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14 UNITED STATES DISTRICT COURT
15 SOUTHERN DISTRICT OF CALIFORNIA

16 SOLAR INTEGRATED ROOFING
17 CORP, a Nevada Corporation,
18 Plaintiff,
19 v.
20 DAVID M. MASSEY, a California
21 resident; LAURA METTIAS, a California
22 resident; and DOES 1 through 10,
23 Defendants.

Case No.: '23CV2323 MMAAHG

**COMPLAINT FOR VIOLATIONS
OF THE SEC ACT OF 1934,
FEDERAL WIRE FRAUD, BREACH
OF FIDUCIARY DUTY, FRAUD,
NEGLIGENCE, CONVERSION,
UNJUST ENRICHMENT, RICO
VIOLATIONS, AND CONSPIRACY
TO DEFRAUD THE UNITED
STATES**

JURY TRIAL DEMANDED

1 Plaintiff Solar Integrated Roofing Corp. (“SIRC”), files this Complaint against
2 Defendants David M. Massey, Laura Mettias, and Does 1 through 10.

3 INTRODUCTION

4 1. This lawsuit formally accuses Mr. Massey and his associates of orchestrating
5 a systematic plunder of SIRC’s finances. They stand charged with executing multiple
6 schemes of securities and wire fraud, leading to the reckless downfall of the company.
7 Their actions have not only eroded the company’s financial stability but have also
8 obliterated the trust of its investors, stripping the company of its once-held goodwill.

9 2. This lawsuit unveils a saga of corporate betrayal at the hands of Mr. Massey,
10 the former CEO of SIRC. Under his “leadership,” the company spiraled into a chasm of
11 deceit and recklessness. Mr. Massey’s tenure was marked by his relentless pursuit of
12 personal enrichment at the expense of the company’s integrity, financial health, and market
13 standing.

14 3. Mr. Massey, in a blatant display of financial manipulation, deceived SIRC’s
15 Board of Directors to issue shares to himself, only to have the company repurchase them.
16 He would sometimes dilute the stock with public offerings in order to afford SIRC the
17 capital to justify the buyback scheme. This act of self-enrichment not only siphoned funds
18 from SIRC, but also eroded its market value and investor confidence.

19 4. Furthermore, he entangled the company in toxic mergers with unstable or
20 fictitious entities, burdening the company with detrimental debts and legal entanglements.

21 5. In a brazen disregard for his fiduciary duties, Mr. Massey used the company
22 as a personal treasury, often binding SIRC to expenditures that had nothing to do with
23 legitimate business operations. He also used the company and its assets as a tool to impress
24 his family and girlfriend.

25 6. For his own part, Mr. Massey engaged in nepotism, and extravagantly
26 squandered company funds on personal expenses, including real estate, non-business trips,
27 and unrelated legal fees. His lifestyle of luxury, funded by the company’s coffers, stands
28 in stark contrast to the financial ruin he left in his wake. He even created a shell company

1 to facilitate off-the-books transfers of securities, including restricted shares of SIRC’s
2 stock, exposing SIRC to a wide variety of legal entanglements.

3 7. Mr. Massey’s deceit knew no bounds as he engaged in a systematic campaign
4 of misinformation, targeting both large shareholders and the general investing public. He
5 fed them fabricated insider information and unfounded financial projections, seducing
6 them into investing more into what was essentially a sinking ship. His actions, fueled by a
7 voracious appetite for market capitalization, were nothing short of a carefully orchestrated
8 heist, leaving a trail of financial devastation and broken trust.

9 8. At no time did Mr. Massey act as an agent of the company. Rather, he, along
10 with the third parties who helped him defraud investors, acted as an agent of himself. On
11 several occasions, company insiders and SIRC’s counsel would admonish Mr. Massey not
12 to engage with investors directly. Mr. Massey paid no mind to these directives, and instead
13 went rogue, acting grossly outside the scope of his agency.

14 9. The consequences of Mr. Massey’s actions are tragically far-reaching. The
15 company, once valued at over \$100 million with a share price regularly above \$0.30, now
16 teeters on the brink of insolvency with a market cap of merely \$2-3 million and a share
17 price less than a tenth of a penny. The obliteration of investor trust and company goodwill,
18 estimated at a staggering \$100 million loss, has not just financially crippled SIRC but also
19 led to incalculable personal tragedies among its investors.

20 10. Meanwhile, Mr. Massey, even with his assets now frozen by the FBI,
21 continues to epitomize the most depraved form of corporate malfeasance. One notable
22 example includes his attempts to have the company declare bankruptcy leading up to and
23 shortly after his departure. After years of stringing investors along, he tried to run away
24 like a coward. His desire for corporate bankruptcy had nothing to do with legitimate
25 business reasons, but rather to avoid debts and obligations to shareholders.

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PARTIES

11. SIRC is a corporation organized under the laws of and maintains its principal executive office in Nevada.

12. Mr. Massey is an individual and resident of California.

13. Ms. Mettias is an individual and resident of California.

14. Does 1 through 10, identified in connection with Mr. Massey, are believed to reside in California, based on available information. These individuals, encompassing acquaintances and possibly family members of Mr. Massey, have not held any official positions or decision-making roles within SIRC. Their specific identities will be disclosed pursuant to the Court’s Scheduling Order as the investigation progresses.

JURISDICTION AND VENUE

15. The matter in controversy in this civil action exceeds the sum or value of \$75,000.00, exclusive of interests and costs. Moreover, this matter is between citizens of different States, in that SIRC is a citizen of Nevada, and the defendants are citizens of California. This Court, therefore, has original jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a).

16. Venue is proper in this Court, pursuant to 28 U.S.C. § 1391(b)(1), in that the defendants are residents of San Diego County, California.

FACTUAL ALLEGATIONS

Lying to the Board | Corporate Theft | 2020

17. In 2020, Mr. Massey earned wages from SIRC and was thus compensated in the amount of \$92,077.60. (Ex. 1, Massey 2020 W-2.)¹

18. However, on or about February 11, 2020, Mr. Massey represented to SIRC’s Board of Directors (the “Board”) that he had never been compensated by SIRC for his services as CEO. (Ex. 2, Board Resolution, Feb. 26, 2020.)

¹ The entity referenced as the “Employer” in the W-2, Workforce Business Services CA, is simply a payroll company. The wages were compensation Mr. Massey received from SIRC.

1 19. Based on this lie, the Board – of which Mr. Massey was a member and did not
2 recuse himself despite the conflict of interest – resolved to issue Mr. Massey 5 million
3 shares of Class B preferred stock, each of which was convertible to 10 shares of common
4 stock. (*Id.*)

5 20. In other words, Mr. Massey deceived the Board into paying him essentially
6 50 million shares of common stock when, at the time, the share price was roughly \$0.03,
7 amounting to a total net value of \$1,500,000.00.

8 21. The Board was deceived into issuing Mr. Massey more Class B shares just
9 four months later, again for “compensation.” On June 17, 2020, the Board voted to issue
10 another 1.5 million Class B shares “to David Massey as compensation.” (Ex. 3, Board
11 Resolution, June 29, 2020.)

12 22. Mathematically, this essentially resulted in Mr. Massey siphoning another 15
13 million common shares at a time when the stock price was roughly \$0.05, resulting in a net
14 value of \$750,000.00.

15 23. As each transfer involved deception (claiming to be for unpaid compensation,
16 when in fact he had already been compensated with wages), the transfers were in violation
17 of the Securities and Exchange Act of 1934, 15 U.S.C. § 78j(b).

18 24. For the same reasons, each transfer constituted fraud, breach of fiduciary duty,
19 conversion, and unjust enrichment. Moreover, since it is unlikely that Mr. Massey properly
20 reported the transactions or his compensation on his tax returns, and since he was likely
21 helped in thinking through the fraud by Does 1-10, each transaction was likely an attempt
22 to defraud the United States government, in violation of 18 U.S.C. § 371.

23 **Off-The-Books Transfers | SIRC LLC**

24 25. Mr. Massey tried to get the Board to buy back his Preferred B shares for
25 \$10,000,000.00, but this attempt was ultimately rejected by the Board. (Ex. 4, Board
26 Resolution, Sept. 10, 2021.) However, again complaining about having not gotten paid
27 (when in fact he had), he did ultimately convince the Board to purchase 1 million of the
28 shares for \$2,000,000.00. (*Id.* at Ex. A.)

1 26. Perhaps knowing that the Board would not allow Mr. Massey to siphon
2 another \$8 million from the company by “selling” the remaining 5.5 million wrongfully
3 acquired Preferred B shares to SIRC, Mr. Massey created a shell company to facilitate off-
4 the-books transfers to convert the shares (which were restricted) into cash.

5 27. On June 7, 2021, Mr. Massey created the shell company named “SIRC, LLC.”
6 (Ex. 5, SIRC, LLC Listing.) In an effort to keep the fictitious entity under the radar, Mr.
7 Massey registered the shell company in Indiana. (*Id.*)

8 28. In its Articles of Incorporation, “SIRC, LLC” identifies James Smyth, Esq. as
9 its registered agent, with an email address to the domain
10 “customstructuredsettlements.com.” (Ex. 6, SIRC, LLC Art. Incorpor.)

11 29. James W. Smyth, Esq. is the managing partner of Custom Structured
12 Settlements LLC, which is a business that helps people “strategically defer capital gains
13 when allowed by law.” (Ex. 7, Smyth LinkedIn.)

14 30. Further evidence that SIRC, LLC was nothing more than a shell to facilitate
15 Mr. Massey’s unjust enrichment is the fact that it was dissolved on December 5, 2023, just
16 two weeks after SIRC’s November 22, 2023 press release announcing that it would
17 prosecute this action against Mr. Massey. (Ex. 8, SIRC, LLC Dissolution.)

18 31. As part of a February 7, 2022 purchase agreement with Pablo Diaz, Mr.
19 Massey sold 1 million of his remaining 5.5 million Preferred B shares to Mr. Diaz for
20 \$1,000.00. Accordingly, as of February 7, 2022, Mr. Massey had 4.5 million Preferred B
21 shares.

22 32. On May 25, 2022, Mr. Massey, on his own and unbeknownst to other SIRC
23 insiders, transferred 4.5 million Preferred B shares to “SIRC, LLC.” (Ex. 9, Transfer to
24 SIRC, LLC, May 25, 2022.)

25 33. This transfer was done by Mr. Massey acting rogue, with the specific intent
26 to facilitate off-the-books transfers of the securities for profit, without having to report their
27 sales or the proceeds derived therefrom (since SIRC, LLC was, on paper, a third party).
28

1 Mr. Massey intended to hide his theft in this manner, and thereby unjustly enrich himself
2 under the radar.

3 **Restrictions | FBI Freeze**

4 34. Eventually, Mr. Massey realized that he could not *legally* sell the shares that
5 he hid under SIRC, LLC, as they were still restricted.

6 35. So, on October 5, 2022, he had SIRC, LLC transfer 37 million common shares
7 back to himself. (Ex. 10, Transfer to Massey, Oct. 5, 2022.)

8 36. For context, prior to this date, Mr. Massey had SIRC, LLC convert the 4.5
9 million Preferred B shares to 45 million common shares. Of those 45 million shares, 37
10 million were transferred back to Mr. Massey. (*Id.*) But alas, they remained restricted.

11 37. On November 3, 2022, he then instructed the stock transfer company to
12 remove all restrictions. (Ex. 11, Massey's Nov. 3, 2022 Letter to Colonial.)

13 38. Mr. Massey intended to have the restrictions removed, so that he could
14 illegally transfer the shares back to SIRC, LLC, without restrictions, so he could then more
15 easily dispose of the shares for profit, under the radar, without any reporting obligations,
16 via his shell company.

17 39. The plan, of course, got bungled. The broker rejected Mr. Massey's attempt
18 to remove the restrictions due to a microcap policy. (Ex. 12, Broker Rejection, Nov. 8,
19 2022.)

20 40. Undeterred, on January 20, 2023, Mr. Massey aggressively tried to ram the
21 restriction removal through one more time, this time only requesting the removal as to
22 6,258,986 of the 37 million shares. (Ex. 13, Restriction Removal, Jan. 20, 2023.)

23 41. Although the transaction went through, it was, of course, a blatant securities
24 violation and, on August 25, 2023, the FBI seized them. (Ex. 14, FBI Freeze of 6,258,986
25 Shares.)

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1 **Reckless Mismanagement**

2 42. *Arbiter*. Lending \$4.2 million to receive a subsequent loan of \$42 million is
3 inherently questionable, yet this was Mr. Massey’s plan with Arbiter Capital LLC (“Arbiter
4 USA”), a Delaware LLC. On October 5, 2021, under Mr. Massey’s direction, SIRC loaned
5 \$4.2 million to Arbiter USA at 3.5% interest. (Ex. 15, Arbiter Memo, Mar. 3, 2022.) This
6 was to finance Arbiter USA’s non-operational subsidiary, Arbiter Bank International (St.
7 Lucia) Limited (“Arbiter St. Lucia”), purportedly enabling a \$42 million loan to SIRC.
8 (Ex. 16, Loan Agreement, Jan. 5, 2022; Ex. 17, Arbiter Report.) However, SIRC has yet to
9 receive any return from this transaction. The glaring inconsistency in Mr. Massey’s plan
10 was failing to question the rationale behind Arbiter needing a \$4.2 million loan from SIRC
11 when it was supposedly positioned to lend \$42 million.

12 43. *Balance Sheet Errors*. As a result of providing absolute zero oversight of his
13 accounting department, the balance sheet was at times off by at least \$84,000.00 in 2021.
14 (Ex. 18, Bees Email, Mar. 3, 2021.)

15 44. *Toxic Debts*. In violation of his duty to act in the best interest of the company,
16 Mr. Massey regularly pledged SIRC to toxic debts. One example is a loan he took on
17 September 9, 2020 with an annual percentage rate of 88.25%. (Ex. 19, OnDeck Loan, Sept.
18 9, 2020.)

19 45. *Lack of Due Diligence & Regulatory Noncompliance*. Mr. Massey
20 consistently neglected basic due diligence in SIRC’s transactions, leading to illegal deals
21 and regulatory noncompliance. A notable example is the questionable transaction with
22 Jefferson Street Capital LLC (JSC), a self-proclaimed securities trader. Mr. Massey
23 overlooked JSC’s lack of registration as a dealer, violating the Securities and Exchange
24 Act of 1934, and entered SIRC into a risky Securities Purchase Agreement on March 19,
25 2019. (Ex. 20, JSC Note, Mar. 19, 2019.) This resulted in a significant financial loss for
26 SIRC when JSC executed a conversion at \$0.05, during a time when SIRC’s stock was
27 trading well above \$0.50 around June 2021. (*Id.* ¶ 1.2; Ex. 21, Attorney Opinion.) Mr.
28 Massey candidly attributed this to his “ignorance.” (*Id.*)

1 46. *Lack of Due Diligence in Hiring & Acquisitions.* Mr. Massey’s legendary lack
2 of due diligence was not confined to securities. With exacting efficiency, he made sure to
3 entrench SIRC in costly deals when acquiring businesses and hiring insiders. For instance,
4 he purchased a 60% interest in SunUp Solar LLC (“SunUp”) from its owner, Elijah
5 Chaffino, for \$200,000 plus 200,000 shares of common stock on June 30, 2021. (Ex. 22,
6 Purchase Agreement ¶ 1.02(b).) This was despite SunUp having “no tangible assets” and
7 being operational since only October 26, 2020. (Ex. 23, Annual Report at 34.) Moreover,
8 Mr. Massey appointed Mr. Chaffino to manage SIRC’s Milholland subsidiary, creating a
9 conflict of interest due to Mr. Chaffino’s ownership of Standard Eco LLC, which was a
10 subcontractor. Ultimately, Mr. Chaffino resigned on August 22, 2022, and sued SIRC on
11 November 22, 2023. This whole “deal” damaged SIRC in the amount of the purchase price,
12 \$2.9 million in losses from SunUp’s operations, and legal fees.

13 47. *More Regulatory Noncompliance.* Even in his personal life, Mr. Massey found
14 ways to entangle SIRC in SEC violations. Sometime in late 2021, Mr. Massey did an off-
15 the-books securities transaction with Granite Ridge Capital Partners (“Granite”). SIRC has
16 no records of the transaction, leading current management to believe that whatever
17 securities were sold was a personal transaction solely between Mr. Massey and Granite.
18 However, Mr. Massey failed to recognize that, similar to the JSC ordeal, Granite was not
19 a registered dealer or broker. Thus, Mr. Massey’s secret, off-the-books transaction was in
20 violation of securities laws. While this should have only involved Mr. Massey in legal
21 woes, he opted to retain counsel under the guise of SIRC when complications arose,
22 thereby obligating SIRC to pay his personal legal fees with company money. (Ex. 24,
23 PULLP Invoice, Feb. 7, 2022.)

24 48. *Impressing Girlfriend at the Expense of Investors.* Mr. Massey, ever creative,
25 had found other ways to contribute to SIRC’s decline. One of his ideas was to hire his
26 girlfriend’s daughter, Christina Johnson. In fact, Mr. Massey *re-hired* her after she had
27 already worked for, quit from, *and sued SIRC*. Ms. Johnson’s bad fit was evidenced clearly
28 by her June 29, 2018 email (during her first stint with SIRC) advising Mr. Massey to “spin”

1 company mishaps from “non-standard operational transactions.” (Ex. 25, Christina
2 Johnson’s June 29, 2018 Email.) When she was not attempting to prompt even more
3 deception and malfeasance from Mr. Massey, Ms. Johnson essentially did nothing other
4 than complain and accuse everyone else of dropping the ball. *After* settling Ms. Johnson’s
5 initial lawsuit *and then* rehiring her, Mr. Massey saw fit to unjustifiably reward her *even*
6 *more*, by, in addition to the pay she never truly earned, granting her a *three-year severance*
7 clause when she mercifully quit – again – after 3 months. Mr. Massey’s employment of
8 Ms. Johnson was done not with the best interests of SIRC in mind, but rather with the sole
9 aim to impress his girlfriend. It was a clear breach of fiduciary duty.

10 49. *Impressing Girlfriend, Continued.* In January 2022, Mr. Massey was seriously
11 considering using the SIRC treasury to buy the defunct company registered in Texas as
12 Heartland Constructors LLC. (Ex. 26, SIRC Press Release, Jan. 18, 2022.) The company
13 was owned by Bob Zarbo. An August 27, 2022 email from Mr. Massey to Mr. Zarbo shows
14 that the only reason for the proposed purchase of the unstable company was for “Marlena’s
15 Comp plan,” which included making Mr. Massey’s said girlfriend the President of the
16 company and a minority owner. (Ex. 27, Massey’s Aug. 27, 2022 Email to Zarbo.)
17 Fortunately, the purchase never happened. But, for purposes of establishing malice, this
18 episode shows with exacting clarity that Mr. Massey’s routine practice was to act with a
19 conscious, deliberate, and reckless disregard for the rights and safety of SIRC, insofar as
20 the purchase – done solely to further inflate Mr. Massey’s ego – would have been yet
21 another damaging financial loss to the company.

22 50. *More Clueless Projections.* Although the Arbiter ordeal has already been
23 discussed, further evidence of Mr. Massey’s reckless executive malpractice may be gleaned
24 from his belief in February 2023 that Arbiter St. Lucia was just one month away from being
25 funded. (Ex. 28, Massey’s Feb. 3, 2023 Email to Frank.) It is now December 2023, two
26 years after SIRC’s initial \$4.2 million loan to Arbiter USA, and Arbiter St. Lucia still does
27 not even have a SWIFT code.

1 51. *Using the SIRC Treasury for Personal Expenditures.* Mr. Massey routinely
2 siphoned funds from the SIRC treasury for personal expenditures without the Board's
3 knowledge or consent. While there are countless examples that will be proven at trial, in
4 the interests of brevity this Complaint will mention only a few. Mr. Massey regularly used
5 SIRC to pay his personal legal bills. (Ex. 24, PULLP Invoice, Feb. 7, 2022.) Mr. Massey
6 used SIRC to pay for personal expenses related to vacant land he purchased. (Ex. 29, Nov.
7 2023 Emails with Garzella Group.) Mr. Massey used SIRC to pay for his legal and other
8 expenses related to a trailer he owned. (Ex. 30, Procopio Correspondence, June 29, 2021.)
9 Again, this is by no means a conclusive list. Each of Mr. Massey's rogue personal
10 expenditures with SIRC funds constituted fraud, breach of fiduciary duty, unjust
11 enrichment, wire fraud and other forms of malfeasance, directly causing SIRC substantial
12 damages.

13 52. *Gambling with SIRC Funds.* This personal expenditure is worthy of its own
14 paragraph. On February 7, 2022, Mr. Massey entered into a Stock Purchase Agreement
15 with Pablo Diaz, whereby 1 million of Mr. Massey's Preferred B shares were transferred
16 to Mr. Diaz in return for Mr. Diaz paying \$1,000.00. (Ex. 31, Diaz Purchase Agreement,
17 Feb. 7, 2022.) Although Mr. Massey tried to make the transaction seem like a personal
18 venture between the two men, the transaction was related to Mr. Diaz' role as a SIRC
19 insider, as indicated by the fact that \$1,000.00 for 1 million Preferred B shares that were
20 equivalent to 10 million common shares (at a time when the stock was trading above \$0.30)
21 clearly was not for value. The money, therefore, belonged to SIRC. Mr. Massey placed the
22 funds on a sports bet. (Ex. 32, Aff. Chaffino.)

23 53. The examples cited above are a mere snapshot of the various instances of
24 reckless mismanagement by Mr. Massey. There are several other examples showing that
25 balance sheet errors, gross overpayments to acquire fake or unstable companies, illegal or
26 questionable securities transactions, negligent hiring decisions, pledging SIRC to
27 unnecessary and toxic debts, and other instances of acute lack of due diligence, regulatory
28 noncompliance, and executive malpractice were the norm for Mr. Massey. His conduct

1 constituted of breaches of his fiduciary duties to SIRC, SEC violations, fraud, negligence,
2 conversion, and unjust enrichment, all of which caused SIRC millions of dollars in
3 damages.

4 **Illegal Communications with (and Lies to) Investors**

5 54. Unbeknownst to management, Mr. Massey would regularly feed investors
6 false insider information. On March 16, 2023, Mr. Massey told a retail investor that the
7 share price would reach \$0.20 within “the next 30 days.” (Ex. 33, Shareholder
8 Communication, Mar. 16, 2023.) Not only did the share price never reach that mark, but it
9 has since fallen to less than one-tenth of a penny.

10 55. On November 9, 2020, Mr. Massey used SIRC funds to book a hotel to meet
11 with and give false insider information to another investor. (Ex. 34, Shareholder
12 Communication, Nov. 9, 2020.)

13 56. Mr. Massey also fed insider information to Sam Aker, a popular journalist
14 who regularly offers informative reporting to investors. On February 13, 2023, Mr. Massey
15 falsely told Mr. Aker that he had “secured funding for the company,” and falsely suggested
16 that what prompted Mr. Holmes and others to leave the company was cost cutting, when,
17 upon information and belief, it was just being uncomfortable with Mr. Massey. (Ex. 35,
18 Aker & Massey Emails, Feb. 13, 2023.) In fact, Mr. Massey offered this false insider
19 information after Mr. Aker expressly told him, “I want to keep everything above board and
20 work with the same public information my readers have. I never want to be in the position
21 of releasing anything that was previously non-public information, whether it is material or
22 not, or have the perception of insider trading.” (*Id.*)

23 57. Mr. Massey also forwarded SIRC’s short selling report to Mr. Aker before it
24 became public. (Ex. 36, Aker & Massey Emails, Apr. 13, 2023.) This was on April 13,
25 2023, which was after Mr. Aker told Mr. Massey not to send insider information as outlined
26 above. (*Id.*)

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1 58. There were hundreds of other such examples of Mr. Massey regularly
2 violating securities law, and exposing SIRC to serious administrative entanglements with
3 the SEC, by communicating material non-public insider information to shareholders.

4 59. When these communications first became known to other SIRC insiders, Mr.
5 Massey was directed to immediately cease the illegal activity. For example, on December
6 15, 2022, shortly after becoming the new CEO with access to SIRC’s internal documents,
7 George Holmes instructed Mr. Massey in no uncertain terms:

8 David:

9 Thank you for sending this over.

10 As we have previously discussed, please, please, please do not respond
11 [to shareholders], just forward to me.

12 This [shareholder email chain] has 5 responses from you, when it comes
13 to investor communications, the only right answer is zero responses
14 from you. Anything other than a forward is too much.

15 I don’t respond either, I send them to MZ.

16 (Ex. 37, Holmes’ Dec. 15, 2022 Email to Massey.)

17 60. The fact that Mr. Massey was acting outside the scope of his agency is
18 evidenced by screenshots from another investor’s communications with him. On March
19 19, 2023, Mr. Massey admitted, “My counsel told me not to speak to shareholders
20 anymore[.]” (Ex. 38, Shareholder Texts at p. 1.) Prior to that, on November 11, 2022, Mr.
21 Massey admitted, “I’ve been advised I cannot communicate with shareholders anymore so
22 I cannot take your calls for McCanna’s [sic] affective [sic] for 10 as effective I cannot talk
23 to you[.]” (*Id.* at p. 2.)²

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27 ² The shareholder from whom these text screenshots was received suggested that Mr. Massey was
28 often inebriated during text and phone conversations. The shareholder further revealed that Mr. Massey
would often encourage him to invest and buy more stock even as the share price plummeted.

1 61. Indeed, going back to Mr. Aker, on April 2, 2023, Mr. Massey forwarded an
2 internal SIRC email to Mr. Aker after being told to stop. (Ex. 39, Aker & Massey Emails,
3 Apr. 2, 2023.) Clearly, Mr. Massey was acting the scope of his agency.

4 62. Despite being admonished on numerous occasions to stop the illegal insider
5 communications, Mr. Massey persisted, exposing SIRC to serious legal complications. Mr.
6 Massey’s said breach of fiduciary duty and securities violations, therefore, not only
7 contributed to SIRC’s losses in the form of legal fees, but further directly and proximately
8 caused substantial damage to SIRC’s goodwill.

9 **PPP Loans**

10 63. Mr. Massey worked with Ms. Mettias in an effort to defraud the United States
11 government in connection with Small Business Administration loans offered as a result of
12 the COVID-19 pandemic under the Paycheck Protection Program (PPP).

13 64. As a result of prior business dealings, Mr. Massey insisted on using Ms.
14 Mettias as a consultant to obtain several PPP loans. This was despite the fact that, while a
15 normal such consultant would only charge roughly \$50,000.00, Ms. Mettias’ fee was well
16 in excess of \$500,000.00, as it was based on a questionable 10% of the total loan proceeds.

17 65. Upon information and belief, Mr. Massey and Ms. Mettias conspired together
18 to use portions of the loans for personal expenses. (Ex. 40, Mettias’ Apr. 25, 2023 Email
19 (“Attached are the requested bills for my personal property.”).)

20 66. In furtherance of their said efforts to steal PPP money, even though SIRC had
21 203 employees in 2022, 196 employees in 2021, and only 101 employees in 2020, Mr.
22 Massey and Ms. Mettias lied on the PPP applications by grossly inflating the payroll
23 figures, by indicating that SIRC had over 500 employees. (Ex. 41, Curiel’s Feb. 14, 2022
24 Email.)

25 **Damages**

26 67. As a direct and proximate result of Mr. Massey and the other defendants’
27 above-referenced securities violations, wire fraud, breach of fiduciary duty, fraud,
28 negligence, conversion, unjust enrichment, RICO violations, and conspiracy to defraud the

1 United States government, SIRC incurred substantial damages. The damages consist of the
2 funds stolen from the company by Mr. Massey and Ms. Mettias, Mr. Massey’s personal
3 expenditures with SIRC funds, the losses to SIRC from his various instances of reckless
4 mismanagement, the legal fees, settlements and other costs associated with his said
5 wrongful conduct, and other economic damages.

6 68. Moreover, SIRC has lost substantial goodwill and incurred reputation damage
7 among investors as the direct and proximate result of Mr. Massey and the other defendants’
8 said wrongful conduct. Perhaps the best measurement of such damages is the decline in
9 market capitalization – over \$100,000,000.00.

10 69. As outlined above, Mr. Massey and the other defendants acted in the pursuit
11 of fraud, and with a conscious, deliberate, and reckless disregard for the harm they caused
12 SIRC. Mr. Massey, Ms. Mettias, and Does 1 through 10, therefore, acted with malice, and
13 are subject to a punitive damages award in the amount of ten times the compensatory
14 damages – an additional \$1,000,000,000.00.

15 70. For these reasons, SIRC seeks a total jury verdict against Mr. Massey, Ms.
16 Mettias, and Does 1 through 10 in the amount of \$1,100,000,000.00.

17 COUNT I

18 VIOLATIONS OF THE SECURITIES AND EXCHANGE ACT OF 1934

19 71. SIRC incorporates all preceding paragraphs as if set forth fully herein.

20 72. Mr. Massey employed a manipulative and deceptive contrivance in
21 connection with SIRC’s stock when he engaged in a pervasive pattern of (a) misleading
22 the Board to trigger stock issuances to him, (b) engaging in illegal securities transactions
23 with unregistered dealers or brokers, (c) selling and attempting to sell restricted shares in
24 off-the-books securities transactions, and (d) other false and deceptive statements and
25 practices. The fraudulent conduct thereby violated 15 U.S.C. § 78j(b), and directly and
26 proximately caused SIRC’s damages. Mr. Massey is thus liable under § 78aa(a).

1 73. Mr. Massey acted with actual malice, and punitive damages in the amount of
2 1- to 10-times SIRC's losses are warranted to punish Mr. Massey and deter others from
3 engaging in similar conduct.

4 COUNT II

5 COMMON LAW FRAUD

6 74. SIRC incorporates all preceding paragraphs as if set forth fully herein.

7 75. Mr. Massey made false representations of material fact and knowingly
8 concealed material information when he lied to SIRC's Board, siphoned funds for personal
9 expenditures, and engaged in his other wrongful conduct outlined herein in order to
10 unjustly enrich himself pursuant to his deceptive schemes. Moreover, both Mr. Massey and
11 Ms. Mettias made false representations of material fact and knowingly concealed material
12 information from SIRC's Board when they lied on applications for PPP funds, in
13 furtherance of a fraudulent scheme to siphon PPP money for personal expenditures.

14 76. Mr. Massey and Ms. Mettias knew their representations and omissions were
15 false and deceptive, and they intended for SIRC to rely on the same, which it justifiably
16 and reasonably did. Mr. Massey's individual acts of fraud, and his conspiratorial acts with
17 Ms. Mettias' in their fraudulent PPP scheme, directly and proximately caused SIRC's
18 damages.

19 77. Mr. Massey and Ms. Mettias acted with actual malice, and punitive damages
20 in the amount of 1- to 10-times SIRC's losses are warranted to punish Mr. Massey and Ms.
21 Mettias, and deter others from engaging in similar conduct.

22 COUNT III

23 WIRE FRAUD

24 78. SIRC incorporates all preceding paragraphs as if set forth fully herein.

25 79. The bulk of Mr. Massey's deceptive conduct outlined in this lawsuit involved
26 wire transfers. Accordingly, since the conduct was all part of a scheme created by Mr.
27 Massey to defraud SIRC and to thereby obtain money or property under false pretenses,
28

1 representations or promises, Mr. Massey violated 18 U.S.C. § 1343, and directly and
2 proximately caused SIRC's damages.

3 80. Mr. Massey acted with actual malice, and punitive damages in the amount of
4 1- to 10-times SIRC's losses are warranted to punish Mr. Massey and deter others from
5 engaging in similar conduct.

6 COUNT IV

7 NEGLIGENCE

8 81. SIRC incorporates all preceding paragraphs as if set forth fully herein.

9 82. Mr. Massey owed a tort duty to SIRC, which required him to act in SIRC's
10 best interests, employ reasonable business judgment, not commit securities violations or
11 otherwise expose SIRC to legal and administrative entanglements, and otherwise act
12 loyally on behalf of the company. Mr. Massey breached his said duties when he regularly
13 lied to the Board, siphoned and stole company assets, pledged the company to toxic debts,
14 made patently ludicrous business decisions that no similarly-situated CEO would have
15 made, engaged in securities violations, violated other federal and state laws, committed
16 PPP loan fraud, and otherwise acted in his own self interest without any care or regard for
17 the best interests of SIRC as outlined above. These material breaches or his tort duties
18 directly and proximately caused SIRC's damages.

19 83. Mr. Massey acted with actual malice, and punitive damages in the amount of
20 1- to 10-times SIRC's losses are warranted to punish Mr. Massey and deter others from
21 engaging in similar conduct.

22 COUNT V

23 CONVERSION

24 84. SIRC incorporates all preceding paragraphs as if set forth fully herein.

25 85. Mr. Massey exercised unauthorized dominion and control over SIRC's assets,
26 constituting a conversion of these assets, through actions including (a) selling restricted
27 shares obtained through deceit, (b) misappropriating company funds for personal use, (c)
28 diverting PPP loan proceeds for personal gain unrelated to SIRC's business, and (d)

1 engaging in illegal off-the-books transactions with shares of SIRC stock through the shell
2 company “SIRC, LLC.”

3 86. Ms. Mettias similarly exercised unauthorized control over SIRC’s assets,
4 notably diverting PPP loan proceeds to personal use in collaboration with Mr. Massey.

5 87. These acts of conversion by Mr. Massey and Ms. Mettias were unauthorized,
6 facilitated by deceptive and improper means.

7 88. Mr. Massey and Ms. Mettias acted with actual malice, and punitive damages
8 in the amount of 1- to 10-times SIRC’s losses are warranted to punish Mr. Massey and Ms.
9 Mettias and deter others from engaging in similar conduct.

10 COUNT VI

11 RICO VIOLATIONS

12 89. SIRC incorporates all preceding paragraphs as if set forth fully herein.

13 90. Mr. Massey engaged in conduct constituting a violation of the Racketeer
14 Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961-1968. Mr. Massey,
15 through his position in SIRC, operated as part of an enterprise and engaged in a pattern of
16 racketeering activity. This pattern included multiple acts of securities fraud in violation of
17 15 U.S.C. § 78j(b) and wire fraud in violation of 18 U.S.C. § 1343. Specific acts include
18 misleading the Board to trigger stock issuances, illegal securities transactions, selling
19 restricted shares in off-the-books transactions, and making false and deceptive statements
20 and practices. These activities, which involved manipulative and deceptive contrivances,
21 constituted a pattern of racketeering activity as defined under RICO.

22 91. Mr. Massey and Ms. Mettias, through their roles in their secret PPP scheme,
23 executed a fraudulent scheme involving the misappropriation of PPP funds. They made
24 false representations and knowingly concealed material information from SIRC’s Board
25 and PPP lenders. This scheme was executed by submitting deceptive applications for PPP
26 funds, which were then diverted for personal expenditures rather than for the legitimate
27 business purposes of SIRC. This conduct, forming part of their broader pattern of
28 racketeering activity, included acts of wire fraud in violation of 18 U.S.C. § 1343 and

1 potentially other federal statutes, directly and proximately causing financial damage to
2 SIRC. Their actions within this scheme are integral to the RICO claim, demonstrating their
3 engagement in a pattern of racketeering activity through the misuse of federally funded
4 loans.

5 92. Mr. Massey and Ms. Mettias acted with actual malice, and punitive damages
6 in the amount of 1- to 10-times SIRC's losses are warranted to punish Mr. Massey and Ms.
7 Mettias and deter others from engaging in similar conduct.

8 **COUNT VII**

9 **CONSPIRACY TO DEFRAUD THE UNITED STATES**

10 93. SIRC incorporates all preceding paragraphs as if set forth fully herein.

11 94. Mr. Massey and Ms. Mettias conspired to defraud the United States in
12 violation of 18 U.S.C. § 371. This conspiracy involved a scheme to obtain PPP funds
13 through fraudulent means for personal gain, thereby defrauding an agency of the United
14 States. Mr. Massey and Ms. Mettias engaged in a concerted effort to deceive the PPP loan
15 program by submitting applications with false representations and omitting material
16 information. Their actions were not only aimed at securing funds under false pretenses but
17 also included the diversion of these federally-backed funds for personal use, in clear
18 disregard of the stipulated terms of the PPP program. This conduct, representative of a
19 calculated and deliberate conspiracy, was executed with the intent to defraud the United
20 States by undermining the lawful administration of a federal financial relief program
21 designed to aid businesses during a national economic crisis.

22 95. Furthermore, the pattern of activities conducted by Mr. Massey, including but
23 not limited to manipulating SIRC's stock, engaging in unauthorized securities transactions,
24 and misappropriating company assets, in collusion with Does 1 through 10, further
25 illustrates their conspiracy to defraud the United States. Their actions not only caused
26 financial harm to SIRC but also constituted an abuse of federal programs and a violation
27 of federal securities laws, thus evidencing their concerted effort to defraud the United
28 States government and its lawful functions.

1 96. Lastly along these lines, SIRC has reason to believe that Mr. Massey failed to
2 report the full nature of his said illegal financial gains on his tax returns, and thus his actions
3 further contributed to defrauding the IRS.

4 97. Mr. Massey, Ms. Mettias, and Does 1 through 10 acted with actual malice,
5 and punitive damages in the amount of 1- to 10-times SIRC's losses are warranted to punish
6 Mr. Massey, Ms. Mettias, and Does 1 through 10, and deter others from engaging in similar
7 conduct.

8 COUNT VIII

9 UNJUST ENRICHMENT

10 98. SIRC incorporates all preceding paragraphs as if set forth fully herein.

11 99. Mr. Massey and Ms. Mettias were unjustly enriched at the expense of SIRC.
12 Mr. Massey, through his position as CEO, and Ms. Mettias, through her collaboration with
13 Mr. Massey, obtained financial benefits by misappropriating company assets, including the
14 misuse of Paycheck Protection Program (PPP) funds and company funds for personal
15 expenditures. Their actions, involving deceptive practices and unauthorized use of
16 company resources, led to their direct financial enrichment. This enrichment occurred at
17 the direct expense of SIRC, which suffered financial losses as a result of their conduct. It
18 would be unjust and inequitable for Mr. Massey and Ms. Mettias to retain these benefits
19 without providing just compensation to SIRC.

20 100. In addition, Mr. Massey individually engaged in further actions that led to his
21 unjust enrichment. He manipulated SIRC's stock, engaged in unauthorized securities
22 transactions, siphoned SIRC assets for personal expenditures, sold restricted shares in off-
23 the-books transactions, and otherwise unfairly enriched himself at SIRC's expense, all for
24 personal gain. These actions not only violated his fiduciary duties but also resulted in
25 substantial financial benefits to himself at the expense of SIRC and its shareholders. The
26 retention of these benefits by Mr. Massey, obtained through manipulative and deceptive
27 practices, constitutes unjust enrichment, as it would be inequitable for him to retain these
28 benefits without compensating SIRC.

1 101. Mr. Massey and Ms. Mettias acted with actual malice, and punitive damages
2 in the amount of 1- to 10-times SIRC’s losses are warranted to punish Mr. Massey and Ms.
3 Mettias and deter others from engaging in similar conduct.

4 COUNT IX

5 BREACH OF FIDUCIARY DUTY

6 102. SIRC incorporates all preceding paragraphs as if set forth fully herein.

7 103. Mr. Massey breached his fiduciary duties owed to the company. As CEO of
8 SIRC, Mr. Massey was entrusted with fiduciary responsibilities, which include duties of
9 care, loyalty, and good faith in managing the company’s affairs. Mr. Massey breached these
10 duties through various actions, including but not limited to: manipulating SIRC’s stock,
11 engaging in unauthorized securities transactions, selling restricted shares in off-the-books
12 transactions, making ludicrous business decisions that no reasonable and similarly-situated
13 CEO would have made, misappropriating company and PPP funds for personal use,
14 committing wire fraud, and otherwise violating federal and state laws. These actions
15 demonstrate a clear violation of the said fiduciary duties, as Mr. Massey placed his personal
16 interests above those of SIRC and its shareholders.

17 104. Furthermore, Mr. Massey’s conduct exhibits a breach of the duty of care and
18 good faith. His decision-making and actions were not in the best interest of SIRC and were
19 executed without the due diligence and care required of someone in his position. His
20 engagement in securities violations, fraudulent PPP schemes, and other deceptive
21 practices, in addition to pledging SIRC to toxic debts and other questionable business
22 arrangements, not only harmed SIRC financially but also exposed the company to
23 significant legal and reputational risks.

24 105. Mr. Massey acted with actual malice, and punitive damages in the amount of
25 1- to 10-times SIRC’s losses are warranted to punish Mr. Massey and deter others from
26 engaging in similar conduct.

27 WHEREFORE, Plaintiff Solar Integrated Roofing Corp. seeks judgment against Mr.
28 Massey, Ms. Mettias, and Does 1 through 10, including economic damages in the amount

1 of \$100,000,000.00, and punitive damages in the amount of \$1,000,000,000.00, plus such
2 other and further relief as this Court may deem appropriate.

3
4 Respectfully submitted,

5
6 /s/ Jason A. Ostendorf, Esq.

7 Jason A. Ostendorf, Esq.
8 CPF No. 0612130183

9 **LAW OFFICE OF JASON OSTENDORF LLC**

10 201 International Circle

11 Suite 230

12 Hunt Valley, Maryland 21030

13 Telephone: 410.891.5624

14 Jostendorf@ostendorflaw.com

15 Dated: December 20, 2023

16 *Counsel for Solar Integrated Roofing Corp.*
17 *(Pro Hac Vice Pending)*

DEMAND FOR JURY TRIAL

1
2 Plaintiff Solar Integrated Roofing Corp. demands a jury trial as to all issues in this
3
4 matter.

5 Respectfully submitted,

6
7 /s/ Jason A. Ostendorf, Esq.
8 Jason A. Ostendorf, Esq.
9 CPF No. 0612130183

10 **LAW OFFICE OF JASON OSTENDORF LLC**
11 201 International Circle
12 Suite 230
13 Hunt Valley, Maryland 21030
14 Telephone: 410.891.5624
15 Jostendorf@ostendorflaw.com

16 Dated: December 20, 2023

17 *Counsel for Solar Integrated Roofing Corp.*
18 *(Pro Hac Vice Pending)*
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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

SOLAR INTEGRATED ROOFING CORP., a Nevada Corporation

(b) County of Residence of First Listed Plaintiff Clark (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Foorotan Law, 3334 East Coast Highway, No. 307 Corona del Mar, CA 92625 Tel: 949.610.9878

DEFENDANTS

DAVID A. MASSEY, a California resident; LAURA METTIAS, a California resident; and DOES 1 through 10

County of Residence of First Listed Defendant San Diego (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, 1 1, 2 2, 3 3, 4 4, 5 5, 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Table with columns: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes codes like 110 Insurance, 310 Airplane, 365 Personal Injury, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District, 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(a) Brief description of cause: The Defendants defrauded the Plaintiff

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ 1,100,000,000 CHECK YES only if demanded in complaint: JURY DEMAND: [X] Yes [] No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE December 20, 2023 SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE