

Communication from Public

Name: Casey Maddren, Citizens for a Better Los Angeles
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Council File No: 21-1404
Comments for Public Posting: I am submitting the attached comments on behalf of Citizens for a Better Los Angeles in support of our appeal of the plan approval/zone variance for the Dream Hotel.



Citizens for a Better Los Angeles

April 12, 2023

Planning and Land Use Management Committee
Los Angeles City Hall
200 N. Spring St.
Los Angeles, CA 90012

Re:
6415-6419 West Selma Avenue
ENV-2018-7559-CE-1A
ZA-2013-3504-ZV-PA1-1A
Council File: 21-1404
Comments in Support of Appeal, Responses to Applicant's Representative

Members of the Planning and Land Use Management Committee,

Citizens for a Better Los Angeles submits the following comments in support of its appeal of the categorical exemption for the plan approval/zone variance granted for the Dream Hotel, 6415-6419 West Selma Avenue, ENV-2018-7559-CE-1A. We first present a summary of the issues:

- The Project is not exempt from CEQA pursuant to CEQA Guidelines, Section 15301, Class 1, because it results in the addition of over 10,000 square feet.
- An exception under Section 15300.2 of the CEQA Guidelines does apply with regard to cumulative impacts. There is substantial evidence in the record showing that this project is just the latest in a series of piecemealed approvals related to Relevant Group's larger hotel/nightlife complex.
- The required findings cannot be made to support this plan approval/zone variance. The findings are not supported by the evidence, and the decisionmaker has not proceeded in the manner required by law.
- The plan approval/zone variance is an illegal, after-the-fact approval of a significant modification to the approved project, as defined in the original April 4, 2014 determination letter.

- The project does not include the bicycle parking spaces required by the original determination letter.
- The project violates LAMC Sec. 12.21. C.6.(a), which states that a loading space is required for hotel uses.

We provide further details below, including supporting evidence. We also rebut arguments offered by Reuben Duarte, of Sheppard, Mullin, Richter & Hampton, in his February 23, 2022 letter on behalf of the applicant.

CBLA hopes that the PLUM Committee will finally hold the applicant accountable for their actions by granting our appeal of the categorical exemption.

Sincerely,
Casey Maddren
Citizens for a Better Los Angeles

Dream Hotel, 6415-6419 West Selma Avenue

Categorical Exemption

The Project Is Not Exempt from CEQA Because It Adds Over 10,000 Sq. Ft.

The Project is not exempt from CEQA pursuant to CEQA Guidelines, Section 15301, Class 1, because it results in the addition of over 10,000 square feet. The ZA has argued that the granting of the plan approval/zone variance did not result in any additional square footage, because in his February 26, 2021 determination letter he dismissed the request to approve a total floor area of 93,803 square feet from the 79,367 square feet originally granted. What the ZA does not say is that the applicant has already illegally increased the project's square footage by converting what was approved as a parking garage into other uses. On page 2, the April 4, 2014 determination letter clearly states:

"There will be 182 hotel rooms, 77 on-site parking spaces [...]"

Before its opening in 2017, the developers of the Dream made the decision to exclude the required on-site parking spaces so they could dedicate the additional 14,000 sq. ft. to other uses. Inexplicably, rather than sanctioning the developer's illegal act, City Planning has chosen to grant an after-the-fact approval. City Planning's attempts to ignore reality do not change the facts: The developers have added 14,000 sq. ft. to the project beyond what was approved in the April 4, 2014 determination letter. It doesn't matter if the ZA dismissed the request for additional square footage, because the square footage is already there. By granting the variance to entirely remove the on-site parking requirement, City Planning has ratified the addition of 14,000 sq. ft., which is well above the 10,000 sq. ft limit set for a categorical exemption in CEQA Guidelines, Section 15301.

An Exception under CEQA Guidelines Does Apply Due to Cumulative Impacts

An exception under Section 15300.2 of the CEQA Guidelines does apply with regard to cumulative impacts. Appellant's February 22, 2022 letter regarding this project sent to the Department of City Planning contains substantial evidence proving that these hotels are part of a larger hotel/nightlife complex created by Relevant Group, which has illegally submitted separate applications for multiple related projects, avoiding review of cumulative impacts under CEQA.

To focus first on the facts of the present case, the February 26, 2021 determination letter states that 65 of the parking spaces required for 6417 Selma will be accommodated by the Thompson (1541 Wilcox) and/or the tommie (6516 Selma), two nearby projects built by the same developer, Relevant Group and/or associated LLCs. This makes clear that these hotels are operationally dependent on each other, and are actually part a hotel/nightlife complex that Relevant Group has constructed under the pretense of building separate, unrelated projects.

In granting the categorical exemption and asserting that there were no cumulative impacts to consider, the ZA ignored clear evidence that moving the required parking from one hotel owned by Relevant (Dream, 6417 Selma) to two other hotels owned by Relevant (the tommie, 6516 Selma, and the Thompson, 1541 Wilcox) showed that the hotels were operationally dependent on one another. If one hotel must accommodate the parking required for another hotel, they are clearly interdependent.

The applicant may point out that Relevant Group recently lost control of the tommie and the Thompson in a foreclosure action, but this does not change the fact that the Dream (6417 Selma), the tommie (6516 Selma) and the Thompson (1541 Wilcox) were all planned, built and operated (until recently) as part of a Relevant's hotel complex. The plan approval/variance was granted when all three projects were owned by Relevant and/or corporations under the control of Relevant. While the tommie and Thompson were not yet operational, evidence provided below shows that in 2021 Relevant was engaged in the formation of a company, Ten Five Hospitality, that would operate/manage almost all of its hotel/food/drink assets on Selma, Wilcox and Cahuenga. There are also other, additional properties that are or have been developed and operated by Relevant and/or corporations under their control, including Citizen News, Beauty & Essex, 1605 Cahuenga and 1607 Cahuenga.

Further evidence that these properties and others on Selma, Wilcox and Cahuenga are part of a hotel complex planned, constructed and operated by Relevant appears in a recent lawsuit, Ten Five Hospitality v. Relevant Group, filed February 9, 2023. The First Amended Complaint provides clear evidence of the fact that Relevant, which owns and operates the Dream Hotel, 6417 Selma, through a corporate shell, has also been the owner and operator of the Thompson, 1541 Wilcox, the tommie, 6516 Selma, Citizen News, 1545 Wilcox, and other food and drink venues in the area. The lawsuit is brought by Dan Daley, former CEO of Relevant Group, and a principal of Ten Five Hospitality, the corporation he formed with Relevant in 2021 to

manage Relevant's multiple hospitality/food/beverage venues. Page 10 of the complaint offers details:

78. In connection with this arrangement, certain Manager Plaintiffs (affiliates of Ten Five) entered into three separate Food and Beverage Service Management Agreements (the "2021 F&B Agreements") with certain Operator Defendants (affiliates of Relevant), which detailed the specifics of the parties' management arrangement for the Citizen News Building Venues, the Thompson Hotel Venues, and the Tommie Venues. [Emphasis added.]

79. Under the 2021 F&B Agreements, the Manager Plaintiffs agreed to exclusively manage and operate all aspects of these venues.

This should make it crystal clear that Relevant, though a complex network of corporate affiliates, was engaged in the operation of the multiple hotel/hospitality/food/drink venues that it had constructed or purchased. But if further proof is needed, we attached the complaint in its entirety, as Exhibit A. While Relevant recently lost control of the tommie and the Thompson through foreclosure, the complaint demonstrates that up until the foreclosure, Relevant was engaged in and profiting from the operation of the tommie, the Thompson and Citizen News.

To return to the February 22, 2022 letter submitted by CBLA, it contains multiple exhibits which detail Relevant's involvement in building its hotel/hospitality campus.

The letter's Exhibit E lists 28 corporations involved with either the approval, construction or operation of Relevant's hotel/food/beverage assets in Hollywood, all of them using the address 1605 Cahuenga, Relevant's headquarters, for their corporate filings.

The letter's Exhibit F offers a composite of venues that were operated by Ten Five Hospitality shortly after its formation in 2021. Please note that the venues include the Dream, the tommie, the Thompson and Citizen News.

The developer has repeatedly denied that these projects were operationally related, and the City has ignored substantial evidence in order to continue granting multiple separate approvals for the components of Relevant's hotel/nightlife complex. Members of the PLUM Committee can view the evidence for themselves by clicking on the link below.

February 22, 2022 Letter from CBLA

Additional Comments in Support of Appeal

https://drive.google.com/file/d/1adM12hoNnGirJUcEYZsL65zXvWZWWiJs/view?usp=share_link

The members of the PLUM Committee will see that there is substantial evidence in the record showing that this project is just the latest in a series of piecemealed approvals related to Relevant Group's larger hotel/nightlife complex. An exception

under Section 15300.2 of the CEQA Guidelines does apply with regard to cumulative impacts. In addition to traffic/parking impacts, there are also cumulative impacts with regard to air quality, GHG emissions, noise, utilities and solid waste.

Cumulative impacts with regard to noise have been especially problematic for Hollywood residents. The Dream Hotel has for years been blasting music loud enough that it can be heard up to half a mile away, sometimes well after midnight. Since its opening, the tommie hotel has also made it a practice to blast amplified music loud enough that it can be heard in surrounding residential uses. As evidence of these impacts, CBLA includes an e-mail thread where Hollywood residents plead with LA City officials to take action. Please see Exhibit B, attached to this letter.

Responses to February 23, 2022 Letter from Applicant's Representative

In a letter dated February 23, 2022, Reuben Duarte, of Sheppard, Mullin, Richter & Hampton LLP, makes a number of arguments in support of the applicant's request. CBLA offers the following responses to Mr. Duarte's claims.

Duarte Letter Excerpt:

1. The Project's Floor Area Modification Does Not Exceed 10,000 Square Feet

The Appeal alleges that the Project may not utilize a Class 1 Exemption under CEQA because the Project involves modifications resulting in an increase of 14,427 square feet of floor area. This argument is moot because the Zoning Administrator ("ZA") dismissed without prejudice the Applicant's requests with regard to the increased floor area, and only approved the request related to parking.

This argument is based on a false premise. The additional 14,000 sq. ft. has already been illegally added by the applicant. The ZA's dismissal of the request appears to be a feeble attempt to avoid triggering CEQA review. The ZA ignores the fact that the additional 14,000 sq. feet already exists. The ZA's approval of the request to move the parking off-site, without acknowledging that the developer has already converted the square footage that was required for parking to another use, shows that the ZA's determination letter is internally inconsistent.

Duarte Letter Excerpt Continued:

Therefore, the Class 1 Exemption under CEQA was not utilized to permit the floor area increase as the Appeal alleges. Even assuming arguendo that the ZA had approved the requests related to the floor area increase, the reliance on the Class 1 Exemption would still be proper. The Class 1 Categorical Exemption provides a non-exhaustive list of examples of qualifying scopes of work related to existing facilities. However, the key consideration is determining whether the project involves negligible or no expansion of use.

Mr. Duarte is right in that the key consideration is determining whether the project involves negligible or no expansion of use. It is hard to believe that he sees the illegal addition of 14,000 sq. ft. as a negligible expansion.

Duarte Letter Excerpt:

2. The Project Was Not Improperly Piecemealed

The Appellant alleges that the Project does not qualify for a Class 1 categorical exemption from CEQA because it is the latest in a series of piecemealed approvals related to a larger hotel/entertainment complex which includes the Thompson Hotel, the Tommie Hotel, the Dream Hotel and the proposed hotel at 6421 Selma Avenue. There is no merit to this argument. The Project is not a reasonably foreseeable consequence of the other named projects or any other projects in the vicinity. The Appellant references Relevant Group, however Relevant Group is not the applicant or owner of the Project. The applicant and owner of the Project is Hollywood Citizen News, LLC. As a general rule, relationships between property owners or applicants of different properties do not change the threshold of review required pursuant to CEQA. The projects identified by the Appellant involve separate properties that are being developed by separate legal entities and separate entitlement applications.

Mr. Duarte's mistake in the paragraph above is telling. He says "The Appellant references Relevant Group, however Relevant Group is not the applicant or owner of the Project. The applicant and owner of the Project is Hollywood Citizen News, LLC." Here he mistakenly uses the name of another one of the entities controlled by Relevant Group in discussing the approval requested for the Dream Hotel. The error is understandable, however, as Relevant has created so many shell companies to construct and operate their hotel/nightlife campus, it's apparently difficult for their attorneys to remember which entity they're supposed to be representing.

Mr. Duarte is correct in stating that, with regard to CEQA, common ownership alone does not mean the projects are linked. However, in this case there is substantial evidence in the record showing that the projects are linked. The requested approval alone, where the Dream seeks to move required parking to the Tommie and/or Thompson, shows that the projects are linked. There is other substantial evidence in the record to show that Relevant's various hotel/food/beverage assets were constructed, owned and operated by Relevant. Please see CBLA's February 22, 2022 letter cited above, and also the complaint filed by Ten Five Hospitality/Dan Daley.

Duarte Letter Excerpt:

3. The Project Provides the Required Bicycle Parking

The Appellant alleges that the Project may not utilize a Class 1 categorical exemption under CEQA because the Applicant did not provide the required bicycle parking. This argument is not true and irrelevant to the City's determination on the Class 1 categorical exemption. The Project is required to provide a total of 16 short term and 16 long term bicycle parking spaces. These spaces were captured as part of the work description in Building Permit No. 13010-10007-03647 issued on February 14, 2017. All bicycle parking is located within the loading area of the structure on the ground floor in compliance with the siting requirements of LAMC Section 12.21.A.16.(e).2.

Mr. Duarte's statement that the bicycle parking exists at the Dream Hotel, 6417 Selma, is false. Please see the photographs provided in Exhibit A of CBLA's February 22, 2022 letter. Regardless of whether LADBS issued a permit for the bicycle parking, it does not exist. This is relevant to the categorical exemption, since the reduction in required parking authorized by the original determination letter was based on the provision of bicycle parking spaces. The bicycle parking ordinance was crafted to reduce the use of automobiles by encouraging other forms of transportation. Following the City's logic in pursuing this policy, if there are no bicycle parking spaces, then there is no incentive to use alternative forms of transportation, which means there will be no reduction in traffic or auto emissions, including GHG emissions. This has resulted in additional cumulative impacts.

If Mr. Duarte knows the location of the bicycle parking at the Dream Hotel, he should share the information with the hotel's employees. In response to a recent inquiry at the front desk, staff maintained that there was no on-site bicycle parking.

Duarte Letter Excerpt:

5. The City Properly Made the Requisite Findings

Mr. Maddren makes several objections to the City's findings regarding the Zone Variance approval. The objections are unfounded and unsubstantiated. Furthermore, before the original ZA's determination, the Applicant updated the Project Description and Findings for the Plan Approval to address similar concerns expressed in comment letters and to better reflect the scope of the Plan Approval and justification for the Zone Variance.

We hope that PLUM will note that, while Mr. Duarte claims that CBLA's statements regarding the findings are unfounded and unsubstantiated, he makes no specific arguments and presents no evidence to the contrary. CBLA stands by its arguments regarding the findings for the plan approval/zone variance. The findings are not supported by the evidence, and the decisionmaker has not proceeded in the manner required by law.

Duarte Letter Excerpt:

a. The Applicant Faces Severe Hardship if the Plan Approval Is Denied

A strict application of the regulations would require the demolition and reconstruction of uses on the first, second, and rooftop levels that have already been approved by the City through the Building Permit Approvals and fully operational since 2017. Additionally, the LAMC requires that a Plan Approval be filed to modify a previously approved zone variance request.

The applicant faces severe hardship? What a shame. In this case, potential hardships for the applicant are entirely of the applicant's own making. Relevant illegally chose not to build the parking required by the original determination. It is extremely disturbing that LADBS issued permits for a project that did not conform to what was approved by City Planning.

Other Issues

Required Findings Can't Be Made

The required findings cannot be made to support this plan approval/zone variance. The findings are not supported by the evidence, and the decisionmaker has not proceeded in the manner required by law.

Granting an Additional, Subsequent Variance Violates LAMC Sec. 12.27.U.1

The plan approval/variance was granted in violation of LAMC Sec. 12.27.U.1, which states that: "A Zoning Administrator shall not approve any use, single deviation or combination or series of deviations from the zoning regulations which was not approved as part of the original variance [....]" The April 4, 2014 determination letter for this project granted three separate variances related to parking.

Required Bicycle Parking Has Not Been Provided

Not only has the applicant illegally removed 77 parking spaces from the approved project, they also failed to build bicycle parking which was supposedly added in order to obtain a reduction in required automobile parking. The first determination letter of September 17, 2008, stated that the project was originally required to have a minimum of 107 parking spaces. But according to the April 4, 2014 determination letter, the number was reduced in exchange for a commitment to include bicycle parking spaces. In the 2014 letter, the City approved:

a Variance from "Q" Condition No. 7 of Ordinance No. 180 ,381 to introduce bicycle parking per Ordinance 182,386 in conjunction with a reduction in the number of required parking spaces;

These bicycle parking spaces were never built.

The Applicant Has Failed to Provide a Loading Space as Required by LAMC

The Dream Hotel does not have a loading space, as required by LAMC Sec. 12.21. C.6.(a), which states: "A loading space shall be provided and maintained on the same lot with every hospital, hotel, or institution building. A loading space shall be provided and maintained on the same lot with every building in the C or M Zones".

LADBS Has Failed to Enforce LAMC and Requirements of the Approved Project

In January 2019 Casey Maddren filed a complaint with the LA Department of Building & Safety regarding the applicant's failure to build required on-site parking. Not long after the complaint was submitted, the file was closed with no explanation. A recent follow-up request to LADBS revealed that the complaint was referred to the citations department, but that no citation was ever issued.

LADBS Has Illegally Granted a Series of Temporary Certificates of Occupancy

The Dream Hotel has never been issued a permanent Certificate of Occupancy. It has been operating for years with a series of Temporary COOs granted by LADBS in violation of LAMC Sec. 91.109.5., which states: "The Superintendent of Building may issue a temporary Certificate of Occupancy notwithstanding the fact that all required public improvements have not been completed, if the Superintendent of Building finds that the failure to complete the public improvements was due to circumstances over which the person applying for the Certificate of Occupancy had no control."

Finally, to provide more context and further evidence, we include a May 4, 2020 letter prepared by Casey Maddren regarding the removal of parking from the Dream Hotel.

May 4, 2020 Letter from Casey Maddren

Removal of Required Parking from Dream Hotel

https://drive.google.com/file/d/1ZPGbKbi8Y5KbaJ-uESSP0QsTJw9MdyFb/view?usp=share_link

EXHIBIT A

FILED

Superior Court of California
County of Los Angeles

02/09/2023

David W. Slayton, Executive Officer / Clerk of Court

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

TEN FIVE HOSPITALITY LLC, 1541 F&B
MANAGER LLC, 1545 F&B MANAGER LLC,
6516 F&B MANAGER LLC, 1607 F&B
MANAGER LLC, AND DAN DALEY,
Plaintiffs,

vs.

RELEVANT GROUP LLC, a Delaware limited
liability company; RELEVANT HOSPITALITY
LLC, a Delaware limited liability company;
1541 HOTEL F&B LLC, a California limited
liability company; HOLLYWOOD CITIZEN
NEWS F&B LLC, a Delaware limited liability
company; 6516 TOMMIE F&B LLC, a
California limited liability company;
HOLLYWOOD INTERNATIONAL
REGIONAL CENTER LLC, a Delaware limited
liability company; HOLLYWOOD
CAHUENGA RESTAURANT LLC, a
California limited liability company; and 1601
CAHUENGA NIGHTCLUB LLC; a California
limited liability company; 1541 WILCOX
HOLDINGS LLC, a Delaware limited liability
company; 6516 TOMMIE HOTEL LLC, a
Delaware limited liability company; VINCENT
CHEN and GRANT KING,
Defendants.

CASE NO. 23STCV00738

FIRST AMENDED COMPLAINT FOR:

1. BREACH OF CONTRACT
2. BREACH OF THE IMPLIED COVENANT
3. DECLARATORY RELIEF
4. DEFAMATION
5. INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE
6. NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

REQUEST FOR JURY TRIAL

CASE NO. 23STCV00738

FIRST AMENDED COMPLAINT

1 Plaintiffs Ten Five Hospitality LLC (“Ten Five”), 1541 F&B Manager LLC, 1545 F&B
2 Manager LLC, 6516 F&B Manager LLC, 1607 F&B Manager LLC, and Dan Daley (together
3 with Ten Five, “Plaintiffs”), by and through their attorneys, Pryor Cashman LLP, file this First
4 Amended Complaint against Defendants Relevant Group LLC and Relevant Hospitality LLC
5 (together, “Relevant”), as well as 1541 Hotel F&B LLC, Hollywood Citizen News F&B LLC,
6 6516 Tommie F&B LLC, Hollywood International Regional Center LLC, Hollywood Cahuenga
7 Restaurant LLC, 1601 Cahuenga Nightclub LLC, 1541 Wilcox Holdings LLC, 6516 Tommie
8 Hotel LLC, Grant King and Vincent Chen (together with Relevant, “Defendants”), and allege as
9 follows:

10 NATURE OF THE ACTION

11 Defendants’ Egregious Conduct Leads to this Lawsuit

12 1. In complete violation of Plaintiffs contractual and intellectual property rights,
13 Defendants are engaged in an overt and planned effort to steal Plaintiffs’ business.

14 2. Defendants contracted with Plaintiffs to conceptualize, manage and operate the
15 Thompson and Tommie hotels (the “Hotels”) as well as various high-end restaurants and bars
16 located in the Hotels and in the Citizen News Building.

17 3. Plaintiffs were wildly successful in their efforts, launching the venues to critical
18 acclaim, including by turning the Mother Wolf restaurant (in the Citizen News Building) into
19 one of the most popular and lucrative restaurants in all of Los Angeles,¹ and raising the profile
20 and profitability of each of the properties.

21 4. To be clear, Defendants engaged Plaintiffs specifically because Relevant did not
22 have the ability or wherewithal to manage and operate the venues.

23 5. Unfortunately, Defendants viewed Plaintiffs’ success with great jealousy and
24 decided that they no longer wanted to share fees and profits with Plaintiffs. Instead Defendants
25 barred Plaintiffs from the premises on no notice whatsoever (hiring an actual security firm to
26

27
28 ¹ See Condé Nast Traveller, *The Best New Restaurants in the World: 2022 Hot List*, available
at <https://www.cntraveler.com/story/best-new-restaurants-in-the-world> (visited February 7,
2023).

1 remove Plaintiffs physically from the premises, including Mr. Daley from his hotel room); under
2 false pretenses, hired away nearly all of Plaintiffs' employees; usurped Plaintiffs' valuable
3 trademark rights; and are diverting to themselves millions of dollars of income and fees that
4 rightfully belong to Plaintiffs.

5 6. Not satisfied with their wholesale violations of Plaintiffs' contractual rights,
6 Defendants have engaged in a smear campaign, making defamatory statements to third parties
7 (including filing a false police report) in an effort to damage Plaintiffs' professional reputation
8 and to gain leverage.

9 7. All of the above conduct has harmed and continues to irreparably harm Plaintiffs
10 with no justification whatsoever.

11 8. This action is brought in response to this lawless conduct and to hold Defendants
12 accountable for their wrongful and shameless efforts to enrich themselves at Plaintiffs' expense.

13 **Preliminary Background**

14 9. Plaintiff Daley is a celebrated executive with more than 15 years of experience
15 working for a number of the world's most exclusive boutique hospitality brands.

16 10. In 2019, he joined Defendant Relevant Hospitality Group LLC as its Chief
17 Operating Officer and was thereafter responsible for overseeing and managing Relevant's newly
18 formed hospitality platform.

19 11. In the latter part of 2020 and into early 2021, Daley and Relevant negotiated an
20 arrangement for the management of Relevant's developing hospitality assets whereby Daley—
21 through the Plaintiffs—would conceptualize and manage certain hospitality venues in
22 Hollywood.

23 12. This management arrangement was heavily negotiated by all sides and
24 documented in a series of contracts drafted by the parties and their lawyers.

25 13. Under the parties' agreements, Plaintiffs are entitled to complete and total control
26 over the management and operation of these venues including the authority and right to manage,
27 hire and fire all employees, the right to withdraw funds from their operating accounts for the
28

1 purposes of funding operations and collecting management fees, and the exclusive right to use
2 the trademarks associated with the existing food and beverage venues at future locations.

3 14. Each of the underlying management agreements contains initial 10-year terms and
4 detailed provisions precluding termination absent service of a notice of certain delineated
5 defaults with the right to cure.

6 15. This was negotiated specifically to protect Plaintiffs' right to reap long-term
7 benefits from their dedication, hard work, talent and expertise.

8 16. Despite the success of Plaintiffs' operations, owing to mismanagement in other
9 areas of its business, Relevant encountered financial troubles which reached a tipping point in
10 November 2022, when a mezzanine lender instituted foreclosure proceedings on two of
11 Relevant's properties based on a \$72 million rescue loan the lender had made to Relevant the
12 year prior.

13 17. In order to gain leverage with the lender and to find a quick solution to their own
14 economic problems, Defendants responded by embarking on an unjustifiable course of conduct.

15 18. Defendants began this course by retaining management fees for themselves that
16 are plainly owed to Plaintiffs and instructing Plaintiffs' employees not to follow Daley's
17 instructions.

18 19. In response, Plaintiffs commenced this action on or about January 12, 2023,
19 alleging breach of contract, breach of the implied covenant of good faith and fair dealing and
20 seeking declaratory and injunctive relief.

21 20. On January 13, 2023, Relevant sent correspondence alleging that Daley's transfer
22 of funds out of Relevant's operating accounts, authorized under the express terms of the parties'
23 agreements, was "siphoning money from Relevant's accounts," and disclosing that Relevant had
24 asserted to East West Bank that this withdrawal was unauthorized and had filed "a detailed
25 police report" falsely accusing Daley of criminal misconduct. As a result of Relevant's unlawful
26 publication of its defamatory and libelous statements, East West Bank advised Daley that it had
27 opened an investigation into the matter and frozen Ten Five's access to its own account at the
28 bank.

1 21. To justify this lawless conduct, Defendants took the incredible position that the
2 agreements they had entered with Plaintiffs and under which both parties had performed since
3 the summer of 2021 were “void, voidable, and/or rescindable” or had been terminated.

4 22. In fact, there is no good faith basis for the claim that the agreements are anything
5 but binding and continuing in effect.

6 23. In fact, the purported “termination” of the agreements was done solely as a
7 means to avoid Defendants’ payment obligations to Plaintiffs, and to improperly usurp control
8 over Plaintiffs’ business operations, intellectual property and employment relationships.

9 24. In fact, through the entire course of Plaintiffs’ relationship with Defendants,
10 Plaintiffs did not receive a single notice of default related to any of the agreements at the center
11 of this action. To the contrary, Defendants frequently praised Plaintiffs and the success and
12 profitability they achieved at the properties and even went on to negotiate another management
13 role for a new venue with Plaintiffs in early 2022.

14 25. Defendants’ efforts to oust Plaintiffs from the management and operation of the
15 venues have continued to play out through a shocking series of unlawful acts.

16 26. First, without any notice at all, Defendants hired guards to prevent Daley from
17 entering the venues. Simultaneously, Defendants had Daley removed from his hotel room in Los
18 Angeles, again with no notice whatsoever.

19 27. Next, Defendants contacted Ten Five’s employees—who, under the management
20 agreements, are to be exclusively employed, hired, compensated, directed and terminated under
21 the sole direction of Ten Five—and ordered them to attend meetings held and directed by
22 Relevant and its litigation counsel, also without any notice to Plaintiffs.

23 28. At these meetings, Defendants, including Vincent Chen and Grant King, falsely
24 told Ten Five’s employees that Ten Five had “shut down,” was dissolving, was not operating,
25 and that because Relevant “owned” the restaurants it was entitled to take over. Moreover, any
26 Ten Five employee who would not sign an agreement with Relevant was summarily removed
27 from the premises.
28

1 29. Defendants demanded that Ten Five’s employees resign from Ten Five’s
2 employment on the spot, falsely advised Ten Five’s employees that if they did not comply and
3 sign new employment agreements with Relevant, they would not be paid, and even purported to
4 “fire” Ten Five’s employees who would not comply.

5 30. Defendants’ litigation counsel attended and participated in these meetings with
6 Ten Five’s employees.

7 31. Defendants continue to deploy this and other high-pressure tactics to destroy
8 Plaintiffs’ relationships with their employees, including highly talented restaurant managers and
9 other key personnel.

10 32. As a consequence of Defendants’ actions, Ten Five employees have resigned,
11 including restaurant managers and chefs.

12 33. Since this ouster, Defendants have been trading on the stellar business reputation
13 and hard-earned goodwill of Plaintiffs, without anything close to the expertise and talent
14 necessary to uphold the quality of Plaintiffs’ operations.

15 34. By operating the venues that Plaintiffs spent years developing and nurturing,
16 despite lacking expertise to do so, Defendants are demolishing Plaintiffs’ most valuable assets –
17 the brands and reputation Plaintiffs have spent years building in the highly competitive and
18 constantly changing high-end hospitality industry.

19 35. Plaintiffs expected, and had the contractual right, to leverage their reputation and
20 goodwill through expansion to future projects in other cities throughout the country.

21 36. Defendants’ only explanation for their lawless conduct has been a claim that they
22 did not agree to the contracts they signed, despite having been represented by sophisticated
23 outside counsel, having performed the terms of these complex commercial agreements for nearly
24 two years and having approved each of them at the executive level of Defendants’ managers
25 Grant King and Vincent Chen.

26 37. King and Chen sought to effectuate this scheme and insulate themselves and
27 Relevant Group LLC from the consequences of their willful breaches through the other named
28

Defendants, which even the most superficial scrutiny reveals do not satisfy the requirements of corporate separation.

38. Accordingly, Plaintiffs seek to hold these alter-egos liable for the wrongful conduct effectuated here.

THE PARTIES

39. Plaintiff Ten Five Hospitality LLC is a limited liability company organized in the State of Florida with its principal place of business in Florida.

40. Plaintiff 1541 F&B Manager LLC is a limited liability company organized in the State of California with its principal place of business in California.

41. Plaintiff 1545 F&B Manager LLC is a limited liability company organized in the State of California with its principal place of business in California.

42. Plaintiff 6516 F&B Manager LLC is a limited liability company organized in the State of California with its principal place of business in California.

43. Plaintiff 1607 F&B Manager LLC is a limited liability company organized in the State of California with its principal place of business in California.

44. As used herein, Plaintiffs in paragraphs 40–43 above are collectively referred to as the “Manager Plaintiffs.”

45. Plaintiff Daniel Daley is a resident of the State of Florida.

46. Defendant Relevant Group LLC is a limited liability company organized in the State of Delaware with its principal place of business in California.

47. Defendant Relevant Hospitality LLC is a limited liability company organized in the State of Delaware with its principal place of business in California.

48. Defendant 1541 Hotel F&B LLC is a limited liability company organized in the State of California with its principal place of business in California.

49. Defendant Hollywood Citizen News F&B LLC is a limited liability company organized in the State of Delaware with its principal place of business in California.

50. Defendant 6516 Tommie F&B LLC is a limited liability company organized in the State of California with its principal place of business in California.

52. Defendant 1601 Cahuenga Nightclub LLC is a limited liability company organized in the State of California with its principal place of business in California.

53. As used herein, Defendants in paragraphs 48-52 above are collectively referred to as the “Operator Defendants.”

54. Defendant Hollywood International Regional Center LLC is a limited liability company organized in the State of Delaware with its principal place of business in California.

55. Defendant 1541 Wilcox Holdings LLC is a limited liability company organized in the State of California with its principal place of business in California.

56. Defendant 6516 Tommie Hotel LLC is a limited liability company organized in the State of Delaware with its principal place of business in California.

57. As used herein, Defendants in paragraphs 55-56 above are collectively referred to as the “Owner Defendants.”

58. Defendant Vincent Chen is a Manager of Defendant Relevant Group, LLC and, upon information and belief, resides in California.

59. Defendant Grant King is a Manager of Defendant Relevant Group, LLC and, upon information and belief, resides in California.

60. As used herein, Defendants in paragraphs 58-59 above are collectively referred to as the “Individual Defendants.”

JURISDICTION AND VENUE

61. This Court has jurisdiction over Defendants, as their principal places of business or residences are in California and they purposefully availed themselves of the benefits of doing business in California in the matters pertaining to this case.

62. Venue is proper in Los Angeles County because Defendants conducted their business in this County and a substantial portion of the wrongful acts occurred in this County.

FACTUAL ALLEGATIONS

A. Daley Accepts COO Position at Relevant

63. Relevant develops hotels, restaurants, and entertainment venues in urban markets. According to its website, Relevant is a “vertically integrated, design-focused real estate development company that creates distinctive hospitality, real estate and lifestyle destinations.”

64. Daley became an employee of Relevant as its Chief Operating Officer on June 10, 2019 subject to a written employment agreement (the “Employment Agreement”) with Relevant Hospitality LLC.

65. The Employment Agreement was sent on Relevant Group LLC letterhead and stated that Daley would be paid in accordance with the regular payroll practices of Defendant Hollywood International Regional Center LLC and would be eligible to participate in a 401K plan sponsored by Defendant Hollywood International Regional Center LLC.

66. Daley accepted the position.

67. Pursuant to Daley’s Employment Agreement, Relevant Hospitality LLC was obligated to grant Daley 10% equity in Relevant Hospitality LLC.

68. While Daley dutifully performed the terms of the Employment Agreement, such equity interest in Relevant Hospitality LLC was never delivered.

B. Daley Negotiates a Management Arrangement with Relevant

69. At the end of 2020, Daley and Relevant began negotiations regarding Plaintiffs’ management of certain hospitality venues (the “Managed Venues”). Notably, Relevant’s senior-most executives, board members and equity owners personally participated in these negotiations.

70. For the next five months, Daley and Relevant engaged in complex negotiations with respect to the Managed Venues.

71. These negotiations were arms-length and sophisticated, as both parties were represented by reputable and experienced counsel—Raines Feldman LLP for Ten Five and its affiliates, and Jeffers, Mangel, Butler & Mitchell, LLP for Relevant and its affiliates.

72. The management arrangement was negotiated heavily with all members of Relevant's board, namely Chen and King, who also are the Managers and majority equity holders of Relevant Group LLC and who control the other named Defendants.

73. For example, in or around April 2022, Daley gave Chen an opportunity to invest in Ten Five as part of the management arrangement.

74. Specifically, Daley sent Chen a valuation proforma for Ten Five, which included existing contracts with forecasted fee income, businesses that were in the "pipeline" and actionable in the very near future, and what a common equity investment return would look like.

75. Daley offered Chen 20% of Ten Five in exchange for a common equity investment of \$2 million, where Chen would be an owner and a manager that would receive substantial income.

76. Chen ultimately chose not to accept Daley's offer.

i. The 2021 F&B Agreements

77. In early-mid 2021, the parties formally entered into an agreement with respect to certain Managed Venues, specifically:

- a. The Citizen News Building located at 1545 Wilcox Avenue, Hollywood, California, and consisting of (i) an Italian restaurant with approximately 8,000 square feet located on the first floor of the East end of the Citizen News Building; (ii) another restaurant, with approximately 3,300 square feet located on the first floor of the West end of the Citizen News Building; and (iii) approximately 14,000 square feet of multi-use event and meeting space located on the second floor of the Citizen News Building (collectively, the "Citizen News Building Venues");
- b. The Thompson Hotel Hollywood located at 1541 Wilcox Avenue, Hollywood, California, and consisting of (i) a French-American brasserie with approximately 6,000 square feet located on the ground floor; (ii) another restaurant located on the rooftop of the Thompson; (iii) a bar located on the rooftop of the Thompson; (iv) the pool deck servicing the pool located on the rooftop of the Thompson; and

(v) a lobby bar located on the ground floor of the Thompson (collectively, the “Thompson Hotel Venues”); and

c. The “Tommie Hollywood” located at 6516 Selma Avenue, Hollywood, California, and consisting of: (i) a restaurant with approximately 6,000 square feet located on the ground floor; (ii) a bar located on the rooftop of the Tommie; (iii) the pool deck servicing the pool located on the rooftop of Tommie; and (iv) a lobby bar located on the ground floor of the Tommie (collectively, the “Tommie Venues”).

78. In connection with this arrangement, certain Manager Plaintiffs (affiliates of Ten Five) entered into three separate Food and Beverage Service Management Agreements (the “2021 F&B Agreements”) with certain Operator Defendants (affiliates of Relevant), which detailed the specifics of the parties’ management arrangement for the Citizen News Building Venues, the Thompson Hotel Venues, and the Tommie Venues.

79. Under the 2021 F&B Agreements, the Manager Plaintiffs agreed to exclusively manage and operate all aspects of these venues.

80. In turn, the Manager Plaintiffs were entitled to a “Base Management Fee” and an “Incentive Management Fee,” as calculated in the 2021 F&B Agreements.

81. Each of the 2021 F&B Agreements carried an initial term of ten (10) years, and contemplated non-discretionary extensions based on the Manager Plaintiffs’ performance.

82. The ability of the Relevant affiliates to terminate the 2021 F&B Agreements likewise was deliberately circumscribed and subject to rigorous notice and cure processes.

83. These terms were negotiated specifically so that the Manager Plaintiffs would be entitled to reap the long-term benefits of their efforts.

84. The Manager Plaintiffs also had exclusive right to hire and manage the employees of the venues under the 2021 F&B Agreements.

85. The 2021 F&B Agreements also provided that the Manager Plaintiffs would have access to certain operating accounts to fund the operations of the venues, to pay the Manager Plaintiffs’ employees and to withdraw management fees.

86. The 2021 F&B Agreements also make clear that Operator Defendants and Manager Plaintiffs were the sole joint owners of the respective trademarks being utilized at the restaurants in the Citizen News Building Venues, the Thompson Hotel Venues, and the Tommie Venues.

87. The 2021 F&B Agreements also each provide that in any lawsuit, the prevailing party is entitled to recover all reasonable attorneys' fees, costs and expenses incurred from the other party.

88. Owing to the Manager Plaintiffs' successful performance of their obligations under the 2021 F&B Agreements, the Citizen News Building Venues, the Thompson Hotel Venues, and the Tommie Venues generated substantial revenue, which entitled the Manager Plaintiffs to significant payments.

ii. The F&B Co-Management Agreements

89. Ten Five also entered into three respective co-management agreements with Relevant Hospitality LLC and Relevant Group LLC (the "F&B Co-Management Agreements") for these properties.

90. Under the F&B Co-Management Agreements, Relevant Hospitality LLC agreed to act as an independent contractor, on an exclusive basis, to provide assistance and oversight of the management and operation of the subject venues.

91. In turn, Relevant Hospitality LLC was entitled to a share of the "Base Service Fee" and an "Incentive Service Fee," as calculated in the F&B Co-Management Agreements in exchange for granting Ten Five ownership of certain units of Relevant Group LLC.

iii. The HMAs and Hotel Co-Management Agreements

92. Also in 2021, Defendants 1541 Wilcox Holdings LLC and 6516 Tommie Hotel LLC entered into respective Hotel Management Agreements for the Thompson Hotel and the Tommie Hotel with Relevant Hospitality LLC (together, the "HMAs"). In the HMAs, Relevant acknowledged and agreed that the restaurants and bars at the Hotels were to be operated by a third party (i.e., Ten Five) and that Relevant had "no rights and/or obligations with respect to the ownership, operation, revenues and/or expenses" of those venues.

93. In connection with the HMAs, Relevant Hospitality, LLC and 1541 Wilcox Holdings LLC entered a co-management agreement with Ten Five for the Thompson Hotel (the “Thompson Hotel Co-Management Agreement”) and Relevant Hospitality, LLC and 6516 Tommie Hotel LLC entered a co-management agreement with Ten Five for the Tommie Hotel (the “Tommie Hotel Co-Management Agreement”), each dated August 6, 2021 (together the “Hotel Co-Management Agreements”).

94. Under the Hotel Co-Management Agreements, Relevant “appoint[ed] and authoriz[ed] Ten Five, as an independent contractor, to undertake, on an exclusive basis, all duties, obligations and operational responsibilities . . . of Relevant under the [HMAs] relating to the management and operation of” the Thompson Hotel and the Tommie Hotel. In other words, Relevant outsourced all aspects of the Hotels’ operation to Ten Five.

95. The Hotel Co-Management Agreements’ terms continued until the termination of the HMAs, which remain in effect.

96. Under the Hotel Co-Management Agreements, Ten Five was entitled to collect a Base Service Fee and an Incentive Fee, calculated as a percentage of the Base Fees and Incentive Fees payable under the HMAs.

97. The Hotel Co-Management Agreements also provided that Ten Five would have access to certain operating accounts to fund the operations of the Hotels and to withdraw management fees.

98. The Hotel Co-Management Agreements also contained notice and cure provisions to preserve Ten Five’s right to collect fees resulting from its successful efforts at the Hotels, and limit Relevant’s ability to terminate the contracts.

99. Ten Five performed the Hotel Co-Management Agreements by managing the Hotels.

iv. The 2022 F&B Agreements

100. By early 2022, Relevant was so pleased with Ten Five’s performance that the parties entered into another arrangement to open a seventh hospitality concept.

101. Specifically, in February 2022, Relevant—through Defendants Hollywood Cahuenga Restaurant LLC and Cahuenga Nightclub LLC—contracted with Plaintiff 1607 F&B Manager LLC for the management of additional venues (the “2022 F&B Agreements”).

102. Like the 2021 F&B Agreements, the 2022 F&B Agreements provided for a ten (10) year initial term and provided 1607 F&B Manager LLC with rights to extend the term subject to certain performance goals. And, like the 2021 F&B Agreements, the 2022 F&B Agreements contained notice and cure provisions to preserve 1607 F&B Manager LLC’s right to collect fees resulting from its successful efforts at the venues and limit Relevant’s ability to terminate the contracts.

103. Likewise, 1607 F&B Manager LLC had the exclusive right to hire and manage the employees under the 2022 F&B Agreements, as well as access to operating accounts to fund the operations of the venues, pay employees, collect management fees and to make withdrawals directly for such purposes.

104. The 2022 F&B Agreements also provide that in any lawsuit, the prevailing party is entitled to recover all reasonable attorneys’ fees, costs and expenses incurred from the other party.

105. However, unlike the 2021 F&B Agreements, under the 2022 F&B Agreements, Plaintiff 1607 F&B Manager LLC was the sole owner of the trademarks and other intellectual property developed in connection with the restaurant venues on Cahuenga Boulevard.

v. The Licensing Agreement

106. In 2022, as Ten Five’s management success continued, it sought exclusive rights to certain trademarks it had developed under the 2021 F&B Agreements.

107. Accordingly, in Summer 2022, the parties again engaged in negotiations with respect to certain Managed Venue trademarks.

108. Specifically, in exchange for a perpetual exclusive right to use these trademarks, and Relevant’s corresponding agreement not to use or license the trademarks itself, Ten Five agreed to pay a royalty to Relevant and take on certain restrictions on the use of the intellectual property at new venues.

109. In negotiations occurring in September and October 2022, Relevant sent multiple rounds of proposed edits to Daley and his counsel insisting on more favorable terms to Relevant, including that Relevant's fees on gross revenue would be increased from one-half percent to one percent, an additional three managed venues would be included in the agreement (Bar Lis, Ka'Teen, and Desert Five Spot) and imposing expanded record keeping and audit obligations on Ten Five.

110. These terms insisted upon by Relevant ultimately were incorporated into the final licensing agreement.

111. In October 2022, the parties entered into the final licensing agreement (the "Licensing Agreement"). Under the Licensing Agreement, Relevant granted a perpetual, worldwide and exclusive license to Ten Five for the use of these trademarks in connection with Ten Five's restaurant and hospitality services, in exchange for, *inter alia*, the payment of fees from Ten Five to Relevant.

112. In the Licensing Agreement, Relevant Hospitality LLC warranted that it had the right to enter the Licensing Agreement's terms, including a co-ownership interest in the trademarks.

113. Because Ten Five's affiliates were each co-owners of the trademarks with the right to use them as such, the primary significance of the Licensing Agreement was that it prohibited Relevant from using the trademarks itself, for any purpose, including with respect to the Managed Venues.

114. Pursuant to the Licensing Agreement, Ten Five had the right to market its exclusive use of the marks to secure capital for new restaurants at venues not associated with Relevant.

115. The F&B Co-Management Agreements, the 2021 and 2022 F&B Agreements, The Hotel Co-Management Agreements and the Licensing Agreement (together, the "Agreements"), as well as the HMAs, were discussed with Relevant's Managers and, in accordance with Relevant Group's Operating Agreement, approved by Relevant's equity owners and board.

C. Defendants Interfere with Plaintiffs' Operations and Defame Plaintiffs

116. In or around November 2022, Relevant's financial condition went from bad to worse. At that time, Machine Investment Group—which had provided \$72 million in “rescue” financing to Relevant in April 2021—initiated UCC foreclosure proceedings on the Thompson Hotel Venues and the Tommie Venues.

117. In the face of tremendous pressure from its creditors and desperate to obtain leverage, Relevant and its executives began interfering with Plaintiffs' operations in a play to cut Plaintiffs out of the Managed Venues and take Plaintiffs' businesses them for themselves.

118. *First*, pursuant to the 2021 F&B Agreements, 2021 F&B Agreements and Hotel Co- Management Agreements, Ten Five and the Manager Plaintiffs are entitled to earned management fees and to withdraw such fees directly from the “Operating Account” (as that term is defined in the respective agreements).

119. In December 2022, Relevant failed to pay these management fees when due. Daley then, as a courtesy, gave notice to Relevant that the Manager Plaintiffs intended to withdraw the funds for such fees directly from the Operating Account. Relevant never objected to the Manager Plaintiffs making such withdrawal, and indeed never responded to the notice Daley had sent.

120. After the Manager Plaintiffs paid the management fees from the Operating Account, Defendants then, and again with no notice, unilaterally removed Daley as a signatory on the Operating Account, thereby preventing Ten Five and the Manager Plaintiffs from withdrawing fees directly, as they are entitled to do under the express terms of the agreements.

121. Further in this regard, after Plaintiffs withdrew funds from the Operating Account at the end of December 2022, Relevant defamed Daley by falsely stating to the bank where the Operating Account is held that these withdrawals constituted criminal activity, and even filed a police report with the Los Angeles Police Department making knowingly false accusations of criminal conduct against Daley.

122. *Second*, pursuant to section 3.5.1 of the 2021 F&B Agreements and section 3.6.1 of the 2022 F&B Agreements, the Manager Plaintiffs are to have “sole responsibility for hiring,

1 employing, relocating, paying, promoting, transferring, compensating, supervising, terminating,
2 directing and training all employees” at the food and beverage venues.

3 123. However, Relevant began interfering with Plaintiffs’ operations by contacting
4 employees who are under written contract, giving them instructions antithetical to their duties
5 and obligations, making false representations as to Relevant’s authority to direct the business,
6 and making false statements concerning Ten Five.

7 124. Relevant told employees not to take direction from Daley or Ten Five, and instead
8 to take direction only from Relevant. Relevant continued to do this, even after being advised by
9 Daley that such conduct is inappropriate and must stop.

10 125. For example, Relevant instructed the Vice President of Finance, Joy Ong
11 Newberry, who, under the Agreements, is to take instruction from Ten Five, not to process Ten
12 Five’s management fees, which is one of the bases upon which Relevant is in breach for failing
13 to pay fees.

14 126. Defendants also intimidated Ten Five’s employees into moving to Relevant’s
15 employ, going so far as to hold a meeting with no prior notice, with Relevant’s litigation counsel
16 present,² at the Managed Venues for the sole purpose of instructing Ten Five employees to resign
17 from Ten Five and to sign employment papers with Relevant immediately, telling them that if
18 they did not they would not get paid. Defendants, including, upon information and belief,
19 Vincent Chen and Grant King, likewise falsely told Ten Five employees that Ten Five has been
20 “shut down” and had stopped operating.

21 127. Defendants further told Ten Five’s employees they were required to resign from
22 Ten Five immediately and sign an employment agreement with Relevant Group LLC, otherwise
23 they would be “fired” and removed from the premises.

24 128. When Ten Five employees asked to speak with a lawyer or refused to sign the
25 document, they were purportedly “fired” on the spot and physically removed from the premises.
26
27

28 ² Plaintiffs reserve the right to bring additional claims against Defendants’ counsel based on
their role in the misconduct set forth in this complaint, including with respect to statements made
to Plaintiffs’ employees and in the police report falsely accusing Daley of criminal misconduct.

1 129. As a result of this conduct, numerous Ten Five employees, many of whom are
2 restaurant workers lacking knowledge of the parties’ legal rights and obligations including their
3 own, have submitted resignation letters terminating their relationships with Ten Five.

4 130. *Third*, Relevant has taken steps to challenge the registration of certain trademarks,
5 notwithstanding the Agreements. Specifically, on January 6, 2023, Relevant sought a 30-day
6 extension of time to prepare an apparent *opposition* to Ten Five’s registration of the marks
7 notwithstanding its agreement to “promptly do such acts . . . as may be reasonably necessary or
8 reasonably desirable to *obtain, maintain, protect*, the Trademarks[.]” (emphasis added). And on
9 February 5, 2023, Relevant filed a baseless opposition to Ten Five’s application for the
10 MOTHER WOLF trademark.

11 131. Plaintiffs have expended hundreds of thousands of dollars and received millions
12 of dollars in outside investor capital based on the intellectual property rights covered by the
13 Licensing Agreement, which will be in jeopardy if the trademark registrations are not granted by
14 the Patent and Trademark Office due to Relevant’s wrongful conduct.

15 132. Relevant has also cut Ten Five off from managing the venues associated with the
16 trademarks identified in the License Agreement and other agreements, and usurped that role for
17 itself.

18 133. But Relevant does not have the experience, expertise or resources to properly
19 manage these venues and as a result the quality of the service at them immediately dropped, as
20 reflected by plummeting guest satisfaction scores.

21 134. By operating the venues itself and rendering inferior services under the
22 trademarks and related intellectual property, Relevant’s actions are harming the goodwill
23 associated with Ten Five’s brand names, and depriving Ten Five of future profits and benefits of
24 business relationships, agreements and transactions with various customers, prospective
25 customers and suppliers, and irreparably harming the valuable business reputation and goodwill
26 that Ten Five has worked hard to successfully foster, all in violation of the express terms of the
27 parties’ Licensing Agreement.
28

135. Defendants even set up competing entities as they implemented their scheme, Thompson-Wilcox F&B Manager, LLC, Tommie-Selma F&B Manager, LLC, The Chap F&B Manager, LLC, and CN-Wilcox F&B Manager, LLC, specifically to run the food and beverage operations at the Managed Venues—and thereby complete the scheme to oust the Manager Plaintiffs.

136. Relevant has not even provided the barest justification for any of this conduct.

137. Instead, on January 23, 2023, Relevant’s counsel sent Ten Five’s counsel a two-page letter that: (a) claimed that the agreements described above are “void, voidable, and/or rescindable”; (b) purported to terminate the parties’ agreements; (c) alleged that Ten Five and Daley have disrupted and undermined Relevant’s business interests; and (d) threatened that any effort by Ten Five to manage the Managed Venues—which it is contractually entitled to do—“will be considered actionable interference and pursued accordingly.”

D. Plaintiffs Have Suffered and Will Continue to Suffer

Irreparable Harm Due to Defendants’ Ongoing Wrongful Conduct

138. Individually and taken together, Relevant’s conduct constitutes a breach of the Agreements. Relevant’s wrongful actions have damaged and continue to damage Plaintiffs.

139. Indeed, Plaintiffs have suffered and continue to suffer irreparable harm not compensable in monetary damages in a number of ways.

140. *First*, Plaintiffs have earned a stellar reputation in the hospitality industry based on the management of successful hospitality ventures. Defendants’ actions to oust Plaintiffs from the Managed Venues is causing significant reputational damage to Plaintiffs. They have lost credibility with both existing and future staff, and opportunities for future business may be put in jeopardy.

141. *Second*, if Defendants continue with their wrongful conduct, Plaintiffs are likely to be deprived of the ability to allocate employees, costs, and assets across the Managed Venues. Plaintiffs operate in a talent-driven industry where their employees—namely, their general managers and executive chefs—are uniquely talented professionals at the peak of their careers.

Therefore, the inability to hire and reallocate chefs as needed will detrimentally impact Plaintiffs' businesses and their reputation more generally.

142. *Third*, Plaintiffs relied on their trademarks and the associated goodwill to enter into various arrangements for future projects. Plaintiffs' failure to secure trademark protection may negatively impact Plaintiffs' reputation, which also will cause irreparable harm to their business and potential future operations.

**E. Defendants' Efforts to Insulate Themselves From Liability for Their
Misconduct Through Abuse of the Corporate Form**

143. Defendants have sought to insulate themselves from the consequences of their misconduct through a web of interconnected and financially related entities that even the most superficial scrutiny reveals do not satisfy the requirements of corporate separation.

144. Vincent Chen and Grant King are the managers of Relevant Group LLC, which is the managing member and sole owner of Relevant Hospitality LLC. Vincent Chen and Grant King dominate and control Relevant Group LLC, Relevant Hospitality LLC and other affiliates under their common ownership and control, including Hollywood International Regional Center LLC, the Operator Defendants and the Owner Defendants.

145. Hollywood International Regional Center LLC indirectly owns 1541 Wilcox Holdings, LLC and 6516 Tommie Hotel, LLC.

146. Vincent Chen, Grant King, Relevant Group LLC, Relevant Hospitality LLC, Hollywood International Regional Center LLC, the Operator Defendants and the Owner Defendants commingle funds and assets.

147. Vincent Chen and Grant King cause Relevant Group LLC and/or Hollywood International Regional Center LLC to satisfy the obligations of Relevant Hospitality LLC, the Operator Defendants and the Owner Defendants for no consideration in return.

148. Vincent Chen, Grant King, Relevant Group LLC, Relevant Hospitality LLC, Hollywood International Regional Center LLC, the Operator Defendants and the Owner Defendants are all located at and use the same offices at 1605 N. Cahuenga Blvd. Los Angeles, CA 90028.

1 149. Relevant Group LLC, Relevant Hospitality LLC, Hollywood International
2 Regional Center LLC, the Operator Defendants and the Owner Defendants use the same
3 employees at the exclusive direction of Vincent Chen and Grant King.

4 150. Vincent Chen and Grant King have the exclusive authority to act on behalf of
5 Relevant Group LLC, Relevant Hospitality LLC, Hollywood International Regional Center LLC,
6 the Operator Defendants and the Owner Defendants and none of them act without the express
7 authorization of Chen or King.

8 151. Relevant Hospitality LLC, Hollywood International Regional Center LLC, the
9 Operator Defendants and the Owner Defendants have no email or telephone independent from
10 Relevant Group LLC.

11 152. The accountants and counsel for Relevant Group LLC perform services for
12 Relevant Hospitality LLC, Hollywood International Regional Center LLC, the Operator
13 Defendants and the Owner Defendants and are compensated by Relevant Group LLC at the
14 exclusive direction of Vincent Chen and Grant King.

15 153. Relevant Group LLC, Relevant Hospitality LLC, Hollywood International
16 Regional Center LLC, the Operator Defendants and the Owner Defendants do not observe any
17 separate company formalities or hold membership meetings.

18 154. Vincent Chen and Grant King use Relevant Group LLC, Relevant Hospitality
19 LLC, Hollywood International Regional Center LLC, the Operator Defendants and the Owner
20 Defendants as a mere shell or conduit for their affairs.

21 155. Vincent Chen and Grant King formed Relevant Hospitality LLC, Hollywood
22 International Regional Center LLC, the Operator Defendants and the Owner Defendants as
23 undercapitalized shells for the purposes avoiding contractual liability.

24 156. Vincent Chen and Grant King have siphoned funds from Relevant Hospitality
25 LLC, Hollywood International Regional Center LLC and the Operator Defendants through
26 Relevant Group LLC.

27
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157. Vincent Chen and Grant King formed Thompson-Wilcox F&B Manager, LLC, Tommie-Selma F&B Manager, LLC, The Chap F&B Manager, LLC, and CN-Wilcox F&B Manager, LLC in December 2022 to collect management fees rightfully owed to Plaintiffs.

158. Vincent Chen and Grant King have used Relevant Group LLC, Relevant Hospitality LLC, Hollywood International Regional Center LLC, the Operator Defendants and the Owner Defendants to breach their contracts with Plaintiffs.

159. Owing to the foregoing and as set forth below, Plaintiffs bring the following claims for relief.

FIRST CLAIM FOR RELIEF

(1545 F&B Manager LLC, 1541 F&B Manager LLC & 6516 F&B Manager LLC *against* Hollywood Citizen News F&B LLC, 1541 Hotel F&B LLC, 6516 Tommie F&B LLC, Relevant Group LLC, Relevant Hospitality LLC, Hollywood International Regional Center LLC, Vincent Chen and Grant King for Breach of the 2021 F&B Agreements)

160. Plaintiffs repeat and reallege paragraphs 1 through 159 as if fully set forth herein.

161. The 2021 F&B Agreements constitute valid and binding agreements.

162. 1545 F&B Manager LLC, 1541 F&B Manager LLC and 6516 F&B Manager LLC have performed their obligations under the 2021 F&B Agreements.

163. Hollywood Citizen News F&B LLC, 1541 Hotel F&B LLC & 6516 Tommie F&B LLC have breached the 2021 F&B Agreements by, *inter alia*:

- a. Failing to pay management fees, and further preventing the 1545 F&B Manager LLC, 1541 F&B Manager LLC and 6516 F&B Manager LLC from collecting the earned management fees;
- b. Unilaterally removing Daley as a signatory on the Operating Account, thereby preventing the 1545 F&B Manager LLC, 1541 F&B Manager LLC and 6516 F&B Manager LLC from withdrawing the fees and expenses directly;
- c. Purporting to terminate the 2021 F&B Agreements without serving a notice identifying any purported defaults or providing 1545 F&B Manager LLC, 1541 F&B Manager LLC or 6516 F&B Manager LLC the requisite opportunity to cure;
- d. Interfering with the management of Plaintiffs' employees; and

e. Failing to cooperate and actually obstructing the application of the parties' trademark application.

164. Vincent Chen and Grant King formed Hollywood Citizen News F&B LLC, 1541 Hotel F&B LLC and 6516 Tommie F&B LLC as undercapitalized shells and operated them through Relevant Group LLC, Relevant Hospitality LLC and Hollywood International Regional Center LLC to enable them to breach the 2021 F&B Agreements and avoid liability for same.

165. The 2021 F&B Agreements provide that in any action undertaken in the event of breach or default, the prevailing party would be entitled to recover all reasonable attorneys' fees, costs and expenses incurred in such action from the other party.

166. As a direct and proximate cause of the material breaches of the 2021 F&B Agreements, Plaintiffs have suffered and will suffer damages in an amount to be proven at trial but not less than \$10,000,000 plus reasonable attorneys' fees, costs and expenses.

SECOND CLAIM FOR RELIEF

(1607 F&B Manager LLC *against* Hollywood Cahuenga Restaurant LLC, Cahuenga Nightclub LLC, Relevant Group LLC, Relevant Hospitality LLC, Hollywood International Regional Center LLC, Vincent Chen and Grant King for Breach of the 2022 F&B Agreements)

167. Plaintiffs repeat and reallege paragraphs 1 through 166 as if fully set forth herein.

168. The 2022 F&B Agreements constitute valid and binding agreements.

169. 1607 F&B Manager LLC has performed its obligations under the 2022 F&B Agreements.

170. Hollywood Cahuenga Restaurant LLC and Cahuenga Nightclub LLC have breached the 2022 F&B Agreements by, *inter alia*:

- a. Failing to pay management fees, and further preventing 1607 F&B Manager LLC from collecting the earned management fees;
- b. Unilaterally removing Daley as a signatory on the Operating Account, thereby preventing the 1607 F&B Manager LLC from withdrawing the fees and expenses directly;

- c. Purporting to terminate the 2022 F&B Agreements without serving a notice identifying any purported defaults or providing 1607 F&B Manager LLC the requisite opportunity to cure; and
- d. Interfering with the management of Plaintiffs' employees.

171. Vincent Chen and Grant King formed Hollywood Cahuenga Restaurant LLC and Cahuenga Nightclub LLC as undercapitalized shells and operated them through Relevant Group LLC and Relevant Hospitality LLC to enable them to breach the 2022 F&B Agreements and avoid liability for same.

172. The 2022 F&B Agreements provide that in any arbitration or lawsuit undertaken in the event of breach of or default, the prevailing party would be entitled to recover all reasonable attorneys' fees, costs and expenses incurred in such action from the other party.

173. As a direct and proximate cause of the material breaches of the 2022 F&B Agreements, Plaintiffs have suffered and will suffer damages in an amount to be proven at trial but not less than \$5,000,000 plus reasonable attorneys' fees, costs and expenses.

THIRD CLAIM FOR RELIEF

(Ten Five Hospitality LLC *against* Relevant Hospitality LLC, 1541 Wilcox Holdings, LLC, 6516 Tommie Hotel, LLC, Relevant Group LLC, Vincent Chen and Grant King for Breach of the Hotel Co-Management Agreements)

174. Plaintiffs repeat and reallege paragraphs 1 through 173 as if fully set forth herein.

175. The Hotel Co-Management Agreements constitute valid and binding agreements.

176. Ten Five has performed its obligations under the Hotel Co-Management Agreements.

177. Relevant Hospitality LLC has breached the Hotel Co-Management Agreements by, *inter alia*:

- a. Failing to pay management fees, and further preventing 1607 F&B Manager LLC from collecting the earned management fees;
- b. Unilaterally removing Daley as a signatory on the Operating Account, thereby preventing the Ten Five Hospitality LLC from withdrawing the fees and expenses directly; and

1 c. Purporting to terminate the Hotel Co-Management Agreements.

2 178. Vincent Chen and Grant King formed Relevant Hospitality LLC as an
3 undercapitalized shell and operated it through Relevant Group LLC to enable them to breach the
4 Hotel Co-Management Agreements and avoid liability for same.

5 179. As a direct and proximate cause of the material breaches of the Hotel Co-
6 Management Agreements, Ten Five has suffered and will suffer damages in an amount to be
7 proven at trial but not less than \$5,000,000 plus reasonable attorneys' fees, costs and expenses.

8 **FOURTH CLAIM FOR RELIEF**

9 (Ten Five Hospitality LLC *against* Relevant Hospitality LLC, Relevant Group LLC, Vincent
10 Chen and Grant King for Breach of the Licensing Agreement)

11 180. Plaintiffs repeat and reallege paragraphs 1 through 179 as if fully set forth herein.

12 181. The Licensing Agreement constitutes a valid and binding agreement.

13 182. Ten Five has performed its obligations under the Licensing Agreement.

14 183. In the 2021 F&B Agreements, the parties agreed that they jointly co-owned the
15 marks used at the food and beverage venues at the Thompson Hotel Hollywood, the Tommie
16 Hollywood and the Citizen News Building including MOTHER WOLF, DESERT 5 SPOT,
17 KA'TEEN and BAR LIS (collectively, the "Marks").

18 184. In the Licensing Agreement, Relevant Hospitality LLC represented and warranted
19 to Ten Five that it had the right title and interest in and to grant an exclusive license of the Marks
20 to Ten Five.

21 185. In the Licensing Agreement, Relevant Hospitality LLC granted Ten Five an
22 exclusive, perpetual sublicensable and worldwide license to use the Marks in connection with
23 restaurant and hospitality services.

24 186. In the Licensing Agreement, Relevant Hospitality LLC granted exclusive rights to
25 Ten Five and made a corresponding agreement not to use the Marks itself.

26 187. In violation of the Licensing Agreement's grant of exclusivity, Relevant
27 Hospitality LLC and/or its affiliates are using the Marks and depriving Ten Five of the fruits of
28 the Licensing Agreement and the right to exclusively use and sublicense the Marks.

188. Relevant Hospitality LLC and/or its affiliates are delivering a lower quality of service under the Marks, tarnishing Plaintiffs' brand and harming the goodwill associated with Plaintiffs and the Marks.

189. Vincent Chen and Grant King formed Relevant Hospitality LLC and operated it through Relevant Group LLC as an undercapitalized shell to enable them to breach the Licensing Agreement and avoid liability for same.

190. As a direct and proximate cause of the material breaches of the Agreements, Plaintiffs have suffered and will continue to suffer irreparable injury to their business reputation and goodwill.

FIFTH CLAIM FOR RELIEF

(Ten Five Hospitality LLC *against* Relevant Hospitality LLC, Relevant Group LLC, Vincent Chen and Grant King for Breach of the F&B Co-Management Agreements)

191. Plaintiffs repeat and reallege paragraphs 1 through 190 as if fully set forth herein.

192. The F&B Co-Management Agreements constitute valid and binding agreements.

193. Ten Five has performed its obligations under the F&B Co-Management Agreements.

194. Under the F&B Co-Management Agreements, Relevant Hospitality was obligated to grant Ten Five additional membership interests in Relevant Group in November 2022.

195. Relevant Hospitality LLC has breached the F&B Co-Management Agreements by its failure to grant Ten Five these additional membership interests.

196. Relevant Hospitality LLC has purported to terminate the F&B Co-Management Agreements with no right to do so.

197. Vincent Chen and Grant King formed Relevant Hospitality LLC and operated it through Relevant Group LLC as an undercapitalized shell to enable them to breach the F&B Co-Management Agreements and avoid liability for same.

198. As a direct and proximate cause of these material breaches of the F&B Co-Management Agreements, Plaintiffs have suffered and will suffer damages in an amount to be proven at trial, and are entitled their reasonable attorneys' fees, costs and expenses.

SIXTH CLAIM FOR RELIEF

(Dan Daley *against* Relevant Hospitality LLC, Relevant Group LLC, Hollywood International Regional Center LLC, Vincent Chen and Grant King for breach of the Employment Agreement)

199. Plaintiffs repeat and reallege paragraphs 1 through 198 as if fully set forth herein.

200. The Employment Agreement constitutes a valid and binding agreement.

201. Dan Daley has performed his obligations under the Employment Agreement.

202. Pursuant to the Employment Agreement, Relevant Hospitality LLC was obligated to provide a formal employee ownership agreement making Daley eligible to vest up to ten (10) percent ownership of Relevant Hospitality over a three-year vesting schedule of which 25% was to vest retroactively upon the June 10, 2019 start date with the balance vesting monthly thereafter.

203. The Employment Agreement further provided that if the new employee ownership agreement were not set up prior to June 1, 2020, Daley would receive an equivalent 10% grant of equity in Relevant Hospitality within thirty (30) days of that date.

204. While Daley dutifully performed the terms of the Employment Agreement, such employee ownership agreement was never presented to Daley nor were such equity interests in Relevant Hospitality LLC ever delivered.

205. Vincent Chen and Grant King formed Relevant Hospitality LLC and operated it through Relevant Group LLC and Hollywood International Regional Center LLC, as an undercapitalized shell to enable them to breach the Employment Agreement and avoid liability for same.

206. As a direct and proximate cause of the material breaches of the Agreements, Daley has suffered and will suffer damages in an amount to be proven at trial.

SEVENTH CLAIM FOR RELIEF

(Plaintiffs *against* Defendants for Breach of Implied Duty of Good Faith)

207. Plaintiffs repeat and reallege paragraphs 1 through 206 as if fully set forth herein.

208. The Agreements are valid and enforceable contracts.

209. Plaintiffs have performed their obligations under the Agreements and are not in breach thereof.

- a. Plaintiffs are not in breach of any of the Agreements;
- b. The management arrangement is a valid and enforceable transaction, not improperly implemented or effected by Daley;
- c. Defendants are not permitted to instruct employees of Plaintiffs or the Managed Venues, and such employees are to take instruction solely from Plaintiffs or their members;
- d. Daley, on behalf of Ten Five and the Manager Plaintiffs, is entitled to be a signatory on the relevant Operating Accounts and have lawful access thereto to pay management fees and other expenses in connection with the management of the Managed Venues;
- e. The Manager Plaintiffs are the exclusive managers for all food and beverage services at the Managed Venues;
- f. The Manager Plaintiffs shall have sole responsibility for hiring, employing, relocating, paying, promoting, transferring, compensating, supervising, terminating, directing and training all employees at the food and beverage venues at the Hotels, and for generally establishing, determining, implementing and maintaining all policies relating to employment;
- g. Ten Five is the manager of the Hotels;
- h. Ten Five properly filed applications for trademark protection for trademarks under the Licensing Agreement, and Defendants may not challenge same; and
- i. Relevant has no right to use the trademarks identified in the Licensing Agreement.

217. Such declarations will help prevent or limit any future controversies under the Agreements.

NINTH CLAIM FOR RELIEF

(Dan Daley *against* Relevant Group LLC and Relevant Hospitality LLC for Defamation)

218. Plaintiffs reallege the allegations contained in paragraphs 1 through 217 as if fully set forth herein.

1 219. Defendant Relevant acting through its principals, agents and/or employees, made
2 statements to East West Bank and in a written police report accusing Daley of committing a
3 crime by withdrawing funds from the Operating Account.

4 220. These statements were false, as Daley had the right to withdraw funds from the
5 Operating Account under the 2021 F&B Agreements, the 2022 F&B Agreements and the Hotel
6 Co-Management Agreements.

7 221. Upon information and belief, the recipients of the police report and all those
8 reviewing the statement therein reasonably understood the statements in the police report to
9 mean that Daley had committed a crime.

10 222. Defendant Relevant failed to use reasonable care to determine the truth or falsity
11 of the statements in the police report and, in fact, made the statements in the police report with
12 full knowledge of their falsity.

13 223. Relevant's conduct was a substantial factor in causing harm to Plaintiff Daley's
14 business, trade, profession, occupation and reputation.

15 224. Relevant made the statements in the police report with ill will toward Daley, and
16 with a willingness to injure Daley.

17 225. Relevant lacked reasonable grounds for its belief in the truth of the statements.

18 226. As a direct and proximate cause of Relevant's knowingly false statements, Daley
19 has suffered and will suffer damages in an amount to be proven at trial.

20 227. Relevant engaged in the conduct complained of herein with malice and Plaintiff
21 Daley is entitled to recover punitive damages.

22 **TENTH CLAIM FOR RELIEF**

23 (Ten Five *against* Relevant Hospitality LLC,
24 Vincent Chen and Grant King for Slander)

25 228. Plaintiffs reallege the allegations contained in paragraphs 1 through 227 as if fully
26 set forth herein.

27 229. Grant King, Vincent Chen and Relevant Hospitality LLC falsely told Ten Five's
28 employees that Ten Five had "shut down," was dissolving, was not operating and would not pay
them.

1 230. Ten Five's employees reasonably understood these statements to mean that Ten
2 Five had dissolved, was no longer operating, that Ten Five's employees would not be paid unless
3 they resigned and accepted employment with Relevant Hospitality LLC, and/or that Ten Five
4 could not or would not continue to pay its employees.

5 231. These statements tended to injure Ten Five in respect to its trade and business, by
6 imputing to Ten Five general disqualification in those respects.

7 232. Relevant Hospitality LLC, Vincent Chen and Grant King failed to use reasonable
8 care to determine the truth or falsity of these false statements and, in fact, made the statements
9 with full knowledge of their falsity.

10 233. The conduct of Relevant Hospitality LLC, Vincent Chen and Grant King was a
11 substantial factor in causing harm to Ten Five's business and reputation.

12 234. Relevant Hospitality LLC, Vincent Chen and Grant King made these false
13 statements with ill will toward Ten Five, and with a willingness to vex, annoy and/or injure Ten
14 Five.

15 235. As a direct and proximate cause of these knowingly false statements, Ten Five has
16 suffered and will suffer damages in an amount to be proven at trial.

17 236. Defendants Relevant Hospitality LLC, Vincent Chen and Grant King engaged in
18 the conduct complained of herein with malice and Plaintiff Ten Five is entitled to recover
19 punitive damages.

20 **ELEVENTH CLAIM FOR RELIEF**

21 (Ten Five Hospitality LLC *against* Relevant Hospitality LLC, Vincent Chen and Grant King
22 for Intentional Interference with Prospective Economic Relations)

23 237. Plaintiffs reallege the allegations contained in paragraphs 1 through 236 as if fully
24 set forth herein.

25 238. Plaintiff Ten Five entered into valid contracts with employees for employment at
26 the bars and restaurants at the Managed Venues.

27 239. By virtue of these employment contracts with the employees hired to work at the
28 Managed Venues, Ten Five held employment relationships with these employees whereby Ten

Five could successfully and efficiently staff and operate the bars and restaurants at the Managed Venues.

240. Thus, Ten Five was in an economic relationship with its employees that would have resulted in economic benefit to Ten Five.

241. Despite the Defendants' knowledge of the economic relationship between Ten Five and its employees, Relevant Hospitality LLC, Vincent Chen and Grant King slandered Ten Five by falsely stating to Ten Five's employees that Ten Five had shut down, was dissolving, was not operating and would not pay them.

242. By engaging in this conduct, Relevant Hospitality LLC, Vincent Chen and Grant King intended to disrupt the relationship between Ten Five and its employees and/or knew that disruption of the relationship was certain or substantially certain to occur.

243. The economic relationship between Ten Five and certain of its employees was, in fact, disrupted because, as a consequence of the defamatory statements of Relevant Hospitality LLC, Vincent Chen and Grant King, Ten Five employees have resigned, including restaurant managers and chefs.

244. The loss of the Ten Five's employees—including among which were key staff and talent—has occasioned a significant and irremediable impact on Ten Five's ability to hire, retain, staff and to expand its business based on its established reputation.

245. As a direct and proximate cause of the tortious conduct of Relevant Hospitality LLC, Vincent Chen and Grant King, Ten Five has suffered and will suffer damages in an amount to be proven at trial.

246. Defendants Relevant Hospitality LLC, Vincent Chen and Grant King engaged in the conduct complained of herein with malice, oppression, and fraud, and Plaintiff Ten Five is entitled to recover punitive damages.

TWELFTH CLAIM FOR RELIEF

(Ten Five Hospitality LLC *against* Relevant Hospitality LLC, Vincent Chen and Grant King for Negligent Interference with Prospective Economic Relations)

247. Plaintiffs reallege the allegations contained in paragraphs 1 through 246 as if fully set forth herein.

1 248. Ten Five and its employees entered into valid contracts for employment relating
2 to the employees' services at the bars and restaurants at the Managed Venues.

3 249. By virtue of these employment contracts with the employees hired to work at the
4 Managed Venues, Ten Five held employment relationships with these employees whereby it
5 could successfully and efficiently staff and operate the bars and restaurants at the Managed
6 Venues.

7 250. Thus, Ten Five was in an economic relationship with the these employees that
8 would have resulted in economic benefit to Plaintiffs.

9 251. Relevant Hospitality LLC, Vincent Chen and Grant King knew or should have
10 known of Ten Five's economic relationship with its employees.

11 252. Relevant Hospitality LLC, Vincent Chen and Grant King knew or should have
12 known that Ten Five's relationship with these employees would be disrupted if they failed to act
13 with reasonable care.

14 253. Nevertheless, and despite Relevant Hospitality LLC's knowledge of the economic
15 relationship between Ten Five and its employees, Relevant Hospitality LLC, Vincent Chen and
16 Grant King slandered Ten Five by making false statements.

17 254. In so doing, Relevant Hospitality LLC, Vincent Chen and Grant King failed to act
18 with reasonable care.

19 255. The economic relationship between Ten Five and the certain employees was, in
20 fact, disrupted.

21 256. As a consequence of these actions and defamatory conduct, employees of Ten
22 Five have resigned, including restaurant managers and chefs.

23 257. The loss of these employees has caused and will continue to cause Ten Five to
24 incur costs associated with recruiting replacement employees.

25 258. Additionally, the loss of these employees—including among which were key staff
26 and talent—has occasioned a significant and irremediable impact on Ten Five's ability to hire,
27 retain, and allocate staff across its various managed properties, and to expand its business based
28 on its established reputation.

259. As a direct and proximate cause of Relevant Hospitality LLC's tortious conduct, Ten Five has suffered and will suffer damages in an amount to be proven at trial.

PRAYER FOR RELIEF

- A. Awarding Plaintiffs compensatory and punitive damages in an amount to be determined at trial;
- B. Awarding pre-judgment and post-judgment interest;
- C. Awarding the costs of the suit herein incurred, including reasonable attorneys' fees to the extent permitted by law;
- D. Granting injunctive relief, enjoining and restraining Defendants from further interfering with the management of the Managed Venues, including interfering with Plaintiffs' employment contracts, impeding Plaintiffs' pursuit of trademark registration before the Patent and Trademark Office, and using the Marks in violation of the terms of the Licensing Agreements;
- E. Declaring the rights and duties of the parties as indicated herein; and
- F. Any other and further relief as the Court may deem just and proper under the circumstances.

1 Dated: February 9, 2023

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2
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17 ***Attorneys for Plaintiffs***

DEMAND FOR JURY TRIAL

Plaintiffs request a jury trial for all issues so triable.

Dated: February 9, 2023

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EXHIBIT B

COMPLAINTS BY HOLLYWOOD RESIDENTS RE NOISE FROM RELEVANT HOTELS

The first message is from Hollywood resident Jeff McDonough.

Excerpt from May 29, 2022 E-mail chain including the following recipients:

Brian White <38074@lapd.online> LAPD
Shannan Calland <shannan.calland@lacity.org> CD 13
Jorge Plascencia <jorge.plascencia@lacity.org> CD 4
Mehmet Berker <mehmet.berker@lacity.org> CD 4
Craig Bullock <craig.bullock@lacity.org> CD 13
Daniel Halden <daniel.halden@lacity.org> CD 13
mitch.ofarrell@lacity.org <mitch.ofarrell@lacity.org> CD 13
Ethan Weaver <ethan.weaver@lacity.org> LAPD

On Sunday, May 29, 2022, 01:15:35 AM PDT, Jeff McDonough Music
<music4picture@gmail.com>

wrote:

Hi All,

It's currently 1am. Since 12:15am the Dream Hotel has been blasting hip hop music from it's rooftop bar that is audible in my living room 8 to 10 blocks north. Also, either the Tommy or the Thompson is intermittently basting rock/pop music from its rooftop, which is also audible inside my home 8-10 blocks away.

They are both currently in violation of LAMC 112.01, which states No sound should be audible more than 150 feet away from where it is being played. They are both undoubtedly in violation of their Conditional Use Permits.

The Dream has been allowed to get away with this since their opening in 2018. I have video proof of this.

The Relevant Group and Tao group also have the Tommy and Thompson, and now since their recent openings, they have also started violating their Conditional Use Permits and LAMC 112.01 with impunity.

The city's officials' total lack of enforcement is emboldening them to break the law. Because no one is doing anything.

YOU in this email who work for CD13, CD4 and LAPD are some of those officials. You could do something about this. THIS STARTED 4 YEARS AGO WITH THE DREAM. It's been four year, and there's evidence. .

These blatant violations are only going to continue and get worse with more hotels coming. Do I really need to explain this

We were recently given a "Community Line" to call for Tao Group by SLO Brian White. I just called it, and it's a straight to voicemail red herring, exactly as I guessed it would be. Calling it was a complete waste of my time. That is insulting.

Please do something.

Sincerely,

Jeff McDonough

...

The next two messages are from Hollywood resident David Carrera.

From: David Carrera <davidcarrera@prodigy.net>
To: Brian White <38074@lapd.online>; Shirmika Gonzalez <41018@lapd.online>; Craig Bullock <craig.bullock@lacity.org>; Hannah Cho <hannah.cho@lacity.org>; Daniel Halden <daniel.halden@lacity.org>
Cc: Grant King <grant@fivechairsdev.com>; Laurie Goldman <laurielgoldman@earthlink.net>
Sent: Friday, December 10, 2021, 11:52:33 PM PST
Subject: Re: Tommie Hotel rooftop blasting noise

Oh, and I just called and spoke to a manager. He said the rooftop was closing at 2AM!!!!
Hmmm, CUB says midnight. WTF?

His name was "Karim" .

David

On Friday, December 10, 2021, 11:39:50 PM PST, David Carrera <davidcarrera@prodigy.net> wrote:

So once again another Relevant hotel rooftop blasting music! Good times (not!). Tonight's started around 9pm. I just drove around at 11:30 to confirm where it was coming from- Tommie Hotel, 6516 Selma.

Will it close at 12AM per the CUB? "Ambient, background music" my ass. Selfish, lying assholes. How many nights is this going to be?

I have to get up in 6 hours.

Thanks for anyone who can help.

David