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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE – PALM SPRINGS DIVISION**
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11 PAUL KING, an individual,

12 Plaintiff,

13 v.

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15 MICHAEL KING, an individual; LAURI KIBBY,
an individual; CHARLES KIELEY, an individual
16 and DOES 1 through 20, inclusive

17 Defendants.
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19 and

20 KINGS GARDEN, INC., a Nevada corporation,
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22 Nominal Defendant.
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CASE NO.:

VERIFIED COMPLAINT FOR:

1. **FRAUD – INTENTIONAL MISREPRESENTATION;**
2. **FRAUD - NEGLIGENT MISREPRESENTATION;**
3. **AIDING AND ABETTING FRAUD;**
4. **BREACH OF CONTRACT;**
5. **BREACH OF FIDUCIARY DUTY;**
6. **CONVERSION;**
7. **INSPECTION OF BOOKS AND RECORDS;**
8. **ACCOUNTING**
9. **FRAUD – INTENTIONAL MISREPRESENTATION (DERIVATIVELY);**
10. **FRAUD – NEGLIGENT MISREPRESENTATION (DERIVATIVELY);**
11. **AIDING AND ABETTING FRAUD (DERIVATIVELY);**
12. **BREACH OF FIDUCIARY DUTY (DERIVATIVELY); AND**
13. **CONVERSION (DERIVATIVELY).**

INTRODUCTION

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2 1. This case and the claims asserted on behalf of Plaintiff Paul King (“Plaintiff”) arise from the systematic and deliberate actions of Defendants Michael King, Lauri Kibby and Charles Kieley (collectively, “Defendants”) to swindle Plaintiff and nominal Defendant Kings Garden, Inc. and its subsidiaries and affiliates (collectively, “Kings Garden”) out of millions of dollars through a series of misrepresentations, fraud, misappropriation, deceit, and broken promises.

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8 2. Michael King (“M. King”) is a charlatan who has a history of convincing individuals, including Plaintiff, to make significant financial investments in M. King-sponsored businesses by making promises of equity ownership and above-market preferred returns while failing to deliver and bleeding his so-called “partners” dry. Despite the fact that Plaintiff is M. King’s younger brother, M. King treated him no differently than any other investor, and possibly worse. Plaintiff has lost millions of dollars as a result of M. King’s fraudulent and deceitful business practices.

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15 3. In or around 2015, Plaintiff and M. King jointly pursued an opportunity to become cannabis entrepreneurs in California. Plaintiff provided M. King with \$200,000.00 in seed money to start the business, a substantial line of credit through Plaintiff’s credit facility with American Express, access to his Wells Fargo bank accounts, and countless hours of sweat equity. Plaintiff also introduced M. King to important business entrepreneurs, investors and real estate developers. M. King represented to Plaintiff that: “We are 50/50 partners. Whatever I have you have,” which included ownership in the various cannabis-related business ventures and their profits and assets. M. King’s representations were false. M. King never intended on splitting anything with his brother. Instead, M. King engaged other third-parties to invest in Kings Garden and a series of predecessor companies that evolved into Kings Garden (the “Predecessor LLCs”), moved assets around, diluted Plaintiff’s shares and other equity securities, fudged the books and bled Kings Garden and the Predecessor LLCs for his own personal financial gain. M. King used and continues to use Kings Garden as his own personal piggy bank, making millions

1 of dollars by engaging in fraudulent business practices that have caused and continue to cause
2 harm to Plaintiff and Kings Garden.

3 4. Most recently, in a brazen effort to tie up Plaintiff’s assets and prevent him from
4 filing this lawsuit, Michael forged a Quit Claim Deed related to a condominium in Miami-Dade
5 County, Florida (the “Property”) owned by Plaintiff, fraudulently purporting to convey the fee
6 ownership of the Property to himself and his wife, Marianna King. This is indicative of the
7 pattern and practice of serial fraud by Michael. Attached as **Exhibit A** is a true and correct copy
8 of the lawsuit filed by Plaintiff against Michael and others in Florida related to their fraudulent
9 actions and to properly quiet title to the Property.

10 5. Defendants Lauri Kibby (“Kibby”) and Charles Kieley (“Kieley”) have
11 knowingly conspired with M. King, and aided and abetted M. King’s fraudulent and wrongful
12 conduct, including but not limited to, by allowing M. King to misappropriate assets and devalue
13 Kings Garden in breach of their fiduciary duties as officers and directors of Kings Garden and by
14 filing false claims against Plaintiff. On the eve of Plaintiff filing this complaint, Defendants filed
15 a complaint in Miami-Dade, Florida alleging claims against Plaintiff and his company
16 Cannafornia Holdings, Inc. that are completely untrue and baseless. The complaint was filed as
17 an attempt to intimidate Plaintiff, destroy Plaintiff’s reputation and to forum-shop so as to avoid
18 California’s anti-SLAPP statute. Attached as **Exhibit B** is a true and correct copy of that
19 Complaint.

20 6. Defendants’ actions give rise to a series of direct claims including: (1) fraud –
21 intentional misrepresentation in violation of Civil Code § 1710 (1); (2) fraud – negligent
22 misrepresentation in violation of Civil Code § 1710 (2); (3) aiding and abetting fraud; (4) breach
23 of oral contract; (5) breach of fiduciary duty; (6) conversion; (7) inspection of books and records;
24 and (8) an accounting. Defendants’ actions also harmed Kings Garden and thereby give rise to a
25 series of derivative claims on behalf of Kings Garden against Defendants including: (1) fraud –
26 intentional misrepresentation; (2) fraud – negligent misrepresentation; (3) aiding and abetting
27 fraud; (4) breach of fiduciary duty; and (5) conversion.

THE PARTIES

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2 7. Plaintiff Paul King is an individual residing in the Miami, Florida and does
3 business in Salinas, County of Monterey, California.

4 8. Defendant Michael King is an individual residing in Palm Springs, California. M.
5 King is the President, CEO and a director of Kings Garden, and during all times relevant to this
6 Complaint, held an ownership interest therein (and the businesses before it). During all times
7 relevant to this Complaint, M. King operated Kings Garden (and the businesses before it) as if it
8 were his alter ego or otherwise managed and controlled Kings Garden as if it were his company
9 to run for his own personal purposes.

10 9. Plaintiff is informed and believes, and upon such information and belief alleges,
11 Defendant Lauri Kibby is an individual residing in Palm Springs, California. Kibby is the
12 Secretary and Treasurer of Kings Garden, and during all times relevant to this Complaint, held
13 an ownership interest therein (and the businesses before it).

14 10. Plaintiff is informed and believes, and upon such information and belief alleges,
15 Defendant Charles Kieley is an individual residing in Palm Springs, California. Kieley is a
16 director of Kings Garden, and during all times relevant to this Complaint, held an ownership
17 interest therein (and the businesses before it).

18 11. Nominal Defendant Kings Garden (the parent entity) is a Nevada corporation duly
19 incorporated under the laws of the state of Nevada, qualified to do business in the state of
20 California, and operating principally in Palm Springs, California.

21 12. The true names and capacities of Doe Defendants 1 through 10 are presently
22 unknown to Plaintiff. Therefore, Plaintiff sues these Defendants by such fictitious names.
23 Plaintiff will amend this Complaint to allege the true names and capacities of Does 1 through 10,
24 inclusive, when the same has been ascertained. Each Doe Defendant is legally responsible for
25 the acts and omissions alleged herein.

26 13. At all times relevant to this Complaint, Defendants and the Doe Defendants each
27 acted as the alter ego, co-conspirator, duly authorized agent, and/or representative of other
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1 Defendants, and acting within the course, scope, and authority of such conspiracy, agency,
2 service, and/or representation.

3 **JURISDICTION AND VENUE**

4 14. This Court has specific personal jurisdiction over Defendants as they have
5 purposefully committed within the State of California, the acts from which these claims arise
6 and/or have committed tortious acts outside of California, knowing and intending that such acts
7 would cause injury to Plaintiff within the State of California.

8 15. The Court also has general personal jurisdiction over Defendants as they reside
9 and/or do business within and/or have continuous and systematic contacts within the State of
10 California, including the County of Riverside.

11 16. Jurisdiction is proper in this Court as the amount in controversy well exceeds
12 \$25,000.00.

13 17. Venue is proper, *inter alia*, because Defendants conduct, transact, and/or solicit
14 business in this judicial district.

15 **GENERAL ALLEGATIONS**

16 18. Plaintiff graduated *summa cum laude* from Carnegie Mellon University. Prior to
17 entering into the cannabis business, Plaintiff had a tech startup that raised millions in capital and
18 attracted national media coverage. He later owned a real estate brokerage firm that employed
19 over 75 real estate agents, focused on high-end beachfront residential real estate in Florida, and
20 was named a “25 under 25 Entrepreneur” by *Businessweek*.

21 19. In or around July 2015, M. King convinced his younger brother, Plaintiff, to move
22 with him from Florida to San Diego, California to pursue an opportunity in California’s nascent
23 regulated cannabis industry. M. King had attended Stony Brook college and Hofstra University
24 before dropping out, and was looking for a new opportunity. M. King promised Plaintiff that
25 they would be “50/50” partners in whatever businesses they built together.

26 20. The brothers created a company which began in 2016 as part of the Predecessor
27 LLCs that eventually became Kings Garden by a series of mergers and consolidations. Plaintiff
28 provided seed money of \$200,000.00, a substantial line of credit from his American Express

1 account to start the business, and access to his Wells Fargo bank accounts. The brothers
2 intended on using Kings Garden (and the Predecessor LLCs) to cultivate, store, package,
3 distribute and sell at retail medical marijuana in California.

4 21. The brothers also intended to use Plaintiff's decades of knowledge and expertise
5 in real estate by incorporating and vertically integrating real estate investments in the cannabis
6 businesses they were building together. For this aspect of the business, Plaintiff introduced M.
7 King to a real estate developer/ entrepreneur, Michael Meade, in Palm Springs, California.

8 22. The brothers agreed that all the assets and profits of companies they built together
9 would be split equally between themselves. M. King represented to Plaintiff that the businesses
10 they built together would be owned "50/50" and that Plaintiff would be compensated for his time
11 and expertise in building the businesses.

12 23. After the Predecessor LLCs were formed, M. King engaged various third-party
13 investors, many of whom were Plaintiff's proprietary business contacts and contacts of
14 Plaintiff's mother, to invest additional capital in the companies. The Predecessor LLCs were
15 eventually merged into what is now Kings Garden.

16 24. Plaintiff worked primarily on the real estate investment side of the business while
17 M. King worked on getting more investors and setting up the medical marijuana operational side
18 of the business. The brothers found their first viable space in Palm Springs in 2016, and it was
19 Plaintiff's seed money that secured the property.

20 25. After a few years of growing the business, Plaintiff was unceremoniously pushed
21 out of management and M. King wrestled complete control of Kings Garden. M. King continued
22 to represent that Plaintiff was a substantial shareholder of Kings Garden and that he would be
23 made whole for his financial investment and years of personal work efforts. But M. King's
24 promises were demonstrably false. M. King, with assistance from Kibby and Kieley, moved
25 assets around, changed entity names, and merged or sold the Predecessor LLCs in an attempt to
26 deliberately conceal and wipe out Plaintiff's ownership in the Predecessor LLCs and Kings
27 Garden.

1 26. Upon information and belief, during the years M. King has operated Kings
2 Garden and the Predecessor LLCs, and with the aid of Kibby and Kieley, M. King has
3 deliberately and blatantly falsified books and records to personally enrich himself, and swindle
4 money from investors. In so doing, M. King repeatedly misrepresented that funds were being
5 used for business purposes when in fact they were exclusively used for M. King’s personal
6 benefit. Upon information and belief, M. King used and continues to use Kings Garden as his
7 own personal piggy bank thereby decreasing the value of Plaintiff’s and other investors’
8 ownership interests in the company by millions of dollars.

9 27. Upon information and belief, while operating the business M. King had created
10 with Plaintiff, M. King also regularly falsified Plaintiff’s signature on various documents
11 including commercial lease applications and letters of intent where Paul was to provide personal
12 guaranties, each without Plaintiff’s knowledge or consent.

13 28. Upon information and belief, during the years M. King has operated Kings
14 Garden and the Predecessor LLCs, M. King has also engaged in various unlawful and fraudulent
15 activities with respect to King Garden’s and the Predecessor LLCs’ financial, regulatory and tax
16 reporting, including arranging for the sale of millions of dollars of “black market” cannabis
17 grown at Kings Garden-affiliated facilities, both within and outside of the State, in violation of
18 federal, state and local laws and regulations. Such brazen misconduct for M. King’s personal
19 financial benefit directly puts at risk the very valuable permits, licenses and regulatory approvals
20 held by Kings Garden and its subsidiaries.

21 29. In or around 2019, M. King started making various offers to “buy out” Plaintiff’s
22 significant equity ownership in Kings Garden and the Predecessor LLCs. The offers changed
23 dramatically in price seemingly without any rhyme or reason. For example, in August of 2019,
24 M. King stated to Plaintiff his shares were worth approximately \$940,000.00 and asked him to
25 sign merger documents,. Attached as **Exhibit C** is a true and correct copy of that email. In
26 March and April 2021, Plaintiff received several texts and emails from M. King. M. King
27 offered Plaintiff \$100,000.00 and then a week later \$350,000.00 for Plaintiff’s shares without
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1 any explanation as to the change in value. Attached as **Exhibit D** is a true and correct copy of
2 that email.

3 30. Upon information and belief, M. King made several offers to purchase Plaintiff's
4 equity ownership in Kings Garden because of an anticipated sale of the company that would
5 result in a windfall to M. King if he or the Company could purchase or redeem Plaintiff's
6 ownership interest cheaply enough without disclosing the true nature of M. King's intent.
7 Further, by buying out Plaintiff, it would have solved another problem down the line when any
8 potential purchaser, strategic partner or merger partner would have discovered that Plaintiff was
9 a co-founder of Kings Garden and held a substantial equity ownership interest in the company.

10 31. Plaintiff summarily rejected M. King's offers knowing that his ownership was
11 considerably undervalued and misstated by M. King. Plaintiff has made numerous attempts in
12 good faith to request that Kings Garden correct and appropriately document his true ownership
13 interest in the company. In that regard, Plaintiff has requested all books and records, including,
14 accounting, tax and financial information of Kings Garden—records he is entitled to as he is a
15 substantial shareholder. Kings Garden has refused to provide Plaintiff with access to the books
16 and records of the Company.

17 32. Indeed, in an attempt to forum shop, intimidate Plaintiff and destroy Plaintiff's
18 reputation, after receiving the demand for access to books and records from Plaintiff and a draft
19 of this Complaint in connection with the demand, on May 21, 2021, Defendants ran to court in
20 Miami-Dade, Florida and filed a meritless lawsuit against Plaintiff and his company Cannafornia
21 Holdings, Inc., making false allegations against Plaintiff. *See* **Exhibit B**.

22 33. Upon information and belief, Kings Garden has made millions of dollars in profits
23 that have been misappropriated by M. King during the entirety of M. King's management and
24 control of the company.

25 34. M. King has been the President and Chief Executive Officer of Kings Garden and
26 responsible for its operations since it was originally formed as Kings Garden, LLC and the
27 Predecessor LLCs. Plaintiff reasonably expected that he could rely on M. King, his own flesh
28 and blood, to use reasonable business judgment and to protect his interests as a substantial

1 shareholder of Kings in accordance with the duties of loyalty, care, and good faith and fair
2 dealing that are owed to all shareholders of corporations as well as members of LLCs.

3 35. Upon information and belief, M. King used, and continues to use, Kings Garden
4 as his personal piggy bank instead of keeping his promises and observing his statutory duties to
5 manage Kings Garden prudently and in accordance with applicable law. M. King, with
6 assistance and aid by Kibby and Kieley, misappropriated assets and profits from Kings Garden to
7 support his own lavish personal lifestyle and invest in real estate assets for himself. Upon
8 information and belief, M. King’s misappropriation includes, but is not limited to, the following:

- 9 • M. King used funds from Kings Garden to pay himself an excessive salary;
- 10 • M. King funneled money from Kings Garden to himself;
- 11 • M. King used funds from Kings Garden to invest in personal real estate including
12 multiple multimillion dollar residences in Los Angeles, Palm Springs and
13 Florida; and
- 14 • M. King arranged for the sale of millions of dollars of “black market” cannabis
15 grown at company facilities, both within and outside of the State, in violation of
16 federal, state and local laws and regulations;

17 36. Upon information and belief, Defendants, including Kibby and Kieley, kept, and
18 continue to keep, inaccurate books and records to hide M. King’s fraudulent and unlawful acts.

19 37. Upon information and belief, Defendants, including Kibby and Kieley, also
20 recklessly mismanaged Kings Garden by:

- 21 • Altering Kings Garden’s books and records;
- 22 • Failing to keep accurate books and records of Kings Garden; and
- 23 • Refusing to provide Plaintiff with information regarding his shares.

24 38. The above described actions were committed in direct violation of Defendants’
25 duties and obligations as directors and officers of Kings Garden.

26 39. M. King’s mismanagement was committed with the assistance of Kibby and
27 Kieley, without checks and balances and without obtaining Plaintiff’s or any other shareholders’
28 approval. Specifically, Defendants prevented Plaintiff from having access to corporate books

1 and records in an attempt to prevent Plaintiff from ascertaining in full detail what unlawful acts
2 were committed by Defendants in their capacity as officers and/or directors of Kings Garden.
3 Plaintiff made a formal request to access Kings Garden’s books and records on May 3, 2021 and
4 on May 12, 2021 counsel for Kings Garden denied the request. Attached as **Exhibits E** is a true
5 and correct copy of that demand.

6 40. On May 17, 2021, Plaintiff also requested that M. King be removed as a director
7 and officer prior to litigation. On May 20, 2021, Plaintiff’s request was rejected. There is zero
8 evidence suggesting the request was ever addressed by Defendants or any other shareholder,
9 director, or officer of Kings Garden. Attached as **Exhibit F** is a true and correct copy of that
10 demand.

11 41. Plaintiff and Defendants came to an impasse and an intractable dispute developed
12 between them after Plaintiff requested M. King be removed as a director and officer of Kings
13 Garden. Accordingly, any requirement for a more formal pre-litigation demand by Plaintiff was
14 excused as such a demand would have been entirely futile.

15 **FIRST CAUSE OF ACTION**

16 **(Fraud – Intentional Misrepresentation Against Defendant M. King)**

17 42. Plaintiff realleges and incorporates by reference as though fully set forth herein
18 each and every allegation in Paragraphs 1 through 41.

19 43. In or around 2015, M. King and Plaintiff moved to San Diego, California to
20 pursue an opportunity to start a medical marijuana business. M. King represented to Plaintiff
21 that they would start and grow the business together and that Kings Garden (and its Predecessor
22 LLCs), its assets, and profits would be split between the brothers equally. Plaintiff invested
23 \$200,000.00 and committed his credit line as seed money for the business. As a result, the
24 brothers created a business that eventually became Kings Garden.

25 44. M. King made these representations to Plaintiff because he needed Plaintiff to
26 help him start and grow the business. Plaintiff had decades of skill and expertise in growing a
27 real estate investment company and had excellent credit that M. King required for the business.
28

1 45. Based on M. King’s representations, Plaintiff agreed to become an equal business
2 partner with M. King, to provide Defendant with his expertise, to provide required credit and
3 seed capital, and to commit to work around the clock on the operations and investment side of
4 the business.

5 46. M. King’s representations were demonstrably false. M. King never intended to
6 share in the ownership equally in Kings Garden (and its Predecessor LLCs), its assets, or any of
7 the profits with Plaintiff. Instead, M. King intended on using Kings Garden as his personal
8 piggy bank, cooking its books, and moving assets around for his own personal gain in an attempt
9 to push Plaintiff out of the business and leave him with nothing in return. M. King also intended
10 on using Plaintiff’s name to enter into third party agreements, including commercial lease
11 agreements and letters of intent, subjecting Plaintiff to potential liability without Plaintiff’s
12 knowledge or consent.

13 47. M. King’s misrepresentations were material. Plaintiff would never have agreed to
14 start a business with M. King, provide him with seed money and credit to begin the operations of
15 the business or provide him with his services had he known M. King never intended to share in
16 the ownership of the business with Plaintiff equally.

17 48. M. King intended to induce Plaintiff to rely on his false representations and knew
18 that by making these false representations, Plaintiff would be induced into becoming business
19 partners with him, investing in the company and providing him with his skills, expertise, and
20 credit.

21 49. Plaintiff reasonably relied on M. King’s false representations that he would
22 equally share in the success of the business, its assets, and any profits it made and that as
23 brothers and co-venturers, they would be “partners” in the truest sense of the word.

24 50. Plaintiff was justified in relying upon M. King’s false representations. Plaintiff
25 had no reason to believe his own brother and business partner was going to trick Plaintiff into
26 investing in the business and providing his skills and credit for the sole purpose of M. King
27 taking all the gains from the business for himself.

28

1 also knew he did not have the requisite experience, capital or credit to start or grow the business
2 by himself and that he needed Plaintiff's time, skills, expertise, capital and good credit to start
3 and operate the business. Yet, M. King used Kings Garden as his personally piggy bank and
4 misappropriated business funds for himself thereby failing to fulfill the representations he made
5 to Plaintiff. M. King also entered into third party agreements using Plaintiff as the named party
6 to the contract instead of himself or the company, including commercial lease agreements and
7 letters of intent, without Plaintiff's knowledge or consent and subjecting Plaintiff to potential
8 liability.

9 58. M. King negligently induced Plaintiff to rely on his misrepresentations. By M.
10 King making these misrepresentations, Plaintiff was induced into becoming business partners
11 with M. King and providing M. King with his time, expertise, skill, capital, and good credit to
12 start and operate the business.

13 59. Plaintiff was justified in relying upon M. King's misrepresentations. Plaintiff had
14 no reason to believe M. King's representations were false. Plaintiff and M. King are brothers
15 and Plaintiff had no reason to believe M. King was going to misappropriate funds from the
16 business or attempt to cut Plaintiff out from his equal share of the business.

17 60. Plaintiff has been substantially harmed by M. King's misrepresentations because
18 M King's actions directly and proximately caused damage to Plaintiff in the excess of
19 \$10,000,000.00 dollars.

20 61. M. King's negligent representations were a substantial factor in causing Plaintiff's
21 harm.

22 62. As a direct, proximate, and legal result of M. King's negligent misrepresentation,
23 Plaintiff sustained damages in an amount subject to proof, but which Plaintiff alleges is no less
24 than \$10,000,000.00.

25 **THIRD CAUSE OF ACTION**

26 **(Aiding and Abetting Fraud Against Defendants Kibby and Kieley)**

27 63. Plaintiff realleges and incorporates by reference as though fully set forth herein
28 each and every allegation in Paragraphs 1 through 41.

1 64. As set forth above, M. King engaged in intentional and negligent
2 misrepresentations that caused damage and harm to Plaintiff .

3 65. Plaintiff is informed and believes, and thereon alleges, that Kibby and Kieley
4 knowingly and intentionally aided and abetted the fraudulent acts by M. King as alleged above
5 by participating in M. King’s fraudulent actions. Kibby and Kieley had actual knowledge M.
6 King’s fraudulent conduct against P. King. Kibby and Kieley provided substantial assistance
7 and/or encouragement to M. King by assisting and aiding and abetting M. King in:

- 8 • Keeping and continuing to keep, inaccurate books and records to hide M. King’s
9 misappropriation;
- 10 • Altering Kings Garden’s books and records;
- 11 • Denying Plaintiff access to information regarding his ownership in Kings Garden;
12 and
- 13 • Arranging for the sale of millions of dollars of “black market” cannabis grown at
14 company facilities, both within and outside of the State, in violation of federal,
15 state and local laws and regulations.

16 66. Plaintiff is informed and believes, and thereon alleges, that Kibby and Kieley
17 aided and abetted and/or participated in the fraud by M. King for the purpose of advancing their
18 own interests and/or financial advantage.

19 67. As a direct, proximate and legal result of the aiding and abetting and/or
20 participating in M. King’s fraud by Kibby and Kieley, as alleged in this cause of action, Plaintiff
21 has been damaged in an amount presently unknown, but believed to be in excess of
22 \$10,000,000.00.

23 68. The conduct of Kibby and Kieley, and each of them, was committed with fraud,
24 malice and oppression as defined in California Civil Code section 3294, in that such conduct was
25 despicable, and was carried out with a willful and conscious disregard for the rights of Plaintiff,
26 thereby subjecting Plaintiff to cruel and unjust hardship. Plaintiff is informed and believes, and
27 thereon alleges, that the acts of fraud, malice and oppression on the part of Kibby and Kieley,
28 and each of them, were on the part of their respective officers, directors, alter egos, managers, or

1 agents, and/or were ratified by Kibby and Kieley, and each of them. Therefore, Plaintiff requests
2 the imposition of an exemplary damage award against Kibby and Kieley, and each of them,
3 pursuant to California Civil Code section 3294, in an amount to be shown according to proof at
4 the time of trial, which is sufficient to punish and deter Kibby and Kieley, and each of them, and
5 to make an example of them.

6 **FOURTH CAUSE OF ACTION**

7 **(Breach of Oral Contract Against Defendant M. King)**

8 69. Plaintiff realleges and incorporates by reference as though fully set forth herein
9 each and every allegation in Paragraphs 1 through 41.

10 70. In or around 2015, Plaintiff and M. King had a conversation during which they
11 orally agreed that they would start a medical marijuana business together and be equal partners
12 in the joint venture, splitting all the assets, profits, and sales of the business equally between
13 themselves. This conversation constituted an oral agreement between Plaintiff and M. King. As
14 a result, the parties created a business that eventually became Kings Garden.

15 71. The existence of this oral agreement was confirmed by the parties' intent, actions
16 and course of conduct. A joint venture business was created for the purpose of cultivating,
17 storing, processing, packaging, distributing and selling at retail medical marijuana. The business
18 also invested in real estate. The parties built the Predecessor LLCs together that eventually
19 became Kings Garden. Plaintiff provided his decades of skills and expertise in real estate
20 investment and he also provided his good credit to start and operate the business. Plaintiff also
21 invested \$200,000.00 into the business. M. King and Plaintiff jointly operated the business but
22 with substantial reliance on the skills and expertise provided by Plaintiff. In exchange for his
23 services and his investment, Plaintiff was promised to receive an equal share of the profits, sales,
24 and assets of the business.

25 72. Plaintiff has fully performed all conditions, covenants, obligations and promises
26 required on his part to be performed in accordance with the terms of the parties' oral agreement
27 except insofar as Plaintiff has been excused from having to perform such conditions, covenants,
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1 obligations and promises by M. King’s breaches of the oral agreement, or otherwise by operation
2 of law.

3 73. M. King has willfully breached, or otherwise failed and refused to perform his
4 obligations under the oral agreement. Specifically, M. King has refused to split the profits,
5 assets, sales and ownership of the business with Plaintiff equally.

6 74. M. King’s wrongful conduct alleged herein constitutes a material breach of the
7 oral agreement.

8 75. As a direct and proximate result of M. King’s material breach of the oral
9 agreement, Plaintiff has been damaged in an amount in excess of the jurisdictional minimum of
10 this Court and that will be proven at trial, but no less than \$10,000,000.00.

11 **FIFTH CAUSE OF ACTION**

12 **(Breach Of Fiduciary Duties Against Defendants M. King, Kibby and Kieley)**

13 76. Plaintiff realleges and incorporate by reference as though fully set forth herein
14 each and every allegation in Paragraphs 1 through 41.

15 77. M. King, contractually and as an operating manager of the business that Plaintiff
16 and M. King started together, and which eventually became Kings Garden, and as President and
17 CEO of Kings Garden, owes Plaintiff a duty to act with the utmost care, good faith, candor, and
18 loyalty.

19 78. Defendants Kibby and Kieley as officers and/or directors of Kings Garden also
20 owe Plaintiff a duty to act with the utmost care, good faith, candor, and loyalty.

21 79. M. King failed to act as a reasonably careful manager would act on behalf of
22 Plaintiff. Specifically, M. King knowingly acted in violation of his fiduciary duties and against
23 Plaintiff when M. King: (1) failed to distribute the profits, assets, and ownership of the
24 Predecessor LLCs equally with Plaintiff; (2) misappropriated funds from Kings Garden and the
25 Predecessor LLCs for M. King’s own personal gain; (3) used Kings Garden and the Predecessor
26 LLCs as his personal piggy bank in part to support an excessive and lavish lifestyle; (4) paid
27 himself excessive compensation; (5) pushed Plaintiff out of the Predecessor LLCs and King
28 Garden without Plaintiff’s consent or knowledge; (6) used Plaintiff’s good name to enter into

1 third party agreements on behalf of Kings Garden and the Predecessor LLCs without Plaintiff's
2 consent or knowledge; (7) arranged for the sale of millions of dollars of "black market" cannabis
3 grown at company facilities, both within and outside of the State, in violation of federal, state
4 and local laws and regulations; and (8) forged Plaintiff's signature on lease agreements and
5 letters of intent.

6 80. Kibby and Kieley were grossly negligent in their duties as officers and directors
7 of Kings Garden in that they knowingly allowed M. King to: (1) misappropriate funds from
8 Kings Garden and the Predecessor LLCs for M. King's own personal gain; (3) use Kings Garden
9 and the Predecessor LLCs as his personal piggy bank in part to support an excessive and lavish
10 lifestyle; (4) pay himself excessive compensation; (5) push Plaintiff out of the Predecessor LLCs
11 and King Garden without Plaintiff's consent or knowledge; (6) use Plaintiff's name to enter into
12 third party agreements on behalf of Kings Garden and the Predecessor LLCs without Plaintiff's
13 consent or knowledge; (7) arrange for the sale of millions of dollars of "black market" cannabis
14 grown at company facilities, both within and outside of the State, in violation of federal, state
15 and local laws and regulations; and (8) forge Plaintiff's signature on lease agreements and letters
16 of intent.

17 81. Plaintiff did not give informed consent to Defendants to undertake any of the
18 aforementioned acts.

19 82. As a direct, proximate and legal result of Defendants' breaches of fiduciary
20 duties, Plaintiff sustained damages in an amount subject to proof, but which Plaintiff alleges is
21 no less than \$10,000,000.00.

22 **SIXTH CAUSE OF ACTION**

23 **(Conversion against Defendant M. King)**

24 83. Plaintiff reallege and incorporate by reference as though fully set forth herein
25 each and every allegation in Paragraphs 1 through 41.

26 84. At all relevant times, Plaintiff was an equal partner and owner of the business
27 which Plaintiff and M. King started together in 2015 and eventually became Kings Garden.
28

1 Plaintiff's partnership with M. King entitled him to receive an equal share of the profits, assets
2 and ownership derived from the business that eventually became Kings Garden.

3 85. M. King substantially interfered with the rights of Plaintiff's ownership in the
4 business that eventually became Kings Garden by knowingly or intentionally doing the following
5 acts:

- 6 • Misappropriating the proceeds of the Predecessor LLCs and Kings Garden solely
7 for himself;
- 8 • Paying himself excessive compensation from the Predecessor LLCs and Kings
9 Garden;
- 10 • Using Kings Garden and the Predecessor LLCs as his own personal piggy bank;
- 11 • Pushing Plaintiff out of Kings Garden and the Predecessor LLCs; and
- 12 • Transferring Kings Garden and the Predecessor LLC's assets and profits to
13 himself without the requisite informed consent of Plaintiff or other owners.

14 86. M. King was not authorized to take or misappropriate the proceeds and assets of
15 Kings Garden and the Predecessor LLCs and Plaintiff did not consent to the taking of such
16 proceeds and assets. Plaintiff's equal share of the proceeds and assets in the companies M. King
17 and Plaintiff built together belonged to Plaintiff. M. King's actions were not in good faith or part
18 of fair dealing. M. King improperly absconded with proceeds and assets from the Predecessor
19 LLCs and Kings Garden by committing the acts described above.

20 87. Plaintiff suffered harm as a result of M. King's actions and M. King was a
21 substantial factor in causing that harm.

22 88. As a direct and proximate result of M. King's conduct, Plaintiff is owed damages
23 in an amount subject to proof, but that includes and is not limited to: (1) actual, compensatory,
24 and consequential damages; (b) in an amount no less than the amounts misappropriated by M.
25 King; and (c) his loss in ability to recover profits and assets belonging to him as a result of being
26 pushed out of Kings Garden and the Predecessor LLCs.

27 89. In doing the act herein alleged, M. King acted with oppression, fraud, malice, and
28 in conscious disregard of Plaintiff's rights. M. King induced Plaintiff to provide his skills,

1 expertise, capital and good credit to start and operate the business that eventually became Kings
2 Garden in order to misappropriate proceeds and assets from Kings Garden and the Predecessor
3 LLCs and use them for his own personal gain. M. King misappropriated funds from Kings
4 Garden and the Predecessor LLCs in order to interfere with Plaintiff's property rights. M. King
5 kept inaccurate books and records in order to conceal his misappropriation.

6 **SEVENTH CAUSE OF ACTION**

7 **(Inspection of Books and Records Against Defendants M. King, Kibby and Kieley)**

8 90. Plaintiff realleges and incorporates by reference as though fully set forth herein
9 each and every allegation in Paragraphs 1 through 41.

10 91. Plaintiff is a shareholder of Kings Garden.

11 92. Defendants' had a duty to provide all of the true and correct books and records of
12 the business which eventually became Kings Garden to Plaintiff upon his request.

13 93. Plaintiff has good cause to request the books and records because as a
14 longstanding shareholder he is entitled to know the correct number of shares he holds, the
15 financial results of the business, and whether the books and records of the business are true,
16 correct and complete.

17 94. Plaintiff requested such books and records of Kings Garden and M. King rejected
18 Plaintiff's request. Defendants failed to provide any books and records upon Plaintiff's request.

19 95. Plaintiff has no adequate remedy at law.

20 **EIGHTH CAUSE OF ACTION**

21 **(Accounting Against Defendants M. King, Kibby and Kieley)**

22 96. Plaintiff realleges and incorporates by reference as though fully set forth herein
23 each and every allegation in Paragraphs 1 through 41.

24 97. During all relevant times to this Complaint, there existed a fiduciary relationship
25 between M. King as the business manager and Plaintiff as a shareholder of the business which
26 Plaintiff and M. King started together and eventually became Kings Garden.

27 98. There is a balance due to Plaintiff from the business that eventually became Kings
28 Garden that can only be ascertained by an accounting. Plaintiff seeks a true, correct and

1 complete accounting of the affairs of Kings Garden (and the Predecessor LLCs) to determine the
2 amounts owed to Plaintiff.

3 99. The exact amount of money due to Plaintiff is unknown and cannot be ascertained
4 without an accurate accounting of Kings Garden’s books and records.

5 100. Plaintiff previously demanded that he be permitted to inspect all of the corporate
6 books and records of Kings Garden, but Defendants failed and refused to allow Plaintiff to
7 ascertain the true value of the sums owed to him by denying Plaintiff access to such corporate
8 books and records.

9 101. An accounting is necessary because without this remedy Plaintiff will remain
10 unable to ascertain the true value of Plaintiff’s substantial ownership interest in Kings Garden or
11 what was done with Plaintiff’s share of the profits and assets from the business.

12 **DERIVATIVE CLAIMS**

13 102. Plaintiff holds a substantial ownership interest in Kings Garden. M. King has
14 attempted to unilaterally and without the authority, power, or permission to do so, dilute
15 Plaintiff’s interest in Kings Garden but Plaintiff still remains a major shareholder in Kings
16 Garden even after M. King’s improper attempts to dilute his ownership interests.

17 103. During all times relevant herein, M. King was and is the President, CEO and
18 director of Kings Garden.

19 104. The actions taken by M. King herein have harmed Kings Garden (in addition to
20 Plaintiff).

21 105. Plaintiff requested that M. King step down as President, CEO and director as a
22 result of M King’s actions, but M. King refused.

23 106. This action is commenced and prosecuted on behalf of Plaintiff as a shareholder
24 of Kings Garden and for the benefit of Kings Garden and its shareholders.

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NINTH CAUSE OF ACTION

(Fraud – Intentional Misrepresentation)

(Derivatively Against M. King On Behalf Of Kings Garden)

107. Plaintiff realleges and incorporated by reference as though fully set forth herein each and every allegation in Paragraphs 1 through 41, 102 through 106.

108. M. King was a director and officer of Kings Garden during all times relevant to this Complaint.

109. In or about 2015, M. King represented to Plaintiff that they would start and grow a medical marijuana joint venture business together and that the company, its assets, and profits would be shared between the parties equally. As a result, the parties created a joint venture business that eventually became Kings Garden. M. King represented to Plaintiff and Kings Garden (and the Predecessor LLCs) that he had the requisite skill to be a business manager of Kings Garden (and the Predecessor LLCs) and that he intended on using Plaintiff’s decades of expertise, time, skill, capital and credit to start and operate the business. M. King represented that the profits and assets of the business were for the benefit of the business and the two equal partners in the business – Plaintiff and M. King. But instead, M. King intended to use the funds, profits, and assets of the business to fund and pay for: (a) his extravagant personal lifestyle; (b) his excessive compensation; (c) excessive personal expenses; and (d) personal real estate investments.

110. M. King misrepresented his skills as a business manager to Kings Garden and Plaintiff. M. King claimed he was a successful business manager and that he would make Kings Garden a profitable entity. In reality, M. King intended on using Kings Garden as his personal piggy bank and did not intend to keep all the profits within Kings Garden for the benefit of its shareholders.

111. M. King manipulated Kings Garden’s financial records in order to hide his misappropriations of funds and assets that belonged to Kings Garden and its shareholders.

1 118. M. King negligently misrepresented his skills as a business manager to Kings
2 Garden and Plaintiff. M. King claimed he was a successful business manager and that he would
3 make Kings Garden a profitable entity. In reality, M. King used Kings Garden as his personal
4 piggy bank and did not keep all the profits and assets within the Kings Garden for the benefit of
5 its shareholders.

6 119. M. King negligently misrepresented to Kings Garden and Plaintiff, Kings
7 Garden’s books and records by failing to keep accurate accounts and hid his misappropriation of
8 company funds and assets.

9 120. Kings Garden was damaged because the funds and assets that were intended to be
10 used for Kings Garden’s business and for the benefit of all of its shareholders were actually used
11 by M. King personally. Kings Garden was damaged by being robbed of its assets and by having
12 inaccurate financial records.

13 **ELEVENTH CAUSE OF ACTION**

14 **(Aiding and Abetting Fraud)**

15 **(Derivatively On Behalf Of Kings Garden Against Defendants Kibby and Kieley)**

16 121. Plaintiff realleges and incorporates by reference as though fully set forth herein
17 each and every allegation in Paragraphs 1 through 41, 102 through 106.

18 122. As set forth above, M. King engaged in intentional and negligent
19 misrepresentations that caused damage and harm to Kings Garden.

20 123. Kings Garden is informed and believes, and thereon alleges, that Kibby and
21 Kieley aided and abetted the fraudulent acts by M. King as alleged above by participating in M.
22 King’s fraudulent actions. Kibby and Kieley had actual knowledge of M. King’s fraudulent
23 conduct against Kings Garden. Kibby and Kieley provided substantial assistance and/or
24 encouragement to M. King by knowingly and intentionally assisting and aiding and abetting M.
25 King in:

- 26 • Keeping and continuing to keep, inaccurate books and records to hide M. King’s
- 27 misappropriation;
- 28 • Altering Kings Garden’s books and records;

- 1 • Refusing to provide Plaintiff with information regarding his shares; and
- 2 • Arranging for the sale of millions of dollars of “black market” cannabis grown at
- 3 company facilities, both within and outside of the State, in violation of federal,
- 4 state and local laws and regulations.

5 124. Kings Garden is informed and believes, and thereon alleges, that Kibby and
6 Kieley aided and abetted and/or participated in the fraud by M. King for the purpose of
7 advancing their own interests and/or financial advantage.

8 125. As a direct, proximate and legal result of the aiding and abetting and/or
9 participating in M. King’s fraud by Kibby and Kieley, Kings Garden was damaged because the
10 funds and assets that were intended to be used for Kings Garden’s business and for the benefit of
11 all of its shareholders were actually used by M. King personally. Kings Garden was damaged by
12 being robbed of its assets and by having inaccurate financial records.

13 **TWELFTH CAUSE OF ACTION**

14 **(Breach of Fiduciary Duties)**

15 **(Derivatively On Behalf Of Kings Garden Against M. King, Kibby and Kieley)**

16 126. Plaintiff realleges and incorporates by reference as though fully set forth herein
17 each and every allegation in Paragraphs 1 through 41, 102 through 106.

18 127. M. King, as a director and officer of Kings Garden, owed Kings Garden and its
19 shareholders the utmost fiduciary duties of due care, good faith, candor, and loyalty.

20 128. M. King failed to act as a reasonably careful director and officer would act. M.
21 King acted in violation of his fiduciary duties and engaged in corporate waste by committing the
22 following acts:

- 23 • M. King misappropriated the funds and assets from Kings Garden. M. King did
- 24 this by: (a) paying himself excessive compensation; (b) misappropriating profits
- 25 and assets of Kings Garden for his own personal gain; (c) using Kings Garden
- 26 funds to pay for real estate investments for himself; and (d) using Kings Garden
- 27 as his own personal piggy bank.

28

1 129. M. King tampered with Kings Garden’s books and records to further and
2 otherwise obfuscate his misappropriation of Kings Garden’s funds and assets.

3 130. Kibby and Kieley were grossly negligent in their duties as officers and/or
4 directors of Kings Garden in that they knowingly allowed M. King to: (1) misappropriate funds
5 from Kings Garden and the Predecessor LLCs for M. King’s own personal gain; (3) use Kings
6 Garden and the Predecessor LLCs as his personal piggy bank in part to support an excessive and
7 lavish lifestyle; (4) pay himself excessive compensation; (5) push Plaintiff out of the Predecessor
8 LLCs and King Garden without Plaintiff’s consent or knowledge; (6) use Plaintiff’s name to
9 enter into third party agreements on behalf of Kings Garden and the Predecessor LLCs without
10 Plaintiff’s consent or knowledge; (8) arrange for the sale of millions of dollars of “black market”
11 cannabis grown at company facilities, both within and outside of the State, in violation of
12 federal, state and local laws and regulations; and (8) forge Plaintiff’s signature on business
13 contracts.

14 131. M. King refused to step down as a director, President and CEO despite a written
15 request by Plaintiff.

16 132. Based on the foregoing conduct, Defendants M. King, Kibby and Kieley were not
17 acting in good faith toward Kings Garden and breached their fiduciary duties. Kings Garden was
18 damaged as a result of the excessive compensation, corporate waste, and misappropriation
19 alleged herein. Kings Garden was damaged as a result of Defendants’ misappropriation of its
20 funds and assets. Defendants’ misappropriation also caused Kings Garden’s value to diminish
21 significantly and it and its shareholders were damaged accordingly.

22 133. As a direct and proximate result of Defendants’ conscious failure to perform his
23 fiduciary obligations, Kings Garden has been and will continue to be damaged.

24 **THIRTEENTH CAUSE OF ACTION**

25 **(Conversion)**

26 **(Derivatively On Behalf Of Kings Garden Against M. King)**

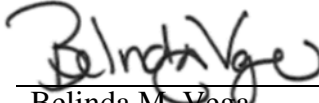
27 134. Plaintiff realleges and incorporates by reference as though fully set forth herein
28 each and every allegation in Paragraphs 1 through 41, 102 through 106.

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- 9. For preliminary and permanent injunctive relief; and
- 10. For such other and further relief as the Court deems just and proper.

Dated: May 26, 2021

VENABLE LLP

By: 
Belinda M. Vega
Christina M. Nordsten
Attorneys for Plaintiff
PAUL KING

VERIFICATION

Verification of Pleading (Code Civ. Proc., § 446)

I am the Plaintiff in this action. I have read the foregoing Complaint and know its contents. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

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

26

Executed at Los Angeles, California on May __, 2021.



PAUL KING

VENABLE LLP
2049 CENTURY PARK EAST, SUITE 2300
LOS ANGELES, CA 90067
310-229-9900

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EXHIBIT A

IN THE CIRCUIT COURT OF THE ELEVENTH CIRCUIT, IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

PAUL KING,
Plaintiff,

CIRCUIT CIVIL DIVISION

CASE NO.: 2021-CA-9769

vs.

MICHAEL KING, MARIANNA KING,
and CARMEN A. JONES,
Defendants.

**AMENDED COMPLAINT TO QUIET TITLE AND FOR OTHER FORMS OF
RELIEF**

COMES NOW the Plaintiff, PAUL KING, by and through his undersigned counsel, pursuant to Rule 1.100 and 1.110, Florida Rules of Civil Procedure, and Chapter 65, Florida Statutes, and hereby sue the Defendants to quiet title to real property, and in further support thereof would show unto this Honorable Court as follows:

JURISDICTION & VENUE

1. This is an action pursuant to Chapter 65, Florida Statutes, to quiet title to real property lying, situated, and being in Miami-Dade County, Florida in addition to asserting a claim for slander of title and for damages.

2. The Plaintiff owns the real property, located at 18201 Collins Avenue, Unit #503, Miami, Miami-Dade County, Florida, ("Property"), more fully described in the Public Records of Miami-Dade County, Florida as:

CONDOMINIUM UNIT NO. 503, TRUMP ROYALE, A CONDOMINIUM, ACCORDING TO THE DECLARATION OF CONDOMINIUM THEREOF, AS RECORDED IN OFFICIAL RECORDS BOOK 26542, PAGE 626, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, TOGETHER WITH ALL APPURTENANCES THERETO INCLUDING AN UNDIVIDED INTEREST IN THE COMMON ELEMENTS OF SAID CONDOMINIUM, AS SET FORTH IN THE DECLARATION

Parcel Identification Number: 31 2211-080-1120

Property Address: 18201 Collins Avenue, Unit #503, Miami, FL

3. This Court has jurisdiction over this action pursuant to §65.011, Florida Statutes, and venue is appropriate in Miami-Dade County, Florida pursuant to §47.011, Florida Statutes, because the real property at issue is in Miami-Dade County, Florida.

4. Defendant, MICHAEL KING, is an individual, is *sui juris* and who purportedly owns the real property that forms the basis of this action, which is located in Miami Dade, Florida.

5. Defendant, MARIANNA KING, is an individual, is *sui juris* and who purportedly owns the real property that forms the basis of this action, which is located in Miami Dade, Florida.

6. Defendant, CARMEN A. JONES, is an individual that is believed to be a resident of Miami Dade County and is otherwise *sui juris*¹.

COUNT I - QUIET TITLE

The Plaintiffs incorporate paragraphs 1 through 6 above as if fully set forth herein.

7. The Property was conveyed from Royale Florida Enterprises, Inc. to T Royal 503, LLC ("T Royal") by Special Warranty Deed, recorded January 23, 2009 at Book 26727, Page 3398 of the Public Records of Miami-Dade County, Florida. **See Exhibit A.**

8. On or about March 2, 2010, the Property was conveyed from T Royal to the

¹ Defendant, Carmen A. Jones, is named only with regard to Count II

Plaintiff, PAUL KING, by Warranty Deed, recorded March 11, 2010 at Book 27210, Page 300 of the Public Records of Miami-Dade County, Florida. See **Exhibit B.**

9. On or about December 22, 2020, a Quit Claim Deed ("QCD") was allegedly executed to convey the Property to the Defendants, Michael King and Marianna King, recorded February 10, 2021 at Book 32344, Page 2806 of the Public Records of Miami-Dade County, Florida. **See Exhibit C.**

10. Suspiciously, the QCD was purportedly notarized on December 18, 2020.

11. Notwithstanding, the QCD was not voluntarily, willfully or knowingly executed by the Plaintiff, as the signature affixed thereto is a forgery of Plaintiff's lawful signature.

12. The QCD does not indicate any consideration for the transfer of the Property to the Defendants and the Plaintiff hereby attests through his undersigned counsel, that no consideration was paid or otherwise exchanged from the Defendants to the Plaintiff for the conveyance of the Property.

13. The QCD casts a cloud on title and the Plaintiff's lawful and rightful ownership of the Property as evidenced by Exhibits A and B herein.

14. The Plaintiff's title is superior to any claim, right, or title of the Defendants and the right to quiet use and possession unquestionably lies in the Plaintiff, whose interest is superior to the Defendants, and flows forth from the original source, and where the Plaintiff has not conveyed the property or any portion thereof to any person since obtaining title as described hereinabove.

15. After taking title to the subject property, the Plaintiff has maintained

possession thereof and has continuously maintained possession of the same, adverse to the Defendants, and further, has paid any property taxes accruing during its ownership.

WHEREFORE, the Plaintiff respectfully prays for this Court's Judgment finding title should be quieted in the Plaintiff as the sole owner in fee simple of the above-described real property, and that the Defendants, and all those who seek to claim by, through, or under the said Defendants, be forever barred and estopped from claiming any right, title, or other interest in the said property, and grant any and all other relief the Court deems just and proper under the circumstances.

COUNT II – SLANDER OF TITLE

The Plaintiffs incorporate paragraphs 1 through 6 above as if fully set forth herein.

16. This is an action for damages resulting from Defendants' slander of title.

17. On or about December 22, 2020, a Quit Claim Deed ("QCD") was allegedly executed to convey the Property to the Defendants, MICHAEL KING and MARIANNA KING, recorded February 10, 2021 at Book 32344, Page 2806 of the Public Records of Miami-Dade County, Florida. **See Exhibit C.**

18. To add insult, the fraudulent deed was purportedly notarized by Carmen A. Jones on December 18, 2020 which is two days before the purported transfer of title.

19. As a result of the fraudulently executed deed purportedly given by Plaintiff, Paul King to the Defendants, MICHAEL KING and MARIANNA KING, Plaintiff has been divested of his record titular interests in the Property.

20. The above-described divestiture constitutes a slander of Plaintiff's titular interest in and to the Property.

21. As a direct and proximate result of Defendants' slander, Plaintiff has been damaged.

22. Plaintiff's damages include, but are not limited to, the following: a) Attorneys' fees incurred in quieting title to the Property and otherwise dealing with Defendants' slander of Plaintiff's Interest; and b) Enjoyment, and possession of Plaintiff's Interest.

23. The Plaintiff is entitled to attorneys as a matter of law.

WHEREFORE, Plaintiff demands a judgment for damages, together with interest, costs, and attorneys' fees, and for such further relief that this Court deems just and proper.

Dated April 29, 2021.

/s/ John L. Penson

John L. Penson, Esq.
Bar No.: 111686
John L. Penson, P.A.
1900 Sunset Harbour Dr., Annex-2nd Floor
Miami Beach, FL 33139
Primary Email: pensonservice@gmail.com
Secondary Email: john@pensonlaw.org
Tel: (305) 532-1400
Fax: (305) 675-6390



THIS DOCUMENT PREPARED BY,
RECORD AND RETURN TO:

Yael DORON, ESQ.
FIELDSTONE LESTER SHEAR & DENBERG, LLP
201 ALHAMBRA CIRCLE
SUITE 601
CORAL GABLES, FLORIDA 33134

CFN 2009R0051681
DR Bk 26727 Pgs 3398 - 3399; (2pgs)
RECORDED 01/23/2009 12:08:49
DEED DDC TAX 2,040.00
HARVEY RUVIN, CLERK OF COURT
MIAMI-DADE COUNTY, FLORIDA

TAX FOLIO NUMBER:
A Portion of Tax Folio #: 31-2202-003-0230

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made this 15th day of January, 2009, by and between **Royale Florida Enterprises, Inc.**, a Florida corporation (the "**GRANTOR**"), whose mailing address is 18001 Collins Avenue, 31st Floor, Sunny Isles Beach, Florida 33160 and **T ROYAL 503, LLC**, a Florida limited liability company (the "**GRANTEE**") whose post office address is 18201 Collins Avenue, Unit 503, Sunny Isles Beach, FL 33160. (Wherever used herein, the terms "**GRANTOR**" and "**GRANTEE**" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations.)

WITNESSETH:

THAT GRANTOR, for and in consideration of the sum of Ten and NO/100 dollars (\$10.00) and other good and valuable considerations in hand paid to GRANTOR by GRANTEE, the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, alien, remise, release, convey and confirm unto the GRANTEE, the real property hereinafter described, and rights and interest in said real property located in Miami-Dade County, Florida, to wit:

Condominium Unit 503 in TRUMP ROYALE, A CONDOMINIUM, according to the Declaration of Condominium recorded on November 6, 2008, in Official Records Book 26642, at Page 626 of the Public Records of Miami-Dade County, Florida, as amended, together with an undivided interest in the common elements appurtenant thereto.

This conveyance is subject to the following:

1. Real estate taxes for the year 2009, and subsequent years.
2. Conditions, covenants, restrictions, reservations, limitations and easements of record; however, this provision shall not operate to reimpose same.
3. The Declaration of Condominium, Articles of Incorporation, By-Laws, Rules and Regulations, and the Exhibits attached thereto of Trump Royale, a Condominium and all amendments thereto.
4. Existing applicable government building and zoning laws and other governmental regulations.

AND GRANTOR hereby covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; and that Grantor does hereby fully warrant the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.



File Number: 10483

DoubleTime®

IN WITNESS WHEREOF, the GRANTOR has caused this Special Warranty Deed to be executed the day and year first above written.

Signed and delivered
in our presence.

Royale Florida Enterprises, Inc.

Tamara Trippi

By:

Gil Dezer, President

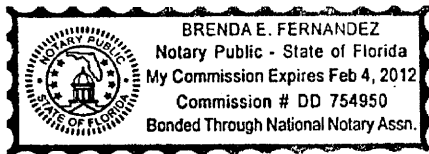
Donald Moss

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 24th day of October, 2008, by Gil Dezer as President of Royale Florida Enterprises, Inc., a Florida corporation, on behalf of the company, who [] is personally known to me or [X] produced his driver's license as identification.

NOTARY SEAL:

Brenda E. Fernandez
Notary Public, State of Florida



H:\LIBRARY\Clients\Dezer\Trump Royale Condo\Sellers Docs\1. Special Warranty Deed_Royale.doc



CFN 2010R0162915
 DR Bk 27210 Pgs 0300 - 302f (3pgs)
 RECORDED 03/11/2010 08:35:44
 DEED DOC TAX 2,040.00
 HARVEY RUVIN, CLERK OF COURT
 MIAMI-DADE COUNTY, FLORIDA

Prepared by and return to:
 Sasha Roxanna Moghimi-Kian
 Legal Assistant
 Law Offices of Isaac Benmergui, P.A.
 1111 Kane Concourse Suite 603
 Bay Harbor Islands, FL 33154
 305-397-8547
 File Number: 11-10-20
 Will Call No.:

[Space Above This Line For Recording Data]

Warranty Deed

This Warranty Deed made this 2nd day of March, 2010 between T Royale 503, LLC, a Florida limited liability company whose post office address is 18201 Collins Avenue, #503, Sunny Isles Beach, FL 33160, grantor, and Paul King, whose post office address is 18201 Collins Avenue, 503, Sunny Isles Beach, FL 33160, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Miami-Dade County, Florida to-wit:

Condominium Unit No. 503, TRUMP ROYALE, a CONDOMINIUM, according to the Declaration of Condominium thereof, as recorded in Official Records Book 26542, Page 626, of the Public Records of Miami-Dade County, Florida, together with all appurtenances thereto, including an undivided interest in the Common Elements of said Condominium, as set forth in the Declaration.

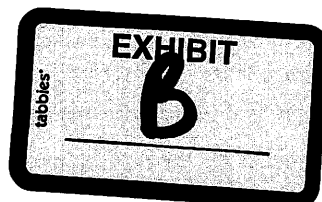
Parcel Identification Number: 31-2211-080-1120

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

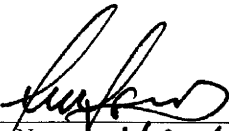
And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to **December 31, 2009**.


In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.




DoubleTime®

Signed, sealed and delivered in our presence:


Witness Name: Yancy Okman


Witness Name: Isaac Benmergui

T Royale 503, LLC, a Florida limited liability company

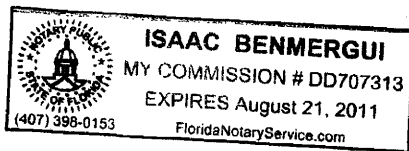
By: 
Chimol Chocron, Manager


(Corporate Seal)

State of Florida
County of Miami-Dade

The foregoing instrument was acknowledged before me this 2nd day of March, 2010 by Chimol Chocron of T Royale 503, LLC, a Florida limited liability company, on behalf of the corporation. He/she is personally known to me or has produced a driver's license as identification.

[Notary Seal]





Notary Public

Printed Name: _____

My Commission Expires: _____

CERTIFICATE OF WAIVER OF RIGHT OF FIRST REFUSAL

You are hereby notified that 18201 Collins Avenue Condominium Association, Inc. a Florida corporation (the "Association"), by its undersigned duly authorized officer, in accordance with the Declaration of Condominium of Trump Royale, a Condominium, does hereby acknowledge receipt of that certain Purchase Agreement, dated Feb. 16, 2010 by and between PAUL KING, as Purchaser, and Chimol Morely De Choaron, as Seller, for the following Unit, for the purchase price of \$ 340,000, and subject to the terms and conditions herein set forth, does hereby waive its Right of First Refusal to purchase:

Condominium Unit No: 503 of Trump Royale, A CONDOMINIUM, according to the Declaration thereof, as amended, recorded in the Public Records of Miami-Dade County, Florida, together with an undivided interest in the Common Elements appurtenant thereto.

Subject to all terms, covenants, and conditions of the above described Declaration of condominium and the Exhibits thereto, as amended and any and all restrictions, reservations, easements and limitations of record.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this 16 day of FEB 2010.

Signed, Sealed and Delivered
In the presence of:

[Handwritten signature]

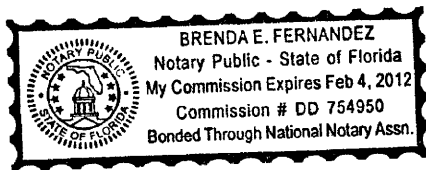
18201 COLLINS AVENUE
CONDOMINIUM ASSOC. INC.

By: *[Handwritten signature]*
Name:
Title:

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this 20th day of Feb. 2010, by Gill Dezer as Board of Director of 18201 Collins Avenue Condominium Association, Inc., a Florida Corporation, who personally appeared before me and is personally know to me.

Brenda Fernandez
Notary Public
State of Florida
My Commission Expires: 2/4/12



PREPARED BY :

Name: Arianna Goldman, Esq.
Address: 320 SE 18th Street
Fort Lauderdale, FL 33316

File No: King QCD

AND RETURN TO:

Michael King
18975 Collins Ave., #3203
Sunny Isles Beach, FL 33160

(Space Above This Line For Recording Data)

Quit Claim Deed

THIS QUIT-CLAIM DEED is made as of this 22nd day of December, 2020, by Paul King, a single man ("Grantor"), whose post office address is 18201 Collins Ave., #503, Sunny Isles Beach, FL 33160, given to second party, Michael King and Marianna King, a married couple, whose post office address is 18975 Collins Ave., #3203, Sunny Isles Beach, FL 33160 ("Grantee").

WITNESSETH:

For good and valuable consideration to Grantor, the receipt whereof is hereby acknowledged, Grantor does hereby quit-claim, grant, bargain, sell, alien, remise, release and convey unto Grantee, its successors and assigns all of Grantor's right, title and interest in and to that certain property interest (the "Property") in Miami-Dade County, Florida, as more particularly described as follows:

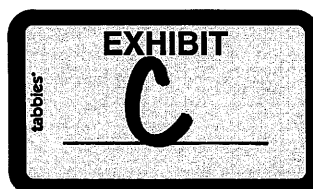
Condominium Unit No. 503 in TRUMP ROYALE, a condominium, according to the Declaration of Condominium thereof, as recorded in Official Records Book 26642, Page 626, of the Public Records of Miami-Dade County, Florida, together with all appurtenances thereto, including an undivided interest in the Common Elements of said Condominium, as set forth in the Declaration. to time, together with an undivided interest in the common elements appurtenant thereto.
Parcel ID No 31-2211-080-1120

Transfer of unencumbered property between related parties and minimum transfer taxes are being remitted.

Preparer of this deed did not conduct a title search in connection with this transaction.

SUBJECT to taxes for 2021 and subsequent years, not yet due and payable; covenants, restrictions, easements, reservations and limitations of record, if any, without intention of creation or reimposing same.

****SIGNATURE PAGE TO FOLLOW****



QUIT CLAIM DEED

To have and to hold, the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever for the said first party, either in law or equity, to the only proper use, benefit and behoof of the said second party forever.

Grantor's Signature Paul King Date December, 22 2020

Print Name: PAUL KING

Address: 18201 COLLINS AVENUE #503, SUNNY ISLES BEACH, Florida, 33160

[Signature] Date December, 22 2020
Witness's Signature

Carmen A. Jones

Name of Witness

2425 NE 183rd St., NMB, FL 33160
Street Address

[Signature] Date December, 22 2020
Witness's Signature

Sophia L. King

Name of Witness

15811 Collins Ave. #1106, SIB, FL 33160
Street Address

2021 DEC 22 10:10:16

State of Florida

County of MIAMI-DADE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Paul McKing whose names are signed to this Quit Claim Deed, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, executed the same voluntarily on the day the same bears date.

Given under my hand this 18 day of December, 2020

[Signature] (SEAL)
Notary Public



CARMENA JONES
Commission # GG 302381
Expires May 12, 2023
Notary Public, State of Florida

My Commission Expires: 5/12/23

12/18/2020 12:00:00 PM

EXHIBIT B

IN THE CIRCUIT COURT OF THE
11th JUDICIAL CIRCUIT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

KINGS GARDEN, INC.
MICHAEL KING,
CHARLES KIELEY, and
LAURI KIBBY,

CASE NO:

Plaintiffs,

v.

PAUL KING, and
CANNAFORNIA HOLDINGS, INC.,

Defendants.

COMPLAINT

Plaintiffs Kings Garden, Inc. (“Kings Garden”), Michael King (“Michael”), Charles Kieley (“Kieley”) and Lauri Kibby (“Kibby”) (collectively, “Plaintiffs”) sue and file this Complaint against the Defendants, Paul King (“Paul”) and Cannafornia Holdings, Inc. (“Cannafornia Holdings”) (collectively, “Defendants”) and allege as follows:

SUMMARY

Defendant Paul King, a Miami resident, has taken a giant leap off the deep end as legal (criminal and civil) troubles mount against him. He has turned on his family – more specifically his older brother Michael King – his brother’s business partners, and their company, Kings Garden. Paul is falsifying records and documents, filing a false police report, hacking e-mail accounts of Kings Garden’s investors, using false and stolen identities, impersonating Kings Garden’s investors and bankers, and straight-out telling lies to attack Michael, his partners and their business, among

other bad acts. Paul's downward spiral included the attempted extortion of his own brother for millions of dollars. Michael refused to be extorted, and, after Paul threatened to steal "half of the company and half of [Michael's] assets" if Paul did not get his illegal payday, Michael filed a police report to document the extortion. Michael's personal concerns and all the Plaintiffs' business concerns have been realized, as illustrated by the course of Paul's bad acts described in this Complaint. Paul's reckless and unlawful actions and his use of his Cannafornia Holdings business to perpetrate those bad acts have caused damages to the Plaintiffs that could exceed \$5,000,000.

GENERAL / JURISDICTION

1. This is an action for money damages in excess of the jurisdictional requirements, exclusive of interest, attorneys' fees and costs.
2. Venue in this action is proper in Miami-Dade County, Florida as Defendant resides in Miami-Dade County, Florida, Paul's false police report was filed in the County, and Defendants' actions have damaged Plaintiffs in the County.
3. Plaintiff Kings Garden is a Nevada corporation with its principal offices in California.
4. Plaintiff Michael is an individual that is *sui juris*.
5. Plaintiff Kieley is an individual that is *sui juris*.
6. Plaintiff Kibby is an individual that is *sui juris*.
7. Michael is the CEO of Kings Garden; Kieley the COO; and Kibby the CFO.
8. Defendant Paul is an individual residing in Miami-Dade County, FL and is *sui juris*.
9. Defendant Cannafornia Holdings is a foreign entity operated by Defendant Paul King in California and in Florida, including in Miami-Dade County.

10. Cannafornia Holdings, through its executive and owner, Defendant Paul King, has taken actions in Florida to harm the Plaintiffs and continues to take actions here in Florida to harm Plaintiffs.

11. Paul has gotten himself into significant legal (civil and criminal) trouble and is attempting to harm his brother, Michael, who would not be extorted by Paul and would not participate in Paul's personal legal (civil and criminal) problems.

12. Based on available information, the Monterey District Attorney seeks a Seven Million (\$7,000,000.00) dollar fine against Paul and Cannafornia Holdings for, among other things, failure to obtain proper permits and licenses. *See People of the State of California v. Paul King et. al*, Monterey County Superior Court Case No 20CV001507.

13. Based on available information, the United States Securities and Exchange Commission (SEC) is conducting an inquiry into potential violations of the Federal securities laws by Paul and Cannafornia Holdings. *See In the Matter of Cannafornia Holdings, Inc.* (MD-03935).

14. Based on available information, the United States Fish and Wildlife Department brought claims against Paul and Cannafornia Holdings for violations, which he settled for \$100,000. *See* CDFW Case No. AD2024270.

15. Based on available information, the Superior Court of California issued a Search Warrant related to and is further pursuing Paul for state tax evasion, including related to Cannafornia Holdings.

16. During Paul's downward spiral, he attempted to extort his brother Michael into giving him millions of dollars. Michael refused, and to protect himself and his business interests later filed a police report to document the extortion ("Michael's Police Report"). A true and correct copy of Michael's Police Report is attached hereto as Exhibit A.

17. On April 11, 2021, Paul wrote that he was going to start his attack on Michael, whom Paul called a “Sociopath” and openly threatened that he was going to “expose” him. Not only did he write this to Michael, but he made sure to include Michael’s wife, their mother, their father and their aunt.

18. Paul was aware that spreading false information, including falsely stating that Michael is a convicted felon, was going to significantly impact Plaintiffs, as they operate in a highly regulated industry and Michael is the CEO of Kings Garden.

19. In April 2021, Michael became aware that Paul was telling a third party that Michael needed to give Paul money, otherwise he was going to tell Kings Garden’s shareholders that Michael was ‘cooking the books’, stealing from the company, and selling illegal products from Kings Garden (violating business regulations and licenses).

20. In April 2021, Paul took another step in the execution of his pattern of illegal conduct that includes his extortion threat, this time filing a police report that falsely claims Michael committed fraud and grand theft (“Paul’s False Police Report”). A true and correct copy of Paul’s False Police Report is attached hereto as Exhibit B.

21. On or about May 15, 2021, Paul sent an email to third parties, including shareholders of Kings Garden, claiming Plaintiffs were participating in “deliberately neglecting facts” in an “attempt to misdirect shareholders” and “frivolously spending scarce shareholder funds toward their own self-interest” (collectively, the “Email Statements”). A true and correct copy of a group of the Email Statements are compiled and attached hereto as Exhibit C.

22. Paul and Cannafornia Holdings used false pretenses and improper methods that, on information and belief, included hacking a Kings Garden’s investor, misappropriating Kings Garden’s confidential information, and using such information to inflict harm on Plaintiffs.

23. In May 2021, Paul published to the internet sites Medium, Squarespace and Substack, the home address and other property addresses of Michael, Kieley and Kibby. Paul made claims that these individuals were “diverting much of the upside of Kings Garden’s success” to their real estate purchases, that Michael “must have forged [someone]’s signature and stolen the money” and that Michael was convicted of the felony of first degree grand theft (collectively, the “Internet Statements”). A true and correct copy of exemplary Internet Statements are attached hereto as Exhibits D and E.

24. In one of the Internet Statements, besides claiming misappropriation by Michael, Paul states that Michael’s family home “is believed to have millions in cash and diamonds...” *See* Exhibit E. Michael lived at that home with his wife and three young children. Paul put all five of their lives at jeopardy by writing that there were millions of dollars at cash at the home. This invites violence and robbery to their home.

25. Upon information and belief, Defendants have published further untrue and inaccurate information about Plaintiffs.

26. Plaintiffs recently learned of a YouTube Channel in which Defendants have posted edited videos of Michael, regarding Kings Garden, and placed defaming and untrue comments regarding both (“YouTube Statements”).

27. Many of the YouTube Statements are made to appear as attacks directed at Kings Garden’s shareholders and other industry professionals.

28. The Email Statements, Internet Statements and YouTube Statements (collectively, the “Statements”) made and posted by Defendants are clear that Plaintiffs are the persons and company to whom they are referring.

29. The Statements were published on more than one occasion to millions of third parties worldwide including, but not limited to Plaintiffs' business associates, investors, shareholders, customers, vendors and acquaintances.

30. It is clear that the Statements are intended to portray Plaintiffs in a false and negative light to bring harm and ridicule upon Plaintiffs' reputation and relationships.

31. Kings Garden has recently learned that numerous business partners are concerned about the Statements, and this will directly impact on-going business.

32. Plaintiffs will be seeking punitive damages against Defendants in light of these actions and the fact that Defendants put the lives of Michael King's family at risk by publishing that there were "millions in cash and diamonds" at the home. *See Fl. Stat. § 768.72.*

33. The actions of Paul and Cannafornia Holdings appear to be sufficient to plead Racketeer Influenced and Corrupt Organization claim ("RICO") against them. Based on discovery, Plaintiffs will contemplate amending to bring the RICO and punitive damages part of their claims.

34. All conditions precedent to the filing of this action have occurred, been performed or have been waived.

COUNT I
Defamation *Per Se*

Plaintiffs sue Defendants and repeat and reallege the allegations contained in paragraphs 1 through 34, and further allege:

35. Defendants published the Statements about Plaintiffs including, but not limited to, the false statements about improperly diverting company funds and forging signatures and the false statement that Michael is a convicted felon.

36. The Statements are false, inaccurate and untrue and are intended to portray Plaintiffs in a false and negative light to bring harm and ridicule upon Plaintiffs' reputation, including business relationships and shareholders.

37. Paul's blitz of false information is significant in light of the fact that the Plaintiffs are within a highly regulated industry and Michael is the CEO of Kings Garden.

38. The Statements were published on more than one occasion to millions of third parties worldwide, including but not limited to Plaintiffs' investors, professionals, business associates, vendors, customers and acquaintances.

39. Defendants acted knowingly, recklessly, and/or with wanton disregard in publishing the Statements and had no reasonable basis to make such Statements.

40. Defendants maliciously, willfully or negligently published, or caused to be published, the Statements to third parties in total disregard of Plaintiffs' rights, privacy, truth and safety.

41. Defendants owed Plaintiffs a reasonable duty of care to investigate the truthfulness of the Statements.

42. The Statements made by Defendants were unprivileged and were made with malice, ill will and bad intent towards Plaintiffs and to cause harm and damage to Plaintiffs.

43. As the writings contained allegations of criminality of Plaintiffs, the Statements are *defamation per se* and were intended by Defendants to injure the Plaintiffs and their reputation in the community, as well as personal and business dealings.

44. As a direct and proximate result of Defendants' false publications, Plaintiffs have been and will be damaged, including injury to reputation, shame, humiliation, mental anguish, and hurt feelings, which entitles Plaintiffs to recover damages against Defendants.

45. The Statements have caused Plaintiffs to suffer distrust, ridicule and scorn in the community as a result of publication of the Statements.

WHEREFORE, Plaintiffs demand a judgment for damages against Defendants Paul King and Cannafornia Holdings, including actual, special and consequential damages, taxable costs, and for such other and further relief the Court deems just and proper.

COUNT II
Public Disclosure of Private Facts

Plaintiffs sue Defendants and repeat and reallege the allegations contained in paragraphs 1 through 34, and further allege:

46. Defendants published on-line and by e-mail private facts about the individual Plaintiffs' personal affairs and the handling of business affairs of Kings Garden, including in the Statements.

47. The Statements are highly offensive as they portray Plaintiffs as, among other things, frauds, persons who mismanage and waste corporate assets, a forger, a felon, and/or liars.

48. The Statements consist of private information about Plaintiffs' living arrangements, business affairs, family and assets.

49. Paul's blitz of false information, including the false statement that Michael is a convicted felon, is significant in light of the fact that the Plaintiffs are within a highly regulated industry and Michael is the CEO of Kings Garden.

50. The Statements were published on more than one occasion to potentially millions of third parties worldwide, including but not limited to, Plaintiff's business associates, investors, vendors and acquaintances.

51. Defendants published that Michael had “millions in cash and diamonds” at the home of his family, including his wife and three kids. These statements were made to the public without regard to the safety of Michael’s wife and kids.

52. In making the Statements in the public forum, Defendants intentionally, willfully and maliciously offended Plaintiffs’ right to privacy.

53. The Statements are unprivileged and not of a public concern.

54. Plaintiffs have been damaged by Defendants actions related to private information being disclosed to the public.

WHEREFORE, Plaintiffs demand a judgment for damages and injunction against Defendants Paul King and Cannafornia Holdings, including actual, special and consequential damages, taxable costs, and for such other and further relief the Court deems just and proper.

COUNT III
Tortious Interference

Plaintiffs sue Defendants and repeat and reallege the allegations contained in paragraphs 1 through 34, and further allege:

55. Plaintiffs have material and beneficial business relationships that are being directly affected by the Statements and continued threats by Defendants.

56. Defendants knew of these relationships and purposefully directed many of the Statements at Kings Garden’s shareholders, investors and professional relationships, including the claims of the individual Plaintiffs’ misuse of corporate funds and management of the business.

57. The Statements are impacting the regular business operations of Kings Garden.

58. Paul's blitz of false information, including that Michael is a convicted felon, is significant in light of the fact that the Plaintiffs are within a highly regulated industry and Michael is the CEO of Kings Garden.

59. Most recently, Kings Garden has been advised that several companies, Falcon Brands and GHC, are limiting their relationship, including ceasing purchases, in light of the information found in the Statements.

60. Defendants knew that the Statements would impact the Plaintiffs' business and personal relationships.

61. Defendants knew that posting that Michael had "millions in cash and diamonds" at the home of his family, including his wife and daughter, would adversely impact the family's safety and relationship.

62. Defendants have intentionally interfered with Plaintiffs' relationships.

63. Defendants' actions are without justification and have caused damages to Plaintiffs.

WHEREFORE, Plaintiffs demand a judgment for damages and an injunction against Defendants Paul King and Cannafornia Holdings, including actual, special and consequential damages, taxable costs, and for such other and further relief the Court deems just and proper.

May 21, 2021

Respectfully Submitted,

By: 

Jason R. Buratti, Esq.
Florida Bar Number 73756
Buratti P.A.
17111 Biscayne Boulevard Unit 1708
Aventura, Florida 33160
Tel. (954) 683-1072
E-Mail/Fax: Jason@BurattiLaw.com
2d: ks@BurattiLaw.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Plaintiff's Complaint is being served on Defendants PAUL KING and CANNAFORNIA HOLDINGS, INC. on this 21st day of May, 2021 via Service of Process at the address(es) listed below:

Paul King
801 South Miami Avenue
Apartment 1401
Miami, Florida 33131

Paul King
26800 Encinal Road
Salinas, California 93908

Cannafornia Holdings, Inc.
26800 Encinal Road
Salinas, California 93908

Cannafornia Holdings, Inc.
(Officer/Director/Registered Agent, Paul King)
801 South Miami Avenue
Apartment 1401
Miami, Florida 33131

Cannafornia Holdings, Inc.
via Officer/Director/Registered Agent, Paul King
3411 Silverside Road
Tatnall Building, Suite 1
Wilmington, Delaware 19810

By: *Kimberly Stratos*
Kimberly Stratos

EXHIBIT C

Subject: hey! - here is your position when deal goes through
From: Michael King <michael@kingsgardeninc.com>
To: Paul King <paul@cannaforia.co>
Date Sent: Friday, August 30, 2019 1:52:21 PM GMT-04:00
Date Received: Friday, August 30, 2019 1:52:32 PM GMT-04:00

| | | | | | | | | | | | | | |
|-----------|---|----|-------|---------|---------|----|-------------------|----|---|----|--------------------|----|--------------------|
| Paul King | 0 | 50 | 50.00 | 0.4494% | 0.3883% | \$ | 116,500.51 (CASH) | \$ | - | \$ | 827,153.63 (STOCK) | \$ | 943,654.14 (TOTAL) |
|-----------|---|----|-------|---------|---------|----|-------------------|----|---|----|--------------------|----|--------------------|

--
Respectfully,



Michael King
Founder
Chairman & CEO

+1.347.996.7844
Michael@KingsGardenInc.com
KingsGardenInc.com

EXHIBIT D

Subject: closing today

From: Michael King <michael@kingsgardeninc.com>

To: Paul King <paul@cannaforia.co>

Date Sent: Friday, March 19, 2021 10:23:07 AM GMT-04:00

Date Received: Friday, March 19, 2021 10:23:18 AM GMT-04:00

fyi - there was a balance of funds available... can get you 350k...

today is dealdline

--

Respectfully,

Michael King

Founder

Chairman & CEO

[+1.347.996.7844](tel:+13479967844)

Michael@KingsGardenInc.com

KingsGardenInc.com

EXHIBIT E

May 3, 2021

Belinda M. Vega

T 310.229.9900
F 310.229.9901
BMVega@venable.com

VIA ELECTRONIC MAIL AND CERTIFIED MAIL

Kings Garden Inc.
Attn: Michael King, Chief Executive Officer
3540 North Anza Road
Palm Springs, CA 92262
michael@kingsgardeninc.com

**Re: Kings Garden Inc. (the “Company”) – Amended Notice
Paul King**

Dear Mr. King:

This law firm represents Paul King (“**P. King**”) in his capacity as co-founder, shareholder and any other official positions held with the Company. We are concerned that you (and possibly other officers and directors of the Company) have taken actions that are unauthorized under the Company’s charter documents or are otherwise improper.

This letter also shall serve as a formal request for access to certain Company books and records to which P. King is entitled. Please be advised that all future communications regarding this matter should be directed to our firm.

Unlawful Actions.

We understand that you have for some time assumed responsibility for managing the affairs of the Company with the rubber-stamp of your hand-picked Board of Directors. In doing so, you have intentionally harmed P. King, who co-founded the Company (via its predecessors in interest) and helped raise millions of dollars of seed capital. Through your actions, P. King has seen his 50% ownership interest diluted to a minority shareholder without substantial basis in law or fact. Further, P. King has been purposefully excluded from receiving any requisite Company financial information, accounting records or tax returns.

We have further reason to believe you have been engaged in various unlawful, egregious and fraudulent activities with respect to the Company’s financial, regulatory and tax reporting that have materially harmed the shareholders of the Company, including P. King. By way of example, we believe you have arranged for and personally profited from the sale of millions of dollars of “black market” cannabis grown at the Company’s facilities both within and outside of the State in violation of federal, state and local laws and regulations. Such brazen misconduct not only

Michael King
Kings Garden Inc.
May 3, 2021
Page 2

constitutes the theft of Company assets (and by extension diminishes the value of the Company's underlying stock), but directly puts at risk the very valuable permits, licenses and regulatory approvals held by the Company and its subsidiaries.

Although we are still in the process of evaluating the scope and breadth of your misconduct, one thing is certain—your actions have damaged the Company and devalued P. King's substantial ownership interest in the Company. Unless this matter is promptly resolved to our client's satisfaction, we intend to file suit against you and the Company. It is anticipated that the complaint would include a number of common law, statutory and derivative claims such as breach of fiduciary duty, breach of contract, gross negligence, misappropriation, defamation, fraud, intentional and negligent interference with prospective economic advantage, and violation of California Business & Professions Code §17200 *et seq.* We do not believe such claims are indemnifiable pursuant to the terms of the Company's charter documents

If you have any exculpatory evidence to present concerning the subject matter of this letter, please provide it to us immediately.

Demand for Inspection and Copying of Books of Account and Business Records.

On behalf of P. King, we hereby demand access to the Company's books of account and business records pursuant to Nevada Code Title 7, N.R.S. § 78.257. Such demand includes providing copies of all information required to be maintained by the Company, including, without limitation, the following:

1. Any and all Board minutes or written consents evidencing the required consent of the Board for the past three years;
2. Any and all shareholder minutes or written consents evidencing the required consent of the shareholders for the past three years;
3. Any and all records showing the current capitalization of the Company, including the total number of authorized, issued and outstanding shares of capital stock of the Company, itemized by class or series, as applicable;
4. Any and all records of the Company identifying the names of all shareholders of record and their respective classes or series of shares of capital stock held in the Company;
5. Any and all agreements reflecting the compensation or payments made to the executive officers of the Company over the past three years;
6. Any and all current Company bank, credit card and other credit line statements;

Michael King
Kings Garden Inc.
May 3, 2021
Page 3

7. Any and all Company charter documents, including, without limitation, the Articles of Incorporation, Bylaws, Shareholders Agreement, and all amendments thereto;
8. The Company's most recent annual report;
9. Any and all tax returns (including, without limitation, state and federal income tax returns, sales tax returns, cannabis excise tax returns and payroll tax returns) of the Company for the past three years;
10. Any and all Company benefit plan documents, annual returns/reports and plan administrator and participant statements for the past three years;
11. Any and all "accountant's copies" of Quickbooks files for the past three years; and
12. Any and all current policies of insurance covering the Company, its officers, directors, assets and personnel.

Full access to the requested Company books and records for purposes copying and inspection must be provided on or before Monday, **May 10, 2021**.

NOTHING CONTAINED HEREIN SHALL WAIVE ANY OF OUR CLIENT'S RIGHTS, REMEDIES, CLAIMS, DEFENSES OR POSITIONS, ALL OF WHICH ARE HEREBY EXPRESSLY RESERVED.

Sincerely,


Belinda M. Vega

cc: Paul King (via e-mail)
Matthew A. Portnoff (via e-mail)
Christina Nordsten (via e-mail)

EXHIBIT F

May 17, 2021

Belinda M. Vega

T 310.229.9900
F 310.229.9901
BMVega@venable.com

VIA ELECTRONIC MAIL

Jeffrey K. Riffer, Esq.
10345 W. Olympic Blvd,
Los Angeles, CA 90064
JRiffer@elkinskalt.com

**Re: Kings Garden Inc. (the “Company”)
Paul King**

Dear Jeff:

On May 3, 2021, we sent the Company a formal request to inspect and copy certain Company books and records on behalf of our client Paul King (“Paul”), to which he is entitled, and provided a deadline to respond by May 10, 2021. We did not receive a response until receipt of your letter dated May 12, 2021 (the “May 12 Letter”).

In the May 12 Letter, your client takes the position that Paul has no right to inspect the books and records of the Company under Nevada law. Please provide us with evidence that Paul owns less than 15% of the issued and outstanding shares of capital stock of the Company on a fully-diluted basis. To date, Paul has not received any evidence supporting your client’s position. Further, he has not been furnished with detailed financial statements nor audited, GAAP-compliant financial statements you claim have been sent to all shareholders. Paul’s shareholdings include his originally issued shares as well as 50% of all shares owned beneficially and of record by Michael King (“Michael”) and his affiliates.

In any event, even assuming Nevada law applies, it is our position that Paul owns more than 15% of the Company (including by way of consolidation of the various predecessor limited liability companies that on a post-reorganization basis became the Company) notwithstanding any arbitrary and unlawful dilution orchestrated by Michael. Accordingly, if the Company is unwilling to provide access to the requested books and records by the **end of business on Thursday, May 20, 2021**, Paul will seek his available remedies in court.

We are also informed that Michael has mismanaged the Company, and in so doing, we, on behalf of our client, must make a formal request that Michael remove himself from the board of directors (the “Board”) and as CEO of the Company. We have reason to believe his mismanagement includes various egregious, unlawful, and fraudulent activities with respect to the Company’s assets and profits, and the widespread misreporting of information on the Company’s

Jeffrey K. Riffer, Esq.
May 17, 2021
Page 2

financial statements to regulators and on Company tax returns, each of which has materially harmed the Company and its shareholders.

Attached is a copy of the Complaint we intend to file against Michael and the Company derivatively should Michael not comply with our request to resign from the Board and as CEO of the Company. If we do not hear back from you by **5:00 p.m. PST Thursday, May 20, 2021**, we will file the Complaint on the next business day.

At this juncture, we do not feel the need to respond to the remainder of the May 12 Letter, which is merely an attempt to discredit Paul's valid claims as a whistleblower. Such issues in our view are irrelevant to the issues raised in our original demand letter and the attached Complaint.

Please contact the undersigned should you have any questions concerning this matter.

Sincerely,


Belinda M. Vega

Enclosure

cc: Paul King (via e-mail)
Matthew A. Portnoff (via e-mail)
Christina M. Nordsten (via e-mail)

1 **VENABLE LLP**
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Paul King

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE – PALM SPRINGS DIVISION**

11 PAUL KING, an individual,

12 Plaintiff,

14 v.

15 MICHAEL KING, an individual; LAURI KIBBY,
16 an individual; CHARLES KIELEY, an individual
and DOES 1 through 20, inclusive

17 Defendants.

19 and

20 KINGS GARDEN, INC., a Nevada corporation,

22 Nominal Defendant.

CASE NO.:

VERIFIED COMPLAINT FOR:

1. **FRAUD – INTENTIONAL MISREPRESENTATION;**
2. **FRAUD - NEGLIGENT MISREPRESENTATION;**
3. **AIDING AND ABETTING FRAUD;**
4. **BREACH OF CONTRACT;**
5. **BREACH OF FIDUCIARY DUTY;**
6. **CONVERSION;**
7. **INSPECTION OF BOOKS AND RECORDS;**
8. **ACCOUNTING**
9. **FRAUD – INTENTIONAL MISREPRESENTATION (DERIVATIVELY);**
10. **FRAUD – NEGLIGENT MISREPRESENTATION (DERIVATIVELY);**
11. **AIDING AND ABETTING FRAUD (DERIVATIVELY);**
12. **BREACH OF FIDUCIARY DUTY (DERIVATIVELY)**
13. **CONVERSION (DERIVATIVELY)**

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INTRODUCTION

1
2 1. This case and the claims asserted on behalf of Plaintiff Paul King (“Plaintiff”)
3 arise from the systematic and deliberate actions of Defendants Michael King, Lauri Kibby and
4 Charles Kieley (collectively, “Defendants”) to swindle Plaintiff and nominal Defendant Kings
5 Garden, Inc. and its subsidiaries and affiliates (collectively, “Kings Garden”) out of millions of
6 dollars through a series of misrepresentations, fraud, misappropriation, deceit, and broken
7 promises.

8 2. Michael King (“M. King”) is a charlatan who has a history of convincing
9 individuals, including Plaintiff, to make significant financial investments in M. King-sponsored
10 businesses by making promises of equity ownership and above-market preferred returns while
11 failing to deliver and bleeding his so-called “partners” dry. Despite the fact that Plaintiff is M.
12 King’s younger brother, M. King treated him no differently than any other investor, and possibly
13 worse. Plaintiff has lost millions of dollars as a result of M. King’s fraudulent and deceitful
14 business practices.

15 3. In or around 2015, Plaintiff and M. King jointly pursued an opportunity to
16 become cannabis entrepreneurs in California. The brothers started a series of predecessor
17 companies together that evolved into Kings Garden (the “Predecessor LLCs”). Plaintiff
18 provided M. King with \$200,000.00 in seed money to start the business, a substantial line of
19 credit through Plaintiff’s credit facility with American Express, access to his Wells Fargo bank
20 accounts, and countless hours of sweat equity. Plaintiff also introduced M. King to important
21 business entrepreneurs, investors and real estate developers. M. King represented to Plaintiff
22 that: “We are 50/50 partners. Whatever I have you have,” which included ownership in the
23 various cannabis-related business ventures and their profits and assets. M. King’s
24 representations were false. M. King never intended on splitting anything with his brother.
25 Instead, M. King engaged other third-parties to invest in Kings Garden and the Predecessor
26 LLCs, moved assets around, diluted Plaintiff’s shares and other equity securities, fudged the
27 books and bled Kings Garden and the Predecessor LLCs for his own personal financial gain. M.
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1 King used and continues to use Kings Garden as his own personal piggy bank, making millions
2 of dollars by engaging in fraudulent business practices that have caused and continue to cause
3 harm to Plaintiff and Kings Garden.

4 4. Defendants Lauri Kibby (“Kibby”) and Charles Kieley (“Kieley”) have
5 knowingly conspired with M. King, and aided and abetted M. King’s fraudulent and wrongful
6 conduct, including but not limited to, by allowing M. King to misappropriate assets and devalue
7 Kings Garden in breach of their fiduciary duties as officers and directors of Kings Garden.

8 5. Defendants’ actions give rise to a series of direct claims including: (1) fraud –
9 intentional misrepresentation in violation of Civil Code § 1710 (1); (2) fraud – negligent
10 misrepresentation in violation of Civil Code § 1710 (2); (3) aiding and abetting fraud; (4) breach
11 of oral contract; (5) breach of fiduciary duty; (6) conversion; (7) inspection of books and records;
12 and (8) an accounting. Defendants’ actions also harmed Kings Garden and thereby give rise to a
13 series of derivative claims on behalf of Kings Garden against Defendants including: (1) fraud –
14 intentional misrepresentation; (2) fraud – negligent misrepresentation; (3) aiding and abetting
15 fraud; (4) breach of fiduciary duty; and (5) conversion.

THE PARTIES

16
17 6. Plaintiff Paul King is an individual residing in the Miami, Florida and does
18 business in Salinas, County of Monterey, California.

19 7. Defendant Michael King is an individual residing in Palm Springs, California. M.
20 King is the President, CEO and a director of Kings Garden, and during all times relevant to this
21 Complaint, held an ownership interest therein (and the businesses before it). During all times
22 relevant to this Complaint, M. King operated Kings Garden (and the businesses before it) as if it
23 were his alter ego or otherwise managed and controlled Kings Garden as if it were his company
24 to run for his own personal purposes.

25 8. Plaintiff is informed and believes, and upon such information and belief alleges,
26 Defendant Laura Kibby is an individual residing in Palm Springs, California. Kibby is the
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Secretary and Treasurer of Kings Garden, and during all times relevant to this Complaint, held an ownership interest therein (and the businesses before it).

9. Plaintiff is informed and believes, and upon such information and belief alleges, Defendant Charles Kieley is an individual residing in Palm Springs, California. Kieley is a director of Kings Garden, and during all times relevant to this Complaint, held an ownership interest therein (and the businesses before it).

10. Nominal Defendant Kings Garden (the parent entity) is a Nevada corporation duly incorporated under the laws of the state of Nevada, qualified to do business in the state of the California, and operating principally in Palm Springs, California.

11. The true names and capacities of Doe Defendants 1 through 10 are presently unknown to Plaintiff. Therefore, Plaintiff sues these Defendants by such fictitious names. Plaintiff will amend this Complaint to allege the true names and capacities of Does 1 through 10, inclusive, when the same has been ascertained. Each Doe Defendant is legally responsible for the acts and omissions alleged herein.

12. At all times relevant to this Complaint, Defendants and the Doe Defendants each acted as the alter ego, co-conspirator, duly authorized agent, and/or representative of other Defendants, and acting within the course, scope, and authority of such conspiracy, agency, service, and/or representation.

JURISDICTION AND VENUE

13. This Court has specific personal jurisdiction over Defendants as they have purposefully committed within the State of California, the acts from which these claims arise and/or have committed tortious acts outside of California, knowing and intending that such acts would cause injury to Plaintiff within the State of California.

14. The Court also has general personal jurisdiction over Defendants as they reside and/or do business within and/or have continuous and systematic contacts within the State of California, including the County of Riverside.

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1 15. Jurisdiction is proper in this Court as the amount in controversy well exceeds
2 \$25,000.00.

3 16. Venue is proper, *inter alia*, because Defendants conduct, transact, and/or solicit
4 business in this judicial district.

5 **GENERAL ALLEGATIONS**

6 17. Plaintiff graduated *summa cum laude* from Carnegie Mellon University. Prior to
7 entering into the cannabis business, Plaintiff had a tech startup that raised millions in capital and
8 attracted national media coverage. He later owned a real estate brokerage firm that employed
9 over 75 real estate agents, focused on high-end beachfront residential real estate in Florida, and
10 was named a "25 under 25 Entrepreneur" by *Businessweek*.

11 18. In or around July 2015, M. King convinced his younger brother, Plaintiff, to move
12 with him from Florida to San Diego, California to pursue an opportunity in California's nascent
13 regulated cannabis industry. M. King had attended Stony Brook college and Hofstra University
14 before dropping out, and was looking for a new opportunity. M. King promised Plaintiff that
15 they would be "50/50" partners in whatever businesses they built together.

16 19. The brothers created a company which began in 2016 as the Predecessor LLCs
17 and eventually became Kings Garden. Plaintiff provided seed money of \$200,000.00, a
18 substantial line of credit from his American Express account to start the business, and access to
19 his Wells Fargo bank accounts. The brothers intended on using Kings Garden (and the
20 Predecessor LLCs) to cultivate, store, package, distribute and sell at retail medical marijuana in
21 California.

22 20. The brothers also intended to use Plaintiff's decades of knowledge and expertise
23 in real estate by incorporating and vertically integrating real estate investments in the cannabis
24 businesses they were building together. For this aspect of the business, Plaintiff introduced M.
25 King to a real estate developer/ entrepreneur, Michael Meade, in Palm Springs, California.

26 21. The brothers agreed that all the assets and profits of companies they built together
27 would be split equally between themselves. M. King represented to Plaintiff that the businesses
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1 they built together would be owned “50/50” and that Plaintiff would be compensated for his time
2 and expertise in building the businesses.

3 22. After the Predecessor LLCs were formed, M. King engaged various third-party
4 investors, many of whom were Plaintiff’s proprietary business contacts and contacts of
5 Plaintiff’s mother, to invest additional capital in the companies. The Predecessor LLCs were
6 eventually merged into what is now Kings Garden.

7 23. Plaintiff worked primarily on the real estate investment side of the business while
8 M. King worked on getting more investors and setting up the medical marijuana operational side
9 of the business. The brothers found their first viable space in Palm Springs in 2016, and it was
10 Plaintiff’s seed money that secured the property.

11 24. After a few years of growing the business, Plaintiff was unceremoniously pushed
12 out of management and M. King wrestled complete control of Kings Garden. M. King continued
13 to represent that Plaintiff was a substantial shareholder of Kings Garden and that he would be
14 made whole for his financial investment and years of personal work efforts. But M. King’s
15 promises were demonstrably false. M. King, with assistance from Kibby and Kieley, moved
16 assets around, changed entity names, and merged or sold the Predecessor LLCs in an attempt to
17 deliberately conceal and wipe out Plaintiff’s ownership in the Predecessor LLCs and Kings
18 Garden.

19 25. Upon information and belief, during the years M. King has operated Kings
20 Garden and the Predecessor LLCs, and with the aid of Kibby and Kieley, M. King has
21 deliberately and blatantly falsified books and records to personally enrich himself, and swindle
22 money from investors. In so doing, M. King repeatedly misrepresented that funds were being
23 used for business purposes when in fact they were exclusively used for M. King’s personal
24 benefit. Upon information and belief, M. King used and continues to use Kings Garden as his
25 own personal piggy bank thereby decreasing the value of Plaintiff’s and other investors’
26 ownership interests in the company by millions of dollars.

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1 26. Upon information and belief, while operating the business M. King had created
2 with Plaintiff, M. King also regularly falsified Plaintiff’s signature on various documents
3 including various legal documents that had the effect of merging or consolidating the
4 Predecessor LLCs into Kings Garden, various commercial lease applications, and multiple
5 personal guaranties, each without Plaintiff’s knowledge or consent.

6 27. Upon information and belief, during the years M. King has operated Kings
7 Garden and the Predecessor LLCs, M. King has also engaged in various unlawful and fraudulent
8 activities with respect to King Garden’s and the Predecessor LLCs’ financial, regulatory and tax
9 reporting, including arranging for the sale of millions of dollars of “black market” cannabis
10 grown at Kings Garden-affiliated facilities, both within and outside of the State, in violation of
11 federal, state and local laws and regulations. Such brazen misconduct for M. King’s personal
12 financial benefit directly puts at risk the very valuable permits, licenses and regulatory approvals
13 held by Kings Garden and its subsidiaries.

14 28. In or around 2019, M. King started making various offers to “buy out” Plaintiff’s
15 significant equity ownership in Kings Garden and the Predecessor LLCs. The offers changed
16 dramatically in price seemingly without any rhyme or reason. For example, in August of 2019,
17 M. King stated to Plaintiff his shares were worth \$940,000.00 and asked him to sign merger
18 documents, which Plaintiff did not sign but has recently come to discover were forged with
19 Plaintiff’s signature by M. King . In March and April 2021, Plaintiff received several texts and
20 emails from M. King. M. King offered Plaintiff \$100,000.00 and then a week later \$350,000.00
21 for Plaintiff’s shares without any explanation as to the change in value.

22 29. Upon information and belief, M. King made several offers to purchase Plaintiff’s
23 equity ownership in Kings Garden because of an anticipated sale of the company that would
24 result in a windfall to M. King if he or the Company could purchase or redeem Plaintiff’s
25 ownership interest cheaply enough without disclosing the true nature of M. King’s intent.
26 Further, by buying out Plaintiff, it would have solved another problem down the line when any
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1 potential purchaser, strategic partner or merger partner would have discovered that Plaintiff was
2 a co-founder of Kings Garden and held a substantial equity ownership interest in the company.

3 30. Plaintiff summarily rejected M. King's offers knowing that his ownership was
4 considerably undervalued and misstated by M. King. Plaintiff has made numerous attempts in
5 good faith to request that Kings Garden correct and appropriately document his true ownership
6 interest in the company. In that regard, Plaintiff has requested all books and records, including,
7 accounting, tax and financial information of Kings Garden—records he is entitled to as he is a
8 substantial shareholder. Kings Garden has refused to provide Plaintiff with access to the books
9 and records of the Company.

10 31. Upon information and belief, Kings Garden has made millions of dollars in profits
11 that have been misappropriated by M. King during the entirety of M. King's management and
12 control of the company.

13 32. M. King has been the President and Chief Executive Officer of Kings Garden and
14 responsible for its operations since it was originally formed as Kings Garden, LLC and the
15 Predecessor LLCs. Plaintiff reasonably expected that he could rely on M. King, his own flesh
16 and blood, to use reasonable business judgment and to protect his interests as a substantial
17 shareholder of Kings Garden (including Plaintiff's 50% ownership interest in M. King's
18 shareholdings) in accordance with the duties of loyalty, care, and good faith and fair dealing that
19 are owed to all shareholders of corporations as well as members of LLCs.

20 33. Upon information and belief, M. King used, and continues to use, Kings Garden
21 as his personal piggy bank instead of keeping his promises and observing his statutory duties to
22 manage Kings Garden prudently and in accordance with applicable law. M. King, with
23 assistance and aid by Kibby and Kieley, misappropriated assets and profits from Kings Garden to
24 support his own lavish personal lifestyle and invest in real estate assets for himself. Upon
25 information and belief, M. King's misappropriation includes, but is not limited to, the following:

- 26 • M. King used funds from Kings Garden to pay himself an excessive salary;
- 27 • M. King funneled money from Kings Garden to himself;

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- M. King used funds from Kings Garden to invest in personal real estate including multiple multimillion dollar residences in Los Angeles, Palm Springs and Florida.
- M. King arranged for the sale of millions of dollars of “black market” cannabis grown at company facilities, both within and outside of the State, in violation of federal, state and local laws and regulations.

34. Upon information and belief, Defendants, including Kibby and Kieley, kept, and continue to keep, inaccurate books and records to hide M. King’s fraudulent and unlawful acts.

35. Upon information and belief, Defendants, including Kibby and Kieley, also recklessly mismanaged Kings Garden by:

- Altering Kings Garden’s books and records;
- Failing to keep accurate books and records of Kings Garden;
- Providing third parties with forged documents;
- Providing third parties with documents containing forged signatures of Plaintiff;
- Unilaterally changing the corporate ownership and structure of Kings Garden and the Predecessor LLCs without consent of the required owners.

36. The above described actions were committed in direct violation of Defendants’ duties and obligations as directors and officers of Kings Garden.

37. M. King’s mismanagement was committed with the assistance of Kibby and Kieley, without checks and balances and without obtaining Plaintiff’s or any other shareholders’ approval. Specifically, Defendants prevented Plaintiff from having access to corporate books and records in an attempt to prevent Plaintiff from ascertaining in full detail what unlawful acts were committed by Defendants in their capacity as officers and/or directors of Kings Garden. Plaintiff made a formal request to access Kings Garden’s books and records on May 5, 2021 and on May 12, 2021 counsel for Kings Garden denied the request.

38. On May 17, 2021, Plaintiff also requested that M. King be removed as a director and officer prior to litigation and his request was ignored. There is zero evidence suggesting the

1 request was ever addressed by Defendants or any other shareholder, director, or officer of Kings
2 Garden.

3 39. Plaintiff and Defendants came to an impasse and an intractable dispute developed
4 between them after Plaintiff requested M. King be removed as a director and officer of Kings
5 Garden. Accordingly, any requirement for a more formal pre-litigation demand by Plaintiff was
6 excused as such a demand would have been entirely futile.

7 **FIRST CAUSE OF ACTION**

8 **(Fraud – Intentional Misrepresentation Against Defendant M. King)**

9 40. Plaintiff realleges and incorporates by reference as though fully set forth herein
10 each and every allegation in Paragraphs 1 through 39.

11 41. In or around 2015, M. King and Plaintiff moved to San Diego, California to
12 pursue an opportunity to start a medical marijuana business. M. King represented to Plaintiff
13 that they would start and grow the business together and that Kings Garden (and its Predecessor
14 LLCs), its assets, and profits would be split between the brothers equally. Plaintiff invested
15 \$200,000.00 and committed his credit line as seed money for the business. As a result, the
16 brothers created a business that eventually became Kings Garden.

17 42. M. King made these representations to Plaintiff because he needed Plaintiff to
18 help him start and grow the business. Plaintiff had decades of skill and expertise in growing a
19 real estate investment company and had excellent credit that M. King required for the business.

20 43. Based on M. King’s representations, Plaintiff agreed to become an equal business
21 partner with M. King, to provide Defendant with his expertise, to provide required credit and
22 seed capital, and to commit to work around the clock on the operations and investment side of
23 the business.

24 44. M. King’s representations were demonstrably false. M. King never intended to
25 share in the ownership equally in Kings Garden (and its Predecessor LLCs), its assets, or any of
26 the profits with Plaintiff. Instead, M. King intended on using Kings Garden as his personal
27 piggy bank, cooking its books, and moving assets around for his own personal gain in an attempt
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1 to push Plaintiff out of the business and leave him with nothing in return. M. King also intended
2 on using Plaintiff's name to enter into third party agreements, including commercial lease
3 agreements, letters of intent, and personal guaranties, subjecting Plaintiff to liability without
4 Plaintiff's knowledge or consent.

5 45. M. King's misrepresentations were material. Plaintiff would never have agreed to
6 start a business with M. King, provide him with seed money and credit to begin the operations of
7 the business or provide him with his services had he known M. King never intended to share in
8 the ownership of the business with Plaintiff equally.

9 46. M. King intended to induce Plaintiff to rely on his false representations and knew
10 that by making these false representations, Plaintiff would be induced into becoming business
11 partners with him, investing in the company and providing him with his skills, expertise, and
12 credit.

13 47. Plaintiff reasonably relied on M. King's false representations that he would
14 equally share in the success of the business, its assets, and any profits it made and that as
15 brothers and co-venturers, they would be "partners" in the truest sense of the word.

16 48. Plaintiff was justified in relying upon M. King's false representations. Plaintiff
17 had no reason to believe his own brother and business partner was going to trick Plaintiff into
18 investing in the business and providing his skills and credit for the sole purpose of M. King
19 taking all the gains from the business for himself.

20 49. Plaintiff has been substantially harmed by M. King's misrepresentations because
21 Plaintiff's actions directly and proximately caused damage to Plaintiff, in an amount according to
22 proof, but no less than \$10,000,000.00.

23 50. M. King's misrepresentations were a substantial factor in causing Plaintiff's harm.

24 51. As a direct, proximate, and legal result of M. King's fraud, Plaintiff sustained
25 damages in an amount subject to proof, but which Plaintiff allege is no less than \$10,000,000.00.

26 **SECOND CAUSE OF ACTION**

(Fraud - Negligent Misrepresentation Against Defendant M. King)

1
2 52. Plaintiff realleges and incorporates by reference as though fully set forth herein
3 each and every allegation in Paragraphs 1 through 39.

4 53. In or around 2015, M. King and Plaintiff moved to San Diego, California to
5 pursue an opportunity to start a medical marijuana business. M. King represented to Plaintiff
6 that they would start and grow the business together and that Kings Garden (and its Predecessor
7 LLCs), its assets, and profits would be split between the brothers equally. Plaintiff invested
8 \$200,000.00 as seed money for the business and repeatedly for more than [two] years drew down
9 on his personal line of credit from American Express to cover company-related expenses. As a
10 result, the parties created a joint venture business that eventually became Kings Garden. M.
11 King made these representations to Plaintiff because he needed Plaintiff to help him start and
12 grow the business. Plaintiff had substantial skills and decades of expertise in growing a real
13 estate investment company and had good credit which M. King needed for the start-up business.

14 54. Based on those representations, Plaintiff provided M. King with his time, skills,
15 expertise, seed capital and good credit to start, grow and operate the business. Plaintiff provided
16 these things to M. King based on the representation that he would be paid equally from the
17 profits, sales and assets of the business with M. King.

18 55. M. King had no reasonable grounds to believe that his misrepresentations were
19 true. M. King knew that he had represented to Plaintiff that he would split Kings Garden and the
20 Predecessor LLCs (including their assets, profits, and sales) with Plaintiff equally as they were
21 brothers and equal business partners in the establishment and growth of the business. M. King
22 also knew he did not have the requisite experience, capital or credit to start or grow the business
23 by himself and that he needed Plaintiff's time, skills, expertise, capital and good credit to start
24 and operate the business. Yet, M. King used Kings Garden as his personally piggy bank and
25 misappropriated business funds for himself thereby failing to fulfill the representations he made
26 to Plaintiff. M. King also entered into third party agreements using Plaintiff as the named party
27 to the contract instead of himself or the company, including commercial lease agreements, letters
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1 of intent, and personal guaranties, without Plaintiff's knowledge or consent and subjecting
2 Plaintiff to substantial personal liability.

3 56. M. King negligently induced Plaintiff to rely on his misrepresentations. By M.
4 King making these misrepresentations, Plaintiff was induced into becoming business partners
5 with M. King and providing M. King with his time, expertise, skill, capital, and good credit to
6 start and operate the business.

7 57. Plaintiff was justified in relying upon M. King's misrepresentations. Plaintiff had
8 no reason to believe M. King's representations were false. Plaintiff and M. King are brothers
9 and Plaintiff had no reason to believe M. King was going to misappropriate funds from the
10 business or attempt to cut Plaintiff out from his equal share of the business.

11 58. Plaintiff has been substantially harmed by M. King's misrepresentations because
12 M King's actions directly and proximately caused damage to Plaintiff in the excess of
13 \$10,000,000.00 dollars.

14 59. M. King's negligent representations were a substantial factor in causing Plaintiff's
15 harm.

16 60. As a direct, proximate, and legal result of M. King's negligent misrepresentation,
17 Plaintiff sustained damages in an amount subject to proof, but which Plaintiff alleges is no less
18 than \$10,000,000.00.

19 **THIRD CAUSE OF ACTION**

20 **(Aiding and Abetting Fraud Against Defendants Kibby and Kieley)**

21 61. Plaintiff realleges and incorporates by reference as though fully set forth herein
22 each and every allegation in Paragraphs 1 through 39.

23 62. As set forth above, M. King engaged in intentional and negligent
24 misrepresentations that caused damage and harm to Plaintiff .

25 63. Plaintiff is informed and believes, and thereon alleges, that Kibby and Kieley
26 knowingly and intentionally aided and abetted the fraudulent acts by M. King as alleged above
27 by participating in M. King's fraudulent actions. Kibby and Kieley had actual knowledge M.
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1 King's fraudulent conduct against P. King. Kibby and Kieley provided substantial assistance
2 and/or encouragement to M. King by assisting and aiding and abetting M. King in:

- 3 • Keeping and continuing to keep, inaccurate books and records to hide M. King's
- 4 misappropriation;
- 5 • Altering Kings Garden's books and records;
- 6 • Failing to keep accurate books and records of Kings Garden;
- 7 • Providing third parties with forged documents;
- 8 • Providing third parties with documents containing forged signatures of Plaintiff;
- 9 • Arranging for the sale of millions of dollars of "black market" cannabis grown at
- 10 company facilities, both within and outside of the State, in violation of federal,
- 11 state and local laws and regulations; and
- 12 • Unilaterally changing the corporate ownership and structure of Kings Garden and
- 13 the Predecessor LLCs without consent of the required or lawful owners.

14 64. Plaintiff is informed and believes, and thereon alleges, that Kibby and Kieley
15 aided and abetted and/or participated in the fraud by M. King for the purpose of advancing their
16 own interests and/or financial advantage.

17 65. As a direct, proximate and legal result of the aiding and abetting and/or
18 participating in M. King's fraud by Kibby and Kieley, as alleged in this cause of action, Plaintiff
19 has been damaged in an amount presently unknown, but believed to be in excess of
20 \$10,000,000.00.

21 66. The conduct of Kibby and Kieley, and each of them, was committed with fraud,
22 malice and oppression as defined in California Civil Code section 3294, in that such conduct was
23 despicable, and was carried out with a willful and conscious disregard for the rights of Plaintiff,
24 thereby subjecting Plaintiff to cruel and unjust hardship. Plaintiff is informed and believes, and
25 thereon alleges, that the acts of fraud, malice and oppression on the part of Kibby and Kieley,
26 and each of them, were on the part of their respective officers, directors, alter egos, managers, or
27 agents, and/or were ratified by Kibby and Kieley, and each of them. Therefore, Plaintiff requests
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1 the imposition of an exemplary damage award against Kibby and Kieley, and each of them,
2 pursuant to California Civil Code section 3294, in an amount to be shown according to proof at
3 the time of trial, which is sufficient to punish and deter Kibby and Kieley, and each of them, and
4 to make an example of them.

5 **FOURTH CAUSE OF ACTION**

6 **(Breach of Oral Contract Against Defendant M. King)**

7 67. Plaintiff realleges and incorporates by reference as though fully set forth herein
8 each and every allegation in Paragraphs 1 through 39.

9 68. In or around 2015, Plaintiff and M. King had a conversation during which they
10 orally agreed that they would start a medical marijuana business together and be equal partners
11 in the joint venture, splitting all the assets, profits, and sales of the business equally between
12 themselves. This conversation constituted an oral agreement between Plaintiff and M. King. As
13 a result, the parties created a business that eventually became Kings Garden.

14 69. The existence of this oral agreement was confirmed by the parties' intent, actions
15 and course of conduct. A joint venture business was created for the purpose of cultivating,
16 storing, processing, packaging, distributing and selling at retail medical marijuana. The business
17 also invested in real estate. The parties built the Predecessor LLCs together that eventually
18 became Kings Garden. Plaintiff provided his decades of skills and expertise in real estate
19 investment and he also provided his good credit to start and operate the business. Plaintiff also
20 invested \$200,000.00 into the business. M. King and Plaintiff jointly operated the business but
21 with substantial reliance on the skills and expertise provided by Plaintiff. In exchange for his
22 services and his investment, Plaintiff was promised to receive an equal share of the profits, sales,
23 and assets of the business.

24 70. Plaintiff has fully performed all conditions, covenants, obligations and promises
25 required on his part to be performed in accordance with the terms of the parties' oral agreement
26 except insofar as Plaintiff has been excused from having to perform such conditions, covenants,
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1 obligations and promises by M. King’s breaches of the oral agreement, or otherwise by operation
2 of law.

3 71. M. King has willfully breached, or otherwise failed and refused to perform his
4 obligations under the oral agreement. Specifically, M. King has refused to split the profits,
5 assets, sales and ownership of the business with Plaintiff equally.

6 72. M. King’s wrongful conduct alleged herein constitutes a material breach of the
7 oral agreement.

8 73. As a direct and proximate result of M. King’s material breach of the oral
9 agreement, Plaintiff has been damaged in an amount in excess of the jurisdictional minimum of
10 this Court and that will be proven at trial, but no less than \$10,000,000.00.

11 **FIFTH CAUSE OF ACTION**

12 **(Breach Of Fiduciary Duties Against Defendants M. King, Kibby and Kieley)**

13 74. Plaintiff realleges and incorporate by reference as though fully set forth herein
14 each and every allegation in Paragraphs 1 through 39.

15 75. M. King, contractually and as an operating manager of the business that Plaintiff
16 and M. King started together, and which eventually became Kings Garden, and as President and
17 CEO of Kings Garden, owes Plaintiff a duty to act with the utmost care, good faith, candor, and
18 loyalty.

19 76. Defendants Kibby and Kieley as officers and/or directors of Kings Garden also
20 owe Plaintiff a duty to act with the utmost care, good faith, candor, and loyalty.

21 77. M. King failed to act as a reasonably careful manager would act on behalf of
22 Plaintiff. Specifically, M. King knowingly acted in violation of his fiduciary duties and against
23 Plaintiff when M. King: (1) failed to distribute the profits, assets, and ownership of the
24 Predecessor LLCs equally with Plaintiff; (2) misappropriated funds from Kings Garden and the
25 Predecessor LLCs for M. King’s own personal gain; (3) used Kings Garden and the Predecessor
26 LLCs as his personal piggy bank in part to support an excessive and lavish lifestyle; (4) paid
27 himself excessive compensation; (5) pushed Plaintiff out of the Predecessor LLCs and King
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1 Garden without Plaintiff's consent or knowledge; (6) used Plaintiff's good name to enter into
2 third party agreements on behalf of Kings Garden and the Predecessor LLCs without Plaintiff's
3 consent or knowledge; (7) arranged for the sale of millions of dollars of "black market" cannabis
4 grown at company facilities, both within and outside of the State, in violation of federal, state
5 and local laws and regulations; and (8) forged Plaintiff's signature on numerous business
6 contracts.

7 78. Kibby and Kieley were grossly negligent in their duties as officers and directors
8 of Kings Garden in that they knowingly allowed M. King to: (1) misappropriate funds from
9 Kings Garden and the Predecessor LLCs for M. King's own personal gain; (3) use Kings Garden
10 and the Predecessor LLCs as his personal piggy bank in part to support an excessive and lavish
11 lifestyle; (4) pay himself excessive compensation; (5) push Plaintiff out of the Predecessor LLCs
12 and King Garden without Plaintiff's consent or knowledge; (6) use Plaintiff's name to enter into
13 third party agreements on behalf of Kings Garden and the Predecessor LLCs without Plaintiff's
14 consent or knowledge; (7) arrange for the sale of millions of dollars of "black market" cannabis
15 grown at company facilities, both within and outside of the State, in violation of federal, state
16 and local laws and regulations; and (8) forge Plaintiff's signature on numerous business
17 contracts.

18 79. Plaintiff did not give informed consent to Defendants to undertake any of the
19 aforementioned acts.

20 80. As a direct and legal result of Defendants' breaches of fiduciary duties, Plaintiff
21 has sustained damages in an amount subject to proof, but no less than \$10,000,000.00.

22 81. As a direct, proximate and legal result of Defendants' breaches of fiduciary
23 duties, Plaintiff sustained damages in an amount subject to proof, but which Plaintiff alleges is
24 no less than \$10,000,000.00.
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SIXTH CAUSE OF ACTION

(Conversion against Defendant M. King)

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3 82. Plaintiff reallege and incorporate by reference as though fully set forth herein
4 each and every allegation in Paragraphs 1 through 39.

5 83. At all relevant times, Plaintiff was an equal partner and owner of the business
6 which Plaintiff and M. King started together in 2015 and eventually became Kings Garden.
7 Plaintiff's partnership with M. King entitled him to receive an equal share of the profits, assets
8 and ownership derived from the business that eventually became Kings Garden.

9 84. M. King substantially interfered with the rights of Plaintiff's ownership in the
10 business that eventually became Kings Garden by knowingly or intentionally doing the following
11 acts:

- 12 • Misappropriating the proceeds of the Predecessor LLCs and Kings Garden solely
13 for himself;
- 14 • Paying himself excessive compensation from the Predecessor LLCs and Kings
15 Garden;
- 16 • Using Kings Garden and the Predecessor LLCs as his own personal piggy bank;
- 17 • Pushing Plaintiff out of Kings Garden and the Predecessor LLCs; and
- 18 • Transferring Kings Garden and the Predecessor LLC's assets and profits to
19 himself without the requisite informed consent of Plaintiff or other owners.

20 85. M. King was not authorized to take or misappropriate the proceeds and assets of
21 Kings Garden and the Predecessor LLCs and Plaintiff did not consent to the taking of such
22 proceeds and assets. Plaintiff's equal share of the proceeds and assets belonged to Plaintiff. M.
23 King's actions were not in good faith or part of fair dealing. M. King improperly absconded
24 with proceeds and assets from the Predecessor LLCs and Kings Garden by committing the acts
25 described above.

26 86. Plaintiff suffered harm as a result of M. King's actions and M. King was a
27 substantial factor in causing that harm.

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1 87. As a direct and proximate result of M. King’s conduct, Plaintiff is owed damages
2 in an amount subject to proof, but that includes and is not limited to: (1) actual, compensatory,
3 and consequential damages; (b) in an amount no less than the amounts misappropriated by M.
4 King; and (c) his loss in ability to recover profits and assets belonging to him as a result of being
5 pushed out of Kings Garden and the Predecessor LLCs.

6 88. In doing the act herein alleged, M. King acted with oppression, fraud, malice, and
7 in conscious disregard of Plaintiff’s rights. M. King induced Plaintiff to provide his skills,
8 expertise, capital and good credit to start and operate the business that eventually became Kings
9 Garden in order to misappropriate proceeds and assets from Kings Garden and the Predecessor
10 LLCs and use them for his own personal gain. M. King misappropriated funds from Kings
11 Garden and the Predecessor LLCs in order to interfere with Plaintiff’s property rights. M. King
12 kept inaccurate books and records in order to conceal his misappropriation.

13 **SEVENTH CAUSE OF ACTION**

14 **(Inspection of Books and Records Against Defendants M. King, Kibby and Kieley)**

15 89. Plaintiff realleges and incorporates by reference as though fully set forth herein
16 each and every allegation in Paragraphs 1 through 39.

17 90. Plaintiff is a shareholder of Kings Garden.

18 91. Defendants’ had a duty to provide all of the true and correct books and records of
19 the business which eventually became Kings Garden to Plaintiff upon his request.

20 92. Plaintiff requested such books and records of Kings Garden and M. King rejected
21 Plaintiff’s request. Defendants failed to provide any books and records upon Plaintiff’s request.

22 93. Plaintiff has no adequate remedy at law.

23 **EIGHTH CAUSE OF ACTION**

24 **(Accounting Against Defendants M. King, Kibby and Kieley)**

25 94. Plaintiff realleges and incorporates by reference as though fully set forth herein
26 each and every allegation in Paragraphs 1 through 39.

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1 95. During all relevant times to this Complaint, there existed a fiduciary relationship
2 between M. King as the business manager and Plaintiff as a shareholder of the business which
3 Plaintiff and M. King started together and eventually became Kings Garden.

4 96. There is a balance due to Plaintiff from the business that eventually became Kings
5 Garden that can only be ascertained by an accounting. Plaintiff seeks a true, correct and
6 complete accounting of the affairs of Kings Garden (and the Predecessor LLCs) to determine the
7 amounts owed to Plaintiff.

8 97. The exact amount of money due to Plaintiff is unknown and cannot be ascertained
9 without an accurate accounting of Kings Garden's books and records.

10 98. Plaintiff previously demanded that he be permitted to inspect all of the corporate
11 books and records of Kings Garden, but M. King failed and refused to allow Plaintiff to ascertain
12 the true value of the sums owed to him by denying Plaintiff access to such corporate books and
13 records.

14 99. An accounting is necessary because without this remedy Plaintiff will remain
15 unable to ascertain the true value of Plaintiff's substantial ownership interest in Kings Garden or
16 what was done with Plaintiff's share of the profits and assets from the business.

DERIVATIVE CLAIMS

17 100. Plaintiff holds a substantial ownership interest in Kings Garden. M. King has
18 attempted to unilaterally and without the authority, power, or permission to do so, dilute
19 Plaintiff's interest in Kings Garden but Plaintiff still remains a major shareholder in Kings
20 Garden even after M. King's improper attempts to dilute his ownership interests.

21 101. During all times relevant herein, M. King was and is the President, CEO and
22 director of Kings Garden.

23 102. The actions taken by M. King herein have harmed Kings Garden (in addition to
24 Plaintiff).

1 103. Plaintiff requested that M. King step down as President, CEO and director as a
2 result of M King's actions, but M. King refused.

3 104. This action is commenced and prosecuted on behalf of Plaintiff as a shareholder
4 of Kings Garden and for the benefit of Kings Garden and its shareholders.

5 **NINTH CAUSE OF ACTION**

6 **(Fraud – Intentional Misrepresentation)**

7 **(Derivatively Against M. King On Behalf Of Kings Garden)**

8 105. Plaintiff realleges and incorporated by reference as though fully set forth herein
9 each and every allegation in Paragraphs 1 through 39, 100 through 104.

10 106. M. King was a director and officer of Kings Garden during all times relevant to
11 this Complaint.

12 107. In or about 2015, M. King represented to Plaintiff that they would start and grow
13 a medical marijuana joint venture business together and that the company, its assets, and profits
14 would be shared between the parties equally. As a result, the parties created a joint venture
15 business that eventually became Kings Garden. M. King represented to Plaintiff and Kings
16 Garden (and the Predecessor LLCs) that he had the requisite skill to be a business manager of
17 Kings Garden (and the Predecessor LLCs) and that he intended on using Plaintiff's decades of
18 expertise, time, skill, capital and credit to start and operate the business. M. King represented
19 that the profits and assets of the business were for the benefit of the business and the two equal
20 partners in the business – Plaintiff and M. King. But instead, M. King intended to use the funds,
21 profits, and assets of the business to fund and pay for: (a) his extravagant personal lifestyle; (b)
22 his excessive compensation; (c) excessive personal expenses; and (d) personal real estate
23 investments.

24 108. M. King misrepresented his skills as a business manager to Kings Garden and
25 Plaintiff. M. King claimed he was a successful business manager and that he would make Kings
26 Garden a profitable entity. In reality, M. King intended on using Kings Garden as his personal
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1 piggy bank and did not intend to keep all the profits within Kings Garden for the benefit of its
2 shareholders.

3 109. M. King manipulated Kings Garden’s financial records in order to hide his
4 misappropriations of funds and assets that belonged to Kings Garden and its shareholders.

5 110. M. King misrepresented to Kings Garden and Plaintiff, Kings Garden’s books and
6 records by failing to keep accurate accounts in order to hide his misappropriation of company
7 funds and assets.

8 111. Kings Garden was damaged because the funds that were intended to be used for
9 Kings Garden’s business and for the benefit of all of its shareholders were actually used by M.
10 King personally. Kings Garden was damaged by being robbed of its assets and by having
11 inaccurate financial records.

12 112. M. King’s actions set forth herein were undertaken with malice, oppression, and
13 fraud. As a proximate and direct result of M. King’s fraud, Kings Garden has suffered millions
14 of dollars in damages.

15 **TENTH CAUSE OF ACTION**

16 **(Fraud – Negligent Misrepresentation)**

17 **(Derivatively On Behalf Of Kings Garden Against M. King)**

18 113. Plaintiff realleges and incorporated by reference as though fully set forth herein
19 each and every allegation in Paragraphs 1 through 39, 100 through 104.

20 114. M. King was a director and officer of Kings Garden during all times relevant to
21 this Complaint.

22 115. In or about 2015, M. King represented to Plaintiff that M. King and Plaintiff
23 would start and grow a medical marijuana joint venture business together and that the company,
24 its assets, and profits would be shared between the parties equally. As a result, the parties
25 created a business that eventually became Kings Garden. M. King represented to Plaintiff and
26 Kings Garden that he had the requisite skill to be a business manager of Kings Garden and that
27 he intended on using Plaintiff’s decades of expertise, time, skill, capital and good credit to start
28

1 and operate the business. M. King represented that the profits and assets of the business were for
2 the benefit of the business and the two equal partners of the business – Plaintiff and M. King.
3 But instead, M. King used the funds, profits, and assets of the business to fund and pay for: (a)
4 his extravagant personal lifestyle; (b) his excessive compensation; (c) excessive personal
5 expenses; and (d) personal real estate investments.

6 116. M. King negligently misrepresented his skills as a business manager to Kings
7 Garden and Plaintiff. M. King claimed he was a successful business manager and that he would
8 make Kings Garden a profitable entity. In reality, M. King used Kings Garden as his personal
9 piggy bank and did not keep all the profits and assets within the Kings Garden for the benefit of
10 its shareholders.

11 117. M. King negligently misrepresented to Kings Garden and Plaintiff, Kings
12 Garden’s books and records by failing to keep accurate accounts and hid his misappropriation of
13 company funds and assets.

14 118. Kings Garden was damaged because the funds and assets that were intended to be
15 used for Kings Garden’s business and for the benefit of all of its shareholders were actually used
16 by M. King personally. Kings Garden was damaged by being robbed of its assets and by having
17 inaccurate financial records.

18 **ELEVENTH CAUSE OF ACTION**

19 **(Aiding and Abetting Fraud)**

20 **(Derivatively On Behalf Of Kings Garden Against Defendants Kibby and Kieley)**

21 119. Plaintiff realleges and incorporates by reference as though fully set forth herein
22 each and every allegation in Paragraphs 1 through 39, 100 through 104.

23 120. As set forth above, M. King engaged in intentional and negligent
24 misrepresentations that caused damage and harm to Kings Garden.

25 121. Kings Garden is informed and believes, and thereon alleges, that Kibby and
26 Kieley aided and abetted the fraudulent acts by M. King as alleged above by participating in M.
27 King’s fraudulent actions. Kibby and Kieley had actual knowledge of M. King’s fraudulent
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1 conduct against Kings Garden. Kibby and Kieley provided substantial assistance and/or
2 encouragement to M. King by knowingly and intentionally assisting and aiding and abetting M.
3 King in:

- 4 • Keeping and continuing to keep, inaccurate books and records to hide M. King’s
- 5 misappropriation;
- 6 • Altering Kings Garden’s books and records;
- 7 • Failing to keep accurate books and records of Kings Garden;
- 8 • Providing third parties with forged documents;
- 9 • Providing third parties with documents containing forged signatures of Plaintiff;
- 10 • Arranging for the sale of millions of dollars of “black market” cannabis grown at
- 11 company facilities, both within and outside of the State, in violation of federal,
- 12 state and local laws and regulations; and
- 13 • Unilaterally changing the corporate ownership and structure of Kings Garden and
- 14 the Predecessor LLCs without consent of Plaintiff or other shareholders.

15 122. Kings Garden is informed and believes, and thereon alleges, that Kibby and
16 Kieley aided and abetted and/or participated in the fraud by M. King for the purpose of
17 advancing their own interests and/or financial advantage.

18 123. As a direct, proximate and legal result of the aiding and abetting and/or
19 participating in M. King’s fraud by Kibby and Kieley, Kings Garden was damaged because the
20 funds and assets that were intended to be used for Kings Garden’s business and for the benefit of
21 all of its shareholders were actually used by M. King personally. Kings Garden was damaged by
22 being robbed of its assets and by having inaccurate financial records.

23 **TWELFTH CAUSE OF ACTION**

24 **(Breach of Fiduciary Duties)**

25 **(Derivatively On Behalf Of Kings Garden Against M. King, Kibby and Kieley)**

26 124. Plaintiff realleges and incorporates by reference as though fully set forth herein
27 each and every allegation in Paragraphs 1 through 39, 99 through 102.

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1 125. M. King, as a director and officer of Kings Garden, owed Kings Garden and its
2 shareholders the utmost fiduciary duties of due care, good faith, candor, and loyalty.

3 126. M. King failed to act as a reasonably careful director and officer would act. M.
4 King acted in violation of his fiduciary duties and engaged in corporate waste by committing the
5 following acts:

- 6
- 7 • M. King misappropriated the funds and assets from Kings Garden. M. King did
8 this by: (a) paying himself excessive compensation; (b) misappropriating profits
9 and assets of Kings Garden for his own personal gain; (c) using Kings Garden
10 funds to pay for real estate investments for himself; and (d) using Kings Garden
11 as his own personal piggy bank.

12 127. M. King tampered with Kings Garden’s books and records to further and
13 otherwise obfuscate his misappropriation of Kings Garden’s funds and assets.

14 128. Kibby and Kieley were grossly negligent in their duties as officers and/or
15 directors of Kings Garden in that they knowingly allowed M. King to: (1) misappropriate funds
16 from Kings Garden and the Predecessor LLCs for M. King’s own personal gain; (3) use Kings
17 Garden and the Predecessor LLCs as his personal piggy bank in part to support an excessive and
18 lavish lifestyle; (4) pay himself excessive compensation; (5) push Plaintiff out of the Predecessor
19 LLCs and King Garden without Plaintiff’s consent or knowledge; (6) use Plaintiff’s name to
20 enter into third party agreements on behalf of Kings Garden and the Predecessor LLCs without
21 Plaintiff’s consent or knowledge; (8) arrange for the sale of millions of dollars of “black market”
22 cannabis grown at company facilities, both within and outside of the State, in violation of
23 federal, state and local laws and regulations; and (8) forge Plaintiff’s signature on numerous
24 business contracts.

25 129. M. King refused to step down as a director, President and CEO despite a written
26 request by Plaintiff.

27 130. Based on the foregoing conduct, Defendants M. King, Kibby and Kieley were not
28 acting in good faith toward Kings Garden and breached their fiduciary duties. Kings Garden was

1 damaged as a result of the excessive compensation, corporate waste, and misappropriation
2 alleged herein. Kings Garden was damaged as a result of Defendants' misappropriation of its
3 funds and assets. Defendants' misappropriation also caused Kings Garden's value to diminish
4 significantly and it and its shareholders were damaged accordingly.

5 131. As a direct and proximate result of Defendants' conscious failure to perform his
6 fiduciary obligations, Kings Garden has been and will continue to be damaged.

7 **THIRTEENTH CAUSE OF ACTION**

8 **(Conversion)**

9 **(Derivatively On Behalf Of Kings Garden Against M. King)**

10 132. Plaintiff realleges and incorporates by reference as though fully set forth herein
11 each and every allegation in Paragraphs 1 through 39, 100 through 104.

12 133. As alleged above, at all relevant times, Kings Garden possessed an interest in its
13 assets and profits derived from its business.

14 134. M. King substantially interfered with the property rights of Kings Garden by
15 knowingly or intentionally:

- 16 • Taking a substantial amount of the assets and profits of Kings Garden for the
- 17 purpose of misappropriating monies to himself;
- 18 • Using the assets and profits of Kings Garden as his personal piggy bank;
- 19 • Paying himself excessive compensation; and
- 20 • Using Kings Garden assets and profits to pay for personal real estate
- 21 investments.

22 135. As a proximate and direct result of M. King's conversion, Kings Garden suffered
23 damages including actual, compensatory, and consequential damages.

24 136. In doing the acts herein alleged, M. King acted with oppression, fraud, malice,
25 and in conscious disregard of King Garden's rights.

26 **PRAYER FOR RELIEF**

27 WHEREFORE, Plaintiff prays for judgment against Defendant as follows:
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- A. Entry of judgment for Plaintiff against Defendants on all direct claims;
- B. Entry of judgment for Kings Garden against Defendants on all derivative claims;
- C. For special, compensatory, and consequential damages according to proof;
- D. For punitive damages in a sum sufficient to punish and make an example of Defendants;
- E. For lost profits, disgorgement, and restitution according to proof;
- F. For an Order that Defendants must produce all books and records;
- G. For prejudgment and post-judgment interest as allowed by law;
- H. For an accounting;
- I. For preliminary and permanent injunctive relief;
- J. For such other and further relief as the Court deems just and proper.

Dated: May __, 2021

VENABLE LLP

By: _____
 Belinda M. Vega
 Christina M. Nordsten
Attorneys for Plaintiff
 PAUL KING

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VERIFICATION

Verification of Pleading (Code Civ. Proc., § 446)

I am the Plaintiff in this action. I have read the foregoing Complaint and know its contents. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

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

Executed at Los Angeles, California on May ____, 2021.

PAUL KING

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