

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

THE RESTIS LAW FIRM, P.C.
William R. Restis, Esq. (SBN 246823)
402 W. Broadway, Suite 1520
San Diego, California 92101
+1.619.270.8383
+1.619.752.1552
william@restislaw.com

Attorneys for Plaintiff

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
04/03/2019 at 04:38:00 PM
Clerk of the Superior Court
By Vanessa Bahena, Deputy Clerk

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

KARL BECK, individually and on behalf of all other similarly situated California residents,

Plaintiff,

v.

POINT LOMA PATIENTS CONSUMER COOPERATIVE CORPORATION, A California Corporation, **ADAM KNOPF**, an Individual, **JUSTUS H. HENKES IV**, an Individual, **419 CONSULTING INC.**, a California Corporation, **GOLDEN STATE GREENS LLC**, a California LLC, **FAR WEST MANAGEMENT, LLC**, a California LLC, **FAR WEST OPERATING, LLC**, a California LLC, **FAR WEST STAFFING, LLC**, a California LLC, and **DOES 1-50**,

Defendants.

Case No: 37-2017-00037524-CU-BT-CTL

CLASS ACTION

DECLARATION OF KARL BECK IN SUPPORT OF CLASS REPRESENTATIVE'S MOTION FOR ATTORNEYS FEES & EXPENSES and CLASS REPRESENTATIVE INCENTIVE AWARD

Date: June 28, 2019
Time: 9:00 a.m.
Judge: Hon. Joel R. Wohlfeil
Ctrm: C-73

1 I, Karl Beck, hereby declare as follows:

2 1. I am over the age of eighteen and am fully competent to make this declaration. I make
3 this declaration based upon my personal knowledge unless otherwise indicated. I submit this
4 declaration in support of the Class Representative’s Motion for Attorneys Fees and Expenses, and
5 Class Representative Incentive Award.

6 2. I was a customer/member of the Point Loma Patients Consumer Cooperative
7 Corporation (the “PLPCC”) since approximately March 1, 2016, and made approximately six
8 purchases from the PLPCC while I was there.

9 3. As stated in the Complaint, I became concerned with the sheer volume of marijuana
10 business being transacted at the PLPCC while I was a member. Since I was a member of a
11 “cooperative” corporation, I became concerned that I had not received any dividends related to my
12 purchases. I also became concerned that I might be violating California’s medical marijuana laws
13 by purchasing cannabis from a potentially for-profit entity.

14 4. On or about June 2017, I instructed my counsel William Restis to investigate the
15 PLPCC, and learned that the individuals who owned and operated the PLPCC also owned and
16 operated several related shell companies. I then instructed my counsel to send a demand for corporate
17 records to the PLPCC and related entities and individuals to ensure that the PLPCC was operating
18 in conformity with California’s medical marijuana laws.

19 5. After being rebuffed by the PLPCC for my records request, I provided assistance to
20 counsel in aiding their investigation, including participating in several telephone calls, and electronic
21 correspondence to discuss the factual and legal issues involved in my claims.

22 6. Because of the importance of my professional reputation to my livelihood, I
23 considered the time commitment and possible adverse reaction from clients and colleagues—and the
24 potential adverse reactions from prospective clients or employers in the future—that would
25 accompany being named as a representative plaintiff in a class action related to the use of medical
26 marijuana. I understood that the damage could be substantial.

1 7. I concluded, however, that it was proper for me to rectify what I believed was an
2 unlawfully operating marijuana dispensary failing to properly distribute profits, even though being
3 a plaintiff in this case might have negative professional and social consequences for me.

4 8. Prior to the filing of the Complaint, I reviewed drafts for their accuracy and provided
5 counsel with my comments.

6 9. I was not promised any special treatment for being a class representative plaintiff in
7 this case. I was not promised, nor did I expect to receive anything beyond my *pro rata* share of any
8 recovery, like all class members.

9 10. While my counsel did inform me that the Court may award an incentive fee for the
10 courage to challenge defendants' conduct, I understood that such an award was not guaranteed, or
11 that such an award would be appropriate in this lawsuit. But given the sensitive nature of the subject
12 matter, the possibility of an incentive award was an important consideration for me.

13 11. From the filing of the Complaint, I kept in regular contact with my counsel to learn
14 about the status of the litigation. Once I learned that the PLPCC had been ordered by the Court to
15 notify all PLPCC members about the pendency of the litigation, my counsel and I discussed the
16 possibility of settlement and I recommended that the parties pursue mediation.

17 12. In the days and weeks leading up to the May 17th mediation, I spent several hours on
18 the phone with my counsel discussing the possibilities for a class settlement, and a possible structure
19 that would benefit the class. It is my understanding that these discussions helped form the structure
20 proposed in Plaintiff's mediation brief to Judge Pressman.

21 13. On May 17, 2018, the parties conducted a settlement mediation before Judge
22 Pressman (Ret.). I made myself available all day on May 17th, both by telephone and to appear as
23 necessary at the mediation. The case, however, did not settle at that time. I spent approximately an
24 hour after the mediation discussing settlement proposals and what should be accomplished in further
25 settlement negotiations.

26
27
28

1 14. In June 2018, I continued my conversations with counsel about the possibilities for a
2 class settlement, and suggested that the parties attempt a second mediation. I spoke with counsel
3 about ongoing settlement negotiations that had been occurring in this case. I expressed my views
4 about what I believed would be a reasonable settlement for absent Class members.

5 15. On June 30, 2018, the parties conducted a second settlement mediation before Judge
6 Pressman. Again, I made myself available all day, both by telephone and to appear as necessary.
7 During the mediation, counsel contacted me to inform me of a proposed settlement and explained
8 the proposed terms to me as well as the proposed relief that would be afforded to the Class. I found
9 the proposed terms and relief to be fair, reasonable and in the best interests of absent Class members
10 and instructed class counsel to accept the settlement so long as we could confirm the representations
11 defendants made during the mediation about their income and expenses.

12 16. Prior to signing original Settlement Agreement, on September 24, 2018, my counsel
13 met with counsel for defendants Matthew Dart and Tamara Leetham, as well as defendant Henkes
14 (telephonically) at the offices of Austin Legal Group to confirm the adequacy of the proposed
15 settlement. Upon completion of this meeting, I had a call with my counsel to discuss the due
16 diligence that was conducted. Based on my understanding of the income and expense documentation
17 provided to counsel, I concluded that the settlement was indeed fair and reasonable to absent class
18 members.

19 17. In December 2019, I received a copy of the first Settlement Agreement. Upon
20 reviewing the original Settlement Agreement, I found its terms to be fair, reasonable and in the best
21 interests of absent Class members as previously discussed with counsel.

22 18. In January 2019, my counsel informed me that the original settlement had been
23 denied because a portion of the settlement could potentially go back to the defendants. I agreed with
24 counsel that the entire settlement must be paid out to class members, even unclaimed attorneys fees.
25 As such, I instructed my counsel to propose modifications of the settlement payout to protect absent
26 class members.

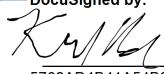
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

19. In February 2019, I received a copy of the Amended Settlement Agreement. Upon reviewing the Amended Settlement Agreement, I again found its terms to be fair, reasonable and in the best interests of absent Class members.

20. In total, I expended approximately 6 hours investigating the claims in this case, and approximately 8 hours conferring with my counsel about prosecuting this action for the interests of the class.

21. I declare under penalty of perjury that the foregoing is true and correct.
4/3/2019

Executed on April _____, 2019 in San Diego, California.

DocuSigned by:

5762AD4B41A54B2...
KARL BECK