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JOSEPH M. GIDEN
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April 9, 2019

VIA FEDERAL EXPRESS

██████████
MHPHOA
██████████
████████████████████

Re: *Kort & Scott Financial Group, LLC, etc. v. ██████████, et. al.*

Dear Mr. ████████:

This law firm represents Kort & Scott Financial Group, LLC (“KSFG”) and Sierra Corporate Management, Inc. (“Sierra”). Enclosed is a copy of a lawsuit that will be filed against you on April 12, 2019, unless you immediately remove the website mhphoa.com (the “Website”) and all content therefrom referencing KSFG and Sierra.

KSFG and Sierra, through other counsel, issued multiple demands to you to cease and desist the publication of certain trademark protected information on the Website as well as deceptive website addresses for over 40 property listings. You failed to address the reasonable concerns and meet the demands of KSFG and Sierra to correct your unlawful conduct.

In addition to violation of trademark law and violating both the Computer Fraud and Abuse Act (18 U.S.C. § 1030) and similar state laws (California Penal Code § 502(c), Arizona Statutes § 13-2316, Colorado Statutes § 18-5.5-102 and New Mexico Statutes § 30-45-5), the Website contains numerous defamatory statements related to the business and reputation of both KSFG and Sierra. The clear intent of the Website and defamatory content is to injure KSFG and Sierra. In

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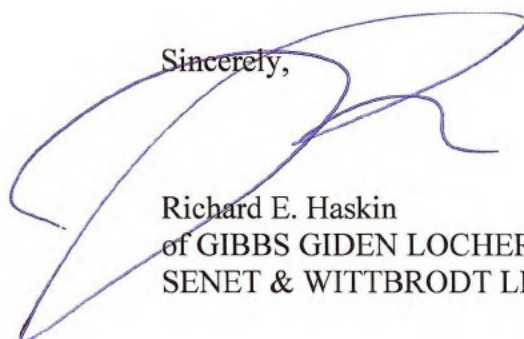
April 9, 2019

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fact, you encourage individuals viewing the defamatory content to file complaints with public agencies, all while using falsehoods to support such complaints.

The foregoing conduct, as alleged in the enclosed complaint, subjects you to compensatory, assumed and punitive damages. KSFG and Sierra also may recover their attorneys' fees incurred in bringing suit. KSFG and Sierra must act now with immediacy in order to save their reputation from your defamatory actions. There will be no further warnings. Please remove all references to KSFG and Sierra from the Website or remove the Website, altogether, no later than April 15, 2019.

Sincerely,



Richard E. Haskin
of GIBBS GIDEN LOCHER TURNER
SENET & WITTBRODT LLP

REH:RH

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5 Attorneys for Plaintiff
6 KORT & SCOTT FINANCIAL GROUP, LLC and
SIERRA CORPORATE MANAGEMENT, INC.
7

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**

10 KORT & SCOTT FINANCIAL GROUP,
LLC, a California limited liability company;
11 and SIERRA CORPORATE
MANAGEMENT, INC., a California
12 corporation

13 Plaintiff,

14 v.

15 [REDACTED], an individual;
MOBILE HOME PARK HOME OWNERS
16 ALLEGIANCE, an unknown entity; and
DOES 1 through 10, inclusive,
17

18 Defendants.

Case No.:
[Unlimited Jurisdiction]
COMPLAINT

19 COMES NOW Plaintiffs KORT & SCOTT FINANCIAL GROUP, LLC, a California
20 limited liability company (“KSFG”); and SIERRA CORPORATE MANAGEMENT, INC., a
21 California corporation (“Sierra”) (collectively “Plaintiffs”), by and through the undersigned
22 counsel, Richard E. Haskin, Esq., of GIBBS, GIDEN, LOCHER, TURNER, SENET &
23 WITTBRODT LLP, and hereby alleges for its Complaint as follows:

24 **PARTIES, JURISDICTION AND VENUE**

25 1. KSFG was and is a limited liability company, organized and existing by virtue
26 of the laws of the State of California, and at all relevant times was and is duly qualified to do
27 business in the State of California.
28

1 2. Sierra was and is a corporation, organized and existing by virtue of the laws of
2 the State of California, and at all relevant times was and is duly qualified to do business in
3 the State of California.

4 3. Plaintiffs are informed and believe and upon such information and belief
5 alleges that Defendant [REDACTED] (“[REDACTED]”) was and is an individual residing in
6 the County of Orange, State of California.

7 4. Plaintiffs are informed and believe and upon such information and belief allege
8 that Defendant MOBILE HOME PARK HOME OWNERS ALLEGIANCE (“MHPHOA”)
9 is an unknown entity, operating in the County of Orange, State of California.

10 5. Plaintiffs are informed and believe and upon such information and belief allege
11 that [REDACTED] and MHPHOA is the each the alter-ego of the other. Although [REDACTED] uses the
12 name MHPHOA, it lacks assets and capitalization with which to do business and is not
13 operating in compliance with the California Corporations Code, any Corporate Articles of
14 Incorporation or Organization, Bylaws, or other required business protocol.

15 6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious
16 names, their true names and capacities being unknown to Plaintiffs but are believed to reside
17 in the State of California; are somehow responsible for the injuries claimed herein; and/or are
18 otherwise necessary parties to resolution of the claims herein. Plaintiffs will ask leave of
19 Court to amend their Complaint by inserting their true names and capacities in the place and
20 stead of said fictitious names when the same have been ascertained. Plaintiffs are informed
21 and believe and based upon such information and belief allege that each Defendant
22 designated herein as DOES 1 through 20, inclusive, is responsible in some way and/or
23 manner for the acts and occurrences herein alleged, whether such acts and occurrences were
24 committed intentionally, negligently, recklessly or otherwise, and that each DOE Defendant
25 is liable to Plaintiffs, and each of them, for the injuries suffered as alleged herein.

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7. At all times mentioned herein, each of the Defendants was the agent, servant, employee, affiliate, parent, assignee, success-in-interest, alter ego, or other representative of each of the remaining Defendants, and was, in doing the things herein complained of, acting within such capacity.

GENERAL ALLEGATIONS

8. Plaintiffs repeat by reference thereto paragraphs 1 through 7, inclusive, with like force and effect as if the same were set forth herein in full.

9. KSFG, which is based in Anaheim, is an owner of manufactured and/or mobile home communities.

10. Sierra is a manger of manufactured and/or mobile home parks, often managing parks owned by KSFG. Sierra has operated for over 20 years, and currently managers nearly 30 mobile home parks and 5,600 spaces throughout California, Arizona, New Mexico, Colorado and Illinois. Sierra enjoy an excellent reputation as a successful, upstanding, and competent mobile home park managers and operators.

11. Plaintiffs are informed and believe, and thereon allege, that beginning in or about 2018 to present, Defendants created, developed and published a website at mhpoa.com (the "Website"), known as the *Mobile Home Park Home Owners Allegiance*. Plaintiffs are further informed and believe, and thereon allege, that Defendants continue to update the Website and publish additional information on a routine basis. Defendants hold MHPHOA as "regularly updated resident curated news and important information regarding mobile home owners in Kort & Scott owned mobile home parks." Defendants further state on the Website that "MHPHOA is a grass roots movement...passionately dedicated to the preservation and protection of mobile home owner's rights in Kort & Scott Financial Group dba Sierra Corporate Management mobile home parks in the State of California."

12. Despite the noble prelude and purported purpose of the Website, the Website contain numerous false statements of fact related to Plaintiffs, and each of them, including, but not limited to, the following:

///

- 1 a) KSFG’s first order of business after purchasing a mobile home park
2 is to “increase existing mobile home space rents to above Fair
3 Market Rents...”
- 4 b) KSFG operates to “[c]onvince mobile home owners to sign long-
5 term leases (e.g. 15 years at 8.0%, 20 years at 7.0%, 25 years at
6 6.0%), which waive your rights to any current or future rent
7 control ordinances that may be in force or implemented by your
8 city.”
- 9 c) KSFG “converts all included utilities to metered utilities (pass-
10 through). Space rents may no longer include utilities such as
11 water, sewer and trash which are all major operating expenses for
12 mobilehome park owners.”
- 13 d) KSFG overbills for utilities and makes fraudulent and improper
14 meter estimations.
- 15 e) “Once Kort & Scott Financial Group purchase your mobile home
16 park, and Sierra Corporate Management take over management
17 of the park, it's only a matter of time and your limited budget as
18 to how long you can stay before abandoning or being
19 economically evicted from your mobile home – that you paid
20 for.”
- 21 f) “Over two decades of these types of unfair business practices in
22 California, Arizona, Colorado, Florida, Illinois and New Mexico
23 have yielded Mr. Lee M. Kort and Mr. Michael H. Scott
24 hundreds of millions of dollars all while living off the backs of
25 minority groups, seniors, low-income families, and any person,
26 or persons, who do not have the financial wherewithal to stand
27 up and protect their rights as a homeowner. These are the
28 primary target groups of Kort & Scott Financial Group – those

1 who cannot defend themselves.”

2 13. The Website contains numerous other misstatements of fact, such as KSFG
3 “reduces park maintenance to a minimum” and “only addresses emergency situations...,
4 reduces park staffing to a minimum...[r]emoving clubhouses, fails to enforce park rules or
5 selectively enforces the rules, intentionally interferes with owner sales so KSFG can
6 purchase the unit at a “fraction of the price...” All of the foregoing are false but represented
7 by Defendants as factual.

8 14. The Website also contains numerous misstatements of fact regarding Sierra.
9 For example, the Website states that Sierra is the fictitious business name of KSFG, when in
10 fact, Sierra is a completely independent legal entity. Defendants, via the Website, state that
11 Sierra will immediately increase rent in all facilities once it takes over as the management
12 entity and will cause owners to lose their homes. This is not true. Sierra is merely a
13 management entity and does not make any determinations on rent increases. Further, KSFG
14 will only raise rents in facilities it owns when doing so coincides with the market and needs
15 of the mobile home park. The decision to raise rents is on a case by case basis and is not a
16 blanket deceptive business practice as Defendants state repeatedly on the Website.

17 15. Defendants also state both KSFG and Sierra increase utility costs to residents.
18 In actuality, utilities are billed to the owners at cost. Neither Sierra nor KSFG will increase
19 utility rates in order to realize a profit.

20 16. Defendants also state that Sierra, as the manager, will interfere with an owner’s
21 sale of a home using various underhanded methods. This is not true as neither Sierra nor
22 KSFG interfere with a third-party sale, nor is it the best interest for either Plaintiffs to do so.

23 17. Plaintiffs are informed and believe, and thereon allege, that Defendants’ actual
24 intended purpose of publishing the Website is to defame and injure Plaintiffs, and each of
25 them. Defendants pronounce on the Website that “Kort & Scott Financial Group and its
26 DBAs, Sierra Corporate Management and all of its culpable employees, affiliates and
27 contractors, are responsible for destroying the financial assets of thousands of lives in
28 California, Arizona, Colorado, Illinois and New Mexico.” Further, Defendants encourage

1 owners to file complaints against Plaintiffs to public agencies and offer verbal assistance in
2 doing so. Based on the numerous falsehoods on the Website, it is likely Defendants are
3 providing owners with false information to complete complaints to public agencies.

4 **FIRST CAUSE OF ACTION**

5 **(For Defamation *Per Se* Against All Defendants;**
6 **Private Figure and Matter of Public Concern)**

7 18. Plaintiffs repeat by reference thereto paragraphs 1 through 17, inclusive, with
8 like force and effect as if the same were set forth herein in full.

9 19. Defendants, via the Website, have made and continue to make the statements
10 set forth above in Paragraphs 12 through 16 to viewers of the Website.

11 20. The viewers of the Website reasonably understood the statements are about
12 Plaintiffs.

13 21. The statements are defamatory on their face because they provide that
14 Plaintiffs, and each of them, are guilty of criminal conduct, are corrupt, have committed acts
15 of misconduct, and are acts of dishonesty and defective character.

16 22. The viewers reasonably understood the statements to mean that Plaintiffs, and
17 each of them, are engaged in predatory, fraudulent, and deceptive business practices which
18 target owners within the KSFG mobile home parks and cause financial harm to those
19 owners.

20 23. The statements were and are false.

21 24. Defendants failed to use reasonable care to determine the truth or falsity of the
22 statements.

23 25. Plaintiffs, and each of them, have suffered harm to their business, trade and
24 profession. As a result, Plaintiffs have suffered monetary damages.

25 26. In addition, Plaintiffs, and each of them, are entitled to recover compensation
26 for assumed harm in a reasonable sum.

27 27. Further, Plaintiffs, and each of them, have had to engage law firms in order to
28 defend Plaintiffs and correct the ongoing defamation.

1 28. Finally, Defendants, and each of them, acted with malice, oppression, and/or
2 fraud in that Defendants, and each of them, knew the statements were and are false or
3 Defendants had serious doubts about the truth of the statements. As a result, Plaintiffs, and
4 each of them, are entitled to an award of punitive damages.

5 **SECOND CAUSE OF ACTION**

6 **(For Defamation Per Se Against All Defendants;**
7 **Private Figure and Matter of Private Concern)**

8 29. Plaintiffs repeat by reference thereto paragraphs 1 through 28, inclusive, with
9 like force and effect as if the same were set forth herein in full.

10 30. Defendants, via the Website, have made and continue to make the statements
11 set forth above in Paragraphs 12 through 16 to viewers of the Website.

12 31. The viewers of the Website reasonably understood the statements are about
13 Plaintiffs.

14 32. Because of the facts and circumstances known to the viewers of the statements,
15 the statements tended to injure Plaintiffs in their respective occupations and/or expose
16 Plaintiffs to hatred, contempt, ridicule, or shame and discouraged others from associating
17 with and/or dealing with Plaintiffs.

18 33. The statements were and are false.

19 34. Defendants failed to use reasonable care to determine the truth or falsity of the
20 statements.

21 35. Plaintiffs, and each of them, have suffered harm to their business, trade and
22 profession. The statements were a substantial factor in causing the foregoing harm. As a
23 result, Plaintiffs have suffered monetary damages.

24 36. Further, Plaintiffs, and each of them, have had to engage law firms in order to
25 defend Plaintiffs and correct the ongoing defamation.

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1 37. Finally, Defendants, and each of them, acted with malice, oppression, and/or
2 fraud in that Defendants, and each of them, knew the statements were and are false or
3 Defendants had serious doubts about the truth of the statements. As a result, Plaintiffs, and
4 each of them, are entitled to an award of punitive damages.

5 **THIRD CAUSE OF ACTION**
6 **(For Libel Per Se Against All Defendants)**

7 38. Plaintiffs repeat by reference thereto paragraphs 1 through 37, inclusive, with
8 like force and effect as if the same were set forth herein in full.

9 39. Defendants, via the Website, have made and continue to make false and
10 unprivileged publications in writing, as statements set forth above in Paragraphs 12 through
11 16, to viewers of the Website.

12 40. The viewers of the Website reasonably understood the statements are about
13 Plaintiffs.

14 41. Once more, the statements are defamatory on their face because they provide
15 that Plaintiffs, and each of them, are guilty of criminal conduct, are corrupt, have committed
16 acts of misconduct, and are acts of dishonesty and defective character.

17 42. Because of the facts and circumstances known to the viewers of the statements,
18 the statements tended to injure Plaintiffs in their respective occupations and/or expose
19 Plaintiffs to hatred, contempt, ridicule, or shame and discouraged others from associating
20 with and/or dealing with Plaintiffs.

21 43. The statements were and are false.

22 44. Defendants failed to use reasonable care to determine the truth or falsity of the
23 statements.

24 45. Plaintiffs, and each of them, have suffered harm to their business, trade and
25 profession. The statements were a substantial factor in causing the foregoing harm. As a
26 result, Plaintiffs have suffered monetary damages.

27 46. In addition, Plaintiffs, and each of them, are entitled to recover compensation
28 for assumed harm in a reasonable sum.

1 47. Further, Plaintiffs, and each of them, have had to engage law firms in order to
2 defend Plaintiffs and correct the ongoing defamation.

3 48. Finally, Defendants, and each of them, acted with malice, oppression, and/or
4 fraud in that Defendants, and each of them, knew the statements were and are false or
5 Defendants had serious doubts about the truth of the statements. As a result, Plaintiffs, and
6 each of them, are entitled to an award of punitive damages.

7 **FOURTH CAUSE OF ACTION**

8 **(For Libel *Per Quod* Against All Defendants)**

9 49. Plaintiffs repeat by reference thereto paragraphs 1 through 48, inclusive, with
10 like force and effect as if the same were set forth herein in full.

11 50. Defendants, via the Website, have made and continue to make false and
12 unprivileged publications in writing, as statements set forth above in Paragraphs 12 through
13 16, to viewers of the Website.

14 51. The viewers of the Website reasonably understood the statements are about
15 Plaintiffs.

16 52. The statements were and are false.

17 53. Defendants failed to use reasonable care to determine the truth or falsity of the
18 statements.

19 54. Plaintiffs, and each of them, have suffered harm to their business, trade and
20 profession. The statements were a substantial factor in causing the foregoing harm. As a
21 result, Plaintiffs have suffered monetary damages.

22 55. Further, Plaintiffs, and each of them, have had to engage law firms in order to
23 defend Plaintiffs and correct the ongoing defamation.

24 56. Finally, Defendants, and each of them, acted with malice, oppression, and/or
25 fraud in that Defendants, and each of them, knew the statements were and are false or
26 Defendants had serious doubts about the truth of the statements. As a result, Plaintiffs, and
27 each of them, are entitled to an award of punitive damages.

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WHEREFORE, Plaintiffs, and each of them, pray as follows:

- 1. For compensatory damages in an amount to be determined and according to proof;
- 2. For assumed damages;
- 3. For punitive damages allowed by law;
- 4. For an award of costs of suit incurred herein and reasonable attorneys' fees;
- 5. For an award of such other and further legal and equitable relief as the Court deems just and proper.

DATED: April 9, 2019

GIBBS GIDEN LOCHER TURNER
SENET & WITTBRODT LLP

By: _____
 Richard E. Haskin
 Attorneys for Plaintiff
 KORT & SCOTT FINANCIAL GROUP, LLC and
 SIERRA CORPORATE MANAGEMENT, INC.