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13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF LOS ANGELES – CENTRAL DISTRICT

15 **ANTELOPE VALLEY**
16 **GROUNDWATER CASES**

17 Included Actions:

18 Los Angeles County Waterworks District
19 No. 40 v. Diamond Farming Co., Superior
20 Court of California, County of Los
21 Angeles, Case No. BC 325201

22 Los Angeles County Waterworks District
23 No. 40 v. Diamond Farming Co., Superior
24 Court of California, County of Kern, Case
25 No. S-1500-CV-254348

26 Wm. Bolthouse Farms, Inc. v. City of
27 Lancaster, Diamond Farming Co. v. City of
28 Lancaster, Diamond Farming Co. v.
Palmdale Water Dist., Superior Court of
California, County of Riverside, Case Nos.
RIC 353 840, RIC 344 436, RIC 344 668

Judicial Council Coordination No. 4408

CLASS ACTION

Santa Clara Case No. 1-05-CV-049053

**NOTICE OF MOTION AND
MOTION TO SET ASIDE DEFAULT;**

**MEMORANDUM OF
POINTS AND AUTHORITIES; AND**

**DECLARATIONS OF
NORIK NARAGHI,
WENDELL NARAGHI AND
JOSEPH D. HUGHES**

Hearing Date: October 5, 2012
Time: 9:00 a.m.
Location: Dept. 1, Room 534
111 North Hill Street
Los Angeles, CA 90012

29 **I. NOTICE OF MOTION AND MOTION**

30 TO THE CROSS-COMPLAINANT AND ITS ATTORNEYS OF RECORD:

31 PLEASE TAKE NOTICE that on October 5, 2012, at 9:00 a.m., or as soon
32 thereafter as the matter can be heard in Department 1, Room 534, of the above-entitled Court
33 located at the Stanley Mosk Courthouse, 111 North Hill Street, Los Angeles, CA 90012, the

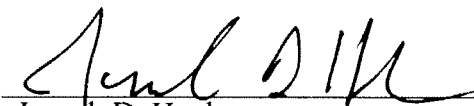
1 cross-defendant H&N DEVELOPMENT CO. WEST, INC., a California corporation, will
2 move, and hereby does move, the Court for an order setting aside the default entered against its
3 predecessor-in-interest H&N Development Co., Inc.

4 This motion is made pursuant to sections 473 and 473.5 of the Code of Civil
5 Procedure, on the grounds that: (a) H&N DEVELOPMENT CO. WEST, INC., did not receive
6 actual notice of the action until after the default was entered; and (b) the default is void for lack
7 of service. This motion is further made under section 128 of the Code of Civil Procedure on
8 the ground that enforcement of the default against H&N DEVELOPMENT CO. WEST, INC.,
9 would be inequitable where H&N DEVELOPMENT CO. WEST, INC., never received actual
10 notice of this action prior to entry of its default.

11 This motion to set aside entry of default will be made and based upon this
12 notice of motion and motion to transfer, the memorandum of points and authorities in part II
13 hereof, the declaration of Norik Naraghi in part III hereof, the declaration of Wendell Naraghi
14 in part IV hereof, the declaration of Joseph D. Hughes in part V hereof, the request for judicial
15 notice filed concurrently herewith, all records and documents filed in this case, and such oral
16 argument as the Court may entertain at the time of the hearing on this matter.

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18 Date: September 10, 2012

KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIEB & KIMBALL, LLP

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21 By: 
22 Joseph D. Hughes,
23 Attorneys for
24 H&N DEVELOPMENT CO. WEST, INC.
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1 **II. MEMORANDUM OF POINTS AND AUTHORITIES**

2 **A. Introduction.**

3 The cross-complainant LOS ANGELES COUNTY WATERWORKS
4 DISTRICT NO. 40 (the “County”) attempted to serve the cross-defendant H&N
5 DEVELOPMENT CO. WEST, INC. (“H&N West”), in September of 2008. The County
6 attempted this service at the personal address of a corporate officer for H&N West. The
7 County did not attempt to serve H&N West at its business office or at the location designated
8 for service of process.

9 After failing to personally serve H&N West, the County asked the Court to
10 order service by publication. In its application, the County represented—falsely—that it had
11 attempted to serve H&N West at its regular business office.

12 The County ultimately served H&N West by publishing notice in the
13 Bakersfield Californian and the Los Angeles Times. But the County was aware that H&N
14 West was located in Modesto, which is outside of the target range of the Californian and the
15 Times, and is instead served by the Modesto Bee.

16 Due to the County’s lack of diligent efforts to effect service, H&N West did not
17 receive actual notice of this action until default had already been entered against it. Since that
18 time, H&N West has asked the County to set aside the default. The County ignored and
19 ultimately refused this request. Because the County refuses to set aside the default—or
20 communicate with H&N West—it is necessary to move this Court to set aside the default.

21 **B. Statement of Facts.**

22 H&N West owns agricultural real property in the Antelope Valley, identified as
23 Kern County Assessor Parcel Numbers 359-031-07, 359-032-08, 359-032-13, 359-032-14,
24 359-032-20, and 359-032-21 (the “Property”). (Declaration of Norik Naraghi (“Decl. N.
25 Naraghi”), ¶ 3.)
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1 H&N West originally operated under the name of H&N Development Co., Inc.¹
2 (Decl. N. Naraghi ¶ 4.) Under this name, H&N West acquired title to the Property. (Decl. N.
3 Naraghi ¶ 4.) At some point prior to 2004, the corporate status of H&N West was suspended.
4 (Decl. N. Naraghi ¶ 5.) In 2005, H&N West attempted to reinstate its corporate status under
5 the name of “H&N Development Co., Inc.”, but discovered that another, unaffiliated
6 corporation had registered and was operating under that name. (Decl. N. Naraghi ¶ 5.)
7 Accordingly, pursuant to a certificate of amendment filed April 11, 2007 with the Secretary of
8 State, the corporation reinstated its corporate status but changed its name to H&N
9 Development Co. *West*, Inc. (Emphasis added; Decl. N. Naraghi ¶ 6.)

10 H&N West first became aware that it may be a cross-defendant in the Cross-
11 Complaint in May of 2012. (Decl. N. Naraghi ¶ 7.) H&N West leases the Property to Rod
12 Stiefvater. (Decl. N. Naraghi ¶ 8.) On May 25, 2012, Paul Nugent, an associate of Rod
13 Stiefvater, informed Norik Naraghi, the president of H&N West, that a default had been
14 entered against “H&N Development Co., Inc.” (Decl. N. Naraghi ¶ 8.) H&N West then
15 retained Joseph D. Hughes, a partner in the law firm of Klein, DeNatale, Goldner, Cooper,
16 Rosenlieb & Kimball, LLP. (Decl. N. Naraghi ¶ 9.)

17 Mr. Hughes contacted Stephanie Hedlund, counsel for the County, in late May
18 2012. (Declaration of Joseph D. Hughes (“Decl. J. Hughes”), at ¶ 2.) Mr. Hughes asked Ms.
19 Hedlund to stipulate to set aside the default against “H&N Development Co., Inc.” (Decl. J.
20 Hughes ¶ 2.) On May 31, 2012, Mr. Hughes contacted Ms. Hedlund and again requested that
21 the County stipulate to set aside the default. (Decl. J. Hughes ¶ 3.) Ms. Hedlund stated that
22 she had referred the request to others in her firm. (Decl. J. Hughes ¶ 3.) On the same date, Ms.
23 Hedlund provided Mr. Hughes a copy of the default entered against “H&N Development Co.,
24 Inc.” (Decl. J. Hughes ¶ 3.)

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28 ¹ For the sake of clarity, the corporation will be referred to as “H&N West” throughout
this memorandum, except where the name is relevant to the argument.

1 On June 1, 2012, Mr. Hughes asked Ms. Hedlund for a copy of a document
2 showing how the County attempted to serve H&N Development Co., Inc. (Decl. J. Hughes ¶
3 4.) Ms. Hedlund failed to respond. (Decl. J. Hughes ¶ 4.)

4 The County’s lack of cooperation forced H&N West to piece together on its
5 own how the original H&N Development Co., Inc., had been named as a cross-defendant. On
6 January 18, 2006, the County filed its original cross-complaint; on March 13, 2007, the County
7 filed its amended Cross-Complaint. (Amended Cross-Complaint, Request for Judicial Notice
8 (“RJN”), Exh. 1.) On July 13, 2007—*several months after H&N West registered its change of*
9 *name with the state Secretary of State*—the County asked the Court to name “H&N
10 Development Co., Inc.” as Roe 476. (Change of Name, RJN, Exh. 2; Roe Amendment, RJN,
11 Exh. 6.)

12 To serve H&N West with process, the County attempted personal service at
13 26014 E. Jones Road, Escalon, California in September of 2008. (Publication Application,
14 RJN, Exh. 3.) These attempts at service were not successful.

15 In publicly available forms filed with the Secretary of State, the office and
16 designated location for service for H&N West in 2008 was located at 1800 Oakdale Road,
17 Suite G, Modesto, California. (Decl. N. Naraghi ¶ 11, and Exhibits A and B thereto;
18 Declaration of Wendell Naraghi (“Decl. W. Naragi”) ¶ 5, and Exhibits A and B thereto.)

19 The County did not attempt service on the other corporation operating as H&N
20 Development Co., Inc. In 2008, the other corporation had registered its business location and
21 place for service of process as 34326 Camino El Molino, Capistrano Beach, California.
22 (Statement of Information, RJN, Exh. 4.)

23 When personal service was not made, the County obtained an order of the Court
24 allowing publication as service for the Roe defendants, including H&N Development Co., Inc.
25 (Order on Publication, RJN, Exh. 5.) To obtain the order, the County represented to the court
26 that it had attempted service on corporations “during usual office hours and in the office of the
27 person to be served.” (Publication Application at 2:19-24, RJN Exh. 3.) This was false. The
28 County had not actually attempted service on H&N West at its office or the office of the person

1 designated to be served. Publication was made in the Los Angeles Times and the Bakersfield
2 Californian. (Order on Publication, RJN, Exh. 5.)

3 During the month of June 2012, Mr. Hughes worked with H&N West to
4 determine its current and historical corporate status and filings with the California Secretary of
5 State. This took some time because all of the records were not immediately available. (Decl.
6 J. Hughes ¶ 5.)

7 When Mr. Hughes did not hear back from Ms. Hedlund, Mr. Hughes asked his
8 associate Kurt Van Sciver to contact the Court regarding the procedures for motion practice in
9 this matter. (Decl. J. Hughes ¶ 6.) After several attempts to contact the Court, Mr. Van Sciver
10 spoke with a staff member of the Court on July 3, 2012. (Decl. J. Hughes ¶ 6.)

11 On July 10, Mr. Hughes contacted Ms. Hedlund by e-mail and again requested
12 that the County stipulate to set aside the default. (Decl. J. Hughes ¶ 7.) Mr. Hughes attached a
13 draft stipulation. (Decl. J. Hughes ¶ 7.) Mr. Hughes indicated that he would be filing this
14 Motion if he did not hear back from Ms. Hedlund. (Decl. J. Hughes ¶ 7.) The County never
15 responded to this last request, which then necessitated filing this Motion. (Decl. J. Hughes ¶
16 7.)

17 Until May 2012, H&N West never had notice of the Cross-Complaint and was
18 unaware that it may be a cross-defendant in this pending action. (Decl. W. Naraghi ¶¶ 2-4;
19 Decl. N. Naraghi ¶ 7, 10.)

20 **C. The County's default against H&N West should be set aside because the**
21 **County did not attempt proper service and H&N West did not receive**
22 **actual notice of the action before the default was taken.**

23 The default against H&N West should be set aside for two reasons. First, the
24 default is void for lack of proper service. The County did not use reasonable diligence to
25 attempt service because it did not attempt service at the designated address for H&N West.
26 Second, H&N West did not receive actual notice of the action pending against it until after the
27 default was entered, and H&N West has taken reasonable steps to attempt to have the default
28 set aside.

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1. *The Default Is Void Because Service Was Improper*

Section 473(d) of the Code of Civil Procedure provides that the court “may, on motion of either party after notice to the other party, set aside any void judgment or order.” A default is void if entered against a defendant who was not properly served with a summons and complaint. (*Ellard v. Conway* (2001) 94 Cal.App.4th 540, 544.)

(a) *Service by publication was improper because the County did not attempt service at the corporate office.*

Service by publication does not satisfy due process where the name and address of the person or entity to be served is known. (*Mennonite Bd. of Missions v. Adams* (1983) 462 U.S. 791, 795.) A court may order service by publication only where the plaintiff shows “the party to be served cannot with reasonable diligence be served in another manner.” (Code Civ. Proc. § 415.50(a).) “The term ‘reasonable diligence’ . . . denotes a thorough, systematic investigation and inquiry conducted in good faith by the party or his agent or attorney.” (*Watts v. Crawford* (1995) 10 Cal.4th 743, 749 n.5.) Publishing a summons should be used only as a “last resort.” (*Ibid.*)

A corporation may be served by personal service on a corporate officer or director, or upon a designated agent for service of process. (Code Civ. Proc. §§ 416.10(a), (b); Corp. Code § 1701.) If the registered agent cannot be served at the location designated with the Secretary of State, the plaintiff may serve the Secretary of State. (Corp. Code § 1702.)

In its haste to take as many defaults as possible in this action, the County failed to follow these simple rules of procedure and constitutional due process. In its 2008 Statement of Information filed with the Secretary of State, H&N West designated a location in Modesto as its office and as the location of its registered agent for service of process. This was readily accessible through the Secretary of State office and was available on-line. The County did not, however, attempt to serve H&N West at either its registered office or its location for service of process in Modesto. It instead chose to attempt service on H&N West’s designated agent at his *personal residence* in Escalon. If he had been found there by the process server, then service

1 would have been effective. But he was not found there. The County, however, concluded that
2 nothing more needed to be done to serve H&N West and turned to service by publication.

3 The County first had to convince this Court that service on H&N West by
4 publication was proper. The County represented to the Court in a blanket statement that it had
5 attempted service on corporations “during usual office hours and in the office of the person to
6 be served.” (Publication Application at 2:19-24, RJN Exh. 3.) **This statement is false.** The
7 County never attempted to serve H&N West at the designated corporate office or the
8 designated office of the agent for service of process.

9 It is unclear why the County used the Escalon address. It is possible that the
10 County culled the Escalon address from the recorded deed to the Property or the local tax
11 assessor roll. Either way, the County refused to act with sufficient diligence. Although a tax
12 assessment roll may be sufficient where a plaintiff attempts to serve an individual defendant
13 (*Watts v. Crawford* (1995) 10 Cal.4th 743, 749 n.5), using the tax assessment roll (or an
14 address on a deed) does not show sufficient diligence when the defendant is a corporation
15 whose address may be found in seconds with a few keystrokes on the Secretary of State
16 website. (Cf. Corp. Code § 1702(a) [providing that service upon Secretary of State authorized
17 if “the agent designated [for service of process] cannot with reasonable diligence be found at
18 the address designated for personally delivering the process”]; *Bakersfield Hacienda, Inc. v.*
19 *Superior Court* (1962) 199 Cal.App.2d 798 [stating that predecessor statute to Corporations
20 Code section 1702 should be interpreted together with the predecessor statute to Code of Civil
21 Procedure section 416.10 and holding that attempted service of process on general manager did
22 not show sufficient diligence where the plaintiff did not attempt to serve an officer of the
23 corporation].). In any event, the Escalon address was not H&N West’s corporate office or that
24 of its designated agent for service of process. The County simply shot at the wrong target—
25 and missed.

26 The County cannot claim that any confusion over the identity of H&N West
27 caused the failure to properly serve process. The Roe amendment adding H&N West in July of
28 2007 was filed several months after H&N West had already changed its name with the

1 Secretary of State to H&N West in April of 2007. The County would have known the proper
2 name of H&N West at the time of the Roe amendment had the County exercised reasonable
3 diligence. Again, the correct corporate name (or at least the issue) could have been learned in
4 seconds with a few keystrokes on the Secretary of State website. The County obviously never
5 investigated the publically available records of the Secretary of State because the County did
6 not even attempt to serve *the other* H&N Development Co., Inc. corporation at either its
7 business office or its location for service of process. The County was oblivious to this issue of
8 the proper corporate name because the County failed to do its homework.

9 Because the County did not use reasonable diligence to serve H&N West prior
10 to seeking an order to allow service by publication, any service by publication was improper.
11 Accordingly, the default against H&N West is void for improper service.

12 (b) *Publishing notice in Bakersfield and Los Angeles was insufficient*
13 *because H&N West was located in Stanislaus County.*

14 The County's purported service of process by publication is void for a second
15 reason. The notice must be published in the newspaper "that is most likely to give actual
16 notice to the party to be served." (Code Civ. Proc. § 415.50(b).) The County *knew* that H&N
17 West was located in Stanislaus County, *yet the County published the notice in Kern and Los*
18 *Angeles counties.* Because H&N West was located in Stanislaus County, the newspaper most
19 likely to give notice was the Modesto Bee. Accordingly, the default is void for failure to
20 publish the notice in a proper newspaper.

21 2. *The default should be vacated because H&N West did not have actual*
22 *notice of the action.*

23 Section 473.5(a) of the Code of Civil Procedure provides that a party who has
24 not received "actual notice" of a pending action before entry of default may move the court to
25 set aside the default. The motion must be served "within a reasonable time" but not later than
26 180 days after written notice of the default. (*Ibid.*) The party seeking to set aside the default
27 must provide a declaration "under oath that the party's lack of actual notice in time to defend
28 the action was not caused by his or her avoidance of service or inexcusable neglect." (*Ibid.*)

1 The statute thus requires the moving party to show that: (1) the party did not
2 receive actual notice in time to defend the action; (2) the motion is filed within a reasonable
3 time and less than 180 days from written notice of the default; and (3) the lack of actual notice
4 was not caused by avoidance of service or inexcusable neglect. In addition to these elements,
5 the statute also requires H&N West to file a copy of the proposed responsive pleading. (Code
6 Civ. Proc. § 473.5(b).) H&N West can satisfy all of these requirements.

7 (a) *H&N West did not receive actual notice of the pending action.*

8 H&N West did not receive actual notice of the Cross-Complaint until after May
9 25, 2012 when H&N West became aware that a default had been entered. H&N West was
10 never personally served with a copy of the Cross-Complaint or any summons to appear. (Decl.
11 N. Naraghi ¶ 10.) H&N West did not receive notice of the Cross-Complaint from the
12 California Secretary of State. (Decl. N. Naraghi ¶ 10.)

13 The first date that H&N West was aware of the default was in late May 2012
14 when its tenant informed H&N West of the default. H&N West then retained counsel and
15 directed its counsel to review the default. Counsel for H&N West subsequently obtained
16 copies of the Cross-Complaint from the on-line depository. By the time that H&N West was
17 aware of the Cross-Complaint, the request for entry of default had been filed. Accordingly,
18 H&N West did not receive actual notice of the Cross-Complaint until it was too late to defend
19 its rights in the Cross-Complaint.

20 (b) *This motion is filed within a reasonable time and less than 180 days of*
21 *discovery of the pending action and default.*

22 This Motion is filed within a reasonable time and less than 180 days of H&N
23 West learning of the default. When H&N West became aware of the default, it immediately
24 retained Mr. Hughes, who attempted to work with Ms. Hedlund and the County to set aside the
25 default. (Decl. N. Naraghi ¶ 9; Decl. J. Hughes ¶¶ 2-7.) Throughout late May, June and July
26 2012, Mr. Hughes communicated with Ms. Hedlund regarding setting aside the default;
27 however, the County stonewalled these inquiries and requests. (Decl. J. Hughes ¶¶ 2-7.)
28 These efforts were made to avoid the expense and use of the Court's time and resources, as

1 well as H&N West's, associated with a motion to set aside the default. In early July when it
2 appeared that the County would not cooperate, Counsel for H&N West communicated with
3 this Court and obtained October 5, 2012 as the earliest hearing date for this Motion. H&N
4 West has filed this Motion in accordance with the hearing date provided. Moreover, this
5 Motion is filed within 180 days of the entry of default and hence is filed within the time limits
6 imposed by section 473.5.

7 (c) *H&N West's lack of notice was not caused by avoidance of service or*
8 *inexcusable neglect.*

9 H&N West has never avoided service or neglected any of its responsibilities.
10 H&N West has followed all of the rules for notifying the public of its corporate name and the
11 proper locations for personal service. The neglect here belongs to the County. When the
12 County added "H&N Development Co., Inc." (the owner of the Property) as a cross-defendant
13 in July of 2007, the corporation had already changed its name with the Secretary of State to
14 H&N West. Accordingly, from the beginning the County neglected to sue the correct owner of
15 the Property. The County then attempted service in 2008 at 26014 E. Jones Road in Escalon.
16 This address was the address for H&N Development Co., Inc. indicated on the deed by which
17 it acquired the Property; however, H&N West properly filed its Statement of Information and
18 identified the address for the corporation and its agent for service of process to 1800 Oakdale
19 Road, Suite G in Modesto before 2008. Thus, the County neglected to attempt proper personal
20 service. The County then published notice of the Cross-Complaint in the Bakersfield
21 Californian and the Los Angeles Times. But H&N West is located in Modesto, where the local
22 paper is the Modesto Bee. The County therefore neglected to publish in the proper locale.
23 H&N West properly made its correct name and location publically available at all relevant
24 times. There has been no avoidance of service or neglect.

25 **D. The default should be set aside as a matter of equity.**

26 The Court may also set aside the entry of default as a matter of equity. "A
27 judgment is properly challenged in equity when it is claimed to have been rendered without
28 legal service of process or legal notice to a defendant." (*Sousa v. Freitas* (1970) 10

1 Cal.App.3d 660, 667.) “There need not be actual fraud. Extrinsic fraud that deprives the
2 adversary of a fair hearing may exist, though only the result of mistake.” (*Ibid.*) The court
3 further has the power to “amend and control its process and orders so as to make them conform
4 to law and justice.” (Code Civ. Proc. § 128(a)(8).)

5 Here, H&N West never received actual notice of the Cross-Complaint pending
6 against it or the request for entry of default. H&N West only learned of the lawsuit and the
7 default through coincidence, and not through any effort of the County. It is manifestly unfair
8 for H&N West to be bound by a judgment in a case where H&N West never received notice
9 and had no opportunity to defend its rights. Accordingly, the Court should set aside the default
10 as a matter of equity.

11 **E. Conclusion.**

12 For the reasons stated above, the Court should grant this Motion and set aside
13 the default entered against H&N West.

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15 Date: September 10, 2012

KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIB & KIMBALL, LLP

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18 By: 

19 Joseph D. Hughes,
20 Attorneys for
21 H&N DEVELOPMENT CO. WEST, INC.
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III. DECLARATION OF NORIK NARAGHI

I, NORIK NARAGHI, declare as follows:

1. I am an adult over the age of eighteen years and a resident of Modesto, California, in the County of Stanislaus.

2. I am the president of H&N West, a California corporation. I have reviewed the corporate records and make this declaration based on my knowledge and review of the relevant records.

3. H&N West owns agricultural real property in the Antelope Valley, identified as Kern County Assessor Parcel Numbers 359-031-07, 359-032-08, 359-032-13, 359-032-14, 359-032-20, and 359-032-21 (the "Property").

4. H&N West originally operated under the name of the "H&N Development Co., Inc." Under that name, H&N West acquired title to the Property.

5. Prior to 2004, the corporate status of H&N West was suspended. In 2005, the corporation attempted to reinstate its corporate status under the name of "H&N Development Co., Inc.", but discovered that another, unaffiliated corporation had registered and was operating under that name.

6. Accordingly, pursuant to a certificate of amendment filed April 11, 2007 with the Secretary of State, the corporation reinstated its corporate status but changed its name to H&N West.

7. H&N West first became aware that it was a cross-defendant in the Cross-Complaint in May 2012.

8. H&N West leases the Property to Rod Stiefvater. On May 25, 2012, Paul Nugent, an associate of Rod Steifvater, informed me that a default had been entered against "H&N Development Co., Inc."

9. H&N West retained Joseph D. Hughes, a partner in the law firm of Klein, DeNatale, Goldner, Cooper, Rosenlieb & Kimball, LLP, in May 2012.

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IV. DECLARATION OF WENDELL NARAGHI

I, WENDELL NARAGHI, declare as follows:

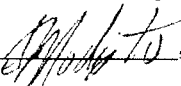
1. I am an adult over the age of eighteen years and a resident of Denair, California, in the County of Stanislaus.

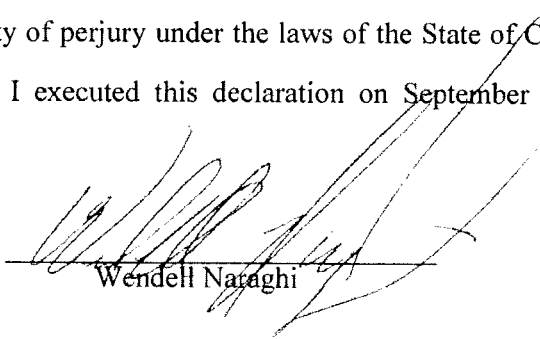
2. Until Norik Naraghi succeeded me as president, I was president of H&N West, a California corporation. I have reviewed the corporate records and make this declaration based on my knowledge and review of the relevant records.

3. I was president of H&N West in 2007 and 2008.

4. H&N West has never been served with a copy of the Cross-Complaint or any summons to appear. H&N West has never had notice of the Cross-Complaint filed against it.

5. In publicly available forms filed with the Secretary of State, the office and designated location for service for H&N West in 2008 was located at 1800 Oakdale Road, Suite G, Modesto, California. A true and correct copy of the statement of information filed by H&N West for 2007 is attached as **Exhibit A** and is hereby incorporated by this reference. A true and correct copy of the statement of information filed by H&N West for 2008 is attached as **Exhibit B** and is hereby incorporated by this reference.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I executed this declaration on September 10, 2012, at , California.


Wendell Naraghi

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I executed this declaration on September 10, 2012, at Bakersfield, California.

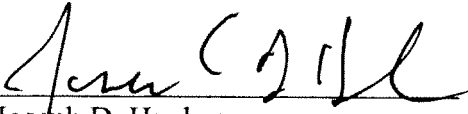

Joseph D. Hughes

Exhibit A



State of California Secretary of State

S

STATEMENT OF INFORMATION (Domestic Stock Corporation)

FEES (Filing and Disclosure): \$25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. **CORPORATE NAME** (Please do not alter if name is preprinted.)

CALIFORNIA CORPORATION NUMBER: C0271630

H&N DEVELOPMENT CO. WEST, INC.

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAY 08 2007

This Space For Filing Use Only

DUE DATE:

CALIFORNIA CORPORATE DISCLOSURE ACT (Corporations Code section 1502.1)

A publicly traded corporation must file with the Secretary of State a Corporate Disclosure Statement (Form SI-PT) annually, within 150 days after the end of its fiscal year. Please see reverse for additional information regarding publicly traded corporations.

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 2 and 3 cannot be P.O. Boxes.)

2. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY AND STATE	ZIP CODE	
1800 Oakdale Road, Suite G	Modesto, California	95355	
3. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
1800 Oakdale Road, Suite G	Modesto	CA	95355

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

4. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY AND STATE	ZIP CODE
Wendell Naraghi	1800 Oakdale Road, Suite G	Modesto, California	95355
5. SECRETARY/	ADDRESS	CITY AND STATE	ZIP CODE
Sharon Naraghi	1800 Oakdale Road, Suite G	Modesto, California	95355
6. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY AND STATE	ZIP CODE
Margaret Quattrin	1800 Oakdale Road, Suite G	Modesto, California	95355

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (The corporation must have at least one director. Attach additional pages, if necessary.)

7. NAME	ADDRESS	CITY AND STATE	ZIP CODE
Wendell Naraghi	1800 Oakdale Road, Suite G	Modesto, California	95355
8. NAME	ADDRESS	CITY AND STATE	ZIP CODE
Sharon Naraghi	1800 Oakdale Road, Suite G	Modesto, California	95355
9. NAME	ADDRESS	CITY AND STATE	ZIP CODE
Margaret Quattrin	1800 Oakdale Road, Suite G	Modesto, California	95355

10. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 12 must be completed with a California address. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 12 must be left blank.)

11. NAME OF AGENT FOR SERVICE OF PROCESS
Wendell Naraghi

12. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
1800 Oakdale Road, Suite G	Modesto	CA	95355

TYPE OF BUSINESS

13. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Agriculture and Real Estate Holdings

14. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

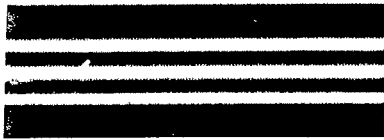
TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

SIGNATURE

TITLE

DATE

Exhibit B



State of California
Secretary of State



STATEMENT OF INFORMATION

(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): \$25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

This Space For Filing Use Only

S

1. CORPORATE NAME (Please do not alter if name is preprinted.)

C0271630
H&N DEVELOPMENT CO. WEST, INC.
1800 OAKDALE RD STE G
MODESTO CA 95355

DUE DATE: 03-31-08

NO CHANGE STATEMENT (Not applicable if agent address of record is a P.O. Box address. See instructions.)

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 16.
If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement has been previously filed, this form must be completed in its entirety.

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 3 and 4 cannot be P.O. Boxes.)

3. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
4. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
		CA	
5. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 3	CITY	STATE	ZIP CODE

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

6. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
7. SECRETARY/	ADDRESS	CITY	STATE	ZIP CODE
8. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (The corporation must have at least one director. Attach additional pages, if necessary.)

9. NAME	ADDRESS	CITY	STATE	ZIP CODE
10. NAME	ADDRESS	CITY	STATE	ZIP CODE
11. NAME	ADDRESS	CITY	STATE	ZIP CODE

12. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 14 must be completed with a California street address (a P.O. Box address is not acceptable). If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 14 must be left blank.)

13. NAME OF AGENT FOR SERVICE OF PROCESS

14. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE
CA

TYPE OF BUSINESS

15. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

16. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

DATE: 3/4/08 TYPE/PRINT NAME OF PERSON COMPLETING FORM: Wendell Nodary TITLE: President SIGNATURE: Wendell Nodary

INSTRUCTIONS FOR COMPLETING FORM SI-200 N/C

For faster processing, the required Statement of Information for most corporations can be filed online at <https://businessfilings.sos.ca.gov/>. Alternatively, statement forms are available on the Secretary of State's website at <http://www.sos.ca.gov/business/> and can be viewed, filled in and printed from your computer. Completed forms along with the applicable fees can be mailed to Secretary of State, Statement of Information Unit, P.O. Box 944230, Sacramento, CA 94244-2300 or delivered in person to the Sacramento office, 1500 11th Street, 3rd Floor, Sacramento, CA 95814. If you are not completing this form online, please type or legibly print in black or blue ink. This form is filed only in the Sacramento office.

Every domestic stock and agricultural cooperative corporation shall file a Statement of Information with the California Secretary of State, within 90 days after filing of its original Articles of Incorporation, and annually thereafter during the applicable filing period. The applicable filing period for a corporation is the calendar month during which its original Articles of Incorporation were filed and the immediately preceding five calendar months. A corporation is required to file this statement even though it may not be actively engaged in business at the time this statement is due. Changes to information contained in a previously filed statement can be made by filing a new form, completed in its entirety.

LEGAL AUTHORITY: Statutory filing provisions are found in California Corporations Code section 1502 or Food and Agricultural Code section 54040, unless otherwise indicated. Failure to file this Statement of Information by the due date will result in the assessment of a \$250.00 penalty. (Corporations Code section 2204; Revenue and Taxation Code section 19141.)

FEES: The Statement of Information must be accompanied by a \$20.00 filing fee and \$5.00 disclosure fee. The filing fee and the disclosure fee may be included in a single check made payable to the Secretary of State. All domestic stock and agricultural cooperative corporations must pay a total of \$25.00 at the time of filing the statement. If this statement is being filed to amend any information on a previously filed statement and is being filed outside the applicable filing period, as defined above, no fee is required.

COPIES: The Secretary of State will endorse file one copy of the statement if an exact copy is submitted along with the statement to be filed. Copies submitted with the statement to be filed can be certified upon request and payment of the \$8.00 per copy certification fee.

PUBLICLY TRADED CORPORATIONS: Every publicly traded corporation must also file a Corporate Disclosure Statement (Form SI-PT) annually, within 150 days after the end of its fiscal year. A "publicly traded corporation" is a corporation, as defined in Corporations Code section 162, that is an issuer as defined in Section 3 of the Securities Exchange Act of 1934, as amended (15 U.S.C. Sec. 78c), and has at least one class of securities listed or admitted for trading on a national securities exchange, on the National or Small-Cap Markets of the NASDAQ Stock Market, on the OTC-Bulletin Board, or on the electronic service operated by Pink Sheets, LLC. Form SI-PT may be obtained from the Secretary of State's website at <http://www.sos.ca.gov/business/> or by calling the Statement of Information Unit at (916) 657-5448.

Complete the Statement of Information (Form SI-200 N/C) as follows:

Item 1. Please do not alter the preprinted name. If the corporate name is not correct, please attach a statement indicating the correct name and the date the name change amendment was filed with the California Secretary of State. If blank, enter the name of the corporation **exactly** as it is of record with the California Secretary of State.

Item 2. If there has been no change to the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 16. Note: Effective January 1, 2008, a P.O. Box address is no longer an acceptable address for the agent for service of process. Therefore, if the last address for the agent for service of process is a P.O. Box address, the statement must be completed in its entirety.

If there has been any change to the last Statement of Information filed with the California Secretary of State, including a change to any address, or no statement has ever been filed, complete this form in its entirety.

Item 3. Enter the complete street address, city, state and zip code of the principal executive office. Please do not enter a P.O. Box or abbreviate the name of the city.

Item 4. Enter the complete street address, city and zip code of the corporation's principal office in California, if any. Please do not enter a P.O. Box or abbreviate the name of the city. Complete this item only if the address in Item 3 is outside of California.

Item 5. Enter the mailing address of the corporation, if different from the street address of the principal executive office.

Items 6-8. Enter the name and complete business or residential address of the corporation's chief executive officer (i.e., president), secretary and chief financial officer (i.e., treasurer). Please do not abbreviate the name of the city. The corporation must have these three officers (Corporations Code section 312(a).) Any number of offices may be held by the same person unless the articles or bylaws provide otherwise, except, in the case of an agricultural cooperative, neither the president nor the secretary may be the same person. (Food and Agricultural Code section 54149.) Please note, unless the articles or bylaws provide otherwise, the president, or if there is no president, the chairman of the board, is the chief executive officer of the corporation. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.

Items 9-11. Enter the name and complete business or residential address of each incumbent director. If there are more than three directors, please attach additional pages. Please do not abbreviate the name of the city. The corporation must have at least one director. (Corporations Code section 212(a).)

Item 12. Enter the number of vacancies on the board of directors, if any.

Item 13. Enter the name of the agent for service of process in California. An agent is an individual (director, officer or any other person, whether or not affiliated with the corporation) who resides in California or another corporation designated to accept service of process if the corporation is sued. The agent **must** agree to accept service of process on behalf of the corporation prior to designation.

If an individual is designated as agent, complete Items 13 and 14. If another corporation is designated as agent, complete Item 13 and proceed to Item 15 (do not complete Item 14).

Note: Before another corporation may be designated as agent, that corporation must have previously filed with the California Secretary of State, a certificate pursuant to Corporations Code section 1505. **A corporation cannot act as its own agent** and no domestic or foreign corporation may file pursuant to section 1505 unless the corporation is currently authorized to engage in business in California and is in good standing on the records of the California Secretary of State.

Item 14. If an individual is designated as agent for service of process, enter a business or residential **street** address in California (a P.O. Box address is not acceptable). Please do not enter "in care of" (c/o) or abbreviate the name of the city. If another corporation is designated as agent, leave Item 14 blank and proceed to Item 15.

Item 15. Briefly describe the general type of business that constitutes the principal business activity of the corporation.

Item 16. Type or print the name and title of the person completing this form and enter the date this form was completed. By submitting this Statement of Information to the California Secretary of State, the corporation certifies the information contained herein, including any attachments, is true and correct.

AARON BROWN
NORIK G. NARAGHI
1825 AVIGNON LN.
MODESTO, CA 95356-8400

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11-4288/1210 4149
5306331017


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For ~~HN~~ Dev. West

Norik Naraghi

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