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13 *Attorneys for Plaintiffs MKAY, INC.,*
14 *CBD, INC., GAGE COLLECTIVE, INC.,*
15 *CRUZ VERDE, INC., FLOWER REFINERY, INC.,*
16 *TRINK HEALTH, INC.,*
17 *GO GREEN MEDICAL HOLDINGS, INC.,*
18 *and FIVE POINT VENTURES, INC.*

19 **UNITED STATES DISTRICT COURT**
20 **CENTRAL DISTRICT OF CALIFORNIA**

21 MKAY, INC., a California Nonprofit
22 Mutual Benefit Corporation; GAGE
23 COLLECTIVE, INC., a California
24 Nonprofit Mutual Benefit
25 Corporation; FLOWER REFINERY,
26 INC., a California Nonprofit Mutual
27 Benefit Corporation; GO GREEN
28 MEDICAL HOLDINGS, INC., a
California Nonprofit Mutual Benefit
Corporation; CRUZ VERDE, INC., a
California Nonprofit Mutual Benefit
Corporation; CBD, INC., a California
Nonprofit Mutual Benefit
Corporation; TRINK HEALTH, INC.,
a California Nonprofit Mutual Benefit
Corporation; and FIVE POINT
VENTURES, INC., a California
Nonprofit Mutual Benefit Corporation,

Plaintiffs,

v.

Case No. 2:17-CV-01467-SJO-AFM

**PLAINTIFFS' FIRST AMENDED
COMPLAINT FOR:**

(1) CIVIL CONSPIRACY

(2) FRAUD

(3) 42 U.S.C. §1983

**(4) VIOLATION OF CALIFORNIA
CONSTITUTION, ART. I, § 2**

Judge: Hon. S. James Otero

1 CITY OF HUNTINGTON PARK, a
2 Municipality; GRACIELA ORTIZ, an
3 individual; MARILYN SANABRIA, an
4 individual; KARIAN MACIAS, an
5 individual; NATURAL
6 COMPASSIONATE CENTER, a
7 California Nonprofit Mutual Benefit
8 Corporation; MICHAEL A.
9 SCHENONE, an individual; UNITED
10 HEALTH & CARE CENTER, a
11 California Nonprofit Mutual Benefit
12 Corporation; VIBHA C. PATEL, an
13 individual; MIKE PATEL, an individual;
14 GOODNESS 4 LIFE, a California
15 Nonprofit Mutual Benefit Corporation;
16 ROBERT J. HODGE, an individual;
17 C4EVERSYSTEMS, LLC, a Delaware
18 Limited Liability Company; MJIC, INC.,
19 a California Corporation; and DOES 1
20 through 100, inclusive,

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Defendants.

1 COMES NOW, the Plaintiffs, MKAY, INC. ("MKAY"); GAGE
2 COLLECTIVE, INC. ("GAGE"); FLOWER REFINERY, INC. ("FRI"); GO
3 GREEN MEDICAL HOLDINGS, INC. ("GGMH"); CRUZ VERDE, INC.
4 ("CRUZ"); CBD, INC. ("CBD"); TRINK HEALTH, INC. ("TRINK"), and FIVE
5 POINT VENTURES, INC. ("FPV"), and hereby complains and alleges as follows:

6 1. At all times relevant to the facts alleged herein, Plaintiff MKAY, INC.
7 was and is a California nonprofit mutual benefit corporation duly organized and
8 operating with its principal place of business in Los Angeles County, California.

9 2. At all times relevant to the facts alleged herein, Plaintiff GAGE
10 COLLECTIVE, INC. was and is a California nonprofit mutual benefit corporation
11 duly organized and operating with its principal place of business in Los Angeles
12 County, California.

13 3. At all times relevant to the facts alleged herein, Plaintiff FLOWER
14 REFINERY, INC. was and is a California nonprofit mutual benefit corporation duly
15 organized and operating with its principal place of business in San Bernardino
16 County, California.

17 4. At all times relevant to the facts alleged herein, Plaintiff GO GREEN
18 MEDICAL HOLDINGS, INC. was and is a California nonprofit mutual benefit
19 corporation duly organized and operating with its principal place of business in Los
20 Angeles County, California.

21 5. At all times relevant to the facts alleged herein, Plaintiff CRUZ
22 VERDE, INC. was and is a California nonprofit mutual benefit corporation duly
23 organized and operating with its principal place of business in Los Angeles County,
24 California.

25 6. At all times relevant to the facts alleged herein, Plaintiff CBD, INC.
26 was and is a California nonprofit mutual benefit corporation duly organized and
27 operating with its principal place of business in Orange County, California.
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1 7. At all times relevant to the facts alleged herein, Plaintiff TRINK
2 HEALTH, INC. was and is a California nonprofit mutual benefit corporation duly
3 organized and operating with its principal place of business in Los Angeles County,
4 California.

5 8. At all times relevant to the facts alleged herein, Plaintiff FIVE POINT
6 VENTURES, INC. was and is a California nonprofit mutual benefit corporation
7 duly organized and operating with its principal place of business in Orange County,
8 California.

9 9. Plaintiffs are informed and believe, and based thereon allege, that at all
10 times relevant to the facts alleged herein, Defendant CITY OF HUNTINGTON
11 PARK was a municipality operating in Los Angeles County, California. Further,
12 Defendant CITY OF HUNTINGTON PARK took the actions complained of herein,
13 and the harms caused thereby occurred, in the County of Los Angeles, State of
14 California such that the Court's exercise of jurisdiction over it is just and proper

15 10. Plaintiffs are informed and believe, and based thereon allege, that at all
16 times relevant to the facts alleged herein, Defendant GRACIELA ORTIZ was and is
17 an individual residing in the State of California, County of Los Angeles. Further,
18 Defendant GRACIELA ORTIZ took the actions complained of herein in her
19 capacity as Mayor of Huntington Park, and the harms caused thereby occurred, in
20 the County of Los Angeles, State of California such that the Court's exercise of
21 jurisdiction over her is just and proper.

22 11. Plaintiffs are informed and believe, and based thereon allege, that at all
23 times relevant to the facts alleged herein, Defendant MARILYN SANABRIA was
24 and is an individual residing in the State of California, County of Los Angeles.
25 Further, Defendant MARILYN SANABRIA took the actions complained of herein
26 in her capacity as Vice Mayor of Huntington Park, and the harms caused thereby
27 occurred, in the County of Los Angeles, State of California such that the Court's
28 exercise of jurisdiction over her is just and proper.

1 12. Plaintiffs are informed and believe, and based thereon allege, that at all
2 times relevant to the facts alleged herein, Defendant KARINA MACIAS was and is
3 an individual residing in the State of California, County of Los Angeles. Further,
4 Defendant **KARINA MACIAS** took the actions complained of herein in her capacity
5 as **City Council Member** of Huntington Park, and the harms caused thereby
6 occurred, in the County of Los Angeles, State of California such that the Court's
7 exercise of jurisdiction over her is just and proper.

8 13. Plaintiffs are informed and believe, and based thereon allege, that at all
9 times relevant to the facts alleged herein, Defendant NATURAL
10 COMPASSIONATE CENTER was and is a California corporation operating with
11 its principal place of business in Los Angeles County, California. Further,
12 Defendant NATURAL COMPASSIONATE CENTER took the actions complained
13 of herein and the harms caused thereby occurred, in the County of Los Angeles,
14 State of California such that the Court's exercise of jurisdiction over it is just and
15 proper.

16 14. Plaintiffs are informed and believe, and based thereon allege, that at all
17 times relevant to the facts alleged herein, Defendant MICHAEL A. SCHENONE
18 was and is an individual residing in the State of California, County of San Mateo.
19 Further, Defendant MICHAEL A. SCHENONE took the actions complained of
20 herein and the harms caused thereby occurred, in the County of Los Angeles, State
21 of California such that the Court's exercise of jurisdiction over him is just and
22 proper.

23 15. Plaintiffs are informed and believe, and based thereon allege, that at all
24 times relevant to the facts alleged herein, Defendant UNITED HEALTH & CARE
25 CENTER was and is a California nonprofit mutual benefit corporation operating
26 with its principal place of business in Orange County, California. Further, Defendant
27 UNITED HEALTH & CARE CENTER took the actions complained of herein and
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1 the harms caused thereby occurred, in the County of Los Angeles, State of
2 California such that the Court's exercise of jurisdiction over it is just and proper.

3 16. Plaintiffs are informed and believe, and based thereon allege, that at all
4 times relevant to the facts alleged herein, Defendant VIBHA C. PATEL was and is
5 an individual residing in the State of California, County of Riverside. Further,
6 Defendant VIBHA C. PATEL took the actions complained of herein and the harms
7 caused thereby occurred, in the County of Los Angeles, State of California such that
8 the Court's exercise of jurisdiction over her is just and proper.

9 17. Plaintiffs are informed and believe, and based thereon allege, that at all
10 times relevant to the facts alleged herein, Defendant MIKE PATEL was and is an
11 individual residing in the State of California, County of Los Angeles. Further,
12 Defendant MIKE PATEL took the actions complained of herein and the harms
13 caused thereby occurred, in the County of Los Angeles, State of California such that
14 the Court's exercise of jurisdiction over him is just and proper.

15 18. Plaintiffs are informed and believe, and based thereon allege, that at all
16 times relevant to the facts alleged herein, Defendant GOODNESS 4 LIFE was and is
17 a California nonprofit mutual benefit corporation operating with its principal place
18 of business in Orange County, California. Further, Defendant GOODNESS 4 LIFE
19 took the actions complained of herein and the harms caused thereby occurred, in the
20 County of Los Angeles, State of California such that the Court's exercise of
21 jurisdiction over it is just and proper.

22 19. Plaintiffs are informed and believe, and based thereon allege, that at all
23 times relevant to the facts alleged herein, Defendant ROBERT J. HODGE was and
24 is an individual residing in the State of California, County of Santa Cruz. Further,
25 Defendant ROBERT J. HODGE took the actions complained of herein and the
26 harms caused thereby occurred, in the County of Los Angeles, State of California
27 such that the Court's exercise of jurisdiction over him is just and proper.

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1 20. Plaintiffs are informed and believe, and based thereon allege that at all
2 times relevant to the facts alleged herein, Defendant C4EVERSYSTEMS, LLC
3 (hereinafter, "C4Ever") was and is a Delaware limited liability company operating
4 with its principal place of business in Orange County, California. Further, C4Ever
5 took the actions complained of herein and the harms caused thereby occurred, in the
6 County of Los Angeles, State of California such that the Court's exercise of
7 jurisdiction over it is just and proper.

8 21. Plaintiffs are unaware of the true names, identities, and capacities,
9 whether individual, associate, corporate, or otherwise of the Defendants DOES 1
10 through 100, inclusive, and for this reason said Defendants are sued herein by such
11 fictitious names. When Plaintiffs ascertain the true names, identities, or capacities
12 of Defendants DOES 1 through 100, or any of them, Plaintiffs will amend this
13 Complaint to allege the same. Plaintiffs are informed and believe, and based
14 thereon allege, that at all times relevant to the facts alleged herein, each such
15 fictitiously named Defendant was the agent, servant, associate, or employee of each
16 of the other Defendants, and as such, was responsible in some manner for the acts,
17 occurrences, happenings and/or omissions hereinafter alleged.

18 22. Plaintiffs are informed and believe, and based thereon allege, that at all
19 times relevant to the facts alleged herein, each Defendant was the agent, servant or
20 employee of each of the other Defendants, and as such, was acting within the course
21 and scope of such agency or employment and with the express permission of,
22 consent to and/or ratification by Defendants, and each of them.

23 23. Plaintiffs are informed and believe, and based thereon allege, that each
24 of the Defendants, including DOES 1 through 100, inclusive, were, at all times
25 herein mentioned, acting in concert with, and in conspiracy with, each and every one
26 of the remaining Defendants.

27 24. Plaintiffs are informed and believe, and based thereon allege, that at the
28 time the events complained of herein occurred, Defendants were engaged in a joint

1 enterprise, whether social or otherwise, that each benefited by, and held a pecuniary
2 interest in, such that each Defendant is vicariously liable for the acts of each other
3 Defendant.

4 25. Wherever appearing in this Complaint, each and every reference to
5 Defendants and to any of them, is intended to be and shall be a reference to all
6 Defendants hereto, and to each of them, named and unnamed, including all
7 fictitiously named Defendants, unless said reference is otherwise specifically
8 qualified.

9 **GENERAL ALLEGATIONS**

10 26. C4Ever was founded by Michael Tuccelli-Margolin and Ronald
11 Hodges. C4Ever licensed the technology developed by General Payment Systems,
12 Inc. to provide payment kiosks that can be used in medical marijuana dispensaries to
13 eliminate cash handling by dispensary employees. The customer of the dispensary
14 and dispensary or both are charged a fee for the service of providing a cashless
15 management system. C4Ever markets itself as a solution to alleviate the risk of
16 operating a medical marijuana dispensary, typically a cash only enterprise.

17 27. In 2015 Ronald Hodges, Michael Tuccelli-Margolin, Josef Bobek III
18 and Larry Horwitz were each employed by or held ownership interest in C4Ever.
19 Ronald Hodges and Michael Tuccelli-Margolin held themselves out to be co-owners
20 of C4Ever. Josef Bobek III was the Chief Operating Officer and legal consultant.
21 Larry Horwitz was C4Ever's in-house securities attorney.

22 28. Mr. Horwitz is currently a named partner of the Orange County based
23 law firm H&A as well as General Counsel and Board member of Defendant MJIC
24 Inc. ("MJIC").

25 29. C4Ever's principals believed that it was in their best interest to
26 convince a city to require that every dispensary enter a contract with a third-party
27 provider who would provide a cashless management system. Unfortunately for
28 C4Ever, the attempts to convince any city to implement the third party payer

1 requirement fell on deaf ears. In 2015, C4Ever's principals decided that it was in
2 the company's best interest to seek assistance from a lobbyist.

3 30. It was around this time that C4Ever's principals made the acquaintance
4 of Efren Martinez, a "Mike Patel" (real name unknown), and Mario Beltran. Mr.
5 Martinez is a known "consultant" or lobbyist in the Southeast of Los Angeles
6 County. Mr. Patel has interest in a hotel in the city of Lynwood and is also a
7 lobbyist in southeast Los Angeles County. Mr. Beltran was a former council
8 member in the city of Bell Gardens and is also a lobbyist. Mr. Martinez, Mr. Beltran
9 and Mr. Patel are herein collectively referred to as the "Lobbyists."

10 31. The C4Ever principals, MJIC and the Lobbyists conspired to develop a
11 plan in which each would profit off the issuance of medical marijuana dispensary
12 licenses in the city of Huntington Park. By way of the agreement between the
13 C4Ever principals and the Lobbyists would convince the city council to draft a
14 medical marijuana ordinance which would allow up to three medical marijuana
15 dispensaries with on-site marijuana cultivation facilities in the city of Huntington
16 Park. The dispensaries would be required to use a cashless payment system and be
17 charged by the third party cash management system for that service.

18 32. It was agreed to by the Lobbyists, C4Ever and MJIC, represented by
19 Mr. Horwitz, that each of the consultants would be involved in the ownership or
20 control of the various dispensaries as well as obtain a percentage of the fees charged
21 by the cash management system. Each of the principals of C4Ever would also be
22 involved in the ownership and control of the three dispensaries.

23 33. Plaintiffs are informed and believe that the Lobbyists obtained the
24 agreement from Councilwoman Macias, Vice-Mayor Sanabria, and Mayor Ortiz,
25 prior to the drafting of the ordinance, that *only* the applications for the parties the
26 Lobbyists represented would be selected.

27 34. All Defendants, including the Lobbyists, Mr. Martinez, Mr. Patel, Mr.
28 Beltran; the City Councilwomen, Ms. Macias, Ms. Ortiz and Ms. Sanbria; as well as

1 the principals of C4Ever, Mr. Tucellie-Margolin, Mr. Bobek; and MJIC devised a
2 selection process to assure that only the three applications for the conspirators would
3 be selected.

4 35. In order to minimize competition from outside of the conspiracy and to
5 make it easier for the City Council to only select the Dispensary defendants, it was
6 agreed that upon passage of the medical marijuana ordinances the city would take
7 the following actions as part of its official policy in implementing the ordinance.

- 8 a. Issue applications in a short period of time and close the acceptance
9 of applications about two weeks later.
- 10 b. To further discourage applicants, the City of Huntington Park would
11 charge a non-refundable fee of five thousand dollars (\$5,000.00),
12 which was above the actual cost of reviewing the applications.
- 13 c. To further discourage applicants, the City would require that the
14 selection of the CUP recipients take place less than two weeks after
15 the final submission day the application were to be received.
- 16 d. The Councilwomen would instruct the city attorney to draft
17 language into the ordinance to prohibit other applicants from
18 lobbying the city councilmembers to advocate for the merits of their
19 application.
- 20 e. To avoid complications by the city staff, the Defendants agreed that
21 the application process would circumvent city staff who would
22 usually provide review and recommendations of any applicant.
23 Instead the review of each and every application would rest solely
24 on the city councilmembers.

25 36. The Council thereafter instructed the city attorney, Arnold Alvarez-
26 Glasman of the law firm of Alvarez-Glasman & Colvin to draft such an ordinance.

27 37. On or around April 4, 2016, the City of Huntington Park ("City")
28 adopted Ordinance Nos. 2016-945 and 2016-946 permitting and regulating the

1 operation of medical marijuana dispensaries and marijuana cultivation in
2 Huntington Park. The ordinances were drafted to provide anyone the ability to
3 submit an application if they desired to operate a medical marijuana business in the
4 city of Huntington Park. However, the application published by the city
5 misrepresented the truth, that only the three applicants represented by the Lobbyist
6 and MJIC would obtain approvals.

7 38. Ordinance Nos. 2016-945 amended the City's municipal code to allow
8 MMBs to operate in certain zones of the City. An MMB was defined in the
9 Ordinance as a medical marijuana dispensary, cultivation and manufacturing
10 facility, or joint dispensary and cultivation and manufacturing facility.

11 39. Ordinance No. 2016-946, among other things, added Article 24 to Title
12 3, Chapter 1 of the City of Huntington Park Municipal Code. Article 24, among
13 other things, set forth the application process for obtaining the required permits to
14 establish and operate an MMB in the City. A true and correct copy of Ordinance No.
15 2016-946 is attached hereto as **Exhibit 1** and incorporated herein.

16 40. The relevant portions of Ordinance No. 2016-946 are as follows.

17 **3-1.2403 Medical Marijuana Business Permit Required.**

18 A. Except for hospitals and research facilities that obtain written
19 permission for marijuana cultivation under federal law, it is
20 unlawful for any person to own, conduct, operate or maintain, or
21 to participate therein, or to cause or to permit to be conducted,
22 operated, or maintained, any medical marijuana business in the
23 City unless there exists a valid Permit therefore, granted and
24 existing in compliance with the provisions of this Article 24. It is
25 unlawful to establish any outdoor cultivation and manufacturing
26 facility within the City. It is unlawful for any entity organized on
27 a for-profit basis, except for hospitals and research facilities, to
28 engage in any medical marijuana business whatsoever.

1
2 B. Any use or activity that involves possessing, cultivating,
3 processing and/or manufacturing and/or more than 50 square feet
4 of cultivation area in the City...

5
6 **3-1.2404 Permit Application.**

7 A. On April 14, 2016, the City shall make available Permit
8 application forms and a related administrative policy. Each
9 medical marijuana business interested in operating pursuant to
10 this Article may submit an application together with a
11 nonrefundable processing fee in an amount established by the
12 City Council within twenty (20) days after April 14, 2016. The
13 City shall not accept applications or process applications after
14 this time. Thereafter, whenever a medical marijuana business
15 permit becomes available staff shall notify City Council, and
16 after receiving direction from City Council, staff shall notify the
17 public and open the application process for twenty (20) days
18 from the public notice. The City shall not accept applications or
19 process applications after this time.

20 B. Applicants are *prohibited from lobbying* members of the City
21 Council regarding the approval of a Permit. Applicants are
22 *prohibited from contacting* any City Council member regarding
23 a medical marijuana business or a Permit between the date that
24 the applications become available and the date that the City
25 Council acts on an application. Any attempt to contact a City
26 Council member during this period shall disqualify the applicant
27 from consideration for a Permit. **[Emphasis added.]**

28 C. Applications for Permits shall be in writing on forms prepared

1 and provided by the City and shall be filed with the City.
2 Applicants are not required to have secured a final location for
3 the medical marijuana business at the time of applying.
4 However, final approval of a Permit is subject to having a
5 location selected and approved by the City. Such applications
6 shall be under oath, in duplicate...

7 **3-1.2405 Investigation.**

- 8 A. The City Council shall cause investigations to be made to
9 ascertain what effect, if any, the issuance of the Permit will have
10 on the public peace, health, safety, and general welfare of the
11 City and its inhabitants.

12 **3-1.2406 Review and Issuance of Permit.**

- 13 A. The City Council shall review all applications and shall consider
14 the issuance of Permits at the first City Council meeting after
15 close of the application submittal period. The issuance of a
16 Permit by the City Council shall be discretionary based on the
17 following review criteria:

- 18 1. That the proposed medical marijuana business is
19 consistent with the intent of State law, the provisions of
20 this Article and the Municipal Code, including the
21 application submittal and operating requirements herein...
22 2. That all required application materials have been provided.
23 3. That the requested Permit would not exceed limitations on
24 number of licenses allowed by this Article...
25 B. The City Council shall grant, conditionally grant, or deny the
26 application.
27 C. The City Council shall issue no more than three (3) Permits for
28 the operation of medical marijuana businesses in the City. If

1 legalization of recreational marijuana passes at the state level, the
2 number of Permits shall still be limited to the three (3) Permits
3 referred to and stated in this subsection. A permittee may choose
4 to open and operate a dispensary, a cultivation and
5 manufacturing facility, or expand from either a dispensary or
6 cultivation and manufacturing facility to both a dispensary and
7 cultivation and manufacturing facility at the same location with
8 City Manager approval.

9 D. The determination of the City Council shall be final....” [see **Ex.**
10 **1, pp. 19-26.**]

11 41. Pursuant to Section 4 (Article 24, § 3-1.2404A) of Ordinance
12 No. 2016-946, on April 14, 2016 the City was “to make available Permit
13 Application forms and a related administrative policy.” Instead on that date the City
14 issued a document entitled “Medical Marijuana Business Permit Application
15 Guidelines” (“Guidelines”). Attached to the Guidelines were the Permit Application
16 forms. A true and correct copy of the Guidelines with Permit Application forms is
17 attached hereto as **Exhibit 2** and incorporated herein by this reference.

18 42. The City issued its “Administrative Policy Regarding Medical
19 Marijuana Business and Delivery Permits” (the “Policy”) on or around April 27,
20 2016. It required applicants to sign a statement that the applicant acknowledges
21 “receipt, review and understanding” of the Policy. A true and correct copy of the
22 Policy is attached hereto as **Exhibit 3** and incorporated herein by this reference.

23 43. Among other provisions, the Policy contained the following language.
24 **Applications will be deemed incomplete, disqualified and**
25 **denied approval if:...**

26 3. Applicants are *prohibited from lobbying* any
27 Huntington Park City Council Member or any
28 employee of the City of Huntington Park regarding

1 a medical marijuana business or a Permit
 2 Application between the date applications become
 3 available and the date the City Council acts on an
 4 application. *Any attempt to lobby* a City Council
 5 member or any employee of the City of Huntington
 6 Park during this period *shall disqualify* the
 7 applicant from consideration for a Permit.

8 [Emphasis added.]

9 **2. Application Procedure**

10 Applications for Permits will become available on April 14, 2016
 11 and will not be accepted until April 21, 2016. All Applications
 12 will be **due by 5:30 p.m. on May 4, 2016...**

13 Applications for permits will be approved based upon the
 14 discretion of the City Council. Based on the amount of
 15 applications received, Applications for Medical Marijuana
 16 Business Permits and Medical Marijuana Delivery Permits will
 17 be considered on May 17, 2016 by the City Council. Upon the
 18 submittal of the above-mentioned materials and payment of fees,
 19 each application will be assigned a case number (e.g. MMBP
 20 2016-01 or MMDP 2016-01). The Applicant, business owner,
 21 and/or a representative will be required to attend the City
 22 Council meeting held on the date listed above, and be prepared to
 23 address the City Council and answer questions and present
 24 evidence supporting the application for a Permit.

25
 26 All Applicants will be required to submit an application form,
 27 with required attachments, and a *nonrefundable application fee*
 28 *of \$5,000* and any additional fees that may be required. Complete

1 applications submitted by the deadline *will be redacted*,
2 *identified only by the assigned reference number* and submitted
3 to the City Council.

4 Applicants must provide one (1) original application packet with
5 original wet signatures and six (6) additional copies. [Emphasis
6 added.]

7 **3. Permit Evaluation and Award Process**

8 All Applications that have met all requirements, which include
9 turning in the Application on time and paying the requisite fee(s)
10 shall be deemed eligible for consideration.

11 **A. Medical Marijuana Business Permits**

12 The evaluation and award process will consist of 3 steps, at the
13 end of which a maximum of three (3) Medical Marijuana
14 Business Permits may be awarded...

15 **Step 1**

16 City Council shall be responsible for reviewing all eligible
17 *redacted* Applications individually and at their own leisure prior
18 to the awarding date (see B2 on the diagram). [Emphasis
19 added.]

20 **Step 2**

21 On the applicable evaluation and award date, each City Council
22 Member shall nominate up to five (5) different Applicants,
23 deemed eligible for consideration, to be eligible for the interview
24 process. Any applicant that
25 receives nominations from at least two (2) City Council
26 Members will move on to the interview stage.

27 **Step 3**

28 Applicants that have been selected to participate in the interview

1 stage shall receive five (5) minutes to give a short presentation
2 and afterwards make themselves available to answer any
3 questions from city council members.

4 Upon the conclusion of City Council interviews of all presenters
5 based on Step 2 of this process, the City Council shall then
6 deliberate and may select up to three (3) different applicants they
7 deem qualified to be awarded a Medical Marijuana Business
8 Permit. The selection shall be made through individual motions
9 for each Medical Marijuana Business Permit (up to three
10 permits/business licenses) of which each require a second and
11 thereafter a majority vote of the council in order to award each
12 Medical Marijuana Business Permit. The City reserves all rights
13 not to award any Medical Marijuana Business Permits at the
14 conclusion of this 3-step process....” [See Ex. 3, pp. 3-5.]

15 44. The application process required submission of a non-refundable
16 \$5,000.00 application fee. The names of the company and individual applicants
17 were to be redacted, and this requirement was presented to applicants as being based
18 on the need for anonymity and the elimination of potential bias in the selection
19 process. [See Ex. 2, p. 3; Ex. 3, p. 4.]

20 45. On May 17, 2016, the hearing to nominate up to five of the applicants,
21 and select up to three, transpired. Prior to the “review” of the applications, Ortiz
22 made it is a point to verbally represented that the process was “transparent” and that
23 every applicant had the opportunity to be chosen, despite the fact that each of the
24 Councilwomen knew that they would only be selecting the three Defendant
25 dispensaries charged in this complaint and represented by the Lobbyists and MJIC.
26 Only councilman Valentin Amezcuita took the position that the whole process was
27 illegal and that he would not take part.

28 46. The applicants were identified by numbers. The City Council made the

1 following nominations (the applicants that received the requisite number of two
2 votes are in bold):¹

3 Graciela Ortiz, Mayor **5, 16, 7, 2, 4**
4 Marilyn Sanabria, Vice Mayor 18, **5, 7, 4, 2**
5 Karina Macias, Member **5, 11, 2, 3, 4**
6 Valentin P. Amezcuita, Member No Nominations
7 Jhonny Pineda, Member 10, 12, 1, **11, 23**

8 47. The five applicants that were nominated were then interviewed.
9 Following the interviews, motions to approve were made for four of the
10 nominated applicants. Three of the motions were passed and one failed.
11 The votes were:

12 **Applicant 2** (MMBP-2016-02): motion passed 4-1

13 Graciela Ortiz, Mayor: Y

14 Marilyn Sanabria, Vice Mayor: Y

15 Karina Macias, Member: Y

16 Valentin P. Amezcuita, Member: N

17 Jhonny Pineda, Member: Y

18 **Applicant 4** (MMBP-2016-04): motion passed 3-2

19 Graciela Ortiz, Mayor: Y

20 Marilyn Sanabria, Vice Mayor: Y

21 Karina Macias, Member: Y

22 Valentin P. Amezcuita, Member: N

23
24 ¹ The applicants corresponding to the numbers which received at least two votes
25 and were therefore nominated were:

26 **Applicant 2** (MMBP-2016-02): Goodness for Life; Robert Hodge

27 **Applicant 4** (MMBP-2016-04): United Health and Care Center; Vibha C. Patel

28 **Applicant 5** (MMBP-2016-05): Natural Compassionate Center; Michael Schenone

Applicant 7 (MMBP-2016-07): Green Earth; Joel and Jennifer Machuca

Applicant 11 (MMBP-2016-11): Theraleaf

1 Jhonny Pineda, Member: N

2 **Applicant 5** (MMBP-2016-05): motion passed 3-1-1

3 Graciela Ortiz, Mayor: Y

4 Marilyn Sanabria, Vice Mayor: Y

5 Karina Macias, Member: Y

6 Valentin P. Amezquita, Member: N

7 Jhonny Pineda, Member: ABSTAIN

8 **Applicant 11** (MMBP-2016-11): motion failed 2-3

9 Graciela Ortiz, Mayor: N

10 Marilyn Sanabria, Vice Mayor: Y

11 Karina Macias, Member: N

12 Valentin P. Amezquita, Member: N

13 Jhonny Pineda, Member: Y

14 48. The first permit was given to Natural Compassionate Center (“NCC”)
15 and Michael Schenone (“Schenone”). NCC and Mr. Schenone were represented at
16 the hearing by Mikey Tuccelli-Margolin, who is VP of Operations of Defendant
17 C4Ever. C4Ever provides cash management, cash security and cash processing
18 systems for MMBs and the cannabis industry. [See <http://c4eversystems.com/>]

19 49. NCC’s and Mr. Schenone’s application contained what appeared to be
20 marketing materials of C4Ever. NCC’s name was **not** redacted from their
21 application as required in the Guidelines and the Policy. [See Ex. 2, p. 3; Ex. 3, p.
22 4.]

23 50. The second permit was given to United Health & Care Center
24 (“UHCC”) and Vibha C. Patel. The application of UHCC and Vibha Patel
25 contained what appeared to be marketing materials of C4Ever—the same or very
26 similar to those contained in the application of NCC and Mr. Schenone. UHCC and
27 Vibha Patel were represented at the hearing by Larry Horwitz of Defendant Horwitz
28 + Armstrong, PLC (“H&A”). H&A are named as UHCC’s legal consultant in

1 UHCC's application. UHCC's articles of incorporation were signed and filed with
2 the Secretary of State by Stephen M. Callegari, an attorney at H&A, on April 8,
3 2016. Plaintiffs are informed and believe, and based thereon allege, that Horwitz is
4 or was an advisor of C4Ever. UHCC's corporate address is 14 Orchard, Suite 200,
5 Lake Forest, California 92630. Defendant MJIC is the management company of
6 UHCC who is located at the same address as UHCC. UHCC's name was **not**
7 redacted from the application as required in the Guidelines and the Policy. [See Ex.
8 2, p. 3; Ex. 3, p. 4.]

9 51. The third and final permit was given to Goodness 4 Life ("G4L") and
10 Robert Hodge ("Hodge"). Plaintiffs are informed and believe, and based thereon
11 allege, that Hodge is the brother of Greg Hodge, who is the current CEO of C4. The
12 application of G4L and Hodge contained what appeared to be marketing materials of
13 C4Ever, the same or very similar to those contained in the application of NCC and
14 Mr. Schenone and the application of UHCC and Vibha Patel. As was the case with
15 UHCC, G4L's articles of incorporation were signed and filed with the Secretary of
16 State by Stephen M. Callegari, an attorney at Horwitz + Armstrong, PLC ("H&A"),
17 on April 8, 2016.

18 52. G4L's corporate address is 14 Orchard, Suite 200, Lake Forest,
19 California 92630, the same corporate address as UHCC and MJIC. G4L's name was
20 not redacted from the application as required in the Guidelines and Policy. [See Ex.
21 2, p. 3; Ex. 3, p. 4.]

22 53. Plaintiffs are informed and believe, and based thereon allege, that
23 Defendants City, Ms. Ortiz, Ms. Sanabria, and Ms. Macias had determined, prior to
24 the submission of the applications, which three entities or people would receive the
25 permits, and nevertheless accepted and kept the \$5000.00 nonrefundable fee paid by
26 each Plaintiff knowing in advance that none of the Plaintiffs would be awarded a
27 permit. Defendants purposely misrepresented the facts that the application process
28 was transparent and that all applicants had the opportunity to qualify. This was

1 further propagated by Mayor Ortiz and the other Councilwomen's statements and
2 their actions at the May 17, 2016 council meeting.

3 54. Plaintiffs are informed and believe, and based thereon allege, that this
4 decision resulted from the collusive agreement between and among the Defendants
5 to effect an illicit official City policy that would ensure that only their pre-
6 determined entities receiving permits, while defrauding other applicants, including
7 Plaintiffs, of their application fees and depriving them of a fair opportunity to obtain
8 permits. In particular, C4Ever, NCC, Mr. Schenone, UHCC, Mr. Patel, MJIC, G4L
9 and Mr. Hodge engaged in unlawful activity to convince the City, Ms. Ortiz, Ms.
10 Sanabria and Ms. Macias to vote in favor of three particular entities, NCC, UHCC
11 and G4L, in violation of Ordinance No. 2016-946, City's Guidelines and City's
12 Policy. [See Ex. 1, pp. 20-21, Section 3-1.2404 B; Ex. 3, p.3.]

13 55. Plaintiffs are informed and believe, and based thereon allege, that the
14 City, Ms. Ortiz, Ms. Sanabria and Ms. Macias engaged in public corruption by, after
15 they agreed as part of the conspiracy to award permits to NCC/Schenone,
16 UHCC/Patel and G4L/Hodge, enacting Ordinance 2016-946 that prevented any
17 other applicant or their agent from lobbying members of the City Council, which
18 absent the Ordinance may have resulted in a member or members of the City
19 Council changing their mind and reneging on the secret agreement to award the
20 permits to NCC/Schenone, UHCC/Patel and G4L/Hodge. [See Ex. 1, pp. 20-21,
21 Section 3-1.2404 B.]

22 56. Plaintiffs are informed and believe, and based thereon allege, that the
23 enterprise also involved public corruption in the way of bribes that Defendants
24 C4Ever, NCC, Mr. Schenone, UHCC, Mr. Patel, MJIC, G4L and Mr. Hodge gave,
25 or offered to give to Ms. Ortiz, Ms. Sanabria and Ms. Macias and each of them
26 received, or agreed to receive in exchange for each of their agreement to vote to
27 award the three MMB permits to NCC/Schenone, UHCC/Patel and G4L/Hodge.

28 57. The motivation behind this enterprise was to ensure that the software

1 and other products and services provided by C4Ever would be employed in all of the
2 legal medical marijuana operations in Huntington Park. Plaintiffs are informed and
3 believe, and based thereon allege, that C4Ever is currently in the process of working
4 with NCCC, UHCC and G4L, each involving contracts resulting in substantial
5 monetary benefits to C4Ever.

6 58. As evidence of the scheme, the applications for NCC, UHCC, and G4L
7 were not redacted in violation of the City's Guidelines and Policy that all eligible
8 applications submitted to the City Council would be redacted so that they are
9 identified only by an assigned reference number, and notwithstanding the statement
10 by City Attorney confirming, prior to the nominations by the City Council, that
11 "each council member read redacted applications" in which the name of the business
12 entity and individual applicant were redacted. [See Ex. 2, p. 3; Ex. 3, p. 4.]
13 Thereby the execution of the decision by City, Ortiz, Sanabria and Macias, as to
14 which applications to nominate and then award permits was facilitated because they
15 were identified by name not by just by a random number, which should have been
16 the case pursuant to City law and Policy.

17 59. On that day Ms. Ortiz, Ms. Macias, and Ms. Sanabria voted for to
18 provide the entites represented by the C4Ever principals only. It should be noted that
19 although the names of the applicants were to be removed or redacted per the
20 instructions, the names of the selected applicants were not redacted. Indeed, it was
21 the principals of C4Ever who were the "representatives" of the applicants at the
22 May 17, 2016 meeting. Mr. Larry Horwitz, Mr. Michael Tuccelli-Margolin and Mr.
23 Ronald Hodge's family member Mr. Robert Hodge represented the winning
24 applicants at the CUP hearing. The winning applicants were NATURAL
25 COMPASSIONATE CENTER, a California Nonprofit Mutual Benefit Corporation;
26 UNITED HEALTH & CARE CENTER, a California Nonprofit Mutual Benefit
27 Corporation and GOODNESS 4 LIFE, a California Nonprofit Mutual Benefit
28 Corporation. It should be noted that United Health & Care Center as well as

1 Goodness 4 Life corporations were both incorporated by Stephen M. Callegari, a
2 junior associate at Mr. Larry Horwitz law firm. Mr. Josef Bobek III served as
3 Natural Compassionate Center's agent for service of process during the relevant
4 period.

5 60. Plaintiffs are informed and believe, and based thereon allege, that
6 unlike Plaintiffs none of the three applicants awarded the permits, *i.e.* NCC, UHCC,
7 and G4L, had ever operated a medical marijuana business prior to submitting the
8 applications.

9 61. On September 26, 2016, Plaintiffs MKAY, GAGE, FRI, GGMH,
10 CRUZ, CBD and TRINK each filed a Claim for Damage with City pursuant to the
11 California Tort Claims Act. On October 4, 2016, Plaintiff FPV filed its Claim for
12 Damage with City pursuant to the California Tort Claims Act.

13 62. On October 13, 2016, the City served each Plaintiff with a Notice of
14 Claim Insufficiency stating that that the claim submissions were deficient pursuant
15 to California Government Code § 910(c). The Notice stated that each Plaintiff had
16 fifteen days to file amended claims correcting the deficiencies. On October 20,
17 2016, Plaintiffs each filed an amended Claim for Damage complying with City's
18 Notice that the alleged deficiencies be corrected.

19 63. On November 28, 2016, the City served each Plaintiff with a Notice of
20 Rejection of Claim. Each Plaintiff has thus exhausted its administrative remedies.

21 **FIRST CAUSE OF ACTION**

22 **Civil Conspiracy**

23 (Against All Defendants COMPASSIONATE CENTER; MICHAEL A.
24 SCHENONE; UNITED HEALTH & CARE CENTER; VIBHA C. PATEL;
25 GOODNESS 4 LIFE; ROBERT J. HODGE; C4EVERSYSTEMS, LLC; MJIC,
26 INC. and MIKE PATEL)

27 64. Plaintiffs hereby incorporate by this reference the allegations of
28 paragraphs 1 through 63 above as though set forth in full herein.

1 65. Defendants knowingly and willfully conspired and agreed among
2 themselves to defraud Plaintiffs by soliciting them to apply for the permits to
3 operate a medical marijuana business in the City of Huntington Park, while having
4 had already predetermined NCC/Schenone, UHCC/Patel and G4L/Hodge would be
5 awarded the three permits.

6 66. Pursuant to said conspiracy, and in furtherance thereof, the City,
7 Ms. Ortiz, Ms. Sanabria, and Ms. Macias accepted a \$5,000.00 nonrefundable fee
8 from each of the Plaintiffs, even though they never intended to provide any
9 consideration to the Plaintiffs' permit applications.

10 67. Pursuant to said conspiracy, and in furtherance thereof, C4Ever, NCC,
11 Schenone, UHCC, Patel, MJIC, G4L and Hodge lobbied, in violation of Ordinance
12 2016-946 and City Policy, and convinced the City, Ms. Sanabria, Ms., Macias, and
13 Ms. Ortiz to award NCC/Schenone, UHCC/Patel and G4L/ Hodge the three permits.
14 **[See Ex. 1, pp. 20-21, Section 3-1.2404 B; Ex. 3, p.3.]**

15 68. Pursuant to said conspiracy, and in furtherance thereof, C4Ever, NCC,
16 Mr. Schenone, UHCC, Mr. Patel, MJIC, G4L, and Mr. Hodge bribed Ms. Ortiz, Ms.
17 Sanabria, and Ms. Macias with moneys and/or other things of value.

18 69. Pursuant to said conspiracy, and in furtherance thereof, Ms. Ortiz, Ms.
19 Sanabria, and Ms. Macias accepted said bribes of moneys and/or other things from
20 C4Ever, NCC, Mr. Schenone, UHCC, Mr. Patel, MJIC, G4L, and Mr. Hodge.

21 70. Pursuant to the conspiracy, and in furtherance thereof, the City,
22 Ms. Ortiz, Ms. Sanabria, and Ms. Macias, after they agreed as part of the conspiracy
23 to award permits to NCC/Schenone, UHCC/Patel and G4L/Hodge, adopted
24 Ordinance No. 2016 946 that prevented any other applicant or their agent from
25 lobbying members of the City Council, which absent the Ordinance may have
26 resulted in a member or members of the City Council changing their mind
27 and reneging on the secret agreement to award the permits to NCC/Schenone,
28 UHCC/Patel and G4L/Hodge. **[See Ex. 1, pp. 20-21, Section 3-1.2404 B.]**

71. Pursuant to said conspiracy, and in furtherance thereof, Ms. Ortiz, Ms. Sanabria and Ms. Maccias voted, on the awarding of medical marijuana business permits brought before them in their official capacity as members of the City Council, in favor of NCC/Schenone, UHCC/Patel and G4L/Hodge.

72. Pursuant to said conspiracy, and in furtherance thereof, Defendants, and each of them, fraudulently concealed from Plaintiffs material facts regarding their actions to defraud Plaintiffs.

73. As a proximate result of the wrongful and illegal conduct of Defendants, and each of them, Plaintiffs suffered damages by being deprived of money paid for non-refundable permit application fees and moneys expended in drafting the lengthy permit application documents, and by losing the opportunity to operate their businesses in Huntington Park.

74. Defendants, and each of them, committed the wrongful conduct herein alleged maliciously and to oppress Plaintiffs. Plaintiffs are therefore entitled to exemplary or punitive damages in an amount to be determined at trial.

SECOND CAUSE OF ACTION

Fraud

(Against Defendants City, Ortiz; Sanabria and Macias By All Plaintiffs)

75. Plaintiffs hereby incorporate by this reference the allegations of paragraphs 1 through 74 above as though set forth in full herein.

76. Defendants engaged in conduct, in particular the defrauding of Plaintiffs by soliciting them to apply for the permits under the auspicious that every applicant had an opportunity to be chosen. This misrepresentation was propagated by the city as well as the City Councilwomen even though the Councilwomen knew that they would only choose the Dispensary Defendants represented by the Lobbyist to operate a medical marijuana business in the City of Huntington Park.

77. In addition to making implicit and explicit misrepresentations to Plaintiffs, the City and Councilwomen knowingly accepted a \$5,000.00

1 nonrefundable application fee from each of the Plaintiff with the intention of only
2 voting for the Defendant Dispensaries and individuals represented by the Lobbyists.

3 78. The City further represented to the public, by and through its agents,
4 officials, and publication, that they would be accepting applications for
5 consideration to be awarded permits to operate medical marijuana businesses in the
6 City of Huntington Park.

7 79. Defendants reasonably believed that Plaintiffs would and did rely upon
8 their representations and Plaintiffs reasonably relied upon Defendants’
9 representation, as they were by The City of Huntington Park and City Council in
10 their official capacity to draft regulations and guidelines for awarding of permits
11 within their municipality.

12 80. Plaintiffs applications were never given the promised fair
13 consideration, as Defendants had already preselected what entities would be
14 awarded the permits.

15 81. Defendants’ conduct amount to fraud pursuant to California Civil Code
16 §§ 1572, 1709, and 1710.

17 **THIRD CAUSE OF ACTION**

18 **Violation of Rights Under First Amendment To US Constitution**

19 **[42 USC § 1983]**

20 (Against Defendants City, Ortiz, Sanabria, and Macias By All Plaintiffs)

21 82. Plaintiffs hereby incorporate by this reference the allegations of
22 paragraphs 1 through 81 above as though set forth in full herein.

23 83. City Ordinance No. 2016-946 is an unconstitutional abridgment on its
24 face, and as applied, of Plaintiffs’ affirmative rights to freedom of speech under the
25 United States Constitution, First and Fourteenth Amendments.

26 84. City Ordinance No. 2016-946, on its face and as applied, is an
27 unconstitutionally overbroad restriction on expressive activity.

28 85. City Ordinance No. 2016-946, on its face and as applied, is a content-

1 based and viewpoint-based restriction on speech.

2 86. City Ordinance No. 2016-946, on its face and as applied, did not serve
3 a significant governmental interest.

4 87. City Ordinance No. 2016-946, on its face and as applied, did not leave
5 open ample alternative channels of communication.

6 88. City Ordinance No. 2016-946, on its face and as applied, is neither
7 narrowly tailored nor the least restrictive means to accomplish any permissible
8 governmental purpose sought to be served by the Ordinance.

9 89. City Ordinance No. 2016-946 is an irrational and unreasonable statute,
10 imposing unjustifiable restrictions on the exercise of protected constitutional rights.

11 90. City Ordinance No. 2016-946, on its face and as applied, violates the
12 California State Constitution by denying Plaintiffs' free speech rights and other
13 protections of state and federal law.

14 **FOURTH CAUSE OF ACTION**

15 **Violation of Rights Under Fifth and Fourteenth Amendment To US**

16 **Constitution [42 USC § 1983]**

17 (Against Defendants City, Ortiz, Sanabria and Macias by All Plaintiffs)

18 91. Plaintiffs hereby incorporate by this reference the allegations of
19 paragraphs 1 through 90 above as though set forth in full herein.

20 92. Defendant's denied Plaintiffs to procedural due process under the law
21 as the application and selection process detailed in Ordinances No. 2016-945 and
22 2016-946 were arbitrary and without consequence.

23 93. Defendants had previously agreed to vote only for the dispensary
24 Defendants represented by Lobbyists regardless of other applicants. This agreement
25 and its implementation were part of the City's official policy to defraud applicants
26 and ensure that only their pre-determined candidates would obtain permits.

27 94. Defendants purposely misrepresented to Plaintiffs and the public that
28 the selection process would not be arbitrary and would be transparent.

95. Plaintiffs reasonably relied and paid a non-refundable application fee of \$5,000.00 and submitted to the procedure.

96. Defendants knowingly accepted the applications without providing consideration to the Plaintiffs' application, summarily denying all applicants.

97. City action of creating a sham application and selection process violates the United States Constitution fifth and fourteenth amendment right to procedural due process under the law.

FIFTH CAUSE OF ACTION

Violation of California Constitution, Article I, § 2

(Against Defendants City, Ortiz, Sanabria and Macias by All Plaintiffs)

98. Plaintiffs hereby incorporate by this reference the allegations of paragraphs 1 through 96 above as though set forth in full herein.

99. City Ordinance No. 2016-946, on its face and as applied, violates Article I, § 2 of the California Constitution.

JURISDICTION AND VENUE

100. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 12 U.S.C. § 2614 because the matter arises under federal law, specifically, 42 U.S.C. 1983.

101. Venue is proper in this district under 28 U.S.C. § 1391(b) and 12 U.S.C. § 2614 because the substantial part of the events or omissions giving rise to the claims occurred in this district.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs pray that the Court:

1. enter judgment in favor of Plaintiffs and against Defendants, jointly and severally;
2. issue a declaratory judgment declaring that City of Huntington Park Municipal Code Title 3, Chapter 1, Article 24 is unconstitutional on its

1 face;

2 3. issue a declaratory judgment declaring that City of Huntington Park
3 Municipal Code Title 3, Chapter 1, Article 24 is unconstitutional as
4 enforced and as applied;

5 4. issue a temporary restraining order, and a preliminary and permanent
6 injunction preventing the City of Huntington Park from enforcing City
7 of Huntington Park Municipal Code Title 3, Chapter 1, Article 24;

8 5. enter judgment for general damages in an amount to be determined by
9 proof at trial;

10 6. enter judgment for punitive damages in an amount to be proven at trial;

11 7. enter judgment for damages in an aggregate amount of no less than
12 seventy five thousand dollars (\$75,000.00);

13 8. enter judgment for interest thereon at the legal rate;

14 9. award Plaintiffs' costs of this action and attorneys' fees; and

15 10. award such other and further relief as the Court deems just and proper.

16
17
18 DATED: May 22, 2017

D | R WELCH ATTORNEYS AT LAW
A PROFESSIONAL CORPORATION

19
20 By: /s/ David R. Welch
21 DAVID R. WELCH

22 *Attorneys for Plaintiffs*
23 *MKAY, INC., CRUZ VERDE, INC.,*
24 *GAGE COLLECTIVE, INC.,*
25 *FLOWER REFINERY, INC.,*
26 *GO GREEN MEDICAL HOLDINGS, INC.,*
27 *CBD, INC., TRINK HEALTH, INC. and*
28 *FIVE POINT VENTURES, INC.*

3892717

ARTS-MU

Articles of Incorporation of a Nonprofit Mutual Benefit Corporation

To form a nonprofit mutual benefit corporation in California, you can fill out this form or prepare your own document, and submit for filing along with:

- A \$30 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you **drop off** the completed form or document.

Important! Nonprofit corporations in California are **not** automatically exempt from paying California franchise tax or income tax each year. For information about tax requirements and/or applying for tax-exempt status in California, go to https://www.ftb.ca.gov/businesses/exempt_organizations or call the California Franchise Tax Board at (916) 845-4171.

Note: Before submitting this form, you should consult with a private attorney for advice about your specific business needs.

FILED *cc/7m4*
Secretary of State
State of California

APR 08 2016

This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm

Corporate Name (List the proposed corporate name. Go to www.sos.ca.gov/business/be/name-availability.htm for general corporate name requirements and restrictions.)

- ① The name of the corporation is United Health & Care Center

Corporate Purpose

- ② This corporation is a nonprofit **Mutual Benefit Corporation** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

Service of Process (List a California resident or an active 1505 corporation in California that agrees to be your initial agent to accept service of process in case your corporation is sued. You may list any adult who lives in California. You may **not** list your own corporation as the agent. Do not list an address if the agent is a 1505 corporation as the address for service of process is already on file.)

- ③ a. Vibha C. Patel

Agent's Name

- b. 3333 Walkenridge Dr., Corona

CA 92881

Agent's Street Address (if agent is not a corporation) - Do not list a P.O. Box City (no abbreviations) State Zip

Corporate Addresses

- ④ a. 14 Orchard, Suite 200, Lake Forest, CA 92630

Initial Street Address of Corporation - Do not list a P.O. Box City (no abbreviations) State Zip

- b.

Initial Mailing Address of Corporation, if different from 4a City (no abbreviations) State Zip

Additional Statements (The following statements are for tax-exempt status in California.)

- ⑤ a. The specific purpose of this corporation is to collectively and/or cooperatively benefit its members
- b. Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

This form must be signed by each incorporator. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of incorporation.

Stephen M. Callegari
Incorporator Sign here

Stephen M. Callegari, Esq.

Print your name here

Make check/money order payable to: **Secretary of State**
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail
Secretary of State
Business Entities, P.O. Box 944260
Sacramento, CA 94244-2600

Drop-Off
Secretary of State
1500 11th Street., 3rd Floor
Sacramento, CA 95814



**Secretary of State
Restated Articles of Incorporation
Nonprofit Mutual Benefit Corporation
to General Stock Corporation**

**RST
MU-GS**

FILED
Secretary of State
State of California
MAY 01 2018

IMPORTANT — Read instructions before completing this form.

Filing Fee — \$70.00

Copy Fees — First page \$1.00; each attachment page \$0.50;
Certification Fee — \$5.00

Note: You must file a Statement of Information (Form SI-550) to change the Corporation's business address(es) or to change the name or address of the Corporation's agent for service of process, which can be filed online at bizfile.sos.ca.gov.

icc
Above Space For Office Use Only

The undersigned certify that:

1. They are the President and Secretary of the following corporation:

1a. Current Corporation Exact Name (Enter the exact name on file with the California Secretary of State.)

GOODNESS 4 LIFE

1b. 7-Digit Secretary of State Entity (File) Number, if Known (Enter the exact 7-Digit Entity (File) Number issued by the California Secretary of State. If you do not know the Secretary of State Entity (File) Number, leave this space blank.)

3892716

2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

- I. Corporation Name** (See Instructions —If you are changing the name of your Corporation on file with the California Secretary of State, list the new proposed name. List the proposed new Corporation name exactly as it is to appear on the records of the California Secretary of State. If you are not changing the name, please list the name exactly as it currently appears on the records of the California Secretary of State.)

The Name of the Corporation is:

GOODNESS 4 LIFE

II. Authorized Shares (Enter the number of shares the corporation is authorized to issue. Do not leave blank or enter zero (0).)

The Corporation is authorized to issue only one class of shares of stock.

The total number of shares which this corporation is authorized to issue is 1000

III. Impact to Existing Membership Interests, If Any (Check only one box.)

☒ The corporation currently has outstanding membership interests and upon the filing of these Restated Articles of Incorporation each outstanding membership interest shall be canceled without consideration.

OR

☐ The corporation currently has outstanding membership interests and upon the filing of these Restated Articles of Incorporation each one outstanding membership interest shall be converted into one share of common stock of the corporation.

OR

☐ The corporation has no outstanding membership interests at the time of filing of these Restated Articles of Incorporation.

IV. Purpose Statement and Incorporation of Any Attachments (Do not alter Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code. Any attachment pages that may be filed along with this Form RST MU-GS are hereby incorporated by reference as if fully set forth herein.

— CONTINUE ON NEXT PAGE —

(Page 1 of 2)

Restated Articles of Incorporation

(Page 2 of 2)

3. Approvals (For membership approval, check only one box.)**3a.** The Restated Articles of Incorporation has been approved by the board of directors.**3b.** Member approval was (check one):☒ By the required vote of the members in accordance with California Corporations Code sections 7812, 7813 and 7819.

OR

☐ Not required because the corporation has no members.**Signatures** (See instructions for signature requirements. Note: Both lines must be signed.)

We declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate and attachments hereto, if any are true and correct of our own knowledge.

4-24-2018
Date

Signature

ROBERT J. HODGE

Type or Print Name of President

4-24-2018
Date

Signature

ROBERT J. HODGE

Type or Print Name of Secretary

**ATTACHMENT TO FORM RST MU-GS, GOODNESS 4 LIFE (C3892716), Restated
Articles of Incorporation**

Article V- Director Liability

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California Law. Any repeal or modification of this Article V shall be prospective only and shall not adversely affect any right or protection of a director or officer of this corporation existing at the time of such repeal or modification.

Article VI - Indemnification

- A. The corporation shall indemnify the directors and officers of the corporation to the fullest extent permissible under California Law.
- B. The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that the person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if that person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.
- C. The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was an agent of the corporation, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of the action if the person acted in good faith, in a manner the person believed to be in the best interests of the corporation and its shareholders.
- D. Any repeal or modification of this Article VI shall be prospective only and shall not adversely affect any right or protection of a director or officer of this corporation existing at the time of such repeal or modification.



State of California Secretary of State

N

Statement of Information

(Domestic Nonprofit, Credit Union and General Cooperative Corporations)

Filing Fee: \$20.00. If this is an amendment, see instructions.
IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FW38738**FILED**

In the office of the Secretary of State
of the State of California

MAY-01 2018

This Space for Filing Use Only

1. CORPORATE NAME

GOODNESS 4 LIFE

2. CALIFORNIA CORPORATE NUMBER

C3892716

Complete Principal Office Address (Do not abbreviate the name of the city. Item 3 cannot be a P.O. Box.)**3. STREET ADDRESS OF PRINCIPAL OFFICE IN CALIFORNIA, IF ANY**

CITY

STATE

ZIP CODE

14 ORCHARD, SUITE 200, LAKE FOREST, CA 92630

4. MAILING ADDRESS OF THE CORPORATION

CITY

STATE

ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)**5. CHIEF EXECUTIVE OFFICER/**

ADDRESS

CITY

STATE

ZIP CODE

ROBERT HODGE 14 ORCHARD, SUITE 200, LAKE FOREST, CA 92630

6. SECRETARY

ADDRESS

CITY

STATE

ZIP CODE

ROBERT HODGE 14 ORCHARD, SUITE 200, LAKE FOREST, CA 92630

7. CHIEF FINANCIAL OFFICER/

ADDRESS

CITY

STATE

ZIP CODE

ROBERT HODGE 14 ORCHARD, SUITE 200, LAKE FOREST, CA 92630

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 9 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 9 must be left blank.

8. NAME OF AGENT FOR SERVICE OF PROCESS (Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.)
LARRY HORWITZ**9. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL**

CITY

STATE

ZIP CODE

14 ORCHARD, SUITE 200, LAKE FOREST, CA 92630

Common Interest Developments

10. ☐ Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act, (California Civil Code section 4000, et seq.) or under the Commercial and Industrial Common Interest Development Act, (California Civil Code section 6500, et seq.). The corporation must file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code sections 5405(a) and 6760(a). Please see instructions on the reverse side of this form.

11. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

05/01/2018

RITA L STROM

PARALEGAL

DATE

TYPE/PRINT NAME OF PERSON COMPLETING FORM

TITLE

SIGNATURE

3897525

ARTS-MU

Articles of Incorporation of a Nonprofit Mutual Benefit Corporation

To form a **nonprofit mutual benefit corporation** in California, you can fill out this form or prepare your own document, and submit for filing along with:

- A \$30 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you **drop off** the completed form or document.

Important! Nonprofit corporations in California are **not** automatically exempt from paying California franchise tax or income tax each year. For information about tax requirements and/or applying for tax-exempt status in California, go to https://www.ftb.ca.gov/businesses/exempt_organizations or call the California Franchise Tax Board at (916) 845-4171.

Note: *Before submitting this form*, you should consult with a private attorney for advice about your specific business needs.

DBML
LCC
FILED

Secretary of State
State of California

APR 22 2016

1cc This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm

Corporate Name (List the proposed corporate name. Go to www.sos.ca.gov/business/be/name-availability.htm for general corporate name requirements and restrictions.)

- ① The name of the corporation is Natural Compassionate Center

Corporate Purpose

- ② This corporation is a nonprofit **Mutual Benefit Corporation** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

Service of Process (List a California resident or an active 1505 corporation in California that agrees to be your initial agent to accept service of process in case your corporation is sued. You may list any adult who lives in California. You may **not** list your own corporation as the agent. Do not list an address if the agent is a 1505 corporation as the address for service of process is already on file.)

- ③ a. Josef Bobek

Agent's Name

- b. 578 Washington Blvd., Suite 528, Marina del Rey CA 90292

Agent's Street Address (if agent is not a corporation) - Do not list a P.O. Box City (no abbreviations) State Zip

Corporate Addresses

- ④ a. 578 Washington Blvd., Suite 528, Marina del Rey, CA 90292

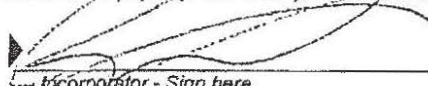
Initial Street Address of Corporation - Do not list a P.O. Box City (no abbreviations) State Zip

- b. _____
Initial Mailing Address of Corporation, if different from 4a City (no abbreviations) State Zip

Additional Statements (The following statements are for tax-exempt status in California.)

- ⑤ a. The specific purpose of this corporation is to promote health and any other lawful purpose.
- b. Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

This form must be signed by each incorporator. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of incorporation.


Incorporator - Sign here

Josef Bobek

Print your name here

Make check/money order payable to: **Secretary of State**
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail
Secretary of State
Business Entities, P.O. Box 944260
Sacramento, CA 94244-2600

Drop-Off
Secretary of State
1500 11th Street., 3rd Floor
Sacramento, CA 95814