

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
02/14/2024 at 09:51:00 AM
Clerk of the Superior Court
By Mariejo Guyot, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

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

Plaintiffs,

v.

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

Defendants.

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

Honorable Eddie C. Sturgeon, Dept. C-67

[PROPOSED] JUDGMENT ON JURY VERDICT

Complaint Filed: June 7, 2017
Trial Date: October 27, 2023

1 The parties tried this action to a jury between October 30, 2023, and November 14,
2 2023, the Honorable Eddie C. Sturgeon presiding.

3 Plaintiffs San Diego San Diego Patients Cooperative Corporation, Inc. ("San Diego
4 Patients Cooperative") and Bradford Harcourt ("Harcourt") (together, "Plaintiffs") were
5 represented by Mark Collier, Charles Cavanagh, and Allan Claybon with Messner Reeves LLP.

6 Defendants Salam Razuki ("Razuki") and Razuki Investments, LLC ("Razuki
7 Investments") were represented by Douglas Jaffe, Esq. with Law Offices of Douglas Jaffe.

8 Defendants Ninus Malan ("Malan") and American Lending & Holdings, LLC.
9 ("American Lending") were represented by David Demergian, Esq. with Demergian Law.

10 A jury of persons was regularly impaneled and sworn. Witnesses were sworn and
11 testified.

12 After Plaintiffs rested their case, Plaintiffs dismissed their Second, Third, Fifth, Sixth and
13 Tenth Causes Of Action, and Plaintiffs' Thirteenth and Fourteenth Causes Of Action were deemed to
14 be moot and dismissed. At that time, Plaintiffs were also permitted to amend their First and Eleventh
15 Causes of Action to add Razuki Investments as a Defendant with respect to both of those causes of
16 action.

17 Also after Plaintiffs rested their case, motions for non-suit were made by Razuki Investments,
18 Razuki, Malan, and American Lending as to all causes of action. The Court granted the motion for
19 non-suit by Razuki Investments and Razuki regarding the Seventh, Eighth and Twelfth Causes Of
20 Action. The Court granted the motions for non-suit by Malan and American Lending regarding the
21 Ninth and Twelfth Causes Of Action.

22 After hearing evidence and arguments of counsel, the jury was duly instructed by the
23 Court, and the following claims were presented to the jury: 1) plaintiff Bradford Harcourt's
24 claim against defendants Razuki Investments, LLC and Salam Razuki for breach of joint
25 venture agreement; 2) plaintiff Bradford Harcourt's claim against defendants Razuki
26 Investments, LLC and Salam Razuki for breach of the implied covenant of good faith and fair
27 dealing; 3) plaintiff San Diego Patients Cooperative Corporation, Inc.'s claim against
28

1 defendants Razuki Investments, LLC and Salam Razuki for breach of the implied covenant of
2 good faith and fair dealing; and 4) plaintiff Bradford Harcourt's claim against defendants
3 Razuki Investments, LLC and Salam Razuki for breach of fiduciary duty. The jury deliberated
4 and thereafter rendered its verdict as follows:

5 **SPECIAL VERDICT FORMS—SALAM RAZUKI**

6 We, the jury, find the following special verdict on the questions submitted to us as
7 follows:

8 SPECIAL VERDICT FORM #1—BREACH OF JOINT VENTURE AGREEMENT

9 1. Did Plaintiff Harcourt and Defendant Razuki enter into a joint venture agreement?

10 Answer: Yes _____ No x_____

11 SPECIAL VERDICT FORM #2—BREACH OF IMPLIED COVENANT

12 OF GOOD FAITH AND FAIR DEALING

13 1. Did Plaintiff Harcourt and Defendant Razuki enter into a joint venture agreement?

14 Answer: Yes _____ No x_____

15 SPECIAL VERDICT FORM #3—BREACH OF IMPLIED COVENANT

16 OF GOOD FAITH AND FAIR DEALING

17 1. Did Plaintiff San Diego Patients Cooperative and Defendant Razuki enter into a joint
18 venture agreement?

19 Answer: Yes _____ No x_____

20 SPECIAL VERDICT FORM #4—BREACH OF FIDUCIARY DUTY

21 1. Were Plaintiff Harcourt and Defendant Razuki joint venturers?

22 Answer: Yes _____ No x_____

23
24 Have the presiding juror sign and date this Special Verdict Form.
25 Notify the bailiff that you are ready to present your verdict in the courtroom.

26 Dated: 11/13/2023 By: /s/ Presiding Juror

27 Presiding Juror

1 **SPECIAL VERDICT FORMS—RAZUKI INVESTMENTS**

2 **SPECIAL VERDICT FORM #1—BREACH OF JOINT VENTURE AGREEMENT**

3 1. Did Plaintiff Harcourt and Defendant Razuki Investments enter into a joint venture
4 agreement?

5 Answer: Yes x No

6 If your answer to question 1 is yes, then answer question 2. If you answered no, stop
7 here, answer no further questions on this Special Verdict Form, and proceed to the Special
8 Verdict Form #2.

9 2. Did Plaintiff Harcourt do all or substantially all of the significant things that the joint
10 venture agreement required him to do and/or was Plaintiff Harcourt excused from having to do
11 all or substantially all of the significant things that the joint venture agreement required him to
12 do?

13 Answer: Yes x No

14 If your answer to question 2 is yes, then answer question 3. If you answered no, stop
15 here, answer no further questions on this Special Verdict Form, and proceed to the Special
16 Verdict Form #2.

17 3. Did Defendant Razuki Investments either fail to do something that the joint venture
18 agreement required it to do or do something that the joint venture agreement prohibited it from
19 doing?

20 Answer: Yes x No

21 If your answer to question 3 is yes, then answer question 4. If you answered no, stop
22 here, answer no further questions on this Special Verdict Form, and proceed to the Special
23 Verdict Form #2.

24 4. Was Plaintiff Harcourt harmed?

25 Answer: Yes x No

1 If your answer to question 4 is yes, then answer question 5. If you answered no, stop
2 here, answer no further questions on this Special Verdict Form, and proceed to the Special
3 Verdict Form #2.

4 5. Was Defendant Razuki Investments's breach of the joint venture agreement a
5 substantial factor in causing Plaintiff Harcourt's harm?

6 Answer: Yes x No

7 If your answer to question 5 is yes, then you must also answer the questions contained in
8 the Special Verdict Form – Damages.

9 Proceed to Special Verdict Form #2.

10 SPECIAL VERDICT FORM #2—BREACH OF IMPLIED COVENANT
11 OF GOOD FAITH AND FAIR DEALING

12 1. Did Plaintiff Harcourt and Defendant Razuki Investments enter into a joint venture
13 agreement?

14 Answer: Yes x No

15 If your answer to question 1 is yes, then answer question 2. If you answered no, stop
16 here, answer no further questions on this Special Verdict Form, and proceed to the Special
17 Verdict Form #3.

18 2. Did Plaintiff Harcourt do all or substantially all of the significant things that the joint
19 venture agreement required him to do and/or was Plaintiff Harcourt excused from having to do
20 all or substantially all of the significant things that the joint venture agreement required him to
21 do?

22 Answer: Yes x No

23 If your answer to question 2 is yes, then answer question 3. If you answered no, stop
24 here, answer no further questions on this Special Verdict Form, and proceed to the Special
25 Verdict Form #2.

26 3. Did Defendant Razuki Investments prevent, or unfairly interfere with, Plaintiff
27 Harcourt's right to receive the benefits of the joint venture agreement?

28

1 Answer: Yes No

2 If your answer to question 3 is yes, then answer question 4. If you answered no, stop
3 here, answer no further questions on this Special Verdict Form, and proceed to the Special
4 Verdict Form #3.

5 4. Was Plaintiff Harcourt harmed?

6 Answer: Yes No

7 If your answer to question 4 is yes, then answer question 5. If you answered no, stop
8 here, answer no further questions on this Special Verdict Form, and proceed to the Special
9 Verdict Form #3.

10 5. Was Defendant Razuki Investments's prevention of, or unfair interference with,
11 Plaintiff Harcourt's right to receive the benefits of the joint venture agreement a substantial
12 factor in causing Plaintiff Harcourt's harm?

13 Answer: Yes No

14 If your answer to question 5 is yes, then you must also answer the questions contained in
15 the Special Verdict Form – Damages.

16 Proceed to Special Verdict Form #3.

17 SPECIAL VERDICT FORM #3—BREACH OF IMPLIED COVENANT
18 OF GOOD FAITH AND FAIR DEALING

19 1. Did Plaintiff San Diego Patients Cooperative and Defendant Razuki Investments enter
20 into a joint venture agreement?

21 Answer: Yes No

22 SPECIAL VERDICT FORM #4—BREACH OF FIDUCIARY DUTY

23 1. Were Plaintiff Harcourt and Defendant Razuki Investments joint venturers?

24 Answer: Yes No

25 If your answer to question 1 is yes, then answer question 2. If you answered no, stop
26 here, answer no further questions on this Special Verdict Form.

27

28

1 2. Did Defendant Razuki Investments fail to act as a reasonably careful joint venturer
2 would have acted under the same or similar circumstances, or knowingly act against Plaintiff
3 Harcourt's interests in connection with operating a Medical Marijuana Consumer Cooperative?

4 Answer: Yes No

5 If your answer to question 2 is yes, then answer question 3. If you answered no, stop
6 here, answer no further questions on this Special Verdict Form.

7 3. Was Plaintiff Harcourt harmed?

8 Answer: Yes No

9 If your answer to question 3 is yes, then answer question 4. If you answered no, stop
10 here, answer no further questions on this Special Verdict Form.

11 4. Was Defendant Razuki Investments's conduct a substantial factor in causing Plaintiff
12 Harcourt's harm?

13 Answer: Yes No

14 If your answer to question 4 is yes, then you must also answer the questions contained in
15 the Special Verdict Form – Damages.

16 **SPECIAL VERDICT FORM – DAMAGES**

17 This Special Verdict Form should be completed only if you were specifically instructed
18 to do so in response to the answers you provided on one or more of the other Special Verdict
19 Forms.

20 We, the jury in the above-captioned action, find the following special verdict on the
21 questions submitted to us as follows:

22 1. What are Plaintiff Harcourt's damages, if any, against Defendant Razuki Investments?

23 Answer: \$ 2,500,000.00

24 2. What are Plaintiff San Diego Patients Cooperative's damages, if any, against
25 Defendant Razuki Investments?

26 Answer: \$ 0

27

28

1 3. Did Defendant Razuki Investments engage in conduct towards Plaintiff Harcourt with
2 malice or oppression?

3 Answer: Yes x No

4
5 Have the presiding juror sign and date this Special Verdict Form.

6 Notify the bailiff that you are ready to present your verdict in the courtroom.

7 Dated: 11/13/2023

By: /s/ Presiding Juror

8 Presiding Juror

9 After Plaintiffs rested their case with respect to punitive damages, Razuki Investments made
10 a motion for non-suit regarding punitive damages. The Court granted the motion for non-suit
11 regarding punitive damages.

12 On January 26, 2024, the Court conducted a hearing on, and denied, motions by Razuki
13 Investments for judgment notwithstanding the verdict and for a new trial.

14 Based on the foregoing, IT IS HEREBY ORDERED AND ADJUDGED that final
15 judgment is hereby ENTERED in favor of plaintiff Bradford Harcourt and against defendant
16 Razuki Investments, LLC in the amount of \$2,500,000.00, ~~with interest thereon at the rate of ten~~
17 ~~percent (10%) per annum from the date of the entry of this Judgment until paid.~~ *ECS*

18 *Costs awarded in the amount of \$27,950.27 per H.O. 08 5/3/24*

19 Dated: 02/14/2024

By: *Eddie C. Sturgeon*

Honorable Eddie C. Sturgeon

20
21
22 Submitted By:

MESSNER REEVES LLP

23
24 *Chris Coughlin*
25 _____
26 Allan B. Claybon
27 Mark Collier
28 Charles C. Cavanagh
Attorneys for Plaintiffs

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

PROOF OF SERVICE

(1013A(3) Code Civ. Proc. Revised 5/1/88)

STATE OF COLORADO, COUNTY OF DENVER

I am employed in the City and County of Denver, Colorado. I am over the age of eighteen years and not a party to the within entitled action; my business address is 1550 Wewatta Street, Suite 710, Denver, CO 80202.

On January 31, 2024, I served the foregoing document described as:

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

[PROPOSED] JUDGMENT ON JURY VERDICT

on the interested parties as follows:

Douglas Jaffe
LAW OFFICES OF DOUGLAS JAFFE
501 West Broadway, Suite 800
San Diego, CA 92101
T.: (619) 400-4945
F.: (619) 400-4947
E.: dougjaffelaw@gmail.com
Attorney for Defendants Razuki
Investments, L.L.C. and Keith Henderson
and Defendant/Cross-Complainant Salam
Razuki

David K. Demergian
DEMERGIAN LAW
501 West Broadway, Suite 800
San Diego, CA 92101
T: (619) 239-3015
F: (619) 239-3029
E: david@demergianlaw.com
Attorney for Defendants/Cross-
Defendants Ninus Malan, San Diego
United Holdings, LLC, American
Lending and Holdings, LLC

J. Scott Russo
RUSSO & DUCKWORTH, LLP
3404 Via Oporto, Suite 201
Newport Beach, CA 92663
T.: (949) 752-7106
F.: (949) 752-0629
E.: jsrusso@russoandduckworth.com
Attorney for Defendant Keith Henderson

23
24
25
26
27
28

by mail as follows: I am "readily familiar" with the firm's practice of collecting and processing correspondence for mailing. Under that practice, it would be deposited with the U.S Postal Service on that same day with postage thereon fully prepaid at Denver, Colorado in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

by personal delivery to:

by overnight delivery via Federal Express pursuant to Code of Civil Procedure section 1013.

by email transmission [CCP §§1013(e) 1010.6(a)(6)] I caused such document to be served on this date by electronic transmission in accordance with standard procedures and to the email address listed on the attached service list.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(STATE) I declare under penalty of perjury under the laws of the State of Colorado that the above is true and correct.

(FEDERAL) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on January 31, 2024, at Denver, Colorado.



Tara Nelson, Declarant