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SALAM RAZUKI

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO, CENTRAL DIVISION**

SALAM RAZUKI, an individual,
Plaintiff,

v.

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

Defendants,

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

**FIRST AMENDED COMPLAINT FOR
DAMAGES FOR:**

- (1) BREACH OF CONTRACT
- (2) BREACH OF IMPLIED
COVENANT OF GOOD FAITH
AND FAIR DEALING
- (3) BREACH OF ORAL
AGREEMENT
- (4) BREACH OF FIDUCIARY
DUTY
- (5) FRAUD AND DECEIT
- (6) MONEY HAD AND RECEIVED
- (7) CONVERSION
- (8) ACCOUNTING
- (9) APPOINTMENT OF
RECEIVER
- (10) INJUNCTIVE RELIEF
- (11) DECLARATORY RELIEF
- (12) CONSTRUCTIVE TRUST
- (13) DISSOLUTION
- (14) INTENTIONAL
INTERFERENCE WITH AN
ECONOMIC RELATIONSHIP
- (15) INTENTIONAL
INTERFERENCE WITH A
CONTRACTUAL
RELATIONSHIP

DEMAND FOR JURY TRIAL

1 Plaintiff SALAM RAZUKI complains and alleges as follows:

2
3 **I.**
INTRODUCTION

4 1. For years, Salam Razuki ("Razuki") and Ninus Malan ("Malan") engaged in numerous
5 business dealings and property investments. The two entered into certain oral agreements whereby
6 Razuki would provide the initial cash investment to purchase a certain asset while Malan would manage
7 the assets. The parties agreed that after reimbursing the initial investment to Razuki, Razuki would be
8 entitled to seventy-five percent (75%) of the profits & losses of that particular asset and Malan would
9 be entitled to twenty-five percent (25%) of said profits & losses. Unfortunately, due to Malan's refusal
10 to be completely forthcoming with the Partnership Assets (as defined below in Section III), this oral
11 agreement became untenable and disputes arose. Instead of litigating the matter, Razuki and Malan
12 decided to enter into an Agreement of Compromise, Settlement and Mutual General Release (referred
13 to herein as the "Settlement Agreement") to memorialize their prior oral agreements and to describe
14 additional duties and obligations for each of them. Under the Settlement Agreement, Razuki and Malan
15 agreed to transfer all Partnership Assets into one entity, RM Property Holdings, LLC ("RM Holdings")
16 which was formed for that particular business purpose. After recuperating any initial investments
17 related to the Partnership Assets, Razuki would be entitled to seventy-five percent (75%) of the profits
18 & losses of RM Holdings and Malan would be entitled to twenty-five percent (25%) of the profits &
losses of RM Holdings.

19 2. Even with the Settlement Agreement in place and RM Holdings formed, Malan
20 continued to deceive Razuki and manipulate the Partnership Assets for his own gain. Shortly after the
21 Settlement Agreement was signed, Malan began negotiations to sell some of the Partnership Assets
22 while they were still under his name. During these sale negotiations, Malan never informed the potential
23 buyer of Razuki's interest in the Partnership Assets. Based on information and belief, Malan
24 intentionally stole and/or redirect revenue from the Partnership Assets to a new entity owned by Malan
25 (*i.e.* Monarch).Malan conspired with another individual named Hakim in order to carry out this scheme
26 as well. Given Malan's blatant breach of the Settlement Agreement and his clear intentions to conceal
27 the profits of the Partnership Assets, Razuki now brings this instant First Amended Complaint in order
28 to enforce the terms of the Settlement Agreement and take control of his Partnership Assets.

II.
PARTIES AND JURISDICTION

3. Plaintiff SALAM RAZUKI ("Razuki") is an individual residing in the County of San Diego, State of California.

4. Defendant NINUS MALAN ("Malan") is an individual residing in the County of San Diego, State of California.

5. Defendant CHRIS HAKIM ("Hakim") is an individual residing in the County of San Diego, State of California.

6. Defendant MONARCH MANAGEMENT CONSULTING, INC. ("Monarch") is a California corporation organized under the laws of the State of California. Monarch's principal place of business is in the County of San Diego, State of California. Razuki is informed and believes and thereon alleges that Monarch has two shareholder, Hakim and Malan who are the officers and directors of said corporation.

7. Defendant SAN DIEGO UNITED HOLDING GROUP, LLC ("SD United") is a California limited liability company organized under the laws of the State of California. SD United's principal place of business is in the in the County of San Diego, State of California.

8. Defendant FLIP MANAGEMENT, LLC ("Flip") is a California limited liability company organized under the laws of the State of California. Flip's principal place of business is in the in the County of San Diego, State of California.

9. Defendant MIRA ESTE PROPERTIES, LLC ("Mira Este") is a California limited liability company organized under the laws of the State of California. Mira Este's principal place of business is in the in the County of San Diego, State of California.

10. Defendant ROSELLE PROPERTIES, LLC ("Roselle") is a California limited liability company organized under the laws of the State of California. Roselle's principal place of business is in the in the County of San Diego, State of California.

11. Defendant BALBOA AVE COOPERATIVE ("Balboa") is a California nonprofit mutual benefit corporation that is organized under the laws of the State of California. Balboa's principal place of business is in the in the County of San Diego, State of California. Malan serves as President and CEO of this entity.

1 12. Defendant CALIFORNIA CANNABIS GROUP (“CCG”) is a California nonprofit
2 mutual benefit corporation that is organized under the laws of the State of California. CCG’s principal
3 place of business is in the in the County of San Diego, State of California. Malan serves as President
4 and CEO of this entity.

5 13. Defendant DEVILISH DELIGHTS, INC. (“Devilish”) is a California nonprofit mutual
6 benefit corporation that is organized under the laws of the State of California. Devilish’s principal place
7 of business is in the in the County of San Diego, State of California. Malan serves as President and CEO
8 of this entity.

9 14. The true names and capacities of defendants sued as DOES (the “DOE Defendants”) are
10 unknown to Razuki and therefore are sued under such fictitious names. Razuki is informed and believes,
11 and based upon such information and belief alleges that defendants sued as DOES are in some manner
12 responsible for the acts and damages alleged. Razuki will amend this complaint when the true names
13 and capacities of such fictitiously named defendants are ascertained.

14 15. Malan, Hakim, Monarch, SD United, Flip, Mira Este, Roselle, Balboa, CCG, Devilish
15 and DOE Defendants are collectively referred to as “Defendants” hereinafter

16 16. Razuki is informed and believes, and thereon alleges that at all times mentioned
17 Defendants were acting as the agent, employee, attorney, accountant, and/or representative of each other
18 and within the scope of the above-mentioned agency, employment, relationship, and/or representation.
19 In doing the acts alleged, each defendant was acting with the full authority and consent of each other
20 defendant.

21 17. Razuki is informed and believes and thereon alleges that some of the corporations,
22 limited liability companies, and entities named as defendants herein including, but not limited to,
23 Monarch, SD United, Flip, Mira Este, Roselle, Balboa, CCG, Devilish and DOES 1 through 100,
24 (hereinafter occasionally collectively referred to as the “Alter Ego Entities”), and each of them, were at
25 all times relevant the alter ego of Malan and/or Hakim (hereinafter occasionally collectively referred to
26 as the “Individual Defendants”) by reason of the following:

- 27 a. Razuki is informed and believes and thereon alleges that said Individual Defendants,
28 at all times herein mentioned, dominated, influenced, and controlled each of the Alter
Ego Entities and the officers thereof as well as the business, property, and affairs of

1 each of said corporations.

- 2 b. Razuki is informed and believes and thereon alleges that, at all times herein
3 mentioned, there existed and now exists a unity of interest and ownership between
4 said Individual Defendants and each of the Alter Ego Entities; the individuality and
5 separateness of said Individual Defendants and each of the Alter Ego Entities have
6 ceased.
- 7 c. Razuki is informed and believes and thereon alleges that, at all times since the
8 incorporation of each, each Alter Ego Entities has been and now is a mere shell and
9 naked framework which said Individual Defendants used as a conduit for the conduct
10 of their personal business, property and affairs.
- 11 d. Razuki is informed and believes and thereon alleges that, at all times herein
12 mentioned, each of the Alter Ego Entities was created and continued pursuant to a
13 fraudulent plan, scheme and device conceived and operated by said Individual
14 Defendants, whereby the income, revenue and profits of each of the Alter Ego
15 Entities were diverted by said Individual Defendants to themselves.
- 16 e. Razuki is informed and believes and thereon alleges that, at all times herein
17 mentioned, each of the Alter Ego Entities was organized by said Individual
18 Defendants as a device to avoid individual liability and for the purpose of substituting
19 financially irresponsible corporations in the place and stead of said Individual
20 Defendants, and each of them, and accordingly, each Alter Ego Entities was formed
21 with capitalization totally inadequate for the business in which said entities was
22 engaged.
- 23 f. By virtue of the foregoing, adherence to the fiction of the separate corporate
24 existence of each of the Alter Ego Entities would, under the circumstances, sanction
25 a fraud and promote injustice in that Razuki would be unable to realize upon any
26 judgment in his favor.

27 18. Jurisdiction is proper with the above-entitled Court as all parties are residents of this
28 county and any contract/agreement that is the subject of this action was entered into in this jurisdiction
and was to be performed entirely within the jurisdiction of this Court.

III.
GENERAL ALLEGATIONS

19. Since 2016, Razuki and Malan have engaged in numerous business dealings relating to property investments in San Diego County. The oral agreements between Razuki and Malan was simple: Razuki would provide the initial investment to purchase the property and Malan would manage the property (e.g. ensure upkeep and acquire tenants). After Razuki was paid back for his initial investment, Razuki would receive seventy-five percent (75%) of any profits while Malan would receive twenty-five percent (25%) of any profits.

20. Under this oral agreement, Razuki trusted Malan to provide proper accounting of the revenue generated from the various properties and provide him with the agreed upon profit split.

21. Over the years, Razuki and Malan have acquired the following interests, directly or indirectly, (the "Partnership Assets") in the following businesses and/or entities:

- a. One hundred percent (100%) interest in SD United. SD United owns real property located at 8859 Balboa Avenue, Suites A-E, 8861 Balboa Avenue, Suite B, and 8863 Balboa Avenue, Suite E. Razuki and Malan own, directly or indirectly, a marijuana retail business located at 8861 Balboa Avenue and 8863 Balboa Avenue. Razuki provided all the initial monetary investment for SD United. However, on paper, Malan owned a one-hundred percent (100%) in and to SD United.
- b. One hundred percent (100%) interest in Flip. Flip served as the operating entity for Razuki and Malan's marijuana retail businesses located at 8861 Balboa Avenue and 8863 Balboa Avenue. Razuki provided all the initial monetary investment for this business. On paper, Malan owned a one-hundred percent (100%) in Flip.
- c. Fifty percent (50%) interest in Mira Este. Mira Este owns real property located at 9212 Mira Este Court, San Diego, CA 92126. Razuki and Malan own, directly or indirectly, a marijuana distribution and manufacturing business located at 9219 Mira Este Court. Razuki provided fifty percent (50%) of the initial monetary investment for Mira Este. On paper, Malan owns a fifty percent (50%) ownership interest in Mira Este.
- d. Fifty percent (50%) interest in Roselle. Roselle owns real property located at 10685

1 Roselle Street, San Diego, CA 92121. Razuki and Malan own, directly or indirectly,
2 a marijuana cultivation business located at 10685 Roselle Street. Razuki provided
3 fifty percent (50%) of the initial monetary investment for Roselle. On paper, Malan
4 owns a fifty percent (50%) ownership interest in Roselle.

5 e. A twenty percent (20%) interest in Sunrise Property Investments, LLC ("Sunrise").
6 Sunrise owns real property located at 3385 Sunrise Street, San Diego, CA 92102.

7 f. A twenty-seven percent (27%) in Super 5 Consulting Group, LLC ("Super 5"). Super
8 5 is the operator of a marijuana dispensary located at 3385 Sunrise Street, San Diego,
9 CA 92102.

10 22. For all the Partnership Assets, regardless of the paperwork, Razuki and Malan had an
11 oral agreement that after recuperating the initial investments, Razuki would share in seventy-five
12 percent (75%) of the profits & losses and Malan would share in twenty-five percent (25%) of the profits
13 & losses.

14 23. For Mira Este and Roselle, Hakim provided fifty percent (50%) of the initial investment
15 and owns a fifty percent (50%) ownership in Mira Este and Roselle.

16 24. SD United, Flip, Mira Este, and Roselle are all entities involved in Razuki and Malan's
17 marijuana operations. The marijuana operations were structured as such:

18 a. Balboa, CCG, and Devilish hold the California State Licenses for the marijuana
19 operations.

20 b. Flip served as the operator for the marijuana operations.

21 c. SD United, Mira Este, and Roselle are the property owners for the physical location
22 of the businesses and hold the Conditional Use Permits (CUPs), which are obtained
23 from the City of San Diego, for the marijuana operations.

24 25. Under this structure, Razuki believed all revenue and profits from the marijuana
25 operations would be deposited into accounts owned by either SD United, Flip, Mira Este, or Roselle.

26 **A. Dispute Regarding the Partnership Assets**

27 26. Unfortunately, this oral agreement was untenable. The agreement provided Malan
28 would maintain proper records of all the profits & losses from the businesses, which was not done.

27 27. Additional problems arose. In early 2017, Mira Este required capital for building

1 renovations. Malan, as the property manager, approached The Loan Company of San Diego, LP to
2 acquire a hard money loan for approximately one million dollars (\$1,080,000). Mira Este was the
3 named borrower on the loan and Razuki signed on as the guarantor of the loan. Razuki provided
4 additional property (property that was solely owned by Razuki) for collateral on the loan.

5 28. Because Razuki agreed to be guarantor and provided collateral, the loan was approved.

6 29. However, shortly after the funds were deposited into Mira Este's account, Malan
7 intended and did take \$390,000 of the new funds for his personal use. Hakim intended and did take
8 \$540,000 of the new funds for his personal use as well.

9 30. To date, the funds Malan withdrew from Mira Este's account have not been repaid.

10 **B. The Settlement Agreement**

11 31. In order to memorialize the oral agreement and resolve any ambiguities in Razuki and
12 Malan's business relationship, Razuki and Malan decided to enter into the Settlement Agreement. A
13 copy of the Settlement Agreement is attached as **Exhibit A**.

14 32. The Settlement Agreement had three central components:

- 15 a. Razuki and Malan would transfer all the Partnership Assets into a newly created
16 entity, RM Holdings within thirty (30) days;
- 17 b. Razuki and Malan would work together to calculate Razuki's cash investments
18 related to Partnership Assets within thirty (30) days; and,
- 19 c. After recuperating any initial cash investments, Razuki would receive seventy-five
20 (75%) of the profits & losses of RM Holdings and Malan would receive twenty-five
21 percent (25%) of the profits & losses of RM Holdings. This would essentially
22 formalize the prior oral agreement Razuki and Malan had with respect to all their
23 previous dealings regarding the Partnership Assets.

24 33. Razuki and Malan signed the Settlement Agreement on November 9, 2017.

25 34. Shortly after Razuki and Malan entered into the Settlement Agreement, Hakim was made
26 aware of the Settlement Agreement and of Malan's promise to transfer the Partnership Assets to RM
27 Holdings.

28 **C. Malan's Refusal to Perform on the Settlement Agreement and Fraudulent Conduct**

35. Even after signing the Settlement Agreement, problems continued. After the thirty-day

1 deadline to transfer Partnership Assets to RM Holdings had passed, Malan requested additional time to
2 perform an accounting of the Partnership Assets.

3 36. Malan also made changes relating to the marijuana operations. Starting around late 2017,
4 Malan contracted SoCal Building Ventures, LLC ("SoCal Building") to serve as the new operator for
5 the marijuana operations located at SD United, Mira Este, and Roselle. This arrangement was
6 memorialized in three separate agreement:

- 7 a. The "SD United Management Agreement" was between SoCal Building on one hand
8 and Balboa, SD United, Monarch, Hakim and Malan on the other.
- 9 b. The "Roselle Management Agreement" was between SoCal Building on one hand
10 and Roselle, Hakim, and Malan on the other.
- 11 c. The "Mira Este Management Agreement" was between SoCal Building on one hand
12 and CCG, Devilish, Mira Este, Hakim and Malan on the other.
- 13 d. Collectively, these agreements will be referred to as the "Management Agreements"
14 hereafter.

15 37. Under the terms of the Management Agreements, SoCal Building would retain all
16 revenue from the marijuana business. SoCal Building would then pay a monthly guaranteed payment
17 to Monarch for the opportunity to manage and profit from the marijuana business. Despite this contract
18 that required payment to Monarch, Malan informed Razuki that monthly guaranteed payment would be
19 deposited into either SD United, Flip, Mira Este, or Roselle.

20 38. The contract with SoCal Building also entitled SoCal Building to an option to purchase
21 a fifty percent (50%) interest in SD United, Mira Este, and Roselle.

22 39. Starting around January 2018, Malan and his counsel, David Jarvis, represented that
23 Malan was close to completing the sale of SD United, Mira Este, and Roselle to SoCal Building. Malan
24 and his counsel represented that transferring the properties to RM Holdings prior to the sale would
25 "complicate" the deal and recommended holding off on the transfer.

26 40. Based on these representations, Razuki trusted Malan and agreed to extend the time in
27 which the parties were required to transfer all Partnership Assets to RM Holdings. Between January
28 2018 to May 2018, Malan consistently ensured Razuki that he was negotiating the sale and intended to
split the proceeds 75/25.

1 41. While waiting for the sale to SoCal Building to be completed, Razuki requested
2 information regarding the current cash flow for SD United, Flip, Mira Este, and Roselle. Malan
3 informed Razuki that SD United, Flip, Mira Este, and Roselle were not producing any profits and were
4 just breaking even. When asked for accounting, Malan said he would provide the accounting but never
5 did.

6 42. On or about the second week of May 2018, Razuki met with the owner of SoCal
7 Building, Dean Bornstein.

8 43. Mr. Bornstein informed Razuki that he was unaware of Flip. Rather, pursuant to the
9 contract with Malan, SoCal Building deposited the monthly guarantee payment to Monarch.

10 44. Malan never informed Razuki of the existence of Monarch. Rather, Malan would
11 consistently tell Razuki that revenue was being deposited to either SD United, Flip, Mira Este, or
12 Roselle.

13 45. Mr. Bornstein also confirmed that the business was thriving and producing a significant
14 profit (directly contradicting what Malan told Razuki between January 2018 and May 2018).

15 46. Mr. Bornstein was also unaware that Razuki had a substantial interest in SD United, Flip,
16 Mira Este, and Roselle. Malan had concealed Razuki's involvement with the Partnership Assets and
17 did not disclose the existence of RM Holdings to Mr. Bornstein. Rather, Mr. Bornstein believed he
18 would be purchasing assets that solely belonged to Malan.

19 47. After having discovered this, Razuki learned of Malan's true intention, which was to cut
20 Razuki out of any deal to sell SD United, Flip, Mira Este, and Roselle to SoCal Building thereby
21 avoiding paying Razuki's his 75% share.

22 48. Razuki is informed and believes and thereon alleges that Malan intentionally concealed
23 Razuki's interest in SD United, Flip, Mira Este, and Roselle as a member of RM Holdings.

24 49. To date, Malan has never transferred any of the Partnership Assets to RM Holdings. Nor
25 has Malan signed any supplemental written agreements that would promise the proceeds of the sale of
26 SD United, Flip, Mira Este, and Roselle to which Razuki was entitled.

27 **D. Malan's Recent Attempts to Sabotage the Marijuana Businesses and RM Holdings**

28 50. On May 24, 2018, SoCal Building requested Malan and Hakim provide documents to
conduct a due diligence proving their ownership of SD United, Mira Este, and Roselle. SoCal Building

1 wished to execute their option to purchase fifty percent (50%) of these entities under the Management
2 Agreements.

3 51. On June 22, 2018, SoCal Building again requested Malan provide additional information
4 regarding his ownership of SD United, Mira Este, and Roselle. SoCal Building specifically mentioned
5 that it knew about Razuki's claim of ownership regarding these entities, contrary to Malan's previous
6 representations.

7 52. On July 9, 2018, Malan withdrew twenty-four thousand, twenty-eight dollars and ninety-
8 three cents (\$24,028.93) from RM Holdings' bank account. Razuki had individually deposited this
9 money into RM Holdings. Malan withdrew this money without obtaining consent from RM Holdings.

10 53. Razuki is informed and believes and thereon alleges that Malan withdrew these funds
11 from RM Holding for his personal use.

12 54. In the evening of July 9, 2018, Malan went to the retail dispensary located at 8863 Balboa
13 Ave. ("Tree House Balboa"). Malan took the key from the employee who was locking up and then
14 changed the locks, changed the password for the camera system, and blocked access to the Point of Sale
15 system at Tree House Balboa.

16 55. On July 10, 2018, a letter was sent to SoCal Building informing SoCal Building that
17 Management Agreements were immediately terminated for non-performance.

18 56. Razuki is informed and believes and thereon alleges that Malan individually does not
19 have the right to cancel the Management Agreements. Rather:

- 20 a. SD United and Balboa possess the right to cancel the SD United Management
21 Agreement;
- 22 b. Roselle possesses the right to cancel the Roselle Management Agreement; and
- 23 c. CCG, Devilish, and Mira Este possess the right to cancel the Mira Este Management
24 Agreement.

25 57. On July 10, 2018, an employee of SoCal Building that worked at Tree House Balboa
26 went to the retail location and found Malan in the store. Malan would not explain what he was doing
27 there. Malan also used another employee's credentials to access backend data reports regarding the
28 business. Malan also informed two other employees, Alexandra Clarke and Maria Ortega, to come to
the Tree House Balboa on July 10 to take inventory and meet the "new management."

58. On this same day, SoCal Building learned that Malan had changed the locks and denied entry to SoCal Building employees to the Mira Este and Roselle properties as well.

59. On July 11, 2018, Malan began redesigning the interior of the store and changed the front sign of the store to read “Golden State Balboa.”

60. Although Malan has locked out SoCal Building from the properties, Malan has not returned any equipment, inventory, security systems, or cash that belong to SoCal Building. Razuki is informed and believes and thereon alleges that Malan has converted over a million dollars' worth of equipment, inventory, security systems, and cash from SoCal Building.

61. Razuki is informed and believes and thereon alleges that on July 13, 2018, Malan and Hakim entered Mira Este in order to take SoCal Building's equipment.

62. San Diego Police Officers were called to the scene as Malan and Hakim's actions were reported as a theft. However, Malan and Hakim claimed that the property was their own and continued to remove SoCal Building's equipment and other possession from the property.

63. Razuki is informed and believes and thereon alleges Malan is attempting to end his relationship with SoCal Building because his fraudulent scheme to sell the Partnership Assets without Razuki was exposed. Malan and Hakim are now attempting to find new operators for the business in order to maintain the daily revenues from the business while avoiding any payments to SoCal Building, RM Holdings, or Razuki.

IV. CAUSES OF ACTION

FIRST CAUSE OF ACTION
Breach of Written Contract
(Against Malan and DOES 1-100)

64. Razuki realleges each and every paragraph of this First Amended Complaint as though fully set forth here.

65. Razuki and Malan voluntarily entered into the written Settlement Agreement.

66. Razuki performed all duties required under the Settlement Agreement. Any duties Razuki may have failed to perform were excused either by circumstance or waived by Malan.

67. The Settlement Agreement requires Malan to:

a. transfer all the Partnership Assets into RM Holdings within thirty (30) days;

- 1 d. intentionally lying about the profits generated from the Partnership Assets; and
2 e. intentionally attempting to deny Razuki profits from the potential sale of the
3 Partnership Assets.

4 74. As a direct and proximate cause of Malan's breach of the implied covenant, Razuki has
5 suffered substantial compensatory, incidental, and consequential damages.

6 **THIRD CAUSE OF ACTION**
7 **Breach of Oral Agreement**
8 **(Against Malan and DOES 1-100)**

9 75. Razuki realleges each and every paragraph of this First Amended Complaint as though
10 fully set forth here.

11 76. Pleading in the alternative, if the Court finds that the Settlement Agreement is not
12 enforceable, Razuki and Malan previously entered into a valid oral agreement regarding the ownership
13 interest for all Partnership Assets.

14 77. The oral agreement dictated that Razuki would provide the initial investment for the
15 Partnership Assets and Malan would manage the assets. After recuperating the initial investment,
16 Razuki would share in seventy-five percent (75%) of all the profits & losses and Malan would share in
17 twenty-five percent (25%) of all the profits & losses.

18 78. The oral agreement also required Malan, as the manager of the properties and businesses,
19 to provide Razuki with a proper accounting of all the Partnership Assets.

20 79. Razuki has fulfilled all obligations and duties required under the oral agreement by
21 providing the initial investment for the Partnership Assets.

22 80. Malan has breached the oral agreement by not distributing the revenue and profits to
23 Razuki and by not providing a proper accounting for Razuki.

24 81. As a direct and proximate cause of Malan's breach of the oral agreement, Razuki has
25 suffered substantial compensatory, incidental, and consequential damages.

26 **FOURTH CAUSE OF ACTION**
27 **Breach of Fiduciary Duty**
28 **(Against Malan, Hakim, Monarch, and DOES 1-100)**

82. Razuki realleges each and every paragraph of this First Amended Complaint as though
fully set forth here.

1 83. Malan, as a member of RM holding and as Razuki's agent/business partner, owed a
2 fiduciary duty to Razuki.

3 84. Malan has breached his fiduciary duty in multiple ways including, but not limited to, the
4 following:

- 5 a. failing to transfer ownership of the Partnership Assets to RM Holdings;
- 6 b. intentionally creating Monarch in order to divert revenue and profits away from Flip
7 and/or RM Holdings for his own personal interest;
- 8 c. intentionally lying about the profits generated from the Partnership Assets;
- 9 d. intentionally concealing his intentions to maintain his sole ownership of the
10 Partnership Assets by lying about his inability to provide proper accounting and
11 delaying the transfer of Partnership Assets to RM Holdings; and
- 12 e. taking \$24,000 out of RM Holdings bank account for his personal use.

13 85. These actions were not in the best interest of the business and constitute a blatant act of
14 self-dealing.

15 86. Additionally, Hakim and Monarch conspired with Malan to carry out these actions.

16 87. Hakim was aware of Malan's actions. He was aware that Razuki owned a substantial
17 interest in the Partnership Assets and was aware that the Partnership Assets should have been transferred
18 to RM Holdings. Hakim created Monarch with Malan in order to divert funds away from the Partnership
19 Assets as well.

20 88. Monarch, by way of its owners Hakim and Malan, was fully aware of the scheme to
21 defraud Razuki and directly participated in the scheme by accepting funds that were intended for the
22 Partnership Assets.

23 89. Because both were aware of and participated in Malan's scheme, Hakim and Monarch
24 are liable for a breach of fiduciary duty under a theory of civil conspiracy.

25 90. As a direct and proximate cause of Malan's breach of his fiduciary duty, Razuki has
26 suffered substantial compensatory, incidental, and consequential damages.

27 91. These actions were also intentional and fraudulent, entitling Razuki to seek punitive
28 and/or exemplary damages against Malan.

FIFTH CAUSE OF ACTION
Fraud and Deceit
(Against Malan and DOES 1-100)

92. Razuki realleges each and every paragraph of this First Amended Complaint as though fully set forth here.

Intentional Misrepresentation

93. Malan made a number of representations to Razuki. Specifically:

- a. Between January 2018 and May 2018, on multiple occasions, Malan told Razuki that the Partnership Assets were not producing profits and were merely breaking even;
- b. Between January 2018 and May 2018, on multiple occasions, Malan told Razuki that he was preparing an accounting of the Partnership Assets as per the Settlement Agreement; and
- c. Between January 2018 and May 2018, on multiple occasions, Malan told Razuki that it was necessary to delay the transfer of the Partnership Assets to RM Holdings because effectuating the transfer immediately would sabotage the sale of the Partnership Assets to SoCal Building.

94. These representations made by Malan were false.

95. Malan knew these representations were false:

- a. Since January 2018, Malan was fully aware of the truthful financial information regarding the Partnership Assets and knew they were producing profits;
- b. Since January 2018, Malan knew he was not preparing the accounting for the Partnership Assets; and
- c. Since January 2018, Malan knew that transferring the Partnership Assets to RM Holdings would not affect the deal with SoCal Building.

96. Malan intended to have Razuki to rely on these representations. Malan knew that telling Razuki these fraudulent misrepresentations would placate Razuki and would allow Malan to hide the profits and cash flow from the Partnership Assets.

97. Razuki reasonably reliable on these representations. He believed that he could trust Malan and that Malan would honor the Settlement Agreement. Because of this trust, Razuki did not attempt to litigate this matter or make further demands upon Malan.

1 **Intentional Concealment**

2 98. Malan, as a fiduciary and business partner to Razuki, owed a duty to truthfully inform
3 Razuki of all relevant information regarding the Partnership Assets.

4 99. Malan intentionally concealed a number of material facts from Razuki. Specifically:

5 a. Malan never informed Razuki that Malan created Monarch and directed SoCal
6 Building to deposit all profits of the retail business into Monarch's account instead
7 of Flip's account;

8 b. Malan never informed Razuki of his intention to sell off SD United, Flip, Mira Este,
9 and Roselle without the agreed upon compensation owed to Razuki under both their
10 oral agreement, as well as the Settlement Agreement.

11 100. Malan also concealed material facts from Razuki by denying Razuki access to the
12 financial records of SD Untied, Flip, Mira Este, and Roselle.

13 101. Before May 2018, Razuki had no knowledge of Monarch or of Malan's true intention
14 regarding the Partnership Assets. To date, Razuki is still being denied access to the accounts for SD
15 Untied, Flip, Mira Este, and Roselle.

16 102. Malan intentionally concealed these facts in order to deceive Razuki into thinking that
17 Malan would continue to honor their agreement (*i.e.* agreed upon profit split). Had Malan properly
18 disclosed these facts, Razuki would have acted differently (*e.g.*, he likely would not have allowed any
19 delay in transferring all Partnership Assets to RM Holdings).

20 **False Promise**

21 103. In November 2017, Malan agreed to the terms of the Settlement Agreement. However,
22 when Malan agreed to this promise, he never intended on carrying out the terms of the Settlement
23 Agreement. This is evidenced by Malan's immediate attempts to delay the execution of the Settlement
24 Agreement in order to carry out the sale of SD United, Flip, Mira Este, and Roselle to SoCal Building.

25 104. Malan intended to have Razuki rely on this promise. Specifically, Malan believed that
26 making this promise would placate Razuki so that Razuki would not demand further review or
27 accounting of the Partnership Assets.

28 105. Razuki relied on the Settlement Agreement and assumed Malan would agree to the stated
promises.

1 106. Malan did not perform his promise, as he never performed any of the duties outlined in
2 the Settlement Agreement.

3 107. As a direct and proximate cause of Malan's fraudulent misrepresentations, intentional
4 concealment and false promises, Razuki has suffered substantial compensatory, incidental, and
5 consequential damages.

6 108. These actions were also intentional and fraudulent, entitling Razuki to seek punitive or
7 exemplary damages against Malan.

8 **SIXTH CAUSE OF ACTION**

9 **Money Had and Received**

10 **(Against SD United, Flip, Mira Este, Roselle and DOES 1-100)**

11 109. Razuki realleges each and every paragraph of this First Amended Complaint as though
12 fully set forth here.

13 110. Pleading in the alternative, if the Court finds that the Settlement Agreement and the oral
14 agreement are not enforceable, Razuki is entitled to have his initial investment returned or his ownership
15 interest secured.

16 111. Over the course of his business relationship with Malan, Razuki has given money into
17 SD United, Flip, Mira Este, and Roselle.

18 112. This money given to SD United, Flip, Mira Este, and Roselle by Razuki was intended to
19 be an investment for Razuki for which he would receive substantial returns. Specifically, Razuki gave
20 this money to secure a seventy-five percent (75%) ownership interest in SD United and Flip and a thirty-
21 seven and one half percent (37.5%) ownership interest in Mira Este and Roselle.

22 113. The money given was not used for the benefit of Razuki, as Razuki still has not secured
23 an ownership interest in these entities, nor have the entities been transferred to RM Holdings pursuant
24 to the terms of the Settlement Agreement.

25 114. SD United, Flip, Mira Este, and Roselle have not returned to Razuki the funds which he
26 contributed to the Partnership Assets.

27 115. Razuki is entitled to have any money given to these entities returned in full or have his
28 ownership interest secured.

1 **SEVENTH CAUSE OF ACTION**

2 **Conversion**

3 **(Against Malan, Hakim, Monarch, and DOES 1-100)**

4 116. Razuki realleges each and every paragraph of this First Amended Complaint as though
5 fully set forth here.

6 117. Razuki holds a seventy-five percent (75%) interest in RM Holdings. RM Holdings,
7 pursuant to the Settlement Agreement has a right to full ownership of all the Partnership Assets, and all
8 revenue generated from the Partnership Assets. Therefore, any conduct that interferes with, devalues,
9 or converts property of RM Holdings would directly interfere with Razuki's property rights.

10 118. Malan, Hakim, and Monarch have interfered with RM Holdings' property. Specifically:

- 11 a. Malan has refused to transfer all Partnership Assets to RM Holdings as per the
12 Settlement Agreement;
13 b. Malan and Hakim intentionally withdrew \$1,000,000 from Mira Este's account that
14 was intended for construction renovations;
15 c. Malan, Hakim, and Monarch have diverted funds away from Flip and towards
16 Monarch thereby stealing money that belonged to RM Holdings and Razuki; and
17 d. Malan has withdrawn \$24,000 from RM Holdings' bank account without permission
18 from RM Holdings or Razuki and used said money for his personal gain.

19 119. Razuki has never consented to any of these actions by Malan, Hakim, or Monarch. In
20 fact, Malan, Hakim, and Monarch have done most of these actions without even informing Razuki.

21 120. As a direct and proximate cause of Malan's fraudulent misrepresentations, intentional
22 concealment and false promises, Razuki has suffered substantial compensatory, incidental, and
23 consequential damages.

24 121. These actions were also intentional and fraudulent, entitling Razuki to seek punitive or
25 exemplary damages against Malan.

26 **EIGHTH CAUSE OF ACTION**

27 **Accounting**

28 **(Against Malan, Hakim, and DOES 1-100)**

122. Razuki realleges each and every paragraph of this First Amended Complaint as though
fully set forth here.

1 123. Malan and Hakim has maintained exclusive control and possession of the Partnership
2 Assets' books and accounts. Razuki is informed and believes that Malan and Hakim has taken, for his
3 own use, large sums of money from the receipts and profits of the Partnership Assets exceeding his
4 rightful share. It is impossible to know the amount owned to Razuki or whether outstanding debts are
5 sufficient to exhaust the Partnership Assets without said accounting.

6 124. The Settlement Agreement required Malan to provide proper accounting for all
7 Partnership Assets. Despite this written agreement, Malan has refused and continues to refuse to
8 account to Razuki concerning their allocation of Partnership Assets profits/loses.

9 125. Razuki demands a full and proper accounting of the Partnership Assets to properly assess
10 potential damages.

11 **NINTH CAUSE OF ACTION**

12 **Appointment of Receiver** 13 **(Against All Defendants)**

14 126. Razuki realleges each and every paragraph of this First Amended Complaint as though
15 fully set forth here.

16 127. Razuki is informed and believes and upon such information and belief alleges that unless
17 a receiver is appointed, the property and accounts of the Partnership Assets are in danger of being lost,
18 removed or materially injured since Malan are in control of all Partnership Assets and is applying those
19 assets to their own use.

20 128. Razuki is informed and believes and thereon alleges that Malan and Hakim is
21 intentionally concealing his true intention with the hope of diverting funds away from the Partnership
22 Assets and towards other entities that are separate from Razuki. In order to protect these entities from
23 further waste and, the Court must appoint a receiver to take control of SD United, Flip, Mira Este,
24 Roselle, Balboa, CCG, Devilish, and Monarch.

25 129. Razuki requests that a temporary restraining order and preliminary and permanent
26 injunctions in aid of the receiver prohibiting Malan, Hakim and their agents, employees, and/or
27 representatives from engaging in, or performing, directly or indirectly, any or all of the following acts:

- 28 a. committing or permitting any waste of the SD United, Flip, Mira Este, Roselle,
Balboa, CCG, Devilish, and Monarch;
- b. interfering, hindering or molesting in any way whatsoever the receiver in the

1 performance of the receiver's duties and in this performance of any duties incidental
2 thereto;

3 c. transferring, directly or indirectly, any interest by sale, assignment or encumbrance
4 in any manner any of SD United, Flip, Mira Este, Roselle, Balboa, CCG, Devilish
5 and Monarch, and all proceeds thereof;

6 d. moving any of the assets of SD United, Flip, Mira Este, Roselle, Balboa, CCG,
7 Devilish, and Monarch from any location;

8 e. transferring, concealing, destroying, defacing and altering any of SD United, Flip,
9 Mira Este, Roselle, Balboa, CCG, Devilish, and Monarch's books and records;

10 f. demanding, collecting, receiving or in any way diverting or using the assets of SD
11 United, Flip, Mira Este, Roselle, Balboa, CCG, Devilish, and Monarch or proceeds
12 therefrom;

13 g. Failing or refusing to immediately turn over to the receiver all assets (including
14 licenses) of SD United, Flip, Mira Este, Roselle, Balboa, CCG, Devilish, and
15 Monarch, and all moneys, checks, funds or proceeds belonging to or for the benefit
16 of Razuki.

17
18 **TENTH CAUSE OF ACTION**
19 **Injunctive Relief**
(Against All Defendants)

20 130. Razuki realleges each and every paragraph of this First Amended Complaint as though
21 fully set forth here.

22 131. Currently, revenue that is meant for Flip is wrongly being diverted to Monarch.

23 132. In addition, there is a genuine possibility that Malan and Hakim will transfer a substantial
24 portion of the Partnership Assets before the conclusion of this instant litigation.

25 133. Unless Malan and Hakim are immediately enjoined from selling, transferring,
26 conveying, or otherwise secreting receipts, profits, and/or property of the Partnership Assets, Razuki
27 will suffer great irreparable harm, as selling the Partnership Assets will make it impossible for Razuki
28 to determine and receive his share of the Partnership Assets.

1 134. For this reason, we ask the Court to impose an injunction that:

- 2 a. Prohibits sale of SD United, Flip, Mira Este, Balboa, CCG, Devilish, and Roselle
3 until the conclusion of this litigation;
4 b. Prohibits the sale of Monarch and imposes a freeze on all accounts associated with
5 Monarch;
6 c. Requires that all future monies paid to Monarch be transferred and deposited into an
7 account owned by Flip;
8 d. Requires the transfer of all Partnership Assets to RM Holdings; and
9 e. Require Malan to return the \$24,000 he withdrew from RM Holdings' account.

10 **ELEVENTH CAUSE OF ACTION**

11 **Declaratory Relief**

12 **(Against Malan and DOES 1-100)**

13 135. Razuki realleges each and every paragraph of this First Amended Complaint as though
14 fully set forth here.

15 136. An actual controversy has arisen and now exists between Razuki and Malan concerning
16 their respective interest, rights and duties related to the Partnership Assets and RM Holding.

17 137. A judicial declaration is necessary and appropriate at this time under the circumstances
18 in order that Razuki may ascertain the rights and duties of the parties.

19 138. Razuki has suffered, and continues to suffer, financially by the unsettled state of affairs.
20 Malan's actions in denying Razuki's interest in the Partnership Assets has been to Razuki's detriment
21 and Razuki has incurred damages in an amount to be proven at trial.

22 139. Razuki desires a judicial determination of his rights and duties, and a declaration as to
23 the ownership and management of the Partnership Assets. Specifically, Razuki request the Court
24 declares:

- 25 a. Razuki has a seventy-five percent (75%) ownership interest in all Partnership Assets;
26 b. Razuki has not fully recuperated his initial investment in the Partnership Assets and
27 is entitled to full recuperation before any additional profits or revenue are distributed;
28 c. Malan and Hakim wrongfully utilized the tenant improvement funds intended for

- 1 Mira Este for their own personal gain; and,
2 d. All funds currently owned or possessed by Monarch are ill-gotten gains and truly
3 belong to Flip or RM Holdings.

4 **TWELFTH CAUSE OF ACTION**

5 **Constructive Trust**

6 **(Against Malan and Monarch and DOES 1-100)**

7 140. Razuki realleges each and every paragraph of this First Amended Complaint as though
8 fully set forth here.

9 141. Malan and Hakim has gained an ownership interest in the Partnership Assets by fraud,
10 accident, mistake, undue influence, the violation of a trust, or other wrongful act.

11 142. Malan and Hakim have wrongfully taken money designated for use by Mira Este for his
12 personal gain.

13 143. Monarch has received ill-gotten funds by Malan's scheme to wrongfully divert funds
14 intended for Flip to Monarch

15 144. Razuki is entitled to seventy-five percent (75%) of all Partnership Assets, including
16 seventy-five percent (75%) of all money transferred to Monarch.

17 145. Razuki is entitled to relief in the form of a constructive trust and asks the Court to declare:

- 18 a. Seventy-five (75%) ownership interest in Partnership Assets were wrongfully
19 obtained by Malan and are therefore held in involuntary trust for the benefit of
20 Razuki, pursuant to Civ. Code. §2223 and §2224; and
21 b. All proceeds of Monarch received by SoCal Building were wrongfully obtained by
22 Monarch and are therefore held in involuntary trust for the benefit of Flip and/or RM
23 Holdings.
24 c. All money taken by Malan and Hakim from Mira Este that were supposed to be used
25 for renovations were wrongfully obtained and therefore held in involuntary trust for
26 the benefit of Mira Este.
27 d. The \$24,000 withdrawn from RM Holdings' account by Malan was wrongfully
28 obtained and therefore held in involuntary trust for the benefit of RM Holdings.

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THIRTEENTH CAUSE OF ACTION

**Dissolution of RM Holdings
(Against Malan and DOES 1-100)**

146. Razuki realleges each and every paragraph of this First Amended Complaint as though fully set forth here.

147. For the reasons stated in this First Amended Complaint, dissolution of RM Holdings is necessary to protect the rights of Razuki, the majority interest member.

148. For the reasons stated in this First Amended Complaint, dissolution of RM Holdings is necessary as Malan is guilty of persistent fraud mismanagement and abuse of his authority.

149. Razuki request the Court issue a judicial decree dissolving RM Holdings after all Partnership Assets are transferred to RM Holdings.

FOURTEENTH CAUSE OF ACTION

**Intentional Interference with a Prospective Economic Relationship
(Against Malan, Hakim, Balboa, CCG, Devilish, and DOES 1-100)**

150. Razuki realleges each and every paragraph of this First Amended Complaint as though fully set forth here.

151. By way of the Settlement Agreement and the oral agreement (which gave Razuki/RM Holdings an ownership interest in SD United, Mira Este, and Roselle) Razuki had an indirect relationship with SoCal Building pursuant to the Management Agreements. This relationship would have resulted in an economic benefit to Razuki since any revenue or proceeds from a sale would have benefit RM Holdings.

152. Malan, Hakim, Balboa, CCG, and Devilish were parties to the Management Agreements and aware of Razuki's ownership interest in SD United, Mira Este and Roselle.

153. Malan, Hakim, Balboa, CCG, and Devilish intentionally engaged in conduct that disputed this relationship. Specifically:

- a. Malan, Hakim, Balboa, CCG, and Devilish wrongfully terminated the Management Agreements;
- b. Malan, Hakim, Balboa, CCG, and Devilish wrongfully precluded SoCal Building entry onto the SD United, Roselle, and Mira Este properties;

1 c. Malan, Hakim, Balboa, CCG, and Devilish wrongfully converted SoCal Building's
2 equipment, inventory, security systems, or cash; and

3 d. Malan, Hakim, Balboa, CCG, and Devilish wrongfully misrepresented the ownership
4 interests of SD United, Mira Este, and Roselle.

5 154. By engaging in this conduct, SoCal Building is not able to perform its duties under the
6 Management Agreement. This conduct has immediately stop all business activity and threatens any
7 potential sale of the SD United, Roselle, or Mira Este to SoCal Building under the Management
8 Agreements.

9 155. As a direct and proximate cause of Malan, Hakim, Balboa, CCG, and Devilish's
10 conduct, Razuki has suffered substantial compensatory, incidental, and consequential damages.

11 156. These actions were also intentional and fraudulent, entitling Razuki to seek punitive
12 and/or exemplary damages.

13 **FIFTEENTH CAUSE OF ACTION**

14 **Intentional Interference with a Contractual Relationship** 15 **(Against Hakim, Monarch, and DOES 1-100)**

16 157. Razuki realleges each and every paragraph of this First Amended Complaint as though
17 fully set forth here.

18 158. Razuki and Malan entered into the Settlement Agreement and oral agreements that
19 governed their business relationship.

20 159. Hakim and Monarch will fully aware of these contracts and agreements.

21 160. Hakim and Monarch prevented performance of these contracts and agreements by:

22 a. Intentionally diverting funds away from the Partnership Assets;

23 b. Intentional devaluing the Partnership Assets (e.g. taking the construction renovation
24 funds from Mira Este); and

25 c. Intentionally delaying and preventing the transfer of the Partnership Assets to RM
26 Holdings.

27 161. Hakim and Monarch intended to disrupt the performance of the Settlement Agreement
28 and oral agreements.

162. As a direct and proximate cause of Hakim and Monarch's conduct, Razuki has suffered

1 substantial compensatory, incidental, and consequential damages

2 163. These actions were also intentional and fraudulent, entitling Razuki to seek punitive
3 and/or exemplary damages.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, Plaintiff prays the court for judgment as follows:

6 **For the First Cause of Action (Breach of Written Contract)**

- 7 1. For just compensation as determined by the Court;
8 2. For attorneys' fees as permitted by contract and/or law;
9 3. For costs incurred in this action;
4. For such other and further relief as the Court may deem proper.

10 **For the Second Cause of Action (Breach of the Implied Covenant)**

- 11 1. For just compensation as determined by the Court;
12 2. For attorneys' fees as permitted by contract and/or law;
13 3. For costs incurred in this action;
14 4. For such other and further relief as the Court may deem proper.

15 **For the Third Cause of Action (Breach of the Oral Agreement)**

- 16 1. For just compensation as determined by the Court;
17 2. For attorneys' fees as permitted by contract and/or law;
18 3. For costs incurred in this action;
19 4. For such other and further relief as the Court may deem proper.

20 **For the Fourth Cause of Action (Breach of Fiduciary Duty)**

- 21 1. For just compensation as determined by the Court;
22 2. For attorneys' fees as permitted by contract and/or law;
23 3. For punitive/exemplary damages;
24 4. For costs incurred in this action;
25 5. For such other and further relief as the Court may deem proper.

26 **For the Fifth Cause of Action (Fraud and Deceit)**

- 27 1. For just compensation as determined by the Court;
28 2. For attorneys' fees as permitted by contract and/or law;

3. For punitive/exemplary damages;
4. For costs incurred in this action;
5. For such other and further relief as the Court may deem proper.

For the Sixth Cause of Action (Money Had and Received)

1. For just compensation as determined by the Court;
2. For attorneys' fees as permitted by contract and/or law;
3. For punitive/exemplary damages;
4. For costs incurred in this action;
5. For such other and further relief as the Court may deem proper.

For the Seventh Cause of Action (Conversion)

1. For just compensation as determined by the Court;
2. For attorneys' fees as permitted by contract and/or law;
3. For punitive/exemplary damages;
4. For costs incurred in this action;
5. For such other and further relief as the Court may deem proper.

For the Eighth Cause of Action (Accounting)

1. For just compensation as determined by the Court;
2. For attorneys' fees as permitted by contract and/or law;
3. For an accounting of all Partnership Assets.
4. For costs incurred in this action;
5. For such other and further relief as the Court may deem proper.

For the Ninth Cause of Action (Appointment of Receiver)

1. For just compensation as determined by the Court;
2. For attorneys' fees as permitted by contract and/or law;
3. For costs incurred in this action;
4. For an appoint of a Receiver to take control of SD United, Flip, Mira Este, Roselle and Monarch until the parties' rights to each entity are determined.
5. For a temporary restraining order and preliminary and permanent injunctions in aid of the receiver prohibiting Malan and his agents, employees, and/or representatives from engaging in,

1 or performing, directly or indirectly, any or all of the following acts:

- 2 a. committing or permitting any waste of the SD United, Flip, Mira Este, Roselle, and
- 3 Monarch;
- 4 b. interfering, hindering or molesting in any way whatsoever the receiver in the
- 5 performance of the receiver's duties and in this performance of any duties incidental
- 6 thereto;
- 7 c. transferring, directly or indirectly, any interest by sale, assignment or encumbrance in
- 8 any manner any of SD United, Flip, Mira Este, Roselle, and Monarch, and all proceeds
- 9 thereof;
- 10 d. moving any of the assets of SD United, Flip, Mira Este, Roselle, and Monarch from any
- 11 location;
- 12 e. transferring, concealing, destroying, defacing and altering any of SD United, Flip, Mira
- 13 Este, Roselle, and Monarch's books and records;
- 14 f. demanding, collecting, receiving or in any way diverting or using the assets of SD
- 15 United, Flip, Mira Este, Roselle, and Monarch or proceeds therefrom;
- 16 g. Failing or refusing to immediately turn over to the receiver all assets of SD United, Flip,
- 17 Mira Este, Roselle, and Monarch, and all moneys, checks, funds or proceeds belonging
- 18 to or for the benefit of Razuki.

19 6. For such other and further relief as the Court may deem proper.

20 **For the Tenth Cause of Action (Injunctive Relief)**

21 1. For an injunction that:

- 22 a. Prohibits sale of SD United, Flip, Mira Este, and Roselle until the conclusion of this
- 23 litigation;
- 24 b. Prohibits the sale of Monarch and imposes a freeze on all accounts associated with
- 25 Monarch;
- 26 c. Requires that all future monies paid to Monarch be transferred and deposited into an
- 27 account owned by Flip; and,
- 28 d. Requires the transfer of all Partnership Assets to RM Holdings.

- e. Require Malan to return the \$24,000 he withdrew from RM Holdings' account.
2. For costs incurred in this action;
3. For such other and further relief as the Court may deem proper.

For the Eleventh Cause of Action (Declaratory Relief)

1. For a judicial declaration stating:
 - a. Razuki has a seventy-five percent (75%) ownership interest in all Partnership Assets;
 - b. Razuki has not fully recuperated his initial investment in the Partnership Assets and is entitled to full recuperation before any additional profits or revenue are distributed;
 - c. Malan wrongfully utilized the tenant improvement funds intended for Mira Este for their own personal gain; and,
 - d. All funds currently owned or possessed by Monarch are ill-gotten gains and truly belong to Flip or RM Holdings.
2. For costs incurred in this action;
3. For such other and further relief as the Court may deem proper.

For the Twelfth Cause of Action (Constructive Trust)

1. For a judicial declaration stating:
 - a. Seventy-five (75%) ownership interest in Partnership Assets were wrongfully obtained by Malan and are therefore held in involuntary trust for the benefit of Razuki, pursuant to Civ. Code. §2223 and §2224; and
 - b. All proceeds of Monarch received by SoCal Building were wrongfully obtained by Monarch and are therefore held in involuntary trust for the benefit of Flip and/or RM Holdings.
 - c. All money taken by Malan from Mira Este that were supposed to be used for renovations were wrongfully obtained and therefore held in involuntary trust for the benefit of Mira Este.
 - d. The \$24,000 withdrawn from RM Holdings' account by Malan was wrongfully obtained and therefore held in involuntary trust for the benefit of RM Holdings.
2. For costs incurred in this action;
3. For such other and further relief as the Court may deem proper.

1 **For the Thirteenth Cause of Action (Dissolution)**

- 2 1. For a judicial decree dissolving RM Holdings after all Partnership Assets have been
3 transferred to RM Holdings.
4 2. For costs incurred in this action;
5 3. For such other and further relief as the Court may deem proper.

6 **For the Fourteenth Cause of Action (Interventional Interference with a Prospective Economic
7 Relationship)**

- 8 1. For just compensation as determined by the Court;
9 2. For attorneys' fees as permitted by contract and/or law;
10 3. For punitive/exemplary damages;
11 4. For costs incurred in this action;
12 5. For such other and further relief as the Court may deem proper.

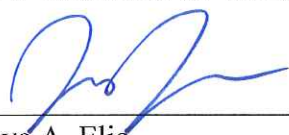
13 **For the Fifteenth Cause of Action (Intentional Interference with a Contractual Relationship)**

- 14 1. For just compensation as determined by the Court;
15 2. For attorneys' fees as permitted by contract and/or law;
16 3. For punitive/exemplary damages;
17 4. For costs incurred in this action;
18 5. For such other and further relief as the Court may deem proper.

19
20 DATED: 7/13/18

LAW OFFICES OF STEVEN A. ELIA, APC

21 By:



22 Steve A. Elia
23 Maura Griffin
24 James Joseph
25 Attorneys for Plaintiff SALAM RAZUKI

DEMAND FOR JURY TRIAL

Plaintiff hereby respectfully requests a trial by jury.

DATED: 7/13/18

LAW OFFICES OF STEVEN A. ELIA, APC

By:



Steve A. Elia
Maura Griffin
James Joseph
Attorneys for Plaintiff SALAM RAZUKI

EXHIBIT A

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AGREEMENT OF COMPROMISE, SETTLEMENT,
AND MUTUAL GENERAL RELEASE

This AGREEMENT OF COMPROMISE, SETTLEMENT, AND MUTUAL GENERAL RELEASE ("Agreement") is entered into by and between SALAM RAZUKI (hereinafter collectively "RAZUKI"), on the one hand, and NINUS MALAN (hereinafter "MALAN"), on the other. The persons to this Agreement may sometimes be referred to collectively as the "Parties" or separately as "Party". This Agreement is entered into with reference to the recitals set forth in the Article titled "Recitals" below and constitutes (i) a settlement agreement between the Parties and (ii) a mutual release of all liabilities of the Parties arising out of the matters described below and except as expressly otherwise noted herein.

ARTICLE I.
RECITALS

This Agreement is entered into with reference to the following facts:

1.1 RAZUKI and MALAN have engaged in several business transactions, dealings, agreements (oral and written), promises, loans, payments, related to the acquisition of real property and interests in various medical marijuana businesses. Specifically, RAZUKI and MALAN have each invested certain sums of capital for the acquisition of the following assets (collectively hereinafter referred to as the "Partnership Assets"):

(a) MALAN'S one hundred percent (100%) membership interest in SAN DIEGO UNITED HOLDING GROUP LLC, a California Limited Liability Company, and record owner of the following properties:

- i. The real property commonly known as 8859 BALBOA AVE., STE.. A, SAN DIEGO, CA 92123.
- ii. The real property commonly known as 8859 BALBOA AVE., STE.. B, SAN DIEGO, CA 92123.
- iii. The real property commonly known as 8859 BALBOA AVE., STE.. C, SAN DIEGO, CA 92123.
- iv. The real property commonly known as 8859 BALBOA AVE., STE.. D, SAN DIEGO, CA 92123.
- v. The real property commonly known as 8859 BALBOA AVE., STE.. E, SAN DIEGO, CA 92123.
- vi. The real property commonly known as 8861 BALBOA, STE. B, SAN DIEGO, CA 92123.
- vii. The real property commonly known as 8863 BALBOA, STE. E,

SAN DIEGO, CA 92123.

(b) One hundred percent (100%) membership interest in FLIP MANAGEMENT LLC, a California Limited Liability Company.

(c) MALAN'S fifty percent (50%) membership interest in MIRA ESTE PROPERTIES LLC, a California Limited Liability Company, and record owner of the real property commonly known as 9212 MIRA ESTE CT., SAN DIEGO, CA 92126.

(d) MALAN'S Fifty percent (50%) membership interest in ROSELLE PROPERTIES, LLC, a California Limited Liability Company, and record owner of the real property commonly known as 10685 ROSELLE ST., SAN DIEGO, CA 92121.

(e) RAZUKI'S twenty percent (20%) membership interest in SUNRISE PROPERTY INVESTMENTS, LLC, a California Limited Liability Company, the record owner of the real property located 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

(f) RAZUKI'S twenty seven percent (27%) membership interest in SUPER 5 CONSULTING GROUP, LLC, a California Limited Liability Company, which is the operator of a medical marijuana dispensary located at 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

1.2 RAZUKI and MALAN have an understanding such that regardless of which Party or entity holds title and ownership to the Partnership Assets, RAZUKI is entitled to a seventy-five percent (75%) interest in the capital, profits, and losses of each Partnership Asset and MALAN is entitled to a twenty five percent (25%) interest, and no Party is entitled to receive any profits whatsoever until, and unless the Parties have first been repaid their investment in full (hereinafter referred to as the "Partnership Agreement").

1.3 RAZUKI and MALAN have now formed RM PROPERTY HOLDINGS, LLC, a California Limited Liability Company (the "Company"), whereby RAZUKI and MALAN have agreed to transfer title to the Partnership Assets to the Company, and forever resolve any and all matters, claims or controversies that each Party may have against each other related to the Partnership Agreement as stated in this Agreement.

1.4 RAZUKI and MALAN have not recouped their financial investments in the Partnership Assets.

1.5 The Parties consider it to be in their best interests, in light of the cost of litigation, and to their best advantage, to forever dismiss, settle, adjust and compromise all claims and defenses which have been, or could have been asserted relative to their Partnership Agreement.

1.6 All claims are denied and contested, and nothing contained herein should be construed as an admission by any Party hereto of any liability of any kind to any other Party hereto or to any other person.

1.7 The Parties now wish to settle the dispute between them and forever release,

discharge, and terminate any and all liabilities arising out of, or existing or emanating from their Partnership Agreement, including all demands and causes of action, whether state, federal, or administrative, and whether actually raised or could have been raised by way of complaint, supplemental complaint, or cross-complaint except as expressly otherwise set forth within this Agreement. In order to effectuate this release, the Parties hereto enter into this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants, and upon the conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE II TERMS OF SETTLEMENT

2.1 Transfer of Partnership Assets to the Company. The Parties shall use their best efforts to effectuate the transfer of the Partnership Assets to the Company within thirty (30) days, and shall execute any and all further documents as may be necessary to carry out the same.

2.2 Financial Accounting. The Parties agree to work in good faith to calculate each of their respective cash investment amounts in the Partnership Assets within thirty (30) days and shall execute an amendment or exhibit to this Agreement to memorialize the same. Once executed, the exhibit or amendment shall be incorporated and become a part of this Agreement as though set forth originally (the "Accounting"). For avoidance of doubt, the amount agreed to in the Accounting shall be the amount of cash capital investment that must be first repaid to the Parties by the Company before either Party receives any profits therein (each referred to as the "Partners' Cash Investment").

2.3 The Company's Operating Agreement. The Parties hereby reaffirm and acknowledge the terms of the Operating Agreement provide for repayment of the Partners' Cash Investment prior to any distribution of profits and losses. The Parties further reaffirm that once the Partners' Cash Contribution has been repaid by the Company, then RAZUKI shall receive seventy five percent (75%) of the profits and losses of the Company and MALAN shall receive twenty five percent (25%), all as set forth under the terms of the Operating Agreement. It is the Parties' intention that once the Partnership Assets have been transferred to the Company and the Accounting has been agreed upon, then all other business matters shall be governed and controlled by the terms of the Operating Agreement and the Parties shall thereafter be released from all further liability to each other arising under their Partnership Agreement as set forth below.

ARTICLE III MUTUAL GENERAL RELEASE OF ALL CLAIMS

3.1 General Release. In consideration of the terms and provisions of this Agreement, the Parties hereto, on behalf of themselves, successors, and assigns, hereby forever relieve, release, and discharge each other, and their respective successors and assigns, and all of their respective present and former attorneys, accountants, agents, employees, representatives,

administrators, insurers, partners, directors, officers, shareholders, and heirs of and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, and expenses, including but not limited to attorney's fees, damages, actions, and causes of action of whatsoever kind or nature, specifically including those related to in any way, directly or indirectly, to any alleged past, present, or future claims for violations of any state, federal, or administrative code or statute, or any type of tort or conversion, or indemnification, contribution, or declaratory relief based on any type of allocation of fault, whether now known or unknown, suspected or unsuspected, based on, arising out of, or in connection with anything whatsoever done, omitted, or suffered to be done at any time, relating to, or in any matter connected with, directly or indirectly, the matters, facts or claims related to their Partnership Agreement as set forth in the Article of this Agreement titled "Recitals". This Agreement shall not be interpreted to bar any claims for the enforcement of the provisions of this Agreement or any provision of the Company's Operating Agreement. Furthermore, this release and settlement shall only be effective upon (i) the transfer to the Company of the Partnership Assets pursuant to section 2.1 above, and (ii) execution of an amendment or exhibit related to the Accounting. Thereafter, the Parties shall forever be barred from bringing any claims related to the Partnership Agreement as set forth herein, and all claims or controversies shall be governed by the terms of the Company's Operating Agreement.

3.2 Waiver under Section 1542 of the California Civil Code. The Parties hereto expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

In connection with such waiver and relinquishment, the Parties acknowledge that it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true. Nevertheless, it is the intention of the Parties, through this Agreement, and with the advice of counsel, if any, to fully, finally, and forever settle this dispute. Pursuant to that intention, the Parties expressly consent that this release shall have the same full force and effect as to unknown and unsuspected claims, demands, and causes of action, if any, as to those terms and provisions relating to claims, demands, and causes of action hereinabove specified.

3.3 Representations and Warranties. The Parties hereby represent and warrant to, and agree with each other as follows:

(a) The Parties hereto, and each of them, represent and declare that in executing this Agreement they have relied solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, if any, concerning the nature, extent, and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the same by any representations or statements covering any matters made by the other party hereto or by any person representing him or it.

(b) Except as expressly stated in this Agreement, neither of the Parties have made any statements or representations regarding any fact relied upon in entering into this Agreement, and the Parties specifically do not rely on any statements, representations, or promises in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement;

(c) The Parties, and their attorneys, if desired, have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto, as they deem necessary;

(d) The terms of this Agreement are contractual, not a mere recital, and are the result of negotiations between the Parties;

(e) The Recitals to this Agreement are expressly made a part hereof;

(f) This Agreement has been carefully read by the Parties hereto, and if they choose, by their attorneys; it is signed freely by each person executing this Agreement and each person executing this Agreement is empowered to do so.

(g) In entering into this Agreement, the Parties recognize that no facts or representations are absolutely certain. The Parties acknowledge that they are aware that they may, after execution of this Agreement, discover facts different from or in addition to those they now know or believe to be true with respect to the liabilities, actions or causes of action to be released. Accordingly, the Parties each assume their own risk of any incomplete disclosure or mistake. If the Parties, or each of them, should subsequently discover that any fact it relied upon in entering into this Agreement was untrue, or that any understanding of the facts or of the law was incorrect, such party shall not be entitled to set aside this Agreement by reason thereof. This Agreement is intended to be final and binding between the Parties hereto, and is further intended to be effective as a final accord and satisfaction between the Parties. The Parties are relying on the finality of this Agreement as a material factor inducing the Parties' execution of this Agreement.

(h) The consideration specified herein is given for the purpose of (i) settling and compromising all claims and disputes which have arisen between the Parties, and (ii) releasing the Parties by operation of this Agreement from any and all claims and liabilities, past, present, and future, that have or may arise out of the matters described in the Article titled "Recitals". Neither the payment nor tender of consideration, nor anything herein, shall be construed as an admission by any of the Parties, their agents, servants or employees, of any liability of any kind to the other.

(i) The Parties represent and warrant that they have not heretofore transferred or assigned or purported to transfer or assign to any person, firm, or corporation any claim, demand, damage, debt, liability, account, action or cause of action herein to be released.

(j) The Parties acknowledge the adequacy of the consideration given for the release

of all Parties in this Agreement and understands that irrespective of whether the consideration is expressly described herein, adequate consideration exists for the release of all Parties under this Agreement.

3.4 Non-Disparagement. The Parties further agrees not to make any statement or take any action, directly or indirectly, that harms, or could harm, the other Party's business interests, reputation or good will, including any statements that may be made to any past, current, or prospective employees, vendors, or any other third parties whatsoever. Accordingly, the Parties shall not make any statements, written or oral, which disparage the other; however, this provision shall not prevent the any Party from truthfully responding to any inquiry required by law or pursuant to a court order.

ARTICLE IV GENERAL PROVISIONS

4.1 Integration. This Agreement constitutes a single, integrated, written contract expressing the entire Agreement of the Parties hereto relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations, if any, are superseded by this Agreement.

4.2 No Construction Against Drafter. Each party to this Agreement and its legal counsel have reviewed and revised this Agreement. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any amendments or exhibits to this Agreement. This Agreement shall not be deemed prepared or drafted by one party or another, or its attorneys, and will be construed accordingly.

4.3 Modification. No modification, waiver, amendment, discharge, or any change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

4.4 Heirs, Successors, and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors, and assigns of the Parties hereto, and each of them.

4.5 Severability. In the event that any term, covenant, condition, or provision of this Agreement should be held to be void, voidable, or unenforceable, the remaining portions hereof shall remain in full force and effect.

4.6 Governing Law. This Agreement shall be construed in accordance with, and be governed by the laws of California.

4.7 Venue and Jurisdiction. In the event that any action, suit, or other proceeding arising from this Agreement is instituted, the parties agree that venue for such action shall be in San Diego County, and that personal jurisdiction and subject matter jurisdiction shall be

exercised by the Superior Court of the State of California, in and for the County of San Diego, Central Division.

4.8 Execution in Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement. This Agreement shall be deemed to be executed on the last date any such counterpart is executed.

4.9 Facsimile Signatures. This Agreement may be executed and a copy of such executed Agreement transmitted by facsimile, which when received can be used as an original of the Agreement for all purposes.

4.10 Costs and Attorney's Fees. The Parties hereto agree to bear his or its own costs and attorney's fees, and each party hereby waives any statute, rule of court, or other law, awarding costs, fees, or expenses relating to any litigation. Said waiver shall be effective with respect to the statutes, rules of court, or other laws or provisions of the United States and/or of each state, including, without limitation, the State of California. However, in the event that any action, suit, or other proceeding is instituted to interpret and/or enforce this Agreement, or arising out of a breach of this Agreement, the prevailing party shall recover all of such party's reasonable attorney's fees and costs incurred in each and every action, suit, or other proceeding, including any and all appeals or petitions therefrom.

4.11 Waiver. Any waiver of a default under this Agreement must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver. Consent to or approval of any act shall not be deemed to waive or render unnecessary consent to or approval of any other or a subsequent act.

4.12 Confidentiality. The terms of this Agreement are confidential. The Parties expressly understand and agree that it shall constitute a breach of this Agreement to disclose or communicate the terms of this settlement or to disseminate this Agreement to any third party (unless required by Court order or operation of law or to the Parties' respective attorneys, accountants or tax advisers).

4.13 Time of Essence. The Parties hereto agree and confirm that time is of the essence for execution, completion, and full performance of the terms and conditions of this agreement.

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IN WITNESS WHEREOF, the Parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 11/9/17

RAZUKI

By: 

SALAM RAZUKI

Dated: 11/9/17

MALAN

By: 

NINUS MALAN