TENTATIVE RULINGS
LAW & MOTION CALENDAR
Friday, November 6, 2026 3:00 pm
Courtroom 19 –Hon. Oscar A. Pardo
3055 Cleveland Avenue, Santa Rosa

The tentative rulings will become the ruling of the Court unless a party desires to be heard. If you desire to appear and present oral argument, **YOU MUST NOTIFY** the Judge's Judicial Assistant by telephone at **(707) 521-6602**, and all other opposing parties of your intent to appear, **and whether that appearance is in person or via Zoom**, no later 4:00 p.m. the court day immediately preceding the day of the hearing.

If the tentative ruling is accepted, no appearance is necessary unless otherwise indicated.

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1. 25CV04778, Katzman v. Gerrans

Respondent's **unopposed** motion to dismiss the Katzman and Sanovas appeals and disburse the $128,991.78 undertaking to him is **GRANTED.** The Court will sign the proposed order lodged by Respondent.

I. Background

Christopher Gerrans ("Respondent") filed a wage claim with the Department of Industrial Relations ("DIR") against his employer Retinalgenix ("Retinal") and two other defendants: Retinal's CEO Jerry Katzman and Sanovas, Inc. (with Retinal, collectively "Appellants"). DIR issued an Order, Decision, or Award ("ODA") in Respondent's favor, awarding him $128,991.78 (the "ODA Award").

On July 7, 2025, all three Appellants appealed the ODA in this Court. Respondent moved to dismiss the appeal on the basis that although the Appellants had posted an undertaking in the amount of the ODA Award, as required by Lab. Code § 92(b), the undertaking was not posted within the statutorily mandated timeframe, and the Court therefore had no jurisdiction to hear the

appeal. On April 20, 2026, the Court dismissed the appeal as to Retinal only. The Katzman and Sanovas appeals remain active.

On July 27, 2026, DIR filed case no. 26CV05475, requesting the Court to enter judgment against Retinal in the full amount of the ODA Award plus post-hearing interest and the filing fee. On the same day, the Court entered judgment against Retinal in the amount of $132,876.66.

This matter comes on calendar for hearing on Respondent's motion to disburse the undertaking to him, and to dismiss the Katzman and Sanovas appeals as moot.

II. The Notice of Intent

No opposition has been filed. On November 1, six days after opposition was due and four days before the hearing, Appellants' counsel filed a Notice of Intent to Appear to Address Settlement Discussions ("Notice of Intent"). The Notice of Intent does not actually state, other than in its caption, that counsel intends to attend oral argument on the instant motion (much less request the Court's leave to do so after failing to oppose the motion). It merely states that the parties are close to reaching a settlement and adds that "[c]ounsel will therefore request a short continuance if the matter cannot be resolved at the hearing." There follows what purports to be a copy of an email exchange between Appellants' and Respondent's counsel describing their settlement discussions.

Respondent promptly filed objections to the Notice of Intent, pointing out that settlement negotiations are inadmissible pursuant to Evid. Code §§ 1152 as well as lacking in foundation and being hearsay, being improperly authenticated, and irrelevant. Those objections are sustained.

Respondent also denies Appellant's counsel's suggestion that the parties are close to settlement: "No settlement has been reached. No settlement agreement has even been drafted, let alone signed. There are currently no ongoing settlement talks between the parties." The Court might be willing to ignore the purported email exchange improperly appended to the Notice of Intent and simply deem it a request for a short continuance to facilitate settlement discussions if, but only if, both parties stipulated to such a continuance. Respondent has made it abundantly clear that he does not so stipulate: "failed settlement negotiations simply do not justify delay in the Court's ruling on Plaintiff's unopposed motions that have been pending for months," original emphasis. "Months" is accurate; the instant motion was filed on August 14. The Court agrees with Respondent.

III. Discussion

A. Forfeiture of the undertaking

"If the employer fails to pay the amount owed within 10 days of entry of the judgment, . . . a portion of the undertaking equal to the amount owed, or the entire undertaking if the amount owed exceeds the undertaking, is forfeited to the employee." (Lab. Code § 98.2(b).) Judgment

was entered against Retinal on July 27, more than 10 days ago, and Retinal has not paid anything to Respondent. (Ryan Dec ¶ 8.)

California courts have interpreted "forfeited," in this context, to mean that the undertaking is automatically transferred to the employee, with no further legal action required by the employee, after ten days have elapsed with no payment after entry of judgment. (*Adanna Car Wash Corp. v. Gomez* (87 Cal.App.5th 642, 651.) The principle applies with equal force where, as here, an employer posts an undertaking but the appeal is dismissed because the posting was untimely. (*Chavez v. Sarumi* (2018) 36 Cal.App.5th Supp. 34, 39-40.) Thus, the undertaking effectively became Respondent's property on the eleventh day after entry of judgment. The Court agrees with Respondent that it is required by statute to disburse to him the entire amount of the undertaking, which is less than the amount of the judgment.

B. Mootness of the Katzman and Sanovas appeals

Respondent argues that disbursement of the undertaking renders the Katzman and Sanovas appeals moot, since "[o]nce one jointly and severally liable defendant pays the full judgment amount the action is rendered moot against all remaining co-defendants, as the plaintiff has received the single satisfaction to which they are entitled." (MPA at p. 7.) Similarly, "[o]nce Retinalgenix pays Plaintiff all money damages owed pursuant to the judgment, there is no remaining case to proceed to trial." (MPA at p. 8.)

It is worth noting that disbursement of the undertaking does *not* constitute payment of the "full judgment amount" or of "all money damages owed pursuant to the judgment," because the full amount of the judgment, as distinct from the ODA Award, includes $3,449.88 in post-hearing interest and $435 in filing fees. (Ryan Dec Exh. 2.) Thus, after disbursement of the undertaking, the judgment will remain unsatisfied in the amount of $3,899.88. However, the judgment is only against Retinal. Katzman and Sanovas, as parties to the DIR hearing, were jointly and severally liable for the ODA Award, but only Retinal is liable for the unsatisfied portion of the judgment over and above that amount. Therefore, the Court agrees with Respondent that the Katzman and Sanovas appeals will be rendered moot by disbursement of the undertaking.

IV. Conclusion

The motion is **GRANTED.**

2. <u>26CV02794, Hernandez v. Jacksons Food Stores, Inc.</u>

Defendant's motion to strike the punitive damages allegations and prayer from the complaint is **GRANTED**. Plaintiff's request for leave to amend the complaint is also **GRANTED.** Plaintiff may file a First Amended Complaint within 30 days of notice of this order. Counsel for Plaintiff shall submit a written order consistent with this ruling and compliant with California Rules of Court, rule 3.1312.

I. Background

On September 13, 2025, Yoban Hernandez ("Plaintiff") brought several empty propane tanks to a Chevron station in downtown Windsor to be refilled. While the station attendant was refilling them, the station's large propane tank (the "Equipment") malfunctioned and sprayed freezing propane on Plaintiff, who sustained serious injuries.

The complaint ("Complaint") filed by Plaintiff on April 21, 2026 names Jackson Food Stores, Jackson Energy Logistics, Chevron Corporation, ThompsonGas, and the individual attendant ("Doe Propane Clerk") as defendants. It alleges causes of action against all defendants for general negligence, premises liability, negligent undertaking, and three varieties of strict liability: design defect, manufacturing defect, and failure to warn.

Each of the strict liability causes of action contains an identical five-paragraph allegation of malice, fraud, and oppression, and the prayer for relief seeks punitive damages. (Complaint ¶¶ 55-59, 66-70, 78-82, prayer ¶ F.) This matter comes on calendar for hearing on defendant ThompsonGas's ("Defendant") motion to strike the punitive damage allegations and prayer from the Complaint.

II. Governing law

A motion to strike lies where a pleading contains "irrelevant, false, or improper matter[s]" or is "not drawn or filed in conformity with the laws of this state, a court rule, or an order of the court." (CCP § 436(b).) A motion to strike is properly directed to claims for damages that are not recoverable as a matter of law. (*See, e.g., Commodore Home Systems, Inc. v. Superior Court* (1982) 32 Cal.3d 211, 214 [motion to strike lies against request for punitive damages when the claim sued upon would not support an award of punitive damages as a matter of law].)

Punitive damages may be stricken where the facts alleged do not rise to the level of "malice, fraud or oppression" required to support a punitive damages award. (*Turman v. Turning Point of Central Calif., Inc.* (2010) 191 Cal.App.4th 53, 63.) "'Malice' is defined in the statute as conduct 'intended by the defendant to cause injury to plaintiff, or despicable conduct that is carried on by the defendant with a willful and conscious disregard for the rights or safety of others.'" (*Ibid*., citing Civ. Code § 3294.) "'Oppression' means despicable conduct that subjects a person to cruel and unjust hardship in conscious disregard of that person's rights." (*Ibid.*, citing Civ. Code § 3294.)

"[T]he statute plainly indicates that absent an intent to injure the plaintiff, 'malice' requires more than a 'willful and conscious' disregard of the plaintiffs' interests. The additional component of 'despicable conduct' must be found." (*College Hospital v. Superior Court* (1994) 8 Cal.4th 704, 725.)

III. Discussion

Defendant argues that the allegations of the Complaint are insufficient to support a prayer for punitive damages for three reasons: because they are conclusory and lack specific facts (MPA at pp. 3-4), because they do not differentiate Defendant's conduct from that of the other defendants

(MPA at p. 4), and because they fail to satisfy the corporate-ratification requirement (MPA at pp. 4-5). Each argument is addressed below.

A. Conclusory nature of allegations

1. Pleading standards: evidentiary vs. ultimate facts

Under California pleading standards, complaints must plead ultimate facts, as distinct from evidentiary facts or legal conclusions. The ultimate facts alleged in the complaint must eventually be proved by evidentiary facts either at trial or on summary judgment, but the evidentiary facts themselves do not need to be included in the complaint. "[T]he complaint need only allege facts sufficient to state a cause of action; each evidentiary fact that might eventually form part of the plaintiff's proof need not be alleged." (*C.A. v. William S. Hart Union High School Dist.* (2012) 53 Cal.4th 861, 872.)

While there is no bright-line rule distinguishing ultimate facts, evidentiary facts, and legal conclusions, the leading treatise on California pre-trial procedure provides this illustrative example:

> **Example**: A complaint in a personal injury case alleges that: (1) defendant drove his car immediately after having consumed a fifth of vodka; (2) defendant drove while under the influence of alcohol; and (3) defendant drove in violation of California drunk driving law.
> Allegation "(1)" is technically objectionable as "evidentiary" matter; "(3)" is a "legal conclusion"; while "(2)" is the ultimate fact.
> (Rutter Group, *Civil Procedure Before Trial* § 6:125.) Allegations at the level of generality of (2) are all that is needed. Allegations at the level of specificity of (1) are neither required nor appropriate.

Defendant correctly asserts that there is a heightened pleading standard for allegations supporting claims of punitive damages. (MPA at p. 2.) But the standard is not so heightened as to supersede the general rule that complaints need only allege ultimate facts. Defendant cites the applicable authority: "In order to survive a motion to strike an allegation of punitive damages, the *ultimate facts* showing an entitlement to such relief must be pled by a plaintiff." (*Ibid.*, quoting *Clauson v. Superior Court* (1998) 67 Cal.4th 1253, 1255, emphasis supplied.)

The question, then, is whether the Complaint alleges ultimate facts sufficient to support Plaintiff's claim for punitive damages. The question is *not* whether the Complaint alleges sufficient evidentiary facts to support such a claim.

2. Punitive damages allegations in the Complaint

> Plaintiff's punitive damages allegations in each of the strict liability causes of action are, in summary, as follows:

- "Defendants were guilty of malice, fraud and oppression as defined in California Civil Code section 3294." (Complaint ¶¶ 55, 66, 78.)
- "Defendants and their officers, directors and managing agents knew that Propane Equipment Product was defective and dangerous . . . ." (Complaint ¶¶ 56, 67, 79.)
- Despite that knowledge, Defendants, acting with conscious disregard for safety, permitted the Equipment to be marketed, sold, and used. (Complaint ¶¶ 57, 68, 80.)
- Defendants failed to warn users of the problems with the Equipment, knowing that users were unlikely to inspect it for design defects. (Complaint ¶¶ 58, 69, 81.)
- Defendants' conduct was motivated by "reasons of economic gain and to save money and increase their business profits." (Complaint ¶¶ 59, 70, 82.)

3. The Complaint adequately pleads a basis for punitive damages.

Defendant complains that the punitive damages allegations "consist entirely of conclusory language that parrots the statutory standard without providing any factual basis." (MPA at p. 3.) The "statutory language" to which Defendant refers is presumably the passage in Civ. Code § 3294(a) providing that a plaintiff may recover punitive damages "where it is proven by clear and convincing evidence that the defendant has been guilty of oppression, fraud, or malice." It is true that the first paragraph in each of the five-paragraph allegation blocks summarized above alleges that "Defendants were guilty of malice, fraud and oppression," which the Court agrees qualifies as parroting. If that were the only allegation supporting the punitive damages claim, there is no question that Plaintiff would have failed to satisfy the requirement of "specific factual allegations showing that defendant's conduct was oppressive, fraudulent, or malicious." (MPA at p. 2, quoting *Today's IV, Inc. v. Los Angeles County Metropolitan Transportation Authority* (2022) 83 Cal.App.5th 1137, 1193.)

But the first paragraph is far from "consist[ing] entirely." The Complaint also alleges that the defendants knew that the Equipment was defective and dangerous, knew that its users were unlikely to discover the defects on their own, and nevertheless chose to market it because not doing so would have resulted in lost profits. None of this, the bulk of the allegations, resembles anything that appears in the statute. All of it constitutes allegations of ultimate facts.

Defendant's argument, in effect, is that the Complaint does not set forth Plaintiff's evidentiary basis for those ultimate facts. The Complaint does not need to do that, and in fact would be defective if it did. The Court acknowledges that Plaintiff's allegations that "Defendants are guilty of malice, fraud, and oppression" are legal conclusions, and therefore do not belong in the Complaint. However, if the Complaint alleged, for example, something along the lines of "the CEO of ThompsonGas received an email from its director of research and development stating that the propane tanks they were distributing were likely to develop high-pressure leaks," as Defendant seems to argue it should have, that would be an evidentiary fact that would have no more place in a complaint than the legal conclusion. (*C.A., supra,* 53 Cal.4th at p. 872; see "consumed a fifth of vodka" in the example above.) The ultimate facts here are that the defendants knew about the defects and danger but deliberately chose to do nothing about them in

order to maximize their profits. (See "drove while under the influence" example.) Plaintiff has alleged those ultimate facts. Plaintiff will need to adduce the evidentiary basis for them at trial but need not allege it at the pleading stage.

The reason Plaintiff has not alleged the sort of detail Defendant demands is probably because he does not currently know it. That is a common situation and is very likely the rationale for the principle that only ultimate facts are required at the pleading stage. An important purpose of discovery is to permit parties to seek the evidentiary facts that prove the ultimate facts alleged in their pleadings. The Court is unaware of any authority for the proposition that plaintiffs must allege in their complaints facts that they have no way of knowing except through discovery.

B. Differentiating Defendant's conduct from that of other defendants

Defendant asserts, without citation to authority, that "California law requires that punitive damages allegations be directed at specific defendants with specific factual support." (MPA at p. 4.) Defendant may possibly be referring to the principle that punitive damages may not be used to "punish a defendant for the wrongful conduct of another person or entity." (*Grassili v. Barr* (2006) 142 Cal.App.4th 1260, 1289.) But that is not a pleading rule; it applies to the *award* of punitive damages, not to the allegations in a complaint.

The Complaint alleges that each defendant, including Defendant, knew the Equipment was defective but failed to do anything about it in the interest of increased profits. That might or might not be true as to each individual defendant; Plaintiff can attempt to establish whether it is or not through discovery. But the appropriate response to an untrue allegation at the pleading stage is for each defendant to deny any allegations that are not true with respect to that particular defendant. It is not to seek to have the punitive damages allegations and prayer struck in their entirety.

C. Corporate ratification

A corporate employer may not be held liable for punitive damages on the basis of acts by an employee "unless the employer had advance knowledge of the unfitness of the employee and employed him or her with a conscious disregard of the rights or safety of others or authorized or ratified the wrongful conduct for which the damages are awarded . . . ." (Civ. Code § 3294(b).) Defendant argues that "The Complaint fails entirely in this regard." (MPA at p. 5.)

This argument is meritorious in one respect. One of the defendants is an individual designated "Doe Propane Clerk" ("DPC"), the person who operated the propane tank that malfunctioned. DPC was clearly not part of the management of any of the corporate defendants; it is likely that DPC is included as a defendant because Plaintiff hopes to base the liability of the corporate defendant who employed DPC, including liability for punitive damages, on DPC's negligence. That cannot happen without an allegation that the management of DPC's employer authorized or ratified DPC's conduct, as provided by Civ. Code § 3294(b). Accordingly, the Court will grant the motion with leave to amend in order to permit Plaintiff to either allege that DPC's employer authorized or ratified his conduct or eliminate DPC as a defendant in the causes of action seeking punitive damages.

Defendant also argues that "[t]he Complaint's generic allegation that 'officers, directors and managing agents' knew of the defect is a legal conclusion, not a factual allegation." (MPA at p. 5.) Defendant's point is apparently that because Civ. Code § 3294(b) holds that "the advance knowledge . . . must be on the part of an officer, director, or managing agent of the corporation," the Complaint's use of that phrase is ipso facto a legal conclusion, but that "identifying who these individuals are and what specific knowledge they possessed" would render the allegations factual. (*Ibid.*) In the first place, the Complaint *does* identify what specific knowledge they possessed; it alleges that they "knew that the Propane Equipment Product was defective and dangerous." (Complaint ¶¶ 56, 67, 79.) Again, that is the ultimate fact that is relevant at the pleading stage. The precise details of what management knew – for example, the nature of the defect that they knew about – would be evidentiary facts that must be proved at trial but need not and should not be alleged in a complaint.

As to the necessity of identifying by name the specific officers and directors who knew about the Equipment's defects, the authority Defendant cites for that principle, *Clauson v. Superior Court* (1998) 67 Cal.App.4th 1253, does not address whether corporate officers whose mental state is relevant to a punitive damages claim must be identified by name at the pleading stage. *Clauson* addresses only "whether plaintiffs may seek at the pleading stage to recover both punitive damages as permitted by Civil Code section 3294 and statutory penalties for unlawful wiretapping pursuant to Penal Code section 637.2, subdivision (a) . . . ." (*Id.* at p. 1256.) The reviewing court found that the plaintiffs could seek punitive damages under those circumstances, but those circumstances have nothing to do with the ones presented here. Accordingly, Defendant's reliance on *Clauson* is misplaced. Again, Plaintiff very likely does not know the names of the officers and directors who knew about the Equipment's defects and intends to learn them through discovery. This is a legitimate procedure.

IV. Conclusion

The motion is **GRANTED WITH LEAVE TO AMEND.** The Court places no limitations on the amendments Plaintiff may make. If he amends the Complaint in a manner Defendant objects to, Defendant may file a further motion to strike or a demurrer.

3. 26CV03969, Curtis v. Rancho San Miguel 1 Limited Partnership

I. Introduction

Steve Curtis ("Plaintiff") brought this action against Rancho San Miguel Limited Partnership, Inc. and Rutheford MHC Management, Inc. (collectively "Defendants"), respectively the owner and managers of the Rancho San Miguel Mobilehome Community (the "Park"), over the events surrounding Defendants' denial of Plaintiff's application for tenancy in the Park. This matter comes on calendar for hearing on Defendants' demurrer to Plaintiff's complaint ("Complaint").

The demurrer is **SUSTAINED WITH LEAVE TO AMEND** as to the allegations in the First Cause of Action of Defendants' liability under Civ. Code §§ 798.74 and 798.56a, and as to the entire Second and Third Causes of Action. The demurrer is **SUSTAINED WITHOUT LEAVE**

TO AMEND as to the allegations in the First Cause of Action of Defendants' violation of Civ. Code §798.56a and of Plaintiff's entitlement to damages under Civ. Code § 798.86. In all other respects, the demurrer is **OVERRULED.**

Plaintiff may file a First Amended Complaint within 30 calendar days of notice of this ruling. Defendants' counsel is directed to submit a written order consistent with this ruling and compliant with Cal. Rules of Court, rule 3.1312.

II. Service issues

There have been service issues involving both parties. First, Plaintiff did not include a proof of service with his opposition brief. In their reply, Defendants assert that Plaintiff did not serve them the opposition before filing it, and that they received it by email on October 29, three days after it was filed, only after requesting a copy. (Reply at p. 1.) There is no question that this was improper service.

For Defendants' part, the proofs of service accompanying their demurrer and reply briefs indicate that they served Plaintiff electronically. Plaintiff is self-represented, and self-represented parties may be served electronically only if they have expressly consented to such service. (CCP § 1010.6(c).) There is no indication in the Court's files that Plaintiff has expressly consented to electronic service.

Defendants served Plaintiff electronically before and he has raised no objection. Moreover, Plaintiff has filed timely opposition to the demurrer. Based on that, the Court infers that Plaintiff received the moving papers and notice of the hearing and finds that Plaintiff has waived the service requirements applicable to self-represented litigants. The waiver is for purposes of the instant demurrer only; it will not apply to any further litigation.

Regarding the late service of Plaintiff's opposition, if he had served it by postal mail, as he was entitled to do, Defendants might very well have received it three days later, and probably no earlier than two days later. As it did in Plaintiff's case, the Court infers from the fact that Defendants were able to file a timely reply brief that they were not prejudiced by the late service. Accordingly, the Court will consider all of the papers filed in connection with this demurrer. The Court strongly suggests that going forward, Defendants either declare on any proof of service that Plaintiff has expressly consented to electronic service or serve Plaintiff at the postal mail address on the caption of his complaint in addition to electronically, and that Plaintiff attach a proof of service to all filings indicating service on counsel for Defendants. The Court is unlikely to be similarly lenient in the future.

III. Factual allegations in the Complaint

After Glen Kaleneh ("Decedent") died, Plaintiff arranged to purchase his mobilehome ("Mobilehome") from his estate ("Estate"). The Mobilehome has been located in the Park at all relevant times. In the Complaint, Plaintiff alleges that Defendants have wrongfully denied his application to become a tenant at the Park. The Complaint alleges the following sequence of events:

- April 17, 2025: Decedent died. (Complaint ¶ 7.)
- April 27, 2025: Plaintiff agreed to purchase the Mobilehome from the Estate for a $5,000 down payment and a final payment of $60,000 upon receiving tenancy approval from Defendants. (Complaint ¶ 8.)
- May 19, 2025: Plaintiff notified the Park's on-site manager by email of his intent to purchase the Mobile Home and requested a tenancy application form and written procedures for purchases. (Complaint ¶ 9.)
- June 1, 2025: The Estate executed a Payment Accommodation form, agreeing to pay $1,045 per month in rent, plus utilities, without being granted the right of tenancy. Plaintiff alleges that he "provided monies to Decedent's heirs to assist with these ongoing monthly payments." (Complaint ¶ 10.)
- June 7, 2025: Not having received a tenancy application from the Park manager, Plaintiff submitted his own application, which included information about his good credit, funds in bank accounts, and self-employment income. (Complaint ¶ 9.)
- August 4, 2025: Defendants provided Plaintiff with a tenancy application form. (Complaint ¶ 9.) This was Defendants' first response to the application Plaintiff had submitted on June 7.
- August 25, 2025: Defendants denied Plaintiff's application. (Complaint ¶ 11 and Exh. A.) The denial letter stated that Plaintiff "[did] not have the ability to perform and fulfill the financial obligations to pay the space rent, utilities, and other charges for the subject mobilehome space" and that Plaintiff's "application [was] incomplete and fail[ed] to contain all supporting documents and information requested by the Park." The letter included a "Summary of Qualification Prerequisites" listing the requirements for tenancy at the Park. (Complaint Exh. A.)

On the same date, Defendants offered to allow Plaintiff to store the Mobilehome in the Park without approval of his tenancy pursuant to a "Storage Agreement," in exchange for increased rent of $2,000 per month. (Complaint ¶ 11.) Plaintiff declined the offer. (Complaint ¶ 12.) Plaintiff alleges that accepting it would have "de-controll[ed] the space rent," i.e. removed the Mobilehome from the Santa Rosa Mobilehome Rent Control ordinance. (Complaint ¶ 11; see also Complaint ¶ 21.)

- February 5, 2026: Plaintiff executed a Payment Accommodation form, in which he agreed to make payments to the Park on behalf of the Estate. (Complaint ¶ 12 and Exh. B.)
- April 17, 2026: Defendants served Plaintiff with a "5-Day Notice to Remove Stored Property" ("5 Day Notice"), the property in question being the Mobilehome. (Complaint ¶ 13 and Exh. C.)
- May 13, 2026: Defendants served Plaintiff with a "Notice of Claim of Warehouseman's Lien and Public Sale" ("Lien Sale Notice"). (Complaint ¶ 15 and Exh. E.) The Lien Sale Notice demanded storage fees of $150 per day for the period from April 23, 2026 through May 14, 2026, plus legal fees, for a total of $4,150. (Complaint Exh. E.) It informed Plaintiff that payment "MUST BE

MADE ON OR BEFORE," with no date specified but the clear implication being "immediately," in order to avoid the lien sale scheduled to occur on June 22, 2026. (*Ibid.*)

- May 15, 2026: Plaintiff filed a "Declaration of Opposition to Lien Sale" with the California Department of Housing and Community Development, seeking to prevent Defendants from selling the Mobilehome pursuant to the warehouseman's lien. (Complaint ¶ 14 and Exh. D.)

IV. Standard on demurrer

A demurrer tests whether the complaint states a valid cause of action. (*Hahn v. Merda* (2007) 147 Cal.App.4th 740, 747.) A demurrer may only challenge defects that appear on the face of the pleading under attack or from matters outside the pleading that are judicially noticeable. (CCP § 430.30(a).) This is often described as the court's analysis being confined to "the four corners of the complaint." (*Thorburn v. Dept. of Corrections* (1998) 66 Cal.App.4th 1284, 1287-1288.)

Complaints are read as a whole, in context, and are liberally construed. (*Blank v. Kirwan* (1985) 39 Cal.3d 311, 318; see also *Stevens v. Superior Court* (1999) 75 Cal.App.4th 594, 601.) In reviewing the sufficiency of a complaint, courts accept as true all material facts properly pleaded, but not contentions, deductions, conclusions of fact or law, the construction of instruments pleaded, or facts impossible in law. (*Rakestraw v. California Physicians' Service* (2000) 81 Cal.App.4th 39, 43; see also *South Shore Land Co. v. Petersen* (1964) 226 Cal.App.2d 725, 732.)

A court abuses its discretion by denying leave to amend where there is any reasonable possibility that the plaintiff can state a valid cause of action. (*Goodman v. Kennedy* (1976) 18 Cal.3d 335, 349.) The plaintiff bears the burden of showing how the complaint can be amended, and how that amendment will change the legal effect of the pleading. (*Ibid*.) "Leave to amend should be denied where the facts are not in dispute and the nature of the claim is clear, but no liability exists under substantive law." (*Lawrence v. Bank of America* (1985) 163 Cal.App.3d 431, 436.)

V. Discussion

A. First Cause of Action: statutory violations

The Complaint's First Cause of Action alleges that Defendants violated several provisions of the Mobilehome Residency Law (Civ. Code §§ 798 et seq.) in the process of denying Plaintiff's tenancy application. Each such provision is addressed below.

1. Civ. Code § 798.78

Civ. Code § 798.78 sets forth the rights of heirs or joint tenants upon the death of a mobilehome owner. Defendants argue that Plaintiff "fails to state a claim as to Civ. Code § 798.78" because he has not alleged that he is either an heir or a joint owner. (MPA at p. 3.) The Court agrees that Plaintiff has not stated a claim under that statute but observes that he has not purported to. The only references to § 798.78 in the Complaint are assertions that it granted the Estate the right to sell the Mobilehome and that it required the Estate to make rent payments to the Park prior to the

sale. (Complaint ¶¶ 7, 10.) Neither assertion suggests that § 798.78 creates liability on Defendants' part. Accordingly, the demurrer will be overruled as to allegations involving that statute.

Defendants also argue repeatedly that the Estate did *not* have the right to sell the Mobilehome because it "did not perfect [its] ownership of the mobile home by securing title." (MPA at p. 1; see also, e.g., MPA pp. 3, 4, 6 and Reply at pp. 2, 6 ["mobilehome was sold to Plaintiff without following any legal requirements"], 7 ["title was never transferred into the name of any person"].) The Court acknowledges that Plaintiff's allegation that the Estate did have the right to sell the Mobilehome is a conclusion of law and therefore not among the allegations that the Court must accept as true at the demurrer stage. But neither must the Court accept Defendants' unverified assertion that the Estate failed to complete the appropriate procedures to legally sell the Mobilehome to Plaintiff. Defendants have not described what those procedures were, cited any authority for the proposition that they were required (other than Civ. Code § 798.78 itself, which says nothing about perfecting), or provided any evidence that the Estate did not complete them. Indeed, under the "four corners" principle described above, the Court would be remiss in considering any of this even if Defendants had provided it. If Defendants' position is that Plaintiff never owned the Mobilehome at any time because the Estate was not authorized to sell it to him, they may adduce evidence of that at trial or on summary judgment.

2. Civ. Code § 798.74

Plaintiff's central argument is that Defendants failed to comply with Civ. Code § 798.74 in processing his application for tenancy. Specifically, the Complaint alleges that:

- Park management did not respond to the application within 15 days (Complaint ¶¶ 10, 18; Civ. Code § 798.74(e)(1));
- Management refused to allow Plaintiff to "provide additional financial or asset information . . . to demonstrate [his] financial ability to pay rent" (Complaint ¶ 18; Civ. Code § 798.74(e)(2)(A)); and
- Management "refus[ed] to consider two similar mobilehome assets . . . which could be liquidated or sold." (Complaint ¶ 18; Civ. Code § 798.74(e)(2)(A)(vi) [mis-cited as "798.74(2)(a)(vi)"].

Defendants counter that they were not required to take any action mandated by § 798.74 because Plaintiff failed to notify Park management of the sale of the Mobilehome "before the close of the sale," as required by § 798.74(b)(1). (MPA at p. 4; Reply at p. 5 ["sale was completed *prior* to and *without* the approval of the Defendants"].) Defendants argue that "Plaintiff's own chronology establishes that notice by anyone was given only after the close of the sale." (*Ibid.*, citing to Complaint ¶¶ 8, 9.)

The cited paragraphs allege that "On or about April 27, 2025, Plaintiff entered into an agreement to purchase the [Mobilehome] from [the Estate]" (Complaint ¶ 8) and that "On or about May 19, 2025 plaintiff informed the on-site manager of the Park via email that he was purchasing the Mobilehome as his intended personal residence [and] attached an Intent to Sell form signed by the [Estate] . . . ." (Complaint ¶ 9). Defendants' apparent point is that they did not receive notice

of a sale that closed on April 27 until May 19. But the Court disagrees with Defendants about what "close of the sale" means. In the real estate context, it means the point at which all parties involved – the buyer, the seller, agents if any, escrow holders if any – come together to finalize the sale. That raises the question of when, if at all, the sale of the Mobilehome was finalized.

Plaintiff alleges that he and the Estate agreed that he was to pay $60,000 of the $65,000 selling price only "upon gaining park approved occupancy of the home." (Complaint ¶ 8.) However, the Complaint's descriptions of the sales arrangement are silent as to what the agreement contemplated would happen if the Park did *not* approve Plaintiff's occupancy. It is easy to infer that the agreement was that in that event, the Estate would not sell the Mobilehome to Plaintiff, but the Complaint does not address this point, and it needs to. If, hypothetically, that *was* the agreement, then approval of Plaintiff's tenancy was a contingency, and in that case the sale did not close on April 27 any more than the sale of a non-mobile home closes when the seller accepts a buyer's offer that is contingent upon, for example, the results of an inspection. If Plaintiff's acquisition of tenancy approval was a contingency in that sense, the sale has *still* not closed. Plaintiff's allegation that the Estate was still paying space rent for the Mobilehome on June 1, 2025 (Complaint ¶ 10) suggests that the sale had not closed on May 19, 2025, the day Plaintiff notified Defendants of it, but even so, the Court is unwilling to draw inferences regarding this crucial point.

The Court will sustain the demurrer as to the allegations of violations of Civ. Code § 798.74. Leave to amend will be granted to afford Plaintiff the opportunity to add allegations going to the question of when the sale closed. Plaintiff will, of course, bear the burden of proving any such allegations at trial or upon summary judgment.

3. Civ. Code § 798.73.5

Plaintiff alleges that Defendants wrongfully demanded that the Estate "perform an interior 'Title 25' inspection and make interior repairs as a condition of the sale, knowing that interior inspection of the mobile home was not required pursuant to Civil Code 798.73.5." (Complaint ¶ 18.) The final clause is a correct interpretation of the cited statute, which restricts the repairs or improvements park management may require upon sale of a mobilehome to those "relate[d] to the exterior of the mobilehome." (Civ. Code § 798.73.5(a)(3).)

Defendants argue that "in conformity with Civil Code § 798.73.5, the mobile home was required to have an exterior inspection, if the mobile home was older than 25 years. (Complaint ¶ 4 states it is a 1976 mobilehome)." (MPA at p. 5; see also Reply at p. 5 [Defendants "had no ability to perform i[t]s required inspections"].) Civ. Code § 798.73.5 does not mention either inspections or ages of mobilehomes; the Court assumes that Defendants meant to cite to Civ. Code § 798.73. That statute, however, does not require an inspection. It authorizes park management to require the removal of a mobilehome over 25 years old from the park when it is sold if "an inspection by the appropriate enforcement agency" determines that it does not meet certain health and safety standards. (Civ. Code § 798.73(b) and (c).) Since the statute does not make such an inspection a condition of the sale, Defendants' assertion that "[t]he Complaint does not allege that this inspection took place," while correct, is of no moment. (MPA at p. 5.)

Defendants tie this argument to the one discussed above about not receiving timely notice of the sale: "[t]he park was not given notice or the opportunity to inspect before the actual sale." (Reply at p. 7.) Their underlying point is that because they did not receive timely notice, they were "never given an opportunity to enforce the rights Civil Code § 798.35.5 provides to parks." (*Ibid*.) That statute gives park management the right to require certain repairs when a mobilehome is sold, but again, those repairs are restricted to those "relate[d] to the exterior of the mobilehome." (Civ. Code § 798.73.5(a)(3).) Just as Plaintiff alleges, the statute does not require an interior inspection (Complaint ¶ 18); indeed, it does not even *permit* an interior inspection. That allegation is sufficient to support a claim that Defendants violated Civ. Code § 798.73.5 by requiring an internal inspection.

Defendants also argue that because "Plaintiff does not have a lease agreement with the mobilehome park to classify him as a 'homeowner' under Civil Code § 798.9, Plaintiff has no standing to raise claims under" Civ. Code § 798.73.5. (Reply at pp. 7-8.) It is certainly true that Plaintiff was not "a person who has a tenancy in a mobilehome park under a rental agreement," which is the definition of "homeowner." (Civ. Code § 798.9.) Indeed, the whole thrust of Plaintiff's Complaint is that Defendants wrongfully prevented him from becoming a homeowner in that sense. However, Defendants do not explain, and it is far from clear, why that divests Plaintiff of standing to sue for violation of Civ. Code § 798.73.5. Nothing in the statute suggests that it may only be enforced by homeowners. The Court takes Plaintiff's point to be that Defendants required the inspection as a condition of approving his tenancy application, but it does not matter when or why Defendants required it, because that particular statute provides that Defendants could only require exterior repairs, and therefore had no need to conduct an interior inspection.

The demurrer will be overruled as to the allegation of Defendants' violation of Civ. Code § 798.73.5. If Defendants wish to defend on the basis that the interior inspection they required was connected with their rights under Civ. Code § 798.73, they may raise that point at trial or on summary judgment.

4. Civ. Code § 798.56a

The Complaint alleges that the Lien Sale Notice "was not preceded by a lawful termination of tenancy or abandonment as required by Civil Code 798.56a." (Complaint ¶ 15; see also ¶ 18.) That statute provides, in pertinent part, that "if a registered owner of a mobilehome, that is not encumbered by a lien held by a legal owner or a junior lienholder, fails to comply with a notice of termination and is either legally evicted or vacates the premises, the management . . . shall have a warehouse lien . . . against the mobilehome for the costs of dismantling and moving, if appropriate, as well as storage . . . ." (Civ. Code § 798.56a(e)(1).) Plaintiff's point is that since he neither abandoned the Mobilehome nor was legally evicted from it, neither the warehouse lien nor the sale pursuant to it was authorized by Civ. Code § 798.56a.

Defendants disagree regarding the abandonment, asserting that "[t]here was no person living in the mobilehome as the mobilehome had long been vacated." (Reply at p. 8.) Defendants, in other words, argue that Plaintiff's allegation that the Lien Sale Notice "was not preceded by . . .

abandonment" is untrue. But this is the demurrer stage, and at this stage the Court must accept all allegations of the Complaint as true. (*Rakestraw, supra,* 81 Cal.App.4th at p. 43.)

The problem with Plaintiff's "not legally evicted" argument, however, is that Plaintiff could not *be* legally evicted because he was never a tenant in the first place. As Plaintiff has alleged, his application for approval of tenancy was denied. That is why Defendants argue elsewhere that Plaintiff was not a "homeowner," and it is presumably why the Park did not serve him a notice of termination of tenancy, but rather the 5 Day Notice requiring him to remove his "stored property," i.e. the Mobilehome. (Complaint ¶ 13 and Exh. C.) Defendants impliedly argue that the 5 Day Notice was the same thing as the "notice of termination of tenancy" Civ. Code § 798.56a refers to. (Reply at p. 8.) The Court disagrees. A tenancy that does not exist cannot be terminated. Since Plaintiff was not a tenant, Civ. Code § 798.56a's provisions regarding terminations of tenancy did not apply to him at all.

That is not to say, however, that Defendants could not enforce their 5 Day Notice. Both that notice and the Lien Sale Notice recite that the proposed lien sale would be "pursuant to California Civil Code § 798.56a *and Commercial Code §§ 7209 and 7210*" (Complaint Exhs. C and E, emphasis supplied). Although Civ. Code § 798.56a did not authorize such a sale, Comm. Code §§ 7209 and 7210 did. They provide, respectively, that "[a] warehouse has a lien on the bailor of goods" and "a warehouse's lien may be enforced by public or private sale of the goods" so long as everyone with an interest in the goods receives notice. The Park provided Plaintiff with notice in the form of the 5 Day Notice and the Lien Sale Notice. As the 5 Day Notice correctly points out, Plaintiff owned a mobilehome located in the Park but had neither a tenancy nor a Stored Property Agreement permitting him to keep it there. His relationship to the Park, therefore, was as a bailor of the Mobilehome, and the Park's lien on the Mobilehome arose from Comm. Code § 7209. The references to Civ. Code § 798.56a in the 5 Day Notice and the Lien Sale Notice are incorrect and confusing, in the Court's view, but they do not change the fact that Plaintiff was storing the Mobilehome in the Park without its permission and the Park was entitled to take action in response.

This is a separate issue from whether the Park *should* have granted Plaintiff's application for tenancy. However, the Court agrees with Defendants that Plaintiff has no standing to seek damages pursuant to Civ. Code § 798.56a. The Court will sustain Defendants' demurrer to the allegations related to violation of that statute without leave to amend.

5. Attorney fees and costs; discretionary damages.

Plaintiff alleges that if he were to engage counsel to represent him in this action and he prevailed, he would be entitled to attorney's fees and costs pursuant to Civ. Code § 798.85. (Complaint ¶ 22.) Defendants do not dispute this, and the Court agrees. Plaintiff is, of course, not entitled to attorney's fees *unless* he engages counsel. (*Argaman v. Ratan* (1999) 73 Cal.App.4th 1173, 1177.)

Plaintiff also seeks the discretionary damages provided by Civ. Code § 798.86. (Complaint ¶ 22.) Plaintiff does not qualify for such damages. The statute explicitly limits them to "a homeowner or former homeowner of a park [who] is the prevailing party in a civil action" under the

Mobilehome Residency Law. As discussed above, Plaintiff is not, and has never been, a homeowner under that definition. The Court will sustain Defendants' demurrer to this allegation without leave to amend.

B. Second Cause of Action: intentional interference with prospective economic advantage

"Intentional interference with prospective economic advantage has five elements: (1) the existence, between the plaintiff and some third party, of an economic relationship that contains the probability of future economic benefit to the plaintiff; (2) the defendant's knowledge of the relationship; (3) intentionally wrongful acts designed to disrupt the relationship; (4) actual disruption of the relationship; and (5) economic harm proximately caused by the defendant's action." (*Roy Allan Slurry Seal v. American Asphalt South* (2017) 2 Cal.5th 505, 512.)

Defendants protest that the "Complaint does not allege that there was any economic relationship between Plaintiff and Defendants" (Reply at p. 4), but that is irrelevant because Defendants are not a third party. The third party with whom Plaintiff had an economic relationship was the Estate. The relationship consisted of the Estate's agreement to sell Plaintiff the Mobilehome for $5,000 down, which Plaintiff paid, and an additional $60,000 to be paid "upon gaining park approved occupancy of the home." (Complaint ¶ 8.)

It is unclear whether Plaintiff has made the $60,000 final payment. Certainly he did not have to, since the Park never approved his occupancy. But that does not mean that he did not pay it anyway, and the allegation that he "has been damaged in the amount of $65,000, representing the purchase price of the home" (Complaint ¶ 28; see Complaint, prayer ¶ 3) suggests that he did. In his opposition, however, Plaintiff argues that Defendants disrupted his relationship with the Estate because it "prevented Park-approved occupancy, the event expressly tied to the payment of the remaining $60,000" (Oppo at p. 8), which suggests that the disruption consisted of Plaintiff's failure to make the final payment. Again, analysis of a demurrer is based exclusively on the allegations of the complaint, but the question of whether Plaintiff has suffered economic damage, in the context of his relationship with the Estate, is difficult to resolve on that basis. If he has *not* made the final payment, then he actually enjoyed a substantial windfall when the Estate permitted him "to transfer title to the [Mobilehome] into plaintiff's name as sole registered owner" without receiving such payment. (Complaint ¶ 12.)

The more serious problem is that it is not clear that Plaintiff's relationship with the Estate has been disrupted at all. Irrespective of any other details of that relationship, Plaintiff has alleged that the final $60,000 payment was contingent on Defendants granting tenancy approval. (Complaint ¶ 8.) That strongly suggests that the economic relationship between Plaintiff and the Estate always contemplated the possibility that Defendants might not grant the approval. If so, the economic relationship was left unaltered when they did not.

The demurrer to the Second Cause of Action will be sustained with leave to amend. If Plaintiff chooses to amend it, the Court suggests that he clearly allege what exactly constituted the disruption to his relationship with the Estate, and why that relationship, as distinct from his relationship with Defendants and the Park, was negatively financially impacted by Defendants'

denial of his tenancy approval. In the alternative, Plaintiff may choose to omit the Second Cause of Action.

C. Third Cause of Action: temporary restraining order and injunctive relief

On June 18, 2026, the same day he filed the Complaint, Plaintiff applied ex parte for a TRO and an OSC re. preliminary injunction, seeking a preliminary order enjoining Defendants "from conducting that certain Warehouseman's Lien Sale for the [Mobilehome] . . . which is scheduled to take place on June 22, 2026," and from "conducting any lien sale of the Mobilehome." After a hearing on July 14, 2026, the Court denied the application.

The Complaint's Third Cause of Action alleges that Defendants served Plaintiff with "a Notice of Warehouseman's Lien Sale to be conducted on June 22, 2026," and that "Plaintiff has no adequate remedy at law for the injuries threatened by the lien sale." (Complaint ¶¶ 30, 32.) In the prayer portion of the Complaint, Plaintiff seeks, inter alia, a permanent injunction preventing Defendants "from conducting the noticed lien sale on June 22, 2026, or any lien sale, or taking any other actions which threaten plaintiff's title to the Mobilehome, or which would remove the Mobilehome from its rented space in the Park. (Complaint, prayer ¶ 2.)

Defendants argue that the Third Cause of Action is rendered moot by the Court's denial of Plaintiff's application for preliminary injunctive relief. (MPA at p. 8.) Defendants are mistaken. The permanent injunction sought by the Third Cause of Action is a different form of relief from what the Court denied in its ruling on the TRO application. "There is no inflexible rule as to the effect of the granting or denial of a preliminary injunction on subsequent litigation, but unless it appears that the court intended a final adjudication on the issue involved, a decision on an application for a preliminary injunction does not amount to a decision on the ultimate rights in controversy." (*Bomberger v. McKelvey* (1950) 35 Cal.2d 607, 612.) In its order after the July 14 hearing, the Court held that "Plaintiff has shown a relatively low probability of prevailing on the merits and the irreparable harm does not bode in his favor either," which suggests that the Court was dubious about the merits of the issues involved, but falls far short of expressing an intention to adjudicate them. Therefore, the Court's ruling on the TRO application was not a ruling on Plaintiff's prayer for a permanent injunction, which is one of the "ultimate rights in controversy."

However, Defendants assert in their reply that after the ruling on the TRO application, "the mobilehome was properly auctioned and sold." (Reply at p. 9.) The Complaint is silent on that point. If Defendants' assertion is correct, that *does* render the Third Cause of Action moot. On that basis, the Court will sustain the demurrer as to the Third Cause of Action and grant Plaintiff leave to amend the Complaint to either allege that the Mobilehome has not yet been sold or omit the Third Cause of Action.

VI. Conclusion

The demurrer is **SUSTAINED WITH LEAVE TO AMEND** as to the following sections:

- The allegations in the First Cause of Action of Defendants' liability under Civ. Code § 798.74 (Complaint ¶¶ 18-19);

- The allegations in the First Cause of Action of Defendants' liability under Civ. Code § 798.56a (Complaint ¶ 16, final sentence and ¶¶ 18-19, sentence beginning "Defendants served plaintiff"); and
- The Second and Third Causes of Action.

The demurrer is **SUSTAINED WITHOUT LEAVE TO AMEND** as to the following sections of the Complaint:

- The allegation in the First Cause of Action of Defendants' violation of Civ. Code §798.56a (Complaint ¶ 18, first full paragraph on p. 7); and
- The allegation in the First Cause of Action of entitlement to damages under Civ. Code § 798.86 (Complaint ¶ 23).

In all other respects, the demurrer is **OVERRULED.**

4. SCV-273878, Parks v. Ensign

This matter is on calendar for Defendants' **unopposed** application for an order permitting Lori Proctor to appear as counsel *pro hac vice* on behalf of Defendants pursuant to California Rules of Court, Rule 9.40.

The application is accompanied by the declarations of attorney of record Jianlin Song and of Ms. Proctor herself showing that Ms. Proctor is an attorney in good standing and a member of the Texas, Colorado, New Mexico, and South Carolina bars. (Song Dec ¶ 3(c); Proctor Dec ¶ 6.) The application has been uploaded to the State Bar, and the $600 pro hac vice fee has been paid. (Song Dec ¶ 5 and Exhs. A and B.) The Pro Hac Vice Program of the State Bar and all parties have been duly served with the application.

The motion is **GRANTED**. The Court will sign the proposed order submitted by Defendants.

****This is the end of the Tentative Rulings.*****