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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SONOMA

12 SOLIGENT DISTRIBUTION, LLC, a
13 Delaware limited liability company

14 Plaintiff,

15 v.

16 PLATINUM SALES GROUP, LLC, a
17 California limited liability company doing
18 business as SUNSTOR SOLAR and
19 SUNSTOR SOLAR ELECTRIC; JOSH
20 OROZCO, an individual; WILL COTTER,
21 an individual; HUGO GUARDADO, an
22 individual; JEFFREY RIVERA, an
23 individual; NATHAN SKOUSEN, an
24 individual; 2017 11 HOLDINGS, INC., a
25 California corporation; SUNSTOR HOME
26 SOLUTIONS, INC., a California
27 corporation; SUNSTOR
28 PROFESSIONALS, INC., a California
corporation; SUNSTOR LEARNING
CENTER, INC., a California corporation;
ROI GORILLA, INC., a California
corporation; and DOES 1-25, inclusive,

Defendants.

Case No. SCV268581
Judge: Hon. Arthur A. Wick

**PLAINTIFF'S CASE SUMMARY IN
SUPPORT OF APPLICATION TO ENTER
DEFAULT JUDGMENT**

[Filed Concurrently with

1. Application to Enter Default Judgment (form CIV-100)
2. Declaration of Jerry R. Dagrella
3. Declaration of Jonathan Doochin;
4. Memorandum of Costs;
5. Request for Dismissal of DOES 1-25;
6. [Proposed] Judgment; and,
7. Proof of Service]

Hearing (if required):

Date: TBD

Time: TBD

Dept.: TBD

Action Filed: June 10, 2021

Trial Date: None set

UNLIMITED CIVIL CASE

(Amount in controversy exceeds \$25,000)

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Soligent Distribution, LLC (“Plaintiff”) filed a verified Complaint for breach of
4 contract, conversion and fraud against Defendant Platinum Sales Group, LLC dba SunStor Solar
5 (“SunStor”), its members and several offshoot entities setup as alter egos. In summary, the
6 Complaint alleges that SunStor secured from Plaintiff a business line of credit (personally
7 guaranteed by its members) through false pretenses, then sent fake wire payments to scam
8 Plaintiff, and later funneled assets outside SunStor to avoid paying. Several defendants executed
9 a settlement and confessions of judgment, but only as a delay tactic to give them time to finish
10 moving assets. They then attempted to evade the service processor, but were eventually found
11 and served with the lawsuit. After being served, SunStor’s CEO (Defendant Josh Orozco)
12 attempted to negotiate a deal on behalf of all defendants, which was conditioned upon Plaintiff
13 keeping quiet about the fraudulent asset transfers to assist defendants in filing bankruptcy against
14 the remaining debts. No deal transpired and no defendant filed a response to the Complaint.
15 Since defaults have now been entered against all defendants, Plaintiff moves for default judgment
16 pursuant to *Code of Civil Procedure* section 585(b) and California Rule of Court 3.1800.

17 **II. CASE SUMMARY**

18 **A. Defendants Supplied False Info on SunStor’s Credit Application**

19 Plaintiff is a wholesale distributor of solar energy equipment. (Doochin Decl., ¶ 2.)
20 SunStor is a solar installer. (*Id.*, ¶ 3.) On May 22, 2018, SunStor completed a Credit Application
21 and Dealer Application in order to purchase and obtain equipment from Plaintiff on credit. (*Id.*, ¶
22 4.) To cajole Plaintiff into approving SunStor’s request for credit, SunStor’s members—
23 defendants Joshua Orozco (“Orozco”), William Cotter (“Cotter”), Jeffrey Rivera (“Rivera”) and
24 Nathan Skousen (“Skousen”)—marketed themselves as experienced, efficient managers and
25 promoted SunStor as a highly respected, financially sound installer of solar equipment. (*Ibid.*)
26 SunStor billed itself as “California’s #1 Energy Independence Installer” that had “generated over
27 700 installs in [its] first 16 months of operation, with many more currently in the pipeline.”
28 (*Ibid.*) Orozco is Chief Executive Officer and owner of 22% of the membership interest of

1 SunStor. (*Ibid.*) He promoted himself as someone with a decade of sales experience who was
2 directly responsible for establishing the Direct Sales arm of SolarCity Corporation, a subsidiary
3 of Tesla, and he claimed to have founded and grew several successful businesses, including
4 starting a solar brokerage called Advantage Solar. (*Ibid.*) Cotter is Chief Financial Officer and
5 owner of 20% of the membership interest of SunStor. (*Ibid.*) He also promoted himself as
6 having run several successful businesses. (*Ibid.*) Rivera is an owner of 16% of the membership
7 interest of SunStor. (*Ibid.*) He promoted himself as a former SolarCity electrician, a C-10
8 electrical contractor by trade, who had overseen the installation of hundreds of solar systems and
9 became one of the top salespeople in Vivint Solar, Inc.'s Yuba City office. (*Ibid.*) Skousen is
10 also an owner and member of SunStor. (*Ibid.*) He promoted himself as an experienced solar
11 specialist who helped build the sales team at Vivint Solar, Inc. (*Ibid.*)

12 Plaintiff later learned that SunStor's members had failed in their previous business
13 ventures and exaggerated their experience and credentials in order to boost their credibility and
14 persuade Plaintiff to grant a substantial line of credit to SunStor. (*Id.*, ¶ 5.) In addition, they
15 falsely claimed that SunStor had \$10,000,000 in annual sales and provided an inaccurate financial
16 statement for year 2017, which Plaintiff relied upon in granting the Credit Application. (*Ibid.*)
17 Over time, it became apparent that SunStor's members were professional scam artists who sought
18 to lie, cheat and steal to line their pockets with ill-gotten gains.

19 **B. SunStor Received Product, Deceived Plaintiff with Fake Wire Payments**

20 After obtaining credit, SunStor deceived Plaintiff into providing hundreds of thousands of
21 dollars of equipment to SunStor that SunStor had no intention of paying for and which SunStor
22 then sold, kept or distributed for a substantial profit. (*Id.*, ¶ 6.) Orozco, CEO of SunStor, also
23 made false representations to Plaintiff's credit department repeatedly promising to make
24 payments with no intent to perform and even claiming that payments were made and processed,
25 going so far as to proffer fake and/or forged wire transfer confirmation—all in a concerted effort
26 to deceive Plaintiff into believing that SunStor was making payments and honoring its credit
27 commitments so that Plaintiff would keep the line of credit open and continue fulfilling more and
28 more equipment orders that SunStor intended to receive, sell, profit on and never pay for. (*Ibid.*)

1 In addition, Orozco deceived Plaintiff into paying over \$100,000 in funds to SunStor on the
2 promise that SunStor would acquire and deliver inverters to Plaintiff, which SunStor never did.
3 (*Ibid.*) Orozco also deceived Plaintiff into selling him a truck for \$11,000 that Orozco did not
4 paid for and never had any intention of paying for. (*Ibid.*)

5 **C. Defendants Siphoned Off SunStor's Corporate Assets**

6 SunStor's members were living the high-life having siphoned off SunStor's assets through
7 salaries, distributions and payments on business credit cards used to fund their personal lifestyles.
8 (*Id.*, ¶ 7.) As Plaintiff pursued collection against SunStor, its members claimed SunStor was
9 insolvent and blamed the COVID-19 pandemic for its financial woes. (*Ibid.*) SunStor's CEO
10 Orozco then promised Plaintiff that he could make a sizable down payment on the debt to
11 Plaintiff to the tune of \$250,000 if, and only if, Plaintiff would put SunStor in contact with a top-
12 level executive at Plaintiff's financial institution to assist SunStor to obtain a loan. (*Id.*, ¶ 8.) In
13 text communications Orozco repeatedly promised to pay Plaintiff \$250,000 once the loan funded.
14 (*Ibid.*) Plaintiff made that connection and SunStor applied for and ultimately received close to
15 \$500,000 in financing in early 2020. (*Ibid.*) However, once SunStor received the funds, Orozco
16 walked back his promises and failed to pay anything to Plaintiff. (*Ibid.*)

17 **D. Defendants Signed Confessions of Judgment**

18 In the summer of 2020, Plaintiff threatened to sue SunStor and its members for fraud.
19 (*Id.*, ¶ 9.) On June 30, 2020, Orozco, Cotter and SunStor executed a Settlement Agreement and
20 Confessions of Judgment at the direction of their attorney, whereby they admitted the full balance
21 of the debt owed by SunStor and signed personal guarantees of repayment, and further agreed to
22 (a) repay the debt by making a down payment and paying monthly installments, (b) sell specified
23 vehicles and use the sale proceeds to pay down the debt, (c) transfer possession and pink slips of
24 all unsold vehicles to Plaintiff by a set date to allow Plaintiff the opportunity to sell same to pay
25 down the debt, and (d) purchase its equipment from Plaintiff on a recurring basis enabling
26 Plaintiff to generate a profit margin on sales while it waits for full debt repayment. (*Ibid.*) In the
27 event of a breach, Plaintiff maintained its right to file a fraud lawsuit against Defendants. (*Ibid.*;
28 see paragraph 2 of Settlement Agreement.) The Settlement Agreement was intended to

1 incentivize Plaintiff to hold off on filing a fraud lawsuit right away and was presented as a better
2 scenario than waiting two years to procure a judgment in court. (*Id.*, ¶ 9.) However, it was all a
3 façade and continuation of the fraud. Defendants had no intention of every complying with the
4 Settlement Agreement—they were merely looking to “buy time” so they could move assets out of
5 SunStor, leaving Plaintiff with a shell entity to pursue. (*Ibid.*) In fact, they breached every
6 obligation in the Settlement Agreement from the start and, as usual, they had repeated excuses for
7 their failures and plenty promises of money to come that were always false. (*Id.*, ¶ 10.)

8 First, the Settlement Agreement identified VIN numbers of trucks that SunStor was
9 required to deliver to Plaintiff as a condition of the settlement. (*Ibid.*) SunStor collected
10 insurance money on a truck that was stolen and another that was burned, and Orozco promised to
11 deliver the funds to Plaintiff, but never did. (*Ibid.*) Orozco intentionally delivered low-value
12 trucks to Plaintiff that were different from those identified in the Settlement Agreement and
13 pretended he was confused. (*Ibid.*) He also delivered them without pink slips so Plaintiff could
14 not sell them. (*Ibid.*) Orozco repeatedly conjured up excuses for his actions, claiming it was an
15 error and that he needed time to correct the error, but never did correct them. (*Ibid.*) At one
16 point, Orozco provided signed pink slips, but those pink slips were for different trucks than the
17 ones he actually delivered to Soligent, so once again Orozco was playing games and leaving
18 Plaintiff with low-value trucks it could not sell. (*Ibid.*) Eventually, Orozco provided pink slips
19 for some of the trucks, but then Plaintiff learned those trucks had substantial back fees owed to
20 the DMV and thus Plaintiff would net no money selling them. (*Ibid.*)

21 Second, the Settlement Agreement obligated SunStor to purchase specified quantities of
22 equipment directly from Plaintiff and prepay for those orders. (*Ibid.*) Yet, SunStor fulfilled
23 nearly all its equipment orders from other solar distributors, intentionally breaching its obligations
24 under the settlement. (*Ibid.*) SunStor had no intention of fulfilling its orders through Plaintiff
25 despite promising to do. (*Ibid.*) SunStor preferred to fulfill its orders from companies that
26 extended lines of credit, so SunStor could steal from those businesses too. (*Ibid.*)

27 Third, the Settlement Agreement required SunStor to make a down payment and monthly
28 installment payments that would be used to resolve unpaid mechanic’s liens filed by Plaintiff on

1 homes in which SunStor installed solar but failed to pay Plaintiff for the equipment. (*Ibid.*)
2 SunStor breached its monetary obligations to pay the liens forcing Plaintiff to file multiple
3 lawsuits to foreclose on the mechanic's liens.¹ (*Ibid.*)

4 In early 2021, Plaintiff informed Orozco that Plaintiff would move forward with filing the
5 fraud lawsuit. (*Id.*, ¶ 11.) Once again, Orozco pled for more time and promised a substantial
6 payment if Plaintiff would hold off. (*Ibid.*) Plaintiff gave Orozco a deadline to make that
7 payment or else it would file the fraud lawsuit. (*Ibid.*) On February 8, 12 & 19, 2021, SunStor
8 made a series of payments totaling \$200,000 to keep Plaintiff at bay. (*Ibid.*) Meanwhile,
9 Defendants were finishing the transfer of assets out of SunStor to avoid having to pay anymore.

10 **E. Defendants Transferred All Assets and Customer Accounts out of SunStor**

11 In March 2021, Orozco informed Plaintiff that he was working for another solar company,
12 without specifying the name. (*Id.*, ¶ 12.) SunStor and its members had completed the transition
13 of assets and now had no incentive to placate Plaintiff any further. (*Ibid.*) Prior to transitioning
14 assets and customer accounts out of SunStor and into new shell entities, SunStor received
15 \$444,000 in Paycheck Protection Program funds on April 15, 2020 and another \$443,833 on
16 January 27, 2021, totaling \$887,833. (*Ibid.*) The purpose of the Paycheck Protection Program
17 was to keep the business running and its workers employed and paid. (*Ibid.*) Yet, SunStor's
18 business office and phone lines stopped operating prior to receipt of the January 27, 2021
19 payment, which suggests the money was used to enrich SunStor's members and not to maintain
20 business operations. (*Ibid.*)

21 **F. Defendants Formed New Entities; SunStor Goes Dark**

22 On May 5, 2021, SunStor's lawyer sent an email stating he had withdrawn from
23 representation of SunStor and its members. (*Id.*, ¶ 13.) SunStor's Business Manager, Erin Ford,
24 changed her signature block on her SunStor email account to reflect her new status as
25 "VP/Business Manager of 2017 11 Holdings, Inc." as if SunStor no longer existed and was
26

27 ¹ SunStor eventually paid off the liens as it succumbed to the pressure from the homeowners upset at SunStor's
28 financial shenanigans who demanded that SunStor pay off the liens since they had fully paid SunStor for the equipment. But, these lien payments were only a fraction of the total debt, leaving a substantial balance still owed.

1 replaced by a new entity. (*Ibid.*) SunStor’s members had incorporated multiple new entities on
2 February 15, 2021, including Defendants 2017 11 Holdings, Inc., SunStor Home Solutions, Inc.,
3 SunStor Professionals, Inc., SunStor Learning Center, Inc. and Roi Gorilla, Inc. (*Ibid.*) Many of
4 these new entities share similar names to SunStor as they use the same “SunStor” acronym; they
5 were all registered together, they share the same business office location as SunStor; and, the
6 CEO, Directors and Officers of the new entities are the same persons who ran SunStor. (*Ibid.*)
7 By example, SunStor Home Solutions, Inc. has an office at 3163 Olive Hwy, Oroville, California
8 95966 (same office as SunStor), and the officers and directors are identified as Orozco, Cotter and
9 Rivera (same persons who ran SunStor). (*Ibid.*)

10 **G. Defendants Offered Payment Only if Plaintiff Helped Defraud other Creditors**

11 Plaintiff filed its verified Complaint on June 10, 2021. (*Id.*, ¶ 14.) Several defendants,
12 including Orozco, were served on June 19, 2021.² (*Ibid.*) On June 21, 2021—only two days after
13 being served with the Complaint—Orozco reached out to Plaintiff about a “meeting” to discuss
14 “paying the Soligent balance due.” (*Ibid.*) The parties scheduled a conference call for June 30,
15 2021 and then July 7, 2021. (*Ibid.*) On the July 7-call, Orozco stated that he wanted to transfer
16 assets out of SunStor into a new entity, leaving SunStor as a shell, then file bankruptcy on the
17 debts. (*Ibid.*) Orozco was worried that Plaintiff’s fraud claim, if made public, would expose him
18 and prevent him from looting SunStor and discharging all the debts in bankruptcy. (*Ibid.*)
19 Orozco attempted to negotiate a deal to pay Plaintiff secretly outside of bankruptcy, conditioned
20 upon Plaintiff keeping hush about the asset transfers so that SunStor could file bankruptcy against
21 the remaining creditors. (*Ibid.*) No deal transpired and none of the defendants filed a response to
22 the Complaint. (*Ibid.*)

23
24
25 ² Defendants were served and their defaults taken as follows: Josh Orozco (served-06/19/21, defaulted-08/0312);
26 Will Cotter (served-01/10/22, defaulted-02/17/22); Hugo Guardado (served-06/16/21, defaulted-07/30/21); Jeffrey
27 Rivera (served-01/20/22, defaulted-02/22/22); Nathan Skousen (served-08/17/21, defaulted-09/28/21); Platinum
28 Sales Group, LLC dba SunStor Solar and SunStor Solar Electric (served-06/19/21, defaulted-08/0312); 2017 11
Holdings, Inc. (served-06/19/21, defaulted-08/0312); SunStor Home Solutions, Inc. (served-06/19/21, defaulted-
08/0312); SunStor Professionals, Inc. (served-06/19/21, defaulted-08/0312); SunStor Learning Center, Inc. (served-
06/19/21, defaulted-08/0312); and, Roi Gorilla, Inc. (served-06/19/21, defaulted-08/0312).

1 **III. PLAINTIFF IS ENTITLED TO ENTRY OF JUDGMENT ON THE CAUSES OF**
2 **ACTION ALLEGED IN ITS VERIFIED COMPLAINT**

3 **A. Submission of Required Documents**

4 The California Rules of Court require submission of certain documents with a request for
5 entry of default judgment. They are submitted with these default papers. Rule 1.800 requires
6 submission of a Case Summary. (Cal. Rule Ct. 1.800(a)(1).) One is presented in section II of this
7 Memorandum. In addition, Plaintiff has, as required, submitted declarations supporting its
8 request for entry of default. (Cal. Rule Ct. 1.800(a)(2).) Interest calculations are included in the
9 Doochin Declaration, paragraph 22. (Cal. Rule Ct. 1.800(a)(3).) A Memorandum of Costs has
10 been filed. (Cal Rule Ct. 1.800(a)(4).) An affidavit has been submitted in section 8 of the
11 Request for Entry of Default form attesting that neither defaulting defendant is in military service.
12 (Cal. Rule Ct. 1.800(a)(5).) A Proposed Judgment has been lodged. (Cal. Rule Ct.
13 1.800(a)(6).) And, a dismissal of Does 1-25 has been submitted. (Cal. Rule Ct. 1.800(a)(7).)

14 **B. Defendants have Confessed all of the Material Allegations in the Verified**
15 **Complaint as a Result of Their Defaults**

16 Upon entry of default, "the allegations of the complaint...are deemed admitted[.]"³
17 (*Steven M. Garber & Assoc. v Eskandarian* (2007) 150 Cal.App.4th 813, 823.) A defendant's
18 default has "the same effect as an express admission of the matters well pleaded in the
19 complaint." (*Ibid.*) By failing to answer, a defendant is "presumed to have acceded to the
20 proposition embraced in the complaint and to have consented that plaintiff should obtain the relief
21 therein prayed for, upon the conditions and facts set forth in the complaint." (*Id.* n. 10.) As such,
22 the trial court may *not* require the plaintiff to tender evidentiary facts supporting the complaint's
23 allegations of liability. (*Carlsen v. Koivumaki* (2014) 227 Cal.App.4th 879, 899.) "The default of
24 the defendant in an ordinary action... admits ... the absolute verity of all the allegations of the
25 complaint. No amount of evidence could establish the facts more effectually for the purpose of
26 rendering the judgment, as against such defendant." (*Los Angeles v. Los Angeles F.&M. Co.*

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³ Plaintiff seeks judicial notice of its verified Complaint under Evidence Code sections 452 and 453.

1 (1907) 150 Cal. 647, 649.) "Because the default *confesses* those properly pleaded facts, a
2 plaintiff has no responsibility to provide the court with sufficient evidence to prove them—they
3 are treated as true for purposes of obtaining a default judgment." (*Kim v. Westmoore Partners,*
4 *Inc.* (2011) 201 Cal.App.4th 267, 281.)

5 A plaintiff seeking judgment by default "merely needs to introduce evidence establishing
6 a prima facie case for damages." (California Civil Procedure Before Trial § 5.213.1 (The Rutter
7 Group 2021).) "[W]here a cause of action is stated in the complaint and evidence is introduced to
8 establish a prima facie case the trial court may not disregard the same, but must hear the evidence
9 offered by the plaintiff and *must* render judgment in his favor" (*Taliaferro v. Davis* (1963) 216
10 Cal.App.2d 398, 408-409 [emphasis added].) *Evidence Code* section 140 defines "evidence" to
11 include both admissible and inadmissible "testimony, writings, material objects, or other things
12 presented to the senses that are offered to prove the existence or nonexistence of a fact."
13 Inadmissible evidence is sufficient to establish the plaintiff's prima facie case because the
14 defaulted defendant cannot object to such evidence. (*Id.*, at Law Revision Commission
15 Comments; *Rupf v. Yan* (2000) 85 Cal.App.4th 411, 430-431.)

16 **a. Breach of Contract**

17 SunStor executed a Credit Application and Dealer Application, personally guaranteed by
18 Orozco and Cotter, in order to purchase and obtain equipment from Plaintiff on credit. (Doochin
19 Decl., ¶ 4.) Under the terms thereof, SunStor agreed to pay for all product received from
20 Plaintiff. (*Ibid.*) In addition, SunStor, Orozco and Cotter executed a Settlement Agreement and
21 Confessions of Judgment whereby they agreed to pay down past debts on an installment plan,
22 purchase solar equipment from Plaintiff and transfer certain assets to Plaintiff in repayment of the
23 outstanding debt. (*Id.*, ¶ 9.)

24 "A cause of action for damages for breach of contract is comprised of the following
25 elements: (1) the contract, (2) plaintiff's performance or excuse for nonperformance, (3)
26 defendant's breach, and (4) the resulting damages to plaintiff." (*Careau & Co. v. Security Pacific*
27 *Business Credit, Inc.* (1990) 222 Cal.App.3d 1371, 1388.) Plaintiff performed its obligations
28 under the contracts. (*Id.*, ¶ 15.) However, SunStor, Orozco and Cotter breached the contracts by

1 refusing to pay for product received, failing to make agreed-upon installment payments, failing to
2 transfer assets and failing to purchase solar equipment as required. (*Ibid.*)

3 Exhibit 2 to the verified Complaint contains an itemization of amounts owed for solar
4 equipment—as of April 30, 2021—along with supporting documents. (*Ibid.*) This is
5 \$154,689.72. (*Ibid.*) Moreover, pursuant to the Settlement Agreement (Exhibit 6 to Complaint),
6 and as indicated on the Notice of Default (Exhibit 8 to Complaint), an additional \$19,500 per
7 month is owed from July 2020 onward for lost profit margin on equipment sales until the debt is
8 fully repaid. (*Ibid.*) As of June 2021—the date of filing this action—twelve months had passed,
9 equating to \$234,000 in additional damages. (*Ibid.*) This brings the total to \$388,689.72
10 (\$154,689.72 + \$234,000). (*Ibid.*)

11 **b. Conversion**

12 The basic elements of the tort of conversion are (a) plaintiff's ownership or right to
13 possession of personal property, (b) defendant's disposition of property in a manner inconsistent
14 with plaintiff's property rights, and (c) resulting damages. (*Fremont Indem. Co. v. Fremont*
15 *General Corp.* (2007) 148 Cal.App.4th 97, 119.) SunStor's actions of taking from Plaintiff the
16 solar equipment, inverters, truck and cash without paying for the goods or returning them also
17 constitutes conversion.

18 **c. Fraud**

19 The elements of a fraud cause of action are: “(a) misrepresentation (false representation,
20 concealment or nondisclosure); (b) knowledge of the falsity (or 'scienter'); (c) intent to defraud,
21 i.e., to induce reliance; (d) *justifiable* reliance; and (e) resulting damage.” (*Philipson & Simon v.*
22 *Gulsvig* (2007) 154 Cal.App.4th 347, 363.) The facts establishing these elements have been
23 deemed admitted as a result of Defendants' defaults. (Complaint, ¶¶ 18-29 & 31-35.) In
24 particular, the Complaint alleges, and the evidence submitted by Plaintiff shows, that SunStor and
25 its members—each of the Defendants herein who participated in completing the May 22, 2018
26 Credit Application and Dealer Application—intentionally supplied materially false statements in
27 connection with said applications in a concerted attempt to deceive Plaintiff and obtain credit they
28 otherwise would not have been granted had Plaintiff known the truth. (*Ibid.*; Doochin Decl., ¶

1 16.) Among other things, Defendants falsely claimed to have \$10,000,000 in annual sales and
2 provided an inaccurate financial statement for year 2017, which Plaintiff relied upon to its
3 detriment in deciding to grant credit to SunStor. (*Ibid.*) Plaintiff discovered later that SunStor’s
4 annual sales were nowhere near the amount claimed. (*Ibid.*) Moreover, each of the Defendants
5 exaggerated their experience and credentials in order to boost their credibility. (*Ibid.*) Orozco
6 made false representations to Plaintiff’s credit department repeatedly promising to make
7 payments with no intent to perform and even claiming that payments were made and processed,
8 going so far as to provide a fake wire transfer confirmation to deceive Plaintiff into believing that
9 SunStor was making payments and honoring its credit commitments so that Plaintiff would keep
10 the line of credit open and continue fulfilling more equipment orders. (*Ibid.*)

11 The admitted allegations of the verified Complaint, and the declarations in support
12 thereof, provide sufficient prima facie evidence that Defendants were aware of SunStor and
13 Orozco’s misrepresentations and benefited from them. (Complaint, ¶ 18; Doochin Decl., ¶ 17.)
14 As Chief Financial Officer, Cotter was keenly aware of SunStor’s financial condition, its repeated
15 failures to repay Plaintiff and the transferring of funds to outside persons and entities in lieu of
16 repaying debts as a means to enrich the membership and defraud creditors. (*Ibid.*) Guardado is
17 identified on the Credit Application prepared to obtain a line of credit from Plaintiff that he knew
18 SunStor had no intention or no capability of repaying. (*Ibid.*) Skousen is SunStor’s Chief
19 Operations Officer and Co-Founder and based on his role should be aware of the multitude of
20 false representations and promises to lure Plaintiff into providing materials on a line of credit, the
21 repeated failures to pay for such materials, the substantial indebtedness to Plaintiff, and the
22 Settlement Agreement executed by his co-founders, Cotter and Orozco, and on behalf of SunStor
23 that binds SunStor to various purchase obligations and monetary commitments. (*Ibid.*) Rivera is
24 SunStor’s Responsible Managing Officer and “Qualifying Individual” for SunStor’s contractor’s
25 license and is responsible for the direct supervision and control of SunStor’s activities; therefore,
26 he should have been aware that SunStor was signing contracts and taking on debts it could not
27 and/or would not repay. (*Ibid.*) Notably, under existing law (Bus. & Prof. Code § 7122.5), if the
28 performance of an act or omission by SunStor or its officers constitutes a cause for disciplinary

1 action, it also is a cause for disciplinary action against Rivera, regardless of his knowledge and
2 participation.

3 Plaintiff relied to its detriment on the false representations and promises and would never
4 have granted credit, let alone of a substantial nature, had it known that SunStor's sales figures
5 were falsified, its wire payments were fake and its members had exaggerated their credentials.
6 (Doochin Decl., ¶ 18.) In continuation of their fraud, Defendants negotiated and executed a
7 Settlement Agreement they had no intention of every complying with, so as to "buy time" to
8 move assets out of SunStor, leaving Plaintiff with a shell entity to pursue. (*Ibid.*) Plaintiff
9 maintained its right to sue Defendants for fraud in the event of their breach. (Settlement
10 Agreement, ¶ 2). By reason of the false representations and promises made by SunStor, Plaintiff
11 has been damaged, as itemized supra, in the amount of \$154,689.72 representing unpaid product
12 and \$234,000.00 for lost profit margin on equipment that SunStor failed to purchase, for a total
13 sum of to \$388,689.72. (*Ibid.*; see also Exhibits 2, 6 & 8 to Complaint.)

14 **d. Defendants are Each Liable as Alter Egos of One Another**

15 Where there is a unity of interest and ownership between a corporation and an equitable
16 owner, and where an inequitable result would obtain by treating the corporation as an entity
17 separate from the equitable owner, the alter ego doctrine applies. (*Sonora Diamond Corp. v.*
18 *Superior Court* (2000) 83 Cal.App.4th 523, 538-539.) Inadequate capitalization of a corporation
19 has been sufficient for courts to find a corporation is the alter ego of a shareholder. (*Automotriz*
20 *del Golfo de California S A de C.V v. Resnick* (1957) 47 Cal.2d 792, 797 [explaining the
21 importance of a corporation to have sufficient funding to avoid the possibility of abuse of the
22 corporate veil].) Other factors that support finding a unity of interest and ownership include, but
23 are not limited to, the following: using the corporation as a shell, commingling of funds between
24 the corporation and the equitable owner, circumstances in which either the entity or equitable
25 owner hold themselves out as being liable for the debts of the other, among others. (*Id.*;
26 *Associated Vendors, Inc. v. Oakland Meat Co.* (1962) 210 Cal.App.2d 825 [setting out over 20
27 factors that courts might consider when determining the existence of alter ego status].)
28

1 Here, Orozco admitted to funneling assets out of SunStor to evade creditors, even going
2 so far as to solicit Plaintiff's assistance in doing so. (Doochin Decl., ¶ 20.) SunStor received
3 over \$500,000 in loan funds earmarked to pay wages, but had no employees and had already shut
4 down business operations at the time it received the funds, suggesting that the funds likely were
5 disbursed to the members. (*Ibid.*) As SunStor went dark, Defendants formed new entities, many
6 of which share similar names to SunStor as they use the same "SunStor" acronym; they were all
7 registered together, share the same business office location as SunStor; and, the CEO, Directors
8 and Officers of the new entities are the same persons who ran SunStor. By example, SunStor
9 Home Solutions, Inc. has an office at 3163 Olive Hwy, Oroville, California 95966 (same office as
10 SunStor), and the officers and directors are identified as Orozco, Cotter and Rivera (same persons
11 who ran SunStor). (*Ibid.*) The verified Complaint extensively details the grounds for finding the
12 individual and entity defendants jointly liable as alter egos of each other, and those allegations are
13 deemed admitted by Defendants' default. (Complaint, ¶¶ 8-15 & 28, Exhibit 9; see also Doochin
14 Decl., ¶¶ 19-20.)

15 **C. Plaintiff is Entitled to Default Judgment in the Amount of \$388,689.72, Plus**
16 **Interest, Costs and Attorneys' Fees**

17 Plaintiff only seeks the recovery of those damages set forth in the Complaint, which are
18 fully supported by documentary evidence and witness testimony in sworn declarations.
19 (Complaint, ¶¶ 34 & 44.) Plaintiff respectfully requests that a default judgment for actual
20 damages on all cause of action in the amount of \$388,689.72 be awarded herein.

21 **a. Interest**

22 Plaintiff seeks an award of prejudgment interest at the rate of 18% per annum. (Doochin
23 Decl., ¶ 21.) Page 2 of the Credit Application (Exhibit 1), paragraph 1 of the Settlement
24 Agreement (Exhibit 6) and paragraphs 5 and 6 of the Confessions of Judgment (Exhibit 6)
25 provide for interest at a rate of 18% per annum on "past due balances," "all unpaid amounts," and
26 "any outstanding balance". (*Ibid.*) At 18% per annum, the daily rate of interest on \$388,689.72
27 is \$191.68. (*Ibid.*) There are 312 days between the filing date of June 10, 2021 through April 18,
28

1 2022, resulting in \$59,804.16 in interest. (*Ibid.*) Additional interest at the daily rate of \$191.68 is
2 requested from the date of the filing of this application to the date of entry of judgment. (*Ibid.*)

3 **b. Costs**

4 Pursuant to Code of Civil Procedure section 1032, Plaintiff is the prevailing party and
5 entitled to its costs. Plaintiff requests an award of \$3,495.06 in costs as set forth in its
6 concurrently filed Memorandum of Costs.

7 **c. Attorney's Fees**

8 Plaintiff also seeks an award of reasonable attorney's fees, which may be awarded as costs
9 to a prevailing party when authorized by contract, statute, or law. (*Code of Civil Procedure* §§
10 1032, 1033.5(a)(10).) Attorney's fees are specifically authorized under the Credit Application
11 (page 2 under heading "Collection Expense" and page 3 under heading "Continuing Personal
12 Guarantee"), the Dealer Application (paragraph 12), Settlement Agreement (paragraph 4) and
13 Confessions of Judgment (paragraphs 5 and 6). (Doochin Decl., ¶ 23.) As outlined in the
14 declaration of Jerry R. Dagrella, Plaintiff requests attorney's fees in the amount of \$23,750.

15 **IV. CONCLUSION**

16 Plaintiff requests default judgment against all defendants in the total amount of
17 \$475,738.94, comprising of \$388,689.72 in damages, \$59,804.16 in prejudgment interest,
18 \$3,495.06 in costs and \$23,750 in attorney's fees. Additional interest at the daily rate of \$191.68
19 is requested from the date of the filing of this application to the date of entry of judgment.

20 Dated: April 18, 2022

DAGRELLA LAW FIRM, PLC

21
22 By: _____

JERRY R. DAGRELLA


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5 Attorney for Plaintiff
6 Soligent Distribution, LLC

FILED

JUN 06 2022

Clerk of the Superior Court of California
County of Sonoma
By  Deputy Clerk

7
8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SONOMA

11
12 SOLIGENT DISTRIBUTION, LLC, a
13 Delaware limited liability company

14 Plaintiff,

15 v.

16 PLATINUM SALES GROUP, LLC, a
17 California limited liability company doing
18 business as SUNSTOR SOLAR and
19 SUNSTOR SOLAR ELECTRIC; JOSH
20 OROZCO, an individual; WILL COTTER,
21 an individual; HUGO GUARDADO, an
22 individual; JEFFREY RIVERA, an
23 individual; NATHAN SKOUSEN, an
24 individual; 2017 11 HOLDINGS, INC., a
25 California corporation; SUNSTOR HOME
26 SOLUTIONS, INC., a California
27 corporation; SUNSTOR
28 PROFESSIONALS, INC., a California
corporation; SUNSTOR LEARNING
CENTER, INC., a California corporation;
ROI GORILLA, INC., a California
corporation; and DOES 1-25, inclusive,

Defendants.

Case No. SCV268581
Judge: Hon. Arthur A. Wick

~~[PROPOSED]~~ JUDGMENT BY COURT
AFTER DEFAULT

[Filed Concurrently with

1. Application to Enter Default Judgment (form CIV-100)
2. Plaintiff's Case Summary in Support of Application for Default Judgment;
3. Declaration of Jerry R. Dagrella
4. Declaration of Jonathan Doochin;
5. Memorandum of Costs;
6. Request for Dismissal of DOES 1-25; and,
7. Proof of Service]

Hearing (if required):

Date: TBD
Time: TBD
Dept.: TBD

Action Filed: June 10, 2021
Trial Date: None set

UNLIMITED CIVIL CASE
(Amount in controversy exceeds \$25,000)

JUDGMENT BY COURT

Having read and considered all of the evidence submitted, the Court finds as follows:

1. Defendants Platinum Sales Group, LLC, doing business as SunStor Solar and SunStor Solar Electric (“SunStor”), Josh Orozco (“Orozco”), Will Cotter (“Cotter”), Hugo Guardado (“Guardado”), Jeffrey Rivera (“Rivera”), Nathan Skousen (“Skousen”), 2017 11 Holdings, Inc. (“Holdings”), SunStor Home Solutions, Inc. (“SunStor Home”), SunStor Professionals, Inc. (“SunStor Professionals”), SunStor Learning Center, Inc. (“SunStor Leaning”) and Roi Gorilla, Inc. (“Roi”) (collectively, “Defendants”) have been properly served with process.

2. Defendants have failed to appear and answer the Verified Complaint of Plaintiff Soligent Distribution, LLC (“Plaintiff”) filed on June 10, 2021.

3. The default of each of the Defendants has been duly entered.

4. On the first cause of action for breach of contract, the Court finds, based on evidence submitted by Plaintiff, that SunStor, Orozco and Cotter breached contracts by refusing to pay Plaintiff for goods received, refusing to deliver goods that Plaintiff paid for, and failing to make installment payments, transfer assets and purchase solar equipment as required.

5. On the second cause of action for conversion, the Court finds, based on evidence submitted by Plaintiff, that SunStor wrongfully converted to its own use and benefit solar equipment, inverters, a truck and over \$100,000 in Plaintiff’s funds.


6. On the third cause of action for fraud, the Court finds, based on evidence submitted by Plaintiff, that the individual Defendants, made false representations and promises, including that they: (a) supplied materially false statements in connection with a Credit Application and Dealer Application about SunStor’s finances and the individual Defendants’ experience and credentials in order to boost their credibility and procure a line of credit from Plaintiff; (b) deceived Plaintiff into providing hundreds of thousands of dollars of equipment that they had no intention of paying for; (c) proffered fake wire transfer confirmation in order to deceive Plaintiff into believing that payments on past purchases were made and that previous credit commitments were being honored, when, in fact, they were not; (d) deceived Plaintiff into paying over \$100,000 to SunStor on the promise that SunStor would acquire and deliver inverters

1 to Plaintiff, which SunStor never did; (e) falsely promised to pay down debt to Plaintiff in
2 exchange for help getting funding, and; (f) to bide time, Orozco and Cotter negotiated and
3 executed a settlement agreement that they had no intention of every complying with simply so the
4 individual Defendants could move assets out of SunStor, leaving Plaintiff with a shell entity to
5 pursue. Plaintiff submitted evidence that the individual Defendants knew when they made these
6 false representations and promises that they were false, that Plaintiff relied to its detriment on the
7 false representations and promises made by the individual Defendants and that by reason of the
8 false representations and promises made, Plaintiff has been damaged in the sum of \$388,689.72.

9 7. Plaintiff also submitted evidence that (a) the individual Defendants sought to
10 funnel assets out of SunStor to evade creditors, even going so far as to solicit Plaintiff's assistance
11 in doing so, (b) that SunStor received over \$500,000 in loan funds earmarked to pay wages, but
12 had no employees and had already shut down business operations at the time it received the
13 funds, suggesting that the funds likely were disbursed to the members, (c) as SunStor went dark,
14 the individual Defendants formed new entities, many of which share similar names to SunStor as
15 they use the same "SunStor" acronym; they were all registered together, share the same business
16 office location as SunStor; and, the CEO, Directors and Officers of the new entities are the same
17 persons who ran SunStor, and that by reason of these facts, there are sufficient grounds for
18 finding the individual and entity defendants jointly liable as alter egos of each other and that the
19 corporate veil of SunStor should be pierced.

20 **IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that Plaintiff shall
21 recover from Defendants, jointly and severally, the principal sum of \$388,689.72, prejudgment
22 interest through April 18, 2022 in the sum of \$59,804.16, with Plaintiff's costs in the sum of
23 \$3,495.06, and attorney's fees in the sum of \$23,750, for a total of \$475,738.94. Additional
24 interest at the daily rate of \$191.68 is to be added to this total from April 18, 2022 until the date
25 of entry of judgment. Thereafter, interest shall accrue on the judgment as provided by law. The
26 Clerk is ordered to enter the judgment.

27 Dated: June 6, 2022



JUDGE OF THE SUPERIOR COURT