



**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

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Case Number: CGC-18-567094

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COMPLAINT

JUSTICE INVESTORS, LP ET AL VS. GEOFFREY M. PALERMO ET AL

001C06369148

Instructions:

Please place this sheet on top of the document to be scanned.

SUMMONS (CITACION JUDICIAL)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT: (AVISO AL DEMANDADO):

GEOFFREY M. PALERMO, an individual, GMP MANAGEMENT INC, a California corporation, and DOES 1-100, inclusive,

YOU ARE BEING SUED BY PLAINTIFF: (LO ESTÁ DEMANDANDO EL DEMANDANTE):

JUSTICE INVESTORS, LP, a California limited partnership, PORTSMOUTH SQUARE, INC., a California corporation,

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

Superior Court of the State of California
County of San Francisco
Civic Center Courthouse
400 McAllister Street
San Francisco, CA 94102

CASE NUMBER:
(Número del Caso):

CGC-18-567094

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Seong H. Kim (Cal Bar No. 166604) Tel.: 310-228-3700 Fax: 310-228-3701

Sheppard, Mullin, Richter & Hampton, LLP

1901 Avenue of the Stars, Suite 1600, Los Angeles, California 90067

DATE: _____ Clerk, by _____, Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):
4. ☐ by personal delivery on (date):

FAXED ORIGINAL

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

A Limited Liability Partnership
Including Professional Corporations

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Attorneys for Plaintiffs

Justice Investors, LP and Portsmouth Square, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

JUSTICE INVESTORS, LP, a California
limited partnership, PORTSMOUTH
SQUARE, INC., a California corporation,

Plaintiffs,

vs.

GEOFFREY M. PALERMO, an
individual, GMP MANAGEMENT INC, a
California corporation, and DOES 1-100,
inclusive,

Defendants.

Case No.: **CGC - 18 - 567094**

COMPLAINT FOR:

- 1) FRAUD
- 2) NEGLIGENT
MISREPRESENTATION
- 3) BREACH OF FIDUCIARY DUTY
- 4) CONVERSION
- 5) VIOLATION OF CALIFORNIA
PENAL CODE SECTION 496
- 6) CLAIM AND DELIVERY
- 7) BREACH OF WRITTEN
CONTRACT
- 8) BREACH OF IMPLIED
COVENANT OF GOOD FAITH
AND FAIR DEALING
- 9) NEGLIGENCE
- 10) ACCOUNTING
- 11) UNFAIR COMPETITION
- 12) IMPOSITION OF
CONSTRUCTIVE TRUST
- 13) UNJUST ENRICHMENT

DEMAND FOR JURY TRIAL

SMRH:486544387

-1-

COMPLAINT

FILED
San Francisco County Superior Court

JUN 08 2018

CLERK OF THE COURT

BY: 

Deputy Clerk

1 Plaintiff Portsmouth Square, Inc. ("Portsmouth") and Justice Investors, LP
2 ("Justice") allege as follows for their Complaint against Defendants Geoffrey M.
3 Palermo, GMP Management, Inc., and Does 1-100, inclusive:

4 **PARTIES**

5 1. Justice is a California limited partnership with its principal place of
6 business in Los Angeles County, California. Justice owns the Hilton hotel located at 750
7 Kearny Street in San Francisco, California and the hotel's parking garage. Portsmouth is
8 Justice's general partner.

9 2. On information and belief, Defendant GMP Management, Inc ("GMP") is a
10 California corporation with its registered principal place of business at [REDACTED]
11 in Novato, California.

12 3. Defendant Geoffrey M. Palermo ("Palermo") is an individual and, upon
13 information and belief, a resident of Novato, California. On information and belief,
14 Palermo has always been the owner, President and registered agent of GMP since its
15 incorporation on June 9, 2004.

16 4. Plaintiff does not know the true names and capacities of Defendants sued
17 herein as DOES 1 to 100, inclusive, and therefore sues these Defendants by such
18 fictitious names pursuant to section 474 of the California Code of Civil Procedure.
19 Plaintiff will amend its Complaint to identify the true names and capacities of DOES 1 to
20 100 inclusive, when ascertained. Plaintiff is informed and believes and based thereon
21 alleges that each fictitiously-named Defendant is liable to Plaintiff and that Plaintiff's
22 damages were directly and proximately caused by each of their conduct and/or omission.

23 **JURISDICTION AND VENUE**

24 5. This Court has jurisdiction over this dispute pursuant to California Code of
25 Civil Procedure Section 410.10, because the amount in controversy exceeds \$25,000.00,
26 significant actions upon which this Complaint is based occurred in the State of California,
27 and all parties have sufficient relationships and contacts with the State of California to
28 establish jurisdiction.

1 6. Venue is proper in this district under California Code of Civil Procedure
2 sections 395(a) and 395.5, because Justice and GMP are based in and conduct business
3 within this judicial district, and because Palermo's and GMP's wrongful acts were
4 committed, and Justice suffered damages, within this judicial district.

5 **FACTUAL ALLEGATIONS**

6 7. Justice has owned the hotel located at 750 Kearny Street in San Francisco,
7 California since it was originally constructed in the 1970s. The landmark site of the hotel
8 sits on the former site of the San Francisco City hall and Hall of Justice, which served as
9 the backdrop for several television shows and movies.

10 8. In 2006, Justice converted the hotel into a full-service hotel under the
11 Hilton brand following a \$55 million renovation. Since that time, Justice has engaged
12 managers to run the hotel's daily operations. That hotel manager was supervised by two
13 of the Justice's general partners: Portsmouth, which owned 50% interest in Justice, and
14 Evon Corporation ("Evon"), which owned a fraction of 1% interest in Justice.

15 9. In 2007 or 2008, Palermo became the managing director of Justice and as
16 such has had a fiduciary duty to Justice to be forthright, loyal and refrain from self-
17 dealing. As explained herein, Palermo breached those duties unbeknownst to Justice .

18 10. In December 2013, Portsmouth's interest in Justice increased to 93%, and it
19 became Justice's sole general partner. Around this time, Palermo became the Assistant
20 Secretary of Portsmouth.

21 11. On December 1, 2013, Justice entered into the Management Services
22 Agreement (sometimes hereinafter referred to as the "Agreement") with GMP, a
23 company owned by Palermo, whereby GMP promised, among other things, to provide
24 management services related to the hotel's operations for the benefit of Justice. Under
25 the Agreement, GMP and Palermo agreed:

26 (a) to advise Justice in all aspects of the management and operation of the hotel
27 property;
28

1 (b) to timely provide to Justice financial and operating information related to the
2 hotel property; and

3 (c) to manage and operate the hotel property for Justice's benefit.

4 12. Under the Agreement, GMP also agreed to provide Palermo's services to
5 Justice. Further, GMP and Palermo agreed that Justice shall reimburse GMP only the
6 "reasonable and necessary" costs and expenses incurred by GMP in performing GMP's
7 obligations and duties under the Agreement but that Justice shall not reimburse GMP for
8 costs and expenses incurred in connection with any venture that is not related to the hotel
9 property or the business of Justice. To induce Justice to enter into this agreement,
10 Palermo represented to Justice that he and GMP would faithfully carry out their duties for
11 Justice in a professional and ethical manner at all times. A true and correct copy of the
12 Management Services Agreement is attached hereto as Exhibit "A."

13 13. Based on these representations made by Palermo and GMP and the
14 representations and promises made in the Agreement, Justice entrusted Palermo and
15 GMP with access and control of the hotel's key files, computer systems, servers, data,
16 other property, and bank accounts, and allowed Palermo and GMP to manage the hotel's
17 operations, including its financial matters and Justice also entrusted them with access and
18 control over Justice's records and bank accounts (collectively, "Key Property").

19 14. Unfortunately and unbeknownst to Justice, Palermo and GMP used that
20 access and control over the Key Property to engage in a sophisticated, calculated, and
21 fraudulent scheme to embezzle large sums of money from Justice over the years. .

22 15. Among other things, unbeknownst to Justice, and on information and
23 belief:

24 (a) Palermo and GMP inflated the costs of the hotel's capital improvements made
25 over the years and took kickbacks from contractors and construction companies.

26 (b) Palermo and GMP caused the hotel and Justice to pay Palermo's and GMP's
27 expenses that did not benefit the hotel or Justice. For example, Palermo and GMP
28 wrongly shifted their expenses to the hotel and Justice by employing Palermo's

1 friends and family, including Palermo's wife, in positions that required Justice to
2 pay 100% of their salaries and other benefits, even though such persons did not
3 perform any substantial work related to the hotel's management or were also
4 performing work for Palermo and GMP's other business ventures.

5 Through such illegal conduct, Palermo and GMP depleted the hotel's funds and rendered
6 the hotel unable to meet its financial obligations.

7 16. Among other things, unbeknownst to Justice, and on information and belief
8 Palermo and GMP purposefully concealed from Justice the wrongful nature of their
9 misconduct:

10 (a) In furtherance of this scheme to funnel money from Justice to themselves,
11 Palermo and GMP manipulated and fraudulently maintained the hotel's and
12 Justice's financial records to cover up their illegal scheme.

13 (b) Palermo and GMP also used these manipulated and fraudulently maintained
14 financial records to misrepresent to Justice the cost of the hotel's capital
15 improvements, and to cover up the illegal kickbacks that they received, as well
16 as their other wrongdoing.

17 17. Palermo and GMP concealed the above-described information from Justice
18 to induce Justice to pay expenses that Justice should not have had to pay – expenses that
19 did not benefit Justice but instead benefited Palermo and GMP. They also concealed it so
20 that Justice would continue to give them access and control over the Key Property so that
21 they could continue their wrongful scheme to embezzle large sums of money from
22 Justice. Justice did not know the true nature of these payments and records, but actually
23 and detrimentally relied on Defendants' misrepresentations (including through their
24 quarterly financial statements to Justice), and thereby Justice continued to grant access
25 and control over the Key Property. If Palermo and GMP had disclosed the true
26 information to Justice, as they were required to do, Justice would have sought
27 reimbursement from Defendants for the wrongful payments and Justice would not have
28 given Defendants continued access and control over the Key Property.

1 18. Further, when Palermo's and GMP's control and access over the Key
2 Property and over the hotel's management ended on or around June 8, 2016, Palermo and
3 GMP sought to further cover up their wrongful conduct by illegally taking hundreds of
4 boxes of files pertaining to the hotel's and Justice's operations, including Key Property
5 (e.g., computers, servers containing data critical to the hotel's and Justice's operations) to
6 an unknown location, and now refuses to return them to Justice, their rightful owner.
7 Palermo and GMP also stole custom furniture from the hotel for their own use and
8 likewise refuses to return them to Justice.

9 19. Justice repeatedly demanded that he return the files, computers, servers
10 (and data on them), as well as all other property improperly taken by Palermo and GMP.
11 To date, Palermo and GMP have failed and refused to return a vast majority of these
12 items. On information and belief, Defendants used a portion of the money embezzled
13 and otherwise wrongfully acquired through their illegal conduct to purchase additional
14 interest in Justice.

15 20. Justice reasonably relied on Palermo's and GMP's promises to act in
16 Justice's interest as Justice's fiduciaries and agents. Thus, Justice did not suspect and did
17 not discovery Palermo's and GMP's misconduct until recently.

18 Alter Ego Allegations

19 21. At all times herein mentioned, Palermo and GMP were and are either the
20 agent, servant, employee, representative and/or alter ego of each other and, in doing the
21 things hereinafter mentioned, were acting within the scope of their authority as such
22 agent, servant, employee and/or representative with the permission, consent and/or
23 ratification of each other.

24 22. On information and belief, Palermo has always been the owner, President
25 and registered agent of GMP since its incorporation on June 9, 2004. The company name
26 GMP is Palermo's initials. Palermo ignored corporate formalities and used GMP as an
27 extension of himself to commit various wrongdoings, including those alleged herein.
28 Funds are commingled by and between Palermo and GMP without observing corporate

1 formalities. Palermo misuses GMP to obtain benefits for his friends and family
2 members. GMP failed to maintain minutes or adequate corporate and company records.
3 Palermo treated, used, transferred and manipulated the assets of GMP as his own. The
4 funds obtained by GMP were ultimately used by Palermo for their personal use.

5 23. Plaintiffs are informed and believes and thereon alleges that there was such
6 a unity of interest and ownership between Palermo and GMP that adherence to the fiction
7 of their separate existence would promote injustice and make it inequitable. To the
8 extent that the judgment in favor of Plaintiffs is contended by Defendants to be
9 obligations of GMP only, such contention is without merit and would result in an
10 injustice for the reasons stated, as Palermo is the alter ego of GMP.

11 **CLAIMS FOR RELIEF**

12 **FIRST CAUSE OF ACTION**

13 **Fraud**

14 (Against All Defendants)

15 24. Plaintiffs re-allege paragraphs 1 through 23, as if fully set forth herein.

16 25. Palermo and GMP promised to faithfully provide hotel management
17 services "for the benefit of Justice," as stated under Section 2 the Agreement.

18 26. Moreover, as the managing director of Justice, Palermo was entrusted with
19 Justice's operations and finances, and he thus owed duty to act in the best interest of
20 Justice, not to conceal material information from Justice, and not to make
21 misrepresentations to Justice.

22 27. Palermo and GMP repeatedly made false representations to Justice that they
23 would faithfully manage the hotel in the best interest of Justice, in order to induce Justice
24 to enter into the Agreement, and to allow them continued access to the hotel's operations
25 and bank accounts as well as other Key Property.

26 28. As Defendants knew all along, those representations were false when made.
27 Instead, over the years, GMP and Palermo:
28

- a. Inflated and misrepresented to Justice the costs of the hotel's capital improvements and intentionally failed to disclose the fact that they took kickbacks from construction companies and contractors;
- b. Inflated and misrepresented the cost of the hotel's operations, including by employing a number of Palermo's friends and family (including Palermo's wife), who did not perform any work for Justice or worked for Palermo's and GMP's other business ventures, all the while forcing Justice to bear all of the costs for their salaries and other benefits;
- c. Manipulated and fraudulently maintained the hotel's and Justice's financial records to conceal from Justice and to misrepresent to Justice the true costs of the hotel's capital improvements and operations, and to cover up their illegal kickbacks obtained from construction companies and contractors and other misuse of their access to Justice's finances.

29. Justice was unaware of the falsity of Palermo's and GMP's representations but instead, actually, reasonably and justifiably relied on them, when deciding to enter into the Agreement and to allow Palermo and GMP continued access and control over the Key Property, such as Justice's records and bank accounts and the hotel's key files, computer systems, servers, data, other property, and bank accounts, over many years. Had the omitted information been disclosed, Justice reasonably would not have entrusted Palermo and GMP with the management of the hotel or control or access to Justice's records or financial resources.

30. As a direct and proximate result of Defendants' fraudulent conduct, Plaintiffs have and will continue to suffer damages in an amount to conform to proof at trial, but in no event less than the jurisdictional minimum of this Court.

31. Plaintiffs allege based on information and belief that Defendants engaged in the aforementioned fraudulent conduct with the intent to injure Plaintiff or with a willful and conscious disregard of Plaintiff's rights. Defendants' fraudulent conduct constitutes despicable, outrageous, oppressive, and malicious conduct under Section 3294 of the

1 California Code of Civil Procedure and justifies an award of exemplary and punitive
2 damages against Defendants.

3 **SECOND CAUSE OF ACTION**

4 **Negligent Misrepresentation**

5 (Against All Defendants)

6 32. Plaintiffs re-allege paragraphs 1 through 31, as if fully set forth herein.

7 33. When Defendants made the above misrepresentations and concealed the
8 above material facts, they had no reasonable grounds for believing in them to be true, but,
9 nevertheless, engaged in this scheme with the intention to induce Justice to act in reliance
10 on the same in the manner alleged herein, or with the expectation that Justice would so
11 act.

12 34. At the time that Defendants concealed the above material facts and made
13 the above material misrepresentations and omissions, Justice was not aware of the falsity
14 of Defendants' representations and believed them to be true, and acted in actual and
15 justifiable reliance upon those representations.

16 35. As a direct and proximate result of Defendants' wrongful conduct,
17 Plaintiffs have and will continue to suffer significant damages in an amount to conform to
18 proof at trial, but in no event less than the jurisdictional minimum of this Court.

19 **THIRD CAUSE OF ACTION**

20 **Breach of Fiduciary Duty**

21 (Against All Defendants)

22 36. Plaintiffs re-allege paragraphs 1 through 35, as if fully set forth herein.

23 37. By virtue of GMP's Agreement with Justice, GMP's role as a managing
24 agent of Justice entrusted with the operation and finances of the hotel, Palermo's role as
25 GMP's owner and President, and as the managing director of Justice, Defendants owed a
26 fiduciary duty to manage Justice's business and finances in the best interests of Justice.

27 38. They breached their fiduciary duties to Justice.

1 39. Defendants made misrepresentations to Justice, concealed material facts
2 from Justice, engaged in self-dealing and were disloyal to Justice by engaging in the
3 conduct described herein.

4 40. Moreover, Defendants knowingly acted against Justice's interest in
5 connection with the management of the hotel. Justice did not give informed consent to
6 Defendants' illegal conduct as alleged herein.

7 41. As a direct and proximate result of Defendants' wrongful conduct, Justice
8 has and will continue to suffer significant damages in an amount to conform to proof at
9 trial, but in no event less than the jurisdictional minimum of this Court.

10 42. Plaintiffs allege, based on information and belief, that Defendants engaged
11 in the aforementioned misconduct with the intent to injure Plaintiffs or with a willful and
12 conscious disregard of Plaintiffs' rights. Defendants' misconduct constitutes despicable,
13 outrageous, oppressive, and malicious conduct under Section 3294 of the California Code
14 of Civil Procedure and justifies an award of exemplary and punitive damages against
15 Defendants.

16 **FOURTH CAUSE OF ACTION**

17 **Conversion**

18 (Against All Defendants)

19 43. Plaintiffs re-allege paragraphs 1 through 42, as if fully set forth herein.

20 44. Justice is the owner with the right to possession of the funds, files,
21 computers, servers, data, custom furniture, and other property described herein, including
22 the Key Property.

23 45. Defendants intentionally and substantially interfered with Justice's right to
24 these things by illegally and improperly taking possession of them, without Justice's
25 consent, and now refusing to return them to Justice despite Justice's repeated demands
26 for their return.

1 46. As a direct and proximate result of Defendants' wrongful conduct, Justice
2 has and will continue to suffer significant damages in an amount to conform to proof at
3 trial, but in no event less than the jurisdictional minimum of this Court.

4 47. Plaintiffs allege based on information and belief that Defendants engaged in
5 the aforementioned misconduct with the intent to injure Plaintiffs or with a willful and
6 conscious disregard of Plaintiff's rights. Defendants' misconduct constitutes despicable,
7 outrageous, oppressive, and malicious conduct under Section 3294 of the California Code
8 of Civil Procedure and justifies an award of exemplary and punitive damages against
9 Defendants.

10 **FIFTH CAUSE OF ACTION**

11 **Violation of California Penal Code Section 496**

12 (Against All Defendants)

13 48. Plaintiffs re-allege paragraphs 1 through 47, as if fully set forth herein.

14 49. On information and belief, Defendants violated California Penal Code
15 Section 496 by knowingly receiving funds that were stolen from Justice, in the manner
16 alleged herein.

17 50. Justice has been injured by Defendants' violation of California Penal Code
18 Section 496 in an amount to conform to proof at trial, but in no event less than the
19 jurisdictional minimum of this Court.

20 51. Pursuant to California Penal Code Section 496(c), Justice is entitled to three
21 times the amount of its actual damages in an amount to be proven at trial, cost of suit and
22 its reasonable attorneys' fees.

23 **SIXTH CAUSE OF ACTION**

24 **Claim and Delivery**

25 (Against All Defendants)

26 52. Plaintiffs re-allege paragraphs 1 through 51, as if fully set forth herein.

27 53. At all times herein mentioned, Justice was, and still is, entitled to the
28 possession of the funds, files, computers, servers, data, and other property described

1 herein, including the Key Property. As described in more detail above, Defendants
2 physically took these funds, files, computers, servers, data, and other property, to an
3 unknown location. Since that time, Defendants have been, and now are, in wrongful
4 possession of them in violation of Justice's right to immediate and exclusive possession.

5 54. Despite Justice's repeated demands, Defendants have failed and refused to
6 return the said personal property.

7 55. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff
8 has and will continue to suffer significant damages in an amount to conform to proof at
9 trial, but in no event less than the jurisdictional minimum of this Court.

10 56. Justice prays for judgment against Palermo and GMP for possession of the
11 personal property described above; or if the property cannot be delivered, for its value in
12 an amount according to proof at time of trial.

13 **SEVENTH CAUSE OF ACTION**

14 **Breach of Written Contract**

15 (Against All Defendants)

16 57. Plaintiffs re-allege paragraphs 1 through 56, as if fully set forth herein.

17 58. GMP entered into a written contract with Justice whereby GMP and
18 Palermo (as president of GMP) promised, among other things, to perform the
19 management services related to the hotel's operations faithfully for the benefit of Justice.

20 59. Plaintiff has fully performed all of the conditions of the Agreement to be
21 performed on its part except those which have been excused.

22 60. Defendants breached the Agreement by engaging in the conduct described
23 herein. They failed to timely provide to Justice financial and operating information
24 related to the hotel property and to manage and operate the hotel property for Justice's
25 benefit.

26 61. As a direct and proximate result of Defendants' breach of the Agreement,
27 Plaintiff has sustained general consequential and other incidental damages, in an amount
28

1 to conform to proof at trial, but in no event less than the jurisdictional minimum of this
2 Court.

3 **EIGHTH CAUSE OF ACTION**

4 **Breach of Implied Covenant of Good Faith and Fair Dealing**

5 (Against All Defendants)

6 62. Plaintiffs re-allege paragraphs 1 through 61, as if fully set forth herein.

7 63. To the extent that Palermo's and GMP's conduct did not violate the
8 Agreement's terms, they breached its implied covenant of good faith and fair dealing
9 since such conduct unfairly interfered with Justice's right to receive the benefits of the
10 contract.

11 64. As a direct and proximate result of GMP and Palermo's breach of the
12 implied covenant of good faith and fair dealing, Justice was harmed and has suffered
13 injury and damages, in an amount to conform to proof at trial, but in no event less than
14 the jurisdictional minimum of this Court.

15 65. Palermo and GMP engaged in conduct alleged herein with malice,
16 oppression and/or fraud. Justice, therefore, is entitled to recover exemplary and punitive
17 damages in a sum sufficient to punish Palermo and GMP.

18 **NINTH CAUSE OF ACTION**

19 **Negligence**

20 (Against All Defendants)

21 66. Plaintiffs re-allege paragraphs 1 through 65, as if fully set forth herein.

22 67. Defendants were negligent in managing the operations of the hotel by
23 virtue of their conduct of paying out inflated prices for the capital improvements for the
24 hotel and improperly taking possession of the hotel's property. Palermo also negligently
25 performed his duty as Justice's managing director.

26 68. As a direct and proximate result of Defendants' negligent conduct, Justice
27 has and will continue to suffer significant damages in an amount to conform to proof at
28 trial, but in no event less than the jurisdictional minimum of this Court.

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1 83. Defendants still are in possession of such assets but have failed and refused
2 to return them to Justice.

3 84. Defendants used such funds and property to acquire additional interests in
4 Justice.

5 85. By virtue of Defendant's wrongful, improper and/or illegal acts, the
6 Defendants herein, and each of them, hold such assets, all of which rightfully belong to
7 Justice, as well as all assets acquired using such funds and properties (including the
8 additional interest in Justice) as constructive trustees for Justice's benefit.

9 86. Justice is currently unaware of the exact value of the assets wrongfully
10 taken and which Defendants, and each of them, hold in constructive trust for Justice's
11 benefit, and therefore requests an accounting.

12 87. Justice requests that the Court impose such constructive trusts as are
13 necessary to protect and preserve the rights and interests of Justice, and to return these
14 assets to Justice, their rightful owner.

15 **THIRTEENTH CAUSE OF ACTION**

16 **Unjust Enrichment**

17 (Against All Defendants)

18 88. Plaintiffs re-allege paragraphs 1 through 87, as if fully set forth herein.

19 89. As a result of Defendants' wrongful conduct as alleged herein, Defendants
20 have been unjustly enriched in that they took and now refuses to return funds and other
21 property that belong to Justice.

22 90. Defendants also used such funds and property to purchase additional
23 interest in Justice.

24 91. Justice cannot ascertain the precise amount of Defendants' unjust
25 enrichment until Defendants provide an accounting. Justice will seek to leave to amend
26 these allegations once such an amount is fully ascertained.

92. It would be unjust for Defendants' to retain the benefits they have gained through their unlawful conduct. Unless this Court orders restitution, Defendants will unjustly benefit to Justice's detriment.

PRAYER FOR RELIEF

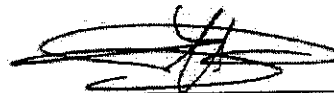
WHEREFORE, Justice and Portsmouth pray for judgment against Defendants, and for such other relief as follows:

1. For compensatory, special, and consequential damages according to proof at trial;
2. For statutory damages in an amount of at least three times the amount of actual damages suffered by Justice;
3. For prejudgment interest at the maximum legal rate;
4. For an award of exemplary or punitive damages in an amount appropriate to punish and to make an example of Defendants;
5. For temporary, preliminary, and permanent injunctive relief;
6. For disgorgement of Defendants' ill-gotten gains resulting from the conduct alleged herein;
7. For an accounting of all monies, property, and all other benefits obtained by Defendants' resulting from the conduct alleged herein;
8. For imposition of a constructive trust over Defendants' ill-gotten gains derived from the conduct alleged herein;
9. For costs of suit incurred herein;
10. For all relief allowed by California Penal Code Section 496;
11. For restitution of all benefits Defendants received by their wrongful conduct alleged herein;
12. For costs of suit, including attorneys' fees, and for such other and further relief as the Court deems just and proper.

1 Dated: June 8, 2018

2 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

3
4 By



5 SEONG H. KIM

6 JAMES C. WALD

7 Attorneys for Plaintiffs Justice Investors, LP. and
8 Portsmouth Square, Inc.

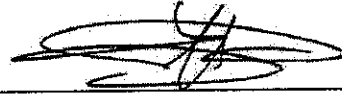
DEMAND FOR JURY TRIAL

Plaintiffs Justice Investors, LP and Portsmouth Square, Inc. hereby demands trial by jury of all claims and issues so triable. (The Agreement's waiver of a jury trial is unenforceable as a matter of law.)

Dated: June 8, 2018

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By



SEONG H. KIM

JAMES C. WALD

Attorneys for Plaintiffs Justice Investors, LP. and
Portsmouth Square, Inc.

Exhibit “A”

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made by and between Justice Investors, LP, a California limited partnership ("Justice" or the "Partnership") and GMP MANAGEMENT CORPORATION, a California corporation ("GMP"), and is dated as of this 1 day of December, 2013 (the "Execution Date").

RECITALS

A. The Property. Justice is the owner of that certain real property located at 750 Kearny Street, San Francisco, California (the "Property"), on which a hotel, spa and parking garage are located.

B. Need for Management Services. In order to assure that Justice will have the expertise necessary to operate the Property, Justice wishes to engage GMP to provide Management Services, as that term is defined herein, on the terms and conditions set forth in this Management Services Agreement.

NOW, THEREFORE, for in consideration of the mutual covenants herein contained, Justice agrees as follows:

AGREEMENT

1. Definitions. The capitalized words set forth below shall have the meanings ascribed thereto as used in this Agreement:

a. Cause. "Cause" shall mean any of the following:

(1) One or more acts or omissions of GMP or of Geoffrey M. Palermo that are not authorized by this Agreement, the Amended Limited Partnership Agreement of Justice; or

(2) One or more acts or omissions of GMP or of Geoffrey M. Palermo that constitute moral turpitude, fraud, theft, embezzlement, willful disregard of the duties and responsibilities of GMP set forth herein, gross negligence or reckless disregard of the rights of others; or

(3) The failure by Geoffrey M. Palermo to perform the material duties of President of GMP; or

(4) Geoffrey M. Palermo is no longer the owner of more than fifty percent (50.0 %) of the shares of GMP.

b. Effective Date. The "Effective Date" of this Agreement is December 1, 2013.

c. Management Services. "Management Services" shall mean all acts reasonably necessary for the administration and management of the Property and other assets owned by Justice, including, but not limited to the following:

- (1) To provide the services of Geoffrey M. Palermo to act as President of GMP and as an independent contractor of Justice;
- (2) To administer and enforce as directed by Justice all leases now or hereafter affecting the Property, including, but not limited to, the Garage, the Chinese Culture Center and the spa;
- (3) To administer and enforce as directed by Justice all contracts and agreements now or hereafter governing the hotel franchise, management of the hotel, management of the Garage, design, construction and all other agreements and contracts to which Justice is a party;
- (4) To act as advisor to Justice in all aspects of the management and operation of the Property;
- (5) To enforce and control as directed by Justice the rights of Justice as the owner of the Property;
- (6) To manage as directed by Justice the design, costing, contracting and construction of improvements to the Property and the hotel, including, but not limited to, obtaining appropriate mechanics' lien releases from all actual or potential lienholders, as directed by Justice;
- (7) To administer the Amended Limited Partnership Agreement of Justice, as the same may from time to time be amended, restated or modified, in accordance with its terms;
- (8) To recommend to Justice and to arrange to procure adequate property, liability and other insurance coverage for the Property;
- (9) To obtain evidence of insurance coverage from vendors, contractors, the Garage operator, the spa lessee and others as may from time to time be appropriate;
- (10) To negotiate, monitor and administer all loan agreements as directed by Justice;
- (11) To provide timely financial and operating information to Justice as directed or as otherwise required;
- (12) To provide timely financial and operating information to the partners of Justice, as directed or as otherwise required;

(13) To review and analyze all accounting and management information received from any party with respect to the operations of the Property, the hotel, the spa or the Garage;

(14) To arrange for the preparation and filing of all income and other tax returns by qualified professionals, and to obtain the approval of Justice with respect to such returns and related matters;

(15) To prepare or cause to be prepared detailed annual and monthly budgets for Justice and to submit the same to Justice for approval on or before December 15th or each calendar year for the following calendar year, including budgetary information and supporting documentation with respect to the Garage lessee, the spa lessee, the hotel management company and others as may be the case, and further including a capital expenditure plan, a projection showing operational and financial information, including projections of cash flow, and an estimate of taxable income;

(16) To invest surplus funds in accordance with policies adopted from time to time by Justice;

(17) To reconcile all bank and investment accounts and to provide complete details of such accounts to Justice;

(18) To engage auditors with the approval of Justice for the purpose of auditing the books and records of Justice each year.

(19) To review draft and final financial statements with Justice.

(20) To notify Justice as promptly as is reasonably possible of the occurrence of any of the following:

(a) The occurrence of any act or omission to act with respect to the Property that potentially could result in a fine or legal proceeding or any kind.

(b) The receipt of any legal notice, summons or complaint.

(c) The receipt of any notice from a tax authority.

(d) Any negative publicity with respect to the Property, the hotel, the spa, the Chinese Culture Center or the Garage, or the operators of the same.

(e) The termination of any agreement or contract affecting the Property in any way.

(f) Any damage or loss to the Property that are substantial enough to result in an insurance claim.

(g) If Geoffrey M. Palermo is no longer the owner of more than fifty percent (50.0 %) of shares of GMP.

2. Engagement of GMP. As of the Effective Date, Justice hereby engages and contracts with GMP to provide Management Services to and for the benefit of Justice until the end of the Term of this Agreement, as such Term may from time to time be extended.

3. Obligations and Duties of GMP. GMP shall provide, at its sole expense, the services of Geoffrey M. Palermo to act as President of GMP and to supervise the obligations and duties of GMP hereunder.

4. Insurance Requirements. GMP shall carry, at its sole expense, commercial general liability insurance in a sum not less than \$1,000,000.00. If possible, GMP may choose to satisfy such requirement by being added, as a named insured to commercial general liability insurance coverage maintained by Justice. GMP also shall carry workers compensation insurance for the benefit of its employees. GMP also shall carry such other insurance as may be reasonable and prudent. GMP shall provide evidence of all such insurance coverage to Justice from time to time upon request and in any event, at least once during the Term.

5. Term. The Term of this Agreement shall commence on the Effective Date for a period of three years, or _____, 2016.

a. Extensions of Term. The Term may be extended for one or more additional one-year terms by the mutual agreement in writing of Justice and GMP. There is no limitation on the number of times that the Term may be extended by the mutual agreement in writing of the parties. There is no obligation on the part of either party to extend the Term.

b. Termination for Cause. Justice may terminate this Agreement immediately for Cause upon notice to GMP.

6. Limitations on Authority. Notwithstanding anything herein to the contrary, the following limitations on the authority of GMP to act on behalf of Justice, as may be the case, shall apply:

a. Contracts in Excess of \$25,000.00. GMP and Geoffrey M. Palermo shall not enter into a contract or agreement that obligates Justice in excess of \$25,000.00 unless Justice has approved such contract or agreement.

b. Payments in Excess of \$25,000.00. GMP and Geoffrey M. Palermo shall not make a payment by check or electronic funds transfer or other means in excess of \$25,000.00 without the approval of Justice and a co-signature of at least

one officer of GMP in addition to Geoffrey M. Palermo on the check or, in the case of an electronic funds transfer, on a document authorizing the transfer of funds.

c. Payments in Excess of Budgeted Amounts. GMP shall not make any payments to any person or entity in excess of amounts approved in the budget without the approval of Justice and a co-signature of at least one employee of GMP in addition to Geoffrey M. Palermo on the check or, in the case of an electronic funds transfer, on a document authorizing the transfer of funds.

d. Tax Returns. GMP shall not sign any tax return without the approval of Justice.

e. Distribution of Audited Financial Statements. GMP shall not approve and distribute to the partners of Justice, as the case may be, any audited financial statements without the approval of Justice.

f. Communications to Partners. GMP shall not deliver any communication to the partners of Justice, as the case may be, without the approval of the Justice, provided, however, that GMP may, communicate orally and in writing with any officer of Portsmouth.

g. Legal Action. GMP shall not enter into any settlement agreement or take any legal action without the approval of Justice.

7. Base Management Fee. As compensation hereunder, Justice shall pay to GMP a Base Management Fee of \$325,000.00 to be paid in twelve equal monthly lump sum installments on the 1st day of each calendar month during the Term. No payroll taxes or withholdings shall be deducted from the annual management fee and/or the monthly lump sum installments. A five (5) percent cost-of-living increase shall be added to the Base Management Fee each year of the Term after the end of the first year.

a. Review, Evaluation; Optional Bonus and Incentive Fee. During _____ of each calendar year, Justice shall review the performance of GMP and shall provide an evaluation of such performance to GMP. In its discretion, Justice may pay to GMP an annual bonus or other incentive fee in addition to the Base Management Fee and cost-of-living increase.

8. Facilities. It is essential to the operations of Justice that GMP maintain its principal place of business at the Property. Therefore, Justice shall provide to GMP for its use in performing its obligations and duties under this Agreement and for all other operations of GMP, the resources it needs including but not limited to sufficient office space, office furniture, office equipment, office supplies, telephone, facsimile, computer, internet service, and parking spaces in the Garage

9. Reimbursement of Costs and Expenses by Justice to GMP. Justice shall reimburse the reasonable and necessary costs and expenses incurred by GMP in performing its obligations and duties hereunder, including but not limited to, personnel expenses (including but not limited to wages and health and welfare benefits of GMP employees and/or contractors that are performing services for GMP under the Management Services Agreement) reimbursement for travel, entertainment, and other business activities related to the hotel or the Property, and any and all other expenses for purposes of managing the Property that are set forth in the annual budget (or amendments thereto) and/or are approved by Justice; provided, however, that Justice shall not reimburse GMP for costs and expenses incurred in connection with any business venture of GMP that is not related to the Property, or the business of Justice. Prior to being reimbursed for any such cost and/or expense, GMP shall provide Justice with an annual budget that shall be subject to Justice's approval. Justice shall pay budgeted costs and expenses on the 1st day of each calendar month during the Term.

10. Other Activities of GMP. At its own expense, and using its own resources, GMP may perform management and other services, and conduct business that is unrelated in any way to the business of Justice ("Unrelated Services"); provided, however, that GMP does not perform any such services or conduct any such business in a manner that is adverse to the interests of Justice, without the prior approval of Justice; and further, provided, that such Unrelated Services are not conducted at the expense of Justice. The management, ownership, or providing of consulting services to any commercial, residential, office or retail property or project shall not be considered to be "adverse to the interests of Justice" for the purpose of this Agreement. GMP may perform Unrelated Services in or from its principal place of business located in the Property.

11. Conditions Precedent. This Agreement shall not become effective until each of the following has occurred:

a. Approval by Owner(s) of GMP. It has been approved by the owner(s) of GMP.

b. Approval by Portsmouth Square, Inc. ("Portsmouth") as Managing General Partner of Justice.

12. Counterpart; Facsimile. This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. A facsimile or other electronically transmitted copy of this Agreement shall have the same force and effect as an original hereof personally delivered to the intended recipient.

13. Further Assurances. The parties hereto each agree to execute and deliver such agreements, documents and instruments, and do such further acts as may reasonably be necessary or appropriate to create, preserve, perfect or evidence the actions contemplated by this Agreement.

14. Recitals. The Recitals are true and correct and are incorporated herein by reference.

15. Survival of Terms. All agreements, covenants, representations and warranties made herein shall survive the execution and delivery of this Agreement and the execution and delivery of any notes, documents or other instruments contemplated hereby.

16. Notices. Any notice which either party may be required or may desire to give to the other party under any provision of this Agreement shall be in writing and given by personal delivery, by facsimile or by overnight delivery, such as FedEx, to the parties at the addresses set forth next to their respective signatures below. Any notice, request or other communication sent by overnight delivery shall be effective when received by the addressee thereof. Any notice sent by facsimile shall be effective as of the time that a printed confirmation sheet shows a communication has been completed. The parties hereto may change the addresses to which all notices, requests and other communications are to be sent by giving notice of which change in address to the other parties in conformity with the preceding section.

17. Arbitration. If a dispute, controversy or claim: (i) occurs, in law or in equity; (ii) involves any party to this Agreement (the "Parties"); and (iii) arises under, out of, in connection with, or in relation to this Agreement and any amendments to this Agreement or a breach of this Agreement, any Party may submit the dispute to JAMS arbitration in San Francisco, California, before a retired Superior Court judge. Such arbitration shall be conducted pursuant to the JAMS Streamlined Arbitration Rules & Procedures as modified to provide that a final determination shall be made by the arbitrator no later than thirty (30) days after the matter is submitted to arbitration by a Party. The Arbitration costs and fees shall be solely borne by Justice.

18. Confidentiality. Each Party shall maintain confidentiality with respect to all documents, data and other information derived with respect to the Agreement. Notwithstanding the foregoing, the Parties may disclose the existence and contents of this Agreement to potential lenders to Justice. Justice's auditors and shall be subject to disclosure to meet the public reporting requirements of Portsmouth and its affiliated companies.

19. Choice of Law. The validity, construction and effect of this Agreement shall be governed by the laws of the State of California.

20. Modification. This Agreement can be modified only by a writing signed by the parties.

21. Time. Time is of the essence in this Agreement.

22. Successors and Assigns. All rights of each party hereunder inure to the benefit of their respective successors and assigns and shall be valid and fully enforceable.

23. Integration. This Agreement is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant in determining the meaning of this Agreement, even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

24. Captions. The captions in this Agreement are for convenience of reference only and shall not modify or alter the operative provisions hereof.

25. Attorneys' Fees and Other Fees. In the event of litigation or arbitration between or among the parties hereto, the prevailing party shall be entitled to recover his or its reasonable attorneys' fees in the manner provided by law.

26. Waiver of Jury. THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY OF ANY ACTION OR PROCEEDING ASSERTING ANY CAUSE OF ACTION, CLAIM, CROSSCLAIM, THIRD PARTY CLAIM OR COUNTER-CLAIM (COLLECTIVELY, "CLAIMS") ARISING OUT OF, OR RELATING TO, THIS AGREEMENT. THIS WAIVER EXTENDS TO ANY AND ALL CLAIMS FOR DAMAGES, BREACH OF CONTRACT, SPECIFIC PERFORMANCE, TORT OR ANY EQUITABLE OR LEGAL RELIEF OF ANY KIND.

IN WITNESS WHEREOF, the parties each have caused this Agreement to be executed on their behalf and date it as of the Effective Date first set forth above.

GMP CORPORATION,
a California corporation

By: 

GEOFFREY M. PALERMO
President

Address for Notice:
c/o Mr. Geoffrey M. Palermo, President
750 Kearny Street, Room 502
San Francisco, CA 94108
Facsimile: (415) 984-0783
Email: gmp@justiceinvestors.com

JUSTICE INVESTORS, LP,
a California partnership

By: 

Name: WILLIAM J. NANCE

Title: 

Portsmouth Square, Inc.
Managing General Partner

Address for Notice:
c/o Michael G. Zybala, VP and Secretary
10940 Wilshire Blvd., Suite 2150
Los Angeles, CA 90024
Facsimile (858) 673-4722
Email: mzybala@intgla.com and
mgzybala@cs.com

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):

Seong H. Kim, Cal Bar No. 166604
 Sheppard, Mullin, Richter & Hampton, LLP
 1901 Avenue of the Stars, Suite 1600
 Los Angeles, California 90067

TELEPHONE NO.: 310-228-3700

FAX NO.: 310-228-3701

ATTORNEY FOR (Name): Justice Investors, L.P.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF San Francisco

STREET ADDRESS: 400 McAllister Street

MAILING ADDRESS: 400 McAllister Street

CITY AND ZIP CODE: San Francisco 94102

BRANCH NAME: Civic Center

CASE NAME: Justice Investors, LP v. Geoffrey M. Palermo, and GMP
 Management Inc.

FOR COURT USE ONLY

FILED

San Francisco County Superior Court

JUN 08 2018

CLERK OF THE COURT

BY: 

Deputy Clerk

CASE NUMBER:

CGC-18-567094

JUDGE:

DEPT:

CIVIL CASE COVER SHEET

☒ **Unlimited** (Amount demanded exceeds \$25,000) ☐ **Limited** (Amount demanded is \$25,000 or less)

Complex Case Designation☐ **Counter** ☐ **Joinder**

Filed with first appearance by defendant
 (Cal. Rules of Court, rule 3.402)

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort

☐ Auto (22)
☐ Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

☐ Asbestos (04)
☐ Product liability (24)
☐ Medical malpractice (45)
☐ Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort

☐ Business tort/unfair business practice (07)
☐ Civil rights (08)
☐ Defamation (13)
☒ Fraud (16)
☐ Intellectual property (19)
☐ Professional negligence (25)
☐ Other non-PI/PD/WD tort (35)

Employment

☐ Wrongful termination (36)
☐ Other employment (15)

Contract

☐ Breach of contract/warranty (06)
☐ Rule 3.740 collections (09)
☐ Other collections (09)
☐ Insurance coverage (18)
☐ Other contract (37)

Real Property

☐ Eminent domain/Inverse condemnation (14)
☐ Wrongful eviction (33)
☐ Other real property (26)

Unlawful Detainer

☐ Commercial (31)
☐ Residential (32)
☐ Drugs (38)

Judicial Review

☐ Asset forfeiture (05)
☐ Petition re: arbitration award (11)
☐ Writ of mandate (02)
☐ Other judicial review (39)

Provisionally Complex Civil Litigation
(Cal. Rules of Court, rules 3.400-3.403)

☐ Antitrust/Trade regulation (03)
☐ Construction defect (10)
☐ Mass tort (40)
☐ Securities litigation (28)
☐ Environmental/Toxic tort (30)
☐ Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment☐ Enforcement of judgment (20)**Miscellaneous Civil Complaint**

☐ RICO (27)
☐ Other complaint (not specified above) (42)

Miscellaneous Civil Petition

☐ Partnership and corporate governance (21)
☐ Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

- a. ☐ Large number of separately represented parties d. ☐ Large number of witnesses
 b. ☐ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
 c. ☐ Substantial amount of documentary evidence f. ☐ Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☒ punitive

4. Number of causes of action (specify): 13

5. This case ☐ is ☒ is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: June 8, 2018

Seong H. Kim

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) *(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)*

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability *(not asbestos or toxic/environmental)* (24)
Medical Malpractice (45)
Medical Malpractice—Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) *(not civil harassment)* (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice *(not medical or legal)*
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36) Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract *(not unlawful detainer or wrongful eviction)*
Contract/Warranty Breach—Seller Plaintiff *(not fraud or negligence)*
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case—Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage *(not provisionally complex)* (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property *(not eminent domain, landlord/tenant, or foreclosure)*

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) *(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)*

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ—Administrative Mandamus
Writ—Mandamus on Limited Court Case Matter
Writ—Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims *(arising from provisionally complex case type listed above)* (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment *(non-domestic relations)*
Sister State Judgment
Administrative Agency Award *(not unpaid taxes)*
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint *(not specified above)* (42)
Declaratory Relief Only
Injunctive Relief Only *(non-harassment)*
Mechanics Lien
Other Commercial Complaint Case *(non-tort/non-complex)*
Other Civil Complaint *(non-tort/non-complex)*

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition *(not specified above)* (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief From Late Claim
Other Civil Petition