

1 Padraic I. McCoy
2 Tilden McCoy + Dilweg LLP
3 13310 Maxella Ave., Unit D
4 Marina Del Rey, CA 90292
5 p. (303)396-2842
6 f. (303)416-8707
7 pmccoy@tildenmccoy.com
8 Attorneys for Defendant, Jammin Java Corporation

9
10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION**

12 FIFTY-SIX HOPE ROAD MUSIC
13 LIMITED, a Bahamian corporation; and
14 HOPE ROAD MERCHANDISING, LLC,
15 a Florida limited liability company;

16 Plaintiff,

17 vs.

18 JAMMIN JAVA CORP., a Nevada
19 corporation, and DOES 1-10 company,

20 Defendants/Third-Party
21 Plaintiff

22 vs.

23 ROHAN ANTHONY MARLEY, an
24 individual

25 Third-Party Defendant

Case No.: **2:16-cv-05810**

**ANSWER TO COMPLAINT;
VERIFIED COUNTERCLAIMS
AND THIRD-PARTY COMPLAINT**

26 Plaintiff Jammin Java Corp. (“**JJC**”), through undersigned counsel, answers
27 the Complaint of Fifty-Six Hope Road Music Limited (“**56HR**”) and Hope Road
28 Merchandising, LLC (“**HRM**”), and submits the following Verified Counterclaim
against 56HR and HRM, and Third-Party Complaint against Rohan Anthony Marley,
as follows:

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

ANSWER

1
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3 In response to the numbered paragraphs of the Complaint, JJC hereby admits,
4 denies, and avers as follows:
5

6 1. The allegations in paragraphs 1 – 5 contain Plaintiffs’ preliminary
7 statement and contain background information that is not directed at JJC, and legal
8 conclusions that do not require a response. To the extent the allegations in
9 paragraphs 1 – 5 do require a response, such allegations are denied.
10

11 2. JJC admits the allegations in paragraphs 6 – 7, upon information and
12 belief.
13

14 3. JJC admits the allegations in paragraph 8 - 11.

15 4. JJC denies the allegations in paragraphs 11 – 13.

16 5. The allegations in paragraphs 14 - 20 relate to Plaintiffs’ business and
17 are not directed at JJC and do not require a response; however, to the extent a
18 response is required, JJC lacks knowledge necessary to admit or deny the allegations
19 and therefore denies the same.
20

21 6. In response to the allegations in paragraphs 21 – 27, JJC states that that
22 it entered into the Long Term License with 56HR and states that the Long Term
23 License speaks for itself. Therefore, JJC denies any allegation in paragraphs 21 – 27,
24 to the extent they are inconsistent with the terms of the Long Term License.
25

26 7. JJC admits that it sent royalty statements to JJC intermittently, but
27 affirmatively states that 56HR was aware of, and expressly consented to this and did
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)996-2842

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
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P. (303)396-2842

1 not require JJC to provide such statements. Except as otherwise admitted, JJC denies
2 the allegations in paragraphs 28.

3
4 8. JJC admits that it did always provide certified annual statements, but
5 affirmatively states that 56HR was aware of, and expressly consented to this and did
6 not require JJC to provide such statements. Except as otherwise admitted herein, JJC
7 denies the allegations in paragraph 29.

8
9 9. JJC admits that it missed certain royalty payments, but states that 56HR
10 was aware of, and expressly consented to this and did not require JJC to make full
11 payments for several years. JJC further states that the parties agreed to a different
12 payment plan in November of 2015 and that 56HR accepted payments under this plan
13 without protest or objection. With respect to the allegations regarding the payment
14 obligations set forth in the Long Term License, JJC states that the Long Term License
15 speaks for itself and denies any of allegations in paragraph 30 to the extent they are
16 inconsistent with the terms of such agreement. Except as otherwise admitted herein,
17 JJC denies the allegations in paragraph 30.

18
19
20
21 10. JJC admits that the SEC filed a formal complaint in November, 2015,
22 admits that JJC was a party to such complaint, and admits that JJC entered into a final
23 judgment and consent. JJC further admits that it was a party to a civil action
24 commenced on or about December 28, 2015. JJC states that the allegations in the
25 SEC complaint and shareholder complaint speak for themselves. JJC denies the
26 remaining allegations in paragraphs 31 – 35.
27
28

1 11. JJC admits that it approached 56HR about expanding the Long Term
2 License to include the right to license coffee houses. JJC denies the remaining
3 allegations in paragraphs 36 - 39.
4

5 12. JJC admits that 56HR provided the June 2 Breach Notice, and denies all
6 other allegations contained in paragraphs 40 – 43.
7

8 13. In response to the allegations in paragraphs 44 – 49, JJC states that the
9 Short Term License speaks for itself and denies any allegations in these paragraphs to
10 the extent they are inconsistent with the terms of the Short Term License.
11

12 14. JJC denies the allegations in paragraphs 50 – 51.

13 15. JJC admits that HRM sent the July 21 Termination Letter, states that
14 such letter speaks for itself, and denies the allegation that JJC breached the
15 agreement. Except as otherwise admitted, JJC denies the allegations in paragraph 52.
16

17 16. JJC denies the allegations and disputes the legal conclusions contained
18 in paragraphs 53 – 104.
19

20 **FIRST AFFIRMATIVE DEFENSE**

21 The Complaint fails to state a claim upon which relief can be granted.
22

23 **SECOND AFFIRMATIVE DEFENSE**

24 The claims in the Complaint are barred, in whole or in part, by the equitable
25 doctrines, of estoppel, waiver, unclean hands, and laches.
26

27 **THIRD AFFIRMATIVE DEFENSE**
28

1 The claims in the Complaint are barred, in whole or in part, by reason of
2 Plaintiffs own conduct, including its ratification, consent, and acquiescence of the
3 acts alleged in the Complaint.
4

5 **FOURTH AFFIRMATIVE DEFENSE**

6 The claims in the Complaint are barred, in whole or in part, by Plaintiffs' prior
7 material breaches of contract.
8

9 **FIFTH AFFIRMATIVE DEFENSE**

10 The claims in the Complaint are barred, in whole or in part, by Plaintiffs' own
11 negligence, fraudulent inducements, and/or wrongful and bad faith conduct.
12

13 **SIXTH AFFIRMATIVE DEFENSE**

14 The claims in the Complaint are barred, in whole or in part, because the acts
15 of JJC, as alleged in the Complaint, were done, if at all, with the consent, full
16 knowledge, and concurrence of Plaintiff.
17

18 **SEVENTH AFFIRMATIVE DEFENSE**

19 The claims alleged in the Complaint are barred, in whole or in part, because
20 failed mitigate its damages, if any, and such failure to mitigate diminishes and/or
21 bars any such recovery herein.
22

23 **EIGHTH AFFIRMATIVE DEFENSE**

24 The claims alleged in the Complaint are barred, in whole or in part, because
25 any damages, injury, and/or loss complained of by Plaintiff was caused by the
26 negligent, deliberate, intentional, reckless, wrongful and/or unlawful acts of parties
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (310)396-2842

1 other than Defendants.

2 **NINTH AFFIRMATIVE DEFENSE**

3
4 The claims alleged in the Complaint are barred, in whole or in part, by
5 applicable statutes of limitations and repose.

6 **TENTH AFFIRMATIVE DEFENSE**

7
8 The claims alleged in the Complaint are barred, in whole or in part, under the
9 doctrine of accord and satisfaction.

10 **ELEVENTH AFFIRMATIVE DEFENSE**

11 The claims alleged in the Complaint are barred, in whole or in part, based on
12 the doctrine of economic duress.

13 **TWELTH AFFIRMATIVE DEFENSE**

14 The claims alleged in the Complaint are barred due to Plaintiffs' express,
15 implied, and/or equitable release of the rights it bases its claims upon.

16 **THIRTEENTH AFFIRMATIVE DEFENSE**

17 The claims alleged in the Complaint are barred due to Plaintiffs' improper
18 notice of the alleged breaches.

19 **RESERVATION OF RIGHTS**

20 Defendant reserves the right to amend this Answer to assert additional
21 affirmative defenses to the Complaint or to amend or delete affirmative defenses
22 already pled to the extent the same are impacted through discovery.
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Padraic I. McCoy
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COUNTERCLAIMS AND THIRD-PARTY CLAIM

For its counterclaims against 56HR and HRM, and for its third-party complaint against Rohan Anthony Marley, JJC alleges the following:

I. INTRODUCTION

1. This is a classic case about greed and unabashed self-interest and dealing. The Plaintiffs are owned by the widow and children of Bob Marley. As Rohan Marley, who is one of Bob Marley’s children, is one of the founders of JJC’s predecessor, is an owner in each of the Plaintiffs, and, until just recently, was the Chairman of the Board of the JJC, has repeatedly told JJC’s management, “*the needs of family [the Marley family, who are the owners of the Plaintiffs] come first.*” And the conduct of the Plaintiffs and Rohan Marley reveal that they hatched a transparent plan to accomplish just that - to take over the business of JJC at all costs in an effort to make higher royalties off of Bob Marley’s name, likeness and image. And in doing so, they have ignored binding contracts, asserted claims that were waived and barred by Plaintiffs’ prior breaches, usurped corporate opportunities, bullied and fraudulently induced JJC and its current management to enter into contracts that benefited them and not JJC, and ultimately sought to destroy a public company, which will force it to terminate all of its employees, breach contracts with third-parties, lose all shareholder value, and literally disappear overnight and go out of business. And in the process, they are disparaging JJC’s management, which has diligently increased revenues from \$400,000 to \$12.3 Million in 4 years and build a successful coffee

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
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p. (310)396-2842

1 brand that the Marley family now wants to improperly reap the benefits from. In
2 other words, they are re-trading the deal. Fortunately, the law does not condone or
3 protect such conduct.
4

5 **II. JURISDICTION & VENUE**

6
7 1. This Court has jurisdiction over the subject matter of the claims asserted
8 herein pursuant to 28 U.S.C. Section §1332, as there is complete diversity among the
9 parties and the amount in controversy is in excess of \$75,000, excluding interest and
10 costs.
11

12 2. Plaintiffs' Complaint alleges that 56HR is a Bahamian corporation with its
13 principal place of business in Nassau, Bahamas. Complaint, ¶ 6.
14

15 3. Based on information known or publically available, HRM is a limited
16 liability company organized under the laws of the State of Florida with its principal
17 place of business in Miami, Florida.
18

19 4. On information and belief, the owners of HRM are the widow and nine of the
20 ten children of Bob Marley. Complaint, ¶ 7.
21

22 2. Based on information known or publically available, the widow and children
23 of Bob Marley are: Alpharita Constantia "Rita" Marley (widow), Sharon Marley
24 Prendergast, Cedella Marley, David "Ziggy" Marley, Stephen Marley, Robert
25 "Robbie" Marley, Rohan Marley, Karen Marley, Stephanie Marley, Julian Marley,
26 Ky-Mani Marley, Damian Marley.
27

28 3. Based on information known or publically available, Alpharita Constantia

Padraic I. McCoy
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P. (303)396-2842

1 "Rita" Marley is and at all relevant times was, a citizen of Jamaica and not admitted
2 for permanent residence in the United States nor domiciled in Colorado. In any
3 event, it is believed that to the extent Rita Marley resides or is domiciled in the
4 United States, it is in New York or Florida.
5

6 4. Based on information known or publically available, Sharon Marley
7 Prendergast is and at all relevant times was, a citizen of Jamaica and not admitted for
8 permanent residence in the United States nor domiciled in Colorado. In any event, it
9 is believed that to the extent Sharon Marley Prendergast resides or is domiciled in
10 the United States, it is in Florida.
11

12 5. Based on information known or publically available, Cedella Marley is and at
13 all relevant times was, a citizen of Jamaica and not admitted for permanent residence
14 in the United States nor domiciled in Colorado. In any event, it is believed that to the
15 extent Cedella Marley resides or is domiciled in the United States, it is in Florida.
16

17 6. Based on information known or publically available, David "Ziggy" Marley is
18 and at all relevant times was, a citizen of Jamaica and not admitted for permanent
19 residence in the United States nor domiciled in Colorado. In any event, it is believed
20 that to the extent David "Ziggy" Marley resides or is domiciled in the United States,
21 it is in California.
22

23 7. Based on information known or publically available, Stephen Marley is and at
24 all relevant times was, a citizen of Jamaica and not admitted for permanent residence
25 in the United States nor domiciled in Colorado. In any event, it is believed that to the
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
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p. (303)396-2842

1 extent Stephen Marley resides or is domiciled in the United States, it is in Florida.

2 8. Based on information known or publically available, Robert “Robbie” Marley
3 is and at all relevant times was, a citizen of Jamaica and not admitted for permanent
4 residence in the United States nor domiciled in Colorado. In any event, it is believed
5 that to the extent Robert “Robbie” Marley resides or is domiciled in the United
6 States, it is in Florida.
7

8
9 9. Based on information known or publically available, Rohan Marley is and at
10 all relevant times was, a citizen of Jamaica and not admitted for permanent residence
11 in the United States nor domiciled in Colorado. In any event, it is believed that to the
12 extent Rohan Marley resides or is domiciled in the United States, it is in New York.
13 Rohan Marley is not, and was not at any relevant time, a citizen or resident of the
14 State of California.
15

16
17 10. Based on information known or publically available, Karen Marley is and at
18 all relevant times was, a citizen of Jamaica and not admitted for permanent residence
19 in the United States nor domiciled in Colorado. In any event, it is believed that to the
20 extent Robert “Robbie” Marley resides or is domiciled in the United States, it is in
21 California.
22

23 11. Based on information known or publically available, Stephanie Marley is and
24 at all relevant times was, a citizen of Jamaica and not admitted for permanent
25 residence in the United States nor domiciled in Colorado. In any event, it is believed
26 that to the extent Stephanie Marley resides or is domiciled in the United States, it is
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

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in Florida.

12. Based on information known or publically available, Julian Marley is and at all relevant times was, a citizen of Jamaica and not admitted for permanent residence in the United States nor domiciled in Colorado. In any event, it is believed that to the extent Julian Marley resides or is domiciled in the United States, it is in Florida.

13. Based on information known or publically available, Ky-Mani Marley is and at all relevant times was, a citizen of Jamaica and not admitted for permanent residence in the United States nor domiciled in Colorado. In any event, it is believed that to the extent Ky-Mani Marley resides or is domiciled in the United States, it is in Florida.

14. Based on information known or publically available, Damian Marley is and at all relevant times was, a citizen of Jamaica and not admitted for permanent residence in the United States nor domiciled in Colorado. In any event, it is believed that to the extent Damian Marley resides or is domiciled in the United States, it is in Florida.

15. Plaintiffs' Complaint alleges, and JJC agrees, that JJC is a corporation organized under the laws of the State of Nevada with its principal place of business in Denver, Colorado. JJC is not, and was not at any relevant time, a citizen of the State of California.

16. The Complaint also names Defendants Does 1-10. Pursuant to 28 U.S.C. § 1441(b)(1), the citizenship of these defendants is disregarded.

17. Based on information known or publically available, complete diversity exists.

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

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In addition, this Court has personal jurisdiction over the above-named Defendants as a result of their minimum contacts with California. As detailed below, this Complaint is based on activities that arose in California, Defendant’s activities caused an effect in California, and Defendant derived a benefit from its activities in California.

18. Venue is proper pursuant to 28 U.S.C. §1391(b)(2) because a substantial part of the events or omissions giving rise to the claims contained in this Complaint occurred within this Judicial District.

III. PARTIES

19. Plaintiff Jammin Java Corporation (“JJC”) is a Nevada corporation with a principal office located at 4730 Tejon St., Denver, Colorado 80211. JJC is a United States-based coffee company.

20. JJC is a publically held coffee company with a principal office located in Denver, Colorado. JJC has 16,000 shareholders and currently has 10 employees.

21. The current officers and directors of JJC are Brent Toevs and Anh Tran (“**Current JJC Management**”). Mr. Toevs has served as CEO and Director of JJC since August 2011. Mr. Tran has served as President, Chief Operating Officer, Secretary, Treasurer, and Director of JJC since August 2011.

22. On information and belief, Plaintiffs are the successors in interest to certain intellectual property and contract rights of the late reggae performer, Robert Nesta Marley, professionally known as Bob Marley, including without limitation the

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

1 exclusive rights to the Bob Marley name, likeness and image. 56HR is owned and
2 controlled by members of the Marley family including Bob Marley’s children
3 Defendant Rohan Anthony Marley, Cedella Marley, and David Nesta “Ziggy”
4 Marley. Relevant here, 56HR owns the rights to the trade name “Marley Coffee.”
5

6 23. On information and belief, Plaintiff HRM is likewise owned by the widow and
7 nine of the ten children of Bob Marley. HRM is a licensee of 56HR, and is the
8 licensing and merchandising arm of the Marley Family. Complaint ¶ 7.
9

10 24. On information and belief, Third Party Defendant Rohan Anthony Marley,
11 founded the “Marley Coffee” brand in 2007, and served as a Director and Chairman
12 of the board of JJC from March 2008 until his recent resignation June 27, 2016.
13 Rohan Marley is an owner and shareholder of JJC. Rohan Marley is also a part
14 owner of, and Director of 56HR and is heavily involved in all of the Marley family
15 businesses including 56HR.
16

17 25. JJC is informed and believes, and thereon alleges, that at all times mentioned
18 herein, the Marley Parties were the agents of each other and, in doing the things
19 herein alleged, each acted together, within the course and scope of their authority as
20 such agents or employees, and that the acts and conduct of each were known to,
21 authorized by, and ratified by, each of the remaining Marley Parties. As such, each
22 of the Marley Parties is responsible for the liabilities of the other Marley Parties, as
23 alleged herein.
24
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1 **IV. FACTUAL ALLEGATIONS**

2 **A. Formation and Overview of JJC and “Marley Coffee.”**

3
4 26. In 1999, Rohan Marley purchased a 52-acre coffee farm in the Blue Mountain
5 region of Jamaica. In 2007, Marley Coffee, Inc. (“**MCI**”) was formed by Rohan
6 Marley and Shane Whittle (“**Whittle**”) for the purpose of distributing premium blend
7 coffee sourced from Rohan Marley’s farm in Jamaica. Whittle was appointed as the
8 initial CEO and was heavily involved in the management and operations of JJC from
9 2007 to 2011. Current JJC Management was not responsible and had no role in
10 bringing Whittle into the company.
11

12
13 27. Effective July 13, 2009, MCI officially changed its name to Jammin Java
14 Corp. and began trading under the new symbol “JAMN.” Since August 2011, JJC
15 has been introducing a wide variety of coffee products through multiple distribution
16 channels using the Marley Coffee brand name. JJC’s main channels of revenue are
17 from domestic retail in both grocery and away from home (for example,
18 consumption at the office and on the go), international distribution, and online retail.
19

20
21 28. JJC sells coffee products under the trade name “Marley Coffee” and related
22 marks and logos depicting the likeness of Bob Marley. JJC first acquired the right to
23 utilize the Marley Coffee name in March 2010, pursuant to a trademark license
24 agreement with Marley Coffee LLC (“**MCL**”). On information and belief, at the
25 time, MCL was a private limited liability company, in which Rohan Marley owned a
26 33% ownership interest and served as a Manager. In addition to his ownership
27
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (310)396-2842

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
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1 interest in MCL, Rohan Marley is the Chairman of Marley Coffee, Ltd, a limited
2 liability company formed under the laws of Jamaica in July 2011. Marley Coffee
3 Ltd. is in the business of producing coffee and selling it through various distribution
4 outlets, including to JJC.
5

6 **B. The Long Term License Agreement.**

7
8 29. In August 2012, JJC and MCL mutually terminated the Initial License
9 Agreement. Effective August 7, 2012, and in connection with the termination of the
10 Initial License Agreement, JJC entered into an exclusive long term licensing
11 agreement with 56HR (the “**Long Term License Agreement**”) that included an
12 initial fifteen (15) year term, with the option to renew for two fifteen (15) year
13 renewal terms.
14

15
16 30. The licensed property covered by the Long Term License Agreement included
17 the trade name “Marley Coffee” and “Marley Coffee Stir It Up” as well as certain
18 logos and trademarks depicting the likeness of Bob Marley (the “**Licensed**
19 **Property**”).
20

21 31. The licensed products covered by the Long Term License Agreement included
22 “coffee in all its forms and derivations, regardless of portions, sizes, or packaging”
23 (the “**Licensed Products**”).
24

25 32. The licensed services covered by the Long Term License Agreement included
26 “coffee roasting services, coffee production services, and coffee sales, supply,
27 distribution and support services, excluding coffee houses” (the “**Licensed**
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

1 **Services”).**

2 33.The Territory covered by the Long Term License Agreement was
3
4 “Worldwide.

5 34.Under the Long Term License Agreement, 56HR granted JJC “the exclusive,
6 non-transferable, non-assignable, non-sublicensable, non-divisible right and license,
7 to utilize the Licensed Property solely within the Territory and solely in connection
8 with the manufacturer, advertising, promotion, sale, offering for sale, and
9 distribution of the Exclusive Licensed Products and in connection with the Licensed
10 Services.”
11

12 35.In consideration for the foregoing licenses, the Company agreed to pay
13 royalties to 56HR in an amount equal to 3% of the net sales of all Licensed Products
14 on a quarterly basis.
15
16

17 **C. The Marley Parties Breaches of the Long Term and Short Term License**
18 **Agreement.**

19 36.In Section 10(a)(iii) of the License Agreements, 56HR expressly warranted
20 and represented to JJC that “(iii) it has not sold, assigned, leased, licensed, or in any
21 manner disposed of or encumbered the rights herein granted to Licensee....”
22 Similarly, pursuant to Section 8(e) of the License Agreements, 56HR agreed to
23 cooperate with JJC “to ensure that third parties do not unlawfully infringe Licensed
24 Property or engage in any acts of unfair competition involving Licensed Property.”
25
26

27 37.During the term of the License Agreements, 56HR breached Sections
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)96-2842

1 10(a)(iii) and/or 8(e) by granting licenses to, or otherwise authorizing, third parties
2 to utilize the Licensed Products within the Territory, including but not limited to
3 Marley Coffee Jamaica and Marley Beverages (entities owned and controlled by
4 Rohan and other Marley Family members). Specifically, on or around January 2012
5 JJC learned about the existence of Marley “One Drop” that was being utilized by
6 Marley Beverages, and in 2010, JJC found out about the existence of Marley Coffee
7 Ltd. or “Marley Coffee Jamaica”. Through various conversations with 56HR and
8 Rohan Marley, JJC protested the existence of Marley Coffee Jamaica, as it violated
9 JJC’s rights under the Long Term License Agreement.
10
11

12
13 38. In addition, on information and belief, Rohan Marley, 56HR, and/or other
14 Marley Parties authorized a Korean entity (C&V Korea) to serve coffee (that was not
15 procured from JJC) at a coffee house called “Marley Coffee” in violation of the
16 Long Term License Agreement. The house coffee sold at the C&V coffee house is
17 an inferior product sold under the guise of the “Marley Coffee” brand, which has
18 caused confusion in the market and harm to JJC’s brand. When JJC objected to this,
19 Rohan Marley’s and 56HR’s direct response was that the Marley Parties, “will not
20 terminate the license with C&V over this issue.” In discussing this issue with
21 Current JJC Management, Rohan expressly stated that he needed to “put the [Marley
22 Family] first.”
23
24
25

26 39. In Section 12(a) of the Long Term License Agreement, 56HR agreed to
27 indemnify, defend and hold harmless [JJC]...from and against any and all claims,
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
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p. (303)396-2842

1 liabilities, demands, causes of action, judgments, settlements, costs and expenses
2 (including, without limitation, reasonable attorneys fees and court costs) arising
3 solely out of or in connection with: (i) the breach by [56HR] of a representation,
4 warranty or covenant in [the Long Term License Agreement]; (ii) the failure of
5 [56HR] to perform any of its obligations...; [and] (iii) the gross negligence, bad
6 faith, or unlawful conduct of [56HR].
7
8

9 40.56HR breached Section 12(a) by failing to indemnify and defend JJC from
10 and against the claims alleged in the Whittle Lawsuits and SEC Complaints, and/or
11 failing to reimburse JJC for the attorneys fees, settlements, and other costs and
12 expenses JJC incurred as a result of such claims. 56HR also breached the Long Term
13 License Agreement and Short Term License Agreement by wrongfully terminating
14 those agreements, as described above.
15
16

17 **C. Current JJC Management Promotes Marley Coffee Brand Worldwide**

18 41. With the Long Term License Agreement in place, JJC put a strong emphasis
19 and focus on marketing efforts to promote and grow the “Marley Coffee” brand.
20 Specifically, since 2011, JJC has spent millions of dollars on trade shows, on shelf
21 marketing, sponsorships, social media campaigns, and general branding and
22 marketing initiatives aimed at growing and advancing the Marley Coffee brand name
23 throughout the world. JJC has spent close to \$1.5 Million on hard shelf fee costs,
24 plus another \$1.2 Million on marketing trial entry discounts to launch Marley Coffee
25 products on shelf.
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
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P. (303)396-2842

1 42. In addition, during the past five years, JJC has rapidly grown the business by
2 expanding JJC’s distribution and supply networks across the world, introducing new
3 products, securing long term supply and distribution agreements, identifying new
4 investors, and investing in marketing initiatives to expand brand recognition, all of
5 which positioned JJC for long-term success
6

7
8 43. For example, JJC entered into an Amended and Restated License Agreement
9 with Mother Parkers Tea & Coffee Inc. (“**Mother Parkers**” and the “**MP**
10 **Agreement**”) on May 20, 2014. A significant portion of JJC’s current revenue
11 comes from sales to and through Mother Parkers. JJC also entered into an exclusive
12 long term Supply and Distribution Agreement with C&V International Co., Ltd., for
13 distribution of Marley Coffee in South Korea (the “**C&V Agreement**”); an
14 Exclusive Sales and Marketing Agreement (the “**NCSV Agreement**”) with National
15 Coffee Service & Vending (“**NCSV**”); and a Supply and Toll Agreement with
16 National Coffee Roasters, a division of European Roasterie (the “**NCR**
17 **Agreement**”).
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19

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21 44. Finally, in the past five years, JJC has: (a) launched Marley Coffee RealCups
22 into the retail grocery channel; (b) launched an innovative Coffee of the Month
23 subscription service as well an online retail platform at
24 <https://shop.marleycoffee.com/>, which the company anticipates to be a key revenue
25 driver in 2016; and (c) positioned JJC in the global marketplace, with distribution
26 channels set up in several countries, which include Canada, the United Kingdom,
27
28

1 South Korea, Mexico and Chile.

2 45. As a result of these efforts, JJC expanded Marley Coffee brand recognition
3 and significantly increased sales revenue from \$403,000 (for FYE 1/31/12) to over
4 \$12.3 Million (for FYE 1/31/16), and Marley Coffee is now sold in approximately
5 12,500 stores, including major chains such as Kroger, Safeway, Albertson's, Whole
6 Foods, Target, and many more.

7
8
9 46. As a result of JJC's growth and branding efforts, the viability of JJC's
10 business is dependent on its right to utilize the "Marley Coffee" brand name and
11 other intellectual property owned by 56HR and licensed to JJC.

12
13 **D. The Whittle Lawsuits and SEC Complaint.**

14 47. As mentioned above, when Current JJC Management took over in August
15 2011, they inherited a very difficult situation. Specifically, beginning in 2011 and
16 continuing through mid-2016, Current JJC Management was forced to address and
17 overcome two major hurdles, both of which were outside the control of Current JJC
18 Management and were caused by the actions of JJC's former CEO, Shane Whittle
19 ("Whittle") and JJC's former Chairman Rohan Marley. Rohan Marley, 56HR,
20 and/or the Marley Parties were responsible for bringing Whittle into JJC to oversee
21 operations, without any input or approval from Current JJC Management.

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25 48. First, JJC was forced to defend two lawsuits filed against JJC by Whittle (the
26 "Whittle Lawsuits"). In sum, the claims in the Whittle Lawsuits were primarily
27 directed at Rohan Marley, 56HR, and other affiliates and Marley family members,
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (310)396-2842

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

1 and included allegations of breach of fiduciary duty, conspiracy, and civil theft, and
2 racketeering.¹ However, JJC was named party and was forced to defend the Whittle
3 Lawsuits and incur significant attorneys’ fees (approximately \$175,000) and
4 dedicate countless resources doing so.
5

6 49. The second major hurdle that Current JJC Management encountered at the
7 onset of their tenure related to investigations Securities and Exchange Commission
8 (“SEC”) based on alleged wrongful activity that Whittle engaged in during his
9 tenure as CEO of JJC. The SEC investigations commenced in 2011, and JJC spent a
10 significant time and effort responding to the SEC and cooperating with their
11 investigation.
12

13 50. On November 17, 2015, as a result of the SEC investigations, JJC was named
14 as a defendant in a civil complaint (the “SEC Complaint”). The SEC Complaint
15 alleged that Whittle orchestrated a “pump and dump” scheme with certain other of
16 the defendants named in the SEC Complaint, among other allegations spelled out
17 more completely in the SEC Complaint.² On or around May 31, 2016, JJC entered
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22 ¹Specifically, on September 30, 2014, Whittle filed a complaint against Rohan Marley, Cedella Marley, JJC, HRM,
23 56HR., and Marley Coffee Estate Limited in the United States District Court for the District of Colorado (Civil Action No.
24 2014-CV-2680). The complaint alleges that Whittle entered into a partnership with Rohan Marley to sell premium coffee
25 products branded after the name and likeness of Rohan Marley. The causes of action set forth in the complaint include,
among others, racketeering activity, trademark infringement, breach of fiduciary duty, civil theft, and civil conspiracy
(some of which causes of action are not directly alleged against JJC), which are alleged to have directly caused Whittle
and Marley Coffee LLC substantial financial harm. Damages claimed by Whittle and MC LLC include economic
damages to be proven at trial, profits made by defendants, treble damages, punitive damages, attorneys’ fees and pre
and post judgment interest. JJC ultimately settled with Whittle.

26 Previously, on our about August 28, 2013, Whittle filed a lawsuit in Los Angeles Superior Court against Rohan Marley,
27 JJC, and several other entities alleging claims for breach of contract, fraud, conspiracy, and breach of fiduciary duties.
The lawsuit was later dismissed by Whittle.

28 ² Notably, the SEC did not bring any claims against the Current JJC Management. In addition, like with the Whittle
Lawsuits, Current JJC Management had no knowledge of the alleged fraudulent activities undertaken by Whittle, and
was not involved in (and did not profit from) the alleged fraud.

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

1 into a consent to the entry of a final judgment with the SEC which, among other
2 things, ordered JJC to pay an aggregate of \$700,000 (the “**Final SEC Judgment**”).
3

4 51. The Whittle Lawsuits and SEC Complaint had a significant adverse impact on
5 JJC. As noted above, JJC was forced to spend considerable sums in attorneys’ fees,
6 dedicate significant time and resources in connection with the defense of the Whittle
7 Lawsuits and SEC Complaint, and pay settlements including the \$700,000 payment
8 required by the Final SEC Judgment. More damaging to JJC, however, is the fact
9 that the Whittle Lawsuits and SEC Complaint were a huge distraction and
10 impediment to JJC during a critical growth cycle. These issues were very public and
11 caused damage to the Marley Coffee brand, resulted in a loss of investor and
12 shareholder confidence, and created negative public and investor relations.
13
14

15 52. When the Whittle Lawsuits surfaced, JJC demanded Rohan Marley and 56HR
16 to indemnify and defend JJC because those issues arose from alleged wrongful acts
17 committed by Rohan Marley, Whittle, and 56HR – acts that the Current JJC
18 Management had no role in, or knowledge of. Despite JJC’s demands for indemnity,
19 56HR refused to indemnify and defend JJC from and against the claims alleged in
20 the Whittle Lawsuits. In addition, 56HR has not reimbursed JJC for the attorneys’
21 fees, settlements, and other costs and expenses JJC incurred as a result of such
22 claims.
23
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26 **E. Current JJC Management Brings Attractive Equity Partners to the Table.**
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

1 53. While JJC grew rapidly from 2012 - 2016, it has not experienced a net profit
2 from operations, which is not unusual with a start-up/emerging growth company in
3 the consumer packaged goods industry. This is due to a number of reasons,
4 including the significant capital JJC invested into marketing initiatives during the
5 critical growth years, and the significant money JJC had to spend to deal with the
6 Whittle Lawsuits and SEC Complaint.
7
8

9 54. Therefore, beginning in 2016, JJC started looking for equity partners that
10 could provide much needed capital to alleviate short term cash flow issues and long
11 term financing objectives. Most notably, in May 2016, JJC entered into a letter of
12 intent with a very attractive institutional investor (the “**Potential Investor**”) that
13 contemplated an investment into JJC between \$8,000,000 and \$10,000,000 (the
14 “**Potential Investment**”). In addition to the capital, the Potential Investment would
15 have included seats on our board of directors and the candidates proposed by the
16 Potential Investor included individuals with significant business acumen and would
17 have been instrumental in helping guide the company through its growth. The
18 importance of bringing in a long-term investor was clearly and constantly
19 communicated between JJC and 56HR during this time period.
20
21
22

23 55. The key deal point and condition of the Potential Investment was that prior to
24 or connection with closing, JJC would enter into an extension to the Long Term
25 License Agreement with terms satisfactory to the Potential Investor. In response,
26 JJC and representatives of 56HR (including specifically Rohan Marley and his
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

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business manager) began discussing the framework for an extension of the Long Term Agreement.

56. During these conversations, 56HR also requested a meeting with the Potential Investors and requested information about the Potential Investment as well as a business plan, a copy of the letter of intent, and the use of proceeds. JJC provided 56HR with all of this information. JJC also allowed representatives of 56HR to discuss the Potential Investment directly with the Potential Investor. During these discussions, 56HR repeatedly assured JJC that they were willing to extend the Long Term License Agreement on similar terms if they were comfortable with the terms of the Potential Investment; however, at no point during these negotiations, did 56HR indicate that if it were to extend the license agreement, it would require higher licensing fees.

57. This was when 56HR's and the Marley Parties greed and Rohan Marley's self-dealing took over.

F. The Wrongful Termination of the Long Term License Agreement.

58. Negotiations with the Potential Investor progressed during May 2016 and the only issue preventing the parties from entering a definitive agreement was securing an extension of the Long Term License Agreement.

59. Then, out of nowhere, on June 2, 2016, 56HR issued a Notice of Material Breach of the Long Term License Agreement (the "**June 2016 Notice of Breach**"). In the June 2016 Notice of Breach, 56HR, for the first time formally took the

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

1 position that JJC was in breach of the Long Term License Agreement by failing to
2 pay quarterly licensing fees to 56HR. As discussed below, 56HR intentionally
3 and/or through its representations, course of conduct, and course of dealings with
4 JJC for years during the term of the Long Term License Agreement, waived any
5 claims for alleged nonpayment. In addition, any breach by JJC was excused by
6 56HR's prior breaches, which are discussed above and below.
7
8

9 60. The timing of the June 2016 Notice of Breach was devastating and suspicious.
10 JJC had just put the Whittle Lawsuits and SEC Complaint behind it, had established
11 key supply and distribution networks that had the company well positioned. Most
12 importantly, JJC was on the verge of entering into a definitive agreement to lock in
13 the Potential Investment. The timing was also surprising because 56HR and JJC had
14 several conversations about the payment issues in the months leading up to the
15 termination. Specifically, in November 2015, JJC and 56HR discussed the payment
16 issue and agreed that JJC would continue to explore capital investments that would
17 make 56HR whole, but in the meantime JJC would continue making meaningful
18 licensing payments. Consistent with the agreements reached during these
19 discussions, JJC made weekly and bi-monthly licensing payments to 56HR from
20 November 2015 through March 2016, at which time JJC and 56HR began
21 negotiating the terms of the Potential Investment and extension of the Long Term
22 License Agreement.
23
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27 61. On June 27, 2016, 56HR provided notice of the termination of the Long Term
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

1 License Agreement (the “**June 2016 Notice of Termination**”). The same day 56HR
2 issued the June 2016 Notice of Termination, Rohan Marley resigned as Chairman of
3 JJC. In the weeks leading up to this, Rohan Marley sold over \$80,000 shares in the
4 JJC.
5

6 62. On information and belief, 56HR also terminated the Long Term Agreement
7 because it saw an opportunity to takeover negotiations with the Potential Investor
8 and obtain a more favorable licensing agreement and to negotiate a better deal for
9 Rohan Marley in his capacity as a shareholder in JJC. In addition, on information
10 and belief, 56HR terminated JJC in order to take over JJC’s existing supply and
11 distribution agreements and profit from the years of work and effort JJC put into
12 promoting the Marley Coffee brand, to the detriment and exclusion of JJC. And, in
13 violation of his fiduciary duties, Rohan Marley has repeatedly told JJC that he and
14 the Marley family believed that JJC’s main objective should be to take care of the
15 Marley family.
16
17
18

19 **G. The Fraudulent Inducement to Sign the Short Term License Agreement.**
20

21 63. In connection with the termination of the Long Term Agreement, and to
22 induce JJC to accept the termination without protest or objection, 56HR sent JJC a
23 proposed six-month short term license agreement (the “**Short Term License**
24 **Agreement**”) with substantially similar terms.
25

26 64. To induce JJC into signing the Short Term License Agreement (and to induce
27 JJC to accept the termination of the Long Term License Agreement), 56HR
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Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

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expressly represented to JJC: (a) that it would continue to negotiate a long term agreement in good faith; (b) that the intent of the Short Term License Agreement was to provide the parties sufficient time to negotiate a long term agreement; (c) that it would cooperate with JJC in connection with JJC’s efforts to bring in a long-term investor to the company; and (d) that the terms and conditions of a long term agreement would be substantially similar to the terms and conditions of the Long Term and Short Term License Agreements.

65.56HR presented the Short Term License Agreement as a “take it or leave it” agreement with no room for negotiation or compromise, and a short time window to sign the agreement. Because JJC’s ability to continue as a going concern is dependent on the use of the Marley Coffee trade name and use of the other Licensed Products, and because the Short Term License Agreement was the only available arrangement that would allow JJC to continue shipping Marley Coffee, JJC had no choice but to execute the Short Term License Agreement. In doing so, however, JJC relied on 56HR’s representations that it would continue to negotiate a long term agreement in good faith and the other representations in Paragraph 64.

66. Days after JJC executed the Short Term Agreement, on July 7, 2016, JJC had a conversation with representatives of 56HR about the Potential Investment. During that conversation and for the first time, 56HR stated that its objective was to obtain “higher fees.” On information and belief, the termination of the long-term license wasn’t due to any prior breaches; rather it was a way to generate higher fees.

1 Additionally, a representative of 56HR told JJC that, “we like Marley Coffee. We
2 don’t like Jammin Java.”

3
4 67. On July 21, 2016, fifteen days after JJC executed the Short Term Agreement,
5 56HR sent JJC a notice purporting to terminate the Short Term License Agreement
6 “effective immediately” and demanding that JJC immediately cease use of the
7 Marley Coffee trademark. On July 23, 2016, JJC warned Rohan Marley about the
8 impact to shareholder value associated with the termination of the Short Term
9 License Agreement, his response was that “my family comes first.”

10
11 68. In the days following the termination of the Short Tem License Agreement,
12 56HR represented that it was still willing to discuss a long term agreement, on the
13 condition that JJC hired Chief Restructuring Officer (“**CRO**”) and provided certain
14 information to 56HR. In response, as mentioned above, JJC promptly provided all
15 requested information and retained Thomas A. Kim to serve as CRO/COO. 56HR
16 consented to Mr. Kim and he was given all of the authority 56HR requested.

17
18 69. Mr. Kim and his associates conducted an intensive independent assessment of
19 JJC’s business viability and issued a Preliminary Assessment on August 1, 2016 (the
20 “**CRO Assessment**”), which included the following several findings and
21 recommendations regarding the viability of JJC:
22
23

- 24 • “If 56 HR wants to continue in the coffee business, the safest way is to
25 continue business operations with Jammin Java, while continuing to look
26 at viable alternatives to ensure the brand’s future success”;
- 27
- 28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

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- “Current business and brand relationships are established upon many years of development by [Current JJC Management]”;
- “Current management has established credibility within the industry”;
- “License appears to be within industry norms”
- “If license agreement is terminated in a less than idea manner, the fall out would adversely affect the brand and future licensing opportunities”
- “The business shows promise both now and in the future”
- “The company has established itself as a premium brand in highly competitive market place”

70. Despite these findings, 56HR filed a lawsuit against JJC the day after the CRO Assessment issued

71. For the reasons set forth below, 56HR’s purported terminations of the Short Term and Long Term License Agreements were wrongful and administered in bad faith. Moreover, 56HR has engaged in a pattern bad faith in its negotiations and business dealings with JJC that has involved numerous negligent misrepresentations, fraudulent inducements, interferences with JJC’s prospective economic advantages and prospective contractual relations with third parties, and other prior material breaches of the License Agreements.

72. Because JJC’s ability to continue as a going concern is wholly dependent on its right to utilize the brand name “Marley Coffee” and other Licensed Products, the purported termination of the License Agreement would produce a great and

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

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irreparable injury to JJC, would cause the value of JJC’s common stock to become worthless, and would effectively put an end to the company. As a result, contemporaneously with the filing of this Counterclaim, JJC is filing an application for a temporary restraining order and/or immediate injunctive relief requiring 56HR to rescind the termination of, and reinstate the License Agreements, and allow JJC to continue to operate while it pursues the claims against 56HR below.

I. Rohan Marley’s Self-Dealing and Breaches of Fiduciary Duties

73. Rohan Marley is an owner and shareholder of JJC, owing, upon information and belief, on a fully diluted basis 19,498,632 (14.5%) of the outstanding common shares, with an additional percentage of 2,000,000 shares within MCL. In addition, Rohan Marley served as a Director and Chairman of the board of JJC from March 2008 until his recent resignation June 27, 2016. Rohan Marley is also is a part owner of, and Director of 56HR and is heavily involved in all of the Marley family businesses including 56HR.

74. Upon information and belief, Rohan Marley resigned from JJC because he knew 56HR was going to terminate the Long Term License Agreement.

75. In addition to Rohan’s actual and perceived conflicts of interest in light of his overlapping ownership and management interests in JJC and 56HR, Rohan Marley is also significant shareholder in MCI, MCL, and Marley Coffee, Ltd. Finally, during all relevant time periods, Rohan Marley had a direct or indirect financial interest in several third party entities that were utilizing the Licensed Products during the term

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

1 of the Long Term License Agreement, including Marley Beverage Company and
2 Marley Coffee Jamaica.

3
4 76.As noted above, JJC’s survival is dependent upon its ability to use the
5 Licensed Products owned by 56HR. 56HR (and by extension, Rohan Marley) also
6 benefits from the licensing relationship in the form of licensing and royalty fees paid
7 by JJC to 56HR.
8

9 77.Upon information and belief, Rohan Marley, in breach of his fiduciary duties
10 to JJC, put his own personal interests and the interests of 56HR, MCI, MCL, Marley
11 Coffee, Ltd., Marley Beverage, and Marley Coffee Jamaica, ahead of those of JJC
12 by, among other things:
13

- 14 a. Authorizing Marley Beverage and Marley Coffee Jamaica to utilize
15 the Licensed Products in breach of the License Agreements;
- 16
17 b. Acting on behalf of 56HR (and on behalf of his own personal
18 interests), and against the interests of JJC, in connection with
19 termination of the License Agreements;
- 20
21 c. Acting on behalf of the interests of 56HR (and on behalf of his own
22 personal interests), in interfering with and disrupting JJC’s potential
23 economic relationships with the Potential Investors; and
- 24
25 d. Failing to disclose material facts and actual and perceived conflicts
26 of interest to JJC.

27 78. In addition, upon information and belief, Rohan Marley has usurped
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

1 numerous corporate opportunities belonging to JJC for his own benefit and for the
2 benefit of 56HR and other third parties in which he has a direct or indirect financial
3 interest.
4

5 79. In addition, upon information and belief, Rohan Marley has utilized
6 JJC’s confidential business information to the detriment of JJC, in order to advance
7 his self interests. In fact, during the critical time period leading up to the
8 terminations of the license agreements, Rohan Marley ceased all communications
9 with Current JJC Management and the JJC employees, even though he was a
10 Director and Chairman of the company at that time and had previously been
11 involved in all operations and had daily communications with Current JJC
12 Management and the employees. In addition, as noted above, he sold a substantial
13 amount of his common shares in JJC right before the terminations. Upon
14 information and belief, Rohan Marley failed disclose material facts and information
15 relating to 56HR’s intent to terminate the Short Term and Long Term License
16 Agreements and motives to do so.
17
18
19
20

21 **FIRST CLAIM FOR RELIEF**
22 **(Breach of Contract – Against 56HR)**

23 80.JJC realleges each and every allegation set forth above, and incorporates them
24 herein by this reference.
25

26 81.56HR materially breached the Long Term and Short Term License
27 Agreements by:
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

1 a. by granting licenses to, or otherwise authorizing third parties to
2 utilize the Licensed Products within the Territory, including but not limited to
3 including to Marley Coffee Jamaica and Marley Beverages (entities owned and
4 controlled by Rohan and other Marley Family members) and C&V (Korea), in
5 breach Sections 10(a)(iii) and/or 8(e);
6

7
8 b. failing to indemnify and defend JJC from and against the claims
9 alleged in the Whittle Lawsuits and SEC Complaints, and/or failing to reimburse JJC
10 for the attorney's fees, settlements, and other costs and expenses JJC incurred as a
11 result of such claims, in breach of its indemnity obligations in Section 12(a); and
12

13 c. wrongfully terminating those agreements in bad faith in order to
14 interfere with JJC's negotiations with the Potential Investors and attempt to secure a
15 higher licensing fees.
16

17 82. Plaintiff has performed all of the obligations under the Long Term and Short
18 Term Agreements, or is excused from performing such obligations based on 56HR's
19 prior material breaches, 56HR's waivers and express representations and the
20 parties course of conduct.
21

22 83. As a direct and foreseeable result of 56HR's breaches of the Long Term and
23 Short Term License Agreements, Plaintiff has suffered substantial damages in an
24 amount to be proven at trial, including but not limited to lost profits it would have
25 made under the agreements, lost opportunities, and all other actual and consequential
26 damages suffered as a result of 56HR's breaches.
27
28

SECOND CLAIM FOR RELIEF

(Breach of Implied Covenant of Good Faith and Fair Dealing – Against 56HR)

84.JJC realleges each and every allegation set forth above, and incorporates them herein by this reference.

85.JJC and 56HR entered into the Short Term and Long Term License Agreements, both of which included an implied covenant of good faith and fair dealing.

86.56HR breached the implied covenant of good faith and fair dealing and interfered with JJC’s right to receive the benefits of the Short Term and Long Term License Agreements by wrongfully terminating those agreements in bad faith, failing to cooperate with JJC in connection with its negotiations with the Potential Investors, failing to protect the Licensed Products and failing to enforce JJC’s exclusive right to utilize the Licensed Products.

87.JJC did all or substantially all of the things required by the License Agreements, or was excused from having to do so based on 56HR’s waivers and representations, and/or by the parties course of conduct and course of dealing.

88.All conditions required for 56HR’s performance have occurred.

89.56HR’s conduct and breaches of the implied duty of good faith and fair dealing have harmed JJC.

THIRD CLAIM FOR RELIEF

(Intentional Interference with Prospective Economic Advantage – Against

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

56HR and HRM)

1
2 90.JJC realleges each and every allegation set forth above, and incorporates them
3
4 herein by this reference

5 91.An economic relationship existed between JJC and the Potential Investors,
6
7 containing a probable future economic benefit or advantage to JJC;

8 92.56HR and HRM knew of the existence of JJC’s economic relationship with
9
10 the Potential Investors;

11 93.56HR and HRM engaged in wrongful conduct by wrongfully terminating the
12
13 Long Term Licensing Agreement, fraudulently inducing JJC to enter into the Short
14
15 Term License Agreement, wrongfully terminating the Short Term License
16
17 Agreement, and making false and misleading representations to the Potential
18
19 Investors regarding JJC and the Current JJC Management;

20 94.By engaging in this wrongful conduct, 56HR and/or HRM intended to disrupt
21
22 this economic relationship or knew that disruption of the relationship was certain or
23
24 substantially certain to occur;

25 95.JJC economic relationship with the Potential Investors was actually interfered
26
27 with or disrupted;

28 96.JJC was harmed; and

97.56HR’s and HRM’s intentional misconduct as described above was a
substantial factor in causing such harm and damage to JJC, and JJC lost in whole or
in part the economic benefit or advantage from its economic relationship with the

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

1 Potential Investors.

2 **FOURTH CLAIM FOR RELIEF**

3
4 **(Negligent Interference with Prospective Economic Advantage – Against 56HR**
5 **and HRM)**

6 98.JJC realleges each and every allegation set forth above, and incorporates them
7 herein by this reference.

8
9 99.An economic relationship existed between JJC and the Potential Investors,
10 containing a probable future economic benefit or advantage to JJC;

11
12 100. 56HR and HRM knew of the existence of JJC’s economic relationship
13 with the Potential Investors;

14 101. 56HR and HRM engaged in wrongful conduct by wrongfully
15 terminating the Long Term Licensing Agreement, fraudulently inducing JJC to enter
16 into the Short Term License Agreement, wrongfully terminating the Short Term
17 License Agreement, and making false and misleading representations to the Potential
18 Investors regarding JJC and the Current JJC Management;

19
20
21 102. It was reasonably foreseeable that HRM’s and 56HR’s wrongful
22 conduct would interfere with or disrupt this economic relationship if 56HR and
23 HRM failed to exercise due care;

24
25 103. 56HR was negligent in its conduct and failed to exercise due care;

26 104. JJC economic relationship was actually interfered with or disrupted;

27 105. JJC was harmed; and
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (310)396-2842

1 106. HRM’s and 56HR’s wrongful conduct and failure to exercise due care
2 as described above was a substantial factor in causing such harm and damage to JJC
3 and JJC lost in whole or in part the economic benefit or advantage from its economic
4 relationship with the Potential Investors.
5

6 **FIFTH CLAIM FOR RELIEF**

7 **(Intentional Misrepresentation – Against 56HR and HRM)**

8
9 107. JJC realleges each and every allegation set forth above, and
10 incorporates them herein by this reference.
11

12 108. 56HR and HRM represented to JJC, among other things, that (a) it
13 would continue to negotiate a long term agreement in good faith; (b) that the intent
14 of the Short Term License Agreement was to provide the parties sufficient time to
15 negotiate a long term agreement; (c) that it would cooperate with JJC in connection
16 with JJC’s efforts to bring in a long-term investor to the company; and (d) that the
17 terms and conditions of a long term agreement would be substantially similar to the
18 terms and conditions of the License Agreements.
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21 109. The representations above were false;

22 110. Upon information and belief, JJC alleges that 56HR and HRM knew
23 these representations were false when it made them, or 56HR and HRM made the
24 representations recklessly and without regard for its truth;
25

26 111. 56HR and HRM intended that JJC rely on these false representations;

27 112. JJC reasonably relied on 56HR’s and HRM’s representations by, among
28

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
p. (303)396-2842

1 other things, agreeing to enter into the Short Term License Agreement, accepting the
2 termination of the Long Term License Agreement, and continuing to negotiate with
3 the Potential Investors and with 56HR in good faith;
4

5 113. As a direct, substantial and proximate result of JJC's reasonable
6 reliance on 56HR's representations, JJC has been harmed and damaged in a sum to
7 be proven at trial.
8

9 114. JJC's reliance on 56HR's and HRM's representations was a substantial
10 factor in causing its harm.
11

12 115. 56HR's and HRM's acts as alleged herein were done intentionally,
13 maliciously, oppressively, and with the intent to defraud JJC, in a conscious
14 disregard of JJC's rights. JJC is therefore entitled to recover punitive damages.
15

16 **SIXTH CLAIM FOR RELIEF**

17 **(Negligent Misrepresentation – Against 56HR and HRM)**

18 116. JJC realleges each and every allegation set forth above, and
19 incorporates them herein by this reference.
20

21 117. 56HR and HRM represented to JJC, among other things, that (a) it
22 would continue to negotiate a long term agreement in good faith; (b) that the intent
23 of the Short Term License Agreement was to provide the parties sufficient time to
24 negotiate a long term agreement; (c) that it would cooperate with JJC in connection
25 with JJC's efforts to bring in a long-term investor to the company; and (d) that the
26 terms and conditions of a long term agreement would be substantially similar to the
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1 terms and conditions of the License Agreements.

2 118. Although 56HR and HRM may have honestly believed that the
3 representations were true, it had not reasonably grounds fro believing the
4 representations to be true when they were made;

5 119. 56HR and HRM intended that JJC rely on these representations;

6 120. JJC reasonably relied on 56HR's and HRM's representations by, among
7 other things, agreeing to enter into the Short Term License Agreement, accepting the
8 termination of the Long Term License Agreement, and continuing to negotiate with
9 the Potential Investors and with 56HR and HRM in good faith;

10 121. As a direct, substantial and proximate result of JJC's reasonable
11 reliance on 56HR's and HRM's representations, JJC has been harmed and damaged
12 in a sum to be proven at trial.

13 122. JJC's reliance on 56HR's and HRM's representations was a substantial
14 factor in causing its harm.

15 123. 56HR's acts as alleged herein were done intentionally, maliciously,
16 oppressively, and with the intent to defraud JJC, in a conscious disregard of JJC's
17 rights. JJC is therefore entitled to recover punitive damages.

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25 **SEVENTH CLAIM FOR RELIEF**

26 **(Breach of Fiduciary Duties – Against Rohan Marley)**

27 124. JJC realleges each and every allegation set forth above, and
28

1 incorporates them herein by this reference.

2 125. During all relevant time periods, Rohan Marley was the Chairman and
3 agent of JJC and owed fiduciary duties of loyalty, confidentiality, and due care to
4 JJC;
5

6 126. As detailed above, Rohan Marley breached its fiduciary duties to JJC by
7 acting against the interests of JJC, and on behalf of the interests of 56HR and HRM
8 in connection with: (a) the negotiation and execution of the Long Term and Short
9 Term License Agreements; (b) 56HR's breaches of the Long Term and Short Term
10 License Agreements (described above); (c) 56HR's termination of the Long Term
11 and Short Term License Agreements; (d) 56HR's and HRM's interferences and
12 disruptions with JJC's potential economic relationships with the Potential Investors
13 (described above); and (e) using and communicating confidential information
14 acquired as a director of JJC for his own personal benefit and for the benefit of
15 56HR and HRM.
16

17 127. JJC did not give informed consent to Rohan Marley's conduct;
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19 128. JJC was harmed; and
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21 129. Rohan Marley's conduct and breaches of fiduciary duties were a
22 substantial factor in causing JJC's harm.
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PRAYER FOR RELIEF

WHEREFORE, Defendant prays for judgment against Defendant as follows:

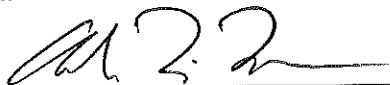
1. That Plaintiff take nothing and that the Court enter judgment in favor of JJC on all claims alleged in the Complaint;
2. For economic damages according to proof (all causes of action);
3. For punitive and exemplary damages allowed under applicable law;
4. For pre and post-judgment interest and/or statutory interest (all causes of action);
5. For costs of suit (all causes of action); and
6. For such other and further relief as the Court deems just and equitable.

DATED: August 4, 2016

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave., Unit D
Marina Del Rey, CA 90292
P. (303)396-2842

VERIFICATION

I, Anh Tran, on behalf of Jammin Java, Corp., hereby affirm under oath that I have read the foregoing "Verified Complaint" and that the facts set forth therein are true and correct based on my current knowledge and belief.



Ahn Tran

STATE OF CALIFORNIA)

COUNTY OF _____)

The foregoing Verification was executed this 4th day of August, 2016 by Anh Tran, on behalf of Plaintiff Jammin Java Corp.

Witness my hand and official seal.

See Attached Document 

Notary Public

My commission expires: 05-04-2019

Padraic I. McCoy
Tilden McCoy + Dilweg LLP
13310 Maxella Ave, Unit D
Marina Del Rey, CA 90292
P. (310)396-2842

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ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On Aug 4, 2016 before me, Octavio Romero Jr Notary public
(insert name and title of the officer)

personally appeared Anh Hoa,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in (his/her/their authorized capacity(ies), and that by (his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ORJ (Seal)

