

1 Richardson C. Griswold, Esq. (CA Bar No. 246837)
GRISWOLD LAW, APC
2 444 S. Cedros Avenue, Suite 250
3 Solana Beach, California 92075
Phone: (858) 481-1300
4 Fax: (888) 624-9177

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
08/23/2018 at 12:53:00 PM
Clerk of the Superior Court
By Ines Quirarte, Deputy Clerk

5 Attorney For
6 **Court-Appointed Receiver Michael Essary**

7 SUPERIOR COURT OF CALIFORNIA
8 FOR THE COUNTY OF SAN DIEGO
9

10 SALAM RAZUKI, an individual,
11 Plaintiff,

12 v.

13 NINUS MALAN, an individual; CHRIS
14 HAKIM, an individual; MONARCH
MANAGEMENT CONSULTING, INC. a
15 California corporation; SAN DIEGO UNITED
HOLDING GROUP, LLC, a California limited
16 liability company; FLIP MANAGEMENT,
LLC, a California limited liability company;
17 MIRA ESTE PROPERTIES, LLC, a California
limited liability company; ROSELLE
18 PROPERTIES, LLC, , a California limited
liability company; BALBOA AVE
19 COOPERATIVE, a California nonprofit mutual
benefit corporation; CALIFORNIA CANNABIS
20 GROUP, a California nonprofit mutual benefit
corporation; DEVILISH DELIGHTS, INC., a
21 California nonprofit mutual benefit corporation;
and DOES 1-100, inclusive,

22 Defendants.
23

CASE NO.: 37-2018-00034229-CU-BC-CTL

**DECLARATION OF RICHARDSON
GRISWOLD REGARDING SUBMISSION
OF PROPOSED ORDER ON AUGUST 20,
2018 HEARING**

Judge: Hon. Eddie C. Sturgeon
Dept: C-67
Date: August 20, 2018
Time: 2:00 p.m.

24 **DECLARATION OF RICHARDSON GRISWOLD**

25 I, RICHARDSON GRISWOLD, hereby declare as follows:

26 1. I am an attorney at law at the law firm of Griswold Law, APC and counsel for Court-
27 Appointed Receiver Michael Essary in the above-captioned matter ("Action"). I have personal
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1 knowledge of the matters set forth herein, and if called upon as a witness, I could and would testify
2 competently thereto.

3 2. At the conclusion of the August 20, 2018 hearing, this Court directed me to prepare
4 and submit a proposed order for this Court's review and signature.

5 3. On the morning of August 22, 2018, I circulated a draft proposed order via email to
6 counsel for all parties and invited comments, revisions and objections.

7 4. Attached hereto as **Exhibit A** is the [Proposed] Order I submit per the request of this
8 Court for review and signature. It is my belief that it memorializes the intent and orders of the Court
9 and provides the necessary provisions to effectuate the intent of the Court. Further, I undertook
10 serious consideration of the comments and objections of all counsel and parties and made revisions
11 to my original draft to address some of the proposed revisions I felt were appropriate.

12 5. In response to my August 22, 2018 email, attorney Daniel Watts (counsel for
13 Defendant Ninus Malan) sent an email to me objecting to the content of the proposed order.
14 Attached hereto as **Exhibit B** is a true and correct copy of Mr. Watt's email with his objections.

15 6. In response to my August 22, 2018 email, attorney Charles Gorla (counsel for
16 Defendant Chris Hakim) sent an email to me objecting to the content of the proposed order and
17 provided a redlined revised version of my proposed order with his suggested revisions. Attached
18 hereto as **Exhibit C** is a true and correct copy of Mr. Gorla's revised version of the proposed order.
19 The Court will notice that many, but not all, of Mr. Gorla's proposed revisions were adopted and
20 incorporated into the proposed order I now submit. Mr. Gorla requested I include his redlined
21 version with my filing in the event I did not incorporate all of his proposed changes.

22 7. In response to my August 22, 2018 email, attorney Salvatore Zimmitti (counsel for
23 Plaintiff-In-Intervention SoCal Building Ventures, LLC & San Diego Building Ventures, LLC) sent
24 an email to me objecting to the revisions proposed by attorney Charles Gorla (counsel for Defendant
25 Chris Hakim). Attached hereto as **Exhibit D** is a true and correct copy of Mr. Zimmitti's email with
26 his objections.

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1 8. In response to my August 22, 2018 email, attorney James Joseph (counsel for
2 Plaintiff Salam Razuki) sent an email to me objecting to the revisions proposed by attorney Charles
3 Gorla (counsel for Defendant Chris Hakim). Attached hereto as **Exhibit E** is a true and correct copy
4 of Mr. Joseph's email with his objections.

5 9. In response to my August 22, 2018 email, attorney Gina Austin and attorney Tamara
6 Leetham of Austin Legal Group, APC (counsel for Defendant Ninus Malan and related Defendant
7 entities) sent an email to me on the afternoon of August 22, 2018 and requested I wait on submitting
8 my proposed order until they were able to obtain a copy of the reporter's transcript of the August 20,
9 2018 hearing. On the morning of August 23, 2018, counsel provided me with a rough copy of the
10 transcript of the final segment of the hearing when the Court made its orders. In addition, Ms.
11 Leetham sent an email to me objecting to the content of the proposed order and provided a redlined
12 revised version of my proposed order with her suggested revisions. Attached hereto as **Exhibit F** is
13 a true and correct copy of Ms. Leetham's revised version of the proposed order. The Court will notice
14 that many, but not all, of Ms. Leetham's proposed revisions were adopted and incorporated into the
15 proposed order I now submit. I am including her redlined version with my filing due to the fact that
16 I did not incorporate all of her proposed changes.

17 I declare, under penalty of perjury under the laws of the State of California, that the foregoing
18 is true and correct.

19 Executed this 23rd day of August 2018 at San Diego, California.

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21 _____
22 Richardson Griswold, Esq.
23 GRISWOLD LAW, APC
24 Counsel for
25 Court-Appointed Receiver Michael Essary
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Exhibit A

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SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SALAM RAZUKI, an individual,
Plaintiff,

v.

NINUS MALAN, an individual; CHRIS HAKIM, an individual; MONARCH MANAGEMENT CONSULTING, INC. a California corporation; SAN DIEGO UNITED HOLDING GROUP, LLC, a California limited liability company; FLIP MANAGEMENT, LLC, a California limited liability company; MIRA ESTE PROPERTIES, LLC, a California limited liability company; ROSELLE PROPERTIES, LLC, , a California limited liability company; BALBOA AVE COOPERATIVE, a California nonprofit mutual benefit corporation; CALIFORNIA CANNABIS GROUP, a California nonprofit mutual benefit corporation; DEVILISH DELIGHTS, INC., a California nonprofit mutual benefit corporation; and DOES 1-100, inclusive,
Defendants.

CASE NO.: 37-2018-00034229-CU-BC-CTL

[PROPOSED] ORDER APPOINTING RECEIVER

Judge: Hon. Eddie C. Sturgeon
Dept: C-67
Date: August 20, 2018
Time: 2:00 p.m.

This matter came on for hearing on August 20, 2018 at 2:00 p.m. in Department C-67, the Honorable Judge Eddie C. Sturgeon, presiding. Upon reviewing the papers and records filed in this matter and taking into account argument by counsel at the hearing, and good cause appearing,

1 NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

2 1. Michael W. Essary is hereby appointed as Receiver in this matter and shall
3 immediately take control and possession of the following business entities:

- 4 a. San Diego United Holdings Group, LLC;
- 5 b. Mira Este Properties, LLC;
- 6 c. Balboa Ave Cooperative;
- 7 d. California Cannabis Group;
- 8 e. Devilish Delights, Inc.;
- 9 f. Flip Management, LLC.

10 Collectively, these business entities will be referred to as the “Marijuana Operations.”

11 2. Receiver has already filed his Oath of Receiver and proof of Receiver’s Bond, in the
12 previously-ordered amount of \$10,000, with the Court.

13 3. Defendant Roselle Properties, LLC and the property located at 10685 Roselle Street,
14 San Diego, California 92121 (“Roselle Property”) will not be under the Receiver’s control at this
15 time. Defendant Roselle Properties, LLC and Defendant Chris Hakim are prohibited from
16 transferring or selling any portion of the Roselle Property until further order of this Court.

17 4. Receiver shall maintain and oversee the current management agreement in place with
18 Far West Management, LLC for the marijuana dispensary operations at the property located at 8861
19 Balboa Avenue, Suite B, San Diego, California 92123 and 8863 Balboa Avenue, Suite E, San Diego,
20 California 92123 (“Balboa Ave Dispensary”). The Court permits Receiver to pay the management
21 fee and/or minimum guarantee payments, according to the management agreement, if funds are
22 available.

23 5. Receiver shall maintain and oversee the current management agreement in place with
24 Synergy Management Partners, LLC for the production facility operations at the property located at
25 9212 Mira Este Court, San Diego, California 92126 (“Mira Este Property”). The Court permits
26 Receiver to pay the management fee and/or minimum guarantee payments, according to the
27 management agreement, if funds are available.

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1 6. Plaintiff-In-Intervention SoCal Building Ventures, LLC's Management Service and
2 Option Agreement for the management of the Balboa Ave Cooperative is stayed until further order
3 of this Court. Plaintiff-In-Intervention SoCal Building Ventures, LLC's Management Service and
4 Option Agreement for the management of the production facility at the Mira Este Property is stayed
5 until further order of this Court. Plaintiff-In-Intervention SoCal Building Ventures, LLC's
6 Management Service and Option Agreement for the management of the Roselle Property is stayed
7 until further order of this Court.

8 7. Receiver shall interview and consider retaining Certified Public Accountant Justus
9 Henkus IV to provide accounting services for the Marijuana Operations, specifically including the
10 active operations at the Balboa Ave Dispensary and the Mira Este Property. In the event Receiver
11 decides against retaining Mr. Henkus, Receiver shall retain Brian Brinig of Brinig Taylor Zimmer,
12 Inc. to provide accounting services for the Balboa Ave Dispensary and the Mira Este Property.

13 8. From the proceeds that shall come into Receiver's possession from the Balboa Ave
14 Dispensary, Receiver shall apply and disburse said monies in the following general order, subject to
15 Receiver's discretion:

- 16 a. To pay the expenses and charges of Receiver, and his counsel Richardson
17 Griswold of Griswold Law, APC, in the carrying out of Receiver's Court-ordered
18 duties and obligations;
- 19 b. To pay all expenses reasonably necessary or incidental to the continued operation,
20 care, preservation and maintenance of the Balboa Ave Dispensary to maintain the
21 status quo;
- 22 c. To pay all installments of principal and interest presently due or to become due
23 pursuant to notes secured against the Balboa Ave Dispensary property.

24 9. From the proceeds that shall come into Receiver's possession from the Mira Este
25 Property, Receiver shall apply and disburse said monies in the following general order, subject to
26 Receiver's discretion:

- 1 a. To pay the expenses and charges of Receiver, and his counsel Richardson
2 Griswold of Griswold Law, APC, in the carrying out of Receiver’s Court-ordered
3 duties and obligations;
- 4 b. To pay all expenses reasonably necessary or incidental to the continued operation,
5 care, preservation and maintenance of the Mira Este Property to maintain the
6 status quo;
- 7 c. To pay all installments of principal and interest presently due or to become due
8 pursuant to notes secured against the Mira Este Property.

9 10. Receiver shall hold all proceeds derived from the Marijuana Operations, less all costs,
10 expenses and payments outlined above.

11 11. To the greatest extent reasonably possible, Receiver shall ensure the Marijuana
12 Operations remain operating at status quo until the hearing in this matter on September 7, 2018. All
13 parties to this matter shall cooperate with Receiver and keep the Receiver informed regarding all
14 updates, statuses, notices or otherwise regarding the Marijuana Operations.

15 12. Receiver shall take possession of all funds held for or arising out of the real property
16 owned by any of the Marijuana Operations, the operation of the Marijuana Operations, and/or on
17 deposit in any and all bank and savings demand deposit accounts, including without limitation,
18 money on deposit at any bank, or located elsewhere, certificates of deposit, warrants, Letter(s) of
19 Credit, drafts, notes, deeds of trust and other negotiable instruments, choses in action, chattel paper,
20 accounts receivable, collateral of any kind and otherwise, in the name of, or held for the benefit of
21 the Marijuana Operations. All of the foregoing shall include, without limitation, such accounts
22 and/or instruments held in the name of the Marijuana Operations for which any director, officer or
23 employee of the Marijuana Operations is a signatory or authorized agent of the Marijuana
24 Operations, notwithstanding the actual name under which the account or instrument is held. The
25 Receiver shall exercise full control over said assets and Receiver shall have the right to assume any
26 existing accounts.

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1 13. Each and every banking, savings and thrift institution having funds on deposit for, or
2 held for the benefit of the Marijuana Operations, shall deliver all of such funds and accrued interest,
3 if any, and all certificates and/or books, statements and records of account representing said funds,
4 directly to the Receiver without further inquiry or impediment to the exercise of the powers of the
5 Receiver herein. Receiver shall establish new bank accounts and transfer existing Marijuana
6 Operations account funds from their current account locations into the new bank accounts
7 established by Receiver. Receiver is empowered to establish such accounts as he may deem
8 necessary at such federally insured bank(s) as he may determine appropriate. Specifically, Receiver
9 shall open and maintain one bank account for the operations at the Balboa Ave Dispensary and shall
10 open and maintain one bank account for the operations at the Mira Este Property.

11 14. All rents, issues and profits that may accrue from the Marijuana Operations,
12 Marijuana Operations Property, or any part thereof, or which may be received or receivable from
13 any hiring, operating, letting, leasing, sub-hiring, using, subletting, subleasing, renting thereof shall
14 be subject to this Order and controlled by the Receiver. Rents, issues and profits shall include,
15 without limitation, gross receipts from business operations, all rental proceeds of the Marijuana
16 Operations' premises, if any, discounts and rebates of every kind, any right arising from the
17 operation of the Marijuana Operations and/or Marijuana Operations Property and payment for
18 storage, product development and preparation of any kind, equipment rental, delivery, commercial
19 rental of any Marijuana Operations Property and any other service or rental rendered, whether or not
20 yet earned by performance including, but not limited to, accounts arising from the operations of the
21 Marijuana Operations Property, rent, security and advance deposits for use and/or hiring, in any
22 manner, of the Marijuana Operations, and to payment(s) from any consumer, credit/charge card
23 organization or entity (hereinafter collectively called "Rents and Profits").

24 15. Receiver is empowered to execute and prepare all documents and to perform all
25 necessary acts, whether in the name of the Marijuana Operations, named parties in this matter and/or
26 directors, officers, or members of the Marijuana Operations or in the Receiver's own name, that are
27 necessary and incidental to demanding, collecting and receiving said money, obligations, funds,
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1 licenses, Rents and Profits and payments due the Marijuana Operations and/or named parties in this
2 matter and subject to enforcement under this Order.

3 16. Receiver is authorized to endorse and deposit into his receiver account(s) all of said
4 funds, cash, checks, warrants, drafts and other instruments of payment payable to the Marijuana
5 Operations, named parties in this matter and/or the agents of the Marijuana Operations as such
6 payments relate to the Marijuana Operations.

7 17. Plaintiff, Plaintiff-In-Intervention, Defendants, and members of the Marijuana
8 Operations and their servants, agents, attorneys, accountants, employees, successors-in-interest and
9 assigns, and all other persons acting under and/or in concert with any of them shall provide, turn
10 over and deliver to the Receiver within forty-eight (48) hours of entry of this Order any and all
11 instruments, profit and loss statements, income and expense statements, documents, ledgers, receipts
12 and disbursements journals, books and records of accounts, including canceled checks and bank
13 statements, for all Marijuana Operations and Marijuana Operations Property, including electronic
14 records consisting of hard and floppy disks, checking and savings records, cash register tapes and
15 sales slips and all check book disbursement registers and memoranda and savings passbooks.

16 18. Plaintiff, Plaintiff-In-Intervention, Defendants, and/or any of the directors, officers,
17 members of the Marijuana Operations shall notify the Receiver forthwith whether there is sufficient
18 insurance coverage in force on the Marijuana Operations Property, including the Marijuana
19 Operations premises, if any. Said persons shall inform the Receiver of the name, address and
20 telephone number of all insurance agents and shall be responsible for and are ordered to cause the
21 Receiver to be named as an additional insured on such policy(ies) of liability, casualty, property loss
22 and Worker's Compensation for the period the Receiver shall be in possession of the Marijuana
23 Operations and the Marijuana Operations Property, if any such insurance exists.

24 19. If there is insufficient or no insurance, the Receiver shall have thirty (30) business
25 days from entry of this Order within which to procure such insurance, if possible, provided he has
26 funds from the business to do so. During this "procurement" period, the Receiver shall not be
27 personally liable for any and all claims arising from business operations nor for the procurement of
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1 said insurance. The cost thereof shall be payable by and become an obligation of the receivership,
2 and not at the personal expense of the Receiver. If there is insufficient operating revenue to pay for
3 such insurance, the Receiver shall apply to the Court for instructions.

4 20. Plaintiff, Plaintiff-In-Intervention, Defendants, and their respective agents,
5 employees, servants, representatives, and all other persons and entities acting in concert with them
6 or under their direction or control, or any of them, shall be, and hereby are, enjoined and restrained
7 from engaging in or performing, directly or indirectly, any of the following acts:

8 a) Expending, disbursing, transferring, assigning, selling, conveying, devising,
9 pledging, mortgaging, creating a security interest in, encumbering, concealing, or in any manner
10 whatsoever disposing of the whole or any part of the Marijuana Operations or Marijuana Operations
11 Property, without the written consent of the Receiver first obtained;

12 b) Doing any act which will, or which will tend to impair, defeat, divert, prevent
13 or prejudice the preservation of the proceeds of the Marijuana Operations or the receivership's
14 interest in the subject Marijuana Operations Property in whatever form the interest is held or used;
15 and,

16 c) Destroying, concealing, transferring, or failing to preserve any document
17 which evidences, reflects or pertains to any aspect of the Marijuana Operations or Marijuana
18 Operations Property.

19 21. Receiver is authorized to make entry onto any and all business premises utilized by
20 the Marijuana Operations and/or the Marijuana Operations Property.

21 22. This Court will hold a hearing regarding an Order To Show Cause why the
22 Appointment of Receiver should not be confirmed and an Order To Show Cause why a preliminary
23 injunction should not be granted on September 7, 2018 at 1:30 p.m. in Department C-67 before the
24 Honorable Judge Eddie C. Sturgeon, presiding.

25 23. The parties, if they choose to, are required to file and serve additional briefing,
26 including briefing on the amount required for Plaintiff's bond in the event this Court grants a
27 preliminary injunction, on or before September 4, 2018.
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24. Receiver shall file and serve his Receiver's Report on or before September 5, 2018.

25. Additional Orders: _____

IT IS SO ORDERED.

Dated: _____, 2018

Judge of the Superior Court

Exhibit B



Richardson Griswold <rgriswold@griswoldlawsandiego.com>

Objections to proposed order (Razuki v. Malan)

Daniel T. Watts <dwatts@galuppolaw.com>

Wed, Aug 22, 2018 at 2:16 PM

To: "rgriswold@griswoldlawsandiego.com" <rgriswold@griswoldlawsandiego.com>

Cc: "Leetham, Tamara" <tamara@austinlegalgroup.com>, "Austin, Gina" <gaustin@austinlegalgroup.com>, "Steven W. Blake" <sblake@galuppolaw.com>, Ninus Malan <ninusmalan@yahoo.com>

Mr. Griswold,

This section of the proposed order is a problem:

7. From the proceeds that shall come into Receiver's possession, from whatever source, Receiver shall apply and disburse said monies in the following general order, subject to Receiver's discretion:

a. To pay the expenses and charges of Receiver, and his counsel Richardson Griswold of Griswold Law, APC, in the carrying out of Receiver's Court-ordered duties and obligations;

b. To pay all expenses reasonably necessary or incidental to the continued operation, care, preservation and maintenance of the Marijuana Operations to maintain the status quo;

c. To pay all installments of principal and interest presently due or to become due pursuant to notes secured against the Balboa Ave Dispensary property and the Mira Este property.

8. Receiver shall hold all proceeds derived from the Marijuana Operations, less all costs, expenses and payments outlined above.

First: The receiver is supposed to make all payments that the businesses are supposed to make, including "minimum guaranteed" payments. He's not supposed to "hold all proceeds" except for those in 7(a)-(c), he's supposed to pay the bills – all the bills. The court specifically said if there's money to pay minimum guarantees, the receiver needs to make those payments.

The order should also specify that Tamara Leetham and Gina Austin are allowed to keep working for the LLCs and the businesses. Their attorney fees should be mentioned in paragraph 7 alongside the receiver's.

Second: The receiver shouldn't have "discretion" on which payments to make. He needs to pay the bills, including the mortgages, interest on the mortgage, HOA fees, taxes, minimum guarantees, etc. He shouldn't have "discretion" to refuse to pay bills or comply with minimum guaranteed payments required by the agreements governing the properties.

Paragraphs 12 and 14 have the same problem. Paragraph 12 says the receiver will control "all rents, issues and profits" from the businesses, and paragraph 14 says the receiver will take all money payable to "named parties in this matter...as such payments relate to the Marijuana Operations." In other words, these

paragraphs instruct the receiver to stop making payments due under the agreements. He needs to follow the agreements, or else he's putting the businesses at risk for breach of contract. He needs to make all payments required by the agreements.

Paragraphs 16 and 17 immunize the receiver against personal liability for failing to obtain insurance and should be deleted. The judge never ordered that. The paragraphs should be deleted.

SoCal's contract, if there is one, was ordered suspended. You should add that in there because the judge ordered it.

-Daniel Watts

Attorney

Galuppo & Blake

A Professional Law Corporation

Tel: 760.431.4575

Fax: 760.431.4579

Exhibit C

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SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SALAM RAZUKI, an individual,

Plaintiff,

v.

NINUS MALAN, an individual; CHRIS
HAKIM, an individual; MONARCH
MANAGEMENT CONSULTING, INC. a
California corporation; SAN DIEGO UNITED
HOLDING GROUP, LLC, a California limited
liability company; FLIP MANAGEMENT,
LLC, a California limited liability company;
MIRA ESTE PROPERTIES, LLC, a California
limited liability company; ROSELLE
PROPERTIES, LLC, , a California limited
liability company; BALBOA AVE
COOPERATIVE, a California nonprofit mutual
benefit corporation; CALIFORNIA CANNABIS
GROUP, a California nonprofit mutual benefit
corporation; DEVILISH DELIGHTS, INC., a
California nonprofit mutual benefit corporation;
and DOES 1-100, inclusive,

Defendants.

CASE NO.: 37-2018-00034229-CU-BC-CTL

**[PROPOSED] ORDER APPOINTING
RECEIVER**

Judge: Hon. Eddie C. Sturgeon
Dept: C-67
Date: August 20, 2018
Time: 2:00 p.m.

This matter came on for hearing on August 20, 2018 at 2:00 p.m. in Department C-67, the
Honorable Judge Eddie C. Sturgeon, presiding. Upon reviewing the papers and recorded filed in this
matter and taking into account argument by counsel at the hearing, and good cause appearing,
NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1 1. Michael W. Essary is hereby appointed as Receiver in this matter and shall
2 immediately take control and possession of the following business entities:

- 3 a. RM Properties Holdings, LLC;
- 4 b. San Diego United Holdings Group, LLC;
- 5 c. Mira Este Properties, LLC;
- 6 d. Balboa Ave Cooperative;
- 7 e. California Cannabis Group;
- 8 f. Devilish Delights, Inc.;
- 9 g. Flip Management, LLC.

10 Collectively, these business entities will be referred to as the “Marijuana Operations.”

11 2. Receiver has already filed his Oath of Receiver and proof of Receiver’s Bond, in the
12 amount previously-ordered amount of \$10,000, with the Court.

13 3. Defendant Roselle Properties, LLC and the property located at 10685 Roselle Street,
14 San Diego, California 92121 (“Roselle Property”) will not be under the Receiver’s control at this
15 time. Defendant Roselle Properties, LLC and Defendant Chris Hakim are prohibited from
16 transferring or selling any portion of the Roselle Property until further order of this Court.

17 4. Receiver shall maintain and oversee the current management agreement in place with
18 Far West Management, LLC for the marijuana dispensary operations at the property located at 8861
19 Balboa Avenue, Suite B, San Diego, California 92123 and 8863 Balboa Avenue, Suite E, San Diego,
20 California 92123 (“Balboa Ave Dispensary”).

21 5. Receiver shall maintain and oversee the current management agreement in place with
22 Synergy Management Partners, LLC for the production facility operations at the property located at
23 9212 Mira Este Court, San Diego, California 92126 (“Mira Este Property”).

24 6. Receiver shall interview and consider retaining Certified Public Accountant Justus
25 Henkus IV to provide accounting services for the Marijuana Operations, specifically including the
26 active operations at the Balboa Ave Dispensary and the Mira Este Property. In the event Receiver
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1 decides against retaining Mr. Henkus, Receiver shall retain Brian Brinig of Brinig Taylor Zimmer,
2 Inc. to provide accounting services for the Balboa Ave Dispensary and the Mira Este Property.

3 7. From the proceeds that shall come into Receiver's possession, from the Balboa Ave
4 Cooperative, whatever source, Receiver shall apply and disburse said monies in the following
5 general order, subject to Receiver's discretion:

6 a. To pay the expenses and charges of Receiver, and his counsel Richardson
7 Griswold of Griswold Law, APC, in the carrying out of Receiver's Court-ordered
8 duties and obligations;

9 b. To pay all expenses reasonably necessary or incidental to the continued operation,
10 care, preservation and maintenance of the Balboa Ave Cooperative Marijuana
11 Operations to maintain the status quo;

12 c. To pay all installments of principal and interest presently due or to become due
13 pursuant to notes secured against the Balboa Ave Dispensary property ~~and the~~
14 ~~Mira Este property.~~

15 d. Receiver shall forthwith open two bank accounts, one for the Balboa Dispensary
16 ("Balboa account") and one for the Mira Este property ("Mira Este account");

17 e. All revenues received by the Receiver from the Balboa Dispensary shall be
18 deposited into the Balboa account, and all expenses incurred relative to the
19 operation of the Balboa Dispensary shall be paid from the Balboa account;

20 e.f. Receiver shall not be entitled to utilize or expend any revenues received relative
21 to the Balboa Dispensary on any other property or facility under the control of
22 the Receiver.

23 8. From the proceeds that shall come into Receiver's possession, from the Mira Este
24 property, Receiver shall apply and disburse said monies in the following general order, subject to
25 Receiver's discretion:

Commented [cg1]: The court specifically ordered that separate accounts shall be set up for Mira Este and Balboa, with income and expenses segregated. In other words, revenues from Mira Este cannot be used to pay Balboa expenses, and vice versa. In fact, Mr. Essary agreed to this at the August 20 hearing.

- 1 a. To pay the expenses and charges of Receiver, and his counsel Richardson
2 Griswold of Griswold Law, APC, in the carrying out of Receiver's Court-ordered
3 duties and obligations;
4 b. To pay all expenses reasonably necessary or incidental to the continued operation,
5 care, preservation and maintenance of the Mira Este facility to maintain the status
6 quo;
7 c. To pay all installments of principal and interest presently due or to become due
8 pursuant to notes secured against the Mira Este facility;
9 d. All revenues received by the Receiver from the Mira Este facility shall be
10 deposited into the Mira Este account, and all expenses incurred relative to the
11 operation of the Mira Este account;
12 e. Receiver shall not be entitled to utilize or expend any revenues received relative
13 to the Mira Este facility on any other property or facility under the control of the
14 Receiver.

15 8-9. Receiver shall hold all proceeds derived from the Marijuana Operations, less all costs,
16 expenses and payments outlined above.

17 9-10. To the greatest extent reasonably possible, Receiver shall ensure the Marijuana
18 Operations remain operating at status quo until the hearing in this matter on September 7, 2018. All
19 parties to this matter shall cooperate with Receiver and keep the Receiver informed regarding all
20 updates, statuses, notices or otherwise regarding the Marijuana Operations.

21 10-11. Subject to sections 7 and 8 above. Receiver shall take possession of all funds held for
22 or arising out of the real property owned by any of the Marijuana Operations, the operation of the
23 Marijuana Operations, and/or on deposit in any and all bank and savings demand deposit accounts,
24 including without limitation, money on deposit at any bank, or located elsewhere, certificates of
25 deposit, warrants, Letter(s) of Credit, drafts, notes, deeds of trust and other negotiable instruments,
26 choses in action, chattel paper, accounts receivable, collateral of any kind and otherwise, in the name
27 of, or held for the benefit of the Marijuana Operations. All of the foregoing shall include, without
28

1 limitation, such accounts and/or instruments held in the name of the Marijuana Operations for which
2 any director, officer or employee of the Marijuana Operations is a signatory or authorized agent of
3 the Marijuana Operations, notwithstanding the actual name under which the account or instrument
4 is held. Subject to sections 7 and 8 above. (The Receiver shall exercise full control over said assets
5 and Receiver shall have the right to assume any existing accounts.

6 ~~11.12. Subject to sections 7 and 8 above. e~~Each and every banking, savings and thrift
7 institution having funds on deposit for, or held for the benefit of the Marijuana Operations, shall
8 deliver all of such funds and accrued interest, if any, and all certificates and/or books, statements
9 and records of account representing said funds, directly to the Receiver without further inquiry or
10 impediment to the exercise of the powers of the Receiver herein. ~~Subject to Receiver's discretion;~~
11 ~~Receiver shall determine whether to maintain and control existing Marijuana Operations bank~~
12 ~~accounts and/or establish new bank accounts and transfer existing Marijuana Operations account~~
13 ~~funds from their current account locations into the new bank accounts established by Receiver.~~
14 ~~Receiver is empowered to establish such accounts as he may deem necessary at such federally~~
15 ~~insured bank(s) as he may determine appropriate.~~

16 ~~12.13. Subject to sections 7 and 8 above. a~~All rents, issues and profits that may accrue from
17 the Marijuana Operations, Marijuana Operations Property, or any part thereof, or which may be
18 received or receivable from any hiring, operating, letting, leasing, sub-hiring, using, subletting,
19 subleasing, renting thereof shall be subject to this Order and controlled by the Receiver. Rents,
20 issues and profits shall include, without limitation, gross receipts from business operations, all rental
21 proceeds of the Marijuana Operations' premises, if any, discounts and rebates of every kind, any
22 right arising from the operation of the Marijuana Operations and/or Marijuana Operations Property
23 and payment for storage, product development and preparation of any kind, equipment rental,
24 delivery, commercial rental of any Marijuana Operations Property and any other service or rental
25 rendered, whether or not yet earned by performance including, but not limited to, accounts arising
26 from the operations of the Marijuana Operations Property, rent, security and advance deposits for
27 use and/or hiring, in any manner, of the Marijuana Operations, and to payment(s) from any
28

1 consumer, credit/charge card organization or entity (hereinafter collectively called "Rents and
2 Profits").

3 ~~13-14. Subject to sections 7 and 8 above.~~ Receiver is empowered to execute and prepare all
4 documents and to perform all necessary acts, whether in the name of the Marijuana Operations,
5 named parties in this matter and/or directors, officers, or members of the Marijuana Operations or
6 in the Receiver's own name, that are necessary and incidental to demanding, collecting and receiving
7 said money, obligations, funds, licenses, Rents and Profits and payments due the Marijuana
8 Operations and/or named parties in this matter and subject to enforcement under this Order.

9 ~~14-15. Subject to sections 7 and 8 above.~~ Receiver is authorized to endorse and deposit into
10 his receiver account(s) all of said funds, cash, checks, warrants, drafts and other instruments of
11 payment payable to the Marijuana Operations, named parties in this matter and/or the agents of the
12 Marijuana Operations as such payments relate to the Marijuana Operations.

13 ~~15. Plaintiff, Plaintiff-In-Intervention, Defendants, and members of the Marijuana
14 Operations and their servants, agents, attorneys, accountants, employees, successors-in-interest and
15 assigns, and all other persons acting under and/or in concert with any of them shall provide, turn
16 over and deliver to the Receiver within forty-eight (48) hours of entry of this Order any and all
17 instruments, profit and loss statements, income and expense statements, documents, ledgers, receipts
18 and disbursements journals, books and records of accounts, including canceled checks and bank
19 statements, for all Marijuana Operations and Marijuana Operations Property, including electronic
20 records consisting of hard and floppy disks, checking and savings records, cash register tapes and
21 sales slips and all check book disbursement registers and memoranda and savings passbooks.~~

22 ~~16. Plaintiff, Plaintiff-In-Intervention, Defendants, and/or any of the directors, officers,
23 members of the Marijuana Operations shall notify the Receiver forthwith whether there is sufficient
24 insurance coverage in force on the Marijuana Operations Property, including the Marijuana
25 Operations premises, if any. Said persons shall inform the Receiver of the name, address and
26 telephone number of all insurance agents and shall be responsible for and are ordered to cause the
27 Receiver to be named as an additional insured on such policy(ies) of liability, casualty, property loss~~
28

Commented [cg2]: 15 and 16 go beyond what the court ordered and impose too much of a burden on the parties before a preliminary injunction appointing a receiver is made. These additional issues are more properly addressed at the preliminary injunction hearing and not at the ex parte stage.

1 ~~and Worker's Compensation for the period the Receiver shall be in possession of the Marijuana~~
2 ~~Operations and the Marijuana Operations Property, if any such insurance exists.~~

3 17. If there is insufficient or no insurance, the Receiver shall have thirty (30) business
4 days from entry of this Order within which to procure such insurance, if possible, provided he has
5 funds from the business to do so. During this "procurement" period, the Receiver shall not be
6 personally liable for any and all claims arising from business operations nor for the procurement of
7 said insurance. The cost thereof shall be payable by and become an obligation of the receivership,
8 and not at the personal expense of the Receiver. If there is insufficient operating revenue to pay for
9 such insurance, the Receiver shall apply to the Court for instructions.

10 18. Plaintiff, Plaintiff-In-Intervention, Defendants, and their respective agents,
11 employees, servants, representatives, and all other persons and entities acting in concert with them
12 or under their direction or control, or any of them, shall be, and hereby are, enjoined and restrained
13 from engaging in or performing, directly or indirectly, any of the following acts:

14 a) Expending, disbursing, transferring, assigning, selling, conveying, devising,
15 pledging, mortgaging, creating a security interest in, encumbering, concealing, or in any manner
16 whatsoever disposing of the whole or any part of the Marijuana Operations or Marijuana Operations
17 Property, without the written consent of the Receiver first obtained;

18 b) Doing any act which will, or which will tend to impair, defeat, divert, prevent
19 or prejudice the preservation of the proceeds of the Marijuana Operations or the receivership's
20 interest in the subject Marijuana Operations Property in whatever form the interest is held or used;
21 and,

22 c) Destroying, concealing, transferring, or failing to preserve any document
23 which evidences, reflects or pertains to any aspect of the Marijuana Operations or Marijuana
24 Operations Property.

25 19. Receiver is authorized to make entry onto any and all business premises utilized by
26 the Marijuana Operations and/or the Marijuana Operations Property.

27 20. This Court will hold a hearing regarding an Order To Show Cause why the
28 Appointment of Receiver should not be confirmed and an Order To Show Cause why a preliminary

1 injunction should not be granted on September 7, 2018 at 1:30 p.m. in Department C-67 before the
2 Honorable Judge Eddie C. Sturgeon, presiding.

3 21. The parties, if they choose to, are required to file and serve **additional briefing**
4 ~~regarding the amount required for Plaintiff's bond, in the event this Court grants a preliminary~~
5 ~~injunction,~~ on or before September 4, 2018.

6 22. Receiver shall file and serve his Receiver's Report on or before September 5, 2018.
7

8 IT IS SO ORDERED.
9

10 Dated: _____, 2018

Judge of the Superior Court

Commented [cg3]: My recollection is that the court did not limit the briefing solely to the amount required for the bond. The court opened it up for any additional briefing, which is the appropriate procedure in advance of a hearing on a preliminary injunction after a temporary restraining order appointing a receiver is made.

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Exhibit D



Richardson Griswold <rgriswold@griswoldlawsandiego.com>

Razuki/Malan: Proposed Order re 8/20 Hearing

Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>

Wed, Aug 22, 2018 at 2:35 PM

To: James Joseph <james@elialaw.com>, Charles Goria <chasgoria@gmail.com>, Richardson Griswold <rgriswold@griswoldlawsandiego.com>

Cc: Steven Elia <Steve@elialaw.com>, Maura Griffin <MG@mauragriffinlaw.com>, "Daniel T. Watts (dwatts@galuppolaw.com)" <dwatts@galuppolaw.com>, "Leetham, Tamara" <tamara@austinlegalgroup.com>, "Austin, Gina" <gaustin@austinlegalgroup.com>, Mike <Calsur@aol.com>, Jamie Eberhardt <jeberhardt@griswoldlawsandiego.com>

Counsel,

SoCal also vigorously objects to any attempt to remove or attenuate paragraphs 15 and 16 as written. This is precisely the type of financial transparency that Judge Sturgeon indicated was necessary for the receivership and we disagree that providing this information (much less evidence of insurance coverage) would amount to "too much of a burden."

SALVATORE J. ZIMMITTI | PARTNER

T 310.203.2807 | F 310.203.2727

NELSONHARDIMAN, LLP

11835 West Olympic Blvd, Suite 900 | Los Angeles, CA 90064

www.nelsonhardiman.com

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[Quoted text hidden]

Exhibit E



Richardson Griswold <rgriswold@griswoldlawsandiego.com>

Razuki/Malan: Proposed Order re 8/20 Hearing

James Joseph <james@elialaw.com>

Wed, Aug 22, 2018 at 1:48 PM

To: charles gorla <chasgoria@gmail.com>, Richardson Griswold <rgriswold@griswoldlawsandiego.com>
Cc: Steven Elia <Steve@elialaw.com>, Maura Griffin <MG@mauragriffinlaw.com>, "Salvatore J. Zimmitti" <szimmitti@nelsonhardiman.com>, "Daniel T. Watts (dwatts@galuppolaw.com)" <dwatts@galuppolaw.com>, "Leetham, Tamara" <tamara@austinlegalgroup.com>, "Austin, Gina" <gaustin@austinlegalgroup.com>, Mike <Calsur@aol.com>, Jamie Eberhardt <jeberhardt@griswoldlawsandiego.com>

Mr. Gorla,

We would have strong objections to striking paragraphs 15 and 16.

Para 15 requires that the parties turn over:

"instruments, profit and loss statements, income and expense statements, documents, ledgers, receipts and disbursements journals, books and records of accounts, including canceled checks and bank statements, for all Marijuana Operations and Marijuana Operations Property, including electronic records consisting of hard and floppy disks, checking and savings records, cash register tapes and sales slips and all check book disbursement registers and memoranda and savings passbooks."

The Court made it clear, the receiver must have all information to determine the cash-flow and financial standing of the businesses. The listed documents are essential for that task.

Para 16 relates to having proper insurance coverage for the businesses. There should already be insurance for the operations. If there isn't, the receiver must be able to protect those assets. This is especially important since SoCal's equipment is still at Mira Este. Ensuring proper coverage is essential to maintain the status quo.

The necessity of these provisions outweighs any concern for the potential burden on the parties.

James Joseph
Attorney At Law

2221 Camino Del Rio South, Suite 207 | San Diego, CA 92108
Telephone (619) 444-2244 | Fax (619) 440-2233
Website www.elialaw.com | Email james@elialaw.com

******* CONFIDENTIALITY NOTICE/IRS DISCLOSURE *******

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-----Original Message-----

From: charles goria [mailto:chasgoria@gmail.com]

Sent: Wednesday, August 22, 2018 11:15 AM

To: Richardson Griswold <rgriswold@griswoldlawsandiego.com>

Cc: Steven Elia <Steve@EliaLaw.com>; Maura Griffin <MG@MauraGriffinLaw.com>; James Joseph <james@elialaw.com>; Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>; Daniel T. Watts (dwatts@galuppolaw.com) <dwatts@galuppolaw.com>; Leetham, Tamara <tamara@austinlegalgroup.com>; Austin, Gina <gaustin@austinlegalgroup.com>; Mike <Calsur@aol.com>; Jamie Eberhardt <jeberhardt@griswoldlawsandiego.com>

Subject: Re: Razuki/Malan: Proposed Order re 8/20 Hearing

[Quoted text hidden]

Exhibit F

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SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SALAM RAZUKI, an individual,
Plaintiff,

v.

NINUS MALAN, an individual; CHRIS HAKIM, an individual; MONARCH MANAGEMENT CONSULTING, INC. a California corporation; SAN DIEGO UNITED HOLDING GROUP, LLC, a California limited liability company; FLIP MANAGEMENT, LLC, a California limited liability company; MIRA ESTE PROPERTIES, LLC, a California limited liability company; ROSELLE PROPERTIES, LLC, a California limited liability company; BALBOA AVE COOPERATIVE, a California nonprofit mutual benefit corporation; CALIFORNIA CANNABIS GROUP, a California nonprofit mutual benefit corporation; DEVILISH DELIGHTS, INC., a California nonprofit mutual benefit corporation; and DOES 1-100, inclusive,
Defendants.

CASE NO.: 37-2018-00034229-CU-BC-CTL

[PROPOSED] ORDER APPOINTING RECEIVER

Judge: Hon. Eddie C. Sturgeon
Dept: C-67
Date: August 20, 2018
Time: 2:00 p.m.

This matter came on for hearing on August 20, 2018 at 2:00 p.m. in Department C-67, the Honorable Judge Eddie C. Sturgeon, presiding. Upon reviewing the papers and recorded filed in this matter and taking into account argument by counsel at the hearing, and good cause appearing, NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1 1. Michael W. Essary is hereby appointed as Receiver in this matter until the Order to
2 Show Cause hearing on September 7, 2018 and shall immediately take control and possession of the
3 following business entities:

4 ~~a. RM Properties Holdings, LLC;~~

5 ~~b. a~~ San Diego United Holdings Group, LLC;

6 ~~e. b~~ Mira Este Properties, LLC;

7 ~~d. c~~ Balboa Ave Cooperative;

8 ~~e. d~~ California Cannabis Group;

9 ~~f. e~~ Devilish Delights, Inc.;

10 ~~g. f~~ Flip Management, LLC.

11 Collectively, these business entities will be referred to as the “Marijuana Operations.”

12 2. Receiver has already filed his Oath of Receiver and proof of Receiver’s Bond, in the
13 ~~amount~~ previously-ordered amount of \$10,000, with the Court.

14 3. Defendant Roselle Properties, LLC and the property located at 10685 Roselle Street,
15 San Diego, California 92121 (“Roselle Property”) will not be under the Receiver’s control at this
16 time. Defendant Roselle Properties, LLC and Defendant Chris Hakim are prohibited from
17 transferring, ~~or selling, or encumbering the -any-portion-of-the~~ Roselle Property until further order
18 of this Court.

19 4. Receiver shall maintain and oversee the current management agreement in place with
20 Far West Management, LLC for the marijuana dispensary operations at the property located at 8861
21 Balboa Avenue, Suite B, San Diego, California 92123 and 8863 Balboa Avenue, Suite E, San Diego,
22 California 92123 (“Balboa Ave Dispensary”). The Court permits the Receiver to pay the
23 management fee payments for the next 21 days if the funds are available.

24 5. Receiver shall maintain and oversee the current management agreement in place with
25 Synergy Management Partners, LLC for the production facility operations at the property located at
26 9212 Mira Este Court, San Diego, California 92126 (“Mira Este Property”).
27
28

Commented [t1]: RM is not a party to the litigation and the Court has not jurisdiction over control over the entity

Commented [t2]: See rough reporter’s transcript at page 12, lines 11-13/

1 6. Receiver shall interview and consider retaining Certified Public Accountant Justus
2 Henkus IV to provide accounting services for the Marijuana Operations, specifically including the
3 active operations at the Balboa Ave Dispensary and the Mira Este Property. In the event Receiver
4 decides against retaining Mr. Henkeus, Receiver shall retain Brian Brinig of Brinig Taylor Zimmer,
5 Inc. to provide accounting services for the Balboa Ave Dispensary and the Mira Este Property.

6 7. From the proceeds that shall come into Receiver's possession, from whatever source,
7 Receiver shall apply and disburse said monies in the following general order, subject to Receiver's
8 discretion:

9 a. To pay the expenses and charges of Receiver, and his counsel Richardson
10 Griswold of Griswold Law, APC, in the carrying out of Receiver's Court-ordered
11 duties and obligations;

12 b. To pay all expenses reasonably necessary or incidental to the continued operation,
13 care, preservation and maintenance of the Marijuana Operations to maintain the
14 status quo;

15 c. To pay all installments of principal and interest presently due or to become due
16 pursuant to notes secured against the Balboa Ave Dispensary property and the
17 Mira Este property.

18 8. Receiver shall hold all proceeds derived from the Marijuana Operations, less all costs,
19 expenses and payments outlined above.

20 9. To the greatest extent reasonably possible, Receiver shall ensure the Marijuana
21 Operations remain operating at status quo until the hearing in this matter on September 7, 2018. All
22 parties to this matter shall cooperate with Receiver and keep the Receiver informed regarding all
23 updates, statuses, notices or otherwise regarding the Marijuana Operations.

24 10. Receiver shall take possession of all funds held for or arising out of the real property
25 owned by any of the Marijuana Operations, the operation of the Marijuana Operations, and/or on
26 deposit in any and all bank and savings demand deposit accounts, including without limitation,
27 money on deposit at any bank, or located elsewhere, certificates of deposit, warrants, Letter(s) of
28

1 Credit, drafts, notes, deeds of trust and other negotiable instruments, choses in action, chattel paper,
2 accounts receivable, collateral of any kind and otherwise, in the name of, or held for the benefit of
3 the Marijuana Operations. All of the foregoing shall include, without limitation, such accounts
4 and/or instruments held in the name of the Marijuana Operations for which any director, officer or
5 employee of the Marijuana Operations is a signatory or authorized agent of the Marijuana
6 Operations, notwithstanding the actual name under which the account or instrument is held. The
7 Receiver shall exercise full control over said assets and Receiver shall have the right to assume any
8 existing accounts.

9 11. Each and every banking, savings and thrift institution having funds on deposit for, or
10 held for the benefit of the Marijuana Operations, shall deliver all of such funds and accrued interest,
11 if any, and all certificates and/or books, statements and records of account representing said funds,
12 directly to the Receiver without further inquiry or impediment to the exercise of the powers of the
13 Receiver herein. Subject to Receiver's discretion, Receiver shall determine whether to maintain and
14 control existing Marijuana Operations bank accounts and/or establish new bank accounts and
15 transfer existing Marijuana Operations account funds from their current account locations into the
16 new bank accounts established by Receiver. Receiver is empowered to establish such accounts as
17 he may deem necessary at such federally insured bank(s) as he may determine appropriate.

18 12. All rents, issues and profits that may accrue from the Marijuana Operations,
19 Marijuana Operations Property, or any part thereof, or which may be received or receivable from
20 any hiring, operating, letting, leasing, sub-hiring, using, subletting, subleasing, renting thereof shall
21 be subject to this Order and controlled by the Receiver. Rents, issues and profits shall include,
22 without limitation, gross receipts from business operations, all rental proceeds of the Marijuana
23 Operations' premises, if any, discounts and rebates of every kind, any right arising from the
24 operation of the Marijuana Operations and/or Marijuana Operations Property and payment for
25 storage, product development and preparation of any kind, equipment rental, delivery, commercial
26 rental of any Marijuana Operations Property and any other service or rental rendered, whether or not
27 yet earned by performance including, but not limited to, accounts arising from the operations of the
28

1 Marijuana Operations Property, rent, security and advance deposits for use and/or hiring, in any
2 manner, of the Marijuana Operations, and to payment(s) from any consumer, credit/charge card
3 organization or entity (hereinafter collectively called "Rents and Profits").

4 13. Receiver is empowered to execute and prepare all documents and to perform all
5 necessary acts, whether in the name of the Marijuana Operations, named parties in this matter and/or
6 directors, officers, or members of the Marijuana Operations or in the Receiver's own name, that are
7 necessary and incidental to demanding, collecting and receiving said money, obligations, funds,
8 licenses, Rents and Profits and payments due the Marijuana Operations and/or named parties in this
9 matter and subject to enforcement under this Order.

10 14. Receiver is authorized to endorse and deposit into his receiver account(s) all of said
11 funds, cash, checks, warrants, drafts and other instruments of payment payable to the Marijuana
12 Operations, named parties in this matter and/or the agents of the Marijuana Operations as such
13 payments relate to the Marijuana Operations.

14 15. Plaintiff, Plaintiff-In-Intervention, Defendants, and members of the Marijuana
15 Operations and their servants, agents, attorneys, accountants, employees, successors-in-interest and
16 assigns, and all other persons acting under and/or in concert with any of them shall provide, turn
17 over and deliver to the Receiver within forty-eight (48) hours of entry of this Order any and all
18 instruments, profit and loss statements, income and expense statements, documents, ledgers, receipts
19 and disbursements journals, books and records of accounts, including canceled checks and bank
20 statements, for all Marijuana Operations and Marijuana Operations Property, including electronic
21 records consisting of hard and floppy disks, checking and savings records, cash register tapes and
22 sales slips and all check book disbursement registers and memoranda and savings passbooks.

23 16. Plaintiff, Plaintiff-In-Intervention, Defendants, and/or any of the directors, officers,
24 members of the Marijuana Operations shall notify the Receiver forthwith whether there is sufficient
25 insurance coverage in force on the Marijuana Operations Property, including the Marijuana
26 Operations premises, if any. Said persons shall inform the Receiver of the name, address and
27 telephone number of all insurance agents and shall be responsible for and are ordered to cause the
28

1 Receiver to be named as an additional insured on such policy(ies) of liability, casualty, property loss
2 and Worker's Compensation for the period the Receiver shall be in possession of the Marijuana
3 Operations and the Marijuana Operations Property, if any such insurance exists.

4 17. If there is insufficient or no insurance, the Receiver shall have thirty (30) business
5 days from entry of this Order within which to procure such insurance, if possible, provided he has
6 funds from the business to do so. During this "procurement" period, the Receiver shall not be
7 personally liable for any and all claims arising from business operations nor for the procurement of
8 said insurance. The cost thereof shall be payable by and become an obligation of the receivership,
9 and not at the personal expense of the Receiver. If there is insufficient operating revenue to pay for
10 such insurance, the Receiver shall apply to the Court for instructions.

11 18. Plaintiff, Plaintiff-In-Intervention, Defendants, and their respective agents,
12 employees, servants, representatives, and all other persons and entities acting in concert with them
13 or under their direction or control, or any of them, shall be, and hereby are, enjoined and restrained
14 from engaging in or performing, directly or indirectly, any of the following acts:

15 a) Expending, disbursing, transferring, assigning, selling, conveying, devising,
16 pledging, mortgaging, creating a security interest in, encumbering, concealing, or in any manner
17 whatsoever disposing of the whole or any part of the Marijuana Operations or Marijuana Operations
18 Property, without the written consent of the Receiver first obtained;

19 b) Doing any act which will, or which will tend to impair, defeat, divert, prevent
20 or prejudice the preservation of the proceeds of the Marijuana Operations or the receivership's
21 interest in the subject Marijuana Operations Property in whatever form the interest is held or used;
22 and,

23 c) Destroying, concealing, transferring, or failing to preserve any document
24 which evidences, reflects or pertains to any aspect of the Marijuana Operations or Marijuana
25 Operations Property.

26 19. Receiver is authorized to make entry onto any and all business premises utilized by
27 the Marijuana Operations and/or the Marijuana Operations Property.
28

1 20. This Court will hold a hearing regarding an Order To Show Cause why the
2 Appointment of Receiver should not be confirmed and an Order To Show Cause why a preliminary
3 injunction should not be granted on September 7, 2018 at 1:30 p.m. in Department C-67 before the
4 Honorable Judge Eddie C. Sturgeon, presiding.

5 21. The parties, if they choose to, are required to file and serve briefing to include
6 briefing on-regarding the amount required for Plaintiff's bond, in the event this Court grants a
7 preliminary injunction, on or before September 4, 2018.

8 22. Receiver shall file and serve his Receiver's Report on or before September 5, 2018.

9
10 IT IS SO ORDERED.

11
12 Dated: _____, 2018

Judge of the Superior Court

1 PROOF OF SERVICE

2 *Salam Razuki v. Ninus Malan, et al.*
3 *San Diego County Superior Court Case No. 37-2018-00034229-CU-BC-CTL*

4 I am employed in the County of San Diego, State of California. I am over the age of 18 and
5 am not a party to the within action. I am employed by Griswold Law, APC and my business address
is 444 S. Cedros Avenue, Suite 250, Solana Beach, California 92075.

6 On *August 23, 2018*, I served the documents described as **DECLARATION OF**
7 **RICHARDSON GRISWOLD REGARDING SUBMISSION OF PROPOSED ORDER ON**
8 **AUGUST 20, 2018 HEARING; [PROPOSED] ORDER APPOINTING RECEIVER** on each
interested party, as follows:

9 **SEE ATTACHED SERVICE LIST**

10
11 **(VIA MAIL)** I placed a true and correct copy(ies) of the foregoing document in a sealed
12 envelope(s) addressed to each interested party as set forth above. I caused each such envelope, with
13 postage thereon fully prepaid, to be deposited with the United States Postal Service. I am readily
14 familiar with the firm’s practice for collection and processing of correspondence for mailing with the
United States Postal Service. Under that practice, the correspondence would be deposited with the
United States Postal Service on that same day with postage thereon fully prepaid in the ordinary
course of business.

15 **(VIA OVERNIGHT DELIVERY)** I enclosed the documents in an envelope or package provided
16 by an overnight delivery carrier and addressed to each interested party. I placed the envelope or
17 package for collection and overnight delivery in the overnight delivery carrier depository at Solana
Beach, California to ensure next day delivery.

18 **(VIA ELECTRONIC MAIL)** I caused true and correct copy(ies) of the foregoing document(s)
19 to be transmitted via **One Legal e-service** to each interested party at the electronic service addresses
20 listed on the attached service list.

21 **(BY FACSIMILE)** I transmitted a true and correct copy(ies) of the foregoing documents via
facsimile.

22 I declare under penalty of perjury under the laws of the State of California that the foregoing
23 is true and correct. Executed on *August 23, 2018*, in Solana Beach, California.

24 
25 Katie Westendorf

1 SERVICE LIST

2 Counsel for Plaintiff Salam Razuki

3 Steven A. Elia, Esq.

4 Maura Griffin, Esq.

5 LAW OFFICES OF STEVEN A. ELIA, APC

6 2221 Camino Del Rio South, Suite 207

7 San Diego, CA 92108

8 Email: steve@elialaw.com; MG@mauragriffinlaw.com

9 Counsel for Defendant Ninus Malan

10 Steven Blake, Esq.

11 Daniel Watts, Esq.

12 GALUPPO & BLAKE, APLC

13 2792 Gateway Road, Suite 102

14 Carlsbad, CA 92009

15 Email: sblake@galuppolaw.com; dwatts@galuppolaw.com

16 Gina M. Austin, Esq.

17 Tamara M. Leetham, Esq.

18 AUSTIN LEGAL GROUP, APC

19 3990 Old Town Avenue, Suite A-112

20 San Diego, CA 92110

21 Email: gaustin@austinlegalgroup.com; tamara@austinlegalgroup.com

22 Counsel for Defendant Chris Hakim

23 Charles F. Gorla, Esq.

24 GORLA, WEBER & JARVIS

25 1011 Camino del Rio South, #210

26 San Diego, CA 92108

27 Email: chasgoria@gmail.com

28 Counsel for SoCal Building Ventures, LLC

Robert Fuller, Esq.

Salvatore Zimmit, Esq.

NELSON HARDIMAN LLP

11835 W Olympic Blvd., Suite 900

Los Angeles, CA 90064

Email: rfuller@nelsonhardiman.com; szimmitti@nelsonhardiman.com