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6 HUMBL, INC.

7  
8 **UNITED STATES DISTRICT COURT**  
9 **SOUTHERN DISTRICT OF CALIFORNIA**  
10

11 HUMBL, INC., a Delaware corporation,  
12  
Plaintiff,

13  
14 v.

15 PACIFIC LION LLC, a Florida limited  
liability company; JACOB FERNANE, an  
individual; ROBERT HYMERS III, an  
16 individual,

17 Defendants.  
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CASE NO.: **'24CV0495 CAB SBC**

**COMPLAINT FOR:**

- (1) **BREACH OF WRITTEN CONTRACT;**
- (2) **UNJUST ENRICHMENT;**
- (3) **FRAUDULENT MISREPRESENTATION AND INDUCEMENT;**
- (4) **VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 PROMULGATED THEREUNDER; AND**
- (5) **VIOLATION OF SECTION 20(a) OF THE EXCHANGE ACT**

**JURY TRIAL DEMANDED**

Plaintiff HUMBL, Inc. (“Plaintiff” or “Humbl”) hereby files this Complaint for: (1) Breach of Written Contract; (2) Unjust Enrichment; (3) Fraudulent Misrepresentation and Inducement; (4) Violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) (15 U.S.C. § 78j(b)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5); and (5) Violation of Section 20(a) of the Exchange Act (15 U.S.C. § 78t(a)), against Defendants Pacific Lion LLC (“Pacific Lion”), Jacob Fernane (“Fernane”), and Robert Hymers III (“Hymers”) (collectively, “Defendants”), and alleges as follows:

### **INTRODUCTION**

1. This is an action to hold Defendants accountable for fraudulently inducing Humbl to enter into a contractual arrangement in which Humbl consolidated millions of dollars of its legacy debt with Pacific Lion and further became highly dependent on Pacific Lion as a source of core operational financing. Pursuant to an October 3, 2023 Securities Purchase Agreement (“Agreement”), a true and correct copy of which is attached hereto as Exhibit A, Pacific Lion was contractually obligated to make cash payments to Humbl at designated intervals in exchange for receiving shares of Series C Preferred Stock in Humbl. Pacific Lion made less than half of the required payments, however, and it now refuses to perform under the Agreement’s clear and unambiguous terms.

2. Defendants led Humbl to believe that it was entering into a strategic collaboration with a new equity investment partner. But contrary to the representations made by Hymers and Fernane, Defendants were acting to enrich themselves to Humbl’s detriment. This is part of a pattern of fraud that Defendants engage in with companies.

3. On information and belief, Pacific Lion and Fernane profited millions of dollars from the deal with Humbl, which Fernane then shared with Hymers through their partnership in a separate investment fund called Liqueous LP (“Liqueous”). Defendants concealed that the profits reaped from the Humbl transaction would be secretly shared through their partnership in Liqueous because Defendants knew Humbl

1 was relying on Hymers’ purportedly unbiased advice during the parties’ negotiations;  
 2 that Humbl would have considered Hymers’ undisclosed financial interest being  
 3 aligned with Fernane to be material to the propriety of Hymers’ advice during said  
 4 negotiations; and that Humbl would not have agreed to the Agreement’s terms had  
 5 Defendants’ true financial relationship been properly disclosed.

6 4. Defendants’ fraud continued in connection with Pacific Lion entering into  
 7 a Note Purchase Agreement on October 9, 2023, with Archura Capital Pty Ltd  
 8 (“Archura”) (the “Archura Note Purchase Agreement”). The Archura Note Purchase  
 9 Agreement resulted in Pacific Lion buying a promissory note owed from Humbl to  
 10 Archura. Despite failing to make the required payments to Archura, Pacific Lion—  
 11 represented by Hymers—misrepresented to Humbl that it was entitled to convert debt  
 12 to equity, as discussed more fully below, thereby further enriching Defendants and  
 13 harming Humbl.

14 5. Defendants have blatantly attempted to take advantage of Humbl. Humbl  
 15 brings this action to vindicate its rights in the Agreement, to hold Defendants  
 16 accountable for their fraud, contractual breaches, and violations of federal securities  
 17 laws, and to recover substantial compensatory and punitive damages.

### 18 **THE PARTIES**

19 6. Humbl is a Delaware corporation with its principal place of business  
 20 located at 101 W. Broadway, Suite 1450, San Diego, CA 92101.

21 7. On information and belief, Pacific Lion is a Florida limited liability  
 22 company having a principal place of business located at 7901 4th St. N, Suite 300, St.  
 23 Petersburg, Florida 33702.

24 8. Fernane is an individual who, on information and belief, resides in North  
 25 Miami Beach, Florida, and is both the founder and managing member of Pacific Lion.

26 9. Hymers is an individual who, on information and belief, resides in the  
 27 County of Los Angeles, California.  
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## JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331, as the Complaint raises a federal question under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5). This Court also has subject matter jurisdiction over Plaintiff's claims pursuant to 28 U.S.C. § 1332(a) because the amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between citizens of different states. This Court further has subject matter jurisdiction pursuant to the principles of supplemental jurisdiction under 28 U.S.C. § 1367.

11. This Court has personal jurisdiction over Defendants in this action because Defendants have established minimum contacts with this forum such that the exercise of jurisdiction over Defendants would not offend traditional notions of fair play and substantial justice. Defendants, Defendants' agents, and/or Defendants' personal representatives purposefully directed activities at, or availed themselves of, the forum state in such a significant manner that Defendants could reasonably anticipate being haled into court here, as evidenced by the following: (a) Defendant Hymers resides in California; (b) Defendant Pacific Lion, through its founder, managing member, and representative, Defendant Fernane, entered into the Agreement, which requires that Pacific Lion make millions of dollars of payments to Plaintiff Humbl within California; and (c) Section 6.1 of the Agreement provides:

Each party hereto hereby (i) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in San Diego County, California, (ii) expressly submits to the exclusive venue of any such court for the purposes hereof, and (iii) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim, defense or objection to the bringing of any such proceeding in such jurisdiction or to any claim that such venue of the suit, action or proceeding is improper.

12. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) as a substantial part of the events or omissions giving rise to this action occurred within this judicial district and because the Agreement specifies venue in this District.

### **STATEMENT OF FACTS**

#### **Hymers Convinces Humbl To Enter Into The Agreement With Pacific Lion**

13. Humbl is a Web 3 technology company that offers a digital wallet and web platform, built on fully-verified user profiles, to improve the quality of interactions and transactions on the web, in areas like digital payments, ticketing and marketplace services.

14. In or about January 2023, Humbl sought assistance from Hymers with respect to restructuring its legacy debt obligations and obtaining additional liquidity through access to bridge capital funding. Hymers, while working as a consultant for Humbl, introduced Humbl to Pacific Lion. Fernane is the founder and managing member of Pacific Lion, and professes to use that company for the purpose of providing equity investment to early-stage technology businesses.

15. On information and belief, Pacific Lion is a toxic lender that specializes in predatory lending practices aimed at microcap companies in need of capital. As a toxic lender, Pacific Lion provides, *inter alia*, financing in the form of convertible debt—that is, debt that can be converted to stock, almost always at a steep discount to market price. Pacific Lion then converts and sells in large volumes, typically liquidating only a fraction of its debt holdings at a time to ensure that an entire tranche is sold before the next tranche is converted at a discount to the new, still lower, price. Pacific Lion’s toxic lending practices cause share prices to plummet, the share dilution drives good-faith investors out of the market, and the issuing microcap company has a much greater difficulty accessing legitimate financing. *See Securities and Exchange Commission v. Ibrahim Almagarby*, 92 F.4th 1306 (11th Cir. 2024) (explaining toxic lending and upholding summary judgment in favor of the SEC against a toxic lender

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1 for being unregistered). At the time Humbl entered into the Agreement, Humbl was  
 2 unaware that Pacific Lion is a toxic lender.

3 16. Hymers has a history of deception with a criminal record for identity theft  
 4 related to the disgraced athlete Lenny Dykstra's criminal sentence for grant theft auto  
 5 and providing a false financial statement. Hymers also had his CPA license suspended  
 6 by the California Board of Accountancy in 2019 for numerous violations, including  
 7 Hymer's false and/or misleading representations to consumers.

8 17. Hymers and Fernane are partners in Liqueous, a separate investment fund.  
 9 Unbeknownst to Humbl, and on information and belief, Liqueous provided a tool  
 10 through which Fernane could provide kickback to Hymers for any profits made in a  
 11 deal with Humbl. In conduct similar to Humbl's experience, Fernane and Liqueous  
 12 have recently been accused in a lawsuit in federal court in Florida of wrongfully  
 13 obtaining 2.5 million shares of stock of Shengfeng Development Limited, a foreign  
 14 private issuer whose shares are listed and traded on the Nasdaq.

15 18. True to his modus operandi, Hymers concealed his conflict of interest and  
 16 proceeded to negotiate a deal—ostensibly on Humbl's behalf—that would become  
 17 Humbl's core source of financing. Hymers aggressively pushed Humbl into accepting  
 18 deal terms in the Agreement that were favorable to Pacific Lion under the auspices of  
 19 securing reliable short-term funding, cleaning up Humbl's balance sheet through debt  
 20 consolidation, and achieving reduced equity selling.

21 19. Fernane similarly sought to convince Humbl that its business would be  
 22 strategically advantaged through the consolidation of certain legacy debts into a single  
 23 account with his company, Pacific Lion. Fernane billed himself as an expert in  
 24 structuring early-stage funding for technology companies, effusively playing on the  
 25 apparent strength of his own personal reputation, and misrepresented to Humbl prior to  
 26 October 9, 2023, that Pacific Lion had never failed to make a required payment to any  
 27 of its clients.  
 28

20. Humbl trusted Hymers, in part because he was working as a consultant for Humbl and in part because of representations he made that he knew Fernane and the company could trust him. Although Hymers claimed to be acting as Humbl's consultant, in fact, Hymers negotiated the original Pacific Lion note on terms that were favorable to Pacific Lion because of Hymers' undisclosed financial interest. Even after the original Agreement, Hymers negotiated an amendment to get Pacific Lion better terms. On information and belief, Hymers funded money on Pacific Lion's behalf from a personal account and was later reimbursed.

21. Accepting Fernane's representations and trusting Hymers, Humbl entered into the Agreement with Pacific Lion. The parties' arrangement left Humbl highly dependent on Pacific Lion while simultaneously providing Pacific Lion millions of dollars in profit from debt sales.

**The Agreement Requires Pacific Lion To Make Seven Payments To Humbl  
Totaling \$2,040,000**

22. Pacific Lion, for its part, promised, and was contractually obligated, to make monthly cash payments to Humbl under the terms of the Agreement in exchange for receiving shares of Series C Preferred Stock in Humbl. In truth, Pacific Lion had no intention of honoring that promise when made and made the misrepresentation explicitly to induce Humbl into entering into the Agreement.

23. Specifically, Section 1.1 of the Agreement provides:

Purchase of Shares. Company shall issue and sell to Investor and Investor shall purchase from Company the Shares as set forth in accordance set forth on Exhibit A. In consideration thereof, Investor shall pay \$1,000.00 per Share to Company set forth on Exhibit A (the "Purchase Price") for each tranche of Shares via wire transfer of immediately available funds.



24. Exhibit A of the Agreement then sets forth the following payment schedule:

Date	Purchase Price	Shares
September 29, 2023	\$150,000	150
October 3, 2023	\$150,000	150
November 1, 2023	\$540,000	540
December 1, 2023	\$300,000	300
January 2, 2024	\$300,000	300
February 1, 2024	\$300,000	300
March 1, 2024	\$300,000	300

25. The payments required by the Agreement were intended to provide Humbl with more than \$2 million in much needed liquidity over the course of six months. Defendants had actual knowledge, prior to and at the time of execution of the Agreement, that Humbl's business operations would be materially impacted by lack of liquidity if Pacific Lion failed to make the required payments. Despite this, Defendants each misrepresented, prior to October 9, 2023, that Pacific Lion would make the required payments on the agreed upon schedule knowing that such promise was false when made.

#### **Fernane Causes Pacific Lion Not To Make \$1,085,000 In Required Payments**

26. Immediately after Pacific Lion successfully extracted the accessible value from Humbl's legacy debt, Pacific Lion stopped making the required payments to Humbl. Pacific Lion made only a partial payment on November 1, 2023, a payment in December, and then completely failed to pay any of the required amounts on January 2, February 1, and March 1, 2024.

27. As a result of Pacific Lion's failure to make payments in accordance with the payment schedule set forth in the Agreement, Pacific Lion now owes Humbl \$1,085,000 and caused Humbl countless more in damages. Humbl contacted Pacific Lion multiple times and demanded payment. But Pacific Lion has steadfastly refused, without justification, to remit that remaining amount.

28. On information and belief, Fernane and Hymers knew and intended from the outset of the parties' negotiations that they would cause Pacific Lion to fail to make

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1 the majority of payments required by the Agreement. Humbl has since learned that  
 2 Fernane regularly causes Pacific Lion to enter into contracts without intending that  
 3 Pacific Lion will render its agreed performance.

4 29. For example, Fernane's and Pacific Lion's fraudulent intent is evidenced,  
 5 *inter alia*, by an action filed against Pacific Lion and Fernane in New York state court  
 6 on July 23, 2023, which alleges that Pacific Lion defaulted on a \$116,000 receivables  
 7 contract after making only \$15,501 in payments (the "NY Action," Index No.  
 8 E2023007980). Pacific Lion entered into a stipulated settlement of the NY Action on  
 9 September 14, 2023, in which Pacific Lion agreed to pay \$100,000 to the plaintiff—  
 10 essentially the full amount alleged to be outstanding under the contract in question.  
 11 Even though the NY Action and settlement was known only to Defendants and would  
 12 be a material consideration in before entering into the Agreement, Defendants failed to  
 13 disclose the NY Action or the resulting settlement to Humbl prior to October 9, 2023,  
 14 facts which materially contradict the representations made by Fernane and Pacific Lion  
 15 during the parties' negotiations.

#### 16 **Defendants Fraudulently Obtain Equity in Humbl**

17 30. As though ripping off Humbl for millions of dollars by entering into the  
 18 Agreement with no intention of performing was not enough, Defendants further harmed  
 19 Humbl by falsely claiming that Pacific Lion made required payment to a third party,  
 20 which would have entitled Pacific Lion to convert debt into additional shares of Humbl.

21 31. Specifically, on October 9, 2023, Pacific Lion entered into a Note  
 22 Purchase Agreement ("Archura Note Purchase Agreement") with Archura Capital Pty  
 23 Ltd ("Archura") to buy a promissory note owed by Humbl to Archura.

24 32. Pacific Lion agreed to buy the note by making three payments to Archura.  
 25 Pacific Lion made the first payment to Archura, but breached the Archura Note  
 26 Purchase Agreement by failing to make the final two payments. Consistent with their  
 27 conduct as it relates to the Securities Purchase Agreement, and on information and  
 28

1 belief, Defendants knew when entering into the Archura Note Purchase Agreement that  
2 Pacific Lion had no intention of making the required payments.

3 33. Although claiming that he was a consultant for Humbl and was not a  
4 representative of Pacific Lion, on November 8, 2023, Hymers submitted to Humbl a  
5 conversion notice on behalf of Pacific Lion to convert \$184,000 of note balance  
6 purchased from Archura. This conversion notice was covered by the initial payment,  
7 which was made, under the Archura Note Purchase Agreement.

8 34. Although the first payment under the Archura Note Purchase Agreement  
9 was made, Defendants failed to notify Humbl that it did not make its second—or any  
10 further—required payment to Archura.

11 35. Although Pacific Lion failed to make the subsequent payments, Hymers  
12 submitted to Humbl a second conversion notice on November 15, 2023, for \$156,000  
13 although Pacific Lion was not entitled to convert this debt into equity. Hymers, and all  
14 Defendants, misrepresented that Pacific Lion was entitled to this equity when it was  
15 not.

16 36. Humbl did not know that Pacific Lion had not paid for the portion of the  
17 Archura note it was converting, and relied on the misrepresentations of Hymers who  
18 was purportedly working as a consultant to Humbl, and mistakenly honored the  
19 conversion.

20 37. Pacific Lion converted over \$137,000 of Archura's note that it has not paid  
21 for and is not entitled to. Pacific Lion then received those shares and sold them into the  
22 market in contravention of federal securities laws.

23 38. With the blatant fraud above, Defendants took advantage of Humbl,  
24 thereby leaving Humbl with no choice but to seek judicial intervention to enforce the  
25 Agreement and recover its damages. Humbl brings this action to vindicate its rights in  
26 the Agreement, to hold Defendants accountable for their fraud, contractual breaches,  
27 and violations of federal securities laws, and to recover substantial compensatory and  
28 punitive damages.

**FIRST CLAIM FOR RELIEF:****BREACH OF CONTRACT****(Against Defendant Pacific Lion)**

39. Humbl repeats, realleges, and incorporates all foregoing and subsequent paragraphs and allegations contained in this Complaint as though set forth at this point.

40. Humbl and Pacific Lion entered into a valid and enforceable written contract, the Agreement, on October 3, 2023.

41. Section B. of the Agreement's recitals state: "[Pacific Lion] desires to purchase and [Humbl] desires to issue and sell, upon the terms and conditions set forth in this Agreement shares of Series C Preferred Stock, \$0.00001 par value per share, of [Humbl]."

42. The Agreement contains a provision at Section 1.1 that requires Pacific Lion to make payments to Humbl in accordance with a set schedule attached thereto as Exhibit A. As consideration for each such payment, the Agreement provides that Pacific Lion will receive a designated number of shares of Series C Preferred Stock in Humbl.

43. Pacific Lion failed to pay the following amounts to Humbl, and has thereby breached the Agreement:

- a. \$185,000 on November 1, 2023;
- b. \$300,000 on January 2, 2024;
- c. \$300,000 on February 1, 2024; and
- d. \$300,000 on March 1, 2024.

44. Humbl has fully performed as required under the Agreement or is excused from performance based on Pacific Lion's own breach.

1           45. The Agreement further contains a fee-shifting provision that provides in  
2 relevant part:

3                   Attorneys' Fees. In the event any action is filed by either  
4 party against the other to interpret or enforce any of the  
5 Transaction Documents, the unsuccessful party to such  
6 action agrees to pay to the prevailing party all costs and  
expenses, including reasonable attorneys' fees incurred  
therein, including the same with respect to an appeal.

7           46. As a direct and proximate result of Pacific Lion's breach of its contractual  
8 obligations, Humbl has suffered significant monetary damages in the amount of  
9 \$1,085,000, which has materially impacted its business operations by substantially  
10 reducing Humbl's liquidity. Humbl is entitled to an award of actual, special, and  
11 compensatory damages according to proof at trial, as well attorneys' fees, costs, pre-  
12 judgment interest, and all other relief authorized by law.

### 13                   **SECOND CLAIM FOR RELIEF:**

#### 14                   **UNJUST ENRICHMENT**

#### 15                   **(Against All Defendants)**

16           47. Humbl repeats, realleges, and incorporates all foregoing and subsequent  
17 paragraphs and allegations contained in this Complaint as though set forth at this point.

18           48. Humbl conferred a substantial benefit upon Pacific Lion, and thereby upon  
19 Pacific Lion's managing member Fernane, by entering into a contractual arrangement  
20 in which Pacific Lion obtained millions of dollars of Humbl's legacy debt that Pacific  
21 Lion then sold for substantial profit. The arrangement left Humbl highly dependent  
22 upon Pacific Lion for operational funding, and Section 1.1 of the Agreement required  
23 that Pacific Lion make millions of dollars in payments to Humbl in order to provide  
24 Humbl with needed liquidity.

25           49. Pacific Lion also wrongfully received equity in Humbl through Hymers'  
26 misrepresentation that Pacific Lion made the required payments to Archura under the  
27 Archura Note Purchase Agreement, as outlined above. After wrongfully receiving this  
28

1 equity, Pacific Lion then sold those shares into the market in contravention of federal  
2 securities laws and enriching itself.

3 50. On information and belief, Fernane shared profits earned from the sale of  
4 Humbl's debt and equity with Hymers through their partnership in a separate  
5 investment fund called Liqueous, and Hymers had actual knowledge of the source of  
6 said profits.

7 51. Humbl conferred these benefits on Defendants based on Defendants'  
8 misrepresentations. Pacific Lion's requests to Humbl were made through its founder,  
9 managing member, and representative Fernane, and/or through Hymers, who was  
10 purportedly representing Humbl as a consultant when, in reality, he was advocating for  
11 the interests of Pacific Lion.

12 52. Defendants accepted and retained the millions of dollars in benefits that  
13 Humbl conferred upon them.

14 53. As a result, Defendants have been unjustly enriched at Humbl's expense  
15 and therefore must make restitution to Huml in an amount to be proved at trial.

### 16 **THIRD CLAIM FOR RELIEF:**

#### 17 **FRAUDULENT MISREPRESENTATION AND INDUCEMENT**

#### 18 **(Against All Defendants)**

19 54. Humbl repeats, realleges, and incorporates all foregoing and subsequent  
20 paragraphs and allegations contained in this Complaint as though set forth at this point.

21 55. Prior to and at the time Humbl entered into the Agreement with Pacific  
22 Lion, Hymers and Fernane made fraudulent promises, misrepresentations, and  
23 omissions concerning Defendants' relationship, the benefits to Humbl's business that  
24 would stem from entering into the Agreement, payments Pacific Lion would make  
25 under the Agreement, and Pacific Lion's history of making timely payments. Fernane  
26 made the aforementioned misrepresentations on his own behalf and on behalf of Pacific  
27 Lion.  
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1           56. Defendants, however, knew the misrepresentations made by Hymers and  
 2 Fernane were false. Defendants concealed the secret partnership between Hymers and  
 3 Fernane in Liqueous until after the parties' deal was struck because they knew Humbl  
 4 was relying on Hymers for advice during the parties' negotiations; that Humbl would  
 5 have considered Hymers' undisclosed partnership with Fernane to be material to the  
 6 propriety of Hymers' advice during said negotiations; and that Humbl would not have  
 7 agreed to the Agreement's terms had Defendants' true relationship been properly  
 8 disclosed. Moreover, Defendants knew and intended, before Humbl and Pacific Lion  
 9 executed the Agreement, that Pacific Lion would not make all payments required by  
 10 the Agreement, that Pacific Lion had a history of failing to make timely payments, and  
 11 that Pacific Lion's failure to make timely payments would damage and impair Humbl's  
 12 business operations through lack of liquidity.

13           57. Defendants separately committed fraud against Humbl in connection with  
 14 the Archura Note Purchase Agreement. Although Defendants failed to notify Humbl  
 15 that it did not make its second—or any further—required payment to Archura, Hymers  
 16 submitted to Humbl a conversion notice on November 15, 2023, for \$156,000 although  
 17 Pacific Lion was not entitled to convert this debt into equity. Through this  
 18 misrepresentation, Pacific Lion converted over \$137,000 of Archura's note that it has  
 19 not paid for and is not entitled to. Pacific Lion then received those shares and sold them  
 20 into the market in contravention of federal securities laws.

21           58. In reliance upon Defendants' fraudulent misrepresentations and  
 22 omissions, Humbl (1) entered into the Agreement and (2) converted over \$137,000 of  
 23 Archura's note.

24           59. Defendants intended that Humbl would rely on their fraudulent  
 25 misrepresentations and omissions in entering into the Agreement and in converting the  
 26 Archura note because it would benefit Defendants financially.

27           60. Humbl's reliance upon Defendants' misrepresentations and omissions was  
 28 reasonable and foreseeable. Humbl had no knowledge of Pacific Lion's history of

1 failing to make timely payments to its other contractual partners, and Defendants  
 2 actively prevented Humbl from discovering the partnership between Hymers and  
 3 Fernane in Liqueous. As a result, Humbl trusted that Defendants were acting in good  
 4 faith during the parties' negotiations and that Pacific Lion would abide by the terms of  
 5 the Agreement. It was also reasonable for Humbl to rely on its purported consultant,  
 6 Hymers, in converting over \$137,000 of the Archura Note.

7 61. Humbl was injured as a direct result of its reasonable and foreseeable  
 8 reliance on Defendants' misrepresentations and omissions and has suffered substantial  
 9 money damages in an amount to be determined at trial. Humbl is also entitled to an  
 10 award of substantial punitive and exemplary damages in an amount commensurate with  
 11 the egregious nature of Defendants' wrongdoing, sufficient to properly punish  
 12 Defendants for their fraudulent misconduct, and sufficient to dissuade Defendants from  
 13 engaging in similar conduct in the future.

14 **FOURTH CLAIM FOR RELIEF:**

15 **VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND**  
 16 **RULE 10b-5 PROMULGATED THEREUNDER**  
 17 **(Against Defendant Pacific Lion)**

18 62. Humbl repeats, realleges, and incorporates all foregoing and subsequent  
 19 paragraphs and allegations contained in this Complaint as though set forth at this point.

20 63. Under C.F.R § 240.10b-5: "It shall be unlawful for any person, directly or  
 21 indirectly, by the use of any means or instrumentality of interstate commerce, or of the  
 22 mails or of any facility of any national securities exchange, (a) To employ any device,  
 23 scheme, or artifice to defraud, (b) To make any untrue statement of a material fact or  
 24 to omit to state a material fact necessary in order to make the statements made, in the  
 25 light of the circumstances under which they were made, not misleading, or (c) To  
 26 engage in any act, practice, or course of business which operates or would operate as a  
 27 fraud or deceit upon any person, in connection with the purchase or sale of any  
 28 security."





1 section 78u(d) of this title), unless the controlling person acted in good faith and did  
2 not directly or indirectly induce the act or acts constituting the violation or cause of  
3 action.”

4 70. Fernane directly or indirectly controlled Pacific Lion within the meaning  
5 of § 78t(a) by virtue of his high-level position and ownership and contractual rights,  
6 participation in, and/or awareness of Pacific Lion’s operations, and had the power to  
7 influence and control and actually did influence and control, directly or indirectly, the  
8 decision-making of the Company.

9 71. In particular, Fernane had direct and supervisory involvement in the day-  
10 to-day operations of Pacific Lion and, therefore, had the power to control or influence  
11 the particular representations made and transactions entered into which gave rise to the  
12 securities violations as alleged herein, and he exercised the same.

13 72. As set forth above, Pacific Lion violated Section 10b-5 and Rule 10b-5  
14 through material misrepresentations and omissions made relative to its purchase of  
15 stock in Humbl. By virtue of his position as a controlling person of Pacific Lion,  
16 Fernane is liable for violations of the Exchange Act pursuant to § 78t(a) as alleged  
17 herein.

18 73. Humbl was injured as a direct result of its reasonable and foreseeable  
19 reliance on Defendants’ misrepresentations and omissions relating to the purchase of  
20 Humbl’s stock, and Humbl has suffered substantial money damages in an amount to be  
21 determined at trial. Humbl is also entitled to an award of substantial punitive and  
22 exemplary damages in an amount commensurate with the egregious nature of  
23 Defendants’ wrongdoing, sufficient to properly punish Defendants’ for their fraudulent  
24 misconduct, and sufficient to dissuade Defendants from engaging in similar conduct in  
25 the future.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

1. For actual and compensatory damages in an amount according to proof at trial;
2. For disgorgement of the amount by which Defendants have been unjustly enriched;
3. For a permanent injunction prohibiting Defendants from selling shares of Humbl stock;
4. For an award of punitive and exemplary damages;
5. For prejudgment interest;
6. For attorneys' fees and costs incurred by Plaintiff in this action;
7. For an award of such other and further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Plaintiff Humbl, Inc. demand a trial by jury of the claims for relief so triable as alleged in this complaint.

DATED: March 13, 2024

GLASER WEIL FINK HOWARD  
JORDAN & SHAPIRO LLP

By: /s/ Joseph Leventhal  
JOSEPH LEVENTHAL  
*Attorneys for Plaintiff*  
HUMBL, INC.