

1 JEFF REISIG
2 District Attorney Yolo County
3 LARRY BARLLY, Supervising Deputy District Attorney
4 State Bar Number 114456
5 301 Second Street
6 Woodland, California 95695
7 Telephone: (530) 666-8408

8 Attorneys for Plaintiff

FILED
YOLO SUPERIOR COURT
AUG 02 2016

BY E. ENDO
DEPUTY

9 SUPERIOR COURT OF CALIFORNIA, COUNTY OF YOLO

10 THE PEOPLE OF THE STATE OF CALIFORNIA,

11 Plaintiff,

12 v.

13 DAVIS GROUP LP, a limited partnership; SIERRA
14 CORPORATE MANAGEMENT, INC.; WESTERN
15 VENTURES, LP a limited partnership; and
16 ABRAHAM ARRIGOTTI, Individually and in his
Representative Capacity; and DOES 1-20 inclusive

Defendants.

CASE NO. CV16-500

FINAL JUDGMENT

17 Plaintiffs, THE PEOPLE OF THE STATE OF CALIFORNIA, having filed their
18 complaint herein and to the extent represented by and authorized to act through their attorneys,
19 JEFF W. REISIG, District Attorney of Yolo County, by LAWRENCE BARLLY, Deputy
20 District Attorney, (hereinafter the "People"); and defendants DAVIS GROUP LP, a limited
21 partnership; SIERRA CORPORATE MANAGEMENT, INC.; WESTERN VENTURES, LP a
22 limited partnership; and ABRAHAM ARRIGOTTI, Individually and in his Representative
23 Capacity, as represented by ROBERT DICKSON, Esq., of HART KING Attorneys at Law, a
24 licensed California attorney, have stipulated through a STIPULATION FOR FINAL
25 JUDGMENT filed in this matter that this Final Judgment can be entered without the taking of
26 proof and without this stipulated Final Judgment constituting evidence or an admission of any
27 fact by Defendants or issue of law by any party and with good cause appearing therefore and
28

1 ///

2 the parties having waived their rights of appeal and having approved this Final Judgment as to
3 form and content;

4 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

5 1. The above-entitled Court has jurisdiction of the subject matter and the parties
6 hereto.

7 2. This Final Judgment settles all claimed violations of law by Defendants as
8 defined in paragraph 4, below, and their officers, directors and employees, based upon the
9 facts alleged in the Complaint as asserted by the People.

10 3. Defendants are entering into this Final Judgment without any admission of the
11 truth of any allegation in the Complaint herein and without any inference or presumption
12 which may arise by reason of entering into the Final Judgment.

13 4. The injunctive provisions of this Final Judgment shall be applicable to DAVIS
14 GROUP LP, a limited partnership and WESTERN VENTURES, LP a limited partnership, and
15 to all partners, officers, directors, employees, agents, franchisees, contractors, affiliates,
16 associated entities, and employees whose duties include any of the matters covered by the
17 injunctive provisions in this Final Judgment and their successors and assigns (hereinafter
18 "Defendants").

19 5. Upon entry of this Final Judgment, the complaint against Does 1-20 inclusive,
20 and against SIERRA CORPORATE MANAGEMENT, INC.; and ABRAHAM ARRIGOTTI,
21 Individually and in his Representative Capacity will be dismissed without prejudice.

22 **INJUNCTION**

23 6. Pursuant to California Business and Professions Code sections 17203 and
24 17535, Defendants, and all partners, officers, directors, employees, agents, franchisees,
25 contractors, affiliates, employees whose duties include any of the matters covered by the
26 injunctive provisions and their successors and assigns, are permanently enjoined and restrained
27 from directly or indirectly engaging in any of the following acts or practices in or from
28 California:

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

- (A) Violating the provisions of California Health and Safety Code section 18025 by selling, offering for sale, or transferring homes which fail to meet structural, fire safety, plumbing, heat producing, or electrical system code requirements;
- (B) Violating the provisions of Health and Safety Code section 18046 by failing to conduct a reasonably competent and diligent visual inspection of the home offered for sale and failing to disclose the any prospective buyer all facts materially affecting the value or desirability of that home that an investigation would reveal;
- (C) Violating the provisions of Health and Safety Code section 18035 and 18059.5, by failing to use escrow accounts and to have purchase funds go through escrow agent for every transaction by or through a dealer to sell or lease with the option to buy a new or used manufactured home or mobilehome;
- (D) Violating the provisions of Civil Code sections 1770(a)(19) and 1671(d) by collecting unreasonable and unconscionable amounts of money as a nonrefundable deposit, however, the parties to such a contract may agree therein upon an amount which shall be presumed to be the amount of damage sustained by a breach thereof, when, from the nature of the case, it would be impracticable or extremely difficult to fix the actual damage;
- (E) Violating the provisions of Health and Safety Code sections 13113.8, 17926, 18029.6, 18031.7, 18025, and 18550, by selling, offering for sale, or transferring homes or permitting occupancy in homes without said homes meeting required habitability and safety requirements (i.e., smoke alarms, carbon monoxide device, water heaters strapping, structural, fire safety, plumbing, heat-producing, or electrical systems, fuel, gas, water, electricity, or sewage connections);

- 1 (F) Violating Civil Code section 1102.3, 1102.6 and Health and Safety Code
2 section 18046 by failing to provide the mandated disclosure statement
3 timely and as soon as practicable before the transfer of title and/or by
4 failing to disclose all that is required on the transfer disclosure statement
5 after a reasonably competent and diligent visual inspection;
- 6 (G) Violating the provisions of Health and Safety Code sections 18059, and
7 18101 and if, and as applicable, violating 18060.5(c) and 18101.5 by
8 failing to promptly provide title to a buyer;
- 9 (H) Violating Health and Safety Code section 18035.3(a) by deviating from
10 its requirements regarding purchase orders, conditional sales contracts or
11 other document evidencing the purchase of a home; and
- 12 (I) Violating Health and Safety Code section 18039 by providing a provision
13 in any agreement that buyers waive any right under section 18035 of the
14 Health and Safety Code.
- 15 (J) As used in paragraph 6, the words "home," "mobilehome," and
16 "manufactured home" are interchangeable and refer to those structures
17 defined pursuant to Health and Safety Code sections 18007 and 18008.
- 18 (K) As used in paragraph 6, the use of conjunctive language includes the
19 disjunctive.

20 7. Upon the start of the 15th day after the signing of the Final Judgment these
21 injunctive terms shall take effect. However, during that 15 day time period, the People
22 are not precluded from seeking ex Parte relief upon good cause (an alleged violation that
23 requires immediate/emergency relief). This paragraph does not negate or affect any of
24 the Defendants' legal obligations to follow the law.

25 **MONETARY RELIEF**

26 8. Defendants shall, jointly and severally, pay to Plaintiff the amount of \$27,000,
27 payable as set forth below pursuant to Business and Professions Code sections, 17206 and
28 17536.

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

(A) Delivery of the full cash amount shall be made prior to the presentation of this Final Judgment to the Court and is to be held pending Court approval of this settlement.

(B) Payment shall be delivered to the Office of the Yolo County District Attorney, 301 Second Street, Woodland, CA 95695, attention Larry Barilly.

(C) Payment shall be in the form of 2 checks payable as follows:

(i) One check for \$5,000 shall be made payable to the Yolo County District Attorney's Office of which \$2,500, shall be allocated as the costs of investigation and \$2,500 shall be allocated as civil penalties.

(ii) One check in the amount of \$22,000 shall be made payable to the Yolo County District Attorney's Office to be utilized as restitution with any unutilized amounts to be deemed as *cy pres* restitution payable to as follows:

The Office of the Yolo County District Attorney shall undertake good faith and reasonable efforts to locate and determine the pool of transferees or buyers of mobilehomes or manufactured homes (hereinafter "applicants") that suffered unreimbursed costs that were not disclosed at or prior to the time of purchase (hereinafter "costs" or "loss"). If the total of the applicants' costs are greater than \$22,000, the restitution shall be distributed on a percentage basis based on the loss of the applicant in relation to the total losses claimed. The Yolo County District Attorney shall complete its efforts within six months from the

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

date of entry of judgment. Defendants shall cooperate with Plaintiff in locating the pool of applicants to the extent such information is in their possession. Should there be any remaining restitution funds, they shall be designated as *cy pres* restitution and shall be payable to Legal Services of Northern California. Nothing in this paragraph shall deprive a transferee or buyer of any other right or remedy which he or she may otherwise be entitled to by law; nor relieve Defendant of any such liability.

(D) Time is of the essence. Any payment or donation not received by the date it is due, or in an amount less than stated in this FINAL JUDGMENT, is deemed to be a violation of this FINAL JUDGMENT and the entire unpaid balance or donation value of is immediately due and payable and statutory interest of TEN PERCENT (10%) shall accrue on the entire remaining balance without further demand or notice.

9. Nothing in this agreement shall preclude or limit any additional enforcement for violations occurring after the date of the filing of the Complaint in this matter.

RETENTION OF JURISDICTION AND FINALITY

10. The Court retains jurisdiction for the purpose of enabling any party to this Final Judgment to apply to the Court at any time for such further orders and directions as may be necessary and appropriate for the construction or carrying out of the injunctive provisions of this Final Judgment, for the modification of any of the injunctive provisions and for the enforcement of compliance with and punishment for violations of the Final Judgment.

1 11. Any intentional violation of this injunction may be presented to the Court pursuant
2 to Business and Professions Code §§ 17207 and/or 17535.5. An intentional violation is given
3 its ordinary definition and includes an act or omission which was done on purpose or
4 deliberately.

5 12. The language used for the obligations set forth in this Final Judgment are solely
6 for the purposes of settlement and compromise and are in no way intended to be an alteration
7 of California law in any other action. If an ambiguity arises regarding any provisions of the
8 Stipulated Final Judgment that requires interpretation, there is no presumption that documents
9 should be interpreted against any party. The presumption set forth in Civil Code section 1654
10 is not applicable.

11 13. The failure of the People to enforce any provision of this Final Judgment shall
12 neither be deemed a waiver of such provision nor shall it in any way affect the validity of this
13 Final Judgment. The failure of the People to enforce any provision shall not preclude it from
14 later enforcing the same or other provisions of this Final Judgment.

15 14. Except as otherwise expressly provided herein, each party shall bear its own
16 attorneys' fees and costs.

17 15. This Judgment has been reviewed by the Court, and based upon the
18 representations of the parties, the Court finds that it has been entered in good faith and is, in all
19 respects, fair, just, and equitable to protect the public and the individuals who may have been
20 affected by the issues related as more fully described in the Complaint.

21 16. This Final Judgment shall take effect immediately upon filing and without
22 Notice of Entry of Final Judgment. The parties waive the right to appeal this Stipulated Final
23 Judgment as to both form and content and the serving and filing of a notice of Entry of
24 Judgment.

25
26 DATED: _____

8/2/14

TIMOTHY L. FALL

JUDGE OF THE SUPERIOR COURT