

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

BYZFUNDER NY LLC,

Plaintiff,

-against-

RONCO UTILITIES INC D/B/A RONCO UTILITIES
AND RONALD LEE CHAVEZ III,

Defendants.

Index No.:

Venue: NASSAU

Basis of venue designated: Contract

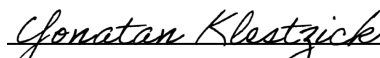
SUMMONS

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with the summons, to serve a notice of appearance, on the plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: Nassau County, New York
December 15, 2023

LIEBERMAN AND KLESTZICK, LLP


Yonatan Klestzick, Esq.
381 Sunrise Hwy, Suite 302
Lynbrook, NY 11563

Mail To:
PO Box 356
Cedarhurst, New York 11516
PHONE: (516) 900-6720
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To Defendant's Addresses:

RONCO UTILITIES INC D/B/A RONCO UTILITIES
18261 OLD HOUSTON ROAD, CONROE, TX 77302

RONALD LEE CHAVEZ III
18261 OLD HOUSTON ROAD, CONROE, TX 77302

SEE COMPLAINT ANNEXED HERETO

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU****BYZFUNDER NY LLC,**

Plaintiff,

-against-

**RONCO UTILITIES INC D/B/A RONCO UTILITIES
AND RONALD LEE CHAVEZ III,**

Defendants.

Index No.:

VERIFIED COMPLAINT

Plaintiff, BYZFUNDER NY LLC (“Plaintiff”), by and through its attorneys, Lieberman and Klestzick, LLP, for its complaint herein against RONCO UTILITIES INC D/B/A RONCO UTILITIES (“Company Defendant”), and RONALD LEE CHAVEZ III (“Guarantor”, and together with the Company Defendant the “Defendants”), alleges as follows:

The Parties

1. At all relevant times Plaintiff was and is a Limited Liability Company organized and existing under the laws of the State of New York.
2. Upon information and belief, at all relevant times, Company Defendant was and is a company organized and existing under the laws of the State of Texas that agreed that any action between the parties be instituted in any court sitting in New York State.
3. Upon information and belief, at all relevant times, Guarantor was and is an individual residing in the state of Texas who agreed that any action between the parties be instituted in any court sitting in New York State.

4. The subject contract between the parties states that any litigation related hereto must be commenced and maintained in any court located in the State of New York. See Agreement, page 4 paragraph 4.5, attached as **Exhibit “A”**.

The Facts

5. On or about December 13, 2021, Plaintiff and Defendants entered into an agreement (The “Agreement”) whereby Plaintiff agreed to purchase 3 percent of Company Defendant’s future receivables having an agreed to value of \$83,400.00. See the Agreement annexed hereto as **“Exhibit A”**.

6. Pursuant to the Agreement, Company Defendant agreed to have one bank account approved by Plaintiff (the “Bank Account”) from which Company Defendant authorized Plaintiff to make ACH withdrawals until \$83,400.00 was paid in full to Plaintiff.

7. In addition, Guarantor agreed to guarantee any and all amounts owed to Plaintiff from Company Defendant upon a breach in performance by Company Defendant.

8. Plaintiff remitted \$60,000.00, minus the agreed to fees, “the purchase price” pursuant to the Agreement, for the future receivables to Company Defendant as Agreed.

9. Company Defendant, however, repeatedly failed to clear its payments of the purchased receivables to Plaintiff from the Bank Account without providing proper notice or an alternative form of remitting the receivables and failed to provide Plaintiffs proper financial disclosures or a written request for reconciliation, thereby breaching the agreement.

10. On or about November 8, 2023, Plaintiff contacted Defendant and requested

reconciliation, specifically the last three months of Defendants bank statements, pursuant to the Agreement. See the reconciliation email annexed hereto as **Exhibit “B”**.

11. Defendant has yet to provide the specific documents requested by Plaintiff to conduct a reconciliation thus breaching the Agreement.

12. Company Defendant is in breach of the Agreement as of, on or before, November 14, 2023.

13. Company Defendant made payments totaling \$39,591.42, leaving a balance due of \$43,808.58. See the Pay Run annexed hereto as **“Exhibit C”**.

14. Thereafter, Plaintiff and Defendants entered into a forbearance agreement and Company Defendant made additional post-default payments amounting to \$6,800.00, leaving a balance due of \$37,008.58.

15. Company Defendant owes Plaintiff \$37,008.58 of the Purchased Amount.

16. By Defaulting, under the terms of the Agreement, Company Defendant owes Plaintiff an additional \$2,500.00 default fee. See **Exhibit “A”** at page 7 paragraph D.

17. Company Defendant owes Plaintiff \$900.00 for Returned Item fees under the Agreement due to instances in which Plaintiff’s withdrawals from the Bank Account were rejected for insufficient funds. See **Exhibit “A”** page 7 paragraph C.

18. Despite due demand, Company Defendant has failed to pay the amounts due and owing by Company Defendant to Plaintiff under the Agreement.

19. Additionally, Guarantor is responsible for all amounts incurred as a result of any default of the Company Defendant.

20. There remains a balance due and owing to Plaintiff on the Agreement in the

amount of \$40,408.58 plus interests, costs, disbursements and attorney's fees.

AS AND FOR THE FIRST CAUSE OF ACTION
(Breach of Contract)

21. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 20 of this complaint as though fully set forth at length herein.

22. Plaintiff gave fair consideration to Company Defendant which was tendered for the right to receive the aforementioned future receivables. Accordingly, Plaintiff fully performed under the Agreement.

23. Upon information and belief, Company Defendant is still conducting regular business operations and still collecting receivables.

24. Company Defendant has materially breached the Agreement as stated above.

25. By reason of the foregoing, Plaintiff has suffered damages in the amount of \$40,408.58, plus interest, costs, disbursements and attorney's fees.

AS AND FOR A SECOND CAUSE OF ACTION
(Personal Guarantee)

26. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 25 of this complaint as though fully set forth at length herein.

27. Pursuant to the Agreement, Guarantor personally guaranteed that Company Defendant would perform its obligations thereunder and that he would be personally liable for any loss suffered by Plaintiff as a result of a breach by Company Defendant.

28. Company Defendant has breached the Agreement as detailed above.

29. By reason of the foregoing, Plaintiff is entitled to judgment against Guarantor based on his personal guarantee in the sum of \$40,408.58, plus interests, costs, disbursements and attorney's fees.

AS AND FOR A THIRD CAUSE OF ACTION
(Unjust Enrichment)

30. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 29 of this complaint as though fully set forth at length herein.

31. Defendants have been unjustly enriched in that they have received the purchase price for the future receivables yet have failed to pay the sum of \$37,008.58 pursuant to the Agreement.

32. By reason of the foregoing, Plaintiff is entitled to judgment against the Defendants for unjust enrichment in an amount to be determined by the court, plus interest, costs, disbursements and attorney's fees.

AS AND FOR A FOURTH CAUSE OF ACTION
(Attorney's Fees)

33. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 32 of this complaint as though fully set forth at length herein.

34. Pursuant to the terms of the Agreement, Defendants further owe Plaintiff a total of \$13,142.57 representing reasonable attorney's fees, or thirty percent (30%), incurred in the collection of the underlying balance. See **Exhibit "A"** at page 4, paragraph 3.4.

35. By reason of the foregoing, the Plaintiff has been damaged in the sum of \$40,408.58 together with attorney's fees of \$13,142.57, resulting in a sum total of \$53,551.15.

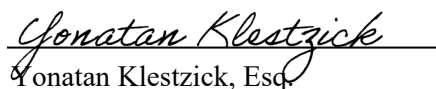
WHEREFORE, plaintiff BYZFUNDER NY LLC, requests judgment against defendants RONCO UTILITIES INC D/B/A RONCO UTILITIES AND RONALD LEE CHAVEZ III as follows:

- i. On the first cause of action of the complaints, Plaintiff requests judgment

- against Company Defendant in the amount of \$40,408.58 plus interest, costs, disbursements and attorney's fees;
- ii. On the second cause of action of the complaint, Plaintiff requests judgment against the Guarantor in the amount of \$40,408.58, plus interest, costs, disbursements and attorney's fees;
- iii. On the third cause of action of the complaint, Plaintiff requests judgment against Company Defendant and Guarantor in the amount of \$37,008.58, plus interest, costs, disbursements and attorney's fees;
- iv. On the fourth cause of action of the complaint, Plaintiff requests judgment against Company Defendant and Guarantor in the amount of \$40,408.58 with reasonable attorney's fees of \$13,142.57, resulting in a sum total of \$53,551.15, plus costs and disbursements.
- v. For such other and further relief as this Court deems just and proper.

Dated: Nassau County, New York
December 15, 2023

LIEBERMAN AND KLESTZICK, LLP


Jonathan Klestzick, Esq.

381 Sunrise Hwy, Suite 302
Lynbrook, NY 11563

Mail To:

PO Box 356, Cedarhurst, New York 11516

PHONE: (516) 900-6720

YKlestzick@landklegal.com

VERIFICATION

STATE OF New York
COUNTY OF New York

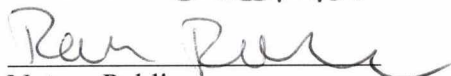
Marshall Rosenblum, being duly sworn deposes and says:

I am a managing member of BYZFUNDER NY LLC and, as such, I am authorized to make this affidavit on behalf of BYZFUNDER NY LLC. I have read the foregoing Verified Complaint and know the contents thereof. The same is true to my knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true.


Marshall Rosenblum

Sworn to before me this

15 day of December 2023


Notary Public

RANDI ROSENBLUM
Notary Public, State of New York
Reg. No. 02RO6415295
Qualified in Nassau County
Commission Expires 03/15/ 25

SUPREME COURT OF THE STATE OF NEW YORK
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BYZFUNDER NY LLC,

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UTILITIES AND RONALD LEE CHAVEZ III,

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**NOTICE OF ELECTRONIC FILING IN A
MANDATORY CASE (Rule § 202.5-bb)**

You have received this Notice because: 1) The Plaintiff/Petitioner, whose name is listed above, has filed this case using the New York State Courts E-filing system ("NYSCEF"), and 2) You are a Defendant/Respondent (a party) in this case.

If you are represented by an attorney: Give this Notice to your attorney. Attorneys: See Information for Attorneys below.

If you are not represented by an attorney: You will be served with all documents in paper and you must serve and file your documents in paper, unless you choose to participate in e-filing. If you choose to participate in e-filing, you must have access to a computer and a scanner or other device to convert documents into electronic format, a connection to the internet, and an e-mail address to receive service of documents. The benefits of participating in e-filing include: 1) serving and filing your documents electronically; 2) free access to view and print your e-filed documents; 3) limiting your number of trips to the courthouse; 4) paying any court fees on-line (credit card needed).


To register for e-filing or for more information about how e-filing works: 1) visit:

www.nycourts.gov/efile-unrepresented; or 2) contact the Clerk's Office or Help Center at the court where the case was filed. Court contact information can be found at www.nycourts.gov.

To find legal information to help you represent yourself visit www.nycourthelp.gov.

Information for Attorneys – (E-filing is Mandatory for Attorneys): An attorney representing a party who is served with this notice must either: 1) immediately record his or her representation with the e-filed matter on the NYSCEF site www.nycourts.gov/efile; or 2) file the Notice of Opt-Out form with the clerk of the court where this action is pending and serve on all parties. Exemptions from mandatory e-filing are limited to attorneys who certify in good faith that they lack the computer hardware and/or scanner and/or internet connection or that they lack (along with all employees subject to their direction) the knowledge to operate such equipment. [Section 202.5-bb(e)]. For additional information about electronic filing and to create a NYSCEF account, visit the NYSCEF website at www.nycourts.gov/efile or contact the NYSCEF Resource Center (phone: 646-386-3033; email: efile@nycourts.gov).

Dated: Nassau County, New York
December 15, 2023



Jonathan Klestzick, Esq.
381 Sunrise Hwy, Suite 302
Lynbrook, NY 11563

Mail To:

PO Box 356, Cedarhurst, New York 11516

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Defendants.

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