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FILED
Superior Court of California
County of Los Angeles
05/09/2022

Sherri R. Carter, Executive Officer / Clerk of Court
By: _____ M. Mort Deputy

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **COUNTY OF LOS ANGELES**

9 CITY OF EL MONTE,
10 a California municipal corporation,

11 PLAINTIFF,

12 v.

13 CROWN ESTATE HOLDING, LLC, a
California limited liability company,
14 JAY HOOPER, an individual,
THOMAS SIMENTAL, an individual,
15 CHRISTIAN M. DIAZ, an individual,
IAM WOODWORTH, an individual,
16 IRP FUND II, 8B, LLC, a Delaware limited
liability company,
17 PRESTO PROPERTIES, LLC, a Wyoming
limited liability company,
18 KOTAI INVESTMENT, INC., a California
corporation, and DOES 1 through 50,
19 inclusive,

20 DEFENDANTS.

Case No.: 21STCV26110

*[Assigned for all purposes to Hon. Curtis A. Kin
Department 72]*

**~~PROPOSED~~ ORDER GRANTING
PLAINTIFF'S EX PARTE APPLICATION FOR
APPOINTMENT OF RECEIVER AND TO
ISSUE TEMPORARY RESTRAINING ORDER
AND SET ORDER TO SHOW CAUSE WHY
RECEIVER SHOULD NOT BE CONFIRMED
AND PRELIMINARY INJUNCTION ISSUED**

[Notice of Ex Parte Application; Ex Parte
Application; Declarations of Betty Donovanick,
Ryan C. Baker, Mark Snook, and Aluyah I. Imoisili;
and [Proposed] Order filed concurrently herewith]

Date: May 9, 2022
Time: 8:30 a.m.
Dept.: 72

Complaint Filed: July 15, 2021
Trial Date: Not set

**Exempt from Filing Fees Pursuant to
Government Code Section 6103**

1 TO ALL PARTIES AND TO THEIR COUNSEL OF RECORD HEREIN:

2 This matter came on for *ex parte* hearing on May 9, 2022 at 8:30 a.m. in Dept. 72 of the
3 Superior Court of the State of California, County of Los Angeles, Central District before the
4 Honorable Curtis A. Kin to consider Plaintiff City of El Monte's *Ex Parte* Application for
5 Appointment of Receiver and To Issue Temporary Restraining Order and Set Order to Show Cause
6 Why Receiver Should Not Be Confirmed and Preliminary Injunction Issued.

7 The Court, having duly considered the Complaint, all papers submitted by Plaintiff, any
8 opposition raised by interested parties, relevant statutory and case law, and good cause appearing
9 therefor, hereby makes the following Order.

10 1. Defendant Crown Estate Holding, LLC is the owner of the real property, which is
11 the subject of these proceedings, and is located at Assessor's Parcel Number 8577-005-001, 8577-
12 005-002, 8577-005-003, and 8577-005-004, comprised of 9860, 9866, 9680, and 9874 Gidley
13 Street, El Monte, California 91731 (the "Property"). The Legal Description of the Property is as
14 follows:

15 LOT 3: GRIDLEY PIERSON TRACT LOT COM AT MOST N COR OF LOT 3:
16 CENSUS TRACT #4323.00 IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, AS
17 PER MAP RECORDED IN BOOK 21, PAGE 64 OF MAPS, IN THE OFFICE OF THE COUNTY
18 RECORDER OF SAID COUNTY.

19 2. Crown acquired title via a Grant Deed to the Property recorded with the Los Angeles
20 County Recorder on March 22, 2019, as Document No. 19-0256419 BK-PG. Title to the Property
21 is vested in Crown Estate Holding, LLC.

22 3. Defendant Kotai Investment, Inc. has been identified as holding a recorded interest
23 in the Property through a deed of trust recorded with the Los Angeles Recorder on December 20,
24 2019.

25 4. It appears to the satisfaction of the Court that this is a proper case for granting a
26 temporary restraining order and an order to show cause for preliminary injunction, and that, unless
27 the temporary restraining order prayed for be granted, great or irreparable injury will result to
28 Plaintiff before the matter can be heard on notice.

1 5. IT IS ORDERED that, pending the hearing and determination of the order to show
2 case, Defendants Crown Estate Holding, LLC, Jay Hooper, and each of them, are restrained and
3 enjoined from occupying and conducting any operations at the Property.

4 6. IT IS FURTHER ORDERED that Ryan C. Baker (“Receiver”) is appointed as the
5 receiver over the Property and is delegated the duty and shall have the power, without further order
6 of the Court, to correct or abate all known or discovered violations upon the Property and shall take
7 all reasonable actions within the Receiver’s power to prevent future violations from occurring.
8 Before taking any such actions, in his sole discretion, the Receiver may seek instructions from the
9 Court regarding the foregoing.

10 7. Prior to performing his duties, the Receiver shall execute a Receiver’s oath and file
11 a bond in the sum of \$10,000, conditioned upon the faithful performance of the Receiver’s duties.

12 8. The Receiver is vested with the following powers and duties:

13 A. To take full and complete possession and control of the Property, including
14 the tangible and intangible personal property located in or about the Property
15 or used in connection with the Property.

16 B. To manage the Property and pay all operating expenses, including taxes,
17 insurance, utilities, and general maintenance on the Property. To the extent
18 there is any outstanding debt, the Receiver shall not be required to pay for
19 debt secured by the Property, including mortgages or promissory notes
20 secured by deeds of trust on the Property. The Receiver shall not be obligated
21 to contribute personal funds in the performance of the duties hereunder. No
22 obligation received by the Receiver of the duties in accordance with this and
23 other Orders of this Court shall be the Receiver’s personal obligation, but
24 shall be the obligation of the receivership estate.

25 C. To enter into contracts for goods and services and employ licensed
26 contractors for repairs as necessary to bring the Property into compliance
27 with applicable codes and to render the Property habitable as decent, safe,
28 and sanitary housing, including without limitation contracts with:

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- Any maintenance and repair companies or personnel and any property manager or project manager;
- Any licensed engineer or other building professional to inspect and evaluate the condition and rehabilitation potential of the Property;
- Any licensed architect, draftsman, or other design professional to furnish plans and specifications for the rehabilitation of the Property;
- Any licensed general contractor, subcontractor, supplier or manufacturer to provide labor, services, goods, materials or equipment needed to manage, maintain, or rehabilitate the Property;
- Any construction manager;
- Any bank, lending institution, or government housing finance agency;
- Any title company;
- Any real estate appraiser;
- Any accountant or bookkeeper; and • Any locksmith or security company to obtain access or to maintain the security of the Property.

D. To retain legal counsel to represent him and assist him with the performance of his duties as set forth herein. All reasonable expenses incurred in connection with the hiring and retention of such personnel and counsel shall be expenses of, and paid for by, the Property.

E. To operate, lease, manage, control and conduct the Property and its business and incur the expenses necessary in such operation, leasing, management, control, and conduct in the ordinary and usual course of business, and shall do all things and incur the risks and obligations ordinarily incurred by owners, managers, and operators of similar properties, and no such risks or obligations so incurred shall be the personal risk or obligation of the Receiver, but shall be a risk or obligation of the receivership estate.

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- F. To issue demands, in the name of the receivership estate, upon public utilities which the Receiver determines provide service to the Property and to transfer such services, together with any deposits held by the utility, to the exclusive control of the Receiver.
- G. To issue demands in the name of the receivership upon the U.S. Postal Service, or any other public or private entity, to gain exclusive possession and control of such postal boxes as may have been used by Defendants and/or their agents for the receipt of rent, income, and other mail related to the Property.
- H. To demand deposits from available leases and other records, compute the amount of deposits collected by Defendants and/or their agents from tenants for security, cleaning, or any other purposes, and demand the immediate surrender to the Receiver of such deposits by Defendants and/or their agents who collected them, and to take appropriate action to enforce the turnover of such deposits.
- I. To temporarily or permanently relocate the Property's occupants (if any) if necessary. To this end, the Receiver may institute ancillary actions for unlawful detainer relating to the Property and may employ the services of an attorney to represent him in connection with any such unlawful detainer proceeding.
- J. To borrow funds as necessary to pay for the cost of, relocation benefits, design and engineering work, permits, property management and maintenance, taxes, insurance, legal fees, receiver's fees and interim fees, and other costs of the Receivership, and to secure that debt with a recorded first priority lien on the Property for the amount borrowed. The Receiver may also record at the Los Angeles County Recorder's Office a first lien (Receiver's Certificate of Indebtedness) on the Property that shall have super priority as to any preexisting private lien(s) and encumbrance(s), except

1 against federal, state or county tax lien(s), for any monies owed to the
2 Receiver for the estimated costs of operating the receivership, including
3 receiver's fees and costs advanced or expended by the Receiver for the
4 purposes authorized by this order or subsequent orders issued in this action.

5 K. To issue and record Receiver's Certificates of Indebtedness and/or a Deed
6 of Trust against the Property to evidence and secure the above debt, which
7 shall become a first lien on the Property with super priority over all
8 preexisting private liens and encumbrances, except for federal, state or
9 county tax liens. The Receiver's Certificate shall be issued for such amounts
10 and for such items as the Court may hereafter expressly authorize, upon
11 notice and after hearing as herein provided. The debt evidenced by said
12 Certificates shall be due and payable upon the completion of the Receiver's
13 duties hereunder with respect to the rehabilitation of the subject Property
14 and, if applicable, the issuance of a Certificate of Occupancy. If at the time
15 this debt is not satisfied, the Receiver or the holder of the Certificate may
16 apply to this Court on notice and hearing to sell the Property pursuant to the
17 California Code of Civil Procedure section 568.5 free and clear of
18 subordinate liens and encumbrances.

19 L. To open one or more bank accounts in his name as Receiver or in the name
20 of the Receivership Estate at any federally-insured bank, savings and loan,
21 credit union, or similar financial institution.

22 M. To prepare monthly reports to the City and other parties with an interest in
23 the Property, which must include the total amount of any rent received, the
24 nature and amount of any operating or repair contracts, payments made to
25 repair and operate the Property, other payments made, and the progress of
26 necessary repairs to the Property.

27 N. To file with the Court within thirty calendar days of the effective date of this
28 Order an inventory containing a complete and detailed list of all property of

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which the Receiver has taken possession, and to promptly file a supplementary inventory of any subsequently obtained property.

O. To render interim accountings and reports on at least a quarterly basis to this Court, and to render a final accounting to this Court at the conclusion of the Receivership.

P. To pay the City its attorneys' fees and costs, as the *prevailing party*, out of the Receivership Estate with the same priority as the Receiver's lien(s), subject to availability of funds and the prior approval and confirmation of this Court.

Q. To sell the Property, pursuant to Code of Civil Procedure section 568.5 or by private sale, if necessary, subject to the prior approval and confirmation of this Court.

R. To record a certified copy of this Order with the Los Angeles County Recorder's Office.

S. To exercise the powers granted to receivers under section 568 of the Code of Civil Procedure.

T. To apply to this Court for further or other instructions or orders and for further powers necessary to enable the Receiver to perform his duties properly, or to address unforeseen circumstances that may arise with respect to this Receivership.

U. The Receiver shall not be responsible for payment of any real property taxes, utility bills, unpaid payroll expenses or other unpaid invoices for services or utilities incurred by Defendants or for the benefit of the Property prior to the Receiver's taking possession of the Property; provided, however, the Receiver is authorized to pay operating expenses of the Property incurred prior to the date of this Order if such payment is reasonably necessary or beneficial to enable the Receiver to continue to operate the Property as determined by the Receiver in his sole discretion, including, without

1 limitation, the payment of utility bills dated prior to the date of the Order. In
2 addition, no insurance company shall be allowed to put in place more
3 stringent payment arrangements during the term of the receivership pursuant
4 to this Order. Any insurance company shall name Receiver and his Agents
5 as additional insured on each policy on the property.

6 V. The Receiver shall have no responsibility for filing federal and/or state
7 income tax returns or federal or state payroll tax returns and shall not be
8 responsible for paying any unpaid federal and state payroll taxes and
9 expenses of Defendants. The responsibility for such filings and payments
10 lies exclusively with Defendants and their agents, employees, and
11 representatives.

12 W. Any security or other deposits which any tenants have paid to Defendants or
13 its agents and which are not paid to the Receiver and over which the Receiver
14 has no control, shall be obligations of Defendants and may not be refunded
15 by the Receiver without a prior order of the Court.

16 X. The Receiver may demand, collect, and receive all rents, revenues, and
17 profits for the Property or any part of it that are owed, unpaid, and
18 uncollected as of the effective date of this Order, or hereafter to become due.

19 Y. The Receiver and the Parties to this action may, from time to time, on ex
20 parte basis or noticed motion on shortened time, petition this Court for
21 instructions in pursuance of this order and further orders this Court may
22 hereafter make.

23 Z. No person or entity shall file suit against the Receiver, or take other legal
24 action against the Receiver or the Property, without an order of this Court
25 permitting the suit or action; provided, however, no prior Court order is
26 required to file a motion in this action to enforce the provisions of this Order
27 or any other order of this Court in this action. In any event; no such suit shall
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1 be brought against the Receiver personally, but only against the Receivership
2 Estate.

3 9. IT IS FURTHER ORDERED that Defendants Crown and Jay Hooper, their partners,
4 assignees, successors, representatives, managers, agents, attorneys, employees, and all other
5 persons acting under or in concert with Defendants are hereby ordered to:

6 A. Immediately relinquish and turn over possession of the Property to the
7 Receiver;

8 B. Immediately turn over to the Receiver and direct all property managers or
9 other agents or employees to turn over all keys to the Property and any books
10 or records with respect to the Property as requested by the Receiver;

11 C. Immediately advise the Receiver as to the nature and extent of insurance
12 coverage on the Property, and name the Receiver as an additional insured on
13 liability insurance policies for so long as the Receiver remains in possession;

14 D. Forward to the Receiver all bills which they may receive in connection with
15 the Property; and

16 E. Respondent shall within 10 days hereof provide the Receiver with its social
17 security number, taxpayer identification number, or employer's
18 identification numbers so that the Receiver may report the existence of this
19 receivership to the Internal Revenue Service by completion of a form SS-4
20 form, and the Receiver is hereby authorized to apply for a taxpayer
21 identification number if required to carry out his duties in this case.

22 10. IT IS FURTHER ORDERED that Defendants Crown and Jay Hooper, their partners,
23 assignees, successors, representatives, managers, agents, attorneys, employees and all persons
24 acting under or with concert with Respondent, are hereby enjoined at all times until the Receiver is
25 discharged from:

26 A. Demanding, collecting, receiving, or diverting any rents, profits, or income
27 from the Property;

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- 1 B. Interfering with the Receiver, directly or indirectly, in the conduct of the
- 2 receivership;
- 3 C. Encumbering, mortgaging, liening, leasing, renting, selling or transferring
- 4 the Property or any interest in it;
- 5 D. Canceling, reducing, or modifying any existing insurance coverage with
- 6 respect to the Property;
- 7 E. Entering upon the Property or into any structure located on the Property
- 8 without first having received the Receiver's written consent;
- 9 F. Commencing or continuing any foreclosure or similar process, including
- 10 nonjudicial foreclosure and trustee sale proceedings, and further including
- 11 the filing of any notice of default or notice of trustee's sale;
- 12 G. Commencing or continuing any action which impairs or precludes the
- 13 Receiver's ability to obtain policies of title insurance needed to implement
- 14 the actions authorized by this Order;
- 15 H. Removing any furniture, fixture or item of personal property from the
- 16 Subject Property without first having received the Receiver's written
- 17 consent; and
- 18 I. Claiming any deduction with respect to state income taxes for interest, taxes,
- 19 expenses, depreciation, or amortization paid or incurred with respect to the
- 20 Property for 2019 and all future years during the pendency of the
- 21 receivership.

22 11. IT IS FURTHER HEREBY ORDERED that the Receiver will be entitled to
23 recovery of his costs and expenses incurred as a result of this Receivership. Further, Receiver may
24 also employ the services of a property management company as needed. The Receiver's
25 compensation shall be subject to review and final approval by this Court upon notice and hearing
26 at the time the Receiver presents a Final Report and Final Accounting, which accounting shall be
27 accompanied by records adequately documenting the rehabilitation and property management
28 services rendered by the Receiver.

1 90012 on 05/09/2022 (date), at JK 10:00 AM (time), ~~or as soon~~
2 ~~thereafter as the matter may be heard, then and there~~ to show cause, if any they have, why they
3 should not be enjoined or restrained during the pendency of this action from engaging in,
4 committing, or performing, directly or indirectly, any and all of the above stated acts and why the
5 Receiver as set forth above should not be confirmed. ~~Responses to this order to show cause shall~~
6 ~~be filed and served consistent with the Rules of Court.~~

7 **IT IS SO ORDERED.**



8 *Curtis A. Kin*

9 Dated: 05/09/2022

10 Curtis A. Kin / Judge

11 HONORABLE CURTIS A. KIN
12 Judge of the Superior Court