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and Ocean Park Hotels-MMHI, LLC
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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT
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11 REXFORD/PICO, LLC, a California limited
liability company; and ALEX GHASSEMIEH,
12 an individual,

13 Plaintiffs,

14 vs.

15 OCEAN PARK HOTELS-MMHI, LLC, a
California limited liability company; OPHOT
16 PARTNERS 1, LLC, a California limited
liability company; Ocean Park Hotels-MNY,
17 LLC, a California limited liability company;
18 Ocean Park Hotels-TOY, LLC, a California
limited liability company; Ocean Park Hotels-
19 TOP, LLC, a California limited liability
company; Ocean Park Hotels-CVP, LLC, a
20 California limited liability company; C.E.F.
21 EQUITIES, LLC, a California limited liability
company; Ocean Park Hotels-MMBW, LLC, a
22 California limited liability company; Ocean
Park Hotels-LLO, LLC, a California limited
23 liability company; Ocean Park Hotels-LLO
OPERATOR, LLC, a California limited
24 liability company; Ocean Park Hotels-SLO1,
25 LLC, a California limited liability company;
Ocean Park Hotels-SLO2, LLC, a California
26 limited liability company; Ocean Park Hotels-
MMEX, LLC, a California limited liability
27 company; RB MONTEREY, LLC, a
Delaware limited liability company;
28 ROCKBRIDGE CAPITAL, LLC, an Ohio
limited liability company; JAMES M.

CASE NO. BC399274
(Consolidated with Case No. BC 416813)

[Dept. 96, Hon. Victor E. Chavez]

NOTICE OF ENTRY OF JUDGMENT

1 FLAGG, an individual; JAY FLAGG, in his
2 representative capacity as trustee of the Claire
3 E. Flagg Trust; KAREN M. FLAGG, an
4 individual; GLENN, BURDETTE, PHILLIPS
5 AND BRYSON, CERTIFIED PUBLIC
6 ACCOUNTANTS, a California professional
7 corporation; and DOES 1 through 10,
8 inclusive,

9 Defendants.

10 TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:

11 PLEASE TAKE NOTICE that on September 1, 2015, the Court entered judgment in this
12 action. A true and correct copy of the Judgment is attached hereto as Exhibit "A."

13 DATED: September 3, 2015

14 VAN ETTEN SIPPRELLE LLP

15 By: 

16 David B. Van Etten

17 Keith A. Sippelle

18 Attorneys for Defendants James M. Flagg
19 and Ocean Park Hotels-MMHI, LLC
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6 and Ocean Park Hotels-MMHI, LLC

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ORIGINAL FILED
Superior Court of California
County of Los Angeles

SEP 1 - 2015

Sherri R. Carter, Executive Officer/Clerk

By Connie Rodriguez, Deputy

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

10 REXFORD/PICO, LLC, a California
11 limited liability company; and ALEX
GHASSEMIEH, an individual,

12 Plaintiffs,

13 v.

14 Ocean Park Hotels-MMHI, LLC, a California
15 limited liability company; OPHOT
16 PARTNERS 1, LLC, a California limited
17 liability company; Ocean Park Hotels-MNY,
18 LLC, a California limited liability company;
19 Ocean Park Hotels-TOY, LLC, a California
20 limited liability company; Ocean Park Hotels-
21 TOP, LLC, a California limited liability
22 company; Ocean Park Hotels-CVP, LLC, a
23 California limited liability company; C.E.F.
24 EQUITIES, LLC, a California limited liability
25 company; Ocean Park Hotels-MMBW, LLC, a
26 California limited liability company; Ocean
27 Park Hotels-LLO, LLC, a California limited
28 liability company; Ocean Park Hotels-LLO
OPERATOR, LLC, a California limited
liability company; Ocean Park Hotels-SLO1,
LLC, a California limited liability company;
Ocean Park Hotels-SLO2, LLC, a California
limited liability company; Ocean Park Hotels-
MMEX, LLC, a California limited liability
company; RB MONTEREY, LLC, a
Delaware limited liability company;
ROCKBRIDGE CAPITAL, LLC, an Ohio

CASE NO. BC399274

(Consolidated with Case No. BC416813)

(Assigned for all purposes to Hon. Victor E.
Chavez, Dept. 96)

**JUDGMENT PURSUANT TO
STIPULATION** ~~RECORDED~~

EXHIBIT

A

1 limited liability company; JAMES M.
2 FLAGG, an individual; JAY FLAGG, in his
3 representative capacity as trustee of the Claire
4 E. Flagg Trust; KAREN M. FLAGG, an
5 individual; GLENN, BURDETTE, PHILLIPS
6 AND BRYSON, CERTIFIED PUBLIC
7 ACCOUNTANTS, a California professional
8 corporation; and DOES 1 through 10,
9 inclusive,

Defendants.

10 The remaining parties to this consolidated action at the commencement of trial on February
11 9, 2015 were the following: Plaintiffs Rexford/Pico, LLC (“Rexford/Pico”) and Alex Ghassemieh
12 (“Ghassemieh”) (Rexford/Pico and Ghassemieh shall be referred to collectively herein as
13 “Plaintiffs”); and Defendants James M. Flagg (“James Flagg”), Ocean Park Hotels-MMHI, LLC
14 (“MMHI”) and C.E.F. Equities, LLC (“CEF”) (James Flagg, MMHI and CEF shall be referred to
15 collectively herein as “Defendants”).

16 Prior to the commencement of trial, the Court had sustained without leave to amend
17 Demurrers to certain of Plaintiffs’ causes of action asserted in this consolidated action. These
18 Demurrers were filed both by Defendants and by the following dismissed defendants: OPHOT
19 Partners 1, LLC; Ocean Park Hotels-MNY, LLC; Ocean Park Hotels-TOY, LLC; Ocean Park
20 Hotels-TOP, LLC; Ocean Park Hotels-CVP, LLC; Ocean Park Hotels-MMBW, LLC; Ocean Park
21 Hotels-LLO, LLC; Ocean Park Hotels-LLO Operator, Inc.; Ocean Park Hotels-SLO1, LLC;
22 Ocean Park Hotels-SLO2, LLC; Ocean Park Hotels-MMEX, LLC; RB Monterey, LLC;
23 Rockbridge Capital, LLC; Jay Flagg, both in his individual capacity and in his representative
24 capacity as trustee of the Claire E. Flagg Trust; Karen M. Flagg; and Glenn, Burdette, Phillips and
25 Bryson, Certified Public Accountants (collectively, the “Dismissed Defendants”). As a result of
26 the Court’s rulings on the Demurrers filed by Defendants and the Dismissed Defendants, as of
27 February 9, 2015 the remaining causes of action in this consolidated action were the following:
28 (1) Case No. BC399274: First Cause of Action (Fraud) as against James Flagg and CEF; Fourth

1 Cause of Action (Breach of Written Contract) as against James Flagg only; Sixth Cause of Action
2 (Breach of Fiduciary Duty) as against James Flagg only; Eighth Cause of Action (Accounting) as
3 against MMHI only; and Tenth Cause of Action (Declaratory Relief) as against James Flagg, CEF
4 and MMHI; (2) Case No. BC416813: First Cause of Action (Involuntary Dissolution of MMHI) as
5 against MMHI only; and Second Cause of Action (Partition by Sale of Real Property) as against
6 CEF only.

7 This matter proceeded to a jury trial on February 9, 2015 on the following causes of action
8 of Plaintiffs' Fifth Amended Complaint in Case No. BC399274: First Cause of Action (Fraud),
9 Fourth Cause of Action (Breach of Written Contract), and Sixth Cause of Action (Breach of
10 Fiduciary Duty). On March 5, 2015, the jury returned its special verdict. With respect to these
11 claims, the Court issues Judgment in favor of James Flagg and CEF, and against Plaintiffs.

12 Following the jury's return of its verdict on March 5, 2015, the following "equitable"
13 causes of action in this consolidated action remained to be resolved: (1) Eighth Cause of Action of
14 Plaintiffs' Fifth Amended Complaint in Case No. BC399274 (Accounting, as against MMHI
15 only); (2) Tenth Cause of Action of Plaintiffs' Fifth Amended Complaint in Case No. BC399274
16 (Declaratory Relief, as against James Flagg, CEF and MMHI); (3) First Cause of Action of
17 Plaintiffs' First Amended Complaint in Case No. BC416813 (Involuntary Dissolution of MMHI,
18 as against MMHI only); and (4) Second Cause of Action of Plaintiffs' First Amended Complaint
19 in Case No. BC416813 (Partition by Sale of Real Property, as against CEF only) (hereinafter
20 referred to as the "Equitable Claims").

21 Plaintiffs and Defendants have stipulated to the entry of judgment on the terms set forth
22 herein. In doing so, the parties agree that the judgment is appealable despite consent to entry of
23 judgment because "consent was merely given to facilitate an appeal following an adverse
24 determination of a critical issue." *Building Indus. Ass'n v. City of Camarillo* (1986) 41 Cal.3d
25 810, 817. The Court, having reviewed and approved the Stipulation, judgment is hereby entered
26 as follows in this consolidated action:

27 1. The Eighth Cause of Action of Plaintiffs' Fifth Amended Complaint in Case No.
28 BC399274 (Accounting, as against MMHI only), Tenth Cause of Action of Plaintiffs'

1 Fifth Amended Complaint in Case No. BC399274 (Declaratory Relief, as against
2 James Flagg, CEF and MMHI), and First Cause of Action of Plaintiffs' First Amended
3 Complaint in Case No. BC416813 (Involuntary Dissolution of MMHI, as against
4 MMHI only) are hereby dismissed with prejudice.

- 5
- 6 2. The Second Cause of Action of Plaintiffs' First Amended Complaint in Case No.
7 BC416813 (Partition by Sale of Real Property, as against CEF only) is hereby
8 dismissed without prejudice (pursuant to a separate agreement between Rexford/Pico
9 and CEF). This stipulated judgment does not preclude Rexford/Pico from refileing a
10 Partition action against CEF at a later date.
- 11 3. All parties shall bear their own costs, expenses, and attorneys' fees incurred in
12 connection with the Eighth Cause of Action of Plaintiffs' Fifth Amended Complaint in
13 Case No. BC399274, Tenth Cause of Action of Plaintiffs' Fifth Amended Complaint in
14 Case No. BC399274, First Cause of Action of Plaintiffs' First Amended Complaint in
15 Case No. BC416813, and Second Cause of Action of Plaintiffs' First Amended
16 Complaint in Case No. BC416813.
- 17
- 18 4. All of the members of MMHI (Rexford/Pico, Ghassemieh, James Flagg and CEF) are
19 in agreement that MMHI (a California limited liability company) should be dissolved,
20 and by this judgment stipulate and agree to the dissolution of MMHI. Moreover, the
21 business of MMHI has been abandoned, and it is no longer reasonably practicable to
22 carry on the business of MMHI in conformity with its operating agreement. See
23 *Corporations Code* § 17707.03 (formerly *Corporations Code* § 17351). Accordingly,
24 MMHI is hereby deemed dissolved. The parties shall cooperate in preparing and filing
25 with the California Secretary of State all forms required by the *Corporations Code* to
26 effectuate the dissolution of MMHI.
27
28

- 1 5. All of the members of MMHI (Rexford/Pico, Ghassemieh, James Flagg and CEF)
2 waive all rights to receive anything of value from either MMHI or each other in
3 connection with the wind-up, liquidation and/or dissolution of MMHI.
4
5 6. All of the members of MMHI (Rexford/Pico, Ghassemieh, James Flagg and CEF)
6 waive their respective rights to an accounting in connection with the wind-up,
7 liquidation and/or dissolution of MMHI.
8
9 7. MMHI and all of the members of MMHI (Rexford/Pico, Ghassemieh, James Flagg and
10 CEF) waive all rights they may have against each other relating to the assets, liabilities
11 or equity of MMHI (e.g., rights to reimbursement for excess distributions received by a
12 member from MMHI or excess payments made by MMHI on behalf of a member).
13
14 8. Nothing in this stipulation shall affect, modify or reduce Plaintiffs' rights to appeal any
15 aspect of the litigation or trial of the claims in the consolidated action other than the
16 Equitable Claims.
17
18 9. James Flagg and CEF shall be entitled to their costs as against Plaintiffs in the
19 following amounts: James Flagg: \$ _____; CEF: \$ _____. (Amounts to
20 be determined by Memorandum of Costs and/or Motion, with amounts to be filled in
21 on this Judgment by the Clerk pursuant to *California Rule of Court* 3.1700(b)(4).)

22 **IT IS SO ORDERED, ADJUDGED AND DECREED.**

23 DATED: SEP 1 - 2015

24 VICTOR E. CHAVEZ

25 Hon. Victor E. Chavez
26 Superior Court Judge
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PROOF OF SERVICE

STATE OF CALIFORNIA

I am employed in the County of Ventura, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 2801 Townsgate Road, Suite 210, Westlake Village, CA 91361.

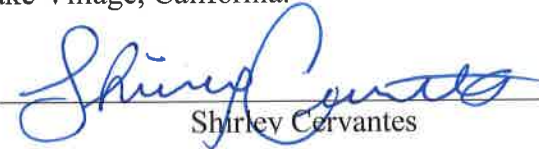
On September 3, 2015, I served the following document described as: **NOTICE OF ENTRY OF JUDGMENT** on the interested parties in this action as follows:

SEE ATTACHED LIST

BY EMAIL: Based on an agreement of the parties to accept electronic service, I sent the foregoing document electronically (by email) to the persons listed in the attached list at the email addresses listed.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 3, 2015 at Westlake Village, California.


Shirley Cervantes

SERVICE LIST

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