

NOTICE OF CLAIMS AGAINST THE CITY OF TUCSON

The claim form must be filled out completely and:

MAILED TO:
City of Tucson City Clerk's Office P.O. Box 27210 Tucson, AZ 85726-7210

OR

HAND CARRIED TO:
City of Tucson City Clerk's Office 255 West Alameda 9th Floor

If you have questions regarding this form or the claims process, please call the City of Tucson's Risk Management Office at (520) 791-4728. The City Clerk may not accept service of claims or lawsuits filed against individual employees or their spouses.

Claimant may wish to review applicable laws, such as the following:

1. Arizona Revised Statutes § 12-821 (excerpt listed at bottom of the Notice of Claim form)
2. Arizona Rules of Civil Procedure [Volume 16, Rule 4.1 (b)]
3. Tucson City Charter [Chapter XXV, Section 12 (with the exception of the 60-day claim filing period which has been superseded by the period specified in Section 12-821.01, Arizona Revised Statutes)].

FOR CITY CLERK USE ONLY

<p>1. <input type="checkbox"/> Notice of Claim <input type="checkbox"/> Lawsuit <input type="checkbox"/> Subpoena Log # <u>25420</u></p> <p style="margin-left: 100px;"><input type="checkbox"/> Claim/Lawsuit Involves a Juvenile Date of Birth: _____</p> <p>2. Received By -- Deputy City Clerk: <u>Susan Harper</u></p> <p>3. Describe: <u>Komariski</u></p> <p>Received on Behalf of: <u>CITY OF TUCSON</u></p> <p style="text-align: right;">Authorization on File? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(Department Director or Code Official):</p> <p>Does this claim Involve a Minor? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Attachments Included: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Number of Pages: <u>33</u> (Include Notice of Claim Form and Information Sheet)</p> <p>Number of Photos: <u>0</u> BW <input type="checkbox"/> Color <input type="checkbox"/></p> <p>Photos Received In Risk Management By: _____ Date: _____</p> <p>4. Method of Receiving Notice of Claim/Lawsuit:</p> <p><input checked="" type="checkbox"/> Process Server Name: <u>CHRISTIE KYLLE</u></p> <p style="margin-left: 40px;">or</p> <p><input type="checkbox"/> Messenger Server Signature: _____</p> <p><input type="checkbox"/> Personal Delivery Name: _____</p> <p style="margin-left: 40px;">Signature: _____</p> <p><input type="checkbox"/> Regular Mail</p> <p><input type="checkbox"/> Certified Mail - Receipt # _____</p> <p><input type="checkbox"/> Other (Specify): _____</p> <p>5. Email Distribution of Notice Claim (Courtesy Copies)</p> <p><input checked="" type="checkbox"/> Risk Manager Date: _____ Received By: _____</p> <p><input checked="" type="checkbox"/> City Attorney Date: _____ Received By: _____</p> <p><input type="checkbox"/> _____ Date: _____ Received By: _____</p> <p><input type="checkbox"/> _____ Date: _____ Received By: _____</p>	<p style="text-align: center; font-weight: bold;">Date/ Time Received</p> <p style="text-align: center; font-size: 2em;">16 DEC 13 P2:35</p> <p style="text-align: center; font-size: 0.8em;">CITY OF TUCSON RECEIVED</p>
<p>Subpoenas Only:</p> <p>Check # _____ <input type="checkbox"/> Cash Amount \$ _____ Payee: _____</p>	

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NOTICE OF CLAIM AGAINST THE CITY OF TUCSON

Pursuant to A.R.S. Sec. 12-821 & Section 12-821.01
(and other applicable laws listed on reverse)

(Risk Management Use Only)

CLAIM #:

Name: LAST FIRST M.J. Home Phone FGPJ Development
Konarski, Frank; Konarski, Gabriela; Konarski, Patricia; Konarski, John; Konarski, Frank E.; FGPJ Apartments

Address **Business Phone**
450 West Dakota Street (520) 746-0564

City **State** **Zip Code**
Tucson Arizona 85706

Claim Facts:

1. **Date of occurrence:** Date of Loss: June 27, 2016 **Time of Day:** N/A
2. **Location (address, intersection, etc.):** Affected properties: 441, 502, 509-534 West Dakota Street, Tucson, AZ 85706; 450 West Dakota Street, Tucson, AZ 85706
3. **Circumstances (i.e., what happened):**
See attached Addendum, 31 pages

REC'D: CITY CLERK'S OFFICE

OFFICE OF THE
CITY CLERK
16 OCT 13 P 2:35

CITY OF TUCSON
RECEIVED

4. Do you claim your property was damaged? If so, a) describe the property, b) describe the damage to the property, and c) state the amount in dollars of the damage to the property you claim to have incurred (attach estimates, appraisals, repair bills if available). "State the amount you would settle claim for should liability be found against the city \$ 15,000,000.00". ATTACH ADDITIONAL PAGES IF NECESSARY.
Violations of state and federal rights, losses of protections, subjection to retribution, damage to reputation, etc., were incurred as a result of the tortious and other misconduct of the City of Tucson ("City") and a select-few individuals working under the guise of the City. See attached Addendum, 31 pages. This information is subject to amendment, as necessary.

Amount: \$ 15,000,000.00

5. Do you claim to have suffered any bodily injuries? If so, a) describe the nature of the injury, b) indicate when you first became aware of the injury, c) state the name and address of any doctors or other medical practioners who have treated you for the injury, and d) state the amount of any medical expenses you have incurred for treatment of the injury (attach copies of bills or receipts for payment if available). "State the amount you would settle claim for should liability be found against the city \$ 15,000,000.00". ATTACH ADDITIONAL PAGES IF NECESSARY.
Physical and emotional distress was incurred as a result of the transgressions on the part of the City. See attached Addendum, 31 pages.
As stated above, the total amount for which this claim against the City may be settled is \$15,000,000.00, as based on the attached Addendum, 31 pages. This information is subject to amendment, as necessary.

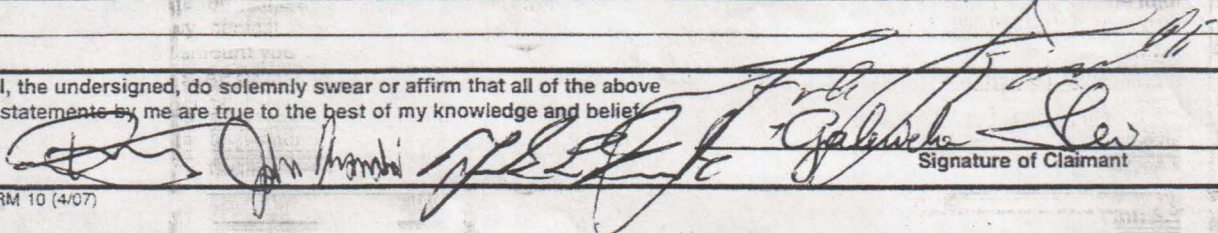
Amount: \$ See Above

6. Cause of damages and/or injuries:
The tortious and other misconduct, including the malfeasance, misfeasance and nonfeasance, of the City caused the damages, injuries and losses. See attached Addendum, 31 pages. This information is subject to amendment, as necessary.

7. Reasons why City is responsible for your damages and/or injuries:
The City is responsible for its tortious and other misconduct, particularly that of its employees, emanating from its effective policy that comprises this claim. See attached Addendum, 31 pages. This information is subject to amendment, as necessary.

8. List names and addresses of a) witnesses, b) parties, and c) treating physician(s):
Frank Konarski, Gabriela Konarski, Patricia Konarski, John Konarski, Frank E. Konarski, 450 W. Dakot St., Tucson, AZ 85706-3240; all other individuals listed in the attached Addendum, 31 pages. This information is subject to amendment, as necessary.

I, the undersigned, do solemnly swear or affirm that all of the above statements by me are true to the best of my knowledge and belief


Signature of Claimant

October 7, 2016

ADDENDUM

(Attached to Notice of Claim Coversheet)

**THOSE BRINGING THIS CLAIM
(collectively, "CLAIMANTS"):**

Frank Konarski
Gabriela Konarski
Patricia Konarski
John F. Konarski
Frank E. Konarski
FGPJ Apartments
FGPJ Development
450 West Dakota Street
Tucson, Arizona 85706-3240

**TO THOSE AGAINST
WHOM THIS CLAIM IS BROUGHT
(collectively, "RESPONDENTS"):**

Jonathan Rothschild, in his official and personal capacities
Michael Ortega, in his official and personal capacities
Michael G. Rankin, in his official and personal capacities
Dave Deibel, in his official and personal capacities
Julianne K. Hughes, in her official and personal capacities
James Stuehringer, in his official and personal capacities
Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C.
(Statutory Agent: Jill D. Wiley)
Albert Elias, in his official and personal capacities
Sally Stang, in her official and personal capacities
Erin Cooper, in her official and personal capacities
Dalia Encinas, in her official and personal capacities
Arturo Encinas, in his official and personal capacities
City of Tucson, a body politic
John/Jane Does 1-10

DATE OF LOSS:

June 27, 2016

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I. INTRODUCTION

Respondents were previously each legally forewarned of the unlawful misconduct that Claimants had been facing that would lead to multi-faceted harm short of corrective action by Respondents. In this light, the submission of this Notice of Claim ("Notice") should not come as a surprise to Respondents. In fact, Respondents were each given the express opportunity to cease and desist from interfering with Claimants' business and livelihood, disavow their involvement in such an unlawful scheme, and do what was necessary on their respective part as a public servant to prevent the full realization of such a known unlawful scheme. Specifically, Claimants, *inter alia*, sent twenty-one (21) cease-and-desist legal notices and demands to Respondents from April-June 2016. Respondents informatively chose not to heed such notices, and now each is being held personally liable for their tortious and other misconduct that caused multi-faceted harm to Claimants.

In general—make no mistake about it: Each of the individual Respondents, under the color of state law, either personally took part in the acts that led to the multi-faceted harm inflicted upon Claimants, particularly constitutional harm, or knowingly refused to terminate such acts that they knew or reasonably should have known—in fact, they were forewarned quite explicitly—would cause constitutional and other injuries to Claimants. As such, each of the individual Respondents is legally personally liable for such inflicted multi-faceted harm, as set forth in more detail below. *See, e.g., Levine v. City of Alameda*, 525 F.3d 903, 907 (9th Cir. 2008) (quoting *Larez v. Los Angeles*, 946 F.2d 630, 646 (9th Cir. 1991)); *Starr v. Baca*, 652 F.3d 1202, 1208 (9th Cir. 2011); *OSU Student Alliance v. Ray*, 699 F.3d 1053, 1071-75 (9th Cir. 2012).

Claimants did not ask for this legal battle, and, as noted, expressly urged Respondents to take urgent remedial action to avoid liability. Instead, Respondents stubbornly and knowingly pushed forward with their transgressions, operating as bullies cloaked under the authority of a body politic with the illusion that they could act with impunity. Respondents—and each of them—will learn the hard way that no such impunity exists. As such, Claimants will aggressively pursue their legal action against Respondents to be made whole as a result of their transgressions, and obtain punitive and exemplary damages from each of them, personally, to make an example out of them in an effort to deter future misconduct: A public official who knowingly defies the law is misconduct that effectively makes the official unbecoming of a public servant, and is one who performs a disservice to the public, poses a liability to the public, and will, consequently, be subjected to the most severe legal punishment.

As promised, most of the Respondents are each already being sued in their personal capacity in addition to their official capacity for violations of federal and state law for specifically having repeatedly violated Claimants' federally protected constitutional rights and state rights, and detrimentally interfered with Claimants' business, which operates in a federally protected domain—all as part of a pattern and practice of harm inflicted by such

Respondents. In addition to federal law violations, this Notice provides Respondents with notice of their violations of state law and the corresponding state law claims.

In a prior filing of a notice of claim, dated December 5, 2014, to preserve the multiple causes of action against some of the Respondents for their prior harm done to Claimants, very similar to the harm done in the instant matter, what became clear then was that the legal matter of 2014 quickly mushroomed into a much larger scandal of political and public-trust proportions: Shortly after the filing of the legal action concerning the legal harm as discussed in the December 2014 notice of claim, Claimants' then-counsel received an e-mail from Gary J. Cohen, an attorney of the law firm of Mesch, Clark & Rothschild, P.C. This law firm should sound familiar: It is none other than the law firm of the family of Jonathan Rothschild, who is the mayor of Respondent City of Tucson ("City") and now a current Respondent in this notice of claim. In fact, not too long ago, Respondent Rothschild, as then a candidate for mayor, remarked about the \$3.2 million in legal work his family's law firm did for Respondent City, to wit: "I'm proud of the work our family firm did."¹ Prior to being mayor, Respondent Rothschild had managed the law firm for decades, and his father, Lowell, and son, Isaac, still help run the law firm while engaged in representing Respondent City under the mayoral administration of Respondent Rothschild. There were two (2) serious problems with Mayor Rothschild's law firm's involvement in the 2014 matter: (1) Respondent Rothschild's family's law firm legal representation posed an obvious conflict of interest, something Respondent Rothschild sought to avoid by promising to the public his family's law firm would not be representing Respondent City in any legal matter during his tenure as mayor because of the conflict of interest inherent of his family's working for Respondent City he spearheads; and (2) Mr. Cohen of Respondent Rothschild's family's law firm engaged in the act—as part of a pattern and practice—of threatening Claimants and their attorneys, all as noted below.

In prefacing his threatening rant—for which Respondent City apparently paid hundreds of dollars for—Mr. Cohen of Respondent Rothschild's family's law firm made this clear in his e-mail of August 5, 2014, to wit: As an attorney of Respondent Rothschild's family's law firm, he said, "I represent the City of Tucson." Of course, this express declaration of Respondent Rothschild's family's law firm's representation of Respondent City completely contradicted Respondent Rothschild's public promise that his family's law firm would not be representing Respondent City at all during his tenure as mayor, to wit: "[Rothschild] said the firm would not do any work for the city while he serves as mayor, and he will recuse himself from any votes involving the firm."² And the reason for this promise of his to the public of not allowing his family's law firm to work for Respondent City is obvious given the conflict of interest inherent of his influential role in the administration of Respondent City, as highlighted by other members of the public, to wit: "Certainly, there's a conflict of interest. Even if [Rothschild] were to back away and resign

¹ Rhonda Bodfield, *Rothschild Conflict Put Forth by GOP*, AZ Daily Star, Oct. 20, 2011, at A1.

² *Id.*

and not do any work on any of the cases, the law firm still benefits his family,” said Tucsonan Carolyn Cox.³

To the extent his family’s law firm has shown to be engaged in representing Respondent City in spite of his public declaration that such representation would not occur during his mayoral administration, Respondent Rothschild has not only broken a promise to the public, arguably, he may have violated the ethical rule of honesty to which all lawyers of the State Bar of Arizona, such as himself, must adhere, to wit: “It is professional misconduct for a lawyer to... engage in conduct involving dishonesty, fraud, deceit or misrepresentation....” E.R. 8.4(c). At their discretion, Claimants may legally act on this professional misconduct.

Specifically, Mr. Cohen threatened to retaliate against Claimants and their counsel should they have continued to pursue their legal action for civil rights violations and the defense of their interstate commerce business activities. Apparently, Mr. Cohen’s threats were a continuation of Respondent City Attorney Michael Rankin’s established practice of threatening Claimants’ attorneys: Claimants received information that one of their other attorneys received, for his representation of them, what he believed to be a veiled threat from Respondent Rankin; and Claimants’ then-counsel also received a veiled threat from Respondent City’s Assistant Attorneys Michael W. L. McCorry and Mark R. Christensen. Such threats have not gone on unnoticed and without documentation. Claimants, as has been noted before, will not tolerate threats, acts of attempted intimidation and other acts of retaliatory misconduct that officials of Respondent City have shown the propensity to commit. Mr. Cohen’s threatening action as an attempt to seek an advantage over Plaintiffs was highly unethical, and many authorities have gone on to expressly prohibit such conduct. Threats come with legal consequences, particularly when they come from government officials or those who work on behalf of government officials, and especially as such threats are clearly intended to impede or interfere with Claimants’ exercise of their federally protected right to pursue legal action. *See, e.g., Florer v. Congregation Pidyon Shevuyim, N.A.*, 639 F.3d 916, 924 (9th Cir. 2011) (private individuals contracted to work for government are subject to liability for constitutional and other legal liability).

Sometime after the exposure of the above, Respondent Rankin and Respondent Rothschild helped come to subsidize other colleagues of theirs in the local legal community, namely the local law firm of Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C.—a recent public report revealed this firm was paid at least \$500,000.00 in public money—and specifically James Stuehringer, an attorney of the said firm whose legal representation has evolved to his involvement in the realization of the harm described below that is similar to the complained-of harm of 2014, making him and his law firm just as liable as the rest of the Respondents.

³ *Id.*

II. STATEMENTS OF CLAIM

1. PARTIES.

Claimants—specifically Frank Konarski, Gabriela Konarski, Patricia Konarski, John Konarski, and Frank E. Konarski—are and were, at all times relevant hereto, residents of the City of Tucson, State of Arizona, where they also operate their interstate commerce housing rental business, dba FGPJ Apartments; and their housing development business, FGPJ Development (again collectively, “Claimants,” and, interchangeably, individually by their real individual names, as applicable).

Respondents—specifically Jonathan Rothschild, Respondent City mayor; Michael Ortega, Respondent City manager; Michael G. Rankin, Respondent City attorney; David Deibel, chief deputy Respondent City attorney; James Stuehringer, publicly contracted Respondent City attorney; Julianne K. Hughes, in her crisscrossing/temporary assignment as assistant Respondent City manager and assistant Respondent City attorney; Albert Elias, assistant Respondent City manager; Sally Stang, Respondent City department director; Erin Cooper, Respondent City program administrator; Dalia Encinas, Respondent City caseworker; Arturo Encinas, Respondent City supervisory inspector; Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C.; and DOES 1-10—are and were, at all times relevant hereto, residents of the State of Arizona, and worked for Respondent City in their respective official capacities, and performed all acts described herein on behalf of the marital community of their respective selves and their respective spouses (again collectively, “Respondents,” and, interchangeably, individually by their real individual/entity names, as applicable).

2. DATE OF LOSS.

June 27, 2016 is considered to be Claimants’ date of loss. This date is the date Claimants came to first legally recognize the loss of the private tenancy of Tenants Erica James and Jeremiah L. Griffith as a result of the tortious and other misconduct of Respondents, as described herein.

3. FACTUAL RECITATION OF TORTIOUS AND OTHER MISCONDUCT.

(A) Respondents Successfully Interfered With Claimants’ Private Housing Rental Business Transaction and Lease-Contract With Customers/Tenants Erica James and Jeremiah L. Griffith, All as Part of Respondents’ Latest Anticompetitive and Tortious Scheme to Cause the Boycott of Claimants’ Interstate Commerce Business and Restrain Interstate Commerce.

In addition to the state and federal rights and protections afforded to citizens and ordinary

businesses, Claimants have additional rights as Claimants' housing rental business is considered to be engaged in the federally protected domain of interstate commerce, per Article I, Section 8, Clause 3 of the U.S. Constitution.

In the course of their housing rental business, Claimants engaged in a private housing rental business transaction with customers/housing tenants Erica James and Jerimiah L. Griffith ("Tenants James and Griffith"), resulting in an executed private lease-contract with Tenants James and Griffith for their private tenancy at Claimants' housing unit located at 520 West Dakota Street, Tucson, Arizona 85706. This tenancy began on February 20, 2016, and was set to end on February 29, 2017, a one-year tenancy of which was subject to an automatic renewal thereafter.

Respondents caused Tenants James and Griffith to boycott Claimants' housing rental business, and, in effect, breach their secured private housing rental business transaction with Claimants. In fact, in spite of the known existence of the secured private housing rental business transaction Tenants James and Griffith had with Claimants, Respondents handed Tenants James and Griffith with a monetary housing voucher packet—including a Request for Tenancy Approval form and Landlord Information form (collectively, "documentation")—to be filled out by a landlord.

Thereafter, and in seeking to continue their tenancy at Claimants' housing unit, Tenants James and Griffith presented Claimants with the documentation that Claimants needed to fill out and submit to Respondents in the fulfillment of Tenants James and Griffith's choice to apply their monetary housing voucher towards their continued tenancy at Claimants' housing unit. Claimants sought to accept the continued tenancy of such tenants via the application and subsidy of the monetary housing voucher, all in Claimants' attempt to mitigate Respondents' interference with the existing secured private housing rental business transaction with Tenants James and Griffith.

In their mitigation efforts, Claimants filled out the documentation and, along with the fulfillment of all other pre-requisites delineated within the documentation, electronically submitted such documentation to Respondent City first on March 18, 2016 (to Respondent City's designated submission e-mail address, sec8_landlords@tucsonaz.gov), then—with no scheduling response and a Respondent City representative's inability to ascertain any record of the said submission—again on March 25, 2016 (to Respondent City's designated submission fax line, 520-791-5201), and this was followed with an April 4, 2016 e-mail sent to Respondent Cooper (erin.cooper@tucsonaz.gov) that included such documentation yet again, all so that Respondents could schedule and conduct an inspection of the housing unit then occupied by Tenants James and Griffith under the foregoing private lease-contract with Claimants. Claimants made such documentation submission so that the then-existing private-market-based tenancy could transition to a Section 8 Housing Program-based tenancy, all as part of their mitigation attempts of counteracting Respondents' interference with the continued private-market-based tenancy of Tenants James and Griffith at

Claimants' housing unit.

In spite of Claimants' mitigation efforts, Respondents failed to conduct, let alone schedule a date and time for, an inspection of Claimants' housing unit that was then occupied by Tenants James and Griffith under the foregoing private lease-contract with Claimants, all the while Respondents sought to interfere with the said business transaction between Claimants and Tenants James and Griffith.

In fact, after Claimants had submitted the documentation, Claimants were given the apparent runaround—being told by representatives of Respondent City that such documentation was not acknowledged and otherwise that it would take four weeks to process—so that Respondents could regroup and further perpetuate their scheme (via issuing yet another monetary housing voucher) to cause Tenants James and Griffith to boycott their under-lease tenancy at Claimants' housing unit, in spite of Respondents' knowledge that Claimants had an existing private one-year lease-contract and business relationship with such tenants.

The execution of such a scheme involved coordination among various Respondents, as each Respondent had a role in attempting to, and did, heavily influence Tenants James and Griffith to move out from Claimants' housing with the use of a second monetary housing voucher and attached instructions to the said second voucher that it be used at a different housing rental business in spite of Respondents' knowledge that Claimants had an existing private one-year lease-contract and business relationship with such tenants.

As part of coaxing Tenants James and Griffith to boycott their business transaction with Claimants and threatening such tenants with the loss of financial subsidies should they not move out of Claimants' housing unit (in spite of a then-existing lease-contract), Respondents, particularly Respondent Dalia Encinas, engaged in a lengthy tirade of attempting to put Claimants in a false light, falsely communicating to such tenants that Claimants were unqualified landlords. Tenants James and Griffith also stated that they were informed by Respondent Dalia Encinas, among other Respondents, that no inspection would be scheduled of Claimants' housing unit, and that—in spite of an existing lease-contract in effect—they would need to immediately take a second monetary housing voucher issued to them from the office of Respondent City Housing and Community Development Department, and use it towards a housing rental business other than Claimants'.

Tenants James and Griffith made clear that not only did they desire to stay at Claimants' housing unit, they were contractually obligated to do so under a one-year private lease-contract. To that, however, as with other Respondents, Respondent Dalia Encinas explained the existence of the private lease-contract did not matter, and that they needed to get the second monetary housing voucher for application towards a housing rental business other than Claimants', or otherwise they would lose out on the offered financial benefits.

Among other actions taken by Respondents, Respondent Stang, with the help of other Respondents, including at least Respondent Rankin and Respondent Stuehringer, via an April 5, 2016 letter, went so far as to expressly put Claimants in a false light and further put pressure on Tenants James and Griffith, beyond meetings with them, to accept a second monetary housing voucher in exchange for moving out of Claimants' housing unit in spite of an ongoing lease-contract. — A similar letter was written by Respondent Stang to Claimants.

The refusal to conduct an inspection of Claimants' housing unit that was then occupied by Tenants James and Griffith, and, in effect, the refusal to permit such tenants the ability to apply their monetary housing voucher at Claimants' housing unit were unreasonable refusals because Claimants had shown to be qualified to rent to those with monetary housing voucher subsidies: Claimants had relatively recently rented to, among others, another housing tenant, Marina Duran, via the application of the tenant's housing monetary voucher towards her tenancy at Claimants' housing unit, a tenancy of which had been in existence for about 20-plus consecutive years, having passed every inspection in those years to maintain such a remarkably long and successful Section 8 Housing Program-based tenancy.

Notably, what underscores the bad-faith and unreasonable conduct—repugnant misconduct—by Respondents is the recent ruling of the Ninth Circuit Court of Appeals: It ruled, in part, that there exists sufficient personal vendetta **“evidence in the record [that] could support [Claimants'] claim that they were treated differently without any rational basis [by Respondent City and its officials],”** that such evidence **“tends to show that an otherwise rational basis [was a] pretext for genuine animosity”** in Respondent City's and their officials' improper government administration, all in violation of the equal protection clause of the Fourteenth Amendment to the U.S. Constitution. *Konarski v. City of Tucson*, 599 Fed. Appx. 652, 654 (9th Cir. 2015) (emphasis added). Through such unlawful conduct, Respondents have illegally manipulated the public administration of the federal Section 8 Housing program, on the basis of a “personal vendetta” harbored by Respondents. In so doing, Respondents have unlawfully interfered with and obstructed Claimants' housing business, specifically interfering with, obstructing and causing the losses of not only existing and new Section 8 Housing leases, but also of private leases, the private lease of Tenants James and Griffith being the latest loss.

Aggravating the personal vendetta-driven governance of Respondents is that—while Claimants, fully capable and demonstrably qualified landlords, have been obstructed from the ability as landlords to lease to Section 8 Housing tenants because of Respondents' personal vendetta—other landlords notably convicted of violent crimes, drug offenses, etc., and even one landlord who faced a child-sex crime, have been able to lease to Section 8 Housing tenants *without* any imposition of obstruction whatsoever placed upon them by Respondents. Respondents have admitted on the record that they do not screen landlords—a legitimate concern—for convictions of violent crimes, drug crimes or child-sex crimes,

specifically under the supervision of Respondent Arturo Encinas as the supervisory inspector of Respondent City. Afterwards, such tenants moved out of Claimants' housing unit and into the then-inspected new housing unit, all irrespective of the existing secured private housing rental business transaction such tenants had with Claimants.

On June 21, 2016, Claimants issued a legal notice, entitled, "Legal Notice of Abandonment and Legal Notice of Delinquent Debt," to Tenants James and Griffith. Per A.R.S. § 33-1370, after the passage of five days since the said legal notice was both posted and mailed to Tenants James and Griffith via first class—certified mail—return receipt requested, on June 27, 2016, Claimants first legally realized the loss of the private-market-based tenancy of Tenants James and Griffith as a result of Respondents' having fully and successfully facilitated the interference and consequential breach of the then-existing secured private housing rental business transaction, and, in effect, the then-existing private lease-contract with Tenants James and Griffith.

As with prior private tenancies, such as those listed below, Respondents sought to, and successfully did, deny Claimants from maintaining their tenancy of Tenants James and Griffith under *any* circumstance: under a new Section 8 Housing Program-based tenancy or even under Claimants' existing private one-year lease-contract (in effect through the end of February 2017). Respondents sought to, and did, accomplish this through the continued contract-interfering inducement offering of yet a new (second) monetary housing voucher effectively instructed by Respondents to be applied elsewhere other than at Claimants' housing rental business—even after Respondents were told to cease and desist.

(B) Respondents' Anticompetitive-Scheme and Tortious Policy: An Unlawful Restraint on Interstate Commerce

Each of the individual Respondents has played their respective role under the guise of Respondent City in the boycott pattern and practice premised on policy as indicated above, particularly as to the latest and successful attempt to have Tenants James and Griffith boycott Claimants' housing rental business: As with their continued scheme to cause other losses for Claimants—Respondent Rankin, Respondent Hughes, Respondent Deibel and Respondent Stuehringer have made themselves available to and engaged each other and the other named individual Respondents, and otherwise offered to the other named individual Respondents guidance on the formulation of policy and its particular application to Claimants' interstate commerce business, and did so in the latest successful interference of the private-market-based tenancy of Tenants James and Griffith; as policymakers, themselves, Respondent Rothschild, Respondent Ortega, Respondent Elias, Respondent Stang, and Respondent Cooper, as with their applicable predecessors, have engaged with each other and Respondent Rankin, Respondent Hughes, Respondent Deibel and Respondent Stuehringer, and otherwise received guidance from Respondent Rankin, Respondent Hughes, Respondent Deibel and Respondent Stuehringer when formulating policy and particularly applying it to Claimants' interstate commerce business, and, in

doing so, instructing the subordinate individual Respondents to conform in a manner consistent with such policy, and did so in the latest successful interference of the private-market-based tenancy of Tenants James and Griffith; as the subordinates relative to the foregoing named Respondents, Respondent Dalia Encinas, the caseworker to Tenants James and Griffith, was instructed to apply the policy communicated by the underlying chain of command (the foregoing named Respondents)—i.e., (i.) provided Tenants James and Griffith with a second monetary housing voucher with instructions that it not be used at Claimants' housing rental-business or otherwise their risk losing it within sixty days of issuance, (ii.) informed Tenants James and Griffith to breach the existing private lease-contract, and (iii.) processed all documentation necessary for any housing Respondents preferred to which Tenants James and Griffith were able to apply their second monetary housing voucher—and Respondent Arturo Encinas, a as supervisory inspector, has acted as the 'gatekeeper,' and specifically prevented the requested inspection of Claimants' housing unit, instructed or caused to be instructed Tenants James and Griffith to obtain the second monetary housing voucher for use other than at Claimants' housing rental business, and personally conducted or otherwise ordered/influenced another inspector to conduct the inspection of a housing unit other than Claimants' that was preferred by Respondents, all as the latest instance of unlawful interference with Claimants' interstate commerce business based on policy.

The policy, as set forth above and further elaborated below, has been in effect for some time, and when given an opportunity to disengage from the complained-of actions reflective of the policy, Respondents, and each of them, have taken the opportunity not to do so, effectively ratifying and maintaining as a Respondent City policy what Claimants have laid out in their prior legal notices and demands as illegal conduct.

In particular, as legal advisors put on notice via their receipt of the foregoing legal notices and demands, Respondent Rankin, Respondent Hughes, Respondent Deibel and Respondent Stuehringer have chosen not to advise the other named individual Respondents to disengage from taking the foregoing complained-of actions that are reflective of the policy, and, instead, contributed to the harm, as they did in the latest successful interference of the private-market-based tenancy of Tenants James and Griffith. In fact, Respondent Stang has previously made it clear that Claimants' objection to the interference with their private-market-based tenancies had to be taken up with Respondent Rankin, corroborating the fact that Respondent Rankin has had the ability to put an end to the interference and, thus, the unlawful assault on Claimants' housing rental business.

None of the named individual Respondents has been reprimanded or otherwise sanctioned by Respondent City for the complained-of actions of repeatedly interfering with Claimants' private tenancies, including the private-market-based tenancy of Tenants James and Griffith.

Respondents, through their collective actions, have conspired to engage in the restraint of

interstate commerce business, and did so in their successful interference of the private-market-based tenancy of Tenants James and Griffith, a tenancy of which was the result of a housing rental business transaction done in the course of interstate commerce. This conspired engagement exemplifies Respondents' pursuit of a policy of interfering with secured private housing rental business transactions between Claimants and their customers/housing tenants by offering such customers/housing tenants monetary incentives of the Section 8 Housing Program ("monetary housing voucher(s)") to knowingly breach and cause the losses of such existent secured private housing rental business transactions, and seek housing elsewhere that is preferred by Respondents.

By such a hybrid-restraint policy—anticompetitive scheme—Respondents have cultivated an anticompetitive environment: With Respondents' promulgated carrot-and-stick approach—i.e., offering a monetary housing voucher to subsidize housing for the foreseeable life of an individual and threatening the complete loss of such a financial incentive if the individual does not breach his/her existing secured housing arrangement and choose housing of Respondents' preference—Respondents enable select landlords, through no initial action of their own, to enjoy the anticompetitive effect of an artificial influx of customers/housing tenants who re-enter the rental market in seeking new housing and come to apply their monetary housing vouchers with such select landlords. This artificial influx of customers/housing tenants' seeking housing is created at the expense of the other landlords, namely Claimants, whose originally secured private housing rental business transactions are instructed by Respondents to be breached by such customers/housing tenants.

In addition to Respondents' consciously providing the financial incentives to knowingly cause customers/housing tenants of other landlords to leave their existing housing for new housing (i.e. to breach existing secured private housing rental business transactions in favor of having subsidized housing at housing of Respondents' choosing), Respondents further facilitate this artificial influx of customers/housing tenants out in the market for housing by inspecting the new housing Respondents have effectively channeled them to accept among the new housing Respondents prefer—again done all in spite of Respondents' knowing full well there exists previously secured private housing rental business transactions with other landlords, namely Claimants.

(C) Respondents' Anticompetitive-Scheme and Tortious Policy: The Resulting Pattern and Practice of Respondents' Causing Customers/Housing Tenants to Boycott Claimants' Interstate Commerce Business

Claimants came to find out about Respondents' foregoing policy given its apparent application to Claimants' interstate commerce housing rental business: Respondents have engaged in a pattern and practice of causing Claimants' existing private-market housing tenants to prematurely move out of Claimants' housing units and breach their secured private housing rental business transactions with Claimants, transactions of which establish

1-year terms of tenancies (subject to automatic renewals) at Claimants' housing units.

Specifically, stemming from the foregoing policy, such pattern and practice involves Respondents' bribing such tenants with the receipt of monetary housing vouchers attached with the specific instructions that such vouchers be used at housing rental businesses other than Claimants'. If such tenants initially refuse to breach their secured private housing rental business transactions with Claimants, they are threatened by Respondents that they will lose out on the financial incentive of subsidized housing.

Effectively, stemming from the foregoing policy, Respondents have been engaged in a pattern and practice of causing Claimants' private-market housing tenants to boycott Claimants' housing rental business by influencing such tenants to refuse to continue their tenancies at Claimants' housing to full terms as set forth in secured private housing rental business transactions.

Lost private tenancies: Claimants have lost private tenancies because of Respondents' pattern and practice of interference. Respondent City, through its officials such as the individual Respondents, has, upon information and strong belief, engaged—by employing the foregoing policy—in the boycotting of *at least* (discovery will likely reveal more) the following private tenancies of Claimants, to wit:

- 2006 Private Tenancy of Stacy A. Soza
- 2010 Private Tenancy of Angela Sanzon, et al.
- 2013 Private Tenancy of Mariesella Jasso, et al.
- 2013 Private Tenancy of Marisol Alvarez, et al.
- 2013 Private Tenancy of Serina Castillo, et al.
- 2014 Private Tenancy of Jose Alfonso Miranda, et al.
- 2014 Private Tenancy of Biannika Miranda, et al.
- 2014 Private Tenancy of Lizette Monroy, et al.
- 2014 Private Tenancy of Becky D. Preciado, et al.
- 2014 Private Tenancy of Haley Dye and Carlos Solis

Upon information and strong belief, these are just *some* of the private tenancies—in addition to the tenancy of Tenants James and Griffith—interfered with as part of Respondents' boycott pattern and practice, which adheres to the foregoing policy. (Again, discovery will likely reveal more private tenancy losses.)

The foregoing are lost tenancies, lost business transactions, lost business relationships, lost contracts—lost previously secured sources of revenue—of Claimants all as a result of Respondent City's boycott pattern and practice that adheres to the foregoing policy.

Respondents have engaged in such tortious and other misconduct without a rational basis, done out of animosity and otherwise maliciously.

4. LIABILITY.

In consideration of the nature and severity of the pattern and practice—policy—of Respondent City’s transgressions, including those of the individual Respondents, as set forth above, all Respondents are subject to very significant liability to Claimants.

Respondents are specifically liable for the counts of (i) intentional interference with a private contract, (ii) intentional interference with a business relationship, (iii) defamation *per se*, (iv) false light invasion of privacy, (v) *per se* violations of the Sherman Antitrust Act (15. U.S.C. § 1), (vi) Fourteenth Amendment substantive due process violations, (vii) Fourteenth Amendment procedural due process violations, (viii) Fourteenth Amendment equal protection violations, (ix) conspiracy to commit equal-protection denial, (x) state law civil conspiracy to commit such various torts, (xi) aiding and abetting the commission of such various torts, (xii) failure to prevent such a conspiracy to commit equal-protection denial, and (xiii) intentional infliction of emotional distress. (As this matter moves forward, other legal theories may be applied on the bases of the main facts set forth herein and those other facts that may additionally be revealed through discovery. *See, e.g., Castaneda v. City of Williams*, No. CV07-00129-PCT-NVW, 2007 U.S. Dist. LEXIS 42980, at *12-13 (D. Ariz. June 12, 2007).) Such counts are actionable under state law, 42 U.S.C.S. § 1983, 42 U.S.C.S. § 1985(3), and 42 U.S.C.S. § 1986. Respondents have no legal claim to qualified immunity to liability for civil damages because their conduct ostensibly violated the well-established constitutional rights of Claimants that any reasonable person would have known existed—and their receipt of the foregoing legal notices and demands to cease and desist is undeniable. *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982). Respondent City is liable for the tortious and other misconduct to the fullest extent of the law, particularly because the tortious and other misconduct effectively came about as a result of policy. Many of the individual Respondents, in fact, were in the position of policymaking power, and used such positions in the course of committing such tortious and other misconduct.

Personal knowledge and obligation: Respondent Rothschild, as the “chief executive officer,” with “[e]xecutive duties generally” including the obligation to “**see that the ordinances**” are “**enforced**,” per Tucson Charter and General Ordinances, Part 1, Chapter 6, § 1, failed to so enforce specifically Part 2, § 10B-1 thereof (Ord. No. 10656, § 3, 4-21-09, eff. 7-1-09), by failing to enforce the “**proper** use and coordination of public and private resources and particularly through provision of a broad range of community services and municipal housing to low- and moderate-income persons in order to develop a city in which all inhabitants share equally in opportunities for an acceptable quality of life”—this even **after** Respondent Rothschild was personally put on legal notice of the complained-of offending acts before the realization of the latest harm done to Claimants.

(Emphasis added.) In so doing, Respondent Rothschild also failed to so enforce specifically Part 2, § 10B-4 thereof (Ord. No. 10656, § 3, 4-21-09, eff. 7-1-09; Ord. No. 11226, § 3, 12-9-14), by failing to enforce the administrative discharge and carry-out of all existing and future duties and responsibilities inherent of Respondent City's municipal housing powers, all in accordance with all "federal, state [and] local" laws. (Emphasis added.) Respondent Rothschild's refusal to stop the complained-of misconduct is untenable. See, e.g., *Levine v. City of Alameda*, 525 F.3d 903, 907 (9th Cir. 2008) (quoting *Larez v. Los Angeles*, 946 F.2d 630, 646 (9th Cir. 1991)).

Personal knowledge and obligation: Respondent Ortega, "subject to the control of," among others, Respondent Rothschild as the mayor, also failed to fulfill the obligation he shared with Respondent Rothschild, and that was to "see that all of the ordinances of the city [like the aforementioned, concerning proper use of resources] are enforced," per Tucson Charter and General Ordinances, Part 1, Chapter 10, § 1—this even after Respondent Ortega was personally put on legal notice of the complained-of offending acts before the realization of the latest harm done to Claimants. (Emphasis added.) Respondent Ortega also failed to fulfill the function of the "general supervision and direction of the administrative operation of the city government," having failed to supervise all other Respondents. Respondent Ortega's refusal to stop the complained-of misconduct is untenable. See, e.g., *Levine*, 525 F.3d at 907 (quoting *Larez*, 946 F.2d at 646).

As such, in various ways, Respondent City is liable for the tortious and other misconduct complained of herein.

Respondent Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C. and Respondent Stuehringer are also liable for the commission of civil rights violations, among other violations, against Claimants. See, e.g., *Florer v. Congregation Pidyon Shevuyim, N.A.*, 639 F.3d 916, 924 (9th Cir. 2011) (private individuals contracted to work for government are subject to liability for constitutional and other legal liability). Like Respondent Rankin and Respondent Hughes, Respondent Stuehringer advised, assisted and otherwise caused such complained-of-unlawful conduct to occur that realized the latest harm that Claimants have come to suffer, making such Respondents legally liable. See, e.g., *Chalpin v. Snyder*, 220 Ariz. 413, 424, 207 P.3d 666, 677 (App. 2008).

(i) *Intentional interference with a private contract.* As set forth above, Respondent City and the individual Respondents are liable for knowingly engaging in a pattern and practice/policy of intentionally and improperly interfering with Claimants' established contractual relationships, as discussed further below. Respondents, under state law, are liable for the most recent intentional interference with the executed private lease-contract that realized the private-market-based tenancy of Tenants James and Griffith: Respondents were aware of the private lease-contract in existence between Claimants and Tenants James and Griffith; Respondents informatively—intentionally—interfered with the private contract, by inducement or otherwise; in spite of receiving notices to cease and desist,

any reasonable person to find to be highly offensive. *Godbehere v. Phoenix Newspapers, Inc.*, 162 Ariz. 335, 783 P.2d 781 (1989); Restatement (Second) of Torts § 652E (1977).

(v) *Per se* violations of the Sherman Antitrust Act (15 U.S.C. § 1). As set forth above, Respondents have been engaging in what is considered to be a hybrid-restraint policy, a policy of which, *per se*, violates the Sherman Act (15 U.S.C. § 1, *et seq.*) and is preempted by the said Act. 15 U.S.C. § 1 reads as follows, to wit:

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$100,000,000 if a corporation, or, if any other person, \$1,000,000, or by imprisonment not exceeding 10 years, or by both said punishments, in the discretion of the court.

Through Respondents' combination or conspiracy, they have pursued the foregoing policy that mandates or authorizes unlawful interference with housing rental business transactions, transactions of which are considered *per se* interstate commerce activities.

Respondents' foregoing policy mandates or authorizes Respondents to knowingly interfere with secured private housing rental business transactions, and interfere and cause the subsequent breaches of contracts, by specifically (a) instructing customers/housing tenants of landlords to engage in boycotting such landlords with the financial incentive of being provided subsidized housing elsewhere that is provided by select landlords preferred by Respondents and (b) threatening such customers/housing tenants with the loss of such financial benefits if such instructions are not followed—all interfering acts that restrain commerce.

Respondents' foregoing policy mandates or authorizes Respondents to also instruct such customers/housing tenants not to pay their rent owed under existing lease-contracts to their current landlords while awaiting new housing that is provided by other select landlords preferred by Respondents.

Effectively, Respondents' foregoing policy obviates the need for private parties—in this case, the select landlords—to act on their own to create an anticompetitive scheme: The select landlords enjoy the anticompetitive effect of an artificial influx of customers/housing tenants who re-enter the rental market in seeking new housing and come to apply their monetary housing vouchers with such select landlords.

Respondents' foregoing policy does not preempt the Sherman Act. In fact, state policy, as reflected in statutes such as A.R.S. § 41-621(L)(2), oppose a government actor's involvement in the breach of any transaction or contract, and, with that, logically, the interference with any such transaction or contract that leads to a breach.

In effect, Respondents have pursued an unlawful, multi-faceted policy that has restrained commerce and is in violation of the Sherman Act, and the Commerce Clause found in Article I, Section 8, Clause 3 of the U.S. Constitution.

As a direct and proximate result of Respondents' foregoing policy and the emanating acts therefrom, Claimants and their interstate commerce business are injured victims of such a policy in consideration of Respondent-caused losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith, all of which were caused by the acts of Respondents, acts of which have restrained the free flow of housing rental activities.

(vi) Fourteenth Amendment substantive due process violations. As set forth above, through their deliberate actions, Respondents have restrained the interstate commerce business of Claimants, and, effectively, deprived Claimants of their right to pursue their profession as landlords, all in violation of the Fourteenth Amendment to the U.S. Constitution, making such actionable under 42 U.S.C. § 1983.

There are basically two types of clientele in the environment of Claimants' housing rental business: private-market-based customers/housing tenants and Section 8 Housing Program-based customers/housing tenants.

Respondents have effectively deprived Claimants from freely engaging in business with either types of clientele, all without Claimants' due process consideration.

As a result of Respondents' foregoing policy, and the harmful emanating acts therefrom, Claimants have been deprived of the liberty to pursue their profession as landlords free from unlawful interference by Respondents.

In effect, Respondents have pursued an unlawful, multi-faceted policy that has restrained commerce, deprived Claimants' liberty interest to freely pursue their chosen profession, and is in violation of the Fourteenth Amendment to the U.S. Constitution.

As a direct and proximate result of Respondents' foregoing policy and the emanating acts therefrom, Claimants and their interstate commerce business are injured victims and—as to their personal and professional lives, including as business owners—have incurred multi-faceted, substantial, and ongoing damages and losses, including, but not limited to, the losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith, all of which were caused by the acts of Respondents, acts of which have denied Claimants the ability to freely pursue their chosen profession.

(vii) *Fourteenth Amendment procedural due process violations.* As set forth above, through their deliberate actions, Respondents have restrained the interstate commerce business of Claimants, and, in doing so, deprived Claimants of their right to business goodwill derived from secured business transactions/contracts/leases without procedural due process, all in violation of the Fourteenth Amendment to the U.S. Constitution, making such actionable under 42 U.S.C. § 1983.

Claimants have property status in goodwill derived from business transactions/secured contracts/leases.

Claimants have been deprived of such goodwill as to their customers/housing tenants through Respondents' direct incentive- and threat-causing move-outs.

Respondents have initiated the deprivations of Claimants' goodwill without first affording Claimants any relief, particularly without first affording Claimants some kind of hearing before depriving Claimants' of their property interests in their secured goodwill with their customers/housing tenants.

In effect, Respondents have pursued an unlawful, multi-faceted policy that has restrained commerce, deprived Claimants' right to procedural due process protection of their goodwill, and is in violation of the Fourteenth Amendment to the U.S. Constitution.

As a direct and proximate result of Respondents' foregoing policy, and the emanating acts therefrom, Claimants and their interstate commerce business are injured victims and—as to their personal and professional lives, including as business owners—have incurred multi-faceted, substantial, and ongoing damages and losses, including, but not limited to, the losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith, all of which were caused by the acts of Respondents, acts of which have deprived Claimants of their goodwill without due process, in total disregard of Claimants' right to freely pursue their chosen profession.

(viii) *Fourteenth Amendment equal protection violations.* As set forth above, Respondents' animus against Claimants has manifested into Respondents' conscientious categorization of Claimants into a separate, special class subject to retribution—special mistreatment.

Effectively, Claimants have been uniquely and intentionally harmed and, thus, denied equal protection of the laws and privileges as victims of a "class of one" in violation of the Fifth and Fourteenth Amendments to the U.S. Constitution, rendering such misconduct of Respondents actionable under 42 U.S.C. § 1983.

Respondents are supposed to respect Claimants, including their businesses, like other citizens of Respondent City. Yet, that has not been the case in consideration of the foregoing.

In fact, officials of Respondent City have made it clear that they have sought to run Claimants out of business, and that a "personal vendetta" against Claimants has been maintained, to date, by those who effectively make policy of Respondent City.

Unlike other citizens of Respondent City, Claimants have been uniquely and intentionally denied the ability to operate their businesses, including to engage in housing rental business transactions without undue interference.

Unlike other citizens of Respondent City, Claimants have been uniquely and intentionally denied the ability to freely engage in their housing rental business, and, effectively, their development business, without interruptions by virtue of Respondents' causing the losses of housing tenancies, consequential losses of revenue, and the consequential loss of the ability to go forward with Claimants' real estate developments, all for a spiteful and otherwise malicious intention that is wholly unrelated to any legitimate government objective.

In effect, Respondents have pursued an unlawful, multi-faceted pattern and practice—policy—of treating Claimants as a "class of one" in denying them equal protection of the laws and privileges in violation of the Fifth and Fourteenth Amendments to the United States Constitution.

As a direct and proximate result of Respondents' denying Claimants equal protection of the laws and privileges, Claimants—as to their personal and professional lives, including as business owners—have incurred multi-faceted, substantial, and ongoing damages and losses, including, but not limited to, the losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith, all of which were caused by the acts of Respondents, acts of which have deprived Claimants of full enjoyment of the laws and privileges owed to them.

(ix) Conspiracy to commit equal-protection denial. As set forth above, Respondent Rankin has led a conspiracy in which the other individual Respondents—and those others as may be discovered and subsequently named after the discovery process, as applicable—have understood, effectively had a meeting of the minds and actually heeded the unlawful instructions of Respondent Rankin to successfully enact and pursue, to this day, special-class discriminatory treatment of Claimants, all based on Respondents' animus towards Claimants.

With each other named Respondent working in synch with Respondent Rankin's instructions, contributed to by Respondent Hughes, Respondent Deibel and Respondent Stuehringer, Claimants have sustained multi-faceted damages and losses.

Effectively, Respondents have worked together to uniquely and intentionally harm Claimants and, thus, deny Claimants equal protection of the laws and privileges as victims

of a “class of one” in violation of the Fifth and Fourteenth Amendments to the U.S. Constitution, making such a conspiracy actionable under 42 U.S.C. § 1985(3).

Respondent Rothschild, Respondent Ortega, Respondent Elias, Respondent Stang, Respondent Cooper, Respondent Dalia Encinas, and Respondent Arturo Encinas have each been instrumental in the success of discriminating against Claimants, acting on the unlawful instructions of Respondent Rankin, instructions of which have been contributed to by Respondent Hughes, Respondent Deibel and Respondent Stuehringer. They effectively formed and have maintained a conspiracy—as led by Respondent Rankin—to deny Claimants the ability to freely engage in their businesses and profession.

In effect, Respondents have conspired to pursue an unlawful, multi-faceted pattern and practice—policy—of treating Claimants as a “class of one” in denying them equal protection of the laws and privileges in violation of the Fifth and Fourteenth Amendments to the United States Constitution.

As a direct and proximate result of Respondents’ conspiracy to deny Claimants equal protection of the laws and privileges, Claimants—as to their personal and professional lives, including as business owners—have incurred multi-faceted, substantial, and ongoing damages and losses, including, but not limited to, the losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith, all of which were caused by the acts of Respondents, acts of which have deprived Claimants of full enjoyment of the laws and privileges owed to them.

(x) State law civil conspiracy to commit such various torts. As set forth above, Respondents have agreed—an agreement of which need not be legally expressed, but implied by the tortious and other misconduct itself—and correspondingly acted together, to repeatedly interfere with and cause the losses of Claimants’ private contracts and business relationships.

Respondents agreed, and correspondingly acted together, to specifically interfere with and cause the loss of the private-market-based tenancy of Tenants James and Griffith.

(xi) Aiding and abetting the commission of such various torts. As set forth above, Respondent Rothschild, Respondent Ortega, Respondent Deibel, Respondent Stuehringer, Respondent Hughes, Respondent Elias, Respondent Stang, Respondent Cooper, Respondent Dalia Encinas, Respondent Arturo Encinas, and Respondent Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C.—and other employees of Respondent City, as may be identified during discovery—have had knowledge that the interference, as led by Respondent Rankin, with Claimants’ business, including their private tenancies, constitutes as tortious and other misconduct, and yet such Respondents have substantially assisted or encouraged the interference to realize the damaging effects of such interference, including the losses of Claimants’ private tenancies.

Claimants' private-market-based tenancy of Tenants James and Griffith was lost as a result of the aiding and abetting efforts of such Respondents, knowing full well, in rather significant detail—as evidenced by the foregoing legal notices and demands—that such interference was considered tortious and other misconduct. Yet, to be considered liable, such Respondents' knowledge of the primary tort need not have been detailed, requiring that such Respondents to only have had a general awareness of the primary tort.

(xii) *Failure to prevent such a conspiracy to commit equal-protection denial.* As set forth above, Respondent Rothschild, Respondent Ortega, Respondent Deibel, Respondent Stuehringer, Respondent Hughes, Respondent Elias, Respondent Stang, Respondent Cooper, Respondent Dalia Encinas, Respondent Arturo Encinas, and Respondent Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C.—and other employees of Respondent City, as may be identified during discovery—did have knowledge of Respondent Rankin's conspiracy, in the sense of 42 U.S.C. § 1985(3), to violate Claimants' constitutionally-protected right to equal protections under the Fifth and Fourteenth Amendments to the U.S. Constitution, but neglected or refused to prevent or help prevent the commission of the same despite having the power to do so. In fact, each of the individual Respondents have played in a role in effecting such harm to Claimants.

As a result of the unimpeded conspiracy led by Respondent Rankin, Claimants suffered multi-faceted damages and losses.

In effect, Respondents unlawfully permitted the conspired to pursue an unlawful, multi-faceted pattern and practice—policy—of treating Claimants as a “class of one” in denying them equal protection of the laws and privileges in violation of the Fifth and Fourteenth Amendments to the United States Constitution, making such permission actionable under 42 U.S.C. § 1986.

As a direct and proximate result of Respondents' having permitted the occurrence of the conspiracy to deny Claimants equal protection of the laws and privileges, Claimants—as to their personal and professional lives, including as business owners—have incurred multi-faceted, substantial, and ongoing damages and losses, including, but not limited to, the losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith, all of which were caused by the acts of Respondents, acts of which have deprived Claimants of full enjoyment of the laws and privileges owed to them.

(xiii) *Intentional infliction of emotional distress.* As set forth above, Respondents should have known that the aforesaid misconduct would cause Claimants—as to their personal and professional lives, including as business owners—to incur multi-faceted, substantial, and ongoing damages and losses, including, but not limited to, the losses of prior private tenancies and the latest loss of the private tenancy of Tenants James and Griffith; the loss of business in general; the loss of the ability to go forward with their real estate developments; the damage to their reputation in the housing rental community; and the

degradation of the quality of Claimants' lives in general (including, but not limited to, sleeplessness, inability to attend to personal affairs, etc.), all consequently causing Claimants' severe emotional distress, embarrassment and humiliation.

Such multi-faceted tortious and other misconduct is especially repugnant and outrageous—and, thus, distressing—because such has been committed by those entrusted with public government positions, who have, in consideration of the facts herein, effectively abused such positions, as they specifically did so interfering and causing the loss of Claimants' private-market-based tenancy of Tenants James and Griffith.

5. DAMAGES AND OFFERED SETTLEMENT.

Claimants have suffered a tremendous amount of multi-faceted damages and losses caused by the tortious and other misconduct of Respondents. In addition to compensatory damages, of course, Claimants are entitled to punitive damages. Punitive damages are particularly appropriate because Respondents' tortious and other misconduct has been motivated by evil motive or intent, or has involved a reckless or callous indifference to the protected rights and interests of Claimants. *Smith v. Wade*, 461 U.S. 30, 103 S. Ct. 1625, 1640, 75 L. Ed. 2d 632 (1983). The need to punish and deter repugnant offenses, particularly such offenses committed by those in position of power, is as important as obtaining compensatory damages to be made whole from the harm that has been sustained. It is in this vein that the United States Supreme Court previously went so far as to uphold a punitive damages award with a ratio of over 526:1—finding a “\$10 million punitive award, returned in a case involving only \$19,000 in compensatory damages” not to be “grossly excessive” in affirming such a punitive award. *Txo Prod. Corp. v. Alliance Res. Corp.*, 509 U.S. 443, 462-481 (1993).

To help determine a fair settlement amount, herein, a lot of cases are cited in which juries awarded damages for tortious and other misconduct similar to that of Respondents. Claimants, in fact, cite cases from all over the country as a means of generally sampling society's value of certain tortious and other transgressions. While such cases are cited, one main case that is generally relied upon is a deliberately local one: *Gilmartin v. City of Tucson*, No. 00-352, 2007 U.S. Dist. LEXIS 97361 (D. Ariz. September 28, 2007). The case of *Gilmartin* is a helpful reference as it provides relevant monetary awards made by a local jury: For each civil rights violation owed to each plaintiff, \$250,000.00; for each punitive damage award to complement the general compensatory damages of each civil rights violation owed to each plaintiff, \$500,000.00 (for the most severe/flagrant violation) or otherwise \$250,000.00.

(i) *Intentional interference with a private contract.* For this count only, Claimants are reasonably owed total compensatory damages in the amount of **\$1,003,942.00**, and total punitive damages in the amount of **\$2,500,000.00** (see below for explanation). The bare-minimum loss of revenue from the private lease-contract that realized the private-market-

based tenancy of Tenants James and Griffith amounts to at least \$3,942.00 (includes \$150.00/month in late charges for each overdue monthly rent thus far) thus far; applicable interest, attorney's fees and costs must be added to such a figure. (Breakdown of the outstanding \$3,942.00 rent total for consideration as part of the compensatory damages: \$1,510.00 in late fees through August 2016, and \$795.00/month for the interference-affected four months of the one-year term: May, June, July and August.

The foregoing amount of \$3,942.00 only covers the *bare* minimum of the contract amount. One must keep in mind that compensation to the Claimants must also be made for their mental and physical anguish, loss of time and other business profits, and enormous expenses, including for traveling and legal services, incurred as a result of the Claimants' having encountered the transgressions committed by Respondent City through the individual Respondents. Claimants have come to suffer from overwhelming stress.

In fact, one of the Claimants suffered a stress-induced heart attack, in addition to other stress-related medical ailments.

Furthermore, additional expansions of the Claimants' business, previously planned, have been delayed due to the sudden loss of income and disruption of the Claimants' business as a result of Respondents' aforesaid transgressions. The amount lost, in consideration of five business individuals that are Claimants, is considerable.

Over six years ago, a single plaintiff who claimed only \$12,000 in lost income was awarded (and affirmed) \$200,000.00 in compensatory anguish damages in *Slack v. Stream*, 988 So. 2d 516, 531-533 (Ala. 2008), a case concerning contractual interference. In consideration of Claimants' aforementioned relatively more severe and varied sufferings than those of the plaintiff in *Slack*, and also in consideration of Claimants' lost opportunities, including lost business opportunities resultant of the interference, Claimants assert their actual damages far exceed the aforementioned bare-minimum contract loss of at least \$3,942.00. (This does not begin to consider the other lost contracts.) Furthermore, given the extent and severity of Claimants' anguish, in comparison to cases like *Slack*, each of the Claimants deserve far more than \$200,000.00 in compensatory damages for their anguish and other detrimental effects of the lost private contract. However, in the vein of seeking a settlement, Claimants agree to each lower and cap their compensatory damages for their anguish and other detrimental effects of the lost private contract to \$200,000.00. Thus, in consideration of five (5) Claimants, for their anguish and other sufferings, Claimants are reasonably owed \$1,000,000.00 (\$200,000.00 x 5 Claimants) in such compensatory damages. With that said, and adding the consideration of the contract-interference-related losses of at least \$3,942.00 thus far, Claimants are reasonably owed, for this count only, a total of \$1,003,942.00 in compensatory damages. As with causing other tortious harm, intentionally interfering with a private contract that has five beneficiaries—Claimants—can quickly add up to be an expensive vice of Respondents.

In addition to a compensatory award, while the assessment of the amount of punitive damages is subject to a jury's discretion, in *Bruce Church, Inc. v. United Farm Workers*, 169 Ariz. 22, 24, 816 P.2d 919, 921 (App. 1991), a jury awarded to one business entity \$491,183.00. This is but one case example of the award of punitive damages, and there are many others. In *Southern Union Co. v. Irvin*, 563 F.3d 788 (9th Cir. 2009), a plaintiff's punitive award of \$60,000,000.00 was reduced to \$1,185,217.14—given that, *inter alia*, the plaintiff, unlike Claimants, was not a “poor struggling person” while subjected to the defendant's tortious and other harm, whereas Claimants have been struggling to maintain their business given Respondents' prior adverse actions, and Claimants were so struggling when they came to encounter Respondents' additional adverse harm of interference; the plaintiff, unlike Claimants, was a “very large company” likely able to better absorb the defendant's tortious and other harm, whereas Claimants are not a large company that has not been able to better absorb Respondents' tortious and other harm; the plaintiff, unlike Claimants, was “not financially vulnerable,” whereas Claimants were and have been financially vulnerable; and the plaintiff, unlike Claimants, was subject to one incident of harm, whereas Respondents' successful interference of Claimants' private-market-based tenancy of Tenants James and Griffith is just the latest instance of a long list of private tenancies of Claimants that Respondents have interfered with and caused to be lost. As such, for each of the Claimants, a punitive damage of \$60,000,000.00 against Respondent for their outrageously repugnant interference would be fitting. However—and even lower than the \$1,185,217.14 remittitur from the original award of \$60,000,000.00 for a single plaintiff in *Southern Union Co.*—in the vein of seeking a settlement, Claimants agree to accept \$500,000.00 each in punitive damages. Thus, in consideration of five (5) Claimants, Claimants are reasonably owed, for this count only, a total of \$2,500,000.00 (\$500,000.00 x 5 Claimants = \$2,500,000.00 to be paid, collectively, by the 12 individual/entity Respondents) in punitive damages.

(ii) *Intentional interference with a business relationship.* For this count only, Claimants are reasonably owed total compensatory damages in the amount of **\$1,003,942.00**, and total punitive damages in the amount of **\$2,500,000.00** (see below for explanation). In *S. Union Co. v. Southwest Gas Corp.*, 2005 U.S. App. LEXIS 19900, at *2-3 (9th Cir. 2005), S. Union Co., as the single plaintiff, was awarded the amount of \$975,181.00 in compensatory damages for its count of business relationship interference, all in addition to being awarded the same amount, \$ 975,181.00, for its simultaneously raised count of contractual interference. Correspondingly, Claimants seek the same total of \$1,003,942.00 in compensatory damages for this count, as they did for the count of contractual interference. In further consideration of *Southern Union Co.* (as noted above, the original \$60,000,000.00 in punitive damages was for both contractual and business relationship interference counts), Claimants similarly seek the same total of \$2,500,000.00 in punitive damages for this count (to be paid, collectively, by the 12 individual/entity Respondents), as they did for the count of contractual interference.

(iii) *Defamation per se* and (iv) *false light invasion of privacy*. Claimants choose to join both of these counts for the purpose of making a damage-value concession in the settlement of damages stemming from such misconduct. For these counts only, Claimants are reasonably owed total compensatory damages in the amount of **\$750,000.00**, and total punitive damages in the amount of **\$1,750,000.00** (see below for explanation). Claimants became the victims of Respondents' defamation and placement in a negative light. How much is this worth? Claimants' good reputations, of course, are priceless. As such, it has been previously ruled that the tarnishing of a party's reputation is considered irreparable injury. *Berry v. Foster*, 180 Ariz. 233, 236, 883 P.2d 470, 473 (App. 1994) (enjoining questionable government conduct to avoid possible harm to reputation). Reputation is critically important in Claimants' business and profession. In fact, "[h]istorically, the common law has supported Shakespeare's view of the importance of reputation. 'Who steals my purse steals trash;...but he that filches my good name robs me of that which not enriches him, and makes me poor indeed.' *Othello*, Act III, scene iii.'" *Dombey v. Phoenix Newspapers*, 150 Ariz. 476, 479-480, 724 P.2d 562, 565-566 (1986).

With that said and while the assessment of the damage amounts is subject to a jury's discretion, in *Selby v. Savard*, 134 Ariz. 222, 224, 655 P.2d 342, 344 (1982), a jury awarded to one individual \$150,000.00 in compensatory damages and \$350,000.00 in punitive damages. This is just one case example of the award of punitive damages. One can easily come to the conclusion that the two respective damage amounts of *Selby*, especially given the malicious intention of the individual Respondents, can easily be quintupled (x5) in the instant matter to \$750,000.00 in compensatory damages and \$1,750,000.00 in punitive damages for the five business individuals that are Claimants, who have suffered from such defamation; even then, this amount would still not be fully considerate of the extent of the defamation. Another case example is *Chilton v. Ctr. for Biological Diversity, Inc.*, 214 Ariz. 47, 148 P.3d 91 (2006). In *Chilton*, a businessman and his company were awarded \$100,000.00 in compensatory damages and \$500,000.00 in punitive damages. *Chilton*, 214 at 50, 91 at 94. One can also easily come to the conclusion that the two respective damage amounts of *Chilton*, especially given the malicious intention of the individual Respondents, can easily be quintupled (x5) in the instant matter to \$500,000.00 in compensatory damages and \$2,500,000.00 in punitive damages for the five business individuals that are Claimants, who have suffered from such defamation.

And while the damage awards of *Chilton* are appreciated, in the vein of seeking a settlement, Claimants agree to rely on *Selby's* relatively more modest model of damage figures of \$150,000.00 in compensatory damages and \$350,000.00 in punitive damages as a base off of which to come to appropriately determine compensatory damages and punitive damages for the instant matter of Claimants. Specifically, in consideration of five (5) Claimants, for their anguish and other sufferings, Claimants are reasonably owed, for these two combined counts only, a total of \$750,000.00 (\$150,000.00 x 5 Claimants) in compensatory damages. Also, in consideration of five (5) Claimants, Claimants are reasonably owed, for these two combined counts only, a total of \$1,750,000.00

(\$350,000.00 x 5 Claimants = \$1,750,000.00 to be paid, collectively, by the 12 individual Respondents) in punitive damages.

(v) *per se* violations of the Sherman Antitrust Act (15. U.S.C. § 1). Per the Local Government Antitrust Act of 1984 ("LGAA"), no damages, costs, or attorney's fees for the violations of the Sherman Act are recoverable from Respondent City and the individual Respondents in their official capacities. 15 U.S.C. §§ 34-36. *Horizons Unlimited v. Santa Cruz-Monterey-Merced Managed Med. Care Comm'n*, No. 00123-LJO-MJS, 2014 U.S. Dist. LEXIS 93330, at *32 (E.D. Cal. July 2, 2014) (internal quotation omitted). Neither are Claimants seeking monetary damages from the individual Respondents.

(vi) *Fourteenth Amendment substantive due process violations* and (vii) *Fourteenth Amendment procedural due process violations*. Claimants choose to join both of these counts for the purpose of making a damage-value concession in the settlement of damages stemming from such misconduct. For these counts only, Claimants are reasonably owed total compensatory damages in the amount of **\$2,500,000.00**, and total punitive damages also in the amount of **\$2,500,000.00** (see below for explanation). The individual Respondents are liable for maliciously denying Claimants their civil rights, including the civil right of pursuing the profession of serving the housing needs of existing and prospective tenants, causing Claimants' to be besmirched and otherwise be put in the negative light in the process of being effectively bullied because of nefarious intentions. Such denial of rights and the pursuit of their occupation have been done without due process, and thereby imposing on Claimants a stigma or disability that has foreclosed their freedom to take full advantage of their occupation opportunities, and, in turn, Claimants have come to suffer and will suffer great and multi-faceted harm, including sufferings of having their property interest deprived—repeatedly: Claimants have lost their goodwill patronage from various tenants and the property interest of their secured tenancies. These acts of misconduct effectively have caused actual and direct interference with the business goodwill of Claimants.

In *Sandpiper Vill. Condo. Ass'n v. Louisiana-Pacific Corp.*, 428 F.3d 831, 838 (9th Cir. 2005), a jury awarded a plaintiff \$2,800,000.00 as compensatory damages for its lost goodwill. This is but one case example of awarded damages for such type of a loss, and there are many others. One can reasonably come to the conclusion that this award amount—considerable for just restoring goodwill in *Sandpiper*—is the amount Claimants should receive at the very least. Claimants are particularly entitled to such compensation given the individual Respondents' malicious intention and outright harm they have caused the five individual Claimants and their business: flagrantly depriving Claimants' of their goodwill via repeatedly interfering with and causing the multiple losses of private tenancies—the loss of the private tenancy of Tenants James and Griffith being the latest—all without procedural due process. Of course, in addition to Claimants' loss of their right to Fourteenth Amendment procedural due process, given the persistent detrimental

interference, Claimants' Fourteenth Amendment substantive due process right to freely engage in their occupation and business has been infringed upon.

As such—and although *Sandpiper's* \$2,800,000.00 jury award evidently was only for the plaintiff's single count of the loss of goodwill—in the vein of seeking a settlement, and in consideration of five (5) Claimants, their anguish and other sufferings, namely their losses of goodwill and the ability to freely pursue their profession due to procedural and substantive due process violations, Claimants are reasonably owed, for these two combined counts only, a total of \$2,500,000.00 in compensatory damages. *See also Gilmartin, supra.*

As to the assessment of the entitlement of punitive damages—which again is ultimately up to the discretion of a jury—for both their procedural and substantive due process losses, all five (5) Claimants find that each Claimant's receipt of \$500,000.00—which, when broken down, amounts to \$250,000.00 for each of the two (2) categorical due process counts—would be more than reasonable in comparison to other cases. For example, in *Hardeman v. City of Albuquerque*, 377 F.3d 1106, 1112 (10th Cir. 2004)—whereas Claimants were completely denied any procedural due process protection with respect to the deprivation of their property interest inherent of the private tenancy of Tenants James and Griffith, notably after having previously been repeatedly denied such procedural due process protection for the property interests inherent of other private tenancies to the extent Claimants' substantive due process right to freely pursue their profession has been infringed upon—Hardeman was awarded \$625,000.00 in punitive damages for merely her *single* due-process-violation claim of being deprived of a property interest in a *single* post-termination contract that the city ended up not giving to her. *See also Gilmartin, supra* (\$500,000.00 in punitive damages for each count for each plaintiff). Thus—in consideration of five (5) Claimants and the repeated interference with their interstate commerce business—Claimants are reasonably owed, for these two combined counts only, a total of \$2,500,000.00 (\$500,000.00 x 5 Claimants = \$2,500,000.00 to be paid, collectively, by the 12 individual/entity Respondents) in punitive damages.

(viii) *Fourteenth Amendment equal protection violations.* For this count only, Claimants are reasonably owed total compensatory damages in the amount of **\$1,250,000.00**, and total punitive damages in the amount of **\$2,500,000.00** (see below for explanation). In consideration of *Gilmartin, supra*, for one count of a civil rights violation, a plaintiff was awarded compensatory damages in the amount of \$250,000.00. As such, in the vein of seeking a settlement, and in consideration of five (5) Claimants, their anguish and other sufferings, namely their losses of equal protection of the law and privileges, Claimants are reasonably owed, for this count only, a total of \$1,250,000.00 (\$250,000.00 x 5 Claimants) in compensatory damages.

As to the assessment of the entitlement of punitive damages—which again is ultimately up to the discretion of a jury—in consideration of five (5) Claimants and the repeated denial of equal protection, Claimants are reasonably owed, for this count only, a total of

\$2,500,000.00 (\$500,000.00 x 5 Claimants = \$2,500,000.00 to be paid, collectively, by the 12 individual/entity Respondents) in punitive damages.

(ix) *Conspiracy to commit equal-protection denial, (x) state law civil conspiracy to commit such various torts, and (xi) aiding and abetting the commission of such various torts.* Claimants choose to join all three of these counts for the purpose of making a damage-value concession in the settlement of damages stemming from such misconduct. For these counts only, Claimants are reasonably owed total compensatory damages in the amount of **\$1,250,000.00**, and total punitive damages also in the amount of **\$2,500,000.00** (see below for explanation). In consideration of *Gilmartin, supra*, for one count of a civil rights violation, a plaintiff was awarded compensatory damages in the amount of \$250,000.00. As such, in the vein of seeking a settlement, and in consideration of five (5) Claimants, their anguish and other sufferings, namely their civil rights violations as a result of federally recognized and state recognized conspiracies—and the act of actually aiding and abetting—to commit such various torts, Claimants are reasonably owed, for these counts only, a total of \$1,250,000.00 (\$250,000.00 x 5 Claimants) in compensatory damages.

As to the assessment of the entitlement of punitive damages—which again is ultimately up to the discretion of a jury—in consideration of five (5) Claimants and the repeated civil rights violations done as a result of intentional and choreographed cooperation among Respondents, as led by Respondent Rankin, Claimants are reasonably owed, for these counts only, a total of \$2,500,000.00 (\$500,000.00 x 5 Claimants = \$2,500,000.00 to be paid, collectively, by the 12 individual/entity Respondents) in punitive damages.

(xii) *Failure to prevent such a conspiracy to commit equal-protection denial.* For this count only, Claimants are reasonably owed total compensatory damages in the amount of **\$1,250,000.00** (see below for explanation). In consideration of *Gilmartin, supra*, for one count of a civil rights violation, a plaintiff was awarded compensatory damages in the amount of \$250,000.00. As such, in the vein of seeking a settlement, and in consideration of five (5) Claimants, their anguish and other sufferings—all of which could have been prevented had action been taken by any one of the individual Respondents, as repeatedly urged by Claimants—Claimants are reasonably owed, for this count only, a total of \$1,250,000.00 (\$250,000.00 x 5 Claimants) in compensatory damages.

(xiii) *Intentional infliction of emotional distress.* For this count only, Claimants are reasonably owed total compensatory damages in the amount of **\$1,250,000.00** (see below for explanation). In consideration of *Gilmartin, supra*, for one count of emotional distress, a plaintiff was awarded compensatory damages in the amount of \$250,000.00. As such, in the vein of seeking a settlement, and in consideration of five (5) Claimants, their anguish and other sufferings, Claimants are reasonably owed, for this count only, a total of \$1,250,000.00 (\$250,000.00 x 5 Claimants) in compensatory damages.

In consideration of the foregoing, including the damage-value concessions made, that much of the damages are not subject to precise calculation and such damages are left to a jury, the total value of the entire claim is \$24,507,884.00.

In seeking to settle as a matter of good faith, Claimants make further significant damage-value concessions to the foregoing total value to the extent that, for the purpose of complying with A.R.S. § 12-821.01, the entirety of this claim of Claimants can be settled for the sum certain of \$15,000,000.00 (Fifteen Million Dollars). This is a reasonable demand in light of actual losses, other multi-faceted harm incurred, in comparison to past jury verdicts, and—what is more—in light of the extent, severity and nature of the pattern and practice/policy of Respondents' transgressions taken against Claimants as set forth herein, resulting in multiple causes of action.

The aforesaid settlement amount does not apply to other sets of fact, causes of action or claims that Claimants have not yet submitted, but will timely submit per A.R.S. § 12-821.01. Claimants will address such other claims in due course.

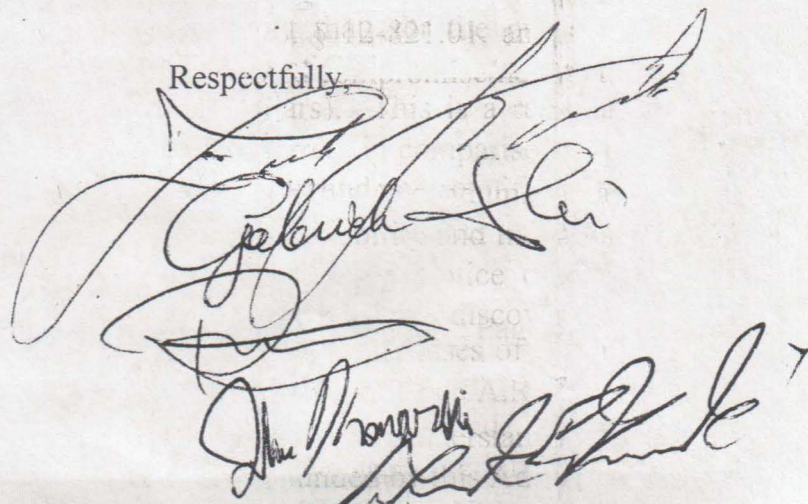
III. RULE 408 COMMUNICATION AND DISCOVERY

The information found in the Notice of Claim coversheet, along with this Addendum, is provided in the fulfillment of Claimants' obligations in A.R.S. § 12-821.01, and, to the extent possible and applicable, is protected as a form of attempted compromise/negotiation work per Rule 408 of the Arizona Rules of Evidence.

In the foregoing vein, the Notice of Claim coversheet, along with this Addendum, contains sufficient facts for Respondents to understand the basis for their liability and the amount for which the entirety of claim against them may be settled. The Notice of Claim coversheet and this Addendum are submitted without the benefit of formal discovery, and are subject to amendment.

Should Respondents require any additional information to assist them in understanding this claim, as introduced in the Notice of Claim coversheet and expounded by this Addendum, Respondent or their legal counsel should contact counsel undersigned, in writing, via the means of contact first made known on the first page of this Addendum (and the Notice of Claim coversheet, itself).

Respectfully,



The image shows two handwritten signatures in black ink. The top signature is written in a cursive style and appears to be 'Robert Lee'. The bottom signature is also in cursive and appears to be 'John Monetti'. The signatures are positioned to the right of the 'Respectfully,' text.

Lane Mandle - One-time distribution for employees...

From: Michael Ortega
To: 2016 Honorable Mayor and Council Members
Date: 11/22/2016 8:17 AM
Subject: One-time distribution for employees...
Cc: 2016 Mayor & Council Aides ; Joyce Garland; Albert Elias; Lane Mandle

As you are aware from the agenda item scheduled for today's study session on the budget, I am recommending the M&C endorse a one-time distribution to employees. I wanted to provide you more detail on this recommendation.

1. I am pleased to report that the General Fund ended FY 15/16 \$9.4M in the black (unaudited). This is a testament to your leadership and the corresponding direction you provided which was implemented through the retirement incentives, sweeping vacancy savings, and the sale of properties that generated more than appraised values. In addition, we saw a decrease in our fuel expense as well as an overall decrease in spending.
2. A one-time distribution is consistent with the policy direction I recommended to you several months ago with regard to providing one-time distributions to employees based on the financial performance of the organization and particularly the General Fund (GF).
3. City employees banded around the "One City One Team" concept and helped in implementing the various cost savings measures and the one-time distribution will recognize and reward them for their efforts.
4. Details for the one-time distribution are as follows:
 - a. The distribution amount will be \$1,000/full-time permanent employee (gross before taxes).
 - b. Part-time permanent employees will receive a prorated amount based on the number of hours they work.
 - c. Employees must have been employed with the City from June 28, 2015 through Nov. 23, 2016.
 - d. Employees on approved leave (military, FMLA, etc) will receive the distribution.
 - e. Distribution is proposed to be made Nov 23, 2016.
5. The cost of the distribution will be \$2.6M and capacity for the expense is taken from FY 16/17 contingency and vacancy savings.

Thank you for your leadership that has translated into this distribution for employees. I know it has been many years since employees have seen a monetary reward and although this one-time distribution will not be part of ongoing base salaries, it is a start and one I know they will appreciate.

As always, please contact me individually if you would like to discuss this in more detail. Thanks...

To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other Mayor and Council members. M&C members may reply to this message, but they should not send a copy of the reply to other M&C members.