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Senior Assistant Attorney General  
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*Department of Cannabis Control*

*Per Government Code § 6103, State of  
California is exempt from filing fee*

8  
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **COUNTY OF LOS ANGELES**  
11 **NORTH VALLEY DISTRICT – CHATSWORTH COURTHOUSE**  
12

13 **DEPARTMENT OF CANNABIS**  
14 **CONTROL,**

15 Plaintiff,

16 v.

17 **VERTICAL BLISS, INC., KUSHY**  
18 **PUNCH, INC., CONGLOMERATE**  
19 **MARKETING, LLC, MORE**  
20 **AGENCY, INC., RUBEN KACHIAN**  
21 **a.k.a. RUBEN CROSS, ARUTYUN**  
22 **BARSAMYAN, KEVIN**  
23 **HALLORAN, MIKE A. TOROYAN,**  
24 **and DOES 1 through 30, inclusive,**

25 Defendants.  
26  
27  
28

Case No. 20CHCV00560

**DECLARATION OF DEPUTY  
ATTORNEY GENERAL MICHAEL YUN  
IN SUPPORT OF MOTION FOR  
EVIDENCE SANCTION AGAINST  
DEFENDANT RUBEN KACHIAN**

Date: November 1, 2022  
Time: 08:30 A.M.  
Dept: F49  
Judge: The Honorable Stephen P.  
Pfahler

Trial Date: January 30, 2023  
Action Filed: September 23, 2020

**RESERVATION NO. 414655888053**

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1 I, Michael Yun, declare as follows:

2 1. I am an attorney duly licensed to practice law before the Courts of the State of  
3 California. I am one of the Deputy Attorneys General (hereinafter, “DAG”) assigned to represent  
4 Plaintiff Department of Cannabis Control (hereinafter “Plaintiff” or “DCC”) in the above-entitled  
5 matter. I have personal knowledge of the information set forth herein below, based on my own  
6 personal knowledge and belief that the following evidence, declarations, exhibits and writings are  
7 true and correct. If called as a witness in this proceeding, I could truthfully testify to the  
8 following:

9 2. On July 13, 2022, I caused to be served on Margarita Salazar (hereinafter, “Salazar”),  
10 counsel for Defendant Ruben Kachian, a.k.a. Ruben Cross (hereinafter, “Defendant”), “Notice of  
11 Motion, Motion, and Memorandum of Points and Authorities in Support of Motion to Compel  
12 Responses to Requests for Production, Set One, as to Defendant Ruben Kachian” (hereinafter,  
13 “Motion to Compel”).<sup>1</sup> On the same day, this Office filed with this Court the Motion to Compel.

14 3. On August 10, 2022, the Motion to Compel against Defendant came on regularly as  
15 scheduled in this Court. Salazar appeared telephonically and I appeared virtually using the  
16 Microsoft Teams application on my computer. The Motion to Compel was unopposed by  
17 Defendant. In granting Plaintiff’s Motion to Compel, the Court ordered Defendant “to serve  
18 verified responses to request for production of documents without objections within ten days [by  
19 August 20, 2022 to Plaintiff].” A true and correct copy of the Court Order, dated August 10,  
20 2022, and the notice to Defendant thereof is attached hereto as Exhibit A.

21 4. As of the date of this declaration—252 days after Plaintiff propounded the Request  
22 for Production—Plaintiff’s counsel has not received any responses regarding the Request for  
23 Production from Defendant or Salazar. Defendant and Salazar have never communicated the  
24 reason for the delay and never requested an extension by which to provide the responses.

25 ///

26 ///

27 \_\_\_\_\_  
28 <sup>1</sup> See “Declaration of Service” attached to the Motion to Compel filed with this Court on  
July 13, 2022, which is part of this Court’s record.

This declaration is executed under penalty of perjury under the laws of the State of California this 10th day of October, 2022, at Los Angeles, California.

Michael H

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MICHAEL J. YUN

# Exhibit A

1 ROB BONTA  
2 Attorney General of California  
3 HARINDER K. KAPUR  
4 Senior Assistant Attorney General  
5 JOSHUA B. EISENBERG  
6 Supervising Deputy Attorney General  
7 MICHAEL J. YUN (SBN 292587)  
8 ETHAN A. TURNER (SBN 294891)  
9 Deputy Attorneys General  
10 600 West Broadway, Suite 1800  
11 San Diego, CA 92101  
12 Telephone: (619) 321-5793  
13 Facsimile: (619) 645-2061  
14 E-mail: Michael.Yun@doj.ca.gov  
15 *Attorneys for Plaintiff*  
16 *Department of Cannabis Control*

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF LOS ANGELES

13 **DEPARTMENT OF CANNABIS**  
14 **CONTROL,**

15 Plaintiff,

16 v.

17 **VERTICAL BLISS, INC., KUSHY**  
18 **PUNCH, INC., CONGLOMERATE**  
19 **MARKETING, LLC, MORE AGENCY,**  
20 **INC., RUBEN KACHIAN aka RUBEN**  
21 **CROSS, ARUTYUN BARSAMYAN,**  
22 **KEVIN HALLORAN, MIKE A.**  
23 **TOROYAN, and DOES 1 through 3,**  
24 **inclusive,**

25 Defendants.

Case No. 20CHCV00560

**NOTICE OF COURT ORDER**  
**GRANTING: (1) PLAINTIFF'S MOTION**  
**FOR SANCTIONS AGAINST**  
**DEFENDANT MIKE A. TOROYAN AND**  
**ITS ATTORNEY OF RECORD**  
**MARGARITA SALAZAR FOR**  
**VIOLATING COURT'S DISCOVERY**  
**ORDER, AND (2) PLAINTIFF'S**  
**MOTION TO COMPEL RESPONSES TO**  
**REQUESTS FOR PRODUCTION, SET**  
**ONE, AS TO DEFENDANT RUBEN**  
**KACHIAN, A.K.A. RUBEN CROSS**

Date: August 10, 2022

Time: 08:30 a.m.

Dept: F49

Judge: The Honorable Stephen P. Pfahler

Trial Date: January 30, 2023

Action Filed: September 23, 2020

1 **NOTICE OF COURT ORDER**

2 **TO MIKE A. TOROYAN, RUBEN KACHIAN, A.K.A. RUBEN CROSS, AND**  
3 **THEIR ATTORNEY OF RECORD, MARGARITA SALAZAR:**

4 **PLEASE TAKE NOTICE** that Plaintiff's Motion for Sanctions against Defendant Mike  
5 A. Toroyan and his Attorney of Record Margarita Salazar for Violating Court's Discovery Order,  
6 came on regularly for hearing on August 10, 2022, at 8:30 a.m., in Department F49 of the  
7 Superior Court of California, County of Los Angeles, North Valley District – Chatsworth  
8 Courthouse.

9 **PLEASE TAKE FURTHER NOTICE** that Plaintiff's Motion to Compel Responses to  
10 Requests for Production of Documents, Set One, as to Defendant Ruben Kachian, a.k.a. Ruben  
11 Cross, came on regularly for hearing on August 10, 2022, at 8:30 a.m., in Department F49 of the  
12 Superior Court of California, County of Los Angeles, North Valley District – Chatsworth  
13 Courthouse.

14 At the hearing on August 10, 2022, the Court adopted its Tentative Ruling as its final ruling  
15 and Order. Per instruction of the Court, counsel for Plaintiff hereby gives notice of the Court's  
16 order to Defendants Mike A. Toroyan and Ruben Kachian, through their attorney of record,  
17 Margarita Salazar. Attached hereto as "Exhibit 1" is a true and correct copy of the Court's  
18 Minute Order, dated August 10, 2022, adopting its Tentative Ruling, which is now the final ruling  
19 in this matter.

20 Dated: August 15, 2022

Respectfully submitted,

21 ROB BONTA  
22 Attorney General of California  
23 JOSHUA B. EISENBERG  
Supervising Deputy Attorney General

24 

25 MICHAEL J. YUN  
26 ETHAN A. TURNER  
27 Deputy Attorneys General  
Attorneys for Plaintiff

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27 83553463.docx

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# Exhibit 1

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

**Civil Division**

North Valley District, Chatsworth Courthouse, Department F49

**20CHCV00560**

**CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al.  
vs VERTICAL BLISS, INC., et al.**

August 10, 2022

8:30 AM

Judge: Honorable Stephen P. Pfahler  
Judicial Assistant: Adrina Chebishyan  
Courtroom Assistant: Patricia Aranda

CSR: None  
ERM: None  
Deputy Sheriff: None

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**APPEARANCES:**

For Plaintiff(s): ETHAN A. TURNER (Telephonic) by Michael Yun

For Defendant(s): Margarita Salazar (Telephonic)

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**NATURE OF PROCEEDINGS:** Hearing on Motion to Compel Discovery (not "Further Discovery"); Hearing on Motion for Sanctions

The matters are called for hearing.

The Court reads and considers the moving papers in support of, in opposition to and reply to the Hearing on Motion to Compel Discovery (not "Further Discovery") and Hearing on Motion for Sanctions.

After oral argument, the Court adopts its tentative ruling as its final ruling as follows:

**COMPEL**

**MOVING PARTY:** Plaintiff, California Department of Public Health and Bureau of Cannabis Control

**RESPONDING PARTY:** Unopposed/Defendant, Ruben Kachian aka Ruben Cross

**RULING:** Granted

Plaintiff California Department of Public Health and Bureau of Cannabis Control moves to compel responses to Request for Production of Documents (set one) from Defendant Ruben Kachian aka Ruben Cross.

Plaintiff served Defendant on January 31, 2022. [Declaration of Ethan Turner, ¶ 2, Ex. 1-2.] Counsel promised responses. No responses were delivered, even after extensions. [Id., ¶¶ 3-7.]

The unopposed motion is granted. Defendant Ruben Kachian aka Ruben Cross is ordered to serve verified responses to request for production of documents without objections within ten days. (Code Civ. Proc., § 2031.300, subd. (a-b).)



**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

**Civil Division**

North Valley District, Chatsworth Courthouse, Department F49

**20CHCV00560**

August 10, 2022

**CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al.**

8:30 AM

**vs VERTICAL BLISS, INC., et al.**

Judge: Honorable Stephen P. Pfahler  
Judicial Assistant: Adrina Chebishyan  
Courtroom Assistant: Patricia Aranda

CSR: None  
ERM: None  
Deputy Sheriff: None

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Sanctions in the amount of \$250 joint and severally against Ruben Kachian aka Ruben Cross and counsel of record for Ruben Kachian aka Ruben Cross. (Code Civ. Proc., § 2031.300, subd. (c).) Payable within 30 days.

Motion to compel set for August 19, 2022.

Moving party to give notice to all parties.

**SANCTIONS**

**MOVING PARTY:** Plaintiff, California Department of Public Health and Bureau of Cannabis Control

**RESPONDING PARTY:** Unopposed/Defendant, Mike Toroyan

**RULING:** Granted.

Plaintiff California Department of Public Health and Bureau of Cannabis Control moves for the imposition of issue and evidentiary, plus additional monetary sanctions against defendant Mike Toroyan, due to the failure of defendant to comply with the May 26, 2022 order compelling further responses to request for production of documents, request for admissions, and form interrogatories. Plaintiff also moves to deem request for admissions admitted.

The court considers the motion for evidentiary and issue sanctions. “Discovery sanctions ‘should be appropriate to the dereliction, and should not exceed that which is required to protect the interests of the party entitled to but denied discovery.’” (Young v. Rosenthal (1989) 212 Cal.App.3d 96, 118-119 citing Deyo v. Kilbourne (1978) 84 Cal.App.3d 771, 793; Newland v. Superior Court (1995) 40 Cal.App.4th 608, 613.) A prerequisite to the imposition of the dismissal sanction is that the party has willfully failed to comply with a court order. (Mileikowsky v. Tenet Healthsystem (2005) 128 Cal.App.4th 262, 279-280; Laguna Auto Body v. Farmers Ins. Exchange (1991) 231 Cal.App.3d 481, 487 overruled on other grounds in Garcia v. McCutchen (1997) 16 Cal.4th 469, 478, fn. 4.); Young v. Rosenthal (1989) 212 Cal.App.3d 96, 114.)

Evidence or issue sanctions may be imposed only after parties violated discovery orders compelling further responses, except in exceptional circumstances, including where there was sufficiently egregious misconduct regarding a failure to respond to discovery, or a prior discovery order would be futile. (New Albertsons, Inc. v. Sup. Ct. (2008) 168 Cal.App.4th 1403,

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

**Civil Division**

North Valley District, Chatsworth Courthouse, Department F49

**20CHCV00560**

August 10, 2022

**CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al.**

8:30 AM

**vs VERTICAL BLISS, INC., et al.**

Judge: Honorable Stephen P. Pfahler  
Judicial Assistant: Adrina Chebishyan  
Courtroom Assistant: Patricia Aranda

CSR: None  
ERM: None  
Deputy Sheriff: None

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1428.) To avoid sanctions, the burden of proving that a discovery violation was not willful is on the party on whom the discovery was served. (Cornwall v. Santa Monica Dairy Co. (1977) 66 Cal.App.3d 250, 252- 253.)

The underlying motion to compel was unopposed, and the subject motion remains unopposed. Defendant has apparently abandoned the action and/or demonstrates no intent to comply with the court order. The motion for evidentiary and issues sanctions is therefore granted as to the interrogatories and documents only. Defendant is precluded from introducing any evidence regarding the subject matter of the outstanding discovery.

On the admissions, Code of Civil Procedure section 2033.290, subd. (e), NOT subdivision (a)(1-2), as presented in the points and authorities [12:4-12] presents a basis to deem admissions admitted upon the violation of an order compelling responses. "If a party then fails to obey an order compelling further response to requests for admission, the court may order that the matters involved in the requests be deemed admitted. In lieu of, or in addition to, this order, the court may impose a monetary sanction under Chapter 7 (commencing with Section 2033.010)." The motion to deem admissions admitted is also granted. (Code Civ. Proc., § 2033.290, subd. (e).)

The court may impose additional monetary sanctions. (Code Civ. Proc., §§ 2030.300, subd. (d), 2031.300, subd. (c), 2033.300, subd. (d).) Additional joint and several monetary sanctions in the amount of \$125 against Mike Toroyan, and counsel of record to be paid within 30 days for the documents and interrogatories only. (Code Civ. Proc., §§ 2030.290, subd. (c) and 2031.300, subd. (c).) The court elects to deem the admitted admissions sufficient "in lieu" of additional monetary sanctions, and additionally declines to award additional monetary sanctions for work not presented to the court in the written motion.

Next motion to compel reserved for August 19, 2022.

Plaintiff to give notice.

**DECLARATION OF SERVICE BY E-Mail AND U.S. Mail**

Case Name: **Department of Cannabis Control v. Vertical Bliss, Inc., et al.**  
No.: **20CHCV00560**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On **August 15 2022**, I served the **NOTICE OF COURT ORDER GRANTING: (1) PLAINTIFF'S MOTION FOR SANCTIONS AGAINST DEFENDANT MIKE A. TOROYAN AND HIS ATTORNEY OF RECORD MARGARITA SALAZAR FOR VIOLATING COURT'S DISCOVERY ORDER AND (2) PLAINTIFF'S MOTION TO COMPEL RESPONSES TO REQUESTS FOR PRODUCTION, SET ONE, AS TO DEFENDANT RUBEN KACHIAN, A.K.A. RUBEN CROSS** by transmitting a true copy via electronic mail. In addition, I placed a true copy thereof enclosed in a sealed envelope, in the internal mail system of the Office of the Attorney General, addressed as follows:

<b>Party</b>	<b>Address</b>
Margarita Salazar, Esq. <i>Attorney for Defendants Vertical Bliss, Inc., Kushy Punch, Inc., Conglomerate Marketing, LLC., More Agency, Inc., Ruben Kachian, Arutyun Barsamyan, and Mike A. Toroyan</i>	Margarita Salazar, Esq. Law Offices of Margarita Salazar 470 Third Avenue, Ste. 9 Chula Vista, CA 91910-4663 <b>E-mail Address:</b> margarita@msalazarlaw.com
Ian Stewart Wilson Elser Moskowitz Edelman & Dicker LLP <i>Attorney for Defendant Kevin Halloran</i>	<b>E-mail Address:</b> ian.stewart@wilsonelser.com

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on **August 15, 2022**, at San Diego, California.

Alberto Flores

Declarant



Signature

**DECLARATION OF SERVICE BY E-Mail**

Case Name: **California Department of Public Health, et al. v. Vertical Bliss, Inc., et al.**  
Case No.: **20CHCV00560**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter.

On **October 10, 2022**, I served the attached **DECLARATION OF DEPUTY ATTORNEY GENERAL MICHAEL YUN IN SUPPORT OF MOTION FOR EVIDENCE SANCTION AGAINST DEFENDANT RUBEN KACHIAN** by transmitting a true copy via electronic mail, addressed as follows:

<b>Party</b>	<b>Address</b>
Margarita Salazar, Esq. <i>Attorney for Defendants Vertical Bliss, Inc., Kushy Punch, Inc., Conglomerate Marketing, LLC., More Agency, Inc., Ruben Kachian, Arutyun Barsamyan, and Mike A. Toroyan</i>	Margarita Salazar, Esq. Law Offices of Margarita Salazar 470 Third Avenue, Ste. 9 Chula Vista, CA 91910-4663 <b>E-mail Address:</b> margarita@msalazarlaw.com
Ian Stewart Wilson Elser Moskowitz Edelman & Dicker LLP <i>Attorney for Defendant Kevin Halloran</i>	Wilson Elser Moskowitz Edelman & Dicker LLP 555 South Flower St. Ste. 2900 Los Angeles, Ca 90071 <b>E-mail Address:</b> ian.stewart@wilsonelser.com

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on **October 10, 2022**, at Los Angeles, California.

\_\_\_\_\_  
Cecilia Apodaca  
Declarant

\_\_\_\_\_  
/s/ Cecilia Apodaca  
Signature