



City of San Diego
Development Services
1222 First Ave., MS-302
San Diego, CA 92101
(619) 446-5000

Ownership Disclosure Statement

Approval Type: Check appropriate box for type of approval (s) requested: ☐ Neighborhood Use Permit ☐ Coastal Development Permit
☐ Neighborhood Development Permit ☐ Site Development Permit ☐ Planned Development Permit ☒ Conditional Use Permit
☐ Variance ☐ Tentative Map ☐ Vesting Tentative Map ☐ Map Waiver ☐ Land Use Plan Amendment • ☐ Other _____

Project Title

8863 Balboa Ste. E MMCC

Project No. For City Use Only

368347

Project Address:

8863 Balboa Ave., Ste. E, San Diego, CA 92123

Part I - To be completed when property is held by Individual(s)

By signing the Ownership Disclosure Statement, the owner(s) acknowledge that an application for a permit, map or other matter, as identified above, will be filed with the City of San Diego on the subject property, with the intent to record an encumbrance against the property. Please list below the owner(s) and tenant(s) (if applicable) of the above referenced property. The list must include the names and addresses of all persons who have an interest in the property, recorded or otherwise, and state the type of property interest (e.g., tenants who will benefit from the permit, all individuals who own the property). A signature is required of at least one of the property owners. Attach additional pages if needed. A signature from the Assistant Executive Director of the San Diego Redevelopment Agency shall be required for all project parcels for which a Disposition and Development Agreement (DDA) has been approved / executed by the City Council. Note: The applicant is responsible for notifying the Project Manager of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Manager at least thirty days prior to any public hearing on the subject property. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Additional pages attached ☐ Yes ☒ No

Name of Individual (type or print):

Maria T. Sandoval

☒ Owner ☐ Tenant/Lessee ☐ Redevelopment Agency

Street Address:

7359 Hyatt St.

City/State/Zip:

San Diego, CA, 92111

Phone No:

619-906-9587

Fax No:

Signature :

Date:

Apr 23, 2014

Name of Individual (type or print):

☐ Owner ☐ Tenant/Lessee ☐ Redevelopment Agency

Street Address:

City/State/Zip:

Phone No:

Fax No:

Signature :

Date:

Name of Individual (type or print):

☐ Owner ☐ Tenant/Lessee ☐ Redevelopment Agency

Street Address:

City/State/Zip:

Phone No:

Fax No:

Signature :

Date:

Name of Individual (type or print):

☐ Owner ☐ Tenant/Lessee ☐ Redevelopment Agency

Street Address:

City/State/Zip:

Phone No:

Fax No:

Signature :

Date:

Project Title: <u>8863 BALBOA STE E MMCC</u>	Project No. (For City Use Only)
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Part II - To be completed when property is held by a corporation or partnership
Legal Status (please check):

☒ Corporation ☐ Limited Liability -or- ☐ General) What State? CA Corporate Identification No. 8667892
☐ Partnership CALIFORNIA CONSUMER COOPERATIVE

By signing the Ownership Disclosure Statement, the owner(s) acknowledge that an application for a permit, map or other matter, as identified above, will be filed with the City of San Diego on the subject property with the intent to record an encumbrance against the property. Please list below the names, titles and addresses of **all** persons who have an interest in the property, recorded or otherwise, and state the type of property interest (e.g., tenants who will benefit from the permit, all corporate officers, and all partners in a partnership who own the property). A signature is required of at least one of the corporate officers or partners who own the property. Attach additional pages if needed. **Note:** The applicant is responsible for notifying the Project Manager of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Manager at least thirty days prior to any public hearing on the subject property. Failure to provide accurate and current ownership information could result in a delay in the hearing process. **Additional pages attached** ☐ Yes ☒ No

Corporate/Partnership Name (type or print):

UNITED PATIENTS CONSUMER COOP.
☐ Owner ☒ Tenant/Lessee

Street Address:

5666 LA JOLLA BLVD. #15

City/State/Zip:

SAN DIEGO, CA 92037

Phone No:

(619) 851-5403

Fax No:

Name of Corporate Officer/Partner (type or print):

MICHAEL D. SHERLOCK

Title (type or print):

AUTHORIZED SIGNER/PRINCIPAL

Signature:

Michael D. Sherlock

Date:

4/23/14

Corporate/Partnership Name (type or print):

☐ Owner ☐ Tenant/Lessee

Street Address:

City/State/Zip:

Phone No:

Fax No:

Name of Corporate Officer/Partner (type or print):

Title (type or print):

Signature:

Date:

Corporate/Partnership Name (type or print):

☐ Owner ☐ Tenant/Lessee

Street Address:

City/State/Zip:

Phone No:

Fax No:

Name of Corporate Officer/Partner (type or print):

Title (type or print):

Signature:

Date:

Corporate/Partnership Name (type or print):

☐ Owner ☐ Tenant/Lessee

Street Address:

City/State/Zip:

Phone No:

Fax No:

Name of Corporate Officer/Partner (type or print):

Title (type or print):

Signature:

Date:

Corporate/Partnership Name (type or print):

☐ Owner ☐ Tenant/Lessee

Street Address:

City/State/Zip:

Phone No:

Fax No:

Name of Corporate Officer/Partner (type or print):

Title (type or print):

Signature:

Date:

Corporate/Partnership Name (type or print):

☐ Owner ☐ Tenant/Lessee

Street Address:

City/State/Zip:

Phone No:

Fax No:

Name of Corporate Officer/Partner (type or print):

Title (type or print):

Signature:

Date:

**PLANNING COMMISSION OF THE CITY OF SAN DIEGO
MINUTES OF REGULAR SCHEDULED MEETING OF
JULY 9, 2015
IN COUNCIL CHAMBERS – 12TH FLOOR
CITY ADMINISTRATION BUILDING**

CHRONOLOGY OF THE MEETING:

Chairperson Golba called the meeting to order at 9: 05 a.m. Chairperson Golba adjourned the meeting at 11:25 a.m.

ATTENDANCE DURING THE MEETING:

Chairperson Tim Golba – present
Vice-Chairperson Stephen Haase – present
Commissioner James Whalen – in at 9:13 a.m.
Commissioner Anthony Wagner – present
Commissioner Sue Peerson – present
Commissioner Theresa Quiroz – present
Commissioner Douglas Austin – present

Staff

Shannon Thomas, City Attorney – present
Tait Galloway, Planning Department. - present
Mike Westlake, Development Services Department – present
Louis Schultz, Development Services Department - present
Carmina Trajano, Recorder – present

COMMISSION ACTION:

THIS ITEM WAS WITHDRAWN.

ITEM – 8: *Continued from June 25, 2015; Appeal of Hearing Officer's decision on April 22, 2015*

8863 BALBOA STE E MMCC – PROJECT NO. 368347

City Council District: 6

Plan Area: Kearny Mesa

Staff: Edith Gutierrez

Speaker slips in favor of the project, opposed to appeal submitted by Jim Bartell, Abhay Schweitzer, Kristine Byers, Stephanie Hess, Bradford Harcourt, Michael Sherlock, Damielli Teza, Javier Santana, Alexander Garza, Nicholas Enciso, Christine Bordenave and Gia-rose Strada.

Speaker slips in opposition to the project, in favor of appeal submitted by Daniel Burakowski, Ed Quinn, Greg Izor, Connie Chambers, Judi Strang, Glenn Strand, Brian Kean, Tana Duong, Rod Chambers, P. Michelet, John Murray, William Budd, Scott Chipman, Spencer Harris, Edward Scudder, Kathy Lippitt, Cree Scudder, Peggy Walker, John Peek, Tom Brady, Hilary Brady, Luiza Savchuk, Candace Wo, Cory Berlin, Nathalie Matthews, Tuesday Nunes, Patrice Johnson, Kacie Miller, Michelle Johnson, David S. Demian, Tom Hanley, Heidi Runge, Rick Engebretsen, Steven Hwang and Jim O'Sullivan (not present).

COMMISSION ACTION:

COMMISSIONER WAGNER MADE THE MOTION TO DENY THE APPEAL AND UPHOLD THE HEARING OFFICER'S DECISION TO APPROVE CONDITIONAL USE PERMIT NO. 1296130 WITH CONDITIONS. Commissioner Quiroz seconded the motion. The motion passed by a vote of 5-1-1 with Commissioners Golba, Haase, Austin, Quiroz and Wagner voting yea and with Commissioner Peerson voting nay and with Commissioner Whalen abstaining due to Comic-Con traffic.

ITEM –9: *Continued from June 25, 2015; Appeal of Hearing Officer's decision on April 22, 2015*

7625 CARROLL ROAD MMCC – PROJECT NO. 370687

City Council District: 6

Plan Area: Mira Mesa

Staff: Edith Gutierrez

06/07/2017 at 12:50:49 PM
Clerk of the Superior Court
By Carla Brennan, Deputy Clerk

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Attorneys for Plaintiffs
SAN DIEGO PATIENTS COOPERATIVE CORPORATION, INC., and
BRADFORD HARCOURT

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

SAN DIEGO PATIENTS COOPERATIVE
CORPORATION, INC., a California
cooperative corporation, and BRADFORD
HARCOURT, an individual,

Plaintiffs,

v.

RAZUKI INVESTMENTS, L.L.C., a
California limited liability company;
BALBOA AVE COOPERATIVE, a
California cooperative corporation;
AMERICAN LENDING AND HOLDINGS,
LLC, a California limited liability company;
SAN DIEGO UNITED HOLDINGS GROUP,
LLC, a California limited liability company;
CALIFORNIA CANNABIS GROUP, a
nonprofit mutual benefit corporation; SALAM
RAZUKI, an individual; NINUS MALAN, an
individual, KEITH HENDERSON, an
individual, AND DOES 1-20, INCLUSIVE,

Defendants.

Case No. 37-2017-00020661-CU-CO-CTL

[Unlimited Jurisdiction]

COMPLAINT FOR DAMAGES FOR:

- 1. BREACH OF JOINT VENTURE AGREEMENT;**
- 2. BREACH OF LEASE AGREEMENT;**
- 3. ANTICIPATORY BREACH OF ORAL CONTRACT;**
- 4. BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING;**
- 5. BREACH OF CONTRACT WITH RESPECT TO A THIRD PARTY BENEFICIARY;**
- 6. PROMISORRY ESTOPPEL;**
- 7. FALSE PROMISE;**
- 8. FRAUD;**
- 9. INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS;**
- 10. INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGES;**
- 11. BREACH OF FIDUCIARY DUTY;**
- 12. CIVIL CONSPIRACY;**
- 13. DECLARATORY RELIEF; AND**
- 14. INJUNCTIVE RELIEF**

DEMAND FOR JURY TRIAL

Plaintiffs SAN DIEGO PATIENTS COOPERATIVE CORPORATION, INC. and
BRADFORD HARCOURT (“Plaintiffs”) allege as follows:

THE PARTIES

1. Plaintiff SAN DIEGO PATIENTS COOPERATIVE CORPORATION, INC. (“SDPCC”) is, and at all times relevant to this action was, a California cooperative corporation organized and existing under the laws of the State of California, with its principal place of business located in the County of San Diego.

2. Plaintiff BRADFORD HARCOURT (“HARCOURT”), an individual, was, and at all times mentioned herein is, a resident of the County of San Diego, State of California.

3. Defendant RAZUKI INVESTMENTS, L.L.C., (“RAZUKI INVESTMENTS”) is, and at all times relevant to this action was, a California limited liability company organized and existing under the laws of the State of California, with its principal place of business located in the County of San Diego.

4. Defendant BALBOA AVE COOPERATIVE, INC. (“BALBOA AVE”) is, and at all times relevant to this action was, a California cooperative corporation organized and existing under the laws of the State of California, with its principal place of business located in the County of San Diego.

5. Defendant AMERICAN LENDING AND HOLDINGS, LLC (“AMERICAN LENDING”) is, and at all times relevant to this action was, a California limited liability company organized and existing under the laws of the State of California, with its principal place of business located in the County of San Diego.

6. Defendant SAN DIEGO UNITED HOLDINGS GROUP, LLC (“SAN DIEGO UNITED”) is, and at all times relevant to this action was, a California limited liability company organized and existing under the laws of the State of California, with its principal place of business located in the County of San Diego.

7. Defendant CALIFORNIA CANNABIS GROUP (“CALIFORNIA CANNABIS GROUP”) is, and at all times relevant to this action was, a California nonprofit mutual benefit

1 corporation organized and existing under the laws of the State of California, with its principal
2 place of business located in the County of San Diego.

3 8. Defendant SALAM RAZUKI ("RAZUKI"), an individual, was, and at all times
4 mentioned herein is, a resident of the County of San Diego, State of California.

5 9. Defendant NINUS MALAN ("MALAN"), an individual, was, and at all times
6 mentioned herein is, a resident of the County of San Diego, State of California.

7 10. Defendant KEITH HENDERSON ("HENDERSON"), an individual, was, and at
8 all times mentioned herein is, a resident of the County of San Diego, State of California.

9 11. Plaintiffs are informed and believe and based thereon allege that the fictitiously-
10 named Defendants sued herein as Does 1 through 20, and each of them, are in some manner
11 responsible or legally liable for the actions, events, transactions and circumstances alleged herein.
12 The true names and capacities of such fictitiously-named Defendants, whether individual,
13 corporate, associate or otherwise, are presently unknown to Plaintiffs, and Plaintiffs will seek
14 leave of Court to amend this Complaint to assert the true names and capacities of such
15 fictitiously-named Defendants when the same have been ascertained. For convenience, each
16 reference to a named Defendant herein shall also refer to Does 1 through 20. All Defendants,
17 including both the named Defendant and those referred to herein as Does 1 through 20, are
18 sometimes collectively referred to herein as "Defendants."

19 12. Plaintiffs are informed and believe and based thereon allege that Defendants, and
20 each of them, were and are the agents, employees, partners, joint-venturers, co-conspirators,
21 owners, principals, and employers of the remaining Defendants, and each of them are, and at all
22 times herein mentioned were, acting within the course and scope of that agency, partnership,
23 employment, conspiracy, ownership or joint venture. Plaintiffs are further informed and believe
24 and based thereon allege that the acts and conduct herein alleged of each such Defendant were
25 known to, aided and abetted, authorized by and/or ratified by the other Defendants, and each of
26 them.

27 13. There exists, and at all times herein alleged, there existed, a unity of interest in
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1 ownership between certain Defendants and other certain Defendants such that any individuality
2 and separateness between the certain Defendants has ceased and these Defendants are the alter-
3 ego of the other certain Defendants and exerted control over those Defendants. Adherence to the
4 fiction of the separate existence of these certain Defendants as an entity distinct from other certain
5 Defendants will permit an abuse of the corporate privilege and would sanction fraud and promote
6 injustice.

7 **PERSONAL JURISDICTION AND VENUE**

8 14. Defendants, and each of them, are subject to the jurisdiction of the Courts of the
9 State of California by virtue of their business dealings and transactions in California.

10 15. Venue is proper in this action pursuant to California *Code of Civil Procedure*
11 Section 395.5 because San Diego County, California is the principal place of business of
12 Defendants and they regularly carry on and engage in business in San Diego County. Moreover,
13 the contracts at issue were negotiated and entered in San Diego County.

14 **ALTER EGO ALLEGATIONS**

15 16. Plaintiffs are informed and believe and thereon allege that Defendants RAZUKI
16 INVESTMENT, BALBOA AVE, AMERICAN LENDING, SAN DIEGO UNITED,
17 CALIFORNIA CANNABIS GROUP and Defendants DOES 1 through 5, and each of them, were
18 at all relevant times the alter egos of individual defendants RAZUKI, MALAN, and DOES 6
19 through 10 by reason of the following:

20 a. Plaintiffs are informed and believe and thereon allege that said individual
21 Defendants, at all times herein mentioned, dominated, influenced and controlled Defendants
22 RAZUKI INVESTMENT, BALBOA AVE, AMERICAN LENDING, SAN DIEGO UNITED,
23 CALIFORNIA CANNABIS GROUP and Defendants DOES 1 through 5 and the officers thereof
24 as well as the business, property, and affairs of each said corporate entity.

25 b. Plaintiffs are informed and believe and thereon allege that at all times
26 herein mentioned, there existed and now exists a unity of interest and ownership between
27 individual defendants RAZUKI, MALAN, and DOES 6 through 10 and Defendants RAZUKI
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1 INVESTMENT, BALBOA AVE, AMERICAN LENDING, SAN DIEGO UNITED,
2 CALIFORNIA CANNABIS GROUP and Defendants DOES 1 through 5, such that the
3 individuality and separateness of said individual Defendants and each of the alter egos have
4 ceased.

5 c. Plaintiffs are informed and believe and thereon allege that, at all times
6 since the incorporation of each, RAZUKI INVESTMENT, BALBOA AVE, AMERICAN
7 LENDING, SAN DIEGO UNITED, CALIFORNIA CANNABIS GROUP and Defendants DOES
8 1 through 5 has been and now is a mere shell and naked framework which said individual
9 Defendants used as a conduit for the conduct of their personal business, property and affairs.

10 d. Plaintiffs are informed and believe and thereon allege that, at all times
11 herein mentioned, each of RAZUKI INVESTMENT, BALBOA AVE, AMERICAN LENDING,
12 SAN DIEGO UNITED, CALIFORNIA CANNABIS GROUP and Defendants DOES 1 through 5
13 were created and continued pursuant to a fraudulent plan, scheme and device conceived and
14 operated by said individual Defendants, whereby the income, revenue and profits of each of
15 RAZUKI INVESTMENT, BALBOA AVE, AMERICAN LENDING, CALIFORNIA
16 CANNABIS GROUP and Defendants DOES 1 through 5 were diverted by said individual
17 Defendants to themselves.

18 e. Plaintiffs are informed and believe and thereon allege that, at all times
19 herein mentioned, each of RAZUKI INVESTMENT, BALBOA AVE, AMERICAN LENDING,
20 SAN DIEGO UNITED, CALIFORNIA CANNABIS GROUP and Defendants DOES 1 through 5
21 were organized by said individual Defendants as a device to avoid individual liability and for the
22 purpose of substituting financially irresponsible corporate entities in the place and instead of said
23 individual Defendants and, accordingly, each of RAZUKI INVESTMENT, BALBOA AVE,
24 AMERICAN LENDING, SAN DIEGO UNITED, CALIFORNIA CANNABIS GROUP and
25 Defendants DOES 1 through 5 were formed with capitalization totally inadequate for the business
26 in which said corporate entity was engaged.

27 f. Plaintiffs are informed and believe and thereon allege that each RAZUKI
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1 INVESTMENT, BALBOA AVE, AMERICAN LENDING, SAN DIEGO UNITED,
2 CALIFORNIA CANNABIS GROUP and Defendants DOES 1 through 5 are insolvent.

3 g. By virtue of the foregoing, adherence to the fiction of the separate
4 corporate existence of each of RAZUKI INVESTMENT, BALBOA AVE, AMERICAN
5 LENDING, SAN DIEGO UNITED, CALIFORNIA CANNABIS GROUP and Defendants DOES
6 1 through 5 would, under the circumstances, sanction a fraud and promote injustice in that
7 Plaintiff would be unable to recover upon any judgment in their favor.

8 h. Plaintiffs are informed and believe and thereon allege that, at all times
9 relevant hereto, the individual Defendants and RAZUKI INVESTMENT, BALBOA AVE,
10 AMERICAN LENDING, SAN DIEGO UNITED, CALIFORNIA CANNABIS GROUP and
11 Defendants DOES 1 through 5 acted for each other in connection with the conduct hereinafter
12 alleged and that each of them performed the acts complained of herein or breached the duties
13 herein complained of as agents of each other and each is therefore fully liable for the acts of the
14 other.

15 **BACKGROUND AND GENERAL ALLEGATIONS**

16 17. In or around April 2013, HARCOURT and his former business partner, Michael
17 Sherlock ("Sherlock"), initiated the process of obtaining a Conditional Use Permit ("CUP") with
18 the City of San Diego to operate a Medical Marijuana Consumer Cooperative ("MMCC") located
19 at 8863 Balboa Avenue, Unit E, San Diego, California 92123 (the "Property").

20 18. In or around July 2015, the City of San Diego approved and granted CUP No.
21 1296130 in connection with the Property.

22 19. After Sherlock passed away in or around December 2015, HARCOURT submitted
23 documentation to the City of San Diego in order to remove Sherlock as the MMCC's responsible
24 person, and HARCOURT then finalized the recording of the CUP with the City of San Diego
25 under SDPCC. Moreover, HARCOURT identified himself as the MMCC's responsible person.

26 20. In or around March 2016, CUP No. 1296130 was recorded with the City of San
27 Diego.

1 21. As a result of the nearly three (3) year process to obtain, secure, and record CUP
2 No. 1296130 with the City of San Diego, Plaintiffs incurred costs and expenses in the amount of
3 approximately \$575,000.00.

4 22. In or around March 2016, the real estate owner of the Property was High Sierra
5 Equity, LLC (“High Sierra”). In addition, a property located at 8861 Balboa Avenue, Unit B, San
6 Diego, California 92123 (“8861 Balboa”) provided the requisite parking for the Property, and was
7 owned by the Melograno Trust (“Melograno”). At all relevant times, High Sierra and Melograno
8 were in a business relationship with Plaintiff HARCOURT.

9 23. In or around summer 2016, High Sierra and Melograno sought out potential buyers
10 for the Property. Plaintiffs were included in, and directly involved with, the negotiations
11 concerning the sale of the Property because: (i) the City of San Diego issued Plaintiff SDPCC a
12 Medical Marijuana Consumer Cooperative Permit, HARCOURT was approved as the
13 Responsible Managing Officer/Responsible Person for SDPCC, and Plaintiffs were therefore
14 permitted by the City of San Diego to operate an MMCC on the Property; (ii) Plaintiffs’ CUP No.
15 1296130, which runs with the land, substantially increased the value of the Property, and (iii) the
16 ongoing business relationship between High Sierra/Melograno and Plaintiff HARCOURT.

17 24. In or around July 2016, real estate broker HENDERSON, brought an all cash offer
18 of \$1.8 million in connection with the purchase of the Property, 8861 Balboa, and SDPCC on
19 behalf of CALIFORNIA CANNABIS GROUP. On information and belief, Defendant MALAN
20 is a director of CALIFORNIA CANNABIS GROUP.

21 25. Pursuant to the initial terms of CALIFORNIA CANNABIS GROUP’s offer,
22 approximately \$750,000 of the \$1.8 million amount would be apportioned for the real estate, and
23 approximately \$1,050,000.00 of the \$1.8 million amount would be apportioned for SDPCC.
24 CALIFORNIA CANNABIS GROUP provided a proof of funds, as well as corporate documents,
25 to demonstrate that they could support this offer.

26 26. However, on information and belief, CALIFORNIA CANNABIS GROUP was
27 unable to perform and the proof of funds that was provided was not legitimate. Thus, in or
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1 around August 2016, HENDERSON, who at all relevant times, was acting on behalf of RAZUKI
2 and RAZUKI INVESTMENTS and served as an agent on behalf of his principals RAZUKI and
3 RAZUKI INVESTMENTS, made another offer to Plaintiffs in connection with the Property and
4 SDPCC on behalf of RAZUKI and RAZUKI INVESTMENTS. On information and belief,
5 Defendant MALAN is closely associated with RAZUKI and RAZUKI INVESTMENTS.

6 27. Defendants RAZUKI, RAZUKI INVESTMENTS, and HENDERSON proposed
7 that: (1) RAZUKI and RAZUKI INVESTMENTS would purchase both the Property and 8861
8 Balboa for \$375,000.000 each or a total of \$750,000.00; (2) in lieu of purchasing SDPCC for
9 \$1,050,000.00, RAZUKI and RAZUKI INVESTMENTS would permit SDPCC to continue to
10 operate an MMCC on the Property as a tenant upon RAZUKI and RAZUKI INVESTMENTS'
11 purchase of the Property; and (3) RAZUKI and HARCOURT would form a joint venture and/or
12 partnership, under which they would have a joint interest in a common business undertaking, an
13 understanding as to the sharing of profits and losses, and a right of joint control, in connection
14 with SDPCC, and that RAZUKI would pay \$50,000.00 as a show of good faith in moving
15 forward with the joint venture and/or partnership.

16 28. In connection with the joint venture and/or partnership, Defendants RAZUKI,
17 RAZUKI INVESTMENTS, and HENDERSON specifically proposed that HARCOURT and
18 RAZUKI would form a joint venture that would provide business services to SDPCC;
19 HARCOURT and RAZUKI would split equity 50/50 in the joint venture; RAZUKI's contribution
20 would be based upon his capitalization of the company, while HARCOURT's contribution would
21 be based upon services rendered; and that RAZUKI would bear the sole financial responsibility
22 for the plans, permits, tenant improvements, general contractor, and all legal expenses, inventory,
23 operating expenses, reserves, fees, and all other costs associated with the operation and
24 management of the MMCC located at the Property. The name for this company was later
25 tentatively called "San Diego Business Services Group, LLC."

26 29. In or around August 2016, Plaintiffs accepted the offer made by Defendants
27 RAZUKI, RAZUKI INVESTMENTS, and HENDERSON, and various documents and drafts
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1 were prepared reflecting the parties' agreement. Furthermore, High Sierra/Melograno also
2 accepted Defendants RAZUKI, RAZUKI INVESTMENTS, and HENDERSONS' offer in
3 connection with the Property and 8861 Balboa.

4 30. On or around August 18, 2016, Defendant RAZUKI INVESTMENTS executed a
5 commercial lease agreement (the "Lease") with Plaintiff SDPCC in connection with the Property.
6 Pursuant to the terms of the Lease: (i) RAZUKI INVESTMENTS served as the landlord, while
7 SDPCC served as the tenant; (ii) the Commencement Date was October 1, 2016, and the
8 expiration date of the Lease was October 1, 2020; and (iii) upon the expiration of the Lease;
9 SDPCC had the right to exercise a five (5) year option to extend.

10 31. On or around August 22, 2016, Defendant RAZUKI INVESTMENTS and High
11 Sierra entered into a Commercial Property Purchase Agreement in connection with the Property,
12 in which RAZUKI INVESTMENTS agreed to purchase the Property for an all cash offer of
13 \$375,000. In addition, the contracting parties to the Commercial Property Purchase Agreement
14 intended to confer a benefit to SDPCC. Specifically, as stated in Paragraph 6 of the agreement
15 under the "Other Terms" section: "This transaction is to close concurrently with both 8861
16 Balboa Ave Unit B, and San Diego Patients Consumer Cooperative MMC."

17 32. On or around August 24, 2016, an Escrow Agreement was entered into between
18 Defendant RAZUKI INVESTMENTS and High Sierra in connection with the Property.
19 Moreover, the contracting parties to the Escrow Agreement intended to confer a benefit to
20 SDPCC. Specifically, as stated in the "Instructions" section of the agreement, "escrow is
21 contingent upon the execution by both parties of the operating agreement and the promissory note
22 for and between San Diego Business Services Group, LLC and San Diego Patients Cooperative
23 Corporation, as set out in section 6 of the 'Agreement.'"

24 33. On or around August 31, 2016, Defendants RAZUKI and RAZUKI
25 INVESTMENTS, through their agent HENDERSON, prepared a written draft joint venture
26 agreement outlining the basic terms of the joint venture and/or partnership, and provided it to
27 HARCOURT.
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1 34. In or around September 30, 2016, Defendants RAZUKI and RAZUKI
2 INVESTMENTS made a payment of \$50,000.00 to HARCOURT as a show of good faith in
3 moving forward with the joint venture and/or partnership.

4 35. In or around late September 2016/early October 2016, Plaintiffs were concerned
5 regarding a potential looming dispute with the Homeowners Association (“HOA”) for the
6 Property. Plaintiffs were concerned that a dispute with the HOA could require Plaintiffs to
7 surrender the CUP or otherwise restrict Plaintiffs from operating an MMCC at the Property.
8 Furthering this concern was that the Property was located in a city district where only up to four
9 properties within the district may be used to operate an MMCC, and that, on information and
10 belief, RAZUKI and RAZUKI INVESTMENTS were associated with a separate property and/or
11 were in a position to profit from a separate property that was near the top of the “waiting list” in
12 case one of these four spots opened up. On information and belief, this separate property is
13 currently being occupied by CALIFORNIA CANNABIS GROUP.

14 36. Because it would independently benefit RAZUKI and RAZUKI INVESTMENTS
15 if Plaintiffs surrendered their CUP, RAZUKI and RAZUKI INVESTMENTS agreed to pay
16 HARCOURT in the amount of \$1,500,000.00 if Plaintiffs surrendered their CUP or otherwise
17 gave up one of the four spots within the district that may be used to operate an MMCC.

18 37. On or around October 13, 2016, a revised Memorandum of Understanding was
19 prepared that reflected the parties’ agreement that RAZUKI and RAZUKI INVESTMENTS
20 would compensate HARCOURT the sum of \$1,500,000.00 if the CUP were required to be
21 surrendered.

22 38. On or around October 17, 2016, escrow on the Property closed, and the deal
23 between RAKUZI INVESTMENTS and High Sierra was finalized. However, on information and
24 belief, Defendants HENDERSON, RAZUKI, and RAZUKI INVESTMENTS conspired together
25 to cause the release of the contingencies in the Commercial Property Purchase Agreement and
26 Escrow Agreement that conferred benefits to SDPCC, including but not limited to the agreement
27 that escrow was contingent upon the execution of the operating agreement and promissory note
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1 with SDPCC, without the approval of Plaintiffs.

2 39. On or around October 17, 2016, following the close of the aforementioned deal,
3 HENDERSON sent an email to Plaintiffs, which acknowledged that he knew there was “some
4 concern about the operating agreements not being executed.” However, HENDERSON further
5 represented that he had spoken with RAZUKI, and that RAZUKI was “excited about moving
6 forward as a team,” and that RAZUKI was available on October 18, 2016 “to sign the operating
7 agreements and align ourselves.”

8 40. Just minutes after HENDERSON sent his email on October 17, 2016, RAZUKI
9 replied all to HENDERSON’s email, and RAZUKI thanked everyone “for all the work that
10 everyone put to close this deal[.]” RAZUKI further stated that he was “very excited about what
11 happened today,” but also apologized for having a “very busy day.” RAZUKI concluded his
12 email by stating that he would be “available around 2 p.m.” the following day.

13 41. On or around October 18, 2016, the grant deed reflecting the transfer of the
14 Property to Defendant RAZUKI INVESTMENTS LLC was recorded with the San Diego County
15 Recorder. On information and belief, the Property has since been transferred to AMERICAN
16 LENDING and/or SAN DIEGO UNITED.

17 42. On information and belief, following the transfer of the Property, Defendants
18 RAZUKI and RAZUKI INVESTMENTS directed, authorized and/or ratified a representative
19 and/or agent to take the following actions without the knowledge or consent of Plaintiffs: (i)
20 contact the San Diego Development Services Department; (ii) falsely claim that the representative
21 and/or agent represented Defendants RAZUKI and RAZUKI INVESTMENTS and Plaintiff
22 SDPCC; and (iii) request that the cooperative identified on the city permit be changed to
23 BALBOA AVE and that the responsible person name be changed to NINUS MALAN. On
24 information and belief, the city permit was then modified to indicate that BALBOA AVE was
25 affiliated with the MMCC at the Property.

26 43. Moreover, despite the parties’ agreements, as well as the various representations
27 made by Defendants RAZUKI and RAZUKI INVESTMENTS, RAZUKI and RAZUKI
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1 INVESTMENTS: (i) failed to comply with the terms of the Lease; (ii) failed to execute a joint
2 venture and/or partnership agreement, operating agreement, and/or promissory note concerning
3 the MMCC; (iii) falsely misrepresented to third parties that their \$800,000.00 purchase of the
4 Property included the rights to operate an MMCC on the Property; and (iv) interfered with
5 Plaintiff SDPCC's rights concerning the Property and CUP.

6 44. On information and belief, in or around April 2017, Defendants RAZUKI,
7 RAZUKI INVESTMENTS, MALAN, BALBOA AVE, AMERICAN LENDING, and SAN
8 DIEGO UNITED opened a medical marijuana dispensary at the Property, pursuant to the rights
9 granted by CUP No. 1296130, under the name BALBOA AVE. Furthermore, on information and
10 belief, in or around May 2017, a legal dispute arose between Defendants RAZUKI, RAZUKI
11 INVESTMENTS, MALAN, BALBOA AVE, AMERICAN LENDING, and SAN DIEGO
12 UNITED on the one hand, and the HOA on the other hand, concerning the Property, and this
13 dispute may result in the surrender of the CUP.

14 **FIRST CAUSE OF ACTION**

15 **BREACH OF JOINT VENTURE AGREEMENT**

16 **(Plaintiff HARCOURT Against Defendant RAZUKI)**

17 45. Plaintiffs incorporate by reference and re-allege each and every allegation
18 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

19 46. Plaintiff HARCOURT and Defendant RAZUKI entered into an oral joint venture
20 agreement in or around August 2016, in which Defendant RAZUKI agreed to form a joint venture
21 and/or partnership with HARCOURT. The parties further agreed that a be-formed-company
22 would provide business services to SDPCC, that RAZUKI's contribution would be based upon
23 his capitalization of the company, and that RAZUKI would bear the sole financial responsibility
24 for the plans, permits, tenant improvements, general contractor, and all legal expenses, inventory,
25 operating expenses, reserves, fees, and all other costs associated with the operation and
26 management of the MMCC located at the Property.

27 47. At all relevant times, Plaintiff HARCOURT either had performed or was ready,
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1 willing and able to perform all conditions, covenants and promises required of him in accordance
2 with the terms of the joint venture agreement.

3 48. Defendant RAZUKI breached the joint venture agreement.

4 49. As a direct and proximate result of the material breaches of the terms of the joint
5 venture agreement by RAZUKI, Plaintiff HARCOURT has suffered, and continue to suffer,
6 substantial monetary damages in an amount according to proof at time of trial.

7 **SECOND CAUSE OF ACTION**

8 **BREACH OF LEASE AGREEMENT**

9 **(Plaintiff SDPCC Against Defendant RAZUKI INVESTMENTS)**

10 50. Plaintiffs incorporate by reference and re-allege each and every allegation
11 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

12 51. Plaintiff SDPCC and Defendant RAZUKI INVESTMENTS entered into a written
13 Lease in or around August 18, 2016. Pursuant to the terms of the Lease, tenant SDPCC is entitled
14 to the exclusive and undisturbed enjoyment of the Property from October 1, 2016 to October 1,
15 2020, and SDPCC also has the option to extend the terms of the lease by five (5) years.

16 52. At all relevant times, Plaintiff SDPCC either had performed or was ready, willing
17 and able to perform all conditions, covenants and promises required of it in accordance with the
18 terms of the written lease agreement.

19 53. RAZUKI INVESTMENTS breached the Lease by denying Plaintiff SDPCC entry
20 to the Property and interfering with Plaintiff SDPCC's right to occupy the Property as a tenant.

21 54. As a direct and proximate result of the material breaches of the terms of the written
22 lease agreement by RAZUKI INVESTMENTS, Plaintiff SDPCC has suffered, and continues to
23 suffer, substantial monetary damages in an amount according to proof at time of trial.

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1 **THIRD CAUSE OF ACTION**

2 **ANTICIPATORY BREACH OF ORAL AGREEMENT**

3 **(Plaintiff HARCOURT Against Defendants RAZUKI and RAZUKI INVESTMENTS)**

4 55. Plaintiffs incorporate by reference and re-allege each and every allegation
5 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

6 56. Plaintiff HARCOURT and Defendant RAZUKI entered into an oral agreement in
7 or around September 2016. Pursuant to this agreement, RAZUKI and RAZUKI INVESTMENTS
8 agreed that in exchange for Plaintiffs having to give up one of the four spots within the district
9 that may be used to operate an MMCC, RAZUKI and RAZUKI INVESTMENTS would pay
10 HARCOURT in the amount of \$1,500,000.00.

11 57. At all relevant times, Plaintiffs either had performed or were ready, willing and
12 able to perform all conditions, covenants and promises required of him in accordance with the
13 terms of the oral agreement.

14 58. RAZUKI anticipatorily repudiated the oral agreement before performance was
15 required by clearly and positively indicating, by words and/or conduct, that RAZUKI would not
16 pay HARCOURT \$1,500,000.00 should CUP No. 1296130 be surrendered or Plaintiffs were
17 otherwise required to give up one of the four spots within the district that may be used to operate
18 an MMCC due to a dispute with the HOA.

19 59. As a direct and proximate result of the anticipatory breach of the terms of the oral
20 agreement by RAZUKI, Plaintiff HARCOURT has suffered, and continue to suffer, substantial
21 monetary damages in an amount according to proof at time of trial.

22 **FOURTH CAUSE OF ACTION**

23 **BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**

24 **(Plaintiffs Against Defendants RAZUKI and RAZUKI INVESTMENTS)**

25 60. Plaintiffs incorporate by reference and re-allege each and every allegation
26 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

27 61. Under California law, there is implied in every contract a covenant by each party
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1 not to do anything that will deprive the other parties thereto of the benefits of the contract. This
2 covenant not only imposes upon each contracting party the duty to refrain from doing anything
3 which would render performance of the contract impossible by any act of his own, but also the
4 duty to do everything that the contract presupposes that he will do to accomplish its purpose.

5 62. Defendants RAZUKI and RAZUKI INVESTMENTS were at all times bound by
6 such implied covenants of good faith and fair dealing.

7 63. Defendants RAZUKI and RAZUKI INVESTMENTS' conduct as alleged herein
8 has unfairly interfered with the rights of Plaintiffs to receive the benefits of the joint venture
9 agreement, the lease agreement, and the September 2016 oral agreement, and constitute a breach
10 of the implied covenant of Good Faith and Fair Dealing.

11 64. Moreover, Defendants RAZUKI and RAZUKI INVESTMENTS' conduct as
12 alleged herein, which injured Plaintiffs' right to receive the benefits of the agreements, was in bad
13 faith due to Defendants RAZUKI and RAZUKI INVESTMENTS' willful interference with and
14 failure to cooperate with Plaintiffs in the performance of the contracts.

15 65. As a direct and proximate result of Defendants RAZUKI and RAZUKI
16 INVESTMENTS' material breaches of the implied covenant of good faith and fair dealing
17 inherent in the joint venture agreement, the lease agreement, and the September 2016 oral
18 agreement, as alleged herein, Plaintiffs have suffered, and continue to suffer, substantial monetary
19 damages in an amount to be proven at time of trial.

20 **FIFTH CAUSE OF ACTION**

21 **BREACH OF CONTRACT WITH RESPECT TO A THIRD PARTY BENEFICIARY** 22 **(Plaintiff SDPCC Against Defendants RAZUKI and RAZUKI INVESTMENTS)**

23 66. Plaintiffs incorporate by reference and re-allege each and every allegation
24 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

25 67. Defendant RAZUKI INVESTMENTS on the one hand, and High Sierra on the
26 other hand, entered into a written Commercial Property Purchase Agreement on or around August
27 22, 2016, and also entered into a written Escrow Agreement on or August 24, 2016.
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1 68. Although Plaintiff SDPCC was not a party to either the August 22, 2016
2 Commercial Property Purchase Agreement or the August 24, 2016 Escrow Agreement, Plaintiff
3 SDPCC was an intended beneficiary of both agreements, in that the agreements provided for,
4 among other things, the execution of an operating agreement and promissory note between
5 SDPCC and San Diego Business Services Group, LLC, in which San Diego Business Services
6 Group LLC would provide business services to SDPCC.

7 69. Defendant RAZUKI INVESTMENTS breached these aforementioned agreements,
8 and RAZUKI INVESTMENTS' breaches deprived SDPCC from receiving the benefit of entering
9 into a contractual and business relationship with San Diego Business Services Group, LLC.

10 70. As a direct and proximate result of the material breaches of the terms of
11 aforementioned agreements by RAZUKI INVESTMENTS, Plaintiff SDPCC has suffered, and
12 continues to suffer, substantial monetary damages in an amount according to proof at time of trial.

13 **SIXTH CAUSE OF ACTION**

14 **PROMISSORY ESTOPPEL**

15 **(Plaintiffs Against Defendants RAZUKI and RAZUKI INVESTMENTS)**

16 71. Plaintiffs incorporate by reference and re-allege each and every allegation
17 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

18 72. Defendants RAZUKI and RAZUKI INVESTMENTS made a promise, which was
19 clear and unambiguous in its terms.

20 73. Plaintiffs relied upon the promise made by Defendants RAZUKI and RAZUKI
21 INVESTMENTS, and Plaintiffs' reliance was reasonable and foreseeable.

22 74. Plaintiffs were injured because of their reliance upon the promise made by
23 Defendants RAZUKI and RAZUKI INVESTMENTS in an amount to be determined according to
24 proof at Trial.

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84. Defendants RAZUKI, RAZUKI INVESTMENTS, and HENDERSON, and each of them, knew that these representations were false when they made them and/or made these representations recklessly and without regard for the truth.

85. Defendants RAZUKI, RAZUKI INVESTMENTS, and HENDERSON intended that Plaintiff rely upon these representations, and Plaintiffs reasonably relied on these representations.

86. Plaintiffs were harmed, and Plaintiffs' reliance on Defendants RAZUKI, RAZUKI INVESTMENTS, and HENDERSON's representations were a substantial factor in causing them harm.

NINTH CAUSE OF ACTION

INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS

(Plaintiffs Against Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN
LENDING, and SAN DIEGO UNITED)

87. Plaintiffs incorporate by reference and re-allege each and every allegation contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

88. There were oral agreements between Plaintiff HARCOURT and Defendant RAZUKI, as well as a written Lease between Plaintiff SDPCC and Defendant RAZUKI INVESTMENTS.

89. Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN LENDING, and SAN DIEGO UNITED knew of these agreements.

90. Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN LENDING, and SAN DIEGO UNITED intended to disrupt the performance of these contracts.

91. Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN LENDING, and SAN DIEGO UNITED's conduct prevented performance, or made performance more expensive or difficult.

92. Plaintiffs were harmed, and Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN LENDING, and SAN DIEGO UNITED's conduct was a substantial factor in

1 causing Plaintiffs' harm.

2 **TENTH CAUSE OF ACTION**

3 **INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGES**

4 **(Plaintiff SDPCC Against Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN,**
5 **BALBOA AVE, HENDERSON, SAN DIEGO UNITED and AMERICAN LENDING)**

6 93. Plaintiffs incorporate by reference and re-allege each and every allegation
7 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

8 94. Plaintiff SDPCC and various medical marijuana patients, distributors, cultivators,
9 and/or manufacturers were in economic relationships that probably would have resulted in an
10 economic benefit to SDPCC.

11 95. Defendants, and each of them, knew of these relationships.

12 96. Defendants intended to disrupt these relationships, or in the alternative, knew or
13 should have known that these relationships would have been disrupted if they failed to act with
14 reasonable care.

15 97. Defendants, and each of them, engaged in wrongful conduct through, among other
16 things, fraud and interference with contractual relations.

17 98. Plaintiff SDPCC's relationships were disrupted.

18 99. Plaintiff SDPCC was harmed, and Defendants' wrongful conduct was a substantial
19 factor in causing Plaintiff SDPCC's harm.

20 **ELEVENTH CAUSE OF ACTION**

21 **BREACH OF FIDUCIARY DUTY**

22 **(Plaintiff HARCOURT Against Defendant RAZUKI)**

23 100. Plaintiffs incorporate by reference and re-allege each and every allegation
24 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

25 101. Plaintiff HARCOURT is informed and believes and based thereon alleges that, at
26 all times material hereto, HARCOURT and RAZUKI were in a joint venture with each other, as
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1 there was an undertaking by HARCOURT and RAZUKI to carry out a single business enterprise
2 jointly for profit.

3 102. Plaintiff HARCOURT is informed and believes and based thereon alleges that, at
4 all times material hereto, a fiduciary relationship existed between HARCOURT and RAZUKI
5 pursuant to which RAZUKI owed HARCOURT a fiduciary duty to act at all times honestly,
6 loyally, with the utmost good faith and in HARCOURT's best interests in that HARCOURT and
7 RAZUKI's relationship was founded on trust and confidence, and HARCOURT knowingly
8 undertook to act on behalf of and for the benefit of the joint venture between HARCOURT and
9 RAZUKI.

10 103. Plaintiff HARCOURT is informed and believes and based thereon alleges that
11 RAZUKI breached his fiduciary duty owed to HARCOURT.

12 104. As a direct and proximate result of these breaches, Plaintiff HARCOURT has been
13 damaged in amount to be determined according to proof at Trial.

14 105. RAZUKI acted with malice and with a conscious disregard for Plaintiff
15 HARCOURT's rights and interests in connection with the acts described herein. Plaintiff
16 HARCOURT is therefore entitled to an award of punitive damages to punish Defendant
17 RAZUKI's wrongful conduct and deter future conduct.

18 **TWELFTH CAUSE OF ACTION**

19 **CIVIL CONSPIRACY**

20 **(Plaintiffs Against All Defendants)**

21 106. Plaintiffs incorporate by reference and re-allege each and every allegation
22 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

23 107. Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN LENDING,
24 SAN DIEGO UNITED, and CALIFORNIA CANNABIS GROUP were aware that RAZUKI and
25 RAZUKI INVESTMENTS planned to engage in wrongful acts directed towards Plaintiff,
26 including (i) causing Plaintiffs to rely upon various misrepresentations and false promises and (ii)
27 breaching the oral and written agreements entered into with Plaintiffs, such that an MMCC would
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1 operate at the Property without Plaintiffs' involvement.

2 108. Defendants HENDERSON, MALAN, BALBOA AVE, AMERICAN LENDING,
3 SAN DIEGO UNITED, and CALIFORNIA CANNABIS GROUP agreed with RAZUKI and
4 RAZUKI INVESTMENTS, and intended that these aforementioned wrongful acts be committed.

5 **THIRTEENTH CAUSE OF ACTION**

6 **DECLARATORY RELIEF**

7 **(Plaintiff SDPCC Against Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN,**
8 **BALBOA AVE, SAN DIEGO UNITED and AMERICAN LENDING)**

9 109. Plaintiffs incorporate by reference and re-allege each and every allegation
10 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

11 110. An actual dispute and controversy has arisen between Plaintiff SDPCC, on the one
12 hand, and Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN, BALBOA AVE, SAN
13 DIEGO UNITED and AMERICAN LENDING, on the other, concerning their rights and duties
14 with respect to the Lease. Plaintiff SDPCC contends that it has the exclusive right to occupy and
15 enjoy the Property and operate an MMCC on the Property. Defendants RAZUKI, RAZUKI
16 INVESTMENTS, MALAN, BALBOA AVE, SAN DIEGO UNITED and AMERICAN
17 LENDING claim that they have the right to enter and permanently occupy the Property for their
18 own benefit, and/or evict or otherwise restrict Plaintiff SDPCC from entering the Property and
19 operating an MMCC on the Property.

20 111. Plaintiffs seeks a declaration of its rights and duties and Defendants RAZUKI,
21 RAZUKI INVESTMENTS, MALAN, BALBOA AVE, SAN DIEGO UNITED and AMERICAN
22 LENDING's rights and duties and specifically seeks a declaration that, Plaintiff SDPCC is
23 entitled to the exclusive use and benefit of the Property during the terms of the Lease.

24 112. A judicial declaration is necessary and appropriate at this time, and under the
25 circumstances, because if Plaintiffs are correct, Plaintiffs are entitled to all benefits and rights
26 arising out of the Lease. For these reasons, it is appropriate for this Court to declare the rights and
27 obligations of the parties with respect to the issues described above.

1 **FOURTEENTH CAUSE OF ACTION**

2 **INJUNCTIVE RELIEF**

3 **(Plaintiffs Against Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN, BALBOA**
4 **AVE, SAN DIEGO UNITED and AMERICAN LENDING)**

5 113. Plaintiffs incorporate by reference and re-allege each and every allegation
6 contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

7 114. Plaintiffs are informed and believe and thereon allege that the actions and conduct
8 of Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN, BALBOA AVE, SAN DIEGO
9 UNITED and AMERICAN LENDING, and each of them, as alleged herein, has caused, and
10 threatens to cause, irreparable harm and injury to Plaintiffs inasmuch as Defendants, and each of
11 them, continue to interfere with Plaintiff SDPCC's exclusive use and benefit of the Property
12 during the terms of the Lease by preventing Plaintiff SDPCC from entering and/or occupying the
13 Property, thereby preventing Plaintiff SDPCC from operating an MMCC on the Property.

14 115. The conduct of Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN,
15 BALBOA AVE, SAN DIEGO UNITED and AMERICAN LENDING, and each of them, unless
16 enjoined and restrained by order of this Court, will cause great and irreparable injury to Plaintiff
17 SDPCC inasmuch as Defendants, and each of them, contend that they have the right to restrict
18 and/or deny Plaintiff SDPCC's access to the Property.

19 116. Plaintiff SDPCC has no adequate remedy at law for the injuries currently being
20 suffered and/or which will be suffered, as it is, or will be, virtually impossible for Plaintiff to
21 determine the precise amount of damages it will suffer if Defendants, and each of them, are not
22 enjoined or restrained from interfering with Plaintiff SDPCC's exclusive use and benefit of the
23 Property.

24 117. Plaintiffs also has no adequate remedy at law in that, without an injunction by the
25 Court, preventing Defendants, and each of them, from further interfering with Plaintiff SDPCC's
26 exclusive use and benefit of the Property, which includes operating an MMCC on the Property,
27 the injury to Plaintiffs will continue indefinitely causing future losses and damages.

118. As a result of the foregoing acts and conduct, Plaintiffs requests that the Court enter a preliminary injunction and, thereafter, a permanent injunction, enjoining Defendants RAZUKI, RAZUKI INVESTMENTS, MALAN, BALBOA AVE, SAN DIEGO UNITED and AMERICAN LENDING, and each of them, and their agents, servants, employees, representatives, assigns, and all persons acting in concert with them, from directly or indirectly interfering with Plaintiff SDPCC's exclusive use and benefit of the Property during the terms of the Lease.

PRAYER

WHEREFORE, Plaintiffs SDPCC and HARCOURT pray for judgment against Defendants, and each of them, as follows:

AS TO THE FIRST CAUSE OF ACTION FOR BREACH OF JOINT VENTURE

AGREEMENT

1. For consequential and incidental damages and prejudgment interest according to proof at trial;
2. For costs of suit incurred herein; and
3. For such other and further relief as the Court deems just and proper.

AS TO THE SECOND CAUSE OF ACTION FOR BREACH OF LEASE AGREEMENT

1. For consequential and incidental damages and prejudgment interest according to proof at trial;
2. For costs of suit incurred herein; and
3. For such other and further relief as the Court deems just and proper.

AS TO THE THIRD CAUSE OF ACTION FOR ANTICIPATORY BREACH OF ORAL

CONTRACT

1. For consequential and incidental damages and prejudgment interest according to proof at trial;
2. For costs of suit incurred herein; and
3. For such other and further relief as the Court deems just and proper.

1 **AS TO THE FOURTH CAUSE OF ACTION FOR BREACH OF THE IMPLIED**
2 **COVENANT OF GOOD FAITH AND FAIR DEALING**

- 3 1. For consequential and incidental damages and prejudgment interest according to
4 proof at trial;
- 5 2. For costs of suit incurred herein; and
- 6 3. For such other and further relief as the Court deems just and proper.

7 **AS TO THE FIFTH CAUSE OF ACTION FOR BREACH OF CONTRACT WITH**
8 **RESPECT TO A THIRD PARTY BENEFICIARY**

- 9 1. For consequential and incidental damages and prejudgment interest according to
10 proof at trial;
- 11 2. For costs of suit incurred herein; and
- 12 3. For such other and further relief as the Court deems just and proper.

13 **AS TO THE SIXTH CAUSE OF ACTION FOR PROMISSORY ESTOPPEL**

- 14 1. For consequential and incidental damages and prejudgment interest according to
15 proof at trial;
- 16 2. For costs of suit incurred herein; and
- 17 3. For such other and further relief as the Court deems just and proper.

18 **AS TO THE SEVENTH CAUSE OF ACTION FOR FALSE PROMISE**

- 19 1. For consequential and incidental damages and prejudgment interest according to
20 proof at trial;
- 21 2. For costs of suit incurred herein;
- 22 3. For punitive and exemplary damages; and
- 23 4. For such other and further relief as the Court deems just and proper.

24 **AS TO THE EIGHTH CAUSE OF ACTION FOR FRAUD**

- 25 1. For consequential and incidental damages and prejudgment interest according to
26 proof at trial;
- 27 2. For costs of suit incurred herein;
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1 3. For punitive and exemplary damages; and

2 4. For such other and further relief as the Court deems just and proper.

3 **AS TO THE NINTH CAUSE OF ACTION FOR INTENTIONAL INTERFERENCE**

4 **WITH CONTRACTUAL RELATIONS**

5 1. For consequential and incidental damages and prejudgment interest according to
6 proof at trial;

7 2. For costs of suit incurred herein;

8 3. For punitive and exemplary damages; and

9 4. For such other and further relief as the Court deems just and proper.

10 **AS TO THE TENTH CAUSE OF ACTION FOR INTERFERENCE WITH**

11 **PROSPECTIVE ECONOMIC RELATIONSHIP**

12 1. For consequential and incidental damages and prejudgment interest according to
13 proof at trial;

14 1. For costs of suit incurred herein;

15 2. For punitive and exemplary damages; and

16 3. For such other and further relief as the Court deems just and proper.

17 **AS TO THE ELEVENTH CAUSE OF ACTION FOR BREACH OF**

18 **FIDUCIARY DUTY**

19 2. For consequential and incidental damages and prejudgment interest according to
20 proof at trial.

21 3. For punitive and exemplary damages;

22 4. For costs of suit incurred herein; and

23 5. For such other and further relief as the Court deems just and proper.

24 **AS TO THE TWELFTH CAUSE OF ACTION FOR CIVIL CONSPIRACY**

25 1. For consequential and incidental damages and prejudgment interest according to
26 proof at trial.

27 2. For costs of suit incurred herein; and

1 3. For such other and further relief as the Court deems just and proper.

2 **AS TO THE THIRTEENTH CAUSE OF ACTION FOR DECLARATORY RELIEF**

3 1. For a declaration of Plaintiffs' rights and duties and Defendants' rights and duties,
4 and Plaintiffs specifically seeks a declaration that during the terms of the Lease, Plaintiff SDPCC
5 is entitled to the exclusive use and benefit of the Property.

6 **AS TO THE FOURTEENTH CAUSE OF ACTION FOR INJUNCTIVE RELIEF**

7 1. An injunction preliminary and then permanently enjoining Defendants, and each of
8 them and their agents, servants, employees, representatives, assigns, and all persons acting in
9 concert with them, from directly or indirectly interfering with Plaintiff SDPCC's exclusive use
10 and benefit of the Property during the terms of the Lease.

11 **AS TO ALL CAUSES OF ACTION**

- 12 1. For interest as may be provided by law;
13 2. For costs of suit incurred herein, and
14 3. For such other and further relief as the Court deems just and proper.
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16 DATED: June 7, 2017

MESSNER REEVES LLP

17
18 By: _____



19 NIMA DAROUIAN
20 Attorneys for Plaintiffs,
21 SAN DIEGO PATIENTS COOPERATIVE
22 CORPORATION, INC., and BRADFORD
23 HARCOURT
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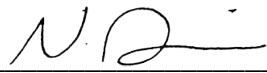
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DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial on all claims and matters which it is entitled to a trial by jury.

DATED: June 7, 2017

MESSNER REEVES LLP

By: 
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SAN DIEGO PATIENTS COOPERATIVE
CORPORATION, INC., and BRADFORD
HARCOURT

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7

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF SAN DIEGO**
10

11 SAN DIEGO PATIENTS COOPERATIVE
CORPORATION, INC., a California
12 cooperative corporation, and BRADFORD
HARCOURT, an individual,
13

14 Plaintiffs,
15

16 v.
17

18 RAZUKI INVESTMENTS, L.L.C., a
California limited liability company;
19 BALBOA AVE COOPERATIVE, a California
cooperative corporation; AMERICAN
LENDING AND HOLDINGS, LLC, a
20 California limited liability company; SAN
DIEGO UNITED HOLDINGS GROUP, LLC,
a California limited liability company;
21 CALIFORNIA CANNABIS GROUP, a
nonprofit mutual benefit corporation; SALAM
RAZUKI, an individual; NINUS MALAN, an
22 individual, KEITH HENDERSON, an
individual, AND DOES 1-20, INCLUSIVE,
23

24 Defendants.
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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

11/22/2019 at 10:00:00 PM

Clerk of the Superior Court
By Carolina Miranda, Deputy Clerk

Case No. 37-2017-00020661-CU-CO-CTL

The Hon. Eddie C. Sturgeon, Dept. C-67

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
PLAINTIFF SAN DIEGO PATIENTS
COOPERATIVE CORPORATION, INC.'S
MOTION TO COMPEL PRODUCTION
OF DOCUMENTS PURSUANT TO
SUBPOENA OF DOCUMENTS TO FAR
WEST MANAGEMENT, INC; REQUEST
FOR SANCTIONS**

*[Filed Concurrently with Notice of Motion and
Motion, Separate Statement, Declaration of
Allan Claybon and [Proposed] Order]*

Date: March 20, 2020

Time: 9:00 a.m.

Action Filed: June 7, 2017
Trial Date: February 21, 2020

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 This motion is the unfortunate result of the normalized approach of Defendants and
4 everyone connected to them choosing to openly defy clear legal obligations and requiring the
5 Court to force the most basic adherence to the law. In fact, the exact issues underlying this motion
6 were already fully briefed and decided by the Court over a year ago. Nonetheless, Far West, Inc.
7 (“Far West”), through its “new” counsel, has placed a burden upon Plaintiffs to seek intervention
8 to compel compliance with a Court-tested subpoena.

9 Far West was served a subpoena for the production of business records in August 2018.
10 Defendants Ninus Malan ("Malan"), San Diego United Holdings Group ("SDUHG"), and Balboa
11 Ave Cooperative ("Balboa") (collectively, the “Malan Defendants) filed an overwhelmingly
12 unsuccessful Motion to Quash, which was heard on January 11, 2019. However, Far West did not
13 immediately comply with the subpoena after this ruling. Without a direct means of
14 communication or compliance by Far West, Plaintiffs re-served a substantively identical subpoena
15 upon Far West which included a cover letter, copy of the Court’s previous ruling and a new
16 compliance date of September 30, 2019.

17 In an ironic twist, counsel who had been relieved from representing the Malan Defendants
18 in this matter, Austin Legal Group, APC, reappeared claiming that they now represented Far West.
19 Their reappearance came in the form of written objections on behalf of Far West to the newly
20 served subpoena. So even though present counsel for Far West has first-hand knowledge that the
21 Court has already ordered production under this subpoena, Far West has refused to produce a
22 single document.

23 The behavior of Far West and its attorneys is flagrantly intentional. Far West’s obligations
24 to produce documents pursuant to this subpoena are unambiguous and have already been fully
25 examined by the Court. Far West’s behavior in abusing legal process and forcing Plaintiffs to
26 expend the time, money and resources to obtain the subject records is inexcusable and subject to
27 sanction by this Court.

28 **II. STATEMENT OF FACTS**

1 As a reminder, Plaintiffs claim that Defendants conspired to defraud Plaintiffs by acquiring
2 for themselves assets (*namely*, a cannabis dispensary business and the associated real estate
3 properties) which rightfully belonged to a joint venture which included the Plaintiffs. However,
4 after conspiring to separate Plaintiffs from these assets and ignoring the existence of the joint
5 venture, Defendants entered a series of nebulous partnerships and transactions, which have
6 ravaged and destroyed the business. The scheme has led to this Action and several other
7 proceedings relating to the subsequent operation and management, or lack thereof, of the assets.

8 Far West managed the Balboa dispensary for a period of time under the tradename
9 “Golden State Greens.” Based upon an earlier removal of SoCal Building Ventures, LLC as
10 manager, and execution of an undisclosed management agreement, Far West took over on July 10,
11 2018. Therefore, Far West would necessarily have relevant information and documents regarding
12 Balboa’s management, operation and finances for an important early time period. (*See e.g.*, Code
13 Civ. Proc., § 2017.010)

14 Plaintiffs served a subpoena for business records upon Far West on or about August 23,
15 2018. (Declaration of Allan Claybon (“Claybon Decl.”), Exh. 1) Although Far West did not in
16 any form object to the subpoena, the Malan Defendants, represented by the Austin Legal Group,
17 APC, filed a motion to quash the subpoena or about September 12, 2018. On the same date, the
18 Malan Defendants also filed a motion to quash a separate subpoena served another third-party,
19 JHY Partners Inc. Both motions were fully briefed and went for hearing on January 11, 2018.

20 On January 11, 2018, the Court issued a Minute Order regarding the motions of Far West
21 and JHY. (Claybon Decl. Exh. 2) Although there is an apparent inversion regarding party names,
22 the Court denied the motions regarding the overwhelming majority of the categories of the
23 subpoenas.¹ Neither Far West nor JHY immediately complied with the subpoenas.²

24 In the intervening time, on March 29, 2019, Austin Legal Group, APC was relieved as
25

26 ¹ The Minute Order seems to invert the names of Far West and JHY. The Order makes reference
27 to document request #15 re: JHY while there is no #15 within the requests to JHY. Regardless,
for both the JHY and Far West subpoenas, the Court overwhelmingly denied the motions to quash.

28 ² JHY, after meeting and conferring with its attorneys, ultimately provided a document production
which is being currently reviewed for completeness.

1 counsel for the Malan Defendants. As of the filing of this Motion, new counsel has not appeared
2 in this action for the Malan Defendants.

3 Having no direct communication with Far West, served a new subpoena upon Far West.
4 The subpoena contained the same language as the previous subpoena and was served with a copy
5 of the Court's previous Minute Order. The subpoena set forth a compliance date of September 30,
6 2019. (Claybon Decl., Exh. 3)

7 In a surprise, Plaintiffs received written objections served on behalf of Far West signed by
8 attorney Tamara Leetham of Austin Legal Group, APC. Ms. Leetham represented that she now
9 represented Far West and objected to every category of the subpoena. This was despite Ms.
10 Leetham actually filing the prior motion to quash regarding these topics and actually appearing for
11 that hearing..(Claybon Decl., Exh. 4)

12 After receiving the objections, Plaintiffs attempted in good faith to meet and confer with
13 attorneys for Far West . (Claybon Decl. Exh. 5 – 10) The result was the receipt of convoluted and
14 extended arguments by Far West avoiding what was very clear – Far West had an obligation to
15 produce records pursuant to subpoena as arguments against their production were already raised,
16 unsuccessfully, by their current attorneys in January 2019.

17 Plaintiffs have since noticed and served another subpoena upon Far West to appear for live
18 deposition and production of documents. The original date set for the deposition was December 2,
19 2019. However, at the time of the filing of this motion, Far West and its new attorneys have
20 indicated that they are unavailable. Plaintiffs and Far West are attempting to reschedule within
21 January 2020. However, due to Plaintiffs' statutory obligation to timely file this motion to
22 compel, the Court's heavily crowded motion calendar, and no assurance that Far West will fully
23 cooperate at deposition without a Court's Order, this motion became necessary.

24 **III. ARGUMENT**

25 **A. Production of Documents Pursuant To Subpoena Should Be Compelled**

26 A deposition subpoena may require a non-party witness to produce business records for
27 copying without the need for live oral testimony. (*Code Civ. Proc*§ 2020.020(b)) "Business
28 records" generally include every kind of record maintained by every kind of business,

1 governmental activity, profession or occupation, whether carried on for profit or not. (*See Evid.*
2 *Code* §§ 1270 , 1560(a))

3 Code of Civil Procedure § 2025.480 provides:

4 (a) If a deponent fails to answer any question or to produce any
5 document, electronically stored information, or tangible thing under
6 the deponent's control that is specified in the deposition notice or a
deposition subpoena, the party seeking discovery may move the
court for an order compelling that answer or production.

7 (b) This motion shall be made no later than 60 days after the
8 completion of the record of the deposition, and shall be
9 accompanied by a meet and confer declaration under Section
2016.040. (*Code Civ. Proc.*, § 2025.480)

10 The objections or other responses to a business records subpoena are the “deposition
11 record” for purposes of measuring the 60-day period for a motion to compel. (*Unzipped Apparel,*
12 *LLC v. Bader*, 156 Cal.App.4th 123, 132-133; *Rutledge v. Hewlett-Packard Co.* (2015) 238
13 Cal.App.4th 1164, 1192)

14 Quite literally, the issues regarding the documents requested from Far West have already
15 been fully examined by the Court in relation to the Malan Defendants’ motion to quash heard in
16 January 2018. In fact, they were brought to the Court, briefed and argued by the very same
17 attorneys that now represent Far West. Through these attorneys, Far West served objections on
18 September 30, 2019 to the renewed subpoena. Far West did not file for a protective order or
19 motion to quash. The argument against these objections are the same as evaluated by the Court in
20 January 2019. Plaintiffs’ arguments will be recapped and refreshed below.

21 Far West was installed as the manager of the Balboa dispensary on or about July 10, 2018.
22 As a result, it would have vital information regarding the income, operation and management of
23 the Balboa dispensary during a very important time period. Documents relating to revenue, sales,
24 and communications from a company involved in the operation and management of the Balboa
25 dispensary are deeply relevant to this matter, particularly considering the changes which have
26 occurred at the dispensary.

27 Plaintiffs’ subpoena is narrowly tailored as to time and scope. Plaintiffs’ subpoena does
28 not make a blanket demand to Far West for “everything in your possession which in any way

1 relates to” marijuana. (*Calcor Space Facility, Inc. v. Superior Court* (1997) 53 Cal.App.4th 216,
2 222.) Instead, Plaintiffs reasonably particularized the categories of documents they seek from Far
3 West, and exclusively relate to the Balboa Dispensary, Defendants, and/or Defendants’ corporate
4 entities. Plaintiffs’ requests are necessarily relevant and, as already determined by the Court, do
5 not impose and improper burden upon Far West.

6 With regard to financial privacy issues, Far West’s objections are also without merit. (See
7 e.g., *Rawnsley v. Sup. Ct.* (1986) 183 Cal.App.3d 86, 91 (“Unlike the situation in which a plaintiff
8 seeks to discover defendant's financial status solely for the purpose of assessing a punitive
9 damages claim, the documents sought by petitioner here are fundamental to his case. He alleges
10 that assets have been converted and diverted from the entities in which he has an interest to the
11 individual defendants or to corporations which are the alter egos of the individual defendants. The
12 only way petitioner can prove his case is to obtain defendants' financial records.”); see also, The
13 Rutter Group California Practice Guide: Civil Procedure Before Trial, Privacy Protection:, Cal.
14 Prac. Guide Civ. Pro. Before Trial Ch. 8C-5, 8:339.12 (“Civ.C. § 3295(c) does not bar pretrial
15 discovery where defendant's finances are directly related to the substantive claim involved.”); *GT,*
16 *Inc. v. Sup. Ct.* (1984) 151 Cal.App.3d 748, 754 (“where the financial information goes to the
17 heart of the cause of action itself, a litigant should not be denied access so easily.”).

18 There is simply no basis, substantively or procedurally, why Far West would be entitled to
19 resist compliance with the subject subpoena.

20 **B. Sanctions Should Be Imposed Upon Far West and/or Its Counsel**

21 A nonparty opposing a motion to compel without substantial justification is subject to
22 sanctions. (*Code Civ. Proc.*, §§ 1987.2(a) , 2020.030 , 2025.480 ; see *Person v. Farmers Ins.*
23 *Group of Cos.* (1997) 52 Cal.App.4th 813, 818) This rule applies to subpoenas for production of
24 documents at a deposition and also to business records subpoenas.

25 (a) Except as specified in subdivision (c), in making an order
26 pursuant to motion made under subdivision (c) of Section 1987 or
27 under Section 1987.1, the court may in its discretion award the
28 amount of the reasonable expenses incurred in making or opposing
the motion, including reasonable attorney's fees, if the court finds
the motion was made or opposed in bad faith or without substantial
justification or that one or more of the requirements of the subpoena

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1 was oppressive.

2 (*Code Civ. Proc.*, § 1987.2)

3 Monetary sanctions are available against nonparties who “flout the discovery process.”
4 (*Temple Comm. Hosp. v. Sup.Ct.* (1999) 20 Cal.4th 464, 476-477; see also *Brun v. Bailey* (1994)
5 27 Cal.App.4th 641, 658-659; *Sears, Roebuck & Co. v. National Union Fire Ins. Co. of Pittsburgh*
6 (2005) 131 Cal.App.4th 1342, 1350-1351(nonparty attorney's bad faith noncompliance with
7 deposition and document production subpoenas)).

8 As repeated throughout, the very same attorneys that unsuccessfully argued against a
9 document production by Far West have reappeared as counsel for Far West in order to stonewall
10 the production of *any* relevant document. The arguments made by Far West were already tested
11 by the Court and failed. When counsel for Plaintiffs pointed out these clear facts, Far West
12 nonetheless refused to comply and led Plaintiffs on a prolonged and fruitless meet and confer
13 period without any notion of compliance or compromise. (Claybon Decl. Exh. 5- 10) Bottom-line,
14 Far West refuses to comply and has used its newly found attorneys to force Plaintiffs to file a
15 motion regarding a straight-forward document production.

16 Far West’s attorneys, Austin Legal Group APC, have full, actual knowledge of the Court’s
17 ruling on the Malan Defendants’ earlier motion to quash. Additionally, Far West’s attorneys are
18 well aware of the congestion of the Court’s calendar which would force resolution of this matter to
19 be delayed for several months before a hearing date could be secured. Finally, Far West’s
20 attorneys are well aware of chaos that resulted at the subject dispensary and that a months long,
21 (and actually years long), delay in basic discovery, would substantially delay Plaintiffs
22 investigation of its case. As a result, Far West and/or its attorneys should be sanctioned in the
23 amount of \$5,100. or another amount deemed justified by the Court.

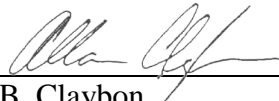
24 **IV. CONCLUSION**

25 Based on the foregoing, Plaintiffs respectfully request that the Court grant its Motion To
26 Compel Production of Documents Pursuant to Subpoena of Documents to Far West Management,
27 Inc.

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DATED: November 22, 2019

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