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9 **UNITED STATES DISTRICT COURT**

10 **DISTRICT OF NEVADA**

11 LEX TECNICA, LTD., a Nevada limited
liability company,

12 Plaintiff,

13 vs.

14 VANGUARD FIELD STRATEGIES, LLC, a
Texas limited liability company; AXIOM, LLC
15 dba AXIOM STRATEGIES, a Texas limited
liability company; DOES 1 through 100,
16 inclusive; and ROE Business Entities 1
through 100, inclusive;

17 Defendants.
18

Case No.: 2:23-cv-00069-APG-EJY

**SECOND AMENDED COMPLAINT
AND
JURY DEMAND**

19 A lawsuit against VANGUARD and AXIOM, whose actions DEFRAUDED MILLIONS OF
20 DOLLARS from Nevada teachers, families, and businesses trying to empower Nevada communities,
21 and to improve the education opportunities for more than 350,000 Nevada schools and children.
22 To wit, Defendants not only failed to achieve promised results, but defrauded Plaintiff into paying
23 them more than \$2,200,000.00 to gather signatures in support of a ballot initiative to improve
24 Nevada schools, all the while knowingly gathering fraudulent and forged signatures.

1 In the contract, Vanguard agreed to deliver signatures at a 70% validity rate (meaning 7 of
2 every 10 signatures would be valid and acceptable to the Office of the Nevada Secretary of State).
3 During the course of the signature gathering process, on at least a dozen occasions from July to
4 December 2022 Defendants assured CSI they were obtaining above an 80% validity rate. In reliance
5 on those repeated representations, CSI paid Vanguard over \$2,200,000 for the signatures. Each and
6 every time Defendants requested payments from CSI, Defendants knew that they were not obtaining
7 above an 80% (or even 70%) validity rate, thus repeatedly perpetuating their fraud on CSI.

8 However, Defendants representations were deceptive and false. When the Nevada Secretary
9 of State’s Office reviewed the signatures, it found Defendants had only obtained an average 53.2%
10 validity rate. After the obvious failure, Defendants assured CSI that they would “take care” of the
11 failure. However, the Defendants failed to do so, and eventually reneged on their assurances once
12 again, and told CSI that it bore the risk of Defendants’ abject failure.

13 Upon information and belief, none of the Defendants has registered with the State of
14 Nevada, are not recognized as entities in the state, nor do they have the required state, county or city
15 permits or business licenses required by Nevada law. Such conduct violates state and federal law,
16 including NRS 598 regarding deceptive trade practices, including bait and switch techniques by
17 Defendants and misrepresentations about their experience, expertise, and capability to gather the
18 signatures required for the initiative. For this reason, Lex Tecnica, successor in interest to CSI,
19 hereby brings its claims against Defendants as follows:

20
21 **PARTIES, JURISDICTION, AND VENUE**

22 1. Lex Tecnica, Ltd. is a Nevada limited liability company owned by its Nevada members
23 who are Nevada attorneys—primarily Samuel Castor, Esq., through his entity Numbchuck Skills,
24 LLC, and Adam Knecht, Esq., through his Nevada limited liability company, Ascent Law Group,

1 Ltd. Numbchuck Skills, LLC is 100% owned by Samuel Castor, a Nevada attorney and resident of
2 Clark County, Nevada. Ascent Law Group, Ltd. is 100% owned by Adam Knecht, also a Nevada
3 attorney and resident of Clark County, Nevada. Lex Tecnica, Ltd. was assigned rights in trust by
4 Community Schools Initiative (“CSI”), a registered Nevada Political Action Committee designed to
5 support a statutory initiative to allow cities and municipalities to opt-out of the existing county-based
6 school district system.

7 2. VANGUARD FIELD STRATEGIES, LLC (“Vanguard”) is, and at all relevant times
8 was, a Texas limited liability company doing business in Clark County, Nevada, and is 100% owned
9 by Garrison Management Group, LLC.

10 3. Vanguard is a “division” of AXIOM, LLC dba Axiom Strategies, which is, and at all
11 relevant times was, a Texas limited liability company, unlawfully doing business in Clark County,
12 Nevada, and is a division of Axiom.

13 4. AXIOM, LLC dba AXIOM STRATEGIES (“Axiom”) is, and at all relevant times was,
14 a Texas limited liability company unlawfully doing business in Clark County, Nevada, and is 100%
15 owned by Garrison Management Group, LLC, which is 100% owned and controlled by one Jeff
16 Roe, a citizen of the State of Texas.

17 5. The true names, identities, and capacities, whether individual, corporate, associate,
18 representative, or otherwise, of Defendants DOES 1 through 100, inclusive, and ROE Business
19 Entities 1 through 100, inclusive, are presently unknown to Plaintiff, who therefore sues such Doe
20 and Roe Defendants by fictitious names, until discovery of fact supports claims against additional
21 conspirators, and their true identities. Plaintiff is informed and believes, and upon such information
22 and belief, alleges, Doe and Roe Defendants are legally responsible in some manner for the unlawful
23 acts and/or omissions hereinafter described. Plaintiff will seek leave of Court to amend this
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1 complaint to reflect the true names and capacities of each of the Doe and Roe Defendants as and
2 when such information is ascertained.

3 6. The United States District Court for the District of Nevada has original subject
4 matter jurisdiction with respect to this action pursuant to 28 U.S.C. § 1332, as there exists complete
5 diversity of citizenship between Plaintiff and all Defendants, and the amount in controversy exceeds
6 \$75,000.00, exclusive of interest and costs.

7 7. Many of the acts and events at issue in this complaint involve and relate to conduct
8 and controversies that occurred in Clark County, Nevada. Defendants participated in, and/or
9 continue to participate in, the activities that are at issue in this matter, which activities occurred in
10 Clark County, Nevada. Therefore, venue is proper in this district pursuant to 28 U.S.C. §
11 1391(b)(2).

12 **FACTUAL ALLEGATIONS**

13 8. CSI was organized in 2022, following more than a decade of grass roots efforts by
14 Nevada families, businesses, teachers, and citizens concerned about the failing Nevada educational
15 system. Supported by a bi-partisan board comprised of well-known community leaders, like a
16 Republican Henderson City Councilman (Dan Stewart), then President of Bank of Nevada (John
17 Guedry), a sitting Democratic Clark County Commissioner (Marilyn Kirk Patrick), a former
18 Democratic Clark County Commissioner and School Board Member (Mary Beth Scow), and
19 Hannah Brown (recently joined), who has an elementary school named after her, among others.
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21 9. Nevada has incredible teachers, administrators and support staff and a few successful
22 private and public schools. However, because of the size of its school districts, Nevada also has one
23 of the worst public-school reputations in the United States and regularly ranks the lowest in
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1 academic performance; most recently ranking last for ACT scores across the nation.¹ The problems
2 are not just academic. Nevada schools made national news for student suicides,² and has regular
3 reports of teacher abuse, and child homelessness. Nevada's decaying educational landscape affects
4 every area of life in Nevada.

5 10. The problem is not any one individual, the problem is the size of the school districts.

6 11. CSI members and leadership spent years gathering support and donor funds from
7 Nevada businesses, families, educators, and individuals who care about Nevada and its criticized
8 educational landscape and recognize how urgent the need is for the future of Nevada and the overall
9 economy of the state. Scraping together \$2.5 million dollars to fund a ballot initiative to address
10 these problems took years of time, labor, and reputation.

11 12. In the experience of CSI's board and volunteers, Nevada's educational ranking
12 nationally is a material deterrent to economic development. Mr. Sam Castor served as EVP of Policy
13 at Switch and the Director of the InNEVation Center designed to help Nevada business and
14 entrepreneurs. Mr. Castor also ran an angel funding group called NVAngels, and his duties included
15 assisting the Governor's Board of Economic Development (while at Switch) to attract businesses to
16 Nevada, from 2012 to 2015.

17 13. In the last decade, a pattern has emerged. While some businesses have relocated,
18 several multi-million-dollar businesses often attracted to Nevada's favorable tax and business
19 environment, would have relocated and helped diversify the economy, except for Nevada's inferior
20 educational offerings. Board members for CSI were often told executives simply do not want to
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24 ¹See <https://www.npri.org/act-scores-nevada-is-the-worst-of-the-worst/>

25 ² See <https://www.nytimes.com/2021/01/24/us/politics/student-suicides-nevada-coronavirus.html>

1 relocate their families to a state with often the “worst of the worst” schools in the nation, as reported
2 by the Nevada Policy Research Institute.³

3 14. CSI came to realize that Nevada’s educational deficit is largely due to Nevada’s
4 uniquely large, county-sized school districts. For example, the Clark County School District is
5 stretches from Mesquite to Boulder City (over 8,000 square miles) and serves more than 300,000
6 students. It is the fifth the largest in the U.S. Its budget of now more than \$5 billion, is the single
7 largest budget item for the State of Nevada. Its size has proven unmanageable.

8 15. To solve this problem, CSI’s initiative planned to allow cities and municipalities to
9 opt-out of the county-based school district to form their own community-based school districts. The
10 initiative was fueled by thousands of volunteer hours and the concentrated efforts of many
11 community leaders, including the law firm Lex Tecnica, for over the last decade. The initiative was
12 broadly supported across the political spectrum, garnering endorsements from the Urban Chamber
13 of Commerce, the Latin Chamber of Commerce, the Las Vegas Chamber of Commerce, the Asian
14 Chamber of Commerce and many other businesses and Nevada families.

15 16. As the initiative gained momentum, it became clear that a signature gathering firm
16 would need to be hired to secure sufficient signatures. It also became clear that given the public
17 sentiment against the school districts following the COVID-19 pandemic, 2022 was a uniquely
18 potent time to secure the signatures and legislative support for the initiative.⁴

19 20 17. Even with broad and uniquely potent political and community support, over 140,000
21 signatures would need to be gathered from each of Nevada’s congressional districts. Given Axiom’s
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23 ³ See <https://www.npri.org/act-scores-nevada-is-the-worst-of-the-worst/>

24 ⁴ Given the broad political and community support, until November 2022, the only openly public opponent to the
25 initiative was the superintendent of Clark County School District, making the signature gathering effort much easier to
26 obtain signatures for than a politically divided issue.

1 reputation nationally, CSI was encouraged to consider Vanguard, a division of Axiom, to aid in the
2 process.

3 18. Axiom is a nationally renowned political consulting, direct voter contact, and
4 research services firm founded and controlled by Roe.

5 19. Axiom promotes Vanguard as a “field strategies firm specializing in direct stakeholder
6 contact and grassroots & grasstops development and management.”

7 20. Further, Vanguard claims that it is made up of “field professionals” who are
8 “relentless in getting the job done.”

9 21. Vanguard was created as a division of Axiom in 2018 to serve as “a nationwide
10 grassroots and field division” and therefore, upon information and belief, is a subsidiary or alter ego
11 of Axiom.

12 22. In an article highlighted on Axiom’s website, *Politico* refers to Axiom as “[Jeff] Roe’s
13 team.”

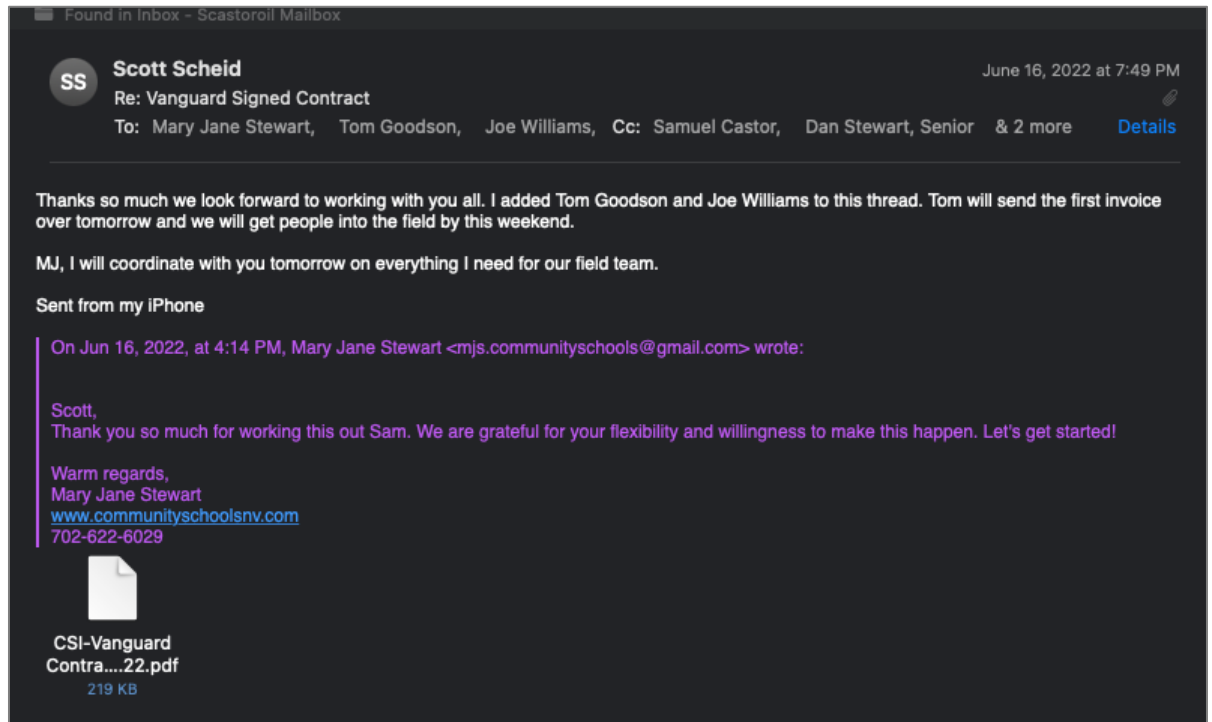
14 23. Jeff Roe is the founder and sole owner of Axiom.

15 24. Vanguard is used as a branch or tool of the Axiom brand.

16 25. From May to June, 2022, CSI interviewed several signature gathering firms including
17 some that were less expensive, along with Axiom’s division, Vanguard.

18 26. After interviewing other vendors, CSI eventually selected Defendants, and agreed to
19 pay a premium for their service, because Defendants insisted to CSI that they only hired qualified,
20 background-checked signature gatherers, and that they carefully reviewed and scrutinized the
21 signatures gathered during the process to hit a 70% or higher validity rate.
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32. This was because Mr. Goodson and Mr. Williams, for themselves and Axiom, were involved in the contract and would be involved in the services going forward – further reinforcing Plaintiff’s expectation and reasonable conclusion that it was contracting with Axiom.

33. Mr. Goodson also regularly and actively followed up with CSI to make payments.

34. Further, Mr. Scheid represented to CSI that he would be in constant contact with Axiom, Roe, Williams, and Goodson about the signature gathering effort.

35. CSI agreed to pay Defendants \$12 for each signature (whether validated or not) with the explicit deliverable requirement that at the very least, 70% of those “raw” signatures would be valid, as quality controlled by Defendants.

Deliverables: 20,833 raw signatures, 70% validity rate, at \$12 per raw signature

- VFS will validate volunteer-gathered signatures

36. The parties agreed that CSI could extend/increase the signature gathering program at the same validity rate, at \$12 per raw signature.

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The CLIENT will have the option to extend/increase this program as desired at the same rate.

37. Although the ultimate outcome of the campaign was not guaranteed, the contract expressly guaranteed the service deliverable of a 70% signature validity rate would be met and noted “[Vanguard] shall use *best efforts and diligence* in performing the services required by this agreement.”⁶

2. Final Matters
VFS shall use best efforts and diligence in performing the services required by this agreement. VFS, its principals, employees, agents and/or assigns make no warranty, express or implied, as to the results of the services provided or any future services that may be contracted. Although VFS from time to time may opine about the possible results regarding the campaign, VFS cannot guarantee any particular result from services.

38. Over the course of the following six months, from approximately June 2022 to November 2022, CSI repeatedly extended/increased the signature gathering service period, pursuant to the express terms of the contract, and paid Defendants \$12 per raw signature.

39. During this time, the CSI Board met regularly (generally on Mondays of) each week to discuss the initiative and signature gathering process.

40. Defendants’ primary representative, Mr. Scheid, routinely attended the beginning of these CSI Board meetings from August through December 2022 (if not weekly, from September to November).

41. Each time Mr. Scheid attended a weekly CSI Board meeting, he reported to the CSI Board by, among other things, identifying the number of and validity rate of signatures gathered by Defendants, and identified and requested payments for the amounts owed to Defendants.

⁶ See *id.* (emphasis added)

1 induce further payments. Reports were shared verbally and in writing on at least the following dates,
 2 with accompanying screen shots attached, show the numbers that were later proven false by the
 3 Nevada Secretary of State:

4 i. August 22 (at 72%)

5 From: Scott Scheid <scott@vfs.gop>
 Date: Mon, Aug 22, 2022 at 10:52 AM
 Subject: Report
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>


| | |
|------------------------------|--------|
| Raw In Hand Vanguard | 13,154 |
| Amount Verified to date | 11,500 |
| Valid | 8,344 |
| Validity Rate | 73% |
| TOTAL | |
| Raw In Hand Volunteer | |
| Amount Verified to date | |
| Valid | |
| Validity Rate | |
| TOTAL | |

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|--------------------------|-----------|
| Field Staff Total | 26 |
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10 I need to get an update on the volunteer signatures that we have in hand. I will send that to you as soon as I get them. I think we have another 1,000 or signatures from our staff that we are picking up today and tomorrow. We are almost caught up on the validity but it's holding steady.

11 *Scott Scheid*
 Vanguard Field Strategies
scott@vfs.gop | 702-569-8839

12 

13 ii. August 29 (at 73%)

14 From: Scott Scheid <scott@vfs.gop>
 Date: Mon, Aug 29, 2022 at 10:58 AM
 Subject: Re: update this morning
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

| | |
|-----------------------------|--------|
| Raw In Hand Vanguard | 16,366 |
| Verified | 13,898 |
| Valid | 10,264 |
| Validity Rate | 74% |

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We have a little over 700 volunteer signatures turned in and notarized to date. I am double checking with Tami on how many still need to be notarized but that is the best count we have as of now.

18 *Scott Scheid*

19 iii. September 7 (at 74%)

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----- Forwarded message -----
 From: **Scott Scheid** <scott@vfs.gop>
 Date: Wed, Sep 7, 2022 at 7:34 PM
 Subject: Updated Numbers
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

| | |
|-----------------------------|--------|
| Raw In Hand Vanguard | 29,771 |
| Verified | 19,256 |
| Valid | 14,249 |
| Validity Rate | 74% |

We also got an additional 354 volunteer signatures this week.

Scott Scheid

iv. September 12 (at 72%)

----- Forwarded message -----
 From: **Scott Scheid** <scott@vfs.gop>
 Date: Mon, Sep 12, 2022 at 8:56 AM
 Subject: Updated numbers
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

| | |
|-----------------------------|--------|
| Raw In Hand Vanguard | 39,441 |
| Verified | 22,744 |
| Valid | 16,469 |
| Validity Rate | 72% |

Scott Scheid

v. September 19 (at 72%)

----- Forwarded message -----
 From: **Scott Scheid** <scott@vfs.gop>
 Date: Mon, Sep 19, 2022 at 10:04 AM
 Subject: Update
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

| | |
|-----------------------------|--------|
| Raw In Hand Vanguard | 49,435 |
| Verified | 29,246 |
| Valid | 21,156 |
| Validity Rate | 72% |

9,319 this week.

Scott Scheid

vi. September 26 (at 72%)

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From: **Scott Scheid** <scott@vfs.gop>
 Date: Mon, Sep 26, 2022 at 12:03 PM
 Subject: Update
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

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|-----------------------------|---------------|
| Raw In Hand Vanguard | 58,462 |
| Verified | 37,323 |
| Valid | 27,033 |
| Validity Rate | 72% |

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Scott Scheid

vii. October 3 (at 72%)

From: **Scott Scheid** <scott@vfs.gop>
 Date: Mon, Oct 3, 2022 at 11:29 AM
 Subject: Update
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

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|-----------------------------|---------------|
| Raw In Hand Vanguard | 69,309 |
| Verified | 46,248 |
| Valid | 33,488 |
| Validity Rate | 72% |

10,847 signatures gathered this week.

Scott Scheid

viii. October 10th (at 72%)

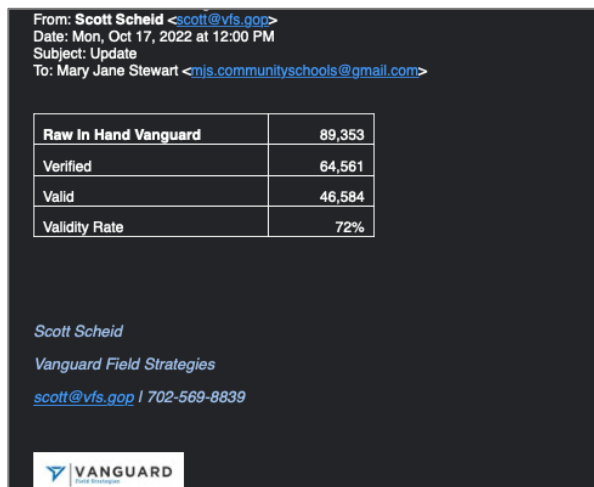
From: **Scott Scheid** <scott@vfs.gop>
 Date: Mon, Oct 10, 2022 at 10:12 AM
 Subject: Update
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

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|-----------------------------|---------------|
| Raw In Hand Vanguard | 80,205 |
| Verified | 64,561 |
| Valid | 46,584 |
| Validity Rate | 72% |

Scott Scheid

Vanguard Field Strategies

ix. October 17 (at 72%)



8 51. Scheid also reported that all of the signature pages gathered were scanned and
9 preserved by Defendants, including on a thumb drive to ensure none were lost.

10 52. In late October and in early November 2022, competing providers to Defendants
11 indicated they had additional signature gatherers available to help and also raised concerns about
12 Defendants' capacity, performance, and quality control.

13 53. In response, CSI asked Defendants (on multiple occasions in October and November
14 of 2022) if CSI should hire another signature gathering firm or use at least use additional signature
15 gatherers not employed as staff by Defendants, to ensure enough signatures were gathered for the
16 initiative.

17 54. Defendants repeatedly refused and insisted another signature gathering firm was
18 absolutely not necessary, that Defendants were capable of gathering the signatures above the agreed
19 upon validity rate of 70%; and insisted they were doing so.


20 55. Mr. Scheid and others made these further assurances, representations, and validity
21 claims repeatedly during the weekly Monday meetings from October 2022 to December 2022.
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56. In fact, on at least three occasions in November and December of 2022, to induce further payment, Mr. Scheid insisted that Defendants would gather 20,000 more signatures than the required, as a gift, to ensure that the initiative passed.

57. Defendants, through Mr. Scheid, also sent an email to Mary Jane Stewart of CSI, showing that the validity rate was still 72%, to induce another million dollars in payment.

From: Scott Scheid <scott@vfg.gop>
 Date: Wed, Dec 21, 2022 at 12:29 PM
 Subject: Sample Validity Reports
 To: Mary Jane Stewart <mjs.communityschools@gmail.com>

Scott Scheid
 VP of Business Development
 Vanguard Field Strategies
scott@vfg.gop | 702-569-8839



| Petition Batch Recap Southern & Northern Nevada. | | | | | | | | | | |
|--|-------|----------|----------|---------|----------------|-----------------|--------------|-----------------------------|------------------|--|
| Date Range | Batch | Accepted | Rejected | Pending | Accepted Ratio | Processed Ratio | Empty Blocks | Total Blocks | Total Signatures | Projected Valid (Validity Ratio X Gross) |
| 10/31/22 - 11/06/22 | 24 | 2136 | 1473 | 1262 | 59.20% | 74.10% | 542 | 5413 | 4871 | 2884 |
| 11/07/22 - 11/13/22 | 25 | 1989 | 1104 | 9128 | 64.30% | 25.30% | 2639 | 14860 | 12221 | 7859 |
| 11/14/22 - 11/18/22 | 26 | 4344 | 1674 | 15351 | 74.70% | 27.50% | 4516 | 25685 | 21669 | 15813 |
| 11/19/22 - 11/22/22 CD02 | 27 | 3346 | 933 | 15057 | 78.20% | 22.10% | 4105 | 23441 | 19336 | 15121 |
| Totals | | | | | | | | 5797 | 41876 | |
| 11-22 Southern NV Hand In Signature Count | | | | | | | | | | 848 |
| Total Southern Nevada Signatures | | | | | | | | | | 39107 |
| Total Northern Nevada Signatures | | | | | | | | | | 19336 |
| Overall Numbers | | | | | | | | Overall Process Rate | | 29.17% |
| Overall Validity Rate | | | | | | | | | | 72.36% |

Batch 24 Validity Report.pdf
 Page 1 of 337

Verification Log

| Petition No. | Petitioner | Collector | Approved | Rejected Reason | Status | Collector | Signature | Birthdate | County | County | State | District | Packet | Signature | Block | Collected | Audited At |
|--------------|--|---------------------------|----------|-----------------|---------|--------------------|-----------------------|------------|--------|---------|--------|----------|--------|-----------|-------|---------------------|---------------------|
| 3-4 | Community School Districts-2022-11-01s | heather included heathern | Y | | matched | andrea tampano | TAMARES, NOEM | 1979-11-01 | clark | 1183800 | 370067 | 4 | 11 | 9 | | 2022-11-09 14:09:07 | 2022-11-09 14:09:07 |
| 3-4 | Community School Districts-2022-11-01s | heather included heathern | Y | | matched | andrea andrea | DELROSARIO, SHANNON H | 1992-10-28 | clark | 1831445 | 870879 | 4 | 5 | 7 | | 2022-11-09 14:09:09 | 2022-11-09 14:09:09 |
| 3-4 | Community School Districts-2022-11-01s | heather included heathern | Y | | matched | heather beech | STACEY, JARED ANDREW | 1985-03-11 | clark | 2474885 | 883426 | 4 | 2 | 7 | | 2022-11-09 14:20:39 | 2022-11-09 14:20:39 |
| 3-4 | Community School Districts-2022-11-01s | heather included heathern | Y | | matched | anthony anthony | BRANDON, LELAND ROY | 1999-02-09 | clark | 1719029 | 880237 | 4 | 6 | 8 | | 2022-11-09 14:20:49 | 2022-11-09 14:20:49 |
| 3-4 | Community School Districts-2022-11-01s | heather included heathern | Y | | matched | jorge del castillo | GARCIA, ASHLEY | 2002-10-16 | clark | 2718402 | 848800 | 4 | 3 | 8 | | 2022-11-09 14:17:15 | 2022-11-09 14:17:15 |
| 3-4 | Community School Districts-2022-11-01s | heather included heathern | Y | | matched | charlie charlie | SIMON, LORRAINE DENE | 1987-05-23 | clark | 1334678 | 811300 | 4 | 4 | 7 | | 2022-11-09 14:18:01 | 2022-11-09 14:18:01 |

58. Defendants also led the “hand in” process with the Nevada Congressional District election departments, for review by the Office of the Nevada Secretary of State, directing Defendants’

1 staff, notaries, and CSI board members and volunteers on the process in each of the Congressional
2 Districts.

3 59. Trusting Defendants were experts, and in direct and detrimental reliance on the
4 contractual commitments and repeated assurances, representations, and validity claims of
5 Defendants, CSI paid Defendants \$12 for every signature it gathered, ultimately paying Defendants
6 over \$2,200,000.00 dollars.

7 60. However, despite the plain language of the contract, and despite Defendants'
8 repeated assurances of a 70% or higher validity rate, when the signatures were finally inspected by
9 the Nevada Secretary of State's office in December 2022, the Secretary of State found that the
10 signatures Defendants gathered had only an *average* 53.2% validity rate.

11 61. Specifically, the validity rates as determined by the Secretary of State's office were as
12 follows: District 1 - 41.6%, District 2 - 55.3%, District 3 - 62.7%, and District 4 - 55.0% (the
13 average of these four districts being 53.2%).

14 62. In other words, Defendants not only failed to reach the promised 70% validity rate,
15 but Defendants also failed to achieve better than a 62.7% validity rate in *any* of Nevada's four U.S.
16 Congressional Districts.

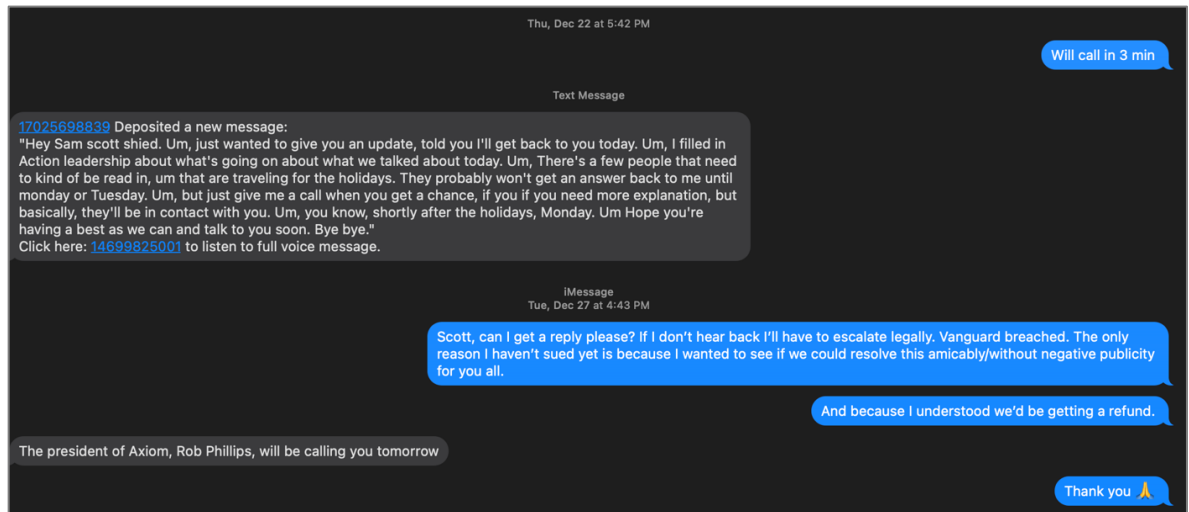
17 63. In fact, the Clerk of Carson City verified the validity rate for the signatures
18 Defendants submitted to it, at a meager 29.4%.

19 64. CSI was informed of these results via letter from the Nevada Secretary of State dated
20 December 21, 2022, after CSI had been defrauded into paying over \$2,200,000 dollars to
21 Defendants.⁷

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25 ⁷ See letter, attached hereto as Exhibit 2.

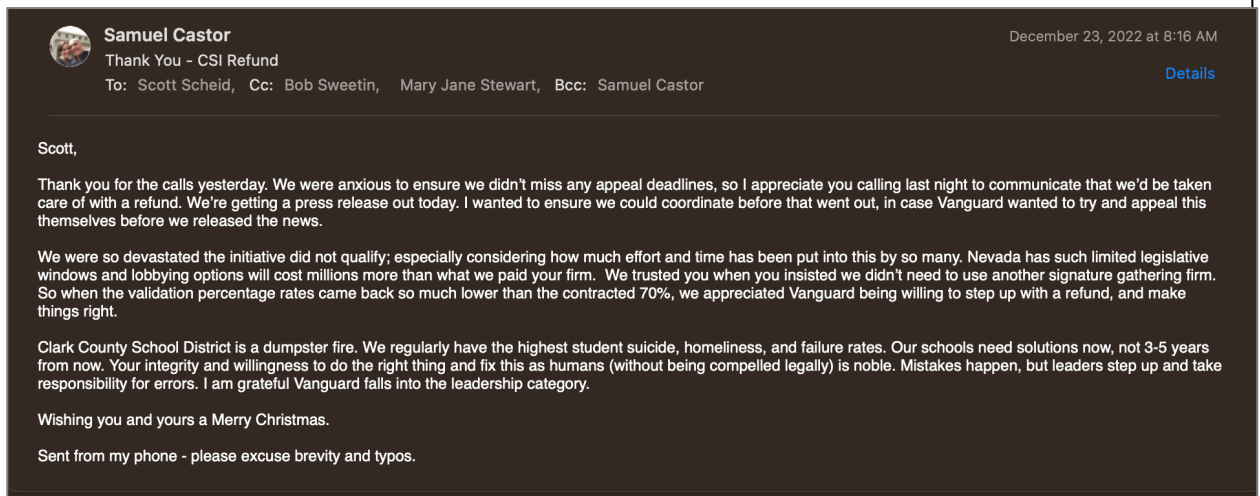
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72. Mr. Phillips is listed on Axiom’s website as president of Axiom.



73. Relieved, Mr. Castor sent a confirming email message to Mr. Scheid, thanking him for Defendants agreeing to provide a refund.

74. The next day, December 23, 2022, Mr. Castor sent a follow up email communication to Mr. Scheid, again thanking Mr. Scheid that Defendants would do the right thing and take care of the failure.



75. Mr. Phillips, for Defendants, did not call as promised.

76. In fact, no one called.

1 promised), but reportedly engaged less reputable individuals to sign the fraudulent signatures and
2 paid them \$2 to \$2.50 a signature and then pocketed the other \$10 a signature paid by CSI.

3 83. Furthermore, upon information and belief, neither Defendants registered with the
4 State of Nevada, are not recognized as entities in the state, nor do they have the required state,
5 county, or city licenses as required by Nevada law.

6 84. As such, the entity Defendants are disregarded, fraudulent and/or unlawful, shell
7 entities owned ultimately by Mr. Roe.

8 85. Upon information and belief, Plaintiff has discovered that Defendants knew of these
9 extensive, pre-meditated, questionable practices, and did nothing to stop them. In fact, Defendants
10 condoned, encouraged and at times orchestrated them, and then misrepresented the verified validity
11 rate to CSI to fraudulently induce more payment.

12 86. Based on Defendants' asserted expertise and political connections, CSI agreed to
13 contract with Defendants and paid Defendants over \$2,200,000 and squandered a rare political
14 window, to help change the educational landscape in Nevada.

15 87. Defendants damaged CSI's reputation with its donors, endorsers, and supporters of
16 the initiative.

17 88. The breach created a maelstrom of negative and damaging news activity, with CSI
18 marketing estimating that over 7,000,000 people saw that the ballot initiative had failed.

19 89. Before filing this case, and having spent all of its funding due to the fraud of
20 Defendants, CSI assigned its contractual and other rights related to its damages to Plaintiff Lex
21 Tecnica, Ltd.
22

1 90. As a result of the foregoing, Plaintiff has been damaged in a sum which exceeds
2 \$2,200,000.00, but in any event, greater than the jurisdictional minimum of \$75,000.00, which
3 amount will be determined at a jury trial of this matter.

4 **FIRST CAUSE OF ACTION**

5 **(Breach of Contract)**

6 91. Plaintiff repeats and re-alleges each of the foregoing allegations as though fully set
7 forth herein.

8 92. Vanguard, as a division of Axiom, and CSI agreed to a valid and enforceable
9 contract, as memorialized by the Letter of Engagement dated June 14, 2022.

10 93. The contract's terms were short and simple: CSI would pay \$12 per signature and
11 Vanguard, as a division of Axiom, would ensure a 70% validity rate for all signatures gathered.

12 94. Additionally, pursuant to the terms of the contract, the \$12 per signature rate and
13 corresponding 70% validity deliverable could be extended through the rest of the campaign.

14 95. Pursuant to the express terms of the contract and the parties' agreed-upon
15 extensions, CSI fully performed its obligation under the contract by paying Defendants over 2.2
16 million dollars.

17 96. Defendants, however, breached the express terms of contract by delivering over
18 220,000 signatures to the Nevada Secretary of State's office, of which only 53.2% were valid.

19 97. More specifically, Defendants agreed in the contract to deliver signatures with a 70%
20 validity rate, but failed to do so.

21 98. Moreover, Defendants repeatedly represented to CSI, that it collected and delivered
22 over 220,000 signatures and achieved more than 80% validity rate.
23

1 116. As a result of Defendants' foregoing breaches, Plaintiff has been damaged in a sum
2 which exceeds \$2,200,000.00, but in any event, greater than the jurisdictional minimum of
3 \$75,000.00, which amount will be determined at a jury trial of this matter.

4 117. As a further result of Defendants' coordinated conduct, Plaintiff has been required
5 to hire attorneys to prosecute this action and, therefore, seeks recovery of its attorneys' fees and
6 costs.

7 **THIRD CAUSE OF ACTION**

8 **(Unjust Enrichment—In the Alternative)**

9 118. Plaintiff repeats and re-alleges each of the foregoing allegations as though fully set
10 forth herein.

11 119. Alternatively, CSI conferred a substantial benefit upon Defendants by paying them
12 over 2.2 million dollars in reliance upon the contractual agreement that CSI would be provided with
13 signatures with at least a 70% validity rate.

14 120. Defendants are subsidiaries, divisions, and/or alter egos of on another, and benefited
15 from the \$2.2 million CSI paid to Defendants.

16 121. Given the nature of the benefit CSI conferred on Defendants (i.e. more than
17 \$2,200,000.00), it would be inequitable to allow Defendants to accept and retain this benefit without
18 repayment to CSI for the full value thereof.

19 122. Defendants accepted and retained this benefit.

20 123. Defendants knew, or should have known, that CSI expected signatures with at least
21 a 70% signature validity rate.

22 124. Defendants, however, only delivered signatures at a 53.2% validity rate.

1 outside the state of Nevada, even though these documents were notarized by Defendants or their
2 agents, and knowingly accepted as valid although forged.

3 140. Further, Defendants charged CSI \$2,200,000 for these fake signatures on a regular
4 basis even though Defendants knew or should have known that the signatures were fraudulent
5 and/or contained the defects described in the preceding paragraph.

6 141. Each instance of Defendants' accepting payment from CSI on the false claims that
7 Defendants were achieving validity rates far in excess of what they were actually achieving is an
8 instance of fraud in the inducement, as it induced CSI to continue paying more money for more
9 signatures.

10 142. In fact, at some time after the signature gathering campaign, CSI was informed that
11 Defendants' staff signature gatherers (aka "walkers") had informed Defendants of these issues, but
12 Defendants took no action to fix the issue and, in fact, continued to encourage CSI to pay for
13 Defendants to collect more signatures (which again, turned out to be forgeries or had other
14 disqualifying issues).

15 143. Defendants intended to induce CSI into extending the signature gathering effort
16 under the terms of the contract by making the foregoing misrepresentations.

17 144. Indeed, Defendants knew that CSI would have not have entered into the contract—
18 and certainly would not have extended the signature gathering campaign—if CSI was aware that the
19 signatures that Defendants would obtain would only be valid slightly more than half the time.

20 145. Defendants were aware of the amount of time and money CSI had already invested
21 in the effort, and of CSI's reliance on Defendants' representations, which is why the 70% validity
22 rate was included in the contract.
23

1 SIXTH CAUSE OF ACTION

2 (Negligent Misrepresentation—In the Alternative)

3 176. Plaintiff repeats and re-alleges each of the foregoing allegations and facts pled above
4 as though fully set forth herein.

5 177. Alternatively, Defendants negligently misrepresented to CSI that they were achieving
6 a more than 80% validity rate when they should have known that the signatures being gathered by
7 Defendants' agents were fraudulent, fabricated, from out of state, or falsified, and had received
8 reports accordingly but did not correct the problem.

9 178. The representations made to CSI by Defendants, specifically that CSI would be
10 supplied with signatures that were 70% valid, occurred in the course of Defendants' business in
11 their attempt to secure CSI's business.

12 179. Defendants further supplied false information to CSI that Defendants would obtain
13 signatures with 70% of them being valid to guide CSI in their business transaction with respect to
14 hiring a signature-gathering firm.

15 180. Defendants' representations induced CSI into signing a contract with Vanguard and
16 later extending the signature gathering effort pursuant to that contract, and paying Defendants
17 millions of dollars to do so.

18 181. CSI was damaged as the 70% validity rate was important for the number of
19 signatures gathered to be sufficient and the ballot initiative to be deemed to qualify, and Defendants
20 were aware of this importance which is why the 70% validity rate was expressly included in the
21 contract, and which is why Mr. Scheid repeatedly told CSI that the verification rate for the
22 signatures was above 80%.
23

1 190. Defendants were informed of these issues by its employees/agents/walkers and as the
2 sole guardian of what signatures to accept and charge CSI for, did not fix the issue, but simply
3 collected \$2.2 million for fraudulent and defective signatures.

4 191. Each instance of Defendants accepting payment from CSI on the false claims that
5 Defendants were achieving validity rates far in excess of what they were actually achieving is an
6 instance of fraud, as it induced CSI to continue paying more money for more signatures.

7 192. As a result of the foregoing, Plaintiff has been damaged in a sum which exceeds
8 \$2,200,000.00, but in any event, greater than the jurisdictional minimum of \$75,000.00, which
9 amount will be determined at a jury trial of this matter.

10 193. As a further result of Defendants' conduct, Plaintiff has been required to hire an
11 attorney to prosecute this action and, therefore, seeks recovery of its attorneys' fees and costs.

12 194. Defendant also reserves the right to bring this claim (and others) against individuals
13 named herein, including but not limited to Jeff Roe, Tom Goodson, Joe Williams and Scott Scheid.

14 **SEVENTH CAUSE OF ACTION**

15 **(Deceptive Trade Practices)**

16 195. Plaintiff repeats and re-alleges each of the foregoing allegations as though fully set
17 forth herein.

18 196. NRS 41.600(1) allows an action to "be brought by any person who is a victim of
19 consumer fraud."

20 197. NRS 41.600(2) defines consumer fraud as a "deceptive trade practice as defined
21 in NRS 598.0915 to NRS 598.0925, inclusive."

22 198. NRS 598.0915, NRS 598.0917, and NRS 598.0923 require that the person do the
23 act in their business.
24

1 Disparagement in any material respect of the advertised goods or services or the terms of sale or
2 lease.”

3 214. Defendants employed a “bait and switch” scheme with CSI, promising services at
4 a higher level and providing services at a much lower level, failing to verify the quality, and using
5 unqualified individuals to gather the signatures, including people intentionally hired to forge the
6 signatures.

7 215. When confronted with their failings, Defendants disparaged Nevada, noting they
8 should be excused because Nevada had a unique signature gathering process, and that CSI should
9 be satisfied with the lower-level services despite their ruining the benefit of the bargain for CSI.

10 216. Such excuses do not justify Defendants’ failings, especially considering their “grass
11 tops” and “grass roots” claims that suggest they are experts in Nevada requirements because
12 Defendants’ employees (as an arm of Axiom) are from Nevada.

13 217. Upon information and belief, Nevada is not unique, but instead the failure was
14 due to Defendants’ inexperience with gathering signatures for statutory initiatives and ballot
15 measures; which inexperience and lack of expertise, Defendants intentionally hid from CSI.

16 218. NRS 598.0923(1)(a) defines deceptive trade practice as a person in their business
17 that knowingly conducts their business “without all required state, county or city licenses.” NRS
18 86.544 states that a foreign limited liability company “must register with the Secretary of State”
19 before “transacting business in this State.”

20 219. Upon information and belief, neither of Defendants has registered with the State
21 of Nevada, are not recognized as entities in the state, nor do they have the required state, county
22 or city licenses as required by Nevada law.
23

- 1 B. Preliminary and injunctive relief as the Court agrees is necessary, including to
2 preserve evidence;
- 3 C. A finding that Defendants are alter egos of one another;
- 4 D. Pre and post judgment interest;
- 5 E. Punitive damages, including treble damages for fraud;
- 6 F. Costs and attorney's fees including, but not limited to, to those provided pursuant
7 to NRS 41.600(3)(c) and NRS Chapter 598; and
- 8 G. For any equitable relief that the Court deems appropriate.
- 9

10 **JURY DEMAND**

11 Plaintiff hereby demands a trial by jury of all issues so triable pursuant to Rule 38 of the
12 Federal Rules of Civil Procedure.

13 DATED this 8th day of May, 2023.

14 **TAKOS LAW GROUP, LTD.**

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