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10	MICHAEL WEINSTEIN, SCOTT H. TOO	OTHACRE, ELYSSA KULAS, and
11	FERRIS & BRITTON APC	
11	UNITED STATES DISTRICT COURT	
12	SOUTHERN DISTRICT OF CALIFORNIA	
13	SOCIIERIV DISTRIC	
	ANDREW FLORES, an individual,	Case No.: 3:20-cv-00656-BAS-DEB
14	AMY SHERLOCK, on her own behalf	
15	and on behalf of her minor children, T.S.	MEMORANDUM OF POINTS AND
16	and S.S., JANE DOE, an individual,	AUTHORITIES IN SUPPORT OF DEFENDANTS MICHAEL
	Plaintiffs, vs.	WEINSTEIN'S, SCOTT H.
17	GINA M. AUSTIN, an individual;	TOOTHACRE'S, ELYSSA KULAS
18	AUSTIN LEGAL GROUP APC, a	AND FERRIS & BRITTON APC'S
19	California Corporation; JOEL R.	REPLY TO PLAINTIFFS'
	WOHLFEIL, an individual;	OPPOSITION TO MOTION TO
20	LAWRENCE (AKA LARRY) GERACI,	DISMISS PLAINTIFFS' FIRST
21	an individual; TAX & FINANCIAL	AMENDED COMPLAINT
22	CENTER, INC., a California	
22	Corporation; REBECCA BERRY, an	Date: August 24, 2020
23	individual; JESSICA MCELFRESH, an	Time: 10:00 a.m.
24	individual; SALAM RAZUKI, an	NO ORAL ARGUMENT UNLESS
	individual; NINUS MALAN, an individual; MICHAEL ROBERT	REQUESTED BY THE COURT
25	WEINSTEIN, an individual; SCOTT	District Judge: Cynthia A. Bashant
26	TOOTHACRE, an individual; ELYSSA	Magistrate Judge: Daniel E. Butcher
27	KULAS, an individual; RACHEL M.	Courtroom: 4B (4th Floor)
<b>-</b>	PRENDERGAST, an individual; FERRIS	· · · · · · · · · · · · · · · · · · ·



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& BRITTON APC, a California

Trial Date:

None

1	Corporation; DAVID S. DEMIAN, an	
2	individual, ADAM C. WITT, an	
	individual, RISHI S. BHATT, an	
3	individual, FINCH, THORTON, and	
4	BAIRD, a Limited Liability Partnership,	
_	JAMES D. CROSBY, an individual;	
5	ABHAY SCHWEITZER, an individual	
6	and dba TECHNE; JAMES (AKA JIM)	
7	BARTELL, an individual; BARTELL &	
	ASSOCIATES, a California Corporation;	
8	MATTHEW WILLIAM SHAPIRO, an	
9	individual; MATTHEW W. SHAPIRO,	
	APC, a California corporation; NATALIE TRANGMY NGUYEN, an	
10	individual, AARON MAGAGNA, an	
11	individual; A-M INDUSTRIES, INC., a	
12	California Corporation; BRADFORD	
13	HARCOURT, an individual; ALAN	
	CLAYBON, an individual; SHAWN	
14	MILLER, an individual; LOGAN	
	STELLMACHER, an individual;	
15	EULENTHIAS DUANE ALEXANDER,	
16	an individual; BIANCA MARTINEZ; an	
17	individual; THE CITY OF SAN DIEGO,	
	a municipality; 2018FMO, LLC, a	
18	California Limited Liability Company;	
19	FIROUZEH TIRANDAZI, an individual; STEPHEN G. CLINE, an individual;	
	JOHN DOE, an individual; and DOES 2	
	through 50, inclusive,	
21	Defendants,	
22		
	JOHN EK, an individual; THE EK FAMILY TRUST, 1994 Trust,	
23	Real Parties In Interest.	
24		

#### I. INTRODUCTION

In this action, Plaintiffs, Andrew Flores, Amy Sherlock, T.S. and S.S, Jane Doe (Collectively "Plaintiffs") attempt to jump into the fray of this ongoing litigation saga after Darryl Cotton (hereinafter "Cotton") lost his jury trial in San



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Diego Superior Court and Cotton abandoned his appeal in the California Court of Appeal. (Am. Compl. ¶¶ 18, 236, 237). Rather than accept the outcome, Plaintiffs have named everyone remotely connected to Cotton's state court litigation, claiming a grand conspiracy. Plaintiffs' Opposition does not make a showing of how Plaintiffs' First Amended Complaint alleges any facts to support a claim against Defendants Michael Weinstein, Scott Toothacre, Elyssa Kulas, Rachel Pendergrast, and Ferris & Britton, APC (hereinafter collectively "F&B Defendants").

Instead of proving they have additional facts to permit amendment,
Plaintiffs' Opposition regurgitates their vague and inadequate conclusory
contentions of the First Amended Complaint and fails to do more than simply
reference Defendants' protected litigation speech and activity. Therefore, for the
reasons stated herein and the subject Motion to Dismiss, Plaintiffs' First Amended
Complaint should be dismissed with prejudice.

#### II. ARGUMENT

## A. Plaintiffs Have Failed to Prove That Their First Amended Complaint States Any Facts To Meet The Requisite Pleading Standards

Plaintiffs' First Amended Complaint fails to allege any facts sufficient to state a claim for relief against F&B Defendants. The First Amended Complaint contains no factual allegations to support Plaintiffs' alleged causes of action against F&B Defendants, neglects to state an actionable and independent cause of action against F&B Defendants, and contains no other facts describing or specifying any conduct of F&B Defendants to support any remote allegations of some alleged wrongdoing.

Plaintiffs' Opposition attempts to re-cast their repetitive and unintelligible pleading as being about "the formation and actions of a criminal enterprise seeking to create an unlawful cannabis monopoly". (Oppo at 3:12-14). Even if true, Plaintiffs' First Amended Complaint does not mention any activity regarding the



F&B Defendants outside their protected litigation activities i.e. filing and

maintaining a lawsuit and making legal arguments.

Plaintiffs vaguely reference "evil and illegal actions" due to allegations that Defendant Geraci filed his lawsuit, via the legal services of the F&B Defendants, against Cotton without probable cause. (Oppo at 3:20-22). Plaintiffs also attempt to claim that, as to the F&B Defendants, their First Amended Complaint alleges bribery, obstruction of justice, witness tampering, falsifying evidence, and suborning perjury, but this is simply not the case. (Oppo at 4:21-24; *See* Am. Compl., ¶¶ 130, 136-140, 152, 153, 158, 161, 162, 167, 168, 197, 199, 202, 236). Plaintiffs' only allegations against the F&B Defendants claim that they represented Geraci in the underlying state court action. (Am. Compl., ¶¶ 130, 136-140, 152, 153, 158, 161, 162, 167, 168, 197, 199, 202, 236.) Furthermore, Defendant Elyssa Kulas is only mentioned as being a defendant in this suit and as a part of the law firm Ferris & Britton APC. (Am. Compl., ¶¶ 34, 37).

Despite no such allegation in the First Amended Complaint, Plaintiffs now attempt to claim that Defendant Toothacre represented Tirandazi at deposition. (Oppo at 4:23-25). Once again, even if true, this is litigation protected activity. Under the various doctrines discussed in the Motion to Dismiss, Defendant Toothacre cannot be sued for representing a person in a deposition.

Plaintiffs also attempt to make the conclusory claim that because the underlying action was an allegedly "sham" action, the allegations of violence were therefore ratified by the F&B Defendants. (Oppo at 8:13-14). Plaintiffs then somehow make the leap that they have asserted that the F&B Defendants made misrepresentations to the court because the opposing attorney in the underlying action decided to not call a witness to testify. (Oppo at 8:15-16). Plaintiffs fail to allege any facts that connect the F&B Defendants to these allegations, and it appears that Plaintiffs have resorted to incoherent ramblings and wild non-sensical accusations.

Plaintiffs ultimately end their non-sensical conclusory accusations with conclusory statements that the underlying action was a "sham" litigation because the F&B Defendants made legal arguments and represented Tirandazi and therefore the F&B Defendants must have committed a criminal act because Plaintiffs apparently did not like what Tirandazi testified to and disagreed with the F&B Defendants' arguments. (Oppo at 8:24 – 9:9). Under *Freeman*, in order to show a lawsuit was a "sham" for antitrust purposes, Plaintiffs must show that the lawsuit was (1) objectively baseless, and (2) a concealed attempt to interfere with the plaintiff's business relationships. *Freeman v. Lasky, Haas & Cohler*, 410 F.3d 1180, 1184 (9th Cir.2005). Plaintiffs cannot satisfy this burden because the underlying suit was decided against Cotton and in favor of F&B Defendant's former client Defendant Geraci. Therefore, said suit was not "objectively baseless" and therefore not a "sham".

Plaintiffs' Opposition does nothing to clarify the vague and speculative wrongs alleged in the First Amended Complaint. Thus, Plaintiffs have failed to give "fair notice" of the claims asserted against Defendants and the "grounds upon which they rest." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). Defendants cannot possibly begin to prepare a defense based on the speculative and conclusory allegations regarding a matter that was resolved by jury trial.

# 1. F&B Defendants' Alleged Conduct is Protected by the Litigation Privilege and Warrants Granting F&B Defendants' Motion to Dismiss

At no point in Plaintiffs' First Amended Complaint do Plaintiffs allege that the F&B Defendants committed any wrong besides filing a suit on behalf of Defendant Geraci, emailing Cotton a copy of a lis pendens, filing a demurrer, entering into a stipulation with Cotton's counsel, as well as making arguments at court proceedings and in pleadings. (Am. Compl. at ¶¶ 130, 131, 136-140, 152, 153, 158, 162, 196). Plaintiffs attempt to claim that they have alleged in their First Amended Complaint: "bribery, obstruction of justice, witness tampering, falsifying



evidence and suborning perjury." (Oppo. at 4:22-24). However, these allegations do not appear on the face of the complaint. Nowhere in Plaintiffs' First Amended Complaint are the F&B defendants alleged to have bribed any person, obstructed justice, tampered with any witness, suborned perjury, or falsified evidence. (See Am Compl.). In fact, Plaintiffs' opposition makes clear that Plaintiffs are attempting to punish the F&B Defendants for filing a lawsuit they deem frivolous and making legal arguments they deem meritless in their role as attorneys. (Oppo. at 8:10-14).

Plaintiffs attempt to claim that a vast criminal conspiracy called the "Enterprise" filed "sham" litigations, colluded with city officials, and ratified violence against witnesses. (Oppo. at 4:12-15). Plaintiffs also expect this Court to take wild conclusory allegations as true. (Oppo. at 4:25). However, as evidenced by the judgements in *Cotton I* in F&B Defendants' client's favor, the suit filed by F&B Defendants was not "objectively baseless" as required by *Freeman* to constitute a "sham litigation". *Freeman v. Lasky, Haas & Cohler,* 410 F.3d 1180, 1184 (9th Cir.2005). As evidence that F&B Defendants made misrepresentations to the court, Plaintiffs attempt to claim that *Cotton I* was a "sham" litigation because F&B Defendants made legal arguments in court or pleadings that Plaintiffs believe to be incorrect. (Oppo. at 8:24-27). This type of litigation speech is precisely the type of litigation activity protected by the various litigation privileges.

As for threats of violence and witnesses tampering, Plaintiffs vaguely state "illegal acts by attorneys" include "perjury, falsification of evidence, and the ratification of acts and threats of violence". (Am. Compl. ¶ 21). In a suit with numerous attorneys and judges, Plaintiffs' speculative and vague assertion that some amorphous "attorneys" committed "illegal acts" is not enough to meet the stringent illegality exception. *Bergstein v. Stroock & Stroock & Lavan LLP* (2015) 236 Cal. App. 4<sup>th</sup> 793, 805-810. There is no exception to the litigation privilege or anti-SLAPP statute for mere violations of statutes, civil noncompliance, or bare

assertions of wrongdoing—only actual criminal conduct or intentionally tortious acts create an exception to this privilege. *Id.* at 805-810. Furthermore, labels and conclusions are insufficient to meet the Plaintiffs' obligation to provide the basis of their entitlement to relief. *Bell Atlantic Corp. v. Twombly,* 550 U.S. 544, 555 (2007). "Factual allegations must be enough to raise a right to relief above the speculative level." *Id.* 

In regard to Plaintiffs' citation in support of their claim that F&B Defendants made misrepresentations to the court regarding the testimony of Mr. Young, the cited paragraphs do not even mention F&B Defendants. (Oppo. at 8:15-16; Am. Compl. ¶¶ 241-243). Plaintiffs cannot merely state that F&B Defendants committed some illegal act and then provide no other supporting facts and then survive a motion to dismiss as it provides no notice to the defendants as to what they are being accused of.

# 2. Plaintiffs Cannot Use the Federal Courts as a Pseudo Appellate Court

In opposition, Plaintiffs attempt to claim that the federal courts can be used as an appellate court for state court actions as long as Plaintiffs have alleged a fraud upon the court. (Oppo. at 9:12-25). Plaintiffs then cite to case law demonstrating that an attorney pretending to represent a client is committing a fraud upon the court. (*Id.*). However, F&B Defendants have never represented any of the Plaintiffs or Cotton and Plaintiffs complain of F&B Defendants making legal arguments. (*Id.*) Plaintiffs attempt to speculate that F&B Defendants conspired with Cotton's attorneys without any basis. (*Id.*) Regardless, no such allegations of fraud exist in the First Amended Complaint. (See Am. Compl.).

Under the doctrine of res judicata, a judgment on the merits in a prior suit bars a second suit involving the same parties <u>or their privies</u> based on the same cause of action. Under the doctrine of collateral estoppel, on the other hand, the second action is upon a different cause of action and the judgment in the prior suit



precludes re-litigation of issues actually litigated and necessary to the outcome of the first action. (1B J. Moore, Federal Practice ¶ 0.405[1], pp. 622–624 (2d ed. 1974); e. g., *Lawlor v. National Screen Serv. Corp.*, 349 U.S. 322, 326, 75 S.Ct. 865, 867, 99 L.Ed. 1122; *Commissioner of Internal Revenue v. Sunnen*, 333 U.S. 591, 597, 68 S.Ct. 715, 719, 92 L.Ed. 898; *Cromwell v. County of Sac*, 94 U.S. 351, 352–353, 24 L.Ed. 681). Defensive use of collateral estoppel precludes a plaintiff from relitigating identical issues by merely "switching adversaries." *Bernhard v. Bank of America Nat. Trust & Savings Assn.*, 19 Cal.2d, at 813, 122 P.2d, at 895.

As such, Plaintiffs' claims are barred by collateral estoppel and res judicata. As Plaintiffs were privy to the underlying state action and Cotton, Plaintiffs cannot relitigate the same issues determined in the state court action. Specifically, Plaintiffs are attempting to re-litigate the issue of whether the contract between Cotton and Defendant Geraci was illegal. (Am. Compl. ¶¶ 19, 236, 237, 270). Ultimately, Plaintiffs are attempting to reframe their argument that they believe F&B Defendants' legal arguments were "frivolous". (Oppo. at 9:26-28). Claiming an attorney's arguments held no merit, after a trier of fact decided the matter in said attorney's favor, is not a fraud upon the court nor is it grounds to use the federal courts as an appellate court.

### 3. No State Action Has Been Alleged

In opposition, Plaintiffs also makes the conclusory assertion that state action was alleged. (Oppo. at 11:5-7). It was not. (See Am. Compl.). Beyond general conclusory allegations that "a small group of wealthy individuals, attorneys and professionals in the City of San Diego that have conspired to create an illegal monopoly in the cannabis market" and all defendants conspired to defraud Cotton and acquire a cannabis CUP, no other allegations are even asserted against the F&B Defendants. (Am. Compl. ¶¶ 2, 267, 268).

In support of Plaintiffs' claims that they alleged state action they cite to



paragraphs 274 through 281 of the First Amended Complaint. (Oppo. 11:23-24). However, the only remote reference to the F&B Defendants is paragraph 280, which holds every attorney named is a conspirator because Plaintiffs believe that testimony given in the state court action was not accurate. (Am. Compl. ¶¶ 274-281). In no way do these allegations allege some conspiracy making F&B Defendants a state actor.

As previously noted, Courts must "start with the presumption that conduct by private actors is not state action." Florer v. Congregation Pidyon Shevuyim, 639 F.3d 916, 922 (9th Cir. 2011); Sutton v. Providence Saint Joseph Medical Center, 192 F.3d 826, 836 (9th Cir. 1999. No facts are alleged to support Plaintiffs' contention that the F&B defendants are state actors beyond vague and general allegations of some conspiracy. There are no statements of what specifically the F&B Defendants did to further such conspiracy beyond stating that each and every defendant "conspired" against Cotton. (See generally Am. Compl.). In opposition, Plaintiffs make conclusory unsupported statements that the F&B Defendants conspired with Tirandazi. (Oppo. at 9:5-7). Plaintiffs also attempt to claim, in opposition, that Tirandazi was represented by F&B Defendants. (Oppo. at 12:10-14). Once again Plaintiffs are making baseless conclusory allegations that should not survive a motion to dismiss. Labels and conclusions are insufficient to meet the Plaintiffs' obligation to provide the basis of their entitlement to relief. Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555 (2007). "Factual allegations must be enough to raise a right to relief above the speculative level." (Id.) As such, none of the F&B Defendant's alleged conduct in the First Amended Complaint could be construed as state action.

# **B.** Plaintiffs Have Failed to Prove They Can Amend Their Pleading to State Sufficient Facts

Attempting to support their pleading, Plaintiffs' Opposition includes additional "facts" they believe substantiate their allegations against F&B



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Defendants. However, Plaintiffs' Opposition simply rehashes Plaintiffs' First Amended Complaint's version of history regarding the underlying state court action's events. (Oppo. at 11:5-7; 11:23- 12:1; 12:10-14; 12:26-28.) Plaintiffs then state that all the defendants' actions are "evil and illegal" because the underlying lawsuit against Cotton was filed. (Oppo. at 3:20-22.) Ultimately, Plaintiffs continue to make conclusory allegations that all defendants' acts in the underlying state action were "illegal". (Oppo. at 3:20; 4:3-6; 12:23-28.) In fact, Plaintiffs' entire opposition is much like their First Amended Complaint: vague and devoid of facts. Furthermore, Plaintiffs only specifically refer to the F&B Defendants twice in their entire opposition and everything else references all defendants, which is approximately twenty-seven entities or individuals. (Oppo. at 8:25; 9:5).

Plaintiffs have shown they cannot amend their pleading to meet any standard because F&B Defendants' actions as attorneys representing their client and their litigation related speech and activity would be subject to the California anti-SLAPP statute, adopted and as applied by this Court. Furthermore, Plaintiffs cannot allege that the F&B Defendants were state actors as they are private attorneys. In opposition, Plaintiffs attempt to claim that representing Tirandazi for deposition purposes make Defendants a state actor, but this is also not supported by case law. *Polk County v. Dodson*, 454 U.S. 312, 325 (1981 (private attorney, even if appointed and paid for by the state, is not acting under color of state law when representing a defendant).

Attempting to attack the validity of the underlying state court judgment in *Cotton I*, Plaintiffs now claim F&B Defendants committed "illegal acts". (Oppo. at 3:20-22; 4:3-6; 12:23-28). Even assuming, arguendo, that Plaintiffs' allegations were plausible, such accusations do not warrant the judgement be set aside. Once the time for appealing an order or judgment has passed, a court may only set aside or modify an order or judgment if the judgment is void on its face of the record on the basis of fraud and mistake. *Estate of Beard* (1999) 71 Cal.App.4th 753, 774.



Additionally, it is the trial court that retains jurisdiction to set aside a void judgment. An appellate court can then review that decision. *Talley v. Valuation Counselors Group, Inc.* (2010) 191 Cal. App. 4th 132, 146. Plaintiffs cannot seek to circumvent this process by instead filing an action in Federal Court to act as both the state trial court and state appellate court.

Plaintiffs' Opposition provides no additional facts or claims to establish they are able to amend their First Amended Complaint to meet pleading standards. Plaintiffs' Opposition now argues that Defendants' Motion fails to address the merits of Plaintiffs' First Amended Complaint. (Oppo. at 3:21-24; 14:23-26.) Plaintiffs are mistaken that F&B Defendants are required to somehow guess and hypothesize the claims against them and then defend the merits of those claims in the pleading stage. A motion to dismiss dismisses conclusions, unwarranted inferences, and inadequately pled complaints when amendment would be futile. The Court does not weigh credibility and does not make any legal or factual ruling on the merits of any facts or claims; instead, the Court addresses whether there are "enough facts to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). F&B Defendants have shown there is no plausible claim for relief and Plaintiffs' Opposition neglects to argue otherwise and instead re-hashes the same conclusory allegations in the First Amended Complaint.

Plaintiffs' opposition provides no additional substantive allegations or facts that would warrant leave to amend, and instead clarifies that Plaintiffs are simply seeking to punish F&B Defendants solely for their representation of Cotton's adversary in the underlying state court proceeding. Plaintiffs even acknowledge that the Court has already deemed their original complaint as "almost impossible to summarize due to its length and confusing nature". (Oppo. at 14:12-13.) Plaintiffs' First Amended Complaint is no different. Tellingly Plaintiffs further admit that if given leave to amend they would just add in the same facts from their original complaint that was "impossible to summarize" and had a "confusing nature".

(Oppo. at 14:13-16).

#### III. CONCLUSION

Plaintiffs' First Amended Complaint fails to state a claim for relief against Defendants. Plaintiffs' Opposition fails to prove that the First Amended Complaint is adequately pled and fails to prove that Plaintiffs have sufficient facts to amend their claims. In fact, Plaintiffs have consistently shown that they are incapable of assembling a coherent complaint. Accordingly, F&B Defendants respectfully request that this Court dismiss Plaintiffs' First Amended Complaint against F&B Defendants with prejudice without leave to amend.

Dated: August 17, 2020 KJAR, McKENNA & STOCKALPER LLP

By: /s/ Gregory B. Emdee

JAMES J. KJAR

JON R. SCHWALBACH

GREGORY B. EMDEE

Attorneys for Defendant

Michael Weinstein,

### CERTIFICATE OF SERVICE

I hereby certify that on August 17, 2020, I electronically filed the foregoing MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF DEFENDANTS MICHAEL WEINSTEIN'S, SCOTT H. TOOTHACRE'S, ELYSSA KULAS', AND FERRIS & BRITTON APC'S REPLY TO PLAINTIFFS' OPPOSITION TO MOTION TO DISMISS PLAINTIFFS' FIRST AMENDED COMPLAINT with the Clerk of the Court for the United States District Court, Southern District of California by using the Southern District CM/ECF system.

Participants in the case who are registered CM/ECF users will be served by the USDC-Southern District of California CM/ECF system.

I am employed in the County of Los Angeles, State of California; I am over the age of eighteen years and not a party to the within action; my business address is 841 Apollo Street, Suite 100, El Segundo, California 90245. The envelope or package was placed in the mail at El Segundo, California. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully paid.

I further certify that participants in the case not registered as CM/ECF users have been mailed the above described documents by First Class Mail, postage prepaid, or have dispatched it to a third party commercial carrier for delivery within three (3) calendar days, to the following non-CM/ECF participants:

 $_{26}$  | NONE



I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on August 17, 2020, 2020 at El Segundo, California. s/Berta R. Howard BERTA R. HOWARD, Declarant 

