

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

Index No. _____/2018
Filing Date: October __, 2018

CLARITY LLC,

Plaintiff

-against-

CG BLOCKCHAIN, INC.

Defendant

SUMMONS

Plaintiff designate New York County as the place of trial
The basis of venue is Defendant's place of business.

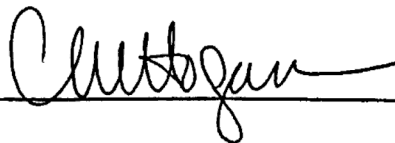
To the above-named Defendant:

YOU ARE HEREBY SUMMONED to answer the verified complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

The basis of venue is Plaintiff's place of business is located in New York County at 77 Water Street, Suite 700, New York, NY 10005.

Dated: Port Washington, NY
October 19, 2018

HOGAN LAW OFFICE, P.C.



Christine M. Hogan
Attorney for Plaintiff
191 Main Street Suite 123
Port Washington, NY 11050
(516) 274-3250

To: CG Blockchain, Inc.
77 Water Street Unit 700
New York, NY 10005

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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CLARITY LLC,

Plaintiff

Index No. _____/2018

-against-

VERIFIED
COMPLAINT

CG BLOCKCHAIN, INC.

Defendant

-----X

Plaintiff, by its attorneys, HOGAN LAW OFFICE, P.C., as and for its Complaint against Defendant, alleges, upon information and belief, as follows:

PARTIES

1. At all times material, the Plaintiff was and is now a limited liability company organized and existing under and by virtue of the laws of the State of New York, and Plaintiff conducts business in the State of New York at its office and principal place of business at 8 West 38th Street, Suite 502, New York, NY 10018.

2. Defendant CG Blockchain, Inc. ("CG Blockchain") was, and still is, a corporation incorporated and existing under and by virtue of the laws of the State of New York, and conducts business in the State of New York, with its office and principal place of business at 77 Water Street, Suite 700, New York, NY 10005 and 253 West 28th St. 4th Floor, New York, NY 10001.

JURISDICTION AND VENUE

3. The events giving rise to this action involve services rendered to the Defendant by the Plaintiff.

4. Venue in the County of New York is proper because it is the county of the Defendant's place of business.

5. This Court has jurisdiction over the Defendant by virtue of the CPLR § 301 and § 302.

6. This is an action to recover from the Defendant the balance due for services provided and delivered to the Defendant, together with applicable interest and costs. The amount demanded exceeds the jurisdiction of all lower courts.

BACKGROUND

7. Plaintiff is a staffing firm that provides placement and payroll services (including the payment of wages directly to employees, payment of relevant taxes, withholdings, insurance and workers' compensation obligations – such payroll services hereinafter collectively referred to as “Related Services”), related to temporary employees with its clients for monetary fees.

8. On or about January 31, 2018, Defendant, by Edith Pardo Mehler, its Managing Director, executed and delivered to Plaintiff, a contract (the “Contract”) whereby Plaintiff agreed to undertake to provide Defendant with temporary employees and to conduct all Related Services thereto, at Defendant's request and in consideration for agreed upon fees. A true copy of the Contract is annexed hereto as Exhibit A.

9. On or about March 10, 2018, and pursuant to the Contract and at Defendant's request, Plaintiff employed Stella Ietta (“Ietta”) to provide services as a temporary Human Resources Manager to Defendant and subsequently added Ietta to Plaintiff's payroll and began paying for all Related Services related thereto.

10. Beginning on March 31, 2018 and through August 6, 2018, Plaintiff invoiced Defendant, consistent with the Contract, for continued services rendered to Defendant by Plaintiff, for a total aggregate for fees and reimbursements in the amount of \$149,955.76. True copies of all unpaid invoices and related timecards are attached hereto as Exhibit B.

11. Of the \$149,955.76 due, \$81,472.21 was paid out by Plaintiff in wages and costs of Related Services; \$33,3483.55 represents the fee due to Clarity for services related to the placement of the temporary employee; and \$30,000 represents the conversion fee owed when Ietta became a permanent employee of Defendant, all in accordance with the Contract.

12. Defendant received all Invoices without protest or objection and has conceded orally that it acknowledges the amount due.

13. Although payment thereof was duly demanded, only \$5,000 of the fee has been paid to date.

FIRST CAUSE OF ACTION
Breach of Contract

14. Plaintiff repeats and realleges the allegations set forth above as though set forth in full herein.

15. The Contract constitutes a valid and binding contract, enforceable against both Plaintiff and Defendant.

16. Plaintiff fully performed its obligations under the Agreement by providing temporary employees and related services to the Defendant.

17. Plaintiff's further demands and inquiries notwithstanding, Defendant has failed to perform, and comply with, the terms of the Contract, and has thereby breached the Contract, by failing to pay the total amount due pursuant to the unpaid invoices and as of the date hereof, Clarity has been damaged in an amount of \$144,955.76, plus interest and plus reasonable attorneys' fees and costs of this action.

SECOND CAUSE OF ACTION
Unjust Enrichment

18. Plaintiff repeats and realleges paragraphs the allegations set forth above as though set forth in full herein.

19. At the express request of Defendant, Plaintiff performed services on behalf of Defendant and Plaintiff paid to Jetta hourly wages and also paid all Related Costs on behalf of Defendant, in which the fair and reasonable value of such services and costs is \$149,955.76.

20. As a result of Defendant's failure to pay the reasonable value and agreed price of the temporary-employment services rendered and performed by Plaintiff and Defendant's failure to reimburse Plaintiff for payment of wages and costs of Related Services, Defendant has been unjustly enriched in the sum of \$144,955.76, after accounting for the \$5,000 payment previously made by Defendant, and has become indebted to Plaintiff in the amount of \$144,955.76.

21. Plaintiff has demanded payment from Defendant for the total amount due and Defendant has failed, refused, and neglected to pay Plaintiff.

22. By reason of the foregoing, Plaintiff is entitled to recover damages in *quantum meruit* against Defendant in the sum of \$144,955.76, plus interest and plus reasonable attorneys' fees and costs of this action.

THIRD CAUSE OF ACTION
Account Stated

23. Plaintiff repeats and realleges the allegations set forth above as set forth in full herein.

24. Every week from March 31, 2018 through August 6th, 2018, Plaintiff sent to Defendant invoices reflecting the balance due and on or about August 14, 2018 and August 21, 2018, Plaintiff mailed to Defendant, by certified mail return receipt requested, a Statement of Account which showed an aggregate balance due and owing to the Plaintiff by Defendant CG Blockchain in the sum of \$149,955.76, representing the then entire unpaid amount due and owing to Plaintiff for the services the Plaintiff rendered and performed for Defendant. A true copy of the Statement of Account previously sent to Defendant is attached hereto as Exhibit C.

25. The Statement of Account has been delivered to Defendant by the Plaintiff and was received and accepted by Defendant without any objection by Defendant and further, Defendant has acknowledged as valid the outstanding amount due to Plaintiff.

26. Plaintiff has demanded payment from Defendant, after all payments and credits applied thereto, the sum of \$144,955.76 and Defendant has failed, refused, and neglected to pay Plaintiff.

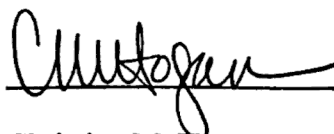
27. By reason of the foregoing, Plaintiff is entitled to recover damages in Account Stated against Defendant CG Blockchain in the sum of \$144,955.76 plus interest and plus reasonable attorneys' fees and costs of this action.

WHEREFORE, Plaintiff demands a Judgment of this Court in its favor against the Defendant for:

- (a) Compensatory damages on its First, Second and Third Cause of Actions in the sum of \$144,955.76, together with an award of interest at the statutory rate from June 5, 2018;
- (b) The costs and disbursements of this action, including reasonable attorneys' fees; and
- (c) Such other and further relief as the Court deems just, proper and equitable.

Dated: Port Washington, NY
October 16, 2018

HOGAN LAW OFFICE, P.C.



Christine M. Hogan
Attorney for Plaintiff
191 Main Street. Suite 123
Port Washington, NY 11050
(516) 274-3250

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) SS.:

Moira D. Dorst, being duly sworn, deposes and says: deponent is the Chief Executive Officer of CLARITY LLC, Plaintiff in the within action; deponent has read the foregoing Complaint and knows the contents thereof; the same is true to deponent's own knowledge, except as to matters therein alleged upon information and belief, and as to those matters deponent believes them to be true.

[Handwritten signature of Moira D. Dorst]

Name: Moira D. Dorst
Title: Chief Executive Officer

Sworn to before me this

16 day of October, 2018.

[Handwritten signature of Amber Jahira Vazquez]
Notary Public

