

1 **JOHN G. BURGEE, ESQ.** (State Bar No. 132129)  
2 **BURGEE & ABRAMOFF, P.C.**  
3 16133 Ventura Boulevard, Suite 1145  
4 Encino, California 91436  
5 (818) 788-1600

6 Attorneys for Plaintiff,  
7 JEFF GREENE

**ORIGINAL FILED**  
APR 28 2000  
LOS ANGELES  
SUPERIOR COURT

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

10  
11 **JEFF GREENE**, an individual,

12 Plaintiff,

13 vs.

14 **RICHARD J. RIORDAN**, an individual,  
15 **ELI BROAD**, individually and as trustee of  
16 the Eli Broad Revocable Trust dated  
17 8/21/98, **NANCY M. DALY**, individually  
18 and as trustee of the Nancy M. Daly Living  
19 Trust dated 5/23/97, **MATTHEW G.**  
20 **KRANE**, individually and as Trustee of the  
21 Gamma Family Trust Dated 10/30/97,  
22 **SAMUEL N. FLETCHER**, individually  
23 and as Trustee of the Gamma Family Trust  
24 Dated 10/30/97, and DOES 1 through 50,  
25 inclusive,

26 Defendants.

CASE NO. **BC229033**

**COMPLAINT FOR DAMAGES AND  
EQUITABLE RELIEF:**

1. INTERFERENCE WITH CONTRACT  
AND CONSPIRACY TO INDUCE BREACH  
OF CONTRACT
2. INTERFERENCE WITH ECONOMIC  
ADVANTAGE AND CONSPIRACY TO  
INTERFERE WITH ECONOMIC  
ADVANTAGE
3. CONSTRUCTIVE TRUST/ACCOUNTING
4. DECLARATORY RELIEF
5. INJUNCTIVE RELIEF

27 Plaintiff JEFF GREENE alleges as follows:

28 **SUMMARY OF ACTION**

1. From the infamous Teapot Dome scandal of the 1920's to the Whitewater scandal that has tarnished the Clinton administration, history is replete with incidents of politicians abusing their position for personal gain, especially in the arena of real estate transactions. Albeit on a smaller scale, this action follows the precedent set in these historic scandals with respect to a beach property in Malibu, California.





1 The Assessor's Parcel Number for the Property is 4451-003-033.

2 9. Pepperdine marketed and contracted to sell the Property to Plaintiff together with  
3 plans for the construction of a single-family house on the Property. Pepperdine had already  
4 obtained concept approval from the City of Malibu for the plans. Among other things, the  
5 Contract confirmed that Pepperdine would be providing Plaintiff with plans that had concept  
6 approval as part of its contractual obligations.

7 10. Although the plans that Plaintiff was purchasing with the Property already had  
8 concept approval from the City of Malibu, Plaintiff also needed a development permit from the  
9 California Coastal Commission before building permits could be issued. As agreed in the  
10 Contract, Pepperdine cooperated with Plaintiff in seeking a development permit for the Property  
11 based upon the plans from the Coastal Commission. In December 1998, the California Coastal  
12 Commission postponed its decision on the application for a development permit, stating that  
13 Pepperdine would need to obtain a survey by the California State Lands Commission to  
14 determine the Mean High Tide line for the Property before the permit would be issued. The  
15 outcome of this survey would dictate the parameters for the development of the Property and the  
16 viability of Pepperdine's plans. Inasmuch as Plaintiff's purpose in purchasing the Property and  
17 accompanying plans was to construct a house thereon, the Property was only valuable to Plaintiff  
18 as a lot that could be developed. Pepperdine and Plaintiff therefore agreed that the sale would be  
19 completed after the completion of the State Lands survey.

20 11. In February 1999, Pepperdine entered into an agreement with State Lands to  
21 perform the survey required by the Coastal Commission. Pepperdine's agreement with State  
22 Lands set May 2000 as the completion date for the survey.

23 12. In April 1999, Plaintiff and Pepperdine entered into an amendment of the Contract  
24 (the "Amendment") to extend the escrow to allow time for the completion of the State Lands'  
25 survey. Despite the fact that Pepperdine's agreement with State Lands provided until May 2000  
26 to complete the survey, the Amendment stated that the completion of the survey was expected  
27 within six months (i.e. October 1999). Plaintiff was unaware of the terms of Pepperdine's  
28 agreement with State Lands and had no reason to distrust Pepperdine's representation that six

1 months would be sufficient time for the completion of the survey. In addition, the Amendment  
2 set March 1, 2000 as an outside date for the close of escrow regardless of the completion of  
3 survey by State Lands. If Plaintiff had known that Pepperdine's agreement with State Lands set  
4 a completion date of May 2000, Plaintiff would not have agreed to the Amendment and to setting  
5 March 1, 2000 as the outside date for the close of escrow.

6 13. In 1999, there was a change in the policies of the California Coastal Commission  
7 regarding the requirements for the development of beach-front property. Among other things,  
8 the Coastal Commission mandated that a minimum view corridor to the ocean be provided in  
9 connection with new construction. This change in policy invalidated the concept approval for  
10 the plans being sold with the Property. Consequently, Pepperdine modified the plans to conform  
11 to the policy changes, creating the mandated view corridor and relocating the septic system,  
12 among other things. Pepperdine submitted the modified plans to the City of Malibu for concept  
13 approval. The City of Malibu rejected the modified plans, noting a number of deficiencies in the  
14 application and stating that a variance would be required. Pepperdine failed to inform Plaintiff  
15 that it had modified the plans, submitted the modified plans to the City of Malibu, and obtained a  
16 notice of rejection.

17 14. Plaintiff is informed and believes and thereon alleges that in late 1999/early 2000,  
18 Mr. Riordan and Mr. Broad became interested in the Property and, through their agents and  
19 representatives, approached Pepperdine concerning the purchase of the Property. Mr. Riordan  
20 and Mr. Broad were in the process of obtaining Coastal Commission approval for mansions they  
21 planned to build in the vicinity of the Property in Malibu and did not want to comply with coastal  
22 access and view corridor requirements for their houses. Consequently, their interest in the  
23 Property was related to trying to obtain concessions from the Coastal Commission to relieve  
24 them of the obligation of complying with the requirements that would apply to any other new  
25 construction by offering to give the Property to the State as a public beach. Pepperdine told Mr.  
26 Riordan's and Mr. Broad's agents and representatives of Plaintiff's escrow to purchase the  
27 Property. Mr. Riordan's and Mr. Broad's agents and representatives therefore contacted Plaintiff  
28 to see if they could obtain Plaintiff's cooperation in their acquisition of the Property. Although

1 they offered to purchase the Property from Plaintiff for \$100,000 more than the price Plaintiff  
2 had contracted to pay, Plaintiff refused explaining his plans to develop the Property and resell  
3 sell same for at least \$1,000,000 profit. Unwilling to accept defeat, Plaintiff is informed and  
4 believes and thereon alleges that Mr. Riordan and Mr. Broad used their political and financial  
5 influence to pressure Pepperdine into frustrating Plaintiff's purchase of the Property and sell it to  
6 them instead.

7 15. In February 2000, it became apparent to Plaintiff that the State Lands survey  
8 would not be completed before March 1, 2000, the expiration date set by the Amendment for the  
9 closing of Plaintiff's purchase of the Property. Plaintiff therefore asked Pepperdine to extend the  
10 escrow. Although initially Pepperdine was receptive to Plaintiff's request, Pepperdine  
11 ultimately refused to further extend the escrow. Plaintiff is informed and believes and thereon  
12 alleges that Pepperdine decision to reject a further extension of the escrow was based upon the  
13 political and financial influence exerted by Mr. Riordan and Mr. Broad.

14 16. About this time, Plaintiff learned that Pepperdine had modified the plans for the  
15 Property that were part of the Contract and that the plans no longer had concept approval.  
16 Plaintiff was ready, willing and able to close the transaction and provided proof of his ability to  
17 fund the purchase of the property. However, it appeared that Pepperdine would not be in a  
18 position to comply with its contractual obligation to deliver plans with concept approval.  
19 Plaintiff therefore demanded that Pepperdine provide assurances that it would delivered plans  
20 with concept approval as requirement by the Contract. Pepperdine failed to respond to Plaintiff's  
21 request for assurances that it would be in a position to give Plaintiff plans with concept approval  
22 and failed to tender any such plans by the March 1, 2000 closing date for the transaction.  
23 Plaintiff therefore declared Pepperdine to be in breach of the Contract and demanded immediate  
24 arbitration as required thereunder. While the parties discussed the selection of an arbitrator and a  
25 hearing date, Pepperdine stealthily sold the Property to parties and entities affiliated with Mr.  
26 Riordan and Mr. Broad. Plaintiff is informed and believes and thereon alleges that Pepperdine  
27 sought to frustrate Plaintiff's purchase of the Property and that the parties acquiring title to the  
28 Property from Pepperdine were aware of and abetted Pepperdine's breach of the Contract.

1 FIRST CAUSE OF ACTION

2 (Interference with Contract and Conspiracy to Induce  
3 Breach of Contract Against All Defendants)

4 17. Plaintiff incorporates here by reference all of the allegations set forth in  
5 paragraphs 1 through 16, inclusive, of this Complaint.

6 18. As alleged herein, Plaintiff is informed and believes that Defendants were aware  
7 of the Contract. Plaintiff is further informed and believes and thereon alleges that Defendants  
8 actively sought to cause Pepperdine to breach and frustrate the Contract, and that Defendants  
9 conspired with one another in order to conceive and execute a plan to cause Pepperdine to breach  
10 and frustrate the Contract. In furtherance of such conspiracy and plan to cause Pepperdine to  
11 breach and frustrate the Contract, Plaintiff is informed and believes and thereon alleges that  
12 Defendants themselves and through their agents and representatives contacted Pepperdine to  
13 induce Pepperdine to breach and frustrate the Contract and used their political and financial  
14 influence to cause Pepperdine to breach and frustrate the Contract.

15 19. Plaintiff is informed and believes and thereon alleges that Pepperdine would  
16 have acted in good faith and would not have breached the Contract but for Defendants' efforts  
17 and exertion of political and financial influence directed at persuading Pepperdine to abrogate the  
18 Contract and sell the Property to them. Plaintiff is informed and believes and thereon alleges  
19 that, as the result of Defendants' conduct, Pepperdine failed to act in good faith and breached the  
20 Contract.

21 20. As the direct and proximate result of Defendants' interference and conspiracy to  
22 interfere with the Contract, Plaintiff has been damaged in an amount believed to be in excess of  
23 \$1,000,000.00, subject to proof at time of trial. Plaintiff will seek to amend this Complaint with  
24 the further amounts of his damages once same have been ascertained by Plaintiff.

25 21. Defendants' conduct in interfering and conspiring to interfere with the Contract  
26 was malicious in that Defendants' actions were despicable and undertaken in conscious disregard  
27 of Plaintiff's right to the benefits of the Contract. Plaintiff therefore seeks the imposition of  
28 punitive damages against Defendants.

1 SECOND CAUSE OF ACTION

2 (Interference with Economic Advantage and Conspiracy to  
3 Interfere with Economic Advantage Against All Defendants)

4 22. Plaintiff incorporates here by reference all of the allegations set forth in  
5 paragraphs 1 through 16, inclusive, of this Complaint.

6 23. Plaintiff is informed and believes that Defendants were aware that Plaintiff  
7 intended to acquire the Property and build a house thereon for the purposes of reselling the  
8 developed Property for profit. Based upon Plaintiff's experience in developing real estate,  
9 Plaintiff had a reasonable expectation of obtaining a profit from the development of the Property.  
10 Plaintiff is further informed and believes and thereon alleges that Defendants knew of Plaintiff's  
11 expectation of profit.

12 24. Plaintiff is informed and believes and thereon alleges that Defendants actively  
13 sought to frustrate Plaintiff's purchase of the Property, and that Defendants conspired with one  
14 another in order to conceive and execute a plan to frustrate Plaintiff's purchase of the Property in  
15 order to acquire the Property for their own personal gains and benefits. In furtherance of such  
16 conspiracy and plan, Plaintiff is informed and believes and thereon alleges that Defendants  
17 themselves and through their agents and representatives contacted Pepperdine to induce  
18 Pepperdine to breach and frustrate the Contract and used their political and financial influence to  
19 cause Pepperdine to breach and frustrate the Contract.

20 25. Plaintiff is informed and believes and thereon alleges that Pepperdine would  
21 have acted in good faith and would not have breached the Contract so that Plaintiff would have  
22 acquired the Property, but for Defendants' efforts and exertion of political and financial influence  
23 directed at persuading Pepperdine to abrogate the Contract and sell the Property to them.  
24 Plaintiff is informed and believes and thereon alleges that, as the result of Defendants' conduct,  
25 Pepperdine failed to act in good faith and breached the Contract and Plaintiff was unable to  
26 acquire the Property.

27 26. As the direct and proximate result of Defendants' interference and conspiracy to  
28 interfere with Plaintiff's economic advantage, Plaintiff has been damaged in an amount believed

1 to be in excess of \$1,000,000.00, subject to proof at time of trial. Plaintiff will seek to amend  
2 this Complaint with the further amounts of his damages once same have been ascertained by  
3 Plaintiff.

4 27. Defendants' conduct in interfering and conspiring to interfere with Plaintiff's  
5 economic advantage was malicious in that Defendants' actions were despicable and undertaken  
6 in conscious disregard of Plaintiff's right to the benefits of acquiring the Property. Plaintiff  
7 therefore seeks the imposition of punitive damages against Defendants.

8 **THIRD CAUSE OF ACTION**

9 (Constructive Trust/Accounting Against All Defendants)

10 28. Plaintiff incorporates here by reference all of the allegations set forth in  
11 paragraphs 1 through 27, inclusive, of this Complaint.

12 29. By virtue of the Contract, Plaintiff is entitled to title to the Property. Defendants  
13 only acquired title to the Property through their wrongful conduct as alleged herein.  
14 Consequently, Defendants hold the Property in trust for Plaintiff and, upon Plaintiff's tender of  
15 the purchase price due pursuant to the Contract, Defendants have an obligation to transfer title to  
16 the Property to Plaintiff. The Court should therefore impose a constructive trust upon the  
17 Property and any proceeds derived from the exploitation and sale of the Property for the benefit  
18 of Plaintiff, who is the rightful owner of the Property. Defendants should be ordered to account  
19 for and disgorge all proceeds from any exploitation and sale of the Property and to transfer title  
20 to the Property to Plaintiff upon payment of the purchase price due pursuant to the Contract.

21 **FOURTH CAUSE OF ACTION**

22 (Declaratory Relief Against All Defendants)

23 30. Plaintiff incorporates here by reference all of the allegations set forth in  
24 paragraphs 1 through 29, inclusive, of this Complaint.

25 31. An actual controversy exists among the parties concerning their respective rights  
26 and interests in the Property. Plaintiff and Defendants dispute that:

27 a. Defendants hold the Property in trust for Plaintiff;

28 //



1           2.       For exemplary damages.

2       ON THE THIRD CAUSE OF ACTION:

3           3.       For an order imposing constructive trust on the Property and the proceeds derived  
4 from the exploitation and sale of the Property for the benefit of Plaintiff.

5           4.       For an order requiring Defendants to account for and disgorge all proceeds from  
6 the exploitation and sale of the Property to Plaintiff.

7           5.       For an order requiring Defendants to transfer title to the Property to Plaintiff upon  
8 Plaintiff's payment of the purchase price set forth in the Contract.

9       ON THE FOURTH CAUSE OF ACTION:

10          6.       For judicial determination of the rights and interest of the parties hereto with  
11 respect to the Property.

12       ON THE FIFTH CAUSE OF ACTION:

13          7.       For a temporary restraining order and preliminary and permanent injunction  
14 enjoining Defendants from transferring title to the Property to anyone other than Plaintiff, and  
15 otherwise selling, encumbering, or hypothecating title to the Property.

16       ON ALL CAUSES OF ACTION:

17          8.       For prejudgment interest pursuant to Civil Code Sections 3287 and/or 3288.

18          9.       For costs.

19          10.      For such further relief as the Court deems just and proper.

20

21 DATED: April 28, 2000

BURGEE & ABRAMOFF P.C.

By:   
JOHN G. BURGEE  
Attorneys for Plaintiff,  
JEFF GREENE

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**COPY** of Document Recorded  
**00-0649876**  
 Has not been compared with original.  
 Original will be returned when  
 processing has been completed.  
 LOS ANGELES COUNTY REGISTRAR - RECORDER/COUNTY CLERK

**APR 28 2000**

1 **JOHN G. BURGEE, ESQ.** (State Bar No. 132129)  
 2 **BURGEE & ABRAMOFF, P.C.**  
 3 16133 Ventura Boulevard, Suite 1145  
 Encino, California 91436  
 (818) 788-1600

4 Attorneys for Plaintiff,  
 5 **JEFF GREENE**

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 8 **FOR THE COUNTY OF LOS ANGELES**

10 **JEFF GREENE**, an individual,  
 11 Plaintiff,

12 vs.

13 **RICHARD J. RIORDAN**, an individual,  
 14 **ELI BROAD**, individually and as trustee of  
 the Eli Broad Revocable Trust dated  
 15 8/21/98, **NANCY M. DALY**, individually  
 and as trustee of the Nancy M. Daly Living  
 Trust dated 5/23/97, **MATTHEW G.**  
 16 **KRANE**, individually and as Trustee of the  
 Gamma Family Trust Dated 10/30/97,  
 17 **SAMUEL M. FLETCHER**, individually  
 and as Trustee of the Georges Family Trust  
 18 Dated 10/30/97, and **DOES 1 through 50**,  
 inclusive,

19 Defendants.  
 20

CASE NO. **EC229033**  
 NOTICE OF PENDING ACTION  
 [Assessor's Parcel Number 4451-003-033].

21 NOTICE IS HEREBY GIVEN that on April 28, 2000, JEFF GREENE commenced a  
 22 legal action against RICHARD J. RIORDAN, ELI BROAD, individually and as trustee of the Eli  
 23 Broad Revocable Trust dated 8/21/98, NANCY M. DALY, individually and as trustee of the  
 24 Nancy M. Daly Living Trust dated 5/23/97, MATTHEW G. KRANE, individually and as  
 25 Trustee of the Gamma Family Trust Dated 10/30/97, and SAMUEL M. FLETCHER,  
 26 individually and as Trustee of the Gamma Family Trust Dated 10/30/97, which concerns and  
 27 affects the title to the real property located in the County of Los Angeles, State of California with  
 28 Assessor's Parcel Number 4451-003-033 and is described as:

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BEING A PORTION OF THAT PORTION OF RANCHO TOPANGA MALIBU SEQUIT, AS CONFIRMED TO MATTHEW KELLER, BY PATENT IN BOOK 1 PAGE 407, ET SEQ. OF PATENTS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT ENGINEERS CENTER LINE STATION 1069 PLUS 63.96 FEET OF THAT CERTAIN CENTER LINE COURSE OF THE 80 FOOT STRIP OF LAND DESCRIBED IN DEED FROM T. R. CADWALADER, ET AL., TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 15228 PAGE 342 OFFICIAL RECORDS OF SAID COUNTY; SAID 80 FOOT STRIP ALSO BEING SHOWN AS PACIFIC COAST HIGHWAY ON COUNTY SURVEYOR'S MAP NO. 8658 AS FILED IN THE OFFICE OF THE COUNTY ENGINEER OF SAID COUNTY; THENCE NORTH 77° 25' 30" EAST, 50.02 FEET; THENCE AT RIGHT ANGLES, 40.10 FEET MORE OR LESS TO THE SOUTH LINE OF SAID 80 FOOT STRIP; THENCE SOUTH 13° 18' 45" EAST 133.00 FEET MORE OR LESS TO THE MEAN HIGH TIDE LINE; THENCE WESTERLY ALONG SAID MEAN HIGH TIDE LINE TO THE INTERSECTION OF THAT CERTAIN COURSE SHOWN AS SOUTH 12° 24' 34" EAST AS SHOWN ON SAID COUNTY SURVEYOR'S MAP NO. 6658 PASSING THROUGH THE POINT OF BEGINNING; THENCE NORTH 12° 24' 34" WEST IN A DIRECT LINE TO THE POINT OF BEGINNING.

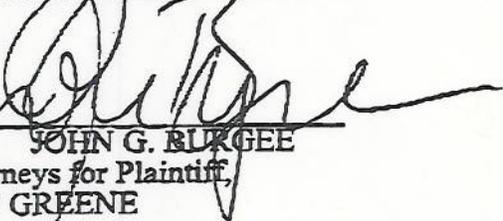
INCLUDING THAT PORTION LYING 30.00 FEET WESTERLY, MEASURED AT RIGHT ANGLES FROM SAID COURSE SHOWN AS SOUTH 12° 24' 34" EAST AS SHOWN ON SAID COUNTY SURVEYOR'S MAP NO. 6658.

EXCEPT THAT PORTION LYING WITHIN SAID PACIFIC COAST HIGHWAY.

The lawsuit seeks to impose a constructive trust on the Property for the benefit of JEFF GREENE and to compel Defendants to convey title to the Property to JEFF GREENE. All persons who hereafter seek to acquire any interest in the real property shall acquire such interest or title subject to this Notice of Pending Action and the Complaint herein.

DATED: April 28, 2000

BURGEE & ABRAMOFF P.C.

By:   
JOHN G. BURGEE  
Attorneys for Plaintiff,  
JEFF GREENE

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the County of Los Angeles, State of California. I am over the age of 18  
4 and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite  
5 1145, Encino, California 91436.

6 On April 28, 2000, I served the foregoing document described as: NOTICE OF  
7 PENDING ACTION [Assessor's Parcel Number 4451-003-033] on the interested parties in this  
8 action:

9  by placing  the original  a true copy thereof enclosed in sealed envelopes addressed  
10 as follows:

11 Nancy Daly  
12 c/o Helen Wu, CPA  
13 J.Arthus Greenfield & Co. LLP  
14 924 Westwood Boulevard, Suite 1000  
15 Los Angeles, California 90024

Eli Broad  
1999 Avenue of the Stars, 37<sup>th</sup> Floor  
Los Angeles, California 90067-6022

16  BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED

17  \*I deposited such envelope in the mail at Encino, California. The envelope was  
18 mailed with postage thereon fully prepaid.

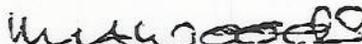
19  As follows: I am "readily familiar" with the firm's practice of collection and  
20 processing correspondence for mailing. Under that practice it would be deposited  
21 with U.S. postal service on that same day with postage thereon fully prepaid at  
22 Encino, California in the ordinary course of business. I am aware that on motion  
23 of the party served, service is presumed invalid if postal cancellation date or  
24 postage meter date is more than one day after date of deposit for mailing in  
25 affidavit.

26 Executed April 28, 2000, at Encino, California.

27  \*(BY PERSONAL SERVICE) I delivered such envelope by hand to the offices of the  
28 addressee.

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

23 Maureen Woods  
24 Type or Print Name

  
Signature