

AUSTIN LEGAL GROUP, APC  
3990 Old Town Ave, Ste A-112  
San Diego, CA 92110

1 Gina M. Austin (SBN 246833)  
E-mail: *gaustin@austinlegalgroup.com*  
2 Tamara M. Leetham (SBN 234419)  
E-mail: *tamara@austinlegalgroup.com*  
3 AUSTIN LEGAL GROUP, APC  
3990 Old Town Ave, Ste A-112  
4 San Diego, CA 92110  
Phone: (619) 924-9600  
5 Facsimile: (619) 881-0045

6 Attorneys for Defendants  
Ninus Malan, San Diego United Holdings Group,  
7 Balboa Ave Cooperative, Flip Management,  
California Cannabis Group  
8

**ELECTRONICALLY FILED**  
Superior Court of California,  
County of San Diego  
**10/24/2018** at 09:54:00 AM  
Clerk of the Superior Court  
By E- Filing, Deputy Clerk

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **COUNTY OF SAN DIEGO- CENTRAL DIVISION**  
11

12 SALAM RAZUKI, an individual,

13 Plaintiff,

14 vs.

15 NINUS MALAN, an individual; CHRIS  
16 HAKIM, an individual; MONARCH  
MANAGEMENT CONSULTING, INC., a  
17 California corporation; SAN DIEGO  
UNITED HOLDINGS GROUP, LLC, a  
18 California limited liability company; FLIP  
MANAGEMENT, LLC, a California  
19 limited liability company; ROSELLE  
PROPERTIES, LLC, a California limited  
20 liability company; BALBOA AVE  
COOPERATIVE, a California nonprofit  
21 mutual benefit corporation; CALIFORNIA  
CANNABIS GROUP, a California  
22 nonprofit mutual benefit corporation;  
DEVILISH DELIGHTS, INC. a California  
23 nonprofit mutual benefit corporation; and  
DOES 1-100, inclusive;

24 Defendants.  
25

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

**DECLARATION OF GINA M. AUSTIN IN  
SUPPORT OF EX PARTE APPLICATION  
TO SEEK A MODIFICATION OF THE  
RECEIVERSHIP ORDER**

[Imaged File]

Judge: Hon. Eddie C. Sturgeon

Dept: C-67

Date: October 25, 2018

Time: 8:30 a.m.

1 I, Gina M. Austin, declare:

2 1. I am attorney admitted to practice before this Court and all California courts and,  
3 along with Tamara M. Leetham, represent defendants Ninus Malan (“Malan”), San Diego United  
4 Holdings Group (“San Diego United”), Balboa Ave Cooperative (“Balboa”), California Cannabis  
5 Group (“CCG”), and Devilish Delights (collectively “Malan Defendants”) in this matter. I make  
6 this declaration in support of the Malan Defendants ex parte application to seek an order  
7 approving priority payment to Far West Operating, LLC out of Balboa Ave Cooperative’s  
8 operating revenues. Unless otherwise stated, all facts testified to are within my personal  
9 knowledge and, if called as a witness, I would and could competently testify to them.

10 2. On October 24, 2018 at 7:43 am our office gave ex parte notice via email to  
11 counsel for plaintiff Salam Razuki, cross-complainant American Lending and Holdings, LLC,  
12 defendants Flip Management, LLC, Chris Hakim, Mira Este Properties, LLC, Monarch  
13 Management Consulting, LLC, Roselle Properties, LLC, and cross-defendants San Diego  
14 Building Ventures, LLC, and SoCal Building Ventures, LLC. I provided the basis for the ex parte  
15 application, the relief requested, and the time, place and date of hearing. As of the signing of this  
16 declaration, I have not heard whether they intend to oppose the application. A true and correct  
17 copy of the notice provided is attached hereto as Exhibit A.

18 3. Attached as Exhibit B is a true and correct copy of an October 16, 2018 email from  
19 Richardson Griswold, counsel for receiver Michael Essary, stating the payment of the Receiver’s  
20 fees, the Receiver’s counsel’s fees, and the expenses of the receivership have priority over all  
21 other expenses of the marijuana operation.

22 4. Attached as Exhibit C is a true and correct copy of an email chain between Salas  
23 Financial and defendant Ninus Malan regarding the status of the mortgage payments for Balboa  
24 Ave Cooperative and Mire Este. As of October 10, 2018, the mortgages were past due and near  
25 the brink of default.

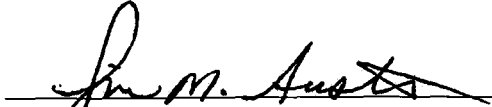
26 5. Attached as Exhibit D is a true and correct copy of an email chain dated October  
27 18, 2018 between Michael Essary, and counsel for the parties of this lawsuit, discussing obtaining  
28 a third party funding letter of intent of approximately \$500,000 for maintenance of the

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receivership, due to bills being unpaid and mortgages for Balboa Ave Cooperative and Mira Este being unpaid.

6. Attached as Exhibit E is a true and correct copy of an email chain dated October 23, 2018, between myself, Mr. Essary, and his counsel Mr. Griswold providing them with the monthly budget that Balboa Ave Cooperative requires to operate.

I declare under penalty of perjury under California state law that the foregoing is true and correct. Executed in San Diego, California, on October 24, 2018.

  
Gina M. Austin

case

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of

Mr. Essary is

**EXHIBIT A**

**Andrews, Richard**

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**From:** Andrews, Richard  
**Sent:** Wednesday, October 24, 2018 7:43 AM  
**To:** steve@elialaw.com; 'maura@elialaw.com'; rgriswold@griswoldlawsandiego.com; rf Fuller@nelsonhardiman.com; dwatts@galuppolaw.com; chasgoria@gmail.com; Matthew Dart (matt@dartlawfirm.com); 'mahoney@wmalawfirm.com'  
**Cc:** Austin, Gina  
**Subject:** Ex Parte Notice for October 25, 2018  
**Attachments:** 18-1023 Ex Parte Notice Letter 10-25-18.pdf

Counsel:

Please see the attached notice regarding our Ex Parte hearing set for October 25, 2018, and let us know if you will be opposing and/or appearing.

Best,

Richard L. Andrews Jr., Esq.

Austin Legal Group, APC  
3990 Old Town Ave, Suite A-112, San Diego, California 92110  
Office Phone: 619.924.9600 // Office Fax: 619.881.0045  
[richard@austinlegalgroup.com](mailto:richard@austinlegalgroup.com)

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# Austin Legal Group, APC

LAWYERS  
3990 OLD TOWN AVE, STE A-112  
SAN DIEGO, CA 92110

LICENSED IN CALIFORNIA & ARIZONA  
TELEPHONE  
(619) 924-9600

FACSIMILE  
(619) 881-0045

Writer's Email:  
richard@austinlegalgroup.com

October 24, 2018

Via E-Mail Only

Steven Elia  
Maura Griffin  
Law Offices of Steven Elia  
2221 Camino Del Rio So., Suite 207  
San Diego, CA 92108  
steve@elialaw.com  
maura@elialaw.com

Robert Fuller  
Nelson Hardiman, LLP  
11835 West Olympic Blvd, Suite 900  
Los Angeles, CA 90064  
rfuller@nelsonhardiman.com

Charles Gorla  
Gorla Weber & Jarvis  
1011 Camino Del Rio South, Suite 210  
San Diego, CA 92108  
chasgorla@gmail.com

Matt Mahoney  
Witham Mahoney & Abbott, LLP  
401 B Street Suite 2220  
San Diego, CA 92101  
mahoney@wmalawfirm.com

Richardson Griswold  
Griswold Law APC  
444 S. Cedros Ave #250  
Solana Beach, CA 92075  
rgriswold@griswoldlawsandiego.com

Daniel Watts  
Galuppo & Blake  
2792 Gateway Road, Suite 102  
Carlsbad, CA 92009  
dwatts@galuppolaw.com

Matt Dart  
Dart Law  
12526 High Bluff Drive, Suite 300  
San Diego, CA 92130  
matt@dartlawfirm.com

**Re: Ex Parte Notice- October 23, 2018  
Case No. 37-2018-00034229-CU-BC-CTL  
Razuki v. Malan**

To All Counsel:

This letter constitutes notice that defendants Ninus Malan, San Diego United Holdings Group, Balboa Ave Cooperative, California Cannabis Group and Devilish Delights will be appearing ex parte to seek an order approving priority payment to Far West Operating, LLC out of Balboa Ave Cooperative's operating revenues pursuant to a budget of \$216,313.00 per month, in order to continue operations.

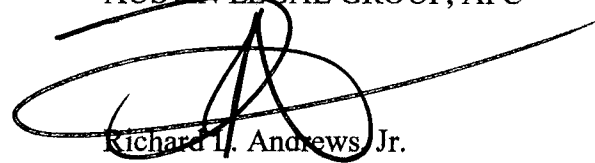
The monthly budget is comprised of the following necessary categories: (1) Advertising - \$13,338; (2) Security - \$16,128; (3) ATM - \$56,280; (4) Product Vendors - \$68,284; (5) Maintenance - \$1,283; and (6) Management Fees - \$61,000.

The ex parte will be heard October 25, 2018 at 8:30 a.m. in Department C-67 of the San Diego County Superior Court – Central Division located at 330 W. Broadway, San Diego, California 92101 before the Honorable Eddie C. Sturgeon.

Unless you notify us otherwise, we will presume you will appear at the ex parte hearing. Please do not hesitate to contact us should you have any questions.

Sincerely,

AUSTIN LEGAL GROUP, APC

A handwritten signature in black ink, consisting of a large, stylized 'A' with a horizontal line extending to the right, crossing over the top of the 'A'.

Richard I. Andrews Jr.

...writing other reasons  
Mr. [Name]

...of the operations: [Name]

...writing other reasons  
Mr. [Name]

**EXHIBIT B**



**Austin, Gina**

**From:** Richardson Griswold <rgriswold@griswoldlawsandiego.com>  
**Sent:** Tuesday, October 16, 2018 3:33 PM  
**To:** Steven Elia; Maura Griffin; James Joseph; Salvatore J. Zimmitti; Austin, Gina; Leetham, Tamara; charles goria  
**Cc:** Mike; Jamie Eberhardt  
**Subject:** Razuki/Malan: outstanding receivership invoices  
**Attachments:** 10.01.18 receivership billings Essary Griswold Brinig.pdf

Counsel,

Per the Court's orders, the payment of the Receiver's fees, his counsel's fees and the expenses of the receivership (i.e. Brinig's fees) have priority over all other expenses of the marijuana operations. Attached are the the invoices for the Receiver, Receiver's counsel and Mr. Brinig as of October 1, 2018. They remain unpaid. These invoices are to be addressed before payment of any other expenses.

This, among other reasons, is adding to the urgency of the operational funding at this time. As you all know, Mr. Essary is actively exploring outside funding options.

Thanks,  
Red

Richardson C. Griswold, Esq.  
Griswold Law, APC  
444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Tel: 858.481.1300  
Fax: 888.624.9177  
[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
[www.griswoldlawsandiego.com](http://www.griswoldlawsandiego.com)

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Information set  
and may con

**BRINIG TAYLOR ZIMMER**  
INCORPORATED

FORENSIC ACCOUNTING AND BUSINESS VALUATION

401 B STREET, SUITE 2150

SAN DIEGO, CALIFORNIA 92101

TEL. (619) 687-2600 FAX (619) 544-0304

www.btzforensics.com

Mr. Michael Essary  
8304 Clairemont Mesa Blvd., St. 207  
San Diego CA 92111

Page: 1  
October 01, 2018  
ACCOUNT NO: 180910-00M  
INVOICE NO. 171934

RAZUKI V. MALAN, ET AL.

		HOURS	
09/10/2018			
BPB	Tel Conf w/M. Essery	0.40	170.00
09/11/2018			
BPB	Attention To File - Scheduling	0.10	42.50
BPB	Attention To File - Scheduling	0.10	42.50
BPB	Economic Analysis w/MPW	0.20	85.00
MPW	Economic Analysis w/BPB	0.20	50.00
09/12/2018			
BPB	Tel Conf w/M. Essary & R. Griswald	2.10	892.50
MPW	Economic Analysis	2.75	687.50
09/13/2018			
BPB	Attention To File	0.10	42.50
BPB	Review of documents - Court order	0.50	212.50
BPB	Review of documents - Court transcript	0.40	170.00
BPB	Review of documents	1.00	425.00
MPW	Economic Analysis	5.50	1,375.00
09/14/2018			
BPB	Premises Visit	2.00	850.00
BPB	Engagement Letter	0.30	127.50
MPW	Premises Visit	2.00	500.00
09/17/2018			
BPB	Economic Analysis w/MPW	0.30	127.50
MPW	Economic Analysis	0.50	125.00
MPW	Economic Analysis w/BPB	0.30	75.00
09/18/2018			
BPB	Client Case Meeting	2.50	1,062.50
BPB	Client Case Meeting	2.30	977.50
BPB	Report Draft	0.20	85.00
MPW	Economic Analysis	2.25	562.50

Mr. Michael Essary

Page: 2  
October 01, 2018

ACCOUNT NO: 180910-00M  
INVOICE NO. 171934

RAZUKI V. MALAN, ET AL.

		HOURS	
	MPW Client Case Meeting	2.50	625.00
	MPW Client Case Meeting	2.30	575.00
09/19/2018			
	MPW Economic Analysis	7.50	1,875.00
09/20/2018			
	MPW Economic Analysis	4.50	1,125.00
	DJD Data Entry - Entered Cash Statements (February 2018 - May 2018)	2.60	325.00
09/21/2018			
	DJD Data Entry re: Cash statements (May 2018 - July 2018)	2.70	337.50
09/24/2018			
	MPW Economic Analysis	7.00	1,750.00
09/25/2018			
	BPB Report Draft - Letter to CPA	0.20	85.00
	MPW Economic Analysis	7.00	1,750.00
09/26/2018			
	MPW Economic Analysis	4.50	1,125.00
09/27/2018			
	MPW Economic Analysis	3.75	937.50
09/28/2018			
	DJD Printing/Binding - Cleared checks - Flip Management	4.20	525.00
	DJD File Organization - Organize checks by number - Flip Management	1.50	187.50
	DJD Data Entry re: Check names and memos - Flip Management	1.30	162.50
	FOR CURRENT SERVICES RENDERED	77.55	20,072.50

RECAPITULATION

<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
12.30	\$125.00	\$1,537.50

Mr. Michael Essary

RAZUKI V. MALAN, ET AL.

Page: 3  
October 01, 2018  
ACCOUNT NO: 180910-00M  
INVOICE NO. 171934

<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
52.55	250.00	13,137.50
12.70	425.00	5,397.50

TOTAL CURRENT WORK 20,072.50

09/18/2018 Retainer Payment  
Check #0141  
Paid By: MICHAEL ESSARY -10,000.00

BALANCE DUE \$10,072.50

**Griswold** LAW

444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Phone: (858) 481-1300 | Fax: (888) 624-9177

**Account Statement**

**Prepared for Michael Essary - Receiver**

**Re: Razuki v. Malan: Receivership**

<b>Previous Invoice Amount</b>	<b>\$12,400.78</b>
<b>Last Payment Received</b>	
<b>Previous Balance</b>	<b>\$0.00</b>
<b>Current Charges</b>	<b>\$13,213.45</b>
<b>Total Due</b>	<b>\$13,213.45</b>

Griswold **LAW**

444 S. Cedros Ave., Suite 250

Solana Beach, CA 92075

Phone: (858) 481-1300 | Fax: (888) 624-9177

Michael Essary - Receiver

Invoice Date: October 01, 2018

Invoice Number: 11473

Invoice Amount: \$13,213.45

**Matter: Razuki v. Malan: Receivership**

**Attorney's Fees**

9/4/2018	Format, proof read and prepare First Receiver's Report. Gather and organize exhibits.	J.E.	2.40	\$432.00
9/4/2018	Review receiver draft of Receiver's Report, exhibits	R.C.G.	.60	\$180.00
9/4/2018	Revise/Finalize Receiver's Report; Consult with Client re report	R.C.G.	3.10	\$930.00
9/5/2018	Review Hakim/Mira Este loan docs, notes, stmts	R.C.G.	.40	\$120.00
9/5/2018	Review Razuki Supp P&As re 9/7 hearing	R.C.G.	.70	\$210.00
9/5/2018	Finalize Receivers Report	R.C.G.	.80	\$240.00
9/5/2018	Review Malan Dec, Leetham Dec, Austin Dec	R.C.G.	1.10	\$330.00
9/5/2018	File and Serve the First Receiver's Report	K.C.	.60	\$75.00
9/6/2018	Consult with Client re party filings	R.C.G.	.50	\$150.00
9/6/2018	Draft Supp Dec of Essary	R.C.G.	1.10	\$330.00
9/6/2018	Review Malan P&As, Dec of Grippi, Dec of Leetham	R.C.G.	.80	\$240.00
9/6/2018	File and Serve Supplemental Declaration of Receiver Michael Essary	K.C.	.50	\$62.50
9/6/2018	Review Hakim Supp P&As & Decs, SoCal Supp P&As & Decs	R.C.G.	1.70	\$510.00
9/7/2018	Review Malan Cross-Complaint	R.C.G.	.90	\$270.00
9/7/2018	Prepare for Hearing on Rcvshp Appt Confirmation	R.C.G.	1.30	\$390.00
9/7/2018	Travel to/from and Attend Prelim Injunc Hearing	R.C.G.	5.20	\$1,560.00
9/10/2018	Review/reply to multiple emails from counsel and client re licensing and billing	R.C.G.	.40	\$120.00
9/11/2018	Review/reply to emails from counsel for defendants re confidentiality, protective order, licensing	R.C.G.	.40	\$120.00
9/11/2018	Draft Proposed Order re confirmation of receiver, preliminary injunction	R.C.G.	1.20	\$360.00
9/11/2018	Consult with Client re language of proposed order	R.C.G.	.40	\$120.00
9/12/2018	Review/reply to multiple emails from counsel re language of proposed order	R.C.G.	.60	\$180.00
9/12/2018	Prepare for meeting with Brinig re forensic audit	R.C.G.	.70	\$210.00

9/12/2018	Travel to/from and Attend Meeting with Brinig re forensic accounting	R.C.G.	3.40	\$1,020.00
9/13/2018	Coordinate compilation of docs/info for forensic audit	R.C.G.	.40	\$120.00
9/13/2018	Review draft correspondence to BCC re status of revshp and license	R.C.G.	.20	\$60.00
9/13/2018	Draft correspondence to counsel demanding documents/info	R.C.G.	.60	\$180.00
9/13/2018	Consult with client re state compliance, poa request	R.C.G.	.50	\$150.00
9/13/2018	File and Serve the Declaration and Proposed Order	K.C.	.60	\$75.00
9/17/2018	Review docs produced by Malan	R.C.G.	.80	\$240.00
9/17/2018	Review/reply to emails from counsel re doc production and agency POA	R.C.G.	.30	\$90.00
9/17/2018	Review draft settlement agreement	R.C.G.	.30	\$90.00
9/17/2018	Review Brinig engagement letter	R.C.G.	.20	\$60.00
9/18/2018	Prepare for Brinig meetings with parties/counsel	R.C.G.	.80	\$240.00
9/18/2018	Travel to/from and Attend Meeting with Brinig, Malan, Henkus, Leetham & Essary	R.C.G.	3.80	\$1,140.00
9/26/2018	Consult with Client re ex parte papers and hearing, Brinig doc review	R.C.G.	.60	\$180.00
9/26/2018	Review Malan ex parte application	R.C.G.	1.20	\$360.00
9/27/2018	Travel to/from and Attend Ex Parte Hearing	R.C.G.	2.80	\$840.00
9/27/2018	Prepare for ex parte hearing	R.C.G.	1.10	\$330.00
9/27/2018	Consult with Client re results of ex parte hearing	R.C.G.	.40	\$120.00
9/28/2018	Review/reply to emails from client re operations, accting approvals	R.C.G.	.30	\$90.00
9/28/2018	Draft proposed order re ex parte hearing	R.C.G.	.50	\$150.00
9/28/2018	File and Serve the Proposed Order	K.C.	.50	\$62.50
<b>SUBTOTAL:</b>			<b>44.70</b>	<b>\$12,737.00</b>

#### Costs

9/6/2018	OneLegal - courtesy copy delivery fee for the First Receiver's Report			\$90.00
9/7/2018	COST: SD Superior Court Parking			\$30.00
9/7/2018	OneLegal - courtesy copy delivery fee for the Supplemental Declaration of Receiver			\$90.00
9/10/2018	OneLegal - e-filing and eservice fee for the Supplemental Declaration of Receiver			\$19.95
9/18/2018	COST: Parking @ Brinig office			\$26.00
9/19/2018	OneLegal - e-filing and eservice fee for the First Receiver's Report			\$19.95
9/20/2018	OneLegal - courtesy copy delivery fee for the Declaration and Proposed Order re 9/7/18 hearing			\$30.00
9/27/2018	COST: SD Superior Court Parking			\$30.00
9/28/2018	Monthly Copy Costs (937 @ \$0.15)			\$140.55
<b>SUBTOTAL:</b>				<b>\$476.45</b>

**TOTAL: \$13,213.45**  
**PREVIOUS BALANCE DUE: \$0.00**  
**CURRENT BALANCE DUE AND OWING: \$13,213.45**

Razuki vs Malan  
Receiver Billing Summary  
Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
9/1/2018	1.75	\$ 437.50	Create detailed list of items needed from parties for Griswold to request. Review of contracts with Synergy and FarWest. Emails with Compass bank about status of account and statements. Review more docs from Sal related to Mira Este.
9/2/2018	2	\$ 500.00	Review financial docs for Balboa sent by John. Discussion with John with questions about reports and bank statements. Update cash ledger for Wells Fargo account - reconcile. Pay Griswold invoice.
9/3/2018	3	\$ 750.00	Preparation of report/exhibits. Emails with Griswold about document production demand and report format. Send preliminary report/exhibits to Griswold. Emails about Compass account.
9/4/2018	4.5	\$ 1,125.00	Review Griswold emails/comments. Emails with Compass about statement. Continue preparation of report and exhibits. Review and label exhibits. Produce PDF's for Griswold review/comment and send out with list of exhibits. Communication with Peter about September rents and meeting on Friday. Review and comment on Griswold version of report. Review of revisions and execute document for filing. Call and emails with Aaron about notice to City of SD of receivership. Execute letter/notice and email to City.
9/5/2018	1	\$ 250.00	Review of Griswold email and Malan dec. Prepare response to false statements for Griswold to format and file. Execute dec from Griswold. Discussion with John about City tax numbers and defendants statement of a discrepancy. Discussion with Sal about new decs and confirming items they provided to me.
9/6/2018	1.5	\$ 375.00	Review some of the new filings from parties pre-hearing. Emails with Griswold about City tax detail. Emails and discussion with Yaeger on tax documentation.
9/7/2018	6.25	\$ 1,562.50	Review other filings from parties. Discussion with Aaron about Mira Este license not disclosed and need for additional notice. Review and execute notice to State. Emails with Griswold about hearing. Confirmation hearing Dept 67. Discussion with John about upcoming forensic audit and items needed.
9/7/2018		\$ 33.00	Parking for court
9/8/2018	0.5	\$ 125.00	Email from Gina about local audit. Messages and call with Gina about bills, approvals, and reports. Emails from Gina about Balboa operations.
9/10/2018	2.75	\$ 687.50	Emails from Gina about audit, procedures and accountings. Email to Grigor about City audit - copy Aaron and John and Griswold. Email from Compass with bank statement. Emails with Ninus about HOA payment and banking issues. Review emails and respond to CA State department regarding receivership - include Aaron. Discussion with John about City audit. Call to tenant Peter about new order and Sept rents. Emails with Griswold, Gina about information format and issues with Gina. Call and message to Bring for discussion on retaining his service. Conversation with Brian Bring about his services. Emails with Brian and Griswold about setting an appointment. Send receiver order to Brian's team.



Razuki vs Malan  
 Receiver Billing Summary  
 Hourly Rate: \$250

Date	Hours	Charge	Description
9/11/2018	3	\$ 750.00	Call to Sal about Mira Este site visit. Discussion with Aaron about notices from State and our response. Email approval of insurance for Balboa to Ninus. Email to all about Mira Este site visit. Review of ÇUP for 8859 Balboa from Gina. Emails with Griswold and Gina about Aaron and confidentiality. Approve bill for Judd's work with Ninus. Review and email Griswold about Tamara's email about the Balboa HOA sewer line obligation. Email to Compass and Ninus confirming the account should be active and Ninus and Judd should have access. Emails with Compass bank and Ninus. Review proposed order from Griswold - provide changes/comments. More Griswold/Gina emails to review and comment to Griswold. Continued review of proposed order with changes. Discussion with Griswold about exact language.
9/12/2018	1.25	\$ 312.50	Emails about proposed order. Emails from Ninus and Judd about funds for Mira Este. Email from State and Gina about complete application needed - send to Aaron. Emails with Griswold about order and accountings missing. Further emails from parties. Email from Austin office about State filing. Respond to Griswold about order and lack of reports. More emails about State from Gina and about order from parties.
9/12/2018	3	\$ 750.00	Meeting with Griswold and Brinig and Partner about engagement as forensic accountants per court order.
9/13/2018	2.5	\$ 625.00	Emails from parties about order and scope of audit. Email from Ninus for invoice payment approval. Send emails about Friday inspections, accountants, and Tuesday accounting meetings. Review responses. Email from Gina about powers of attorney for cannabis entities. Emails with Red about financials and docs needed from parties and formal notice. More emails about inspections and audit meeting. Emails from Aaron about filings with State about receivership. Call with Aaron. Call with Sal. Call with John about Friday and Tuesday and time frames of audit. More emails about documentation, POA's, new order, inspections/audit meeting.
9/14/2018	4.25	\$ 1,062.50	Meeting with Brian and Marilyn from Brinig at Mira Este with Tamara, SoCal, Synergy to transfer SoCal property to them. Meeting with Brinig and Tamara at Balboa for site inspection and questions for staff. Discussion with Peter about status of receivership and potential for his units to be vacated. Review and execute letters to State for Balboa and Mira Este. Phone call with Peter on Balboa. Emails from Tamara and Heidi about other emails issues - researching. Call with Aaron and texts about registering with State as "owner" of licenses. Call with Josh from Aaron's office about application. Emails and execute application on State cannabis site. More emails about State license input with Josh. Emails to determine source of "report" emails from Chris Patel.
9/17/2018	3.75	\$ 937.50	Emails with John and Ninus about audit. Emails with Tamara and SoCal about ADP access emails. Review of cash reports for 9/12-9/15 from Heidi for Balboa. Enter and file LiveScan with CDPH for owner notification. Emails with Josh about process and ID number. More accounting/reports emails from Tamara. Emails from Gina about POA's. Emails with Griswold about stipulation and Tuesday CPA meeting. Emailswith John and Ninus about City audit and previous POS vendor. Conversation with BiotrackTHC - Steven - about acquiring missing data. Emails with Aaron and Josh about owner statement filing. More emails about City audit, vendor and report. Discussion with John about data needed. Emails with Aaron and Josh - and reply to Mr Pham with requested data. Reply to new email for Mr Pham's out of office response. Emails to Marilyn with financial reports provided by Tamara. Emails with Brian and review/execution of retainer agreement.

Razuki vs Malan  
 Receiver Billing Summary  
 Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
9/18/2018	7.25	\$ 1,812.50	Prepare information for auditer/parties meetings. Review emails from Gina and John. Attend meetings with Brian and Marilyn and John; then Ninus, Tamara, Judd and Griswold. Review financial needs and structures. Identify items/documents needed for audit. Discuss financials from Judd for Balboa and California Cannabis. Discussion with Josh and Aaron about ownership filing. Review doc from Josh for execution. Modify Owner Submittal for BCC. Discussion with John about reports and POS access. Email to Salam and counsel about a meeting with Brinig.
9/19/2018	2	\$ 500.00	Emails with Griswold and James about order. Send bank statements to Marilyn. Email from Ninus with bank access info. Continue prep of owner submittal with Aaron. Emails with Ninus about Torrey Pines Mira Este account - authorization email to Erandy at Torrey Pines Bank. Meeting with Peter from Balboa about new order, rents, status of receivership. Complete final notices/letters to BCC for Balboa and Cal Cannabis. Emails from Marilyn to parties.
9/20/2018	0.25	\$ 62.50	Emails from Gina, Judd and Ninus. Approve bills for payment.
9/26/2018	1.25	\$ 312.50	Emails Heidi and Judd. Gina about City audit, reply to all including Aaron and John. Emails and attachments with Carolyn and John. Emails with Torrey Pines bank about new order. Emails with Griswold about hearing. Review of Balboa reports from Heidi and comments by Marilyn. Review Griswold questions about status and answer for ex parte hearing.
9/28/2018	0.75	\$ 187.50	Emails from Griswold about hearing and court rulings. Email from Tamara about protective order - review and respond to Griswold. Review and approval of Balboa invoices from Judd and Ninus. Emails with Maura about Razuki and CPA meeting.
9/29/2018	1	\$ 250.00	Emails with Griswold on proposed ex parte order and review. Emails with Griswold on Austin invoices and redaction. Email with Treez and Judd about payment. Review of Balboa invoice and email to Ninus. Emails from Michaela about required communication by me to licensing analyst on Balboa. Emails from John and Judd about sales information.
Total		\$ 13,408.00	

including other than  
Mr. [Name]

of the operations  
of [Name]

including other than  
Mr. [Name]

# EXHIBIT C

**From:** calsur@aol.com  
**Sent:** Wednesday, October 10, 2018 2:38 PM  
**To:** ninusmalan@yahoo.com  
**Cc:** juddthetaxman@gmail.com; Leetham, Tamara; Austin, Gina; Daniel T. Watts; rgriswold@griswoldlawsandiego.com; Maura@elialaw.com; Steve@EliaLaw.com  
**Subject:** Re: 1831 and 1826 Balboa Loans

Ninus,

Nothing has changed except that we are in strong disagreement about accountings and expense approvals for Balboa and Mira Este. We will be asking the court for clarification on funding/loans and the current accounting and consultant issues.

I have copied the plaintiff on this due to your statements about the urgency of this issue and the possible negative affect to the businesses.

Mike

In a message dated 10/10/2018 2:33:49 PM Pacific Standard Time, [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com) writes:

Mike,

See below notice from Salas financial for the Balboa Mortgages. We are past due and on the brink of default. Please advise how we will make these payments.

Ninus Malan

----- Forwarded Message -----

**From:** Mary Scelfo <[mary@salasfinancial.com](mailto:mary@salasfinancial.com)>  
**To:** "[ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com)" <[ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com)>  
**Sent:** Wednesday, October 10, 2018 1:53 PM  
**Subject:** 1831 and 1826

Ninus,

Your payment for loan #1831 and #1826 is due and late. Please submit payment ASAP.  
Thank you,

**Mary Scelfo**

Salas Financial  
9320 Chesapeake Drive, Suite 116  
San Diego, CA 92123  
Ph: 858-537-9819  
Fax: 858-549-1739  
[salasfinancial.com](http://salasfinancial.com)

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**EXHIBIT D**

## Austin, Gina

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**From:** calsur@aol.com  
**Sent:** Thursday, October 18, 2018 1:18 PM  
**To:** rgriswold@griswoldlawsandiego.com  
**Cc:** NinusMalan@yahoo.com; Austin, Gina; matt@dartlawfirm.com; steve@elialaw.com; MG@mauragriffinlaw.com; szimmitti@nelsonhardiman.com; jeberhardt@griswoldlawsandiego.com  
**Subject:** Request for Funding - 3rd Party LOI  
**Attachments:** RazukivsMalanFundingLOI10-18.pdf

Ladies and Gentlemen,

Attached as promised is a 3rd party Funding LOI with a net of approximately \$500K for maintenance of the receivership and the underlying assets/operations. I intend to provide this and a request for an approval process for a receiver lien to the judge next week so that the bills threatening to shut down the businesses can be paid.

Feel free to circulate to others in your group that I may have missed.

Michael Essary  
Receiver

**MIRAMAR FINANCIAL GROUP**

REAL ESTATE LOANS AND INVESTMENTS

512 Via de la Valle, Ste 200, Solana Beach, CA 92075

P.O. Box 2383, Del Mar, CA 92014

Office(858) 755-0144 Facsimile(858) 755-3481 Cellular(619) 571-4498 [steve@miramarfinancial.com](mailto:steve@miramarfinancial.com)**STEVEN L. SALAS**

Cal BRE license #00805440

October 16, 2018

Mike Essary, via email: [calsur@aol.com](mailto:calsur@aol.com)

Re: Refinance of Property located at 8859 (Suites ABCD&amp;E), 8861(Suite B), &amp; 8863 (Suite E) Balboa Ave, San Diego, CA 92123 and 9212 Mira Este Ct, San Diego, CA 92126

Mr Essary:

I am pleased to inform you that your request for a loan in the amount of \$675,000 secured by a First Deed of Trust on the above referenced property has been conditionally approved. Our investors have the liquidity and capacity to fund this loan within approximately 10 business days. This funding is contingent upon conditions specified in this letter as well as unilateral approval of property value and condition of title. The terms of the loan are as follows:

**TERMS (GROSS LOAN)**

Gross loan Amount		\$675,000.00
Loan term (maturity)		24
Interest Rate		9.50%
Monthly payment		
Balloon payment (principal + final months %)		680,343.75
Minimum Interest		6 Months
Late Charge (after 10 days)		10% of payment

**LOAN COSTS**

Loan fee	2.75%	18,562.50
Referral fee	2.75%	18,562.50
Escrow fee		TBD
Title charges		TBD
Appraisal fee		0.00
Legal fees		2,000.00
Processing		1,500.00
Loan Documents		450.00
Wiring fees		50.00
Tax service		75.00

<b>TOTAL LOAN COSTS</b>	<b>41,200.00</b>
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**PAYOFFS / DEPOSITS**

Interest Reserve (24 months)	128,250.00
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<b>TOTAL PAYOFFS / DEPOSITS</b>	<b>128,250.00</b>
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<b>Approx. net loan proceeds</b>	<b>\$505,550.00</b>
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An expense retainer of \$TBD shall be required from the Borrower. This retainer shall be used for appraisal / market research and legal documentation.

Additional information / requirements

1. Preliminary Title Report (Miramar will order)
2. Rent Roll
3. 2017 P & L for subject property
4. 2018 YTD P & L for subject property
5. Hazard Insurance Policy Information

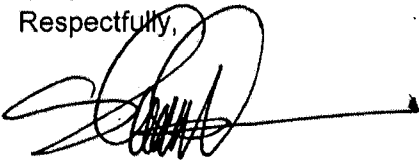
Provided no default exists, this loan may be extended for a period of 12 months at a cost of 1.5 points and a \$500 transaction/extension documentation fee.

**Notes: Additional items and documentation may be required in the underwriting and closing process. This and all loans arranged by Miramar Financial Group, Inc. ("MFG") are funded on a Best Efforts basis. No loan commitment fee has been requested by MFG, neither has such a commitment fee been paid by Borrower. NO commitment is made herein other than to perform on a BEST EFFORTS basis. MIRAMAR FINANCIAL GROUP, INC. IS A LICENSED CALIFORNIA REAL ESTATE BROKERAGE AND ARRANGES ONLY COMMERCIAL, REAL ESTATE LOANS. MFG DOES NOT ACCEPT SUBMISSIONS FOR CONSUMER FINANCING OF ANY KIND.**

Applicant/Borrower acknowledge that the foregoing is only a summary of the basic loan terms and that the loan documents will include additional terms and conditions, as the Lender deems necessary or appropriate. To the extent that a conflict exists between any provision contained in this agreement and any provisions contained in the executed loan documents, the provisions contained in the loan documents shall control. This subject letter and all associated loan terms will expire on 10/31/2018 at 5:00 PM. if not executed by the Borrower/Applicant and not delivered to Lender.

If any suit or action to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover such sum as the Court and/or Arbitrator(s) may adjudge reasonable as attorney fees. Court venue is hereby established and agreed to as San Diego, California. Please call with any questions or comments that you may have.

Respectfully,



Steven Salas

The person(s) executing this agreement on behalf of the Borrower / Applicant hereby represent(s) and warrant(s) to Lender that he or she has the authority to execute this loan approval, as an act of its sponsors, principals, officers and partners, and, binds the undersigned, its sponsors, principals, officers and partners hereto.

The terms and conditions above are agreed to in full.

\_\_\_\_\_  
Mike Essary, Receiver

\_\_\_\_\_  
Date



**EXHIBIT E**

## Austin, Gina

---

**From:** calsur@aol.com  
**Sent:** Tuesday, October 23, 2018 1:52 PM  
**To:** Austin, Gina; rgriswold@griswoldlawsandiego.com  
**Cc:** matt@dartlawfirm.com; dwatts@galuppolaw.com; Andrews, Richard; amara@austinlegalgroup.com; mpw@btzforensics.com  
**Subject:** Re: Razuki/Malan: outstanding receivership invoices

Received Gina - and reviewing as soon as I'm sitting down today. I've also included Marilyn Weber my forensic accountant - obviously she has a much better overall picture of the operations and finances than Red or myself. I would like time today to review your proposal and budget and discuss with her prior to giving a formal response. I understand the need for speed on this.

Thank you

Mike

In a message dated 10/23/2018 12:50:44 PM Pacific Standard Time, gaustin@austinlegalgroup.com writes:

Mike and Red,

As you know we are trying to settle with the other side. In the meantime things keep chugging forward. On Thursday we have set an ex parte to seek affirmative relief in the form of a budget that must be paid monthly in order for FWO to continue operations. We based this upon all of the historical expenses for the past two months at Balboa. What we are proposing is that the following budgeted items be approved from the cash being received from operations and that FWO be allowed to pay these expenses prior to remitting any monies to the receiver. As we have discussed these are items that must be paid simply for the business to be able to operate and generate any revenue what so ever.

It would be easiest if we could stipulate to the budget and then we could just go in on Thursday and seek approval of the court. I have a very simple budget below. All of the backup material is from the daily reports that have been provided by Heidi. If you would like any specifics on where the number came from we can provide that to you. As I mentioned, we are not trying to go above and beyond what they are already doing but simply give them a mechanism to operate.

Please respond to all when responding. Richard in my office will be drafting the ex parte notice so he needs to know if we can come to a stipulation. Amara in my office put the budget and historical data together and can provide you with the basis and backup for any numbers.

Obviously time is of the essence as we have to provide notice tomorrow. If you would like to have a call anytime today I will make myself available.

Gina

Balboa Monthly Budget

Advertising	\$13,338
Security	\$16,128
ATM	\$56,280
Product Vendors	\$68,284
Maintenance	\$1283
Management Fees	\$61,000
<hr/>	
Total	\$216,313

**From:** Richardson Griswold [mailto:rgriswold@griswoldlawsandiego.com]

**Sent:** Tuesday, October 16, 2018 3:33 PM

**To:** Steven Elia <steve@elialaw.com>; Maura Griffin <MG@mauragriffinlaw.com>; James Joseph <james@elialaw.com>; Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>; Austin, Gina <gaustin@austinlegalgroup.com>; Leetham, Tamara <tamara@austinlegalgroup.com>; charles gorla <chasgoria@gmail.com>

**Cc:** Mike <Calsur@aol.com>; Jamie Eberhardt <jeberhardt@griswoldlawsandiego.com>

**Subject:** Razuki/Malan: outstanding receivership invoices

Counsel,

Per the Court's orders, the payment of the Receiver's fees, his counsel's fees and the expenses of the receivership (i.e. Brinig's fees) have priority over all other expenses of the marijuana operations. Attached are the the invoices for the Receiver, Receiver's counsel and Mr. Brinig as of October 1, 2018. They remain unpaid. These invoices are to be addressed before payment of any other expenses.

This, among other reasons, is adding to the urgency of the operational funding at this time. As you all know, Mr. Essary is actively exploring outside funding options.

Thanks,

Red

Richardson C. Griswold, Esq.  
Griswold Law, APC  
444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Tel: 858.481.1300  
Fax: 888.624.9177  
[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
[www.griswoldlawsandiego.com](http://www.griswoldlawsandiego.com)

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1 Steven W. Blake, Esq., SBN 235502  
2 Andrew W. Hall, Esq., SBN 257547  
3 Daniel Watts, Esq. SBN 277861  
4 **GALUPPO & BLAKE**  
5 A Professional Law Corporation  
6 2792 Gateway Road, Suite 102  
7 Carlsbad, California 92009  
8 Phone: (760) 431-4575  
9 Fax: (760) 431-4579

10 Attorneys for Defendant Ninus Malan

11 SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO

12 CENTRAL DIVISION

13 SALAM RAZUKI, an individual,  
14 Plaintiff,

15 vs.

16 NINUS MALAN, an individual; MONARCH  
17 MANAGEMENT CONSULTING, INC., a  
18 California corporation; SAN DIEGO  
19 UNITED HOLDING GROUP, LLC, a  
20 California limited liability company; MIRA  
21 ESTE PROPERTIES, LLC, a California  
22 limited liability company; ROSELLE  
23 PROPERTIES, LLC, a California limited  
24 liability company; and DOES 1-100,  
25 inclusive,

26 Defendants.

27 AND ALL RELATED CROSS-ACTIONS

Case No.: 37-2018-00034229-CU-BC-CTL

**PROOF OF SERVICE**

I am employed in San Diego County. I am over the age of 18 and not a party to this action. My business address is 2792 Gateway Road, Suite 102, Carlsbad, California 92009.

**PROOF OF SERVICE**

1 On **October 24, 2018**, I served the foregoing document(s) in this action described as:

2  
3 **DECLARATION OF GINA M. AUSTIN IN SUPPORT OF EX PARTE**  
4 **APPLICATION TO SEEK A MODIFICAION OF THE RECEIVERSHIP**  
5 **ORDER**

6 **[X]** addressed as follows:

7 **Attorneys for Plaintiff**

8 Steven A. Elia

9 Maura Griffin

10 James Joseph

11 Law Offices of Steven A. Elia, APC  
12 2221 Camino Del Rio South, Suite 207  
13 San Diego, CA 92108  
14 [steve@elialaw.com](mailto:steve@elialaw.com)

15 **Attorneys for Plaintiffs-in-Intervention**

16 Robert E. Fuller

17 Zachary E. Rothenberg

18 Salvatore J. Zimmitti

19 NELSON HARDIMAN LLP

20 11835 West Olympic Boulevard, Suite 900  
21 Los Angeles, CA 90064

22 [ZRothenberg@NelsonHardiman.com](mailto:ZRothenberg@NelsonHardiman.com)

23 **Attorneys for Defendants and Cross-Complainants Mira Este Properties, LLC, Monarch**  
24 **Management Consulting, Inc. and Chris Hakim**

25 Charles F. Gorla, Esq.

26 GORIA, WEBER & JARVIS

27 1011 Camino del Rio South, Suite 210

San Diego, CA 92108

**Attorn4eyes for Court-Appointed Receiver**

Richardson C. Griswold

GRISWOLD LAW, APC

444 S. Cedros Avenue, Suite 250

Solana Beach, CA 92075

[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)

**Co-Counsel for Ninus Malan**

Gina Austin

Tamara M. Leetham

Austin Legal Group, APC

3990 Old Town Avenue, Suite A-112

San Diego, CA 92110

[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)

[tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com)

1  
2  
3  
4  
5  
6 [X] **VIA ELECTRONIC FILING SERVICE:** Complying with Code of Civil Procedure  
7 section 1010.6, my electronic business address is lkoller@galuppola.com and I caused  
8 such document(s) to be electronically served through the e-service system for the above  
9 entitled case to those parties on the Service List maintained on its website for this case.  
10 The file transmission was reported as complete and a copy of the Filing/Service Receipt  
11 will be maintained with the original document(s) in our office.

12 Executed on **October 24, 2018** at Carlsbad, California

13  
14   
15 Linda M. Koller