

# Verdicts & Settlements

RESULT DATE: Feb. 13, 2020

JRMG, LLC v. Highland Park Patient Collective Inc., Steve Leon, Victoria Leon (BC722479)

Los Angeles County Superior Court

20-JV\_134857

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TOPIC: Fraud

FURTHER DESCRIPTION: Contractual Fraud

Verdict: \$2,718,000

ATTORNEYS:

Plaintiff:

Zein E. Obagi Jr. (Obagi Law Group PC)

Defendant:

Arthur D. Hodge (Arthur D. Hodge, Esq.)

FACTS: JRMG, LLC and Highland Park Patient Collective Inc., agreed to a 50/50 partnership in a debt-strapped, dispensary in the wrong zone that needed to be relocated quickly.

JRMG invested hundreds of thousands of dollars, relocating the dispensary, paying off back taxes to owed the Board of Equalization and paying out to its partners their monthly dues.

Then, JRMG discovered that its partners, the Leons, had previously promised partnership to another partner, Carlos Godoy, who sued them in Godoy, et al., v. Leon, et al.

JRMG defended their partners, paying for the cost of defense. In that case, the superior court held that since the licensed entity, HPPC was a non-profit mutual benefit corporation, no partnership interest could be had in it.

On Feb. 1, 2018, the Leons, defendants in the case, converted HPPC from a non-profit to a for profit entity. In so doing, they requested 1000 shares that they kept for themselves.

They next filed paperwork to relocate HPPC's license to Woodland Hills, where they were setting up the Plant with new partners.

PLAINTIFF'S CONTENTIONS: Plaintiff contended that the Leons and HPPC were liable to for conversion of JRMG's interest in HPPC.

DEFENDANTS' CONTENTIONS: Defendants denied the contentions.

LENGTH: one week

POLL: waived

DELIBERATION: four hours

SETTLEMENT DISCUSSIONS: Highest settlement offer by defendants was \$100,000.

RESULT: The jury rendered a plaintiff's verdict for \$2.718 million, which included \$2.5 million for the value of 50 percent of the dispensary owning corporation, \$143,000 of past economic damages, and \$75,000 in exemplary damages.

FILING DATE: Sep. 28, 2018