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Attorney for Plaintiff  
MADONNA MACHADO

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**THIRD CIRCUIT**  
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**IN THE CIRCUIT COURT OF THE THIRD CIRCUIT**

**STATE OF HAWAII**

MADONNA MACHADO, an  
individual

Plaintiff,

vs.

PACIFIC GHOSTWRITER, an  
unregistered California  
entity; 360 DIGITAL  
MARKETING LLC, a Texas  
Limited Liability  
Company; TEXONA MARKETING  
LLC, a Texas Limited  
Liability Company;  
KATHLEEN ROBERTS, an  
individual; JUSTIN  
VERNON, an individual;  
DOES 1-100,

Defendants.

Civil No.  
(Breach of Contract)

**COMPLAINT**

**COMPLAINT**

COMES NOW the Plaintiff herein, MADONNA MACHADO  
(hereinafter "Ms. Machado" or "Plaintiff"), by and through her  
attorney Lockey E. White, for her claims against PACIFIC  
GHOSTWRITER, an unregistered California entity of unknown type  
(hereinafter "Defendant"); 360 DIGITAL MARKETING LLC, a Texas

Limited Liability Company (hereinafter "co-defendant" or "360 DIGITAL"); and TEXONA MARKETING LLC, a Texas LLC (hereinafter "TEXONA") (collectively, "Defendants"), and state as follows:

**PARTIES**

1. At all times relevant herein, Plaintiff, MADONNA MACHADO was an elderly 71 year old widow living in Hawaii County, Hawaii. She purchased the services of Defendant PACIFIC GHOSTWRITER on the internet lured by their promises of full satisfaction and a money-back guarantee.

2. At all times relevant herein, the Defendant PACIFIC GHOSTWRITER<sup>1</sup> was operating a business in California and advertising itself as a California business although no record of the DEFENDANT's incorporation or filing of an assumed business name with the Secretary of State for the State of California can be found after diligent research and inquiry. It is PLAINTIFF's information and belief that PACIFIC GHOSTWRITER is owned and/or operated by the co-defendants 360 DIGITAL and TEXONA and, because it failed to file any

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<sup>1</sup> Not only is the Defendant entity unregistered, the name that it uses on its contract with Plaintiff varies from "Pacific Ghostwriter" to "Pacific Ghost Writer" to "Pacific Ghostwriting" and then "Pacific Ghost Writing". None of these variations of the name Defendant uses are listed on the California Secretary of State business search page so it is impossible to determine the correct name to litigate against.

incorporation documents, it is merely an alter-ego of its parent and/or executives managing DEFENDANT.

3. At all times relevant herein, the Defendant 360 DIGITAL MARKETING LLC was operating as an LLC in Texas and it is PLAINTIFF's information and belief that 360 DIGITAL MARKETING LLC owns, operates, or controls PACIFIC GHOSTWRITER with co-defendants TEXONA. Because no one filed any incorporation documents for PACIFIC GHOSTWRITER, it is now merely an alter-ego of 360 DIGITAL MARKETING who is liable for the wrongful acts of PACIFIC GHOSTWRITER.

4. At all times relevant herein, the Defendant TEXONA MARKETING LLC was operating as an LLC in Texas and it is PLAINTIFF's information and belief that TEXONA owns, operates, and/or controls PACIFIC GHOSTWRITER with co-defendants. Because no one filed any incorporation documents for PACIFIC GHOSTWRITER, it is now merely an alter-ego of TEXONA who is liable for the wrongful acts of PACIFIC GHOSTWRITER.

5. At all times relevant herein, Defendant KATHLEEN ROBERTS (hereinafter "Ms. Roberts") was and is an individual who, upon Plaintiff's information and belief resides in California and who serves as Director of Legal Affairs for PACIFIC GHOSTWRITER. She is the one that signed the contract between Plaintiff and Defendant on November 29, 2022 and the

one who later refused to answer questions about the entity, registered agent, contract, and refund when asked. Because the officers of an unregistered entity are jointly and severally liable for the actions of the entity that they manage, Ms. Roberts is listed as a Defendant.

6. At all times relevant herein, Defendant JUSTIN VERNON (hereinafter "Mr. Vernon") was and is an individual who, upon Plaintiff's information and belief resides in California and who serves as a Corporate Officer<sup>2</sup> for PACIFIC GHOSTWRITER. He also signed the contract between Plaintiff and Defendant on November 29, 2022 and later refused to answer questions about the entity, registered agent, contract, and refund when asked. Because the officers of an unregistered entity are jointly and severally liable for the actions of the entity that they manage, Mr. Vernon is listed as a Defendant.

7. The Plaintiff is informed, believes and therefore alleges that at all times mentioned herein, the UNKNOWN DEFENDANTS were individuals and/or business entities, whose forms are unknown and were agents, principals, employees, employers and/or co-conspirators of each and every other named

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<sup>2</sup> The title of Mr. Vernon is listed on Plaintiff's Contract with Defendant as "Cooperate Office" which makes no sense and appears to be a typo. "Corporate Officer" seems to be the most likely correct spelling however the exact title of Mr. Vernon's role is unknown.

or unnamed Defendants in this Complaint. The Plaintiff is informed, believes and therefore alleges that each of said Defendants are and at all relevant times herein was, acting within the scope and consent of the remaining named and unnamed Defendants.

8. This Complaint is for injunctive and declaratory relief and damages pursuant to Hawaii statutory and common law.

9. Jurisdiction and Venue is proper in the Circuit Court of the Third Circuit for the State of Hawaii, in that Plaintiff is a resident of this state and county of Hawaii, the Defendants purposefully availed themselves to the jurisdiction of Hawaii courts by advertising to Hawaii residents and knowingly contracting with them, and the subject contract was executed in the county of Hawaii.

#### **JURISDICTION**

10. This Court has jurisdiction pursuant to HAW. REV. STAT. § 603-21.5 et seq. Venue is proper in this Court under HAW. REV. STAT. § 603-36.

## **FACTS**

11. Plaintiff Madonna Machado contracted with Defendant Pacific Ghost Writing<sup>3</sup> on August 24, 2022 ("the Contract") for editing, ghostwriting, marketing, and publishing of a book about her life story.

12. In its advertisements and inducements to Ms. Machado Defendant Pacific Ghost Writing (aka Pacific Ghostwriting) provided a money-back guarantee with a promise of full refund if the customer was dissatisfied for any reason whatsoever. Attached as Exhibit "A" is a copy of the first page of Defendant's website which clearly states "100% Satisfaction Guaranteed".

13. When Plaintiff realized that she was not satisfied with the Pacific Ghost Writing services, she attempted to terminate her agreement with Pacific Ghost Writing. This dissatisfaction grew over time as Pacific Ghost Writing missed deadlines and other sub-par work. Once the book was published, it was to be "meticulously edited" and free from errors. The book was published by Pacific Ghost Writers and a few friends and family members purchased the book. It was at this time that

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<sup>3</sup> Defendant Pacific Ghost Writing refers to itself in its contract with Plaintiff as "Pacific Ghost Writing" but in its advertisements online it refers to itself as "Pacific Ghostwriting".

it became clear that the book was riddled with errors, typos, and blatant mistakes.

14. When she tried to contact Pacific Ghost Writing in order to terminate the agreement and obtain her refund, she was ignored by all Defendants, even though all Defendants received a demand letter from the undersigned counsel.

15. Pacific Ghost Writing received Plaintiff's demands and yet refused to provide any refund, even though the website induced her with the false promise of 100% satisfaction guaranteed.

16. In August, 2023 Pacific Ghost Writing was formally put on notice by the undersigned counsel that Ms. Machado is an elder under Hawaiian law and that what is occurring is a deceptive practice that can also be considered a form of financial elder abuse.

17. On several occasions Pacific Ghost Writing made promises about the timing of the work to be performed and the quality of the work product that Ms. Machado could expect. Pacific Ghost Writing specifically and clearly promised a 100% money back guarantee in writing to Ms. Machado more than once.

18. The contract Ms. Machado signed dated August 24, 2022 states clearly on the signature page under the clause "Termination" that "[t]he author will have the right to

terminate this Agreement at any point due to dissatisfaction and will get a full refund of the amount paid according to this Agreement." [emphasis added].

19. Defendant Pacific Ghost Writing refused to terminate and refused to refund the amounts paid, and continued to sell the book that was full of errors.

20. Ms. Machado notified Pacific Ghost Writer on more than one occasion both verbally and in writing that she wished to terminate the services and obtain a refund. Because Pacific Ghost Writing failed to honor its agreement with Ms. Machado and act on that prior request, she is again requesting termination and refund via this lawsuit, in addition to treble damages plus attorneys' fees pursuant to HRS §480-2 et seq; HI Rev Stat § 480-13.5 (2022) <sup>4</sup>.

21. Pacific Ghost Writing is well aware that Ms. Machado is dissatisfied with the services of Pacific Ghost Writing under the Contract and that she has terminated the above-referenced Writer/Ghostwriter Agreement with Pacific Ghost Writing dated

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<sup>4</sup> §480-13.5 Additional civil penalties for consumer frauds committed against elders. (a) If a person commits a violation under section 480-2 which is directed toward, targets, or injures an elder, a court, in addition to any other civil penalty, may impose a civil penalty not to exceed \$10,000 for each violation.

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(c) As used in this chapter, "elder" means a consumer who is sixty-two years of age or older. [L 1998, c 179, §1]



8/24/2022 and requested her full refund pursuant to its termination clause. Because Pacific Ghost Writing failed to act despite this knowledge, its breach of agreement and duties to Ms. Machado are now willful and intentional.

22. To date Ms. Machado has paid almost \$20,000.00 to Pacific Ghost Writing in payments for services, upgrades and extensions which were only necessary because Pacific Ghost Writing did not complete Ms. Machado's book as promised.

23. Pacific Ghost Writing's product that they ultimately produced for Plaintiff was full of errors and was not completed within any of the promised timeframes. Pacific Ghost Writing also failed to comply with their promotional obligations.

24. When Ms. Machado attempted to terminate and obtain a refund herself via telephone, she was threatened by the Pacific Ghost Writing representative that she was speaking to who became verbally abusive towards her over the phone and in text messages.

25. Pacific Ghost Writing's practice of promising the world, taking money, and then delivering something different than what is promised, and not issuing a refund, represents a deceptive bait and switch, false advertising, false promises, breach of contract, breach of promise, unjust enrichment and overall fraud and civil conspiracy to commit same.

26. In preparation for this lawsuit the undersigned searched the public record and found Pacific Ghost Writing is not registered and therefore not legally operating as a business in California.

27. As a result Defendant, and each of them, did not have the authority to contract as Pacific Ghost Writing --address in California-- because it does not have a dba or assumed business name nor was it registered as a company in California.

29. The failure to file with the proper authorities destroys any limited liability protection that any party to the contract in dispute might have had. In such scenarios, the person who signed the contract is personally liable for the breach of the contract and other damages and claims arising from the contract, including attorneys fees.

30. Further, the failure to register in California as a business while operating from California is good evidence of an intent to commit fraud.

31. While Pacific Ghost Writing is not registered anywhere as a business, 360 Marketing and/or Texona LLC may actually be the responsible parties that own and control Pacific Ghost Writing according to other lawsuits.

**CAUSES OF ACTION**

***FIRST CAUSE OF ACTION:***

**BREACH OF CONTRACT**

**(By Plaintiff Against Defendant PACIFIC GHOSTWRITING,  
KATHLEEN ROBERTS and JUSTIN VERNON)**

32. The Plaintiff incorporates by reference all preceding paragraphs as if set forth herein.

33. Defendants breached their contract with Plaintiff when they performed their contract obligations with reckless disregard for the Plaintiff's rights and expectations under the contract.

34. Defendants represented that they would perform their contractual obligations with a certain level of competence in order to sell their services to the Plaintiff. Such representations were untrue, deceptive or misleading and caused damage to the Plaintiff.

35. On November 29, 2022 Defendants' executed a contract with Plaintiff that offered "commitments and guarantees" including a "commitment to have the first completed copy of the book to be delivered by early January 2023 or else, the [sic] 100% amount for the book will be refunded to the m/s. [sic] by Pacific Ghost Writing."

36. In the same written contract the Defendants also offered "Meticulous editing to ensure [the] text is free of

error", a "Turnaround Time of 60-80 Days", and a "2000 reads guarantee within 12 months. A minimum of \$20,000 in return for your investment", "Free of cost unlimited revisions", "100% Money back guarantee if you face any quality issues", "The Ghostwriter will complete the entire project in 4 months. The Author has complete authority to pause and resume the process, as well as to change the timeframe to his or her liking.", "The total Amount Payable is \$5,999", "The author will have the right to terminate this Agreement at any point due to dissatisfaction and will get a full refund of the amount paid according to this Agreement."

37. Plaintiff accepted Defendants' offer and yet over the course of the contract had to pay almost \$20,000.00 to Defendants for their promised services and products rather than the contracted amount.

38. Defendants breached the Contract by:

- failing to provide a meticulously edited product
- failing to deliver the product promised within the timeframe promised,
- charging the Plaintiff much more than was agreed under the contract,
- failing to terminate the contract and cease work when asked to by Plaintiff,

- failing to refund Plaintiff her money when she was dissatisfied, as promised.

39. As a result of Defendants' breach, Plaintiff has suffered actual and consequential damages in an amount in excess of \$40,000 for loss of expectation, loss of the money paid for the service that she no longer wanted, mental and emotional distress, attorneys' fees, litigation costs and interest.

**SECOND CAUSE OF ACTION:**

**PROMISORY ESTOPPEL**

**(By Plaintiff Against Defendant PACIFIC GHOSTWRITING,  
KATHLEEN ROBERTS, and JUSTIN VERNON)**

40. The Plaintiff incorporates by reference all preceding paragraphs as if set forth herein.

41. Defendants PACIFIC GHOSTWRITING, KATHLEEN ROBERTS, and JUSTIN VERNON, together entered into a contract with Plaintiff which contained numerous promises. To the extent that recovery under the contract is found inappropriate, Plaintiff seeks recovery under Promissory Estoppel.

42. The advertisements, inducements, and written agreements by PACIFIC GHOSTWRITING, KATHLEEN ROBERTS, and/or JUSTIN VERNON constituted promises to Plaintiff to draft a book as specified and to fulfill all promises of drafting said book in a workmanlike manner and that Plaintiff would be satisfied or else receive her money back.

43. Plaintiff was not satisfied and there existed numerous major errors in the book such that the drafting was not conducted in a workmanlike manner as promised.

44. Plaintiff relied on this promise that the work product would be of a publishable, professional grade. She not only wasted almost \$20,000.00 in the cash she paid for the book to be written, she forwent other options for writing and publishing her book in reliance on Defendants' promises.

45. In reliance on the reasonable expectation that a professional quality product would be forthcoming, Plaintiff also invested in various methods of promoting the book online and offline, in anticipation of a professional work-product. Plaintiff lost out on those investments when she had nothing worthwhile to sell.

46. Plaintiff also spread the word throughout her social and professional networks about the upcoming release and lost significant credibility and possible future writing opportunities when she had to dial back on her own self-promotion which was both humiliating and expensive.

47. As a result of Defendants' breach, Plaintiff has suffered actual and consequential damages in an amount in excess of \$40,000 for loss of expectation, loss of the money paid for

the service that she no longer wanted, mental and emotional distress, attorneys' fees, litigation costs and interest.

**THIRD CAUSE OF ACTION:**

**Violation of Hawaii's Unfair and Deceptive Acts and Practices ("UDAP") law, Haw. Rev. Stat. §§ 480-1, et. seq.:  
(By Plaintiff Against Defendant PACIFIC GHOSTWRITING,  
KATHLEEN ROBERTS and JUSTIN VERNON)**

48. The Plaintiff incorporates by reference all preceding paragraphs as if set forth herein.

49. An act or practice is unfair where it: (1) Causes or is likely to cause substantial injury to consumers, (2) Cannot be reasonably avoided by consumers, and (3) Is not outweighed by countervailing benefits to consumers or to competition.

50. An act or practice is deceptive where: (1) A representation, omission, or practice misleads or is likely to mislead the consumer; (2) A consumer's interpretation of the representation, omission, or practice is considered reasonable under the circumstances; and (3) The misleading representation, omission, or practice is material.

51. According to the above stated Facts, the acts and practices of Defendants were both unfair and deceptive. Pacific Ghostwriting operating under numerous names in an unregistered capacity is, on its face, deceptive and unfair to Plaintiff who cannot even determine the appropriate party to serve in order to

address her complaints. Plaintiff hiding its identify, not registering with the Secretary of State for the State of California where it is operating, nor registering in the Department of Commerce and Consumer Affairs - Corporations Division in Hawaii where it conducted business with Plaintiff, has put Plaintiff at a substantial disadvantage because she is unable to file coherent and easy to identify complaints against the parties responsible for her damages.

52. Because Defendants used false advertising and bait and switch tactics in both their advertising and their contracts, Plaintiff, the consumer, was put at substantial disadvantage which could not be avoided by her as a consumer because she had no way of knowing that what she was contracting for was not what would be delivered.

53. It was reasonable for Plaintiff to rely on the "money back guarantee", "satisfaction guaranteed" and similar promises by Defendants as these guarantees were central to their advertising and contained as promises in writing both in the Defendant's Pacific Ghostwriting advertising as well as in its contract.

54. The false promise in the contract and advertising was material in that it was the reason why the Plaintiff went with the Defendant Pacific Ghostwriting instead of with a different



ghostwriter. Had Plaintiff known that she would be unable to stop the content that she did not approve of which was riddled with errors from being posted and distributed for sale online she never would have contracted with the Defendants at all. She completely and reasonably relied on the promise that she could discontinue the contract at any time. This assurance was false.

***FOURTH CAUSE OF ACTION:***

**FRAUDULENT MISREPRESENTATION/INDUCEMENT  
(By Plaintiff Against Defendant PACIFIC GHOSTWRITING,  
KATHLEEN ROBERTS and JUSTIN VERNON)**

55. The Plaintiff incorporates by reference all preceding paragraphs as if set forth herein.

56. Defendant PACIFIC GHOSTWRITING represented on its website that it would provide Plaintiff with:

- "THE ULTIMATE GHOSTWRITING, EDITING & PUBLISHING SOLUTION",
- "the work of industry's most professional yet extremely innovative Ghostwriters",
- "incomparable GhostWriters [who] will surpass all the difficulties with ease",
- "all [her] writing and publishing requirements will be achieved without any hassle",
- Ghostwriters who are "DELIVERING EXCELLENCE",

- a "process [which] ensures everything is done with great precision", and

- "to deliver their services with great accuracy".

57. The Pacific Ghost Writer website continues to state that their ghostwriters have "Mesmerizing & High Quality Writing Styles" and that it will "deliver each content within the framework designed by [Plaintiff], fulfilling all their requirements."

58. The Pacific Ghostwriting website further boasts that "Our clientage includes bestselling authors, novelists, business executives, publishing houses, celebrities and many more which is proof in itself of our best and unmatched services in the industry."

59. Defendants' representations were untrue, deceptive and misleading. The content produced was riddled with errors and the refund was refused when requested by Plaintiff.

60. As a result of Defendants' breach, Plaintiff has suffered actual and consequential damages in an amount in excess of \$40,000 for loss of expectation, loss of the money paid for the service that she no longer wanted, mental and emotional distress, attorneys' fees, litigation costs and interest.

***SIXTH CAUSE OF ACTION:***

**RESPONDEAT SUPERIOR  
(By Plaintiff Against Defendants 360 DIGITAL MARKETING LLC  
and TEXONA MARKETING)**

61. The Plaintiff incorporates by reference all preceding paragraphs as if set forth herein.

62. It is Plaintiff's information and belief that 360 Digital Marketing LLC and/or Texona Marketing act as the parent and alter ego of Defendant Pacific Ghostwriting.

63. Because Pacific Ghostwriting is acting as if it is a business entity yet failed to file with the State of California as a business, its principals, directors, officers and shareholders are all personally liable for the acts of the unregistered Pacific Ghostwriting.

64. Upon Plaintiff's information and belief both Digital Marketing LLC and Texona Marketing are involved in the day-to-day affairs and decisions of Pacific Ghostwriting.

65. As such it is appropriate to pierce the corporate veil that Defendant Pacific Ghostwriting may claim and instead hold its parents and controlling entities liable for the allegations made in this Complaint and all of them.

**SEVENTH CAUSE OF ACTION:**

**Violation of Federal Trade Commission Act ("FTCA") 15 USC 45**

**(By Plaintiff Against All Defendants)**

66. The Plaintiff incorporates by reference all preceding paragraphs as if set forth herein.

67. The Federal Trade Commission Act ("FTCA") Section 5 (15 USC 45) prohibits ``unfair or deceptive acts or practices in or affecting commerce.'' The prohibition applies to all persons engaged in commerce, including all Defendants.

68. An act or practice is unfair where it (1) Causes or is likely to cause substantial injury to consumers, (2) Cannot be reasonably avoided by consumers, and (3) Is not outweighed by countervailing benefits to consumers or to competition.

69. An act or practice is deceptive where: (1) A representation, omission, or practice misleads or is likely to mislead the consumer; (2) A consumer's interpretation of the representation, omission, or practice is considered reasonable under the circumstances; and (3) The misleading representation, omission, or practice is material.

70. The above facts show that the Defendants, in promising one thing but delivering another and refusing the Plaintiff's request for a refund, caused Plaintiff substantial injury.

71. Plaintiff was further damaged by Defendants in their together refusing any refund whatsoever despite their clear "satisfaction guaranteed" inducements, advertising, promises, and contract. She lost the thousands of dollars that she paid for the defective product for which she thought she could obtain a refund.

72. Plaintiff could not reasonably avoid her injury because Defendants never communicated that the they could take down their defective product. There were no countervailing benefits to consumers for this action.

79. Not only was the misrepresentation of the money back guarantee likely to mislead consumers, it actively did mislead Plaintiff who reasonably believed at all times that she was allowed the pull the plug on the project at any time and get her money back.

80. Plaintiff's interpretation of the misleading statements by Defendants was reasonable as they were oft-repeated and used easy to understand words. Any consumer would reasonably understand that a satisfaction guarantee means just that, the consumer will be satisfied by the product or service purchased or their money back. Plaintiff was not satisfied. It is reasonable for her to expect her money back.

81. Because Plaintiff would not have chosen Pacific Ghostwriting to write her book but for the money-back guarantee, the guarantee was material to the transaction.

**PRAYER**

WHEREFORE, Plaintiff demands judgment in her favor against Defendants, and respectfully prays for relief as follows:

- A. Statutory Damages/ Treble Damages
- B. For an order directing Defendants to cease publishing Plaintiff's book and to remove all online content;
- C. For an amount equal to actual damages for breach of contract, promissory estoppel, and fraud;
- D. For punitive damages in the amount necessary to punish Defendants to deter such conduct in the future;
- E. For an amount equal to all costs of enforcement, including reasonable attorneys' fees, costs and all out-of-pocket expenses incurred by Plaintiff in this action;
- F. For a judgment against Defendants for pre-and post-judgment interest; and,

G. Such further and other relief as the Court shall deem  
just and proper.

Dated: Hilo, Hawaii, February 2, 2023.

/s/ Lockey E. White

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LOCKEY E. WHITE  
Attorney for Plaintiff