUSE OF ACTION

(Defamation Per Se)

45. Cross-Complainants reallege and incorporate by reference the allegations contained in the preceding paragraphs and following paragraphs.

46. Between August 2022 and April 20, 2023, LIAM has contacted third persons, including investors, business associates, and acquaintances, and made various false statements with the intent to injure SHAW's professional reputation and obtain an unfair advantage over SHAW's businesses and related opportunities. This included statements that Cross-Defendants fired SHAW for embezzling money to purchase cocaine, that LEA and SHAW had forged the Postmoney Safe agreement that LIAM DocuSigned on behalf of MCCI, that LEA's investment was instead monies she transferred to pay off alleged business debts incurred by SHAW, and related false statements.

47. The aforementioned statements Cross-Defendants made to third persons, were false and clearly intended to injure the Cross-Complainants' personal and professional reputations and business. On its face, these statements tend to injure a person's professional reputation and standing in the community.

48. As a result of Cross-Defendants' defamatory statements, Cross-Complainants have suffered general harm to their reputations and special damages in the amount according to proof at the time of trial. Further, the aforementioned statements were made by Cross-Defendants with malice, in particular with knowledge that they were false, including but not limited to disavowing a legitimately signed contract, or with a reckless disregard for their truth or falsity. They were made with the intent to harm Cross-Complainants' standing within the Metaverse business community and general community. Accordingly, Cross-Complainants are entitled to an award of exemplary and punitive damages against Cross-Defendants, and each of them.

FIFTH CAUSE OF ACTION

(Breach of Contract)

49. Cross-Complainants reallege and incorporate by reference the allegations contained in

50. LIAM signed the Postmoney Safe on behalf of MCCI.

51. Cross-Complainants have performed all conditions, covenants, and promises on their part to be performed in accordance with the terms and conditions of the Postmoney Safe.

52. Cross-Complainants were damaged by Cross-Defendants breaches through, among other things, loss of investment, conversion of funds, loss of revenue, loss of profits, and damage to reputation, in the minimum amount of $100,000.00 plus other damages subject to proof at trial.

53. WHEREFORE, pray for judgment as set forth below.

SIXTH CAUSE OF ACTION

(Fraud)

54. Cross-Complainants repeat, reallege, and incorporate herein by reference all prior paragraphs of this Cross-Complaint.

55. Applicable law indicates that “Fraud is an intentional tort; it is the element of fraudulent intent, or intent to deceive, that distinguishes it from actionable negligent misrepresentation and from nonactionable innocent misrepresentation. It is the element of intent which makes fraud actionable, irrespective of any contractual or fiduciary duty one party might owe to the other.” (City of Atascadero v. Merrill Lynch, Pierce, Fenner & Smith (1998) 68 Cal.App.4th 445, 482 [80 Cal.Rptr.2d 329]).

56. Cross-Defendants misled the Cross-Complainants by fraudulently inducing them to invest in MCCI.

57. Cross-Complainants justifiably relied on the Cross-Defendants' misrepresentations, concealment, and nondisclosures regarding the formation of MCCI and purposes of the purported investment therein. Cross-Complainants did not have knowledge of any facts concealed by the Cross-Defendants.

58. Cross-Defendants intended to deceive the Cross-Complainants by concealing the facts about the formation and operations of MCCI.

59. As a direct and proximate cause, Cross-Complainants have suffered and continue to suffer general and special damages, including but not limited to lost funds, revenue, lost investment opportunities, and lost profits due to Cross-Defendants' unfair, deceptive, and illegal activities.

60. As a result of the above alleged acts, Cross-Complainants suffered economic harm in the amount of $100,000 proximately caused by the acts of the Cross-Defendants.

61. Cross-Defendants' scheme, as alleged herein is "fraudulent' in that it is knowingly calculated and likely to mislead.

62. WHEREFORE, pray for judgment as set forth below.

SEVENTH CAUSE OF ACTION

(Money Had and Received)
(Against All Cross-Defendants)

63. Cross-Complainants repeat, reallege, and incorporate herein by reference all prior paragraphs of this Cross-Complaint.

64. Cross-Defendants LIAM and MCCI received money that was intended to be used for the benefit of MCCI and Cross-Complainants.

65. Cross-Defendants did not use the money for the benefit of MCCI or Cross-Complainants. Cross-Defendants used the money they received for their own personal benefit.

66. Cross-Complainants demanded return of the investment money, but Cross-Defendants have refused to return the funds.

67. The sums alleged herein above remain due and owing to Cross-Complainants, although demand for payment of the sums has been made, and there remains now due and owing and unpaid from Cross-Defendants a sizeable amount, which exceeds the sum of $100,000, the total amount to be proved at trial.

68. WHEREFORE, Cross-Complainants pray for judgment as set forth below.

EIGHTH CAUSE OF ACTION

(Unfair Competition – Bus. & Prof. Code §§ 17200-17210)
(Against All Cross-Defendants)

69. Cross-Complainants repeats, realleges, and incorporates herein by reference all prior paragraphs of this Complaint.

70. California Business and Professions Code § 17200 provides:

a. "As used in this chapter, unfair competition shall mean and include any unlawful or fraudulent business act or practice and unfair deceptive, untrue, or misleading advertising any act prohibited by Chapter 1 (commencing with section 17500) of Part 3 of Division 7 of the Business and Professions Code."

71. California Business and Professions Code § 17204 provides that an action for violation of California's unfair competition law may be brought by persons who have suffered injury in fact and have lost money or property as a result of such unfair competition and § 17203 provides that a court may grant injunctive and equitable relief to such persons.

72. The unlawful conduct of the Cross-Defendants alleged here are acts of unfair competition under California Business and Professions Code § 17200, et. seq., for which the Cross-Defendants are liable and for which this Court should issue equitable and injunctive relief, including restitution, pursuant to California Business and Professions Code § 17203.

73. Through their conduct, Cross-Defendants have engaged in unfair business practices in California by employing and utilizing the practices complained of herein. Cross-Defendants' use of such unfair business practices constitutes unfair competition that has provided and continues to provide Cross-Defendants with an unfair advantage over their competitors.

74. Cross-Defendants’ conduct as alleged herein is unlawful, unfair, and fraudulent. Cross-Defendants' conduct as alleged herein is "unlawful" in that, among other things, it violates the contractual and legal duties they owe to Cross-Complainants. Cross-Defendants’ conduct was unlawful in that it breached the Non-Competition Agreement and violated numerous statutes, as alleged herein.

75. Cross-Defendants’ conduct as alleged herein is also "unfair" because among other things, it seeks to nullify the policies underlying every contract, including the duty to act in good faith and because Cross-Defendants acted in a manner to derogate laws, rules, and regulations that other competitors abide by, thereby creating an uneven and unfair competitive landscape.

76. Cross-Defendants' scheme, as alleged herein is also "fraudulent' in that it is knowingly calculated and likely to mislead.

77. Cross-Defendants had actual knowledge of their lawful, contractual and fiduciary obligations and breaches but have taken steps and continue to take steps to conceal that information from the Cross-Complainants.

78. Cross-Complainants have and will suffer injuries in fact and lose monies as a result of Cross-Defendants’ conduct more specifically alleged above.

79. Cross-Complainants has employed counsel to represent it in the prosecution of this cause of action and have and will continue to incur attorney's fees in connection therewith. Cross-Complainants will seek an award of reasonable attorney's fees, to the maximum extent allowed by law, should Cross-Complainants prevail in this action.

80. Any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction. The court may make such orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use by any person of any practice that constitutes unfair competition, as defined in Chapter 5 of Part II, Division 7 (commencing with Section 17200) of the Business and Professions Code, or as may be necessary to restore to any person in interest any money or property, real or personal, that may have been acquired by means of the unfair competition (Bus. & Prof. Code § 17203). An action for an unlawful business practice may be based on the violation of virtually any state, federal, or local law, unless the Cross-Defendants' conduct is privileged, the Cross-Defendants' conduct is immunized by another statute, or the underlying statute expressly bars its enforcement under the unfair competition statute (Stevens v. Superior Court (1999) 75 Cal. App. 4th 594, 603–604, 89 Cal. Rptr. 2d 370).

81. Here, no Cross-Defendants' conduct is privileged; no Cross-Defendants' conduct is immunized by another statute; and no underlying statute expressly bars its enforcement under the unfair competition statute.

82. As used in Chapter 5 of Part II, Division 7 (commencing with Section 17200), of the Business and Professions Code, unfair competition shall mean and include any unlawful, unfair, or fraudulent business act or practice, and unfair, deceptive, untrue, or misleading advertising and any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code (Bus. & Prof. Code § 17200).

83. Cross-Defendants' conduct is willful, intentional, malicious, and inexcusable, and warrants an award of punitive damages to deter such conduct. However, intent to engage in an unlawful business practice is not an element of unfair competition violation (Hewlett v. Squaw Valley Ski Corp. (1997) 54 Cal. App. 4th 499, 520, 63 Cal. Rptr. 2d 118). Thus, even if Cross-Defendants did not intend to violate Bus. & Prof. Code § 17200 et seq., they are still liable for their actions as alleged above.

84. WHEREFORE, pray for judgment as set forth below.

NINTH CAUSE OF ACTION

(Unjust Enrichment)
(Against All Cross-Defendants)

85. repeats, realleges, and incorporates herein by reference all prior paragraphs of this Complaint.

86. Cross-Defendants and each of them were unjustly enriched by Cross-Defendants conduct as alleged hereinabove.

87. Clients' misappropriation of the Cross-Complainants' funds and IP caused all Cross-Defendants to receive a benefit that they otherwise would not have achieved; Client benefited by receiving the investment funds and receiving consideration for the IP they assigned but later deleted.

88. The value of all the Cross-Defendants' benefit that would not have been achieved except for their misappropriation of the Cross-Complainants' money, resources, IP, and business opportunities.

89. WHEREFORE, pray for judgment as set forth below.

IV. PRAYER FOR RELIEF

1. For the sum of $100,000 with interest thereon at the legal rate from and after August 26, 2021 until paid;

2. For general damages according to proof;

3. For special damages according to proof;

4. For exemplary and punitive damages against Cross-Defendants to deter such conduct;

5. For an award of reasonable attorney's fees and costs; and

5. For such other and further relief as the court may deem proper.

DEMAND FOR JURY TRIAL

Cross-Complainants request a trial by jury on all claims so triable.

Dated April 20, 2023.

CHAPMAN LAW GROUP, A.P.C.

David T. Chapman
Attorney for Shaw Walters and
Lea Walters

EXHIBIT A

Metaverse Construction Company Inc - **Lea Walters Postmoney Safe**

THIS CERTIFIES THAT in exchange for the payment by Lea Walters (the "**Investor**") of $100,000 as 2.0 BitCoin valued at $50,000 each (the "**Purchase Amount**") on or about August 24nd, 2021, Metaverse Construction Company Inc., a Delaware corporation (the "**Company**"), issues to the Investor the right to certain shares of the Company's Capital Stock, subject to the terms described below.

The "**Discount Rate**" is 80%.

See **Section 2** for certain additional defined terms.

1. *Events*

(a) **Equity Financing**. If there is an Equity Financing before the termination of this Safe, on the initial closing of such Equity Financing, this Safe will automatically convert into the number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Discount Price.

In connection with the automatic conversion of this Safe into shares of Safe Preferred Stock, the Investor will execute and deliver to the Company all of the transaction documents related to the Equity Financing; *provided,* that such documents (i) are the same documents to be entered into with the purchasers of Standard Preferred Stock, with appropriate variations for the Safe Preferred Stock if applicable, and (ii) have customary exceptions to any drag-along applicable to the Investor, including (without limitation) limited representations, warranties, liability and indemnification obligations for the Investor.

(b) **Liquidity Event**. If there is a Liquidity Event before the termination of this Safe, this Safe will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) below) to receive a portion of Proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of (i) the Purchase Amount (the "**Cash-Out Amount**") or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (the "**Conversion Amount**"). If any of the Company's securityholders are given a choice as to the form and amount of Proceeds to be received in a Liquidity Event, the Investor will be given the same choice, *provided* that the Investor may not choose to receive a form of consideration that the Investor would be ineligible to receive as a result of the Investor's failure to satisfy any requirement or limitation generally applicable to the Company's securityholders, or under any applicable laws.

Notwithstanding the foregoing, in connection with a Change of Control intended to qualify as a tax-free reorganization, the Company may reduce the cash portion of Proceeds payable to the Investor by the amount determined by its board of directors in good faith for such Change of Control to qualify as a tax-free reorganization for U.S. federal income tax purposes, provided that such reduction (A) does not reduce the total Proceeds payable to such Investor and (B) is applied in the same manner and on a pro rata basis to all securityholders who have equal priority to the Investor under Section 1(d).

(c) **Dissolution Event**. If there is a Dissolution Event before the termination of this Safe, the Investor will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) below) to receive a portion of Proceeds equal to the Cash-Out Amount, due and payable to the Investor immediately prior to the consummation of the Dissolution Event.

(d) **Liquidation Priority**. In a Liquidity Event or Dissolution Event, this Safe is intended to operate like standard non-participating Preferred Stock. The Investor's right to receive its Cash-Out Amount is:

(i) Junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into Capital Stock);

(ii) On par with payments for other Safes and/or Preferred Stock, and if the applicable Proceeds are insufficient to permit full payments to the Investor and such other Safes and/or Preferred Stock, the applicable Proceeds will be distributed pro rata to the Investor and such other Safes and/or Preferred Stock in proportion to the full payments that would otherwise be due; and

(iii) Senior to payments for Common Stock.

The Investor's right to receive its Conversion Amount is (A) on par with payments for Common Stock and other Safes and/or Preferred Stock who are also receiving Conversion Amounts or Proceeds on a similar as-converted to Common Stock basis, and (B) junior to payments described in clauses (i) and (ii) above (in the latter case, to the extent such payments are Cash-Out Amounts or similar liquidation preferences).

(e) **Termination**. This Safe will automatically terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) immediately following the earliest to occur of: (i) the issuance of Capital Stock to the Investor pursuant to the automatic conversion of this Safe under Section 1(a); or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Section 1(b) or Section 1(c).

2. *Definitions*

"**Capital Stock**" means the capital stock of the Company, including, without limitation, the "**Common Stock**" and the "**Preferred Stock**."

"**Change of Control**" means (i) a transaction or series of related transactions in which any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities

Exchange Act of 1934, as amended), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company's board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company.

"**Direct Listing**" means the Company's initial listing of its Common Stock (other than shares of Common Stock not eligible for resale under Rule 144 under the Securities Act) on a national securities exchange by means of an effective registration statement on Form S-1 filed by the Company with the SEC that registers shares of existing capital stock of the Company for resale, as approved by the Company's board of directors. For the avoidance of doubt, a Direct Listing shall not be deemed to be an underwritten offering and shall not involve any underwriting services.

"**Discount Price**" means the lowest price per share of the Standard Preferred Stock sold in the Equity Financing multiplied by the Discount Rate.

"**Dissolution Event**" means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company's creditors or (iii) any other liquidation, dissolution or winding up of the Company (**excluding** a Liquidity Event), whether voluntary or involuntary.

"**Dividend Amount**" means, with respect to any date on which the Company pays a dividend on its outstanding Common Stock, the amount of such dividend that is paid per share of Common Stock multiplied by (x) the Purchase Amount divided by (y) the Liquidity Price (treating the dividend date as a Liquidity Event solely for purposes of calculating such Liquidity Price).

"**Equity Financing**" means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells Preferred Stock at a fixed valuation, including but not limited to, a pre-money or post-money valuation.

"**Initial Public Offering**" means the closing of the Company's first firm commitment underwritten initial public offering of Common Stock pursuant to a registration statement filed under the Securities Act.

"**Liquidity Event**" means a Change of Control, a Direct Listing or an Initial Public Offering.

"**Liquidity Price**" means the price per share equal to the fair market value of the Common Stock at the time of the Liquidity Event, as determined by reference to the purchase price payable in connection with such Liquidity Event, multiplied by the Discount Rate.

"**Proceeds**" means cash and other assets (including without limitation stock consideration) that are proceeds from the Liquidity Event or the Dissolution Event, as applicable, and legally available for distribution.

"**Safe**" means an instrument containing a future right to shares of Capital Stock, similar in form and content to this instrument, purchased by investors for the purpose of funding the Company's business operations. References to "this Safe" mean this specific instrument.

"**Safe Preferred Stock**" means the shares of the series of Preferred Stock issued to the Investor in an Equity Financing, having the identical rights, privileges, preferences and restrictions as the shares of Standard Preferred Stock, other than with respect to: (i) the per share liquidation preference and the initial conversion price for purposes of price-based anti-dilution protection, which will equal the Discount Price; and (ii) the basis for any dividend rights, which will be based on the Discount Price.

"S**tandard Preferred Stock**" means the shares of a series of Preferred Stock issued to the investors investing new money in the Company in connection with the initial closing of the Equity Financing.

3. ***Company Representations***

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.

(b) The execution, delivery and performance by the Company of this Safe is within the power of the Company and has been duly authorized by all necessary actions on the part of the Company (subject to section 3(d)). This Safe constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To its knowledge, the Company is not in violation of (i) its current certificate of incorporation or bylaws, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material debt or contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.

(c) The performance and consummation of the transactions contemplated by this Safe do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material debt or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien on any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.

(d) No consents or approvals are required in connection with the performance of this Safe, other than: (i) the Company's corporate approvals; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary corporate approvals for the authorization of Capital Stock issuable pursuant to Section 1.

(e) To its knowledge, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.

4. *Investor Representations*

(a) The Investor has full legal capacity, power and authority to execute and deliver this Safe and to perform its obligations hereunder. This Safe constitutes valid and binding obligation of the Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(b) The Investor is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act, and acknowledges and agrees that if not an accredited investor at the time of an Equity Financing, the Company may void this Safe and return the Purchase Amount. The Investor has been advised that this Safe and the underlying securities have not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Investor is purchasing this Safe and the securities to be acquired by the Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

5. *Miscellaneous*

(a) Any provision of this Safe may be amended, waived or modified by written consent of the Company and either (i) the Investor or (ii) the majority-in-interest of all then-outstanding Safes with the same "Post-Money Valuation Cap" and "Discount Rate" as this Safe (and Safes lacking one or both of such terms will be considered to be the same with respect to such term(s)), *provided that* with respect to clause (ii): (A) the Purchase Amount may not be amended, waived or modified in this manner, (B) the consent of the Investor and each holder of such Safes must be solicited (even if not obtained), and (C) such amendment, waiver or modification treats all such holders in the same manner. "Majority-in-interest" refers to the holders of the applicable group of Safes whose Safes have a total Purchase Amount greater than 50% of the total Purchase Amount of all of such applicable group of Safes.

(b) Any notice required or permitted by this Safe will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.

(c) The Investor is not entitled, as a holder of this Safe, to vote or be deemed a holder of Capital Stock for any purpose other than tax purposes, nor will anything in this Safe be construed to confer on the Investor, as such, any rights of a Company stockholder or rights to vote for the election of directors or on any matter submitted to Company stockholders, or to give or withhold consent to any corporate action or to receive notice of meetings, until shares have been issued on the terms described in Section 1. However, if the Company pays a dividend on outstanding shares of Common Stock (that is not payable in shares of Common Stock) while this Safe is outstanding, the Company will pay the Dividend Amount to the Investor at the same time.

(d) Neither this Safe nor the rights in this Safe are transferable or assignable, by operation of law or otherwise, by either party without the prior written consent of the other; *provided, however*, that this Safe and/or its rights may be assigned without the Company's consent by the Investor (i) to the Investor's estate, heirs, executors, administrators, guardians and/or successors in the event of Investor's death or disability, or (ii) to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor; and *provided, further*, that the Company may assign this Safe in whole, without the consent of the Investor, in connection with a reincorporation to change the Company's domicile.

(e) In the event any one or more of the provisions of this Safe is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Safe operate or would prospectively operate to invalidate this Safe, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Safe and the remaining provisions of this Safe will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(f) All rights and obligations hereunder will be governed by the laws of the State of Delaware, without regard to the conflicts of law provisions of such jurisdiction.

(g) The parties acknowledge and agree that for United States federal and state income tax purposes this Safe is, and at all times has been, intended to be characterized as stock, and more particularly as common stock for purposes of Sections 304, 305, 306, 354, 368, 1036 and 1202 of the Internal Revenue Code of 1986, as amended. Accordingly, the parties agree to treat this Safe consistent with the foregoing intent for all United States federal and state income tax purposes (including, without limitation, on their respective tax returns or other informational statements).

(*Signature page follows*)

IN WITNESS WHEREOF, the undersigned have caused this Safe to be duly executed and delivered.

Metaverse Construction Company Inc.

Signature:
DocuSigned by:
FDDBA97831C247B...

Date: 8/26/2021

Name: **William D Collins-Broza**
CTO and Co-Founder
Address:
30872 Calle Moraga
Laguna Niguel CA 92677
Email: liam.broza@metaconstruct.co

Investor

Signature:
DocuSigned by:
Lea Walters
160DD2DB1B38447...

Date: 8/25/2021

Name: **Lea Walters**
Address:
23 Sienna Way
San Rafael CA 94901
Email:
leawalters2013@gmail.com

EXHIBIT B

Freeside Station Group

Simple Token Purchase Agreement

THIS CERTIFIES THAT in exchange for the payment by the undersigned purchaser (the "***Purchaser***") of $350,000 USD (the "***Purchase Amount***") in a series of tranches as set out below, LAGUNA LABS LLC at 30872 Calle Moraga Laguna Niguel, California 92677 (the "**Company**"), hereby issues to the Purchaser the right (the "***Right***") to certain units in Freeside Station (the "***Token***") upon Network Launch of the Freeside Station.

The Company acknowledges that the Right acquired by the Purchaser includes the right to any related royalties, tokens, governance rights and ownership of intellectual property in equal proportion to the percentage of Tokens allocated to the Purchaser.

Upon the Freeside Station Network Launch, the Purchaser shall receive Freeside Station tokens equal to 20% of the total token supply. The Purchaser acknowledges and accepts that this 20% token allocation will be subject to the same vesting schedule as that applied to the rest of the founding team.

The Business Proposal attached below sets out additional details around the key project milestones, payment tranches and deliverables.

Laguna Labs agrees to accept payment for the Right purchased under this agreement in either USDC or ICP to be made on each of the key milestone dates.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed and delivered.

Laguna Labs LLC

Signature: William Broza

Date: 10/27/2021

Liam Broza
Title: Director

Address: 30872 Calle Moraga Laguna Niguel, California 92677
Email: liam@lagunalabs.io

PURCHASER:
Makinti Pty Ltd ATF Symons Family Trust

Signature:

Date: 10/28/2021

Matt Symons
Title: Director

Address: Suite 405, 410 Elizabeth Street Surrey Hills 2010
Email: matt.symons100@gmail.com

Freeside Station Group
Business Proposal

- Freeside Station Group intends to form as a DAO with the following ownership percentages, covering any related royalties, tokens, governance rights and ownership of intellectual property. This will be issued to members of the Laguna Labs team, along with Matt Symons and Harrison Hines, as investors in the project.

    - 20% - Matt Symons
    - 2.5% - Harrison Hines and to be distributed to Fleek team
    - 7.5% - Donation to XRFoundation
    - 70% - Shaw Walters, Liam Broza and to be distributed to Laguna Labs team

- The domain of the corporation's intellectual property includes all brands, artwork and content contained within the virtual and conceptual space of Freeside Station, including but not limited to The Nexus, all sub-brands and content within.
- Matt Symons will invest $350,000 over 4 months, in 3 development milestones. If both parties agree, Matt can option to purchase another an additional 10% from Laguna Labs in order to fund the next development phase of the project
- This corporation may convert assets in the future to an autonomous organizational model -- any future governance token or organization will be divided according to the shares of this corporation.
- Fleek will support the infrastructure, including development on Internet Computer, hosting with IPFS and other core area services. Fleek will be given a floor in the Governance Building for meetings and other metaverse needs, along with the Crown Club; a private club only open to "those who wear the Crown". These are both NFT assets which may be customized and sold at any time.

Payment Schedule

Payment will be issued by the investor into a wallet owned by Laguna Labs at the beginning of each milestone. This will cover software development, content and artwork, hosting and all service expenses for the duration of this portion of the project.

Milestone 1

Start November 1st $150,000 paid on start

End January 15th (10 weeks)

Deliverables

1. Cryptosabers (developed and ready for launch)
2. Nexus Plaza
3. Character Creator / Avatars Set
4. Website and branding

Milestone 2

Start January 15th $100,000 paid on start

End March 1st (6 weeks)

Deliverables

1. The Towers
2. The Black Sun Club
3. Fleek Crown Club

Milestone 3

Start March 1st $100,000 paid on start

End April 15th (6 weeks)

Deliverables

1. The Nexus Grand Opening
2. CTRL Arcade
3. Bar Moloko
4. Governance Building

This agreement represents a contract in good faith between Matt Symons and the Laguna Labs team. While the exact specifics of development might change, we are confident that we can build an impressive experience within the above budget and timeline. Specific details on resources, manpower, budget and timeline will be included in appendices to this agreement.