

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
FIFTH APPELLATE DISTRICT

**WESTERN HILLS WATER DISTRICT, a California public agency
water district**
Plaintiff and Respondent,

v.

**WORLD INTERNATIONAL, LLC, a Delaware limited liability
company; THREE60 LLC, a Delaware limited liability company;
ANGELS CROSSING LLC, a California limited liability company;
GUILLERMO MARRERO, CARMEN KEARNEY aka CARMEN
MILLAN KEARNEY, DOUGLAS KEARNEY, and DOES 1-100,
inclusive,
Defendants and Appellants.**

**RESPONDENT'S APPENDIX – VOLUME 1 OF 1
RA001-RA141**

Appeal from Order Denying Defendant's Motion to Compel Arbitration
In and for the County of Stanislaus
The Hon. Stacey P. Speiller
Stanislaus County Superior Court Case No. CV-24-003049

Patricia Kramer, CSB #155484
William C. Neasham, CSB #72078
Chad A. Vierra, CSB #255801
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pkramer@neashamlaw.com

Attorneys for WESTERN HILLS WATER DISTRICT

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3	Ex-Parte Application for Order Shortening Time Re: Motion to Continue the February 11, 2025 Hearing; Memorandum of Points and Authorities	01/15/25	1	RA052-RA059
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4	Declaration of William C. Neasham in Support of Ex-Parte Application re: Motion to Continue	01/15/25	1	RA060-RA074
5	Declaration of William Neasham Re: Status Update on Discovery	02/03/25	1	RA075-RA119
3	Ex-Parte Application for Order Shortening Time Re: Motion to Continue the February 11, 2025 Hearing; Memorandum of Points and Authorities	01/15/25	1	RA052-RA059
2	Meet and Confer Declaration of Patricia Kramer in Support of Plaintiff's Motion to Continue the February 11, 2025 Hearing	01/14/25	1	RA012-RA051
10	Minute Order – Ruling on Motion to Compel Arbitration	05/21/25	1	RA127-RA141
8	Minute Order re: Motion to Continue Hearing	02/27/25	1	RA124-RA125
6	Minute Order re: Motion to Continue Hearing on Motion to Compel Arbitration	02/07/25	1	RA120
1	Notice of Motion and Motion to Continue Hearing and Memorandum of Points and Authorities	01/14/25	1	RA006-RA011
7	Status Update re: Discovery	02/26/25	1	RA121-RA123
9	Tentative Ruling on Motion to Compel Arbitration	03/05/25	1	RA126

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com.

On January 30, 2026, I caused the within **RESPONDENT'S APPENDIX – VOLUME 1 OF 1**, the original of which was produced on recycled paper, to be served via:

(_XX_) ELECTRONICALLY – This document was filed electronically to the Court of Appeal of the State of California, First Appellate District, Division Three via the court's Electronic Filing System (TrueFiling) which provides service on all parties on the Court's service list who have registered to receive service by e-mail over the Court's Electronic Filing System and based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

Mark S. Adams, Esq.
Susan Allison, Esq.
Jeffer Mangels Butler & Mitchell LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, California 90067-4308
markadams@jmbm.com
sallison@jmbm.com

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(XX) U.S. MAIL – I am readily familiar with my employer’s business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true and correct copy thereof enclosed in a sealed envelope for collection and mailing within the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

Stanislaus County Superior Court
800 11th Street
Modesto, CA 95354
Attn: The Hon. Stacey P. Speiller

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 30, 2026, at Folsom, California.

/s/ Katherine R. Gott

Katherine R. Gott

Electronically Filed
1/14/2025 6:35 PM
Superior Court of California
County of Stanislaus
Clerk of the Court
By: Angela Mesa, Deputy

1 William C. Neasham, CSB # 72028
2 Patricia Kramer, CSB # 155484
3 Chad A. Vierra, CSB #255801
4 Neasham & Kramer LLP
5 Attorneys at Law
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\$60 GOV EX

\$30 GOV EX

Attorneys for Plaintiff
WESTERN HILLS WATER DISTRICT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT, a California public agency water district,

Plaintiff,

V.

WORLD INTERNATIONAL, LLC, a Delaware limited liability company; THREE60 LLC, a Delaware limited liability company; ANGELS CROSSING LLC, a California limited liability company; GUILLERMO MARRERO, CARMEN KEARNERY aka CARMEN MILLAN KEARNEY, DOUGLAS KEARNEY, and DOES 1-100, inclusive, Defendants.

Defendants.

Case No. CV-24-003049

**NOTICE OF MOTION AND MOTION TO
CONTINUE HEARING AND
MEMORANDUM OF POINTS AND
AUTHORITIES**

**[Served concurrently with Declaration of
Patricia Kramer; [Proposed] Order
Regarding the February 11, 2025 Hearing]**

Date: February 7, 2025
Time: 8:30 a.m.
Dept.: 22
Judge: The Hon. Stacey Speiller

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on February 7, 2025, at 8:30 a.m., or as soon thereafter as the matter may be heard by the Presiding Judge in Department 22 of the Stanislaus County Superior Court, located at 801 10th Street, 4th Floor, Modesto California, 95354, Plaintiff WESTERN HILLS WATER DISTRICT (herein after “Plaintiff”) will move the Court for an order to continue the hearing date on Defendants Motion to Compel Arbitration from February 11, 2025, to May 19, 2025 or a date thereafter.

1 This Motion is timely and in accordance with the Honorable Stacey Speiller's direction, at the
2 Case Management Conference on January 6, 2025, to bring a formal motion to request a continuance.

3 There are multiple parties (Plaintiff and five (5) Defendants) actively involved in written
4 discovery. Plaintiff requires more time to complete discovery prior to the hearing on Notice of Motion
5 and Motion to Compel Arbitration and Stay.

6 Good cause exists to continue the hearing to May 19, 2025¹ or thereafter. This court has stated,
7 "Plaintiff's pleading raises issues of serious concern for the public, and those concerns warrant prompt
8 exploration."² Plaintiff has previously propounded discovery which will clarify the parties' relationships
9 and will substantially affect the outcome of the court's ruling on the pending motion. In response to the
10 Court's ruling in November 2024 granting a stay in part (severing out the operational expenses issues)
11 and denying the Defendants' stay request as to all other areas of Plaintiff's discovery requests.

12 Defendants served hundreds of pages of blanket objections on/about 12/23, 12/24, and 12/30/2024.³
13 Plaintiff is now in the process of serving Meet and Confer letters regarding those objections. If the case
14 is stayed at the February 11, 2025 hearing, the discovery that is currently pending and in process will be
15 frustrated due to the Defendants failure to provide full and complete responses to the discovery requests.
16 Allowing the continuance of the February 11, 2025, hearing, will provide Plaintiff with sufficient time to
17 compel responses to ongoing Interrogatories and receive responses to Requests for Production of
18 Documents, Special Interrogatories, and Request for Admissions, which discovery is currently pending.

19 Said Motion to Continue Hearing is based upon California Code of Civil Procedure §2024.050,
20 this Notice and Motion, the Memorandum of Points and Authorities and the Declaration of William C.
21 Neasham submitted in support of this motion.

22 "(a) On motion of any party, the court may grant leave to complete discovery proceedings, or to
23 have a motion concerning discovery heard, closer to the initial trial date, or to reopen discovery after a

25 ¹ May 19, 2025, is the date currently set for the next Case Management Conference.

26 ² Minute Order dated November 11, 2024

27 ³ Plaintiff's initial discovery was propounded on August 8, 2024, but was not answered until after the
28 Court's November 22, 2024 Ruling on the Stay. The Court's Stay ruling did not specify a response date
and Plaintiff's counsel agreed to a 30-day time to respond (to December 23, 2024). On November 26,
2024; however, Defendants then filed the instant motion and set the February 11, 2025 hearing date
without consultation to Plaintiff.

1 new trial date has been set. This motion shall be accompanied by a meet and confer declaration
2 under Section 2016.040.

3 (b) In exercising its discretion to grant or deny this motion, the court shall take into consideration
4 any matter relevant to the leave requested, including, but not limited to, the following:

5 (1) The necessity and the reasons for the discovery.” (California Code of Civil Procedure
6 §2024.050(a) and (b)(1)).

7 As a result of the Defendants prolonged response time and their incomplete responses, Plaintiff
8 has been unable to proceed with the discovery process. Plaintiffs will be greatly prejudiced without
9 ample time to compel full and complete responses to the discovery requests because said responses will
10 assist Plaintiff with opposing Defendants Motion to Compel Arbitration and Stay.

11 Based upon the facts and evidence cited above, Plaintiff Western Hills Water District requests
12 that this court continue the February 11, 2025, hearing on Defendants Motion to Compel Arbitration and
13 Stay to May 19, 2025 or such other date as the court may have available.

14 Pursuant to Local Rule 3.01, Tentative rulings will be issued on law and motion matters the court
15 day prior to the hearing date. Tentative rulings can be accessed on the Internet at
16 <https://www.stanislaus.courts.ca.gov/> after 1:30 p.m. You may request a hearing on a law and motion
17 matter by calling the calendar line at (209) 530-3162 prior to 4:00 p.m. or by e-mailing at
18 civil.tentatives@stanct.org. E-mail requests must be made prior to 4:00 p.m. AND confirmed by return
19 e-mail. If you do not receive a confirmation e-mail from the clerk, you MUST call (209) 530-3162 to
20 request your hearing. If you request a hearing on a law and motion matter, you must also notify the
21 opposing party or their counsel of your request.

22
23 Dated: January 14, 2025

NEASHAM & KRAMER LLP

24 By Patricia Kramer
25 Patricia Kramer
26
27
28

POINTS AND AUTHORITIES

Plaintiff filed its Complaint on April 19, 2024. Service was by execution of Notice and Acknowledgement of Receipt on July 10, 2024, by Sarah Hartman, attorney for each of the Defendants. To date, no responsive pleadings have been filed.

There are six parties involved in this motion; namely Plaintiff, a California public agency water district; and Defendants World International, LLC, a Delaware limited liability company; Three60, LLC, a Delaware limited liability company; Guillermo Marrero; Carmen Kearney aka Carmen Millan Kearney; and Douglas Kearney.

BACKGROUND

The legal issues in this case are complex and stretch over a span of over 20 years. They involve determining the validity of the May 2009 Addendum to the Master Agreement to Provide Water, Sewer and storm Drainage between Western Hills Water District and World International LLC.

On or about May 14, 2009, the Addendum to the Master Agreement was purportedly approved by and between the Western Hills Water District and World International, which substantially changed and altered the obligations of World International under the Court and County approved Master Agreement. Plaintiff alleges that the Addendum should be held void ab initio due to prohibited unlawful conduct in violation of Government Code §1090, et seq. Defendants dispute the validity of the Addendum to the Master Agreement and claim that they are not liable for damage because of the Assignment, Assumption & Release Agreement executed by World and Angels Crossing on/about April 24, 2020. It is still unknown whether it will be necessary to add or substitute additional parties in the case.

World International, LLC and Three60, LLC were required by the Addendum to the Master Agreement to advance funds for operational costs to Western Hills Water District. They have subsequently failed to perform this and other duties and have breached the Master Agreement which was executed on June 4, 1998.

PENDING DISCOVERY

On August 8, 2024, Plaintiff served Form Interrogatories-General, Set No. One to each Defendant via US Mail. Thereafter Defendants filed a “Motion to Compel Arbitration and to Stay Action” on August 9, 2024, with a hearing date set for December 13, 2024. Responses to the Form

1 Interrogatories were due on September 12, 2024. Responses were not timely served. Instead, Defendants
2 each served unverified “Statements Regarding Form Interrogatories” on September 12, 2024. Other than
3 their several subsequent stay motions, Defendants have not answered the underlying Compliant or the
4 First Amended Complaint.

5 Defendants’ “Statements Regarding Form Interrogatories” improperly claimed that discovery
6 was premature because the Defendant filed a Motion to Stay Discovery and/or to Compel Arbitration
7 after the date the discovery requests were served, and the motion was pending. Despite the pending
8 motion, Defendants did not seek a stay of discovery pending a hearing on the motion and there was no
9 stay of discovery imposed prohibiting Defendants from responding to discovery.

10 These unverified “Statements” did not contain objections supported by statute or case law. (CCP
11 §2030.240) Thus, all objections to the discovery requests, including objections based on attorney-client,
12 attorney work and taxpayer privileges were waived at that time (CCP §2030.290).

13 On September 19, 2024, Defendants filed a Motion for an Order Staying Discovery and/or for a
14 Protective Order which was set for hearing on October 9, 2024. The Motion was continued to October
15 25, 2024, and thereafter a second time to November 22, 2024.

16 On November 22, 2024, the Court granted the Motion in part and denied the motion in part. In
17 summary the Court held “As for Moving Defendants’ original argument—that all discovery should be
18 stayed because it is in the interest of justice and judicial economy—The Court finds it unpersuasive.
19 Plaintiff’s pleading raises issues of serious concern for the public, and those concerns warrant prompt
20 exploration.”

21 On November 23, 2024, Defendants filed a second Motion to Compel Arbitration and Stay
22 Action, alleging that arbitration is required by the Addendum to the Master Agreement. The hearing is
23 currently set for February 11, 2025.

24 On December 3, 2024, William Neasham, counsel for Western Hills Water District and Marah
25 Bragdon agreed that Defendants would have until December 23, 2024, to serve responses to the
26 outstanding Form Interrogatories. Defendants did not ask, nor did Plaintiff agree to revive an
27 opportunity to make objections that had already been waived. On December 23, 24, and 30, 2024
28

Defendants served verified responses and objections to Plaintiff's Form Interrogatories, Set No. One.

Plaintiff found Defendants responses to be insufficient, incomplete, and evasive.

The parties have been actively engaged and in the course of propounding discovery; however, due to the trial schedules of Plaintiff's attorneys and incomplete responses by Defendants, Plaintiff's attorneys require additional time to compel and receive completed responses.

Said Motion to Continue Hearing is based upon California Code of Civil Procedure §2024.050, the Notice and Motion, this Memorandum of Points and Authorities and the Declaration of William C. Neasham submitted in support of this motion.

“(a) On motion of any party, the court may grant leave to complete discovery proceedings, or to have a motion concerning discovery heard, closer to the initial trial date, or to reopen discovery after a new trial date has been set. This motion shall be accompanied by a meet and confer declaration under Section 2016.040.

(b) In exercising its discretion to grant or deny this motion, the court shall take into consideration any matter relevant to the leave requested, including, but not limited to, the following:

(1) The necessity and the reasons for the discovery.” (California Code of Civil Procedure §2024.050(a) and (b)(1)).

CCP §2024.050, provides the court may grant leave to complete discovery proceedings when there is a necessity and need for further discovery, despite Plaintiff's diligence in initiating and propounding discovery responses.

Because of the upcoming Hearing on Defendants Motion to Compel Arbitration and Stay, the Plaintiff requests that the Motion to Continue be heard on shortened time and will be filing an Ex Parte application for an Order Shortening Time.

Dated: January 14, 2025

NEASHAM & KRAMER LLP

By Patricia Kramer
Patricia Kramer

1 Electronically Filed
2 1/14/2025 6:35 PM
3 Superior Court of California
4 County of Stanislaus
5 Clerk of the Court
6 By: Angela Mesa, Deputy

1 William C. Neasham, CSB #72078
2 Patricia Kramer, CSB # 155484
3 Chad A. Vierra, CSB #255801
4 Neasham & Kramer LLP
5 Attorneys at Law
6 340 Palladio Parkway, Suite #535
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8 Tel: (916) 853-8030/ Fax (916) 853-8039
9 pkramer@neashamlaw.com
10 cvierra@neashamlaw.com

11 Attorneys for Plaintiff
12 WESTERN HILLS WATER DISTRICT

13
14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **IN AND FOR THE COUNTY OF STANISLAUS**

16 WESTERN HILLS WATER DISTRICT, a
17 California public agency water district,

18 Plaintiff,

19 v.
20 WORLD INTERNATIONAL, LLC, a Delaware
21 limited liability company; THREE60 LLC, a
22 Delaware limited liability company; ANGELS
23 CROSSING LLC, a California
24 limited liability company; GUILLERMO
25 MARRERO, CARMEN KEARNERY aka
26 CARMEN MILLAN KEARNEY, DOUGLAS
27 KEARNEY, and DOES 1-100, inclusive,
28 Defendants.

} Case No. CV-24-003049

} **MEET AND CONFER DECLARATION
OF PATRICIA KRAMER IN SUPPORT
OF PLAINTIFF'S MOTION TO
CONTINUE THE FEBRUARY 11, 2025
HEARING**

} [Served concurrently with Notice of Motion
and Motion to Continue February 11, 2025,
Hearing; Memorandum of Points and
Authorities; [Proposed] Order for Motion to
Continue Hearing]

} Date: February 7, 2025
Time: 8:30 a.m.
Dept.: 22
Judge: The Hon. Stacey Speiller

29
30 I, Patricia Kramer, declare as follows:

31 1. I am an attorney at law, duly admitted to practice in the laws of the State of California. I am
32 employed with the law offices of Neasham & Kramer LLP, attorneys of record for Plaintiff
33 Western Hills Water District herein. I make the following statements of my own personal
34 knowledge and if called upon as a witness, I would competently testify as set forth herein.

1 2. Plaintiff filed its Complaint on April 19, 2024. Service was effected upon execution of Notice
2 and Acknowledgement of Receipt on July 10, 2024, by Sarah Hartman, attorney for each of the
3 Defendants. To date no Defendants have filed responsive pleadings.

4 3. On August 8, 2024, Plaintiff served Form Interrogatories-General, Set No. One to each
5 Defendant.

6 4. On September 3, 2024, Marah Bragdon, Esq. and William C. Neasham, Esq. corresponded via
7 electronic mail regarding the pending discovery. Mr. Neasham advised Ms. Bragdon, that if she
8 required additional time extending the time to respond, to please let me know. We have received
9 no request for additional time to respond.

10 5. Responses to the Form Interrogatories were due on September 12, 2024. Responses were not
11 timely served. Instead, Defendants each served an unverified "Statement Regarding Form
12 Interrogatories" on September 12, 2024.

13 6. On September 19, 2024, Defendants filed a Motion for an Order Staying Discovery and/or for a
14 Protective Order which was set for hearing on October 9, 2024. That motion was continued on
15 three (3) times to November 22, 2024.

16 7. After the court's ruling on Defendant's Motion for an Order Staying Discovery and/or for a
17 Protective Order, Marah Bragdon and Mr. Neasham corresponded via electronic mail on
18 December 3, 2024. We agreed that Defendants would have until December 23, 2024, to serve
19 responses to the outstanding Form Interrogatories. Defendants did not ask for a waiver, nor did
20 Plaintiff agree to revive an opportunity to make objections that had already been waived.

21 8. Defendant Guillermo Marrero, Carmen Kearney, and Douglas Kearney served verified responses
22 on December 23, 2024. Plaintiff finds Defendants' responses to be insufficient, incomplete and
23 evasive.

24 9. Defendants World International, LLC and Three60, LLC served verified responses on December
25 24, 2024 but subsequently re-served the same verified responses on December 30, 2024. Plaintiff
26 finds Defendants' responses to be insufficient, incomplete and evasive.

27 10. On January 10, 2024, I served Meet and Confer letters regarding each of the Defendants
28 responses to the discovery requests, demanding that further responses without objections are

1 necessary. Plaintiff set a deadline of January 27, 2025, for Defendants to serve further responses
2 to the requests.

3 11. **Attached hereto as Exhibit A** is a true and correct copy of Mr. Neasham's Meet and Confer
4 letter to Sarah Hartman, Esq. regarding Defendants Motion to Compel Arbitration. Plaintiff
5 requested that Defendants stipulate to continue the February 11, 2025, hearing to May 19, 2025,
6 in order to further complete discovery.

7 12. As of the date this motion is filed, we have not received a response to my Meet and Confer
8 Letter.

9 13. On January 13, 2025 Plaintiff served additional discovery on Defendants.

10 14. **Attached hereto as Exhibit B** are true and correct copies of Plaintiff's Request for Admissions
11 and Request to Admit Genuineness of Document to Defendant Guillermo Marrero [Set No.
12 One].

13 15. **Attached hereto as Exhibit C** are true and correct copies of Plaintiff's Request for Admissions
14 and Request to Admit Genuineness of Documents to Defendant Carmen Kearney [Set No. One].

15 16. **Attached hereto as Exhibit D** are true and correct copies of Plaintiff's Request for Admissions
16 and Request to Admit Genuineness of Documents to Defendant Douglas Kearney [Set No. One].

17 17. Plaintiffs have diligently tried to further the discovery process through multiple correspondences
18 and meet and confer letters.

19 I declare under penalty of perjury that under the laws of the State of California that the foregoing is true
20 and correct. Executed this 14 day of January 2025 at Folsom, California,

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23

24 Patricia Kramer
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EXHIBIT “A”

NEASHAM & KRAMER LLP
ATTORNEYS AT LAW

January 10, 2025

340 Palladio Parkway, Suite 535 • Folsom, California 95630
Tel: (916) 853-8030 • Fax: (916) 853-8039
Web page: <http://www.neashamlaw.com>

VIA ELECTRONIC MAIL
SGHartman@jmbm.com

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, California 92614

In re : *Western Hills Water District v. World International LLC, et al*
Stanislaus Superior Court Case No.: CV-24-003049
Meet and Confer re: Motion to Compel Arbitration

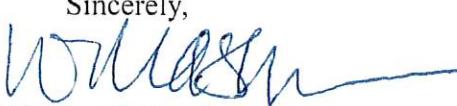
Dear Ms. Hartman:

The purpose of this letter is to meet and confer with you regarding your clients' Motion to Compel Arbitration. The motion is currently set for February 11, 2025. As you know we have propounded discovery and have only just received discovery responses within the last week to 10 days. We are in the process of meeting and conferring with you regarding deficiencies in the responses and will either require supplemental responses or a motion to compel. Similarly, we have propounded additional discovery which is being served under separate cover.

I am writing to request a continuance of the Motion to Compel arbitration to May 2025 when the next Case Management Conference is set. This will allow us to obtain responses and supplemental responses to the pending discovery before the Court makes a determination that could stay additional portions of the case. I am required to meet and confer with you before filing a Motion to Continue the hearing.

Please advise if you are agreeable to the continuance. If so, you can either request the date to be changed or we can prepare a stipulation and submit it to the court requesting an alternate date for the motion. Likewise, please advise if you are not agreeable as I must report our meet and confer efforts to the Court with my motion.

As always, I remain open to discussing this with you further if you desire to do so.

Sincerely,

William C. Neasham

cc: Mark Kovich
WHWD Board President

EXHIBIT “B”

1 William C. Neasham, CSB #72078
2 Patricia Kramer, CSB #155484
3 Chad Vierra, CSB #255801
4 NEASHAM & KRAMER LLP
5 340 Palladio Parkway, Suite 535
6 Folsom, California 95630
7 Tel: (916) 853-8030; Fax: (916) 853-8039
8 pkramer@neashamlaw.com

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10 Attorneys for Plaintiff,
11 WESTERN HILLS WATER DISTRICT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT,

Plaintiff,

and

WORLD INTERNATIONAL, LLC, a
Delaware limited liability company;
THREE60 LLC, a Delaware limited liability
company; ANGELS CROSSING LLC, a
California limited liability company;
GUILLERMO MARRERO, CARMEN
KEARNEY aka CARMEN MILLAN
KEARNEY, DOUGLAS KEARNEY, and
DOES 1-100, inclusive,

Defendant.

} Case No. CV-24-003049

}
} **PLAINTIFF WESTERN HILLS WATER**
} **DISTRICT'S REQUEST FOR**
} **ADMISSIONS AND REQUEST TO**
} **ADMIT GENUINENESS OF**
} **DOCUMENTS TO DEFENDANT**
} **GUILLERMO MARERRO**
} **[SET NO. ONE]**

PROPOUNDING PARTY: Plaintiff WESTERN HILLS WATER DISTRICT

RESPONDING PARTY: Defendant GUILLERMO MARRERO

SET NO.: ONE (1)

Pursuant to California Code of Civil Procedure section 20131, et seq., Plaintiff WESTERN
HILLS WATER DISTRICT hereby requests Defendant GUILLERMO MARERRO ("Defendant") to
provide full and complete admissions to the following requests for admission and for genuineness of

1 documents within 30 days of service of this request. If the response is anything other than an unqualified
2 admission, Defendant is directed to admit as much of the request as may be admitted and provide a full
3 and complete explanation as to why the request cannot be admitted in its entirety, pursuant to the
4 accompanying form interrogatories. Pursuant to California Code of Civil Procedure section 2033.420
5 Plaintiff will seek its attorneys' fees and costs from Defendant if he fails to admit the truth of the
6 following matters and Plaintiff thereafter incur attorneys' fees to prove the same.
7

8 **REQUESTS FOR ADMISSION**

9 **REQUEST FOR ADMISSION NO. 1:**

10 Admit that between September 4, 2008 and December 17, 2020, **YOU** (as used herein the term
11 "**YOU**" and "**YOUR**" refers to Defendant Guillermo Marrero) were an attorney at law licensed by the
12 State of California.

13 **REQUEST FOR ADMISSION NO. 2:**

14 Admit that between September 4, 2008 and December 17, 2020, **YOU** had an ownership interest
15 in **IPG** (as used herein the term "**IPG**" refers to International Practice Group P.C.).

16 **REQUEST FOR ADMISSION NO. 3:**

17 Admit that between September 4, 2008 and December 17, 2020, **YOU** had a 100% ownership
18 interest in **IPG** (as used herein the term "**IPG**" refers to International Practice Group).

19 **REQUEST FOR ADMISSION NO. 4:**

20 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
21 performed legal services for **WORLD** (as used herein the term **WORLD** refers to Defendant World
22 International LLC).

23 **REQUEST FOR ADMISSION NO. 5:**

24 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
25 performed legal services for **THREE60** (as used herein the term **THREE60** refers to Defendant Three60
26 LLC).

27 **///**

28

1 **REQUEST FOR ADMISSION NO. 6:**

2 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
3 performed legal services for **WORLD**.

4 **REQUEST FOR ADMISSION NO. 7:**

5 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
6 performed legal services for **THREE60**.

7 **REQUEST FOR ADMISSION NO. 8:**

8 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** had a
9 financial interest in **WORLD** business acquisitions unrelated to **WHWD**.

10 **REQUEST FOR ADMISSION NO. 9:**

11 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** were
12 a party to property transactions involving **WORLD** unrelated to **WHWD**.

13 **REQUEST FOR ADMISSION NO. 10:**

14 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** billed
15 **WORLD** for legal work **YOU** performed for World International LLC.

16 **REQUEST FOR ADMISSION NO. 11:**

17 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** billed
18 **THREE60** for legal work **YOU** performed for Three60 LLC.

19 **REQUEST FOR ADMISSION NO. 12:**

20 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
21 received compensation from any source for legal work **YOU** performed for World International LLC.

22 **REQUEST FOR ADMISSION NO. 13:**

23 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
24 received compensation from any source for legal work **YOU** performed for Three60 LLC.

25 **REQUEST FOR ADMISSION NO. 14:**

26 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
27 received compensation from any source for legal work **YOU** performed for World International LLC.

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1 **REQUEST FOR ADMISSION NO. 15:**

2 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
3 received compensation from any source for legal work **IPG** performed for World International LLC.

4 **REQUEST FOR ADMISSION NO. 16:**

5 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
6 received compensation from any source for legal work **YOU** performed for Three60 LLC.

7 **REQUEST FOR ADMISSION NO. 17:**

8 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
9 received compensation from any source for legal work **IPG** performed for Three60 LLC.

10 **REQUEST FOR ADMISSION NO. 18:**

11 Admit the document attached hereto as **ATTACHMENT 1** is a true and correct copy of the
12 **BANKRUPTCY ORDER** (as used herein the term "**BANKRUPTCY ORDER**" means and refers to
13 the Order filed September 16, 2008 in the Diablo Grande Limited Partnership Chapter 11 Bankruptcy
14 Action in the US Bankruptcy Court for the Eastern District of California (Modesto Division) Case No.
15 08-90365).

16 **REQUEST FOR ADMISSION NO. 19:**

17 Admit the document attached hereto as **EXHIBIT A** to the **BANKRUPTCY ORDER** filed
18 September 16, 2008 in **ATTACHMENT 1** is a true and correct copy of the Agreement for Purchase and
19 Sale of Diablo Grande Stanislaus County dated September 4, 2008 (hereafter "**DG PURCHASE SALE**
20 **AGREEMENT**").

21 **REQUEST FOR ADMISSION NO. 20:**

22 Admit that **YOU** executed the **DG PURCHASE SALE AGREEMENT** as **WORLD**'s attorney-
23 in-fact.

24 **REQUEST FOR ADMISSION NO. 21:**

25 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
26 executed documents on behalf of **WORLD** as its attorney-in-fact.

27 **REQUEST FOR ADMISSION NO. 22:**

28 Admit that there is a legal difference between an "attorney at law" and an "attorney-in-fact."

1 **REQUEST FOR ADMISSION NO. 23:**

2 Admit that **WORLD** executed a Power of Attorney authorizing **YOU** to act as its "attorney-in-
3 fact."

4 **REQUEST FOR ADMISSION NO. 24:**

5 Admit that when **YOU** executed the **DG PURCHASE SALE AGREEMENT** as **WORLD**'s
6 attorney-in-fact, **YOU** acted as **WORLD**'s agent in an official capacity.

7 **REQUEST FOR ADMISSION NO. 25:**

8 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** billed
9 **WORLD** for **YOUR** attendance at **WHWD** (as used herein the term "**WHWD**" refers to Western Hills
10 Water District) board meetings.

11 **REQUEST FOR ADMISSION NO. 26:**

12 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG** billed
13 **WORLD** for **YOUR** attendance at **WHWD** (as used herein the term "**WHWD**" refers to Western Hills
14 Water District) board meetings.

15 **REQUEST FOR ADMISSION NO. 27:**

16 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
17 received compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

18 **REQUEST FOR ADMISSION NO. 28:**

19 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
20 received compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

21 **REQUEST FOR ADMISSION NO. 29:**

22 Admit that **YOU** did not inform **WHWD** that **YOU** were being compensated by **WORLD** to
23 attend Board meetings between November 8, 2008 and December 17, 2020.

24 **REQUEST FOR ADMISSION NO. 30:**

25 Admit that **YOU** did not inform **WHWD** that **IPG** was being compensated by **WORLD** for your
26 attendance at **WHWD** Board Meetings between November 8, 2008 and December 17, 2020.

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1 **REQUEST FOR ADMISSION NO. 31:**

2 Admit the document attached hereto as **ATTACHMENT 2** is a true and correct copy of the
3 **MASTER AGREEMENT** (as used herein the term “**MASTER AGREEMENT**” refers to the Master
4 Agreement to Provide Water, Sewer and Storm Drainage Services between Western Hills Water District
5 and Diablo Grande Limited Partnership dated June 4, 1988).

6 **REQUEST FOR ADMISSION NO. 32:**

7 Admit that **YOU** are not a party to the **MASTER AGREEMENT** in your individual capacity.

8 **REQUEST FOR ADMISSION NO. 33:**

9 Admit that the **MASTER AGREEMENT** does not contain an arbitration clause.

10 **REQUEST FOR ADMISSION NO. 34:**

11 Admit the document attached hereto as **ATTACHMENT 3** is a true and correct copy of the
12 **ADDENDUM** (as used herein, the term “**ADDENDUM**” means and refers to the Addendum to Master
13 Agreement to Provide Water, Sewer and Storm Drainage Services dated May 14, 2009 to the **MASTER
14 AGREEMENT**).

15 **REQUEST FOR ADMISSION NO. 35:**

16 Admit that **YOU** drafted the language for the **ADDENDUM** to the **MASTER AGREEMENT**.

17 **REQUEST FOR ADMISSION NO. 36:**

18 Admit that **YOU** participated in drafting the language for the **ADDENDUM** to the **MASTER
19 AGREEMENT**.

20 **REQUEST FOR ADMISSION NO. 37:**

21 Admit that **YOU** negotiated the terms for the **ADDENDUM** to the **MASTER AGREEMENT**.

22 **REQUEST FOR ADMISSION NO. 38:**

23 Admit that **YOU** participated in discussions pertaining to the **ADDENDUM** to the **MASTER
24 AGREEMENT**.

25 **REQUEST FOR ADMISSION NO. 39:**

26 Admit that an attorney employed by IPG participated in drafting the language for the
27 **ADDENDUM** to the **MASTER AGREEMENT**.

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1 **REQUEST FOR ADMISSION NO. 40:**

2 Admit that an attorney employed by **WORLD** participated in drafting the language for the
3 **ADDENDUM** to the **MASTER AGREEMENT**.

4 **REQUEST FOR ADMISSION NO. 41:**

5 Admit that an attorney employed by **THREE60** participated in drafting the language for the
6 **ADDENDUM** to the **MASTER AGREEMENT**.

7 **REQUEST FOR ADMISSION NO. 42:**

8 Admit that **IPG** billed **WORLD** for legal services to draft the language for the **ADDENDUM** to
9 the **MASTER AGREEMENT**.

10 **REQUEST FOR ADMISSION NO. 43:**

11 Admit that **YOU** are not a party to the **ADDENDUM** in your individual capacity.

12 **REQUEST FOR ADMISSION NO. 44:**

13 Admit that Defendant **CARMEN KEARNEY** is not a party to the **ADDENDUM** in her
14 individual capacity.

15 **REQUEST FOR ADMISSION NO. 45:**

16 Admit that **DOUGLAS KEARNEY** is not a party to the **ADDENDUM** in his individual
17 capacity.

18 **REQUEST FOR ADMISSION NO. 46:**

19 Admit that **THREE60 LLC** is not a party to the **ADDENDUM**.

20 **REQUEST FOR ADMISSION NO. 47:**

21 Admit that the arbitration clause at paragraph m(3) in the **ADDENDUM** limits arbitration to
22 disputes arising out of Section 7 of the **ADDENDUM**.

23 **REQUEST FOR ADMISSION NO. 48:**

24 Admit that the **BANKRUPTCY ORDER** approved the sale of **Diablo Grande** to **WORLD**.

25 **REQUEST FOR ADMISSION NO. 49:**

26 Admit that the **BANKRUPTCY ORDER** required **WORLD** to assume the duties of **Diablo**
27 **Grande** under the **MASTER AGREEMENT**.

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1 **REQUEST FOR ADMISSION NO. 50:**

2 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
3 A to the **BANKRUPTCY ORDER** required **WORLD** to notify Diablo Grande in writing not later than
4 September 15, 2008 of the Material Contracts Buyer was prepared to assume.

5 **REQUEST FOR ADMISSION NO. 51:**

6 Admit that the **MASTER AGREEMENT** is listed as a "Material Agreement" on Schedule 1 of
7 the **DG PURCHASE SALE AGREEMENT**.

8 **REQUEST FOR ADMISSION NO. 52:**

9 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
10 A to the **BANKRUPTCY ORDER** required "*that Buyer shall in all events assume the contract with
11 the Western Hills Water District listed on Schedule 2 hereto.*"

12 **REQUEST FOR ADMISSION NO. 53:**

13 Admit that Schedule 2 to the **DG PURCHASE SALE AGREEMENT** attached as Exhibit A to
14 the **BANKRUPTCY ORDER** identifies "*Western Hills Water District (WHHD) [sic] document relating
15 to water, sewer and storm drain services, including costs of operating and maintaining water supply
16 systems, entitlement to water from Kern County Water Agency and any other sources and availability
17 of water for future development.*"

18 **REQUEST FOR ADMISSION NO. 54:**

19 Admit that the Paragraph 2.5(a) to the **DG PURCHASE SALE AGREEMENT** attached as
20 Exhibit A to the **BANKRUPTCY ORDER** states that the "documents and information in Seller's
21 possession which Buyer deems material to the purchase of the Property, including without limitation the
22 documents listed on Exhibit B attached hereto."

23 **REQUEST FOR ADMISSION NO. 55:**

24 Admit that Exhibit B to the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to
25 the **BANKRUPTCY ORDER**, identifies the "Master Agreement to Provide Water, Sewer and Storm
26 Drainage Services (WHWD/DG)".

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1 **REQUEST FOR ADMISSION NO. 56:**

2 Admit that the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
3 **BANKRUPTCY ORDER**, required **WORLD** to assume the "Master Agreement to Provide Water,
4 Sewer and Storm Drainage Services (WHWD/DG)".

5 **REQUEST FOR ADMISSION NO. 57:**

6 Admit that **WORLD** gave notice to Diablo Grande on/about September 15, 2008 that it was
7 assuming Diablo Grande's duties under the "Master Agreement to Provide Water, Sewer and Storm
8 Drainage Services (WHWD/DG)".

9 **REQUEST FOR ADMISSION NO. 58:**

10 Admit that there was no legal necessity for **WHWD** to approve the **ADDENDUM** in order for
11 **WHWD** to continue providing its water, sewer and storm drainage services.

12 **REQUEST FOR ADMISSION NO. 59:**

13 Admit that there was no legal necessity for **WHWD** to add an arbitration clause at paragraph
14 m(3) in the **ADDENDUM** in order for **WHWD** to continue providing its water sewer and storm
15 drainage services.

16 **REQUEST FOR ADMISSION NO. 60:**

17 Admit that there was no legal necessity for **WHWD** to approve the arbitration clause at
18 paragraph m(3) in the **ADDENDUM** in order for **WHWD** to continue providing its water sewer and
19 storm drainage services.

20 **REQUEST FOR ADMISSION NO. 61:**

21 Admit that in 2009, in order to be qualified as a candidate, WHWD Directors were required to be
22 U.S. Citizens.

23 **REQUEST FOR ADMISSION NO. 62:**

24 Admit that at the time Carmen Kearney voted to approve the **ADDENDUM** on May 14, 2009,
25 she was not a U.S. Citizen.

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1 **REQUEST FOR ADMISSION NO. 63:**

2 Admit that ATTACHMENT 4 hereto is a true and correct copy of the AA&R AGREEMENT
3 (as used herein the term "AA&R AGREEMENT" means the Assignment, Assumption and Release
4 Agreement dated effective April 30, 2020).

5 **REQUEST FOR ADMISSION NO. 64:**

6 Admit that YOU are not a party to the AA&R AGREEMENT in your individual capacity.

7 **REQUEST FOR ADMISSION NO. 65:**

8 Admit that Defendant CARMEN KEARNEY is not a party to the AA&R AGREEMENT in
9 her individual capacity.

10 **REQUEST FOR ADMISSION NO. 66:**

11 Admit that DOUGLAS KEARNEY is not a party to the AA&R AGREEMENT in his
12 individual capacity.

13 **REQUEST FOR ADMISSION NO. 67:**

14 Admit that the AA&R AGREEMENT does not contain an arbitration clause.

15 **REQUEST FOR ADMISSION NO. 68:**

16 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's agent.

17 **REQUEST FOR ADMISSION NO. 69:**

18 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's
19 attorney.

20 **REQUEST FOR ADMISSION NO. 70:**

21 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's
22 representative.

23 **REQUEST FOR ADMISSION NO. 71:**

24 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's advisor.

25 **REQUEST FOR ADMISSION NO. 72:**

26 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's
27 consultant.

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1 **REQUEST FOR ADMISSION NO. 73:**

2 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s agent
3 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** (as used herein, the term
4 "**AGREEMENTS**" refers collectively to the **MASTER AGREEMENT** and **ADDENDUM**) with
5 **WHWD**.

6 **REQUEST FOR ADMISSION NO. 74:**

7 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s attorney
8 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

9 **REQUEST FOR ADMISSION NO. 75:**

10 Admit that between September 4, 2008 and December 17, 2020, **YOU** gave legal advice to
11 **WORLD** pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

12 **REQUEST FOR ADMISSION NO. 76:**

13 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s
14 representative pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

15 **REQUEST FOR ADMISSION NO. 77:**

16 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s advisor
17 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

18 **REQUEST FOR ADMISSION NO. 78:**

19 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s
20 consultant pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

21 **REQUEST FOR ADMISSION NO. 79:**

22 Admit that **YOU** drafted the language for the **AA&R AGREEMENT**.

23 **REQUEST FOR ADMISSION NO. 80:**

24 Admit that **YOU** participated in drafting the language for the **AA&R AGREEMENT**.

25 **REQUEST FOR ADMISSION NO. 81:**

26 Admit that **YOU** participated in the preparation of the **AA&R AGREEMENT**.

27 **REQUEST FOR ADMISSION NO. 82:**

28 Admit that **YOU** negotiated the terms and conditions of the **AA&R AGREEMENT**.

1 **REQUEST FOR ADMISSION NO. 83:**

2 Admit that an attorney employed by **IPG** participated in drafting the language for the **AA&R**
3 **AGREEMENT.**

4 **REQUEST FOR ADMISSION NO. 84:**

5 Admit that attorney Carolina Juarez was employed by **IPG** in 2020.

6 **REQUEST FOR ADMISSION NO. 85:**

7 Admit that Carolina Juarez participated in drafting the language in the **AA&R AGREEMENT.**

8 **REQUEST FOR ADMISSION NO. 86:**

9 Admit that **IPG** billed **WORLD** for Carolina Juarez's work drafting the **AA&R**
10 **AGREEMENT.**

11 **REQUEST FOR ADMISSION NO. 87:**

12 Admit that **IPG** billed **WORLD** for legal services to draft the language for the **AA&R**
13 **AGREEMENT.**

14 **REQUEST FOR ADMISSION NO. 88:**

15 Admit that **WORLD** paid **IPG** at least \$13,085 to draft the **AA&R AGREEMENT** in 2020.

16 **REQUEST FOR ADMISSION NO. 89:**

17 Admit that in addition to receiving a \$5,000 payment per month, **YOU** received additional
18 amounts from **WORLD** that **YOU** did not disclose on your Form 700s.

19 **REQUEST FOR ADMISSION NO. 90:**

20 Admit that in addition to receiving a \$5,000 payment per month, **IPG** also billed **WORLD**
21 \$1,300 for **YOUR** review of the **AA&R AGREEMENT.**

22 **REQUEST FOR ADMISSION NO. 91:**

23 Admit that **YOU** received compensation from **IPG** in 2020.

24 **REQUEST FOR ADMISSION NO. 92:**

25 Admit that \$165,000 **IPG** billed to **WORLD/THREE60** for legal services was transferred to
26 **ANGELS CROSSING** as part of the **DG PURCHASE SALE AGREEMENT.**

27 **REQUEST FOR ADMISSION NO. 93:**

28 Admit that **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board President.

REQUEST FOR ADMISSION NO. 94:

Admit that **YOU** received \$35,000 out of the funds that were paid to **WORLD** from the sale of the property to **ANGELS CROSSING**.

REQUEST FOR ADMISSION NO. 95:

Admit that **IPG** received \$35,000 out of the funds that were paid to **WORLD** from the sale of the property to **ANGELS CROSSING**.

REQUEST FOR ADMISSION NO. 96:

8 Admit that when **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board
9 President, **YOU** understood the language of the **AA&R AGREEMENT** required that the Buyer
10 ANGELS CROSSING to indemnify and hold **YOU** harmless from any claims arising out of the
11 **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 97:

13 Admit that when **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board
14 President, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **YOU** and
15 hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 98:

17 Admit that when **YOU** accepted appointment to the **WHWD** Board of Directors, you undertook
18 a fiduciary duty to act in the best interests of **WHWD**.

REQUEST FOR ADMISSION NO. 99:

20 Admit that when **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board
21 President, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** released **WORLD** from
22 any claims arising out of the **MASTER AGREEMENT**.

Dated: January 12, 2025

NEASHAM & KRAMER LLP

By Patricia Kramer
PATRICIA KRAMER

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On January 13, 2025, I served a copy of the foregoing document(s) described herein as **PLAINTIFF WESTERN HILLS WATER DISTRICT'S REQUEST FOR ADMISSIONS AND REQUEST TO ADMIT GENUINENESS OF DOCUMENTS TO DEFENDANT GUILLEMET MARRERO [SET NO. ONE]** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by FEDEX, in an envelope or package designated by FEDEX with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 13, 2025, at Folsom, California.

Katherine Scott

Katherine R. Gott

EXHIBIT “C”

1 William C. Neasham, CSB #72078
2 Patricia Kramer, CSB #155484
3 Chad Vierra, CSB #255801
4 NEASHAM & KRAMER LLP
5 340 Palladio Parkway, Suite 535
6 Folsom, California 95630
7 Tel: (916) 853-8030; Fax: (916) 853-8039
8 pkramer@neashamlaw.com

9
10 Attorneys for Plaintiff,
11 WESTERN HILLS WATER DISTRICT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT,

Plaintiff,

and

WORLD INTERNATIONAL, LLC, a
Delaware limited liability company;
THREE60 LLC, a Delaware limited liability
company; ANGELS CROSSING LLC, a
California limited liability company;
GUILLERMO MARRERO, CARMEN
KEARNEY aka CARMEN MILLAN
KEARNEY, DOUGLAS KEARNEY, and
DOES 1-100, inclusive,

Defendant.

} Case No. CV-24-003049

PLAINTIFF WESTERN HILLS WATER
DISTRICT'S REQUEST FOR
ADMISSIONS AND REQUEST TO
ADMIT GENUINENESS OF
DOCUMENTS TO DEFENDANT
CARMEN KEARNEY
[SET NO. ONE]

PROPOUNDING PARTY: Plaintiff WESTERN HILLS WATER DISTRICT

RESPONDING PARTY: Defendant GUILLERMO MARRERO

SET NO.: ONE (1)

Pursuant to California Code of Civil Procedure section 20131, et seq., Plaintiff WESTERN
HILLS WATER DISTRICT hereby requests Defendant CARMEN KEARNEY aka CARMEN
MILLAN KEARNEY (hereafter "CARMEN KEARNEY" or "Defendant") to provide full and complete

1 admissions to the following requests for admission and for genuineness of documents within 30 days of
2 service of this request. If the response is anything other than an unqualified admission, Defendant is
3 directed to admit as much of the request as may be admitted and provide a full and complete explanation
4 as to why the request cannot be admitted in its entirety, pursuant to the accompanying form
5 interrogatories. Pursuant to California Code of Civil Procedure section 2033.420 Plaintiff will seek its
6 attorneys' fees and costs from Defendant if she fails to admit the truth of the following matters and
7 Plaintiff thereafter incur attorneys' fees to prove the same.

8

9 **REQUESTS FOR ADMISSION**

10 **REQUEST FOR ADMISSION NO. 1:**

11 Admit that at any point in time between March 24, 2009 and December 2, 2020 **YOU** (as used
12 herein the term "**YOU**" and "**YOUR**" refers to Defendant **CARMEN KEARNEY**) were employed by
13 **WORLD** (as used herein the term **WORLD** refers to Defendant World International LLC).

14 **REQUEST FOR ADMISSION NO. 2:**

15 Admit that at any point in time between March 24, 2009 and December 2, 2020 **YOU** were
16 employed by **WORLD** as its Chief Financial Officer.

17 **REQUEST FOR ADMISSION NO. 3:**

18 Admit that at any point in time between March 24, 2009 and December 2, 2020, **YOU** received
19 financial compensation from **WORLD**.

20 **REQUEST FOR ADMISSION NO. 4:**

21 Admit that **YOU** were appointed as **WHWD** (as used herein the term "**WHWD**" means and
22 refers to the Western Hills Water District) Director on March 27, 2009.

23 **REQUEST FOR ADMISSION NO. 5:**

24 Admit the document attached hereto as **EXHIBIT A** to the **BANKRUPTCY ORDER** filed
25 September 16, 2008 in **ATTACHMENT 1** is a true and correct copy of the Agreement for Purchase and
26 Sale of Diablo Grande Stanislaus County dated March 24, 2009 (hereafter "**DG PURCHASE SALE**
27 **AGREEMENT**").

28 **REQUEST FOR ADMISSION NO. 6:**

1 Admit that at any point in time between March 24, 2009 and December 2, 2020, **YOU** received
2 compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

3 **REQUEST FOR ADMISSION NO. 7:**

4 Admit that at any point in time between March 24, 2009 and December 2, 2020, in addition to
5 your compensation as Chief Financial Officer, **YOU** received payment from **WORLD** for **YOUR**
6 attendance at **WHWD** board meetings.

7 **REQUEST FOR ADMISSION NO. 8:**

8 Admit that **YOU** did not inform **WHWD** that **YOU** were being compensated by **WORLD** to
9 attend Board meetings.

10 **REQUEST FOR ADMISSION NO. 9:**

11 Admit the document attached hereto as **ATTACHMENT 2** is a true and correct copy of the
12 **MASTER AGREEMENT** (as used herein the term "**MASTER AGREEMENT**" refers to the Master
13 Agreement to Provide Water, Sewer and Storm Drainage Services between Western Hills Water District
14 and Diablo Grande Limited Partnership dated June 4, 1988).

15 **REQUEST FOR ADMISSION NO. 10:**

16 Admit that **YOU** are not a party to the **MASTER AGREEMENT** in your individual capacity.

17 **REQUEST FOR ADMISSION NO. 11:**

18 Admit that the **MASTER AGREEMENT** does not contain an arbitration clause.

19 **REQUEST FOR ADMISSION NO. 12:**

20 Admit the document attached hereto as **ATTACHMENT 3** is a true and correct copy of the
21 **ADDENDUM** (as used herein, the term "**ADDENDUM**" means and refers to the Addendum to Master
22 Agreement to Provide Water, Sewer and Storm Drainage Services dated May 14, 2009 to the **MASTER**
23 **AGREEMENT**).

24 **REQUEST FOR ADMISSION NO. 13:**

25 Admit that **YOU** are not a party to the **ADDENDUM** in your individual capacity.

26 **REQUEST FOR ADMISSION NO. 14:**

27 Admit that Defendant **GUILLERMO MARERRO** is not a party to the **ADDENDUM** in her
28 individual capacity.

1 **REQUEST FOR ADMISSION NO. 15:**

2 Admit that DOUGLAS KEARNEY is not a party to the **ADDENDUM** in his individual
3 capacity.

4 **REQUEST FOR ADMISSION NO. 16:**

5 Admit that THREE60 LLC is not a party to the **ADDENDUM**.

6 **REQUEST FOR ADMISSION NO. 17:**

7 Admit that the arbitration clause at paragraph m(3) in the **ADDENDUM** limits arbitration to
8 disputes arising out of Section 7 of the **ADDENDUM**.

9 **REQUEST FOR ADMISSION NO. 18:**

10 Admit that the **BANKRUPTCY ORDER** approved the sale of Diablo Grande to **WORLD**.

11 **REQUEST FOR ADMISSION NO. 19:**

12 Admit that the **BANKRUPTCY ORDER** required **WORLD** to assume the duties of Diablo
13 Grande under the **MASTER AGREEMENT**.

14 **REQUEST FOR ADMISSION NO. 20:**

15 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
16 A to the **BANKRUPTCY ORDER** required **WORLD** to notify Diablo Grande in writing not later than
17 September 15, 2008 of the Material Contracts Buyer was prepared to assume.

18 **REQUEST FOR ADMISSION NO. 21:**

19 Admit that the **MASTER AGREEMENT** is listed as a "Material Agreement" on Schedule 1 of
20 the **DG PURCHASE SALE AGREEMENT**.

21 **REQUEST FOR ADMISSION NO. 22:**

22 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
23 A to the **BANKRUPTCY ORDER** required "*that Buyer shall in all events assume the contract with*
24 *the Western Hills Water District listed on Schedule 2 hereto.*"

25 **REQUEST FOR ADMISSION NO. 23:**

26 Admit that Schedule 2 to the **DG PURCHASE SALE AGREEMENT** attached as Exhibit A to
27 the **BANKRUPTCY ORDER** identifies "*Western Hills Water District (WHD) document relating to*
28 *water, sewer and storm drain services, including costs of operating and maintaining water supply*

1 *systems, entitlement to water from Kern County Water Agency and any other sources and availability*
2 *of water for future development.”*

3 **REQUEST FOR ADMISSION NO. 24:**

4 Admit that the Paragraph 2.5(a) to the **DG PURCHASE SALE AGREEMENT** attached as
5 Exhibit A to the **BANKRUPTCY ORDER** states that the “documents and information in Seller’s
6 possession which Buyer deems material to the purchase of the Property, including without limitation the
7 documents listed on Exhibit B attached hereto.”

8 **REQUEST FOR ADMISSION NO. 25:**

9 Admit that Exhibit B to the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to
10 the **BANKRUPTCY ORDER**, identifies the “Master Agreement to Provide Water, Sewer and Storm
11 Drainage Services (WHWD/DG)”.

12 **REQUEST FOR ADMISSION NO. 26:**

13 Admit that the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
14 **BANKRUPTCY ORDER**, required **WORLD** to assume the “Master Agreement to Provide Water,
15 Sewer and Storm Drainage Services (WHWD/DG)”.

16 **REQUEST FOR ADMISSION NO. 27:**

17 Admit that **WORLD** gave notice to Diablo Grande on/about September 15, 2008 that it was
18 assuming Diablo Grande’s duties under the “Master Agreement to Provide Water, Sewer and Storm
19 Drainage Services (WHWD/DG)”.

20 **REQUEST FOR ADMISSION NO. 28:**

21 Admit that there was no legal necessity for **WHWD** to approve the **ADDENDUM** in order for
22 **WHWD** to continue providing its water, sewer and storm drainage services.

23 **REQUEST FOR ADMISSION NO. 29:**

24 Admit that there was no legal necessity for **WHWD** to add an arbitration clause at paragraph
25 m(3) in the **ADDENDUM** in order for **WHWD** to continue providing its water sewer and storm
26 drainage services.

27 **///**

28

1 **REQUEST FOR ADMISSION NO. 30:**

2 Admit that there was no legal necessity for WHWD to approve the arbitration clause at
3 paragraph m(3) in the **ADDENDUM** in order for WHWD to continue providing its water sewer and
4 storm drainage services.

5 **REQUEST FOR ADMISSION NO. 31:**

6 Admit that in 2009, a candidate for director of WHWD was required to be a U.S. Citizen.

7 **REQUEST FOR ADMISSION NO. 32:**

8 Admit that at the time **YOU** voted to approve the **ADDENDUM** on May 14, 2009, **YOU** were
9 not a U.S. Citizen.

10 **REQUEST FOR ADMISSION NO. 33:**

11 Admit that **ATTACHMENT 4** hereto is a true and correct copy of the **AA&R AGREEMENT**
12 (as used herein the term “**AA&R AGREEMENT**” means the Assignment, Assumption and Release
13 Agreement dated effective April 30, 2020).

14 **REQUEST FOR ADMISSION NO. 34:**

15 Admit that **YOU** are not a party to the **AA&R AGREEMENT** in your individual capacity.

16 **REQUEST FOR ADMISSION NO. 35:**

17 Admit that Defendant **GUILLERMO MARERRO** is not a party to the **AA&R AGREEMENT**
18 in his individual capacity.

19 **REQUEST FOR ADMISSION NO. 36:**

20 Admit that **DOUGLAS KEARNEY** is not a party to the **AA&R AGREEMENT** in his
21 individual capacity.

22 **REQUEST FOR ADMISSION NO. 37:**

23 Admit that the **AA&R AGREEMENT** does not contain an arbitration clause.

24 **REQUEST FOR ADMISSION NO. 38:**

25 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**’s agent.

26 **REQUEST FOR ADMISSION NO. 39:**

27 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**’s
28 representative.

1 **REQUEST FOR ADMISSION NO. 40:**

2 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s
3 representative on the WHWD Board of Directors.

4 **REQUEST FOR ADMISSION NO. 41:**

5 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s advisor.

6 **REQUEST FOR ADMISSION NO. 42:**

7 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s consultant.

8 **REQUEST FOR ADMISSION NO. 43:**

9 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s agent
10 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** (as used herein, the term
11 "**AGREEMENTS**" refers collectively to the **MASTER AGREEMENT** and **ADDENDUM**) with
12 **WHWD**.

13 **REQUEST FOR ADMISSION NO. 44:**

14 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s
15 representative pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

16 **REQUEST FOR ADMISSION NO. 45:**

17 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s advisor
18 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

19 **REQUEST FOR ADMISSION NO. 46:**

20 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s consultant
21 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

22 **REQUEST FOR ADMISSION NO. 47:**

23 Admit that **YOU** participated in drafting the language for the **AA&R AGREEMENT**.

24 **REQUEST FOR ADMISSION NO. 48:**

25 Admit that an attorney employed by **IPG** participated in drafting the language for the **AA&R
26 AGREEMENT**.

27 **REQUEST FOR ADMISSION NO. 49:**

28 Admit that Carolina Juarez participated in drafting the language in the **AA&R AGREEMENT**.

REQUEST FOR ADMISSION NO. 50:

Admit that **GUILLERMO MARERRO** participated in drafting the language in the **AA&R AGREEMENT**.

REQUEST FOR ADMISSION NO. 51:

Admit that **YOU** voted to approve the AA&R AGREEMENT.

REQUEST FOR ADMISSION NO. 52:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the language of the **AA&R AGREEMENT** required that the Buyer **ANGELS CROSSING** to indemnify and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 53:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **YOU** and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 54:

Admit that when **YOU** accepted appointment to the **WHWD** Board of Directors, you undertook a fiduciary duty to act in the best interests of **WHWD**.

REQUEST FOR ADMISSION NO. 55:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **WORLD** from any claims arising out of the **MASTER AGREEMENT**.

Dated: January 12, 2025

NEASHAM & KRAMER LLP

By Patricia Kramer
PATRICIA KRAMER

1
PROOF OF SERVICE

2 I, Katherine R. Gott, declare that:

3 I am employed in the County of Sacramento, State of California. I am over the age of eighteen
4 years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom,
5 California 95630. My electronic service address is kgott@neashamlaw.com

6 On January 13, 2025, I served a copy of the foregoing document(s) described herein as
7 **PLAINTIFF WESTERN HILLS WATER DISTRICT'S REQUEST FOR ADMISSIONS AND**
REQUEST TO ADMIT GENUINENESS OF DOCUMENTS TO DEFENDANT CARMEN
KEARNEY [SET NO. ONE] on the interested party(ies) named below addressed as follows:

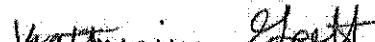
8 Sarah G. Hartman, Esq.
9 Jeffer Mangels Butler & Mitchell LLP
10 3 Park Plaza, Suite 1100
11 Irvine, CA 92614-2592
SGHartman@jmbm.com
markadamis@jmbm.com
clopez@jmbm.com

12
13 (MAIL) I am readily familiar with my employer's business practice for collection and processing
14 of correspondence for mailing with the United States Postal Service. By following ordinary business
15 practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the
United States Postal Service where it would be deposited for first class delivery, postage fully prepaid,
in the United States Postal Service that same day in the ordinary course of business.

16 (OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other
17 facility regularly maintained by FEDEX, in an envelope or package designated by FEDEX with
18 delivery fees paid.

19 (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-
mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail
20 addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any
21 electronic message or other indication that the transmission was unsuccessful.

22 I declare under penalty of perjury under the laws of the State of California that the foregoing is
23 true and correct and that this declaration was executed on January 13, 2025, at Folsom, California.

24 
25

26 Katherine R. Gott
27
28

EXHIBIT “D”

William C. Neasham, CSB #72078
Patricia Kramer, CSB #155484
Chad Vierra, CSB #255801
NEASHAM & KRAMER LLP
340 Palladio Parkway, Suite 535
Folsom, California 95630
Tel: (916) 853-8030; Fax: (916) 853-8039
pkramer@neashamlaw.com

Attorneys for Plaintiff,
WESTERN HILLS WATER DISTRICT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT.

Plaintiff.

and

WORLD INTERNATIONAL, LLC, a Delaware limited liability company; THREE60 LLC, a Delaware limited liability company; ANGELS CROSSING LLC, a California limited liability company; GUILLERMO MARRERO, CARMEN KEARNEY aka CARMEN MILLAN KEARNEY, DOUGLAS KEARNEY, and DOES 1-100, inclusive.

Defendant.

Case No. CV-24-003049

**PLAINTIFF WESTERN HILLS WATER
DISTRICT'S REQUEST FOR
ADMISSIONS AND REQUEST TO
ADMIT GENUINENESS OF
DOCUMENTS TO DEFENDANT
DOUGLAS KEARNEY
(SET NO. ONE)**

PROPOUNDING PARTY: Plaintiff WESTERN HILLS WATER DISTRICT

RESPONDING PARTY: Defendant DOUGLAS KEARNEY

SET NO.: ONE (1)

Pursuant to California Code of Civil Procedure section 2013.1, et seq., Plaintiff WESTERN HILLS WATER DISTRICT hereby requests Defendant DOUGLAS KEARNEY (hereafter "DOUGLAS KEARNEY" or "Defendant") to provide full and complete admissions to the following requests for

1 admission and for genuineness of documents within 30 days of service of this request. If the response is
2 anything other than an unqualified admission, Defendant is directed to admit as much of the request as
3 may be admitted and provide a full and complete explanation as to why the request cannot be admitted
4 in its entirety, pursuant to the accompanying form interrogatories. Pursuant to California Code of Civil
5 Procedure section 2033.420 Plaintiff will seek its attorneys' fees and costs from Defendant if he fails to
6 admit the truth of the following matters and Plaintiff thereafter incur attorneys' fees to prove the same.
7

8 **REQUESTS FOR ADMISSION**

9 **REQUEST FOR ADMISSION NO. 1:**

10 Admit that at any point **YOU** (as used herein the terms "**YOU**" and "**YOUR**" refer to Defendant
11 **DOUGLAS KEARNEY**) were appointed as a Director to the **WHWD** Board of Directors (as used
12 herein the term "**WHWD**" means and refers to Plaintiff Western Hills Water District) on July 1, 2010.

13 **REQUEST FOR ADMISSION NO. 2:**

14 Admit that at any point in time between July 1, 2010 and June 5, 2020 **YOU** were employed by
15 **WORLD** (as used herein the term **WORLD** refers to Defendant World International LLC).

16 **REQUEST FOR ADMISSION NO. 3:**

17 Admit that at any point in time between July 1, 2010 and June 5, 2020 **YOU** were employed by
18 **WORLD** as a Field Manager.

19 **REQUEST FOR ADMISSION NO. 4:**

20 Admit that at any point in time between July 1, 2010 and June 5, 2020, **YOU** received financial
21 compensation from **WORLD**.

22 **REQUEST FOR ADMISSION NO. 5:**

23 Admit the document attached hereto as **EXHIBIT A** to the **BANKRUPTCY ORDER** filed
24 September 16, 2008 in **ATTACHMENT 1** is a true and correct copy of the Agreement for Purchase and
25 Sale of Diablo Grande Stanislaus County dated July 1, 2010 (hereafter "**DG PURCHASE SALE
26 AGREEMENT**").

27 **///**

1 **REQUEST FOR ADMISSION NO. 6:**

2 Admit that at any point in time between July 1, 2010 and June 5, 2020, **YOU** received
3 compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

4 **REQUEST FOR ADMISSION NO. 7:**

5 Admit that at any point in time between July 1, 2010 and June 5, 2020, in addition to your
6 compensation as Field Manager, **YOU** received payment from **WORLD** for **YOUR** attendance at
7 **WHWD** board meetings.

8 **REQUEST FOR ADMISSION NO. 8:**

9 Admit that **YOU** did not inform **WHWD** that **YOU** were being compensated by **WORLD** to
10 attend Board meetings.

11 **REQUEST FOR ADMISSION NO. 9:**

12 Admit the document attached hereto as **ATTACHMENT 2** is a true and correct copy of the
13 **MASTER AGREEMENT** (as used herein the term "**MASTER AGREEMENT**" refers to the Master
14 Agreement to Provide Water, Sewer and Storm Drainage Services between Western Hills Water District
15 and Diablo Grande Limited Partnership dated June 4, 1988).

16 **REQUEST FOR ADMISSION NO. 10:**

17 Admit that **YOU** are not a party to the **MASTER AGREEMENT** in your individual capacity.

18 **REQUEST FOR ADMISSION NO. 11:**

19 Admit that the **MASTER AGREEMENT** does not contain an arbitration clause.

20 **REQUEST FOR ADMISSION NO. 12:**

21 Admit the document attached hereto as **ATTACHMENT 3** is a true and correct copy of the
22 **ADDENDUM** (as used herein, the term "**ADDENDUM**" means and refers to the Addendum to Master
23 Agreement to Provide Water, Sewer and Storm Drainage Services dated May 14, 2009 to the **MASTER
24 AGREEMENT**).

25 **REQUEST FOR ADMISSION NO. 13:**

26 Admit that **YOU** are not a party to the **ADDENDUM** in your individual capacity.

27 ///

28

1 **REQUEST FOR ADMISSION NO. 14:**

2 Admit that Defendant **GUILLERMO MARERRO** is not a party to the **ADDENDUM** in her
3 individual capacity.

4 **REQUEST FOR ADMISSION NO. 15:**

5 Admit that **CARMEN KEARNEY** is not a party to the **ADDENDUM** in his individual
6 capacity.

7 **REQUEST FOR ADMISSION NO. 16:**

8 Admit that **THREE60 LLC** is not a party to the **ADDENDUM**.

9 **REQUEST FOR ADMISSION NO. 17:**

10 Admit that the arbitration clause at paragraph m(3) in the **ADDENDUM** limits arbitration to
11 disputes arising out of Section 7 of the **ADDENDUM**.

12 **REQUEST FOR ADMISSION NO. 18:**

13 Admit that the **BANKRUPTCY ORDER** approved the sale of Diablo Grande to **WORLD**.

14 **REQUEST FOR ADMISSION NO. 19:**

15 Admit that the **BANKRUPTCY ORDER** required **WORLD** to assume the duties of Diablo
16 Grande under the **MASTER AGREEMENT**.

17 **REQUEST FOR ADMISSION NO. 20:**

18 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
19 A to the **BANKRUPTCY ORDER** required **WORLD** to notify Diablo Grande in writing not later than
20 September 15, 2008 of the Material Contracts Buyer was prepared to assume.

21 **REQUEST FOR ADMISSION NO. 21:**

22 Admit that the **MASTER AGREEMENT** is listed as a "Material Agreement" on Schedule 1 of
23 the **DG PURCHASE SALE AGREEMENT**.

24 **REQUEST FOR ADMISSION NO. 22:**

25 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
26 A to the **BANKRUPTCY ORDER** required "*that Buyer shall in all events assume the contract with*
27 *the Western Hills Water District listed on Schedule 2 hereto.*"

28 **///**

1 **REQUEST FOR ADMISSION NO. 23:**

2 Admit that Schedule 2 to the **DG PURCHASE SALE AGREEMENT** attached as Exhibit A to
3 the **BANKRUPTCY ORDER** identifies "*Western Hills Water District (WHD) document relating to
4 water, sewer and storm drain services, including costs of operating and maintaining water supply
5 systems, entitlement to water from Kern County Water Agency and any other sources and availability
6 of water for future development.*"

7 **REQUEST FOR ADMISSION NO. 24:**

8 Admit that the Paragraph 2.5(a) to the **DG PURCHASE SALE AGREEMENT** attached as
9 Exhibit A to the **BANKRUPTCY ORDER** states that the "documents and information in Seller's
10 possession which Buyer deems material to the purchase of the Property, including without limitation the
11 documents listed on Exhibit B attached hereto."

12 **REQUEST FOR ADMISSION NO. 25:**

13 Admit that Exhibit B to the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to
14 the **BANKRUPTCY ORDER**, identifies the "Master Agreement to Provide Water, Sewer and Storm
15 Drainage Services (WHWD/DG)".

16 **REQUEST FOR ADMISSION NO. 26:**

17 Admit that the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
18 **BANKRUPTCY ORDER**, required **WORLD** to assume the "Master Agreement to Provide Water,
19 Sewer and Storm Drainage Services (WHWD/DG)".

20 **REQUEST FOR ADMISSION NO. 27:**

21 Admit that **WORLD** gave notice to Diablo Grande on/about September 15, 2008 that it was
22 assuming Diablo Grande's duties under the "Master Agreement to Provide Water, Sewer and Storm
23 Drainage Services (WHWD/DG)".

24 **REQUEST FOR ADMISSION NO. 28:**

25 Admit that there was no legal necessity for **WHWD** to approve the **ADDENDUM** in order for
26 **WHWD** to continue providing its water, sewer and storm drainage services.

27 //

28 //

1 **REQUEST FOR ADMISSION NO. 29:**

2 Admit that there was no legal necessity for WHWD to add an arbitration clause at paragraph
3 m(3) in the **ADDENDUM** in order for WHWD to continue providing its water sewer and storm
4 drainage services.

5 **REQUEST FOR ADMISSION NO. 30:**

6 Admit that there was no legal necessity for WHWD to approve the arbitration clause at
7 paragraph m(3) in the **ADDENDUM** in order for WHWD to continue providing its water sewer and
8 storm drainage services.

9 **REQUEST FOR ADMISSION NO. 31:**

10 Admit that ATTACHMENT 4 hereto is a true and correct copy of the **AA&R AGREEMENT**
11 (as used herein the term “**AA&R AGREEMENT**” means the Assignment, Assumption and Release
12 Agreement dated effective April 30, 2020).

13 **REQUEST FOR ADMISSION NO. 32:**

14 Admit that **YOU** are not a party to the **AA&R AGREEMENT** in your individual capacity.

15 **REQUEST FOR ADMISSION NO. 33:**

16 Admit that Defendant **GUILLERMO MARERRO** is not a party to the **AA&R AGREEMENT**
17 in his individual capacity.

18 **REQUEST FOR ADMISSION NO. 34:**

19 Admit that **CARMEN KEARNEY** is not a party to the **AA&R AGREEMENT** in his
20 individual capacity.

21 **REQUEST FOR ADMISSION NO. 35:**

22 Admit that the **AA&R AGREEMENT** does not contain an arbitration clause.

23 **REQUEST FOR ADMISSION NO. 36:**

24 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**’s agent.

25 **REQUEST FOR ADMISSION NO. 37:**

26 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**’s representative.

27 //

28 //

1 **REQUEST FOR ADMISSION NO. 38:**

2 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s representative on the
3 WHWD Board of Directors.

4 **REQUEST FOR ADMISSION NO. 39:**

5 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s advisor.

6 **REQUEST FOR ADMISSION NO. 40:**

7 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s consultant.

8 **REQUEST FOR ADMISSION NO. 41:**

9 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s agent pertaining to
10 **WORLD**'s performance regarding its **AGREEMENTS** (as used herein, the term "**AGREEMENTS**"
11 refers collectively to the **MASTER AGREEMENT** and **ADDENDUM**) with **WHWD**.

12 **REQUEST FOR ADMISSION NO. 42:**

13 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s representative
14 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

15 **REQUEST FOR ADMISSION NO. 43:**

16 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s advisor pertaining to
17 **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

18 **REQUEST FOR ADMISSION NO. 44:**

19 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s consultant pertaining
20 to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

21 **REQUEST FOR ADMISSION NO. 45:**

22 Admit that **YOU** participated in drafting the language for the **AA&R AGREEMENT**.

23 **REQUEST FOR ADMISSION NO. 46:**

24 Admit that an attorney employed by **IPG** participated in drafting the language for the **AA&R
25 AGREEMENT**.

26 **REQUEST FOR ADMISSION NO. 47:**

27 Admit that **Carolina Juarez** participated in drafting the language in the **AA&R AGREEMENT**.

28 **///**

REQUEST FOR ADMISSION NO. 48:

Admit that **GUILLERMO MARERRO** participated in drafting the language in the **AA&R AGREEMENT**.

REQUEST FOR ADMISSION NO. 49:

Admit that **YOU** voted to approve the **AA&R AGREEMENT**.

REQUEST FOR ADMISSION NO. 50:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the language of the **AA&R AGREEMENT** required that the Buyer **ANGELS CROSSING** to indemnify and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 51:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **YOU** and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 52:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT** as a WHWD Director, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** was releasing **WORLD** from any claims arising out of the **MASTER AGREEMENT**.

Dated: January 12, 2025

NEASHAM & KRAMER LLP

By Patricia Kramer
PATRICIA KRAMER

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On January 13, 2025, I served a copy of the foregoing document(s) described herein as **PLAINTIFF WESTERN HILLS WATER DISTRICT'S REQUEST FOR ADMISSIONS AND REQUEST TO ADMIT GENUINENESS OF DOCUMENTS TO DEFENDANT DOUGLAS KEARNEY [SET NO. ONE]** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by FEDEX, in an envelope or package designated by FEDEX with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 13, 2025, at Folsom, California.

Wattington, Scott

Katherine R. Gott

Electronically Filed
1/15/2025 3:46 PM
Superior Court of California
County of Stanislaus
Clerk of the Court
By: Angela Mesa, Deputy

1 William C. Neasham CSB #72078
2 Patricia Kramer, CSB # 155484
3 Chad A. Vierra, CSB #255801
4 Neasham & Kramer LLP
5 Attorneys at Law
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7 Folsom, CA 95630
8 Tel: (916) 853-8030/ Fax (916) 853-8039
9 pkramer@neashamlaw.com
10 cvierra@neashamlaw.com

\$60 GOV EX

11 Attorneys for Plaintiff
12 WESTERN HILLS WATER DISTRICT

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **IN AND FOR THE COUNTY OF STANISLAUS**

15 WESTERN HILLS WATER DISTRICT, a
16 California public agency water district,

17 Plaintiff,

18 v.

19 WORLD INTERNATIONAL, LLC, a Delaware
20 limited liability company; THREE60 LLC, a
21 Delaware limited liability company; ANGELS
22 CROSSING LLC, a California
23 limited liability company; GUILLERMO
24 MARRERO, CARMEN KEARNERY aka
25 CARMEN MILLAN KEARNEY, DOUGLAS
26 KEARNEY, and DOES 1-100, inclusive,
27 Defendants.

1 Case No. CV-24-003049

2 **EX-PARTE APPLICATION FOR ORDER
3 SHORTENING TIME RE: MOTION TO
4 CONTINUE THE FEBRUARY 11, 2025
5 HEARING; MEMORANDUM OF POINTS
6 AND AUTHORITIES**

7 Date: Friday, January 17, 2025

8 Time: 8:30 a.m.

9 Dept.: 22

10 Judge: The Hon. Stacey Speiller

11 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

12 PLEASE TAKE NOTICE that on Friday, January 17, 2025 at 8:30 am, or as soon thereafter as
13 the matter may be heard by the Presiding Judge in Department 22 of the Stanislaus County Superior
14 Court, located at 801 10th Street, 4th Floor, Modesto, CA 95354, Plaintiff WESTERN HILLS WATER
15 DISTRICT (hereinafter "Plaintiff") will move the Court ex-parte for an Order Shortening Time.

16 Good cause exists to grant the application in that the Motion to Continue Hearing date is
17 currently set for February 7, 2025.

1 There are multiple parties (Plaintiff and five (5) Defendants) actively involved in written
2 discovery. Plaintiff requires more time to receive discovery responses prior to the hearing on Notice of
3 Motion and Motion to Compel Arbitration and Stay (See Points and Authorities). Plaintiff will be unable
4 to oppose the Motion to Compel Arbitration and Stay Action (currently due on January 29, 2025)
without the proper discovery responses.

5 Plaintiffs served Meet and Confer Letters on January 10, 2025 regarding defective discovery
6 responses received the last week of December 2024. Due to the upcoming hearing on Defendant's
7 Motion to Compel Arbitration and Stay Action, Plaintiffs do not have sufficient time to compel further
8 responses before an opposition to the Motion to Compel Arbitration is due.

9 The Motion to Continue the February 11, 2025 Hearing on the Motion to Compel Arbitration is
10 currently set on February 7, 2025. The deadline to file an opposition to Defendants Motion to Compel
11 Arbitration and Stay Action is January 29, 2025. It heavily prejudices Plaintiff if it must oppose the
12 Motion to Compel Arbitration before receiving responses to pending discovery that addresses the issues
in the Motion to Compel Arbitration.

13 As a result, the Plaintiff requests that the Court grant the application for an order shortening time,
14 to January 24, 2025 or as soon thereafter as the matter may be heard depending on Court's availability.

16 Dated: January 15, 2025

NEASHAM & KRAMER LLP

17 By 
18 William C. Neasham

MEMORANDUM OF POINTS AND AUTHORITIES

Plaintiff filed its Complaint on April 19, 2024. Service was by execution of Notice and Acknowledgement of Receipt on July 10, 2024, by Sarah Hartman, attorney for each of the Defendants. To date, no responsive pleadings have been filed.

There are six parties involved in this Motion to Continue the Hearing on Defendant's Motion to Compel Arbitration; namely Plaintiff, a California public agency water district; and Defendants World International, LLC, a Delaware limited liability company; Three60, LLC, a Delaware limited liability company; Guillermo Marrero; Carmen Kearney aka Carmen Millan Kearney; and Douglas Kearney.

NOTICE OF EX-PARTE APPLICATION / MEET AND CONFER

Plaintiffs have made a reservation with the Court clerk for the Ex-Parte Hearing for an Order Shortening Time per local rules and provided notice of their Ex-Parte Application to all parties on January 15, 2025 via email. A Copy of Plaintiffs' Notice of Ex-Parte Hearing is attached to the **Declaration of William Neasham submitted herewith as Exhibit "A".**

BACKGROUND

The legal issues in this case are complex and stretch over a span of over 10 years. They involve determining the validity of the May 2009 Addendum to the Master Agreement to Provide Water, Sewer and storm Drainage between Western Hills Water District and World International LLC.

On or about May 14, 2009, the Addendum to the Master Agreement was purportedly approved by and between the Western Hills Water District and World International, which substantially changed and altered the obligations of World International under the Court and County approved Master Agreement. Plaintiff alleges that the Addendum should be held void ab initio due to prohibited unlawful conduct in violation of Government Code §1090, et seq., related conflicts of interest regulations and other disqualifying circumstances. It is still unknown whether it will be necessary to add or substitute additional parties in the case.

World International, LLC and Three60, LLC were required by the underlying Master Agreement to advance funds for operational costs to Western Hills Water District. They have subsequently failed to

1 perform this and other duties and have breached the Master Agreement which was executed on June 4,
2 1998.

3 **PENDING DISCOVERY**

4 On August 8, 2024, Plaintiff served Form Interrogatories-General, Set No. One to each
5 Defendant via US Mail. Thereafter Defendants filed a “Motion to Compel Arbitration and to Stay
6 Action” on August 9, 2024, with a hearing date set for December 13, 2024. Responses to the Form
7 Interrogatories were due on September 12, 2024. Responses were not timely served. Instead, Defendants
8 each served unverified “Statements Regarding Form Interrogatories” on September 12, 2024. Other than
9 their several subsequent stay motions, Defendants have not answered the underlying Complaint or the
10 First Amended Complaint.

11 Defendants’ “Statements Regarding Form Interrogatories” improperly claimed that discovery
12 was premature because the Defendant filed a Motion to Stay Discovery and/or to Compel Arbitration
13 after the date the discovery requests were served, and the motion was pending. Despite the pending
14 motion, Defendants did not seek a stay of discovery pending a hearing on the motion and there was no
15 stay of discovery imposed prohibiting Defendants from responding to discovery.

16 These unverified “Statements” did not contain objections supported by statute or case law. (CCP
17 §2030.240) Thus, all objections to the discovery requests, including objections based on attorney-client,
18 attorney work and taxpayer privileges were waived at that time (CCP §2030.290).

19 On September 19, 2024, Defendants filed a Motion for an Order Staying Discovery and/or for a
20 Protective Order which was set for hearing on October 9, 2024. The Motion was continued to October
21 25, 2024, and thereafter a second time to November 22, 2024.

22 On November 22, 2024, the Court granted the Motion in part and denied the motion in part. In
23 summary the Court held “As for Moving Defendants’ original argument—that all discovery should be
24 stayed because it is in the interest of justice and judicial economy—The Court finds it unpersuasive.
25 Plaintiff’s pleading raises issues of serious concern for the public, and those concerns warrant prompt
26 exploration.”

1 On November 23, 2024, Defendants filed a second Motion to Compel Arbitration and Stay
2 Action, alleging that arbitration is required by the Addendum to the Master Agreement. The hearing is
3 currently set for February 11, 2025.

4 On December 3, 2024, William Neasham, counsel for Western Hills Water District and Marah
5 Bragdon agreed that Defendants would have until December 23, 2024, to serve responses to the
6 outstanding Form Interrogatories. Defendants did not ask, nor did Plaintiff agree to revive an
7 opportunity to make objections that had already been waived. On December 23, 24, and 30, 2024
8 Defendants served verified responses and objections to Plaintiff's Form Interrogatories, Set No. One.
9 Plaintiff found Defendants responses to be insufficient, incomplete, and evasive.

10 On January 13, 2025 after meeting and conferring with Defendant's about the Form
11 Interrogatories and based on the limited responses Defendant's provided, Plaintiff propounded
12 additional discovery consisting of Requests for Admissions and Form Interrogatories Set No. Two
13 (#17.1) to each individual Defendant directly addressing the arbitration clauses at issue in Defendants'
14 Motion to Compel Arbitration

15 The parties have been actively engaged and in the course of propounding discovery; however,
16 due to the trial schedules of Plaintiff's attorneys and incomplete responses by Defendants, Plaintiff's
17 attorneys require additional time to compel and receive completed responses.

18 “(a) On motion of any party, the court may grant leave to complete discovery proceedings, or to
19 have a motion concerning discovery heard, closer to the initial trial date, or to reopen discovery after a
20 new trial date has been set. This motion shall be accompanied by a meet and confer declaration
21 under Section 2016.040.

22 (b) In exercising its discretion to grant or deny this motion, the court shall take into consideration
23 any matter relevant to the leave requested, including, but not limited to, the following:

24 (1) The necessity and the reasons for the discovery.” (California Code of Civil Procedure
25 §2024.050(a) and (b)(1)).

26 CCP §2024.050, provides the court may grant leave to complete discovery proceedings when there is
27 a necessity and need for further discovery, despite Plaintiff's diligence in initiating and propounding
28 discovery responses.

1 Because of the upcoming Hearing on Defendants Motion to Compel Arbitration and Stay, the
2 Plaintiff requests that the Motion to Continue be heard on shortened time.

3 **LEGAL ARGUMENT**

4 **I. THE CURRENT MOTION DATE NECESSITATES EX PARTE RELIEF.**

5 The court, on its own motion or on application for an order shortening time supported by a
6 declaration showing good cause, may prescribe shorter times for the filing and service of papers than the
7 times specified in Code of Civil Procedure section 1005. (California Rules of Court, Rule 5.94)

8 California Rules of Court, Rules 3.1200 et seq. set forth the requirement for an ex-parte
9 application. Plaintiff will suffer immediate and irreparable injury if the motion is not heard prior to the
10 Defendant's Motion to Compel Arbitration and Stay date and any opposition date by Plaintiff to this
11 motion.

12 Ex parte relief is appropriate where the moving party seeks relief that cannot be addressed by a
13 regularly noticed motion, and will face prejudice if its application is denied, provided that the party is
14 without fault in creating the problem at issue.

15 Based upon the motions and other hearings in this case as fully set forth above, through no fault of
16 Plaintiff and despite Plaintiff's diligence in initiating and propounding discovery responses, after an
17 agreed upon date for discovery the Defendants served insufficient, incomplete, and evasive responses.
18 Plaintiff immediately began the meet and confer process and has not received responses to its meet and
19 confer letters. It has become apparent that Plaintiff will not receive the requested discovery prior to their
20 opposition date on the Motion to Compel Arbitration.

21 In this case, Plaintiffs' Motion to Continue the Hearing is set for hearing on February 7, 2025 which
22 is after Plaintiff's response to the Motion to Compel Arbitration is due. Due to the nature of the motion and
23 the relief sought, Plaintiff must have the motion heard on shortened time.

24 Plaintiffs request that an order shortening time to hear their Motion to Continue be granted. They
25 propose the following timelines:

26 - Opposition to be filed and served (via email) on Tuesday, January 21, 2025.
27 - Reply to be filed and service (via email) by close of business on Thursday, January 23, 2025.
28 - Hearing on the Motion to Continue on January 24, 2025.

CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court grant its ex parte and allow its Motion to Continue to be heard on shortened time. Plaintiff requests the following hearing and briefing schedule: (1) Opposition due Tuesday, January 21, 2025; (2) Reply due Thursday, January 23, 2025; and (3) Hearing on Friday, January 24, 2025 at 8:30 a.m. Or in the alternative the court schedule the Motion to Continue hearing on February 11, 2025 and reschedule Defendant's Motion to Compel Arbitration and Stay Action to May 19, 2025, or as soon thereafter as the court has availability.

Dated: January 15, 2025

NEASHAM & KRAMER LLP

By William C Neasham

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On January 15, 2025, I served a copy of the foregoing document(s) described herein as **EX PARTE APPLICATION FOR ORDER SHORTENING TIME RE: MOTION TO CONTINUE THE FEBRUARY 11, 2025 HEARING; MEMORANDUM OF POINTS AND AUTHORITIES** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by **FEDEX**, in an envelope or package designated by **FEDEX** with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 15, 2025, at Folsom, California.

Matherine Scott

Katherine R. Gott

1 Electronically Filed
2 1/15/2025 3:46 PM
3 Superior Court of California
4 County of Stanislaus
5 Clerk of the Court
6 By: Angela Mesa, Deputy

1 William C. Neasham, CSB #72078
2 Patricia Kramer, CSB # 155484
3 Chad A. Vierra, CSB #255801
4 Neasham & Kramer LLP
5 Attorneys at Law
6 340 Palladio Parkway, Suite #535
7 Folsom, CA 95630
8 Tel: (916) 853-8030/ Fax (916) 853-8039
9 pkramer@neashamlaw.com
10 cvierra@neashamlaw.com

11 Attorneys for Plaintiff
12 WESTERN HILLS WATER DISTRICT

13
14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **IN AND FOR THE COUNTY OF STANISLAUS**

16 WESTERN HILLS WATER DISTRICT, a
17 California public agency water district,

18 Plaintiff,

19 v.

20 WORLD INTERNATIONAL, LLC, a Delaware
21 limited liability company; THREE60 LLC, a
22 Delaware limited liability company; ANGELS
23 CROSSING LLC, a California
24 limited liability company; GUILLERMO
25 MARRERO, CARMEN KEARNERY aka
26 CARMEN MILLAN KEARNEY, DOUGLAS
27 KEARNEY, and DOES 1-100, inclusive,
28 Defendants.

Case No. CV-24-003049

**DECLARATION OF WILLIAM C.
NEASHAM IN SUPPORT OF EX-PARTE
APPLICATION RE: MOTION TO
CONTINUE**

Date: Friday, January 17, 2025

Time: 8:30 a.m.

Dept.: 22

Judge: The Hon. Stacey Speiller

29 I, William C. Neasham declare as follows:

30 1. I am an attorney at law, duly admitted to practice in the laws of the State of California. I am
31 employed with the law offices of Neasham & Kramer LLP, attorneys of record for Plaintiff
32 Western Hills Water District herein. I make the following statements of my own personal
33 knowledge and if called upon as a witness, I would competently testify as set forth herein.

1 2. Plaintiff filed its Complaint on April 19, 2024. Service was effected upon execution of Notice
2 and Acknowledgement of Receipt on July 10, 2024, by Sarah Hartman, attorney for each of the
3 Defendants. To date no Defendants have filed responsive pleadings.

4 3. On August 8, 2024, Plaintiff served Form Interrogatories-General, Set No. One to each
5 Defendant.

6 4. On September 3, 2024, Marah Bragdon, Esq. and I corresponded via electronic mail regarding
7 the pending discovery. I advised Ms. Bragdon, that if she required additional time extending the
8 time to respond, to please let me know. I received no request for additional time to respond.

9 5. Responses to the Form Interrogatories were due on September 12, 2024. Responses were not
10 timely served. Instead, Defendants each served an unverified “Statement Regarding Form
11 Interrogatories” on September 12, 2024.

12 6. On September 19, 2024, Defendants filed a Motion for an Order Staying Discovery and/or for a
13 Protective Order which was set for hearing on October 9, 2024. That motion was continued on
14 three (3) times to November 22, 2024.

15 7. After the court’s ruling on Defendant’s Motion for an Order Staying Discovery and/or for a
16 Protective Order, Marah Bragdon and I corresponded via electronic mail on December 3, 2024.
17 We agreed that Defendants would have until December 23, 2024, to serve responses to the
18 outstanding Form Interrogatories. Defendants did not ask for a waiver, nor did Plaintiff agree to
19 revive an opportunity to make objections that had already been waived.

20 8. Defendant Guillermo Marrero, Carmen Kearney, and Douglas Kearney served verified responses
21 on December 23, 2024. Plaintiff finds Defendants’ responses to be insufficient, incomplete and
22 evasive.

23 9. Defendants World International, LLC and Three60, LLC served verified responses on December
24 24, 2024 but subsequently re-served the same verified responses on December 30, 2024. Plaintiff
25 finds Defendants’ responses to be insufficient, incomplete and evasive.

26 10. On January 10, 2024, Plaintiff served Meet and Confer letters regarding each of the Defendants
27 responses to the discovery requests, demanding that further responses without objections are
28 necessary. Plaintiff set a deadline of January 27, 2025, for Defendants to serve further responses

1 to the requests (**Attached hereto as Exhibit B is a true and correct copy of Plaintiff's Meet**
2 **and Confer Letter).**

3 11. Plaintiff requested that Defendants stipulate to continue the February 11, 2025, hearing to May
4 19, 2025, in order to further complete discovery.

5 12. As of the date this motion is filed, I have not received a response to my Meet and Confer Letter.

6 13. Plaintiff filed a Notice of Motion and Motion to Continue the February 11, 2025 hearing on
7 January 15, 2025 (**Attached hereto as Exhibit C is a true and correct copy of the Motion to**
8 **Continue that has been electronically submitted to the court for filing).**

9 14. I notified Defendant's attorney of my intent to appear ex-parte on Thursday, January 15, 2025
10 (**Attached hereto as Exhibit A is a true and correct copy of my email correspondence to**
11 **Sarah G. Hartman, Esq.**).

12 I declare under penalty of perjury that under the laws of the State of California that the foregoing is true
13 and correct. Executed this 15 day of January 2025 at Folsom, California,

14
15 
16

17 William C. Neasham
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EXHIBIT “A”

William Neasham

From: William Neasham
Sent: Wednesday, January 15, 2025 3:31 PM
To: Sarah Hartman; Marah Bragdon; Mark Adams
Cc: 'clopez@jmbm.com'; Patricia Kramer; Katherine Gott; William Neasham
Subject: Re: Western Hills Water District v World, et al. - Notice of Ex Parte Application for Order Shortening Time
Attachments: Decl. of Neasham - 011525.pdf; Ex Parte Application - 011525.pdf; Proposed Order - 011525.pdf
Importance: High

Good Afternoon Ms. Hartman and Ms. Bragdon,

Since we have not received a response to our Meet and Confer Letter dated January 10, 2025 regarding Defendants' Motion to Compel Arbitration and Stay Action, we will be appearing Ex-Parte on Friday, January 17, 2025 at 8:30 a.m. in Department 22 for an Order Shortening Time. The court has informed me that we may appear remotely.

This email will be considered your notice of our Ex-Parte Application for an Order Shortening Time on Friday, January 17, 2025 at 8:30 a.m. in Department 22.

We will attach our unfiled papers hereto and subsequently resend them after they are filed as a courtesy.

Sincerely,

William C. Neasham
Attorney at Law
NEASHAM & KRAMER LLP
340 Palladio Parkway, Suite 535
Folsom, California 95630
(916) 853-8030 (telephone)
(916) 853-8039 (fax)
kgott@neashamlaw.com

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EXHIBIT “B”

NEASHAM & KRAMER LLP
ATTORNEYS AT LAW

January 10, 2025

340 Palladio Parkway, Suite 535 • Folsom, California 95630
Tel: (916) 853-8030 • Fax: (916) 853-8039
Web page: <http://www.neashamlaw.com>

VIA ELECTRONIC MAIL
SGHartman@jmbm.com

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, California 92614

In re : *Western Hills Water District v. World International LLC, et al*
Stanislaus Superior Court Case No.: CV-24-003049
Meet and Confer re: Motion to Compel Arbitration

Dear Ms. Hartman:

The purpose of this letter is to meet and confer with you regarding your clients' Motion to Compel Arbitration. The motion is currently set for February 11, 2025. As you know we have propounded discovery and have only just received discovery responses within the last week to 10 days. We are in the process of meeting and conferring with you regarding deficiencies in the responses and will either require supplemental responses or a motion to compel. Similarly, we have propounded additional discovery which is being served under separate cover.

I am writing to request a continuance of the Motion to Compel arbitration to May 2025 when the next Case Management Conference is set. This will allow us to obtain responses and supplemental responses to the pending discovery before the Court makes a determination that could stay additional portions of the case. I am required to meet and confer with you before filing a Motion to Continue the hearing.

Please advise if you are agreeable to the continuance. If so, you can either request the date to be changed or we can prepare a stipulation and submit it to the court requesting an alternate date for the motion. Likewise, please advise if you are not agreeable as I must report our meet and confer efforts to the Court with my motion.

As always, I remain open to discussing this with you further if you desire to do so.

Sincerely,

William C. Neasham

cc: Mark Kovich
WHWD Board President

EXHIBIT “C”

William C. Neasham, CSB # 72028
Patricia Kramer, CSB # 155484
Chad A. Vierra, CSB #255801
Neasham & Kramer LLP
Attorneys at Law
340 Palladio Parkway, Suite #535
Folsom, CA 95630
Tel: (916) 853-8030/ Fax (916) 853-8039
pkramer@neashamlaw.com
cvierra@neashamlaw.com

Attorneys for Plaintiff
WESTERN HILLS WATER DISTRICT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT, a
California public agency water district,

Plaintiff,

WORLD INTERNATIONAL, LLC, a Delaware limited liability company; THREE60 LLC, a Delaware limited liability company; ANGELS CROSSING LLC, a California limited liability company; GUILLERMO MARRERO, CARMEN KEARNERY aka CARMEN MILLAN KEARNEY, DOUGLAS KEARNEY, and DOES 1-100, inclusive, Defendants.

Case No. CV-24-003049

**NOTICE OF MOTION AND MOTION TO
CONTINUE HEARING AND
MEMORANDUM OF POINTS AND
AUTHORITIES**

**[Served concurrently with Declaration of
Patricia Kramer; [Proposed] Order
Regarding the February 11, 2025 Hearing]**

Date: February 7, 2025
Time: 8:30 a.m.
Dept.: 22
Judge: The Hon. Stacey Speiller

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on February 7, 2025, at 8:30 a.m., or as soon thereafter as the matter may be heard by the Presiding Judge in Department 22 of the Stanislaus County Superior Court, located at 801 10th Street, 4th Floor, Modesto California, 95354, Plaintiff WESTERN HILLS WATER DISTRICT (herein after "Plaintiff") will move the Court for an order to continue the hearing date on Defendants Motion to Compel Arbitration from February 11, 2025, to May 19, 2025 or a date thereafter.

1 This Motion is timely and in accordance with the Honorable Stacey Speiller's direction, at the
2 Case Management Conference on January 6, 2025, to bring a formal motion to request a continuance.

3 There are multiple parties (Plaintiff and five (5) Defendants) actively involved in written
4 discovery. Plaintiff requires more time to complete discovery prior to the hearing on Notice of Motion
5 and Motion to Compel Arbitration and Stay.

6 Good cause exists to continue the hearing to May 19, 2025¹ or thereafter. This court has stated,
7 "Plaintiff's pleading raises issues of serious concern for the public, and those concerns warrant prompt
8 exploration."² Plaintiff has previously propounded discovery which will clarify the parties' relationships
9 and will substantially affect the outcome of the court's ruling on the pending motion. In response to the
10 Court's ruling in November 2024 granting a stay in part (severing out the operational expenses issues)
11 and denying the Defendants' stay request as to all other areas of Plaintiff's discovery requests.

12 Defendants served hundreds of pages of blanket objections on/about 12/23, 12/24, and 12/30/2024.³
13 Plaintiff is now in the process of serving Meet and Confer letters regarding those objections. If the case
14 is stayed at the February 11, 2025 hearing, the discovery that is currently pending and in process will be
15 frustrated due to the Defendants failure to provide full and complete responses to the discovery requests.
16 Allowing the continuance of the February 11, 2025, hearing, will provide Plaintiff with sufficient time to
17 compel responses to ongoing Interrogatories and receive responses to Requests for Production of
18 Documents, Special Interrogatories, and Request for Admissions, which discovery is currently pending.

19 Said Motion to Continue Hearing is based upon California Code of Civil Procedure §2024.050,
20 this Notice and Motion, the Memorandum of Points and Authorities and the Declaration of William C.
21 Neasham submitted in support of this motion.

22 "(a) On motion of any party, the court may grant leave to complete discovery proceedings, or to
23 have a motion concerning discovery heard, closer to the initial trial date, or to reopen discovery after a
24

25 ¹ May 19, 2025, is the date currently set for the next Case Management Conference.

26 ² Minute Order dated November 11, 2024

27 ³ Plaintiff's initial discovery was propounded on August 8, 2024, but was not answered until after the
28 Court's November 22, 2024 Ruling on the Stay. The Court's Stay ruling did not specify a response date
and Plaintiff's counsel agreed to a 30-day time to respond (to December 23, 2024). On November 26,
2024; however, Defendants then filed the instant motion and set the February 11, 2025 hearing date
without consultation to Plaintiff.

1 new trial date has been set. This motion shall be accompanied by a meet and confer declaration
2 under Section 2016.040.

3 (b) In exercising its discretion to grant or deny this motion, the court shall take into consideration
4 any matter relevant to the leave requested, including, but not limited to, the following:

5 (1) The necessity and the reasons for the discovery.” (California Code of Civil Procedure
6 §2024.050(a) and (b)(1)).

7 As a result of the Defendants prolonged response time and their incomplete responses, Plaintiff
8 has been unable to proceed with the discovery process. Plaintiffs will be greatly prejudiced without
9 ample time to compel full and complete responses to the discovery requests because said responses will
10 assist Plaintiff with opposing Defendants Motion to Compel Arbitration and Stay.

11 Based upon the facts and evidence cited above, Plaintiff Western Hills Water District requests
12 that this court continue the February 11, 2025, hearing on Defendants Motion to Compel Arbitration and
13 Stay to May 19, 2025 or such other date as the court may have available.

14 Pursuant to Local Rule 3.01, Tentative rulings will be issued on law and motion matters the court
15 day prior to the hearing date. Tentative rulings can be accessed on the Internet at
16 <https://www.stanislaus.courts.ca.gov/> after 1:30 p.m. You may request a hearing on a law and motion
17 matter by calling the calendar line at (209) 530-3162 prior to 4:00 p.m. or by e-mailing at
18 civil.tentatives@stanct.org. E-mail requests must be made prior to 4:00 p.m. AND confirmed by return
19 e-mail. If you do not receive a confirmation e-mail from the clerk, you MUST call (209) 530-3162 to
20 request your hearing. If you request a hearing on a law and motion matter, you must also notify the
21 opposing party or their counsel of your request.

22
23 Dated: January 14, 2025

NEASHAM & KRAMER LLP

24 By 
25 Patricia Kramer
26
27
28

POINTS AND AUTHORITIES

Plaintiff filed its Complaint on April 19, 2024. Service was by execution of Notice and Acknowledgement of Receipt on July 10, 2024, by Sarah Hartman, attorney for each of the Defendants. To date, no responsive pleadings have been filed.

There are six parties involved in this motion; namely Plaintiff, a California public agency water district; and Defendants World International, LLC, a Delaware limited liability company; Three60, LLC, a Delaware limited liability company; Guillermo Marrero; Carmen Kearney aka Carmen Millan Kearney; and Douglas Kearney.

BACKGROUND

The legal issues in this case are complex and stretch over a span of over 20 years. They involve determining the validity of the May 2009 Addendum to the Master Agreement to Provide Water, Sewer and storm Drainage between Western Hills Water District and World International LLC.

On or about May 14, 2009, the Addendum to the Master Agreement was purportedly approved by and between the Western Hills Water District and World International, which substantially changed and altered the obligations of World International under the Court and County approved Master Agreement. Plaintiff alleges that the Addendum should be held void ab initio due to prohibited unlawful conduct in violation of Government Code §1090, et seq. Defendants dispute the validity of the Addendum to the Master Agreement and claim that they are not liable for damage because of the Assignment, Assumption & Release Agreement executed by World and Angels Crossing on/about April 24, 2020. It is still unknown whether it will be necessary to add or substitute additional parties in the case.

World International, LLC and Three60, LLC were required by the Addendum to the Master Agreement to advance funds for operational costs to Western Hills Water District. They have subsequently failed to perform this and other duties and have breached the Master Agreement which was executed on June 4, 1998.

PENDING DISCOVERY

On August 8, 2024, Plaintiff served Form Interrogatories-General, Set No. One to each Defendant via US Mail. Thereafter Defendants filed a "Motion to Compel Arbitration and to Stay Action" on August 9, 2024, with a hearing date set for December 13, 2024. Responses to the Form

1 Interrogatories were due on September 12, 2024. Responses were not timely served. Instead, Defendants
2 each served unverified "Statements Regarding Form Interrogatories" on September 12, 2024. Other than
3 their several subsequent stay motions, Defendants have not answered the underlying Compliant or the
4 First Amended Complaint.

5 Defendants' "Statements Regarding Form Interrogatories" improperly claimed that discovery
6 was premature because the Defendant filed a Motion to Stay Discovery and/or to Compel Arbitration
7 after the date the discovery requests were served, and the motion was pending. Despite the pending
8 motion, Defendants did not seek a stay of discovery pending a hearing on the motion and there was no
9 stay of discovery imposed prohibiting Defendants from responding to discovery.

10 These unverified "Statements" did not contain objections supported by statute or case law. (CCP
11 §2030.240) Thus, all objections to the discovery requests, including objections based on attorney-client,
12 attorney work and taxpayer privileges were waived at that time (CCP §2030.290).

13 On September 19, 2024, Defendants filed a Motion for an Order Staying Discovery and/or for a
14 Protective Order which was set for hearing on October 9, 2024. The Motion was continued to October
15 25, 2024, and thereafter a second time to November 22, 2024.

16 On November 22, 2024, the Court granted the Motion in part and denied the motion in part. In
17 summary the Court held "As for Moving Defendants' original argument—that all discovery should be
18 stayed because it is in the interest of justice and judicial economy—The Court finds it unpersuasive.
19 Plaintiff's pleading raises issues of serious concern for the public, and those concerns warrant prompt
20 exploration."

21 On November 23, 2024, Defendants filed a second Motion to Compel Arbitration and Stay
22 Action, alleging that arbitration is required by the Addendum to the Master Agreement. The hearing is
23 currently set for February 11, 2025.

24 On December 3, 2024, William Neasham, counsel for Western Hills Water District and Marah
25 Bragdon agreed that Defendants would have until December 23, 2024, to serve responses to the
26 outstanding Form Interrogatories. Defendants did not ask, nor did Plaintiff agree to revive an
27 opportunity to make objections that had already been waived. On December 23, 24, and 30, 2024
28

1 Defendants served verified responses and objections to Plaintiff's Form Interrogatories, Set No. One.

2 Plaintiff found Defendants responses to be insufficient, incomplete, and evasive.

3 The parties have been actively engaged and in the course of propounding discovery; however, due to
4 the trial schedules of Plaintiff's attorneys and incomplete responses by Defendants, Plaintiff's attorneys
5 require additional time to compel and receive completed responses.

6 Said Motion to Continue Hearing is based upon California Code of Civil Procedure §2024.050,
7 the Notice and Motion, this Memorandum of Points and Authorities and the Declaration of William C.
8 Neasham submitted in support of this motion.

9 "(a) On motion of any party, the court may grant leave to complete discovery proceedings, or to
10 have a motion concerning discovery heard, closer to the initial trial date, or to reopen discovery after a
11 new trial date has been set. This motion shall be accompanied by a meet and confer declaration
12 under Section 2016.040.

13 (b) In exercising its discretion to grant or deny this motion, the court shall take into consideration
14 any matter relevant to the leave requested, including, but not limited to, the following:

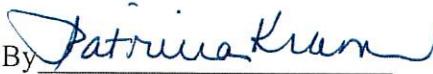
15 (1) The necessity and the reasons for the discovery." (California Code of Civil Procedure
16 §2024.050(a) and (b)(1)).

17 CCP §2024.050, provides the court may grant leave to complete discovery proceedings when there is
18 a necessity and need for further discovery, despite Plaintiff's diligence in initiating and propounding
19 discovery responses.

20 Because of the upcoming Hearing on Defendants Motion to Compel Arbitration and Stay, the
21 Plaintiff requests that the Motion to Continue be heard on shortened time and will be filing an Ex Parte
22 application for an Order Shortening Time.

23
24 Dated: January 14, 2025

NEASHAM & KRAMER LLP

25 By 
26 Patricia Kramer
27
28

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On January 15, 2025, I served a copy of the foregoing document(s) described herein as
**DECLARATION OF WILLIAM C. NEASHAM IN SUPPORT OF EX PARTE APPLICATION
RE: MOTION TO CONTINUE** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

()(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by **FEDEX**, in an envelope or package designated by **FEDEX** with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 15, 2025, at Folsom, California.

Katherine Scott

1 William C. Neasham, CSB # 72028
2 Patricia Kramer, CSB # 155484
3 Chad A. Vierra, CSB #255801
4 Neasham & Kramer LLP
5 Attorneys at Law
6 340 Palladio Parkway, Suite #535
7 Folsom, CA 95630
8 Tel: (916) 853-8030/ Fax (916) 853-8039
9 pkramer@neashamlaw.com
10 cvierra@neashamlaw.com

11 Electronically Filed
12 2/3/2025 3:42 PM
13 Superior Court of California
14 County of Stanislaus
15 Clerk of the Court
16 By: Alexandra Miller, Deputy

17 Attorneys for Plaintiff
18 WESTERN HILLS WATER DISTRICT

19 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

20 **IN AND FOR THE COUNTY OF STANISLAUS**

21 WESTERN HILLS WATER DISTRICT, a
22 California public agency water district,

23 Plaintiff,

24 v.

25 WORLD INTERNATIONAL, LLC, a Delaware
26 limited liability company; THREE60 LLC, a
27 Delaware limited liability company; ANGELS
28 CROSSING LLC, a California
limited liability company; GUILLERMO
MARRERO, CARMEN KEARNERY aka
CARMEN MILLAN KEARNEY, DOUGLAS
KEARNEY, and DOES 1-100, inclusive,
Defendants.

Case No. CV-24-003049

Action Filed: April 19, 2024
FAC Filed: October 24, 2024

**DECLARATION OF WILLIAM
NEASHAM RE: STATUS UPDATE ON
DISCOVERY**

Date: February 7, 2025
Time: 8:30 a.m.
Dept.: 22
Judge: Stacey P. Speiller

Trial Date: Not Assigned

I, William C. Neasham, declare as follows:

1. I am the Special Counsel for the Western Hills Water District ("WHWD") in the instant case and have prepared this Supplemental Declaration Re Status Update on Discovery in support of the pending WHWD Motion to Continue (set for February 7, 2025) the hearing date for the World Motion to Compel Arbitration and Stay Arbitration now set for February 11, 2025 before this Court.

1 2. Plaintiff's initial discovery (Form Interrogatories General Set One) were served on the World
2 defendants on August 8, 2024. Defendants provided no responses until December 24-28, 2025, 4
3 ½ months later, and in their 100's of pages of responses then attempted to assert numerous
4 blanket objections long ago waived or meritless. The parties then engaged in a meet and confer
5 process ultimately culminating in a January 27, 2025 letter from attorney Hartman "...as an act
6 of good faith. (Marrero, C. Kearney, D. Kearney) will serve supplemental responses as stated
7 herein in ten days." Ten calendar days from the date of attorney Hartman's letter is February 6,
8 2025-the day before the Motion to Continue the hearing is set at 8:30 am. If the World
9 supplemental responses are deficient and non-responsive, then those responses would be subject
10 to a further meet and confer requirement.

11 3. On January 13, 2025 Plaintiff served additional Request for Admissions and related discovery:

12 *WHWD v World (3049) – Email from K. Gott to S. Hartman, Esq., attaching Plaintiff*
13 *Western Hills Water District's Request for Admissions and Request to Admit Genuineness*
14 *of Documents to Defendant Guillermo Marrero [Set No. one]; Declaration for Additional*
15 *Discovery re: Requests for Admissions and for Genuineness of Documents (Set No. One) to*
16 *Guillermo Marrero; Form Interrogatories – General to Guillermo Marrero [Set No. Two];*
17 *Plaintiff Western Hills Water District's Request for Admissions and Request to Admit*
18 *Genuineness of Documents to Defendant Carmen Kearney [Set No. one]; Declaration for*
19 *Additional Discovery re: Requests for Admissions and for Genuineness of Documents (Set*
20 *No. One) to Carmen Kearney; Form Interrogatories – General to Carmen Kearney [Set*
21 *No. Two]; Plaintiff Western Hills Water District's Request for Admissions and Request to*
22 *Admit Genuineness of Documents to Defendant Douglas Kearney [Set No. one];*
23 *Declaration for Additional Discovery re: Requests for Admissions and for Genuineness of*
24 *Documents (Set No. One) to Douglas Kearney; Form Interrogatories – General to Douglas*
25 *Kearney [Set No. Two]*

26 (See also true and correct copy of Meet and Confer Declaration of Patricia Kramer in Support of
27 Plaintiff's Motion to Continue February 11, 2025 Hearing, attached hereto as Exhibit "A" filed
28 January 14, 2025).

29 Responses to the outstanding discovery on the Requests for Admissions and Genuineness of
30 Documents, etc. are currently due two (2) days after the current Motion to Compel is set for
31 hearing (2/13/25). Plaintiff does not seek further delays and, instead, is seeking to promptly and
32 thoroughly investigate matters of serious public concern (as the Court noted in its November 22,
33 2024, Order).

1 2024 ruling on discovery stay) and then present the Court with evidence so that it is fully
2 informed when it makes its decision regarding arbitration.

3 Without the benefit of evidence from Defendants regarding their conflicts, qualifications and
4 relationships underlying the claimed arbitration agreement, Western Hills Water District is
5 severely prejudiced because the Court will make its determination without being fully informed
6 of the facts. WHWD has already been damaged financially as a result of Defendants'
7 malfeasance, fraud, and breach of fiduciary duty.

8 4. Defendants Suffer no Prejudice if the Hearing on the Motion to Compel is Continued.

9 Defendants, on the other hand, are not prejudiced if the February 11 motion is continued.

10 They've already filed three Motions to Compel Arbitration over a period of 6 months (8/9/24,
11 9/19/24 and 11/26/24), arguably as they have stated to avoid "merit-discovery". Each time
12 setting the motion further and further out -- so a continuance to May 19, 2025, a date already set
13 for a Case Management Conference, in order to permit Plaintiffs to obtain responses to their
14 outstanding discovery requests does not prejudice them and would be more likely to produce
15 proof of material facts upon which the Court can make a reasoned decision.

16 I declare under penalty of perjury under the laws of the State of California that the foregoing is
17 true and correct. Executed this February 3, 2025 at Folsom, California.
18

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27
28



William C. Neasham

EXHIBIT “A”

William C. Neasham, CSB #72078
Patricia Kramer, CSB # 155484
Chad A. Vierra, CSB #255801
Neasham & Kramer LLP
Attorneys at Law
340 Palladio Parkway, Suite #535
Folsom, CA 95630
Tel: (916) 853-8030/ Fax (916) 853-8039
pkramer@neashamlaw.com
cvierra@neashamlaw.com

Electronically Filed
1/14/2025 6:35 PM
Superior Court of California
County of Stanislaus
Clerk of the Court
By: Angela Mesa, Deputy

Attorneys for Plaintiff
WESTERN HILLS WATER DISTRICT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT, a
California public agency water district.

Plaintiff,

V.

WORLD INTERNATIONAL, LLC, a Delaware limited liability company; THREE60 LLC, a Delaware limited liability company; ANGELS CROSSING LLC, a California limited liability company; GUILLERMO MARRERO, CARMEN KEARNERY aka CARMEN MILLAN KEARNEY, DOUGLAS KEARNEY, and DOES 1-100, inclusive, Defendants.

Defendants.

Case No. CV-24-003049

**MEET AND CONFER DECLARATION
OF PATRICIA KRAMER IN SUPPORT
OF PLAINTIFF'S MOTION TO
CONTINUE THE FEBRUARY 11, 2025
HEARING**

[Served concurrently with Notice of Motion and Motion to Continue February 11, 2025, Hearing; Memorandum of Points and Authorities; [Proposed] Order for Motion to Continue Hearing]

Date: February 7, 2025

Date: February
Time: 8:30 a.m.

Dept.: 22

Judge: The Hon. Stacey Speiller

I, Patricia Kramer, declare as follows:

1. I am an attorney at law, duly admitted to practice in the laws of the State of California. I am employed with the law offices of Neasham & Kramer LLP, attorneys of record for Plaintiff Western Hills Water District herein. I make the following statements of my own personal knowledge and if called upon as a witness, I would competently testify as set forth herein.

1 2. Plaintiff filed its Complaint on April 19, 2024. Service was effected upon execution of Notice
2 and Acknowledgement of Receipt on July 10, 2024, by Sarah Hartman, attorney for each of the
3 Defendants. To date no Defendants have filed responsive pleadings.

4 3. On August 8, 2024, Plaintiff served Form Interrogatories-General, Set No. One to each
5 Defendant.

6 4. On September 3, 2024, Marah Bragdon, Esq. and William C. Neasham, Esq. corresponded via
7 electronic mail regarding the pending discovery. Mr. Neasham advised Ms. Bragdon, that if she
8 required additional time extending the time to respond, to please let me know. We have received
9 no request for additional time to respond.

10 5. Responses to the Form Interrogatories were due on September 12, 2024. Responses were not
11 timely served. Instead, Defendants each served an unverified "Statement Regarding Form
12 Interrogatories" on September 12, 2024.

13 6. On September 19, 2024, Defendants filed a Motion for an Order Staying Discovery and/or for a
14 Protective Order which was set for hearing on October 9, 2024. That motion was continued on
15 three (3) times to November 22, 2024.

16 7. After the court's ruling on Defendant's Motion for an Order Staying Discovery and/or for a
17 Protective Order, Marah Bragdon and Mr. Neasham corresponded via electronic mail on
18 December 3, 2024. We agreed that Defendants would have until December 23, 2024, to serve
19 responses to the outstanding Form Interrogatories. Defendants did not ask for a waiver, nor did
20 Plaintiff agree to revive an opportunity to make objections that had already been waived.

21 8. Defendant Guillermo Marrero, Carmen Kearney, and Douglas Kearney served verified responses
22 on December 23, 2024. Plaintiff finds Defendants' responses to be insufficient, incomplete and
23 evasive.

24 9. Defendants World International, LLC and Three60, LLC served verified responses on December
25 24, 2024 but subsequently re-served the same verified responses on December 30, 2024. Plaintiff
26 finds Defendants' responses to be insufficient, incomplete and evasive.

27 10. On January 10, 2024, I served Meet and Confer letters regarding each of the Defendants
28 responses to the discovery requests, demanding that further responses without objections are

1 necessary. Plaintiff set a deadline of January 27, 2025, for Defendants to serve further responses
2 to the requests.

3 **11. Attached hereto as Exhibit A** is a true and correct copy of Mr. Neasham's Meet and Confer
4 letter to Sarah Hartman, Esq. regarding Defendants Motion to Compel Arbitration. Plaintiff
5 requested that Defendants stipulate to continue the February 11, 2025, hearing to May 19, 2025,
6 in order to further complete discovery.

7 **12.** As of the date this motion is filed, we have not received a response to my Meet and Confer
8 Letter.

9 **13.** On January 13, 2025 Plaintiff served additional discovery on Defendants.

10 **14. Attached hereto as Exhibit B** are true and correct copies of Plaintiff's Request for Admissions
11 and Request to Admit Genuineness of Document to Defendant Guillermo Marrero [Set No.
12 One].

13 **15. Attached hereto as Exhibit C** are true and correct copies of Plaintiff's Request for Admissions
14 and Request to Admit Genuineness of Documents to Defendant Carmen Kearney [Set No. One].

15 **16. Attached hereto as Exhibit D** are true and correct copies of Plaintiff's Request for Admissions
16 and Request to Admit Genuineness of Documents to Defendant Douglas Kearney [Set No. One].

17 **17.** Plaintiffs have diligently tried to further the discovery process through multiple correspondences
18 and meet and confer letters.

19 I declare under penalty of perjury that under the laws of the State of California that the foregoing is true
20 and correct. Executed this 14 day of January 2025 at Folsom, California,

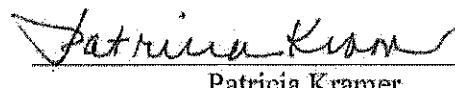
22 
23 Patricia Kramer

EXHIBIT "A"

NEASHAM & KRAMER LLP

ATTORNEYS AT LAW

January 10, 2025

340 Palladio Parkway, Suite 535 • Folsom, California 95630

Tel: (916) 853-8030 • Fax: (916) 853-8039

Web page <http://www.neashamlaw.com>

VIA ELECTRONIC MAIL

SGHartman@jmbm.com

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, California 92614

In re : *Western Hills Water District v. World International LLC, et al*
Stanislaus Superior Court Case No.: CV-24-003049
Meet and Confer re: Motion to Compel Arbitration

Dear Ms. Hartman:

The purpose of this letter is to meet and confer with you regarding your clients' Motion to Compel Arbitration. The motion is currently set for February 11, 2025. As you know we have propounded discovery and have only just received discovery responses within the last week to 10 days. We are in the process of meeting and conferring with you regarding deficiencies in the responses and will either require supplemental responses or a motion to compel. Similarly, we have propounded additional discovery which is being served under separate cover.

I am writing to request a continuance of the Motion to Compel arbitration to May 2025 when the next Case Management Conference is set. This will allow us to obtain responses and supplemental responses to the pending discovery before the Court makes a determination that could stay additional portions of the case. I am required to meet and confer with you before filing a Motion to Continue the hearing.

Please advise if you are agreeable to the continuance. If so, you can either request the date to be changed or we can prepare a stipulation and submit it to the court requesting an alternate date for the motion. Likewise, please advise if you are not agreeable as I must report our meet and confer efforts to the Court with my motion.

As always, I remain open to discussing this with you further if you desire to do so.

Sincerely,


William C. Neasham

cc: Mark Kovich
WHWD Board President

EXHIBIT "B"

1 William C. Neasham, CSB #72078
2 Patricia Kramer, CSB #155484
3 Chad Vierra, CSB #255801
4 NEASHAM & KRAMER LLP
5 340 Palladio Parkway, Suite 535
6 Folsom, California 95630
7 Tel: (916) 853-8030; Fax: (916) 853-8039
8 pkramer@neashamlaw.com

9 Attorneys for Plaintiff,
10 WESTERN HILLS WATER DISTRICT

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 IN AND FOR THE COUNTY OF STANISLAUS

13 WESTERN HILLS WATER DISTRICT,
14 Plaintiff,

15 and

16 WORLD INTERNATIONAL, LLC, a
17 Delaware limited liability company;
18 THREE60 LLC, a Delaware limited liability
19 company; ANGELS CROSSING LLC, a
California limited liability company;
GUILLERMO MARRERO, CARMEN
KEARNEY aka CARMEN MILLAN
KEARNEY, DOUGLAS KEARNEY, and
DOES 1-100, inclusive,

20 Defendant.

21 } Case No. CV-24-003049

22 } PLAINTIFF WESTERN HILLS WATER
23 } DISTRICT'S REQUEST FOR
24 } ADMISSIONS AND REQUEST TO
25 } ADMIT GENUINENESS OF
26 } DOCUMENTS TO DEFENDANT
27 } GUILLERMO MARRERO
28 } [SET NO. ONE]

29 PROPOUNDING PARTY: Plaintiff WESTERN HILLS WATER DISTRICT

30 RESPONDING PARTY: Defendant GUILLERMO MARRERO

31 SET NO.: ONE (1)

32 Pursuant to California Code of Civil Procedure section 20131, et seq., Plaintiff WESTERN
33 HILLS WATER DISTRICT hereby requests Defendant GUILLERMO MARRERO ("Defendant") to
34 provide full and complete admissions to the following requests for admission and for genuineness of

1 documents within 30 days of service of this request. If the response is anything other than an unqualified
2 admission, Defendant is directed to admit as much of the request as may be admitted and provide a full
3 and complete explanation as to why the request cannot be admitted in its entirety, pursuant to the
4 accompanying form interrogatories. Pursuant to California Code of Civil Procedure section 2033.420
5 Plaintiff will seek its attorneys' fees and costs from Defendant if he fails to admit the truth of the
6 following matters and Plaintiff thereafter incur attorneys' fees to prove the same.
7

8 **REQUESTS FOR ADMISSION**

9 **REQUEST FOR ADMISSION NO. 1:**

10 Admit that between September 4, 2008 and December 17, 2020, **YOU** (as used herein the term
11 "**YOU**" and "**YOUR**" refers to Defendant Guillermo Marrero) were an attorney at law licensed by the
12 State of California.

13 **REQUEST FOR ADMISSION NO. 2:**

14 Admit that between September 4, 2008 and December 17, 2020, **YOU** had an ownership interest
15 in **IPG** (as used herein the term "**IPG**" refers to International Practice Group P.C.).

16 **REQUEST FOR ADMISSION NO. 3:**

17 Admit that between September 4, 2008 and December 17, 2020, **YOU** had a 100% ownership
18 interest in **IPG** (as used herein the term "**IPG**" refers to International Practice Group).

19 **REQUEST FOR ADMISSION NO. 4:**

20 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
21 performed legal services for **WORLD** (as used herein the term **WORLD** refers to Defendant World
22 International LLC).

23 **REQUEST FOR ADMISSION NO. 5:**

24 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
25 performed legal services for **THREE60** (as used herein the term **THREE60** refers to Defendant Three60
26 LLC).

27 **///**

1 **REQUEST FOR ADMISSION NO. 6:**

2 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
3 performed legal services for **WORLD**.

4 **REQUEST FOR ADMISSION NO. 7:**

5 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
6 performed legal services for **THREE60**.

7 **REQUEST FOR ADMISSION NO. 8:**

8 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** had a
9 financial interest in **WORLD** business acquisitions unrelated to **WHWD**.

10 **REQUEST FOR ADMISSION NO. 9:**

11 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** were
12 a party to property transactions involving **WORLD** unrelated to **WHWD**.

13 **REQUEST FOR ADMISSION NO. 10:**

14 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** billed
15 **WORLD** for legal work **YOU** performed for World International LLC.

16 **REQUEST FOR ADMISSION NO. 11:**

17 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** billed
18 **THREE60** for legal work **YOU** performed for Three60 LLC.

19 **REQUEST FOR ADMISSION NO. 12:**

20 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
21 received compensation from any source for legal work **YOU** performed for World International LLC.

22 **REQUEST FOR ADMISSION NO. 13:**

23 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
24 received compensation from any source for legal work **YOU** performed for Three60 LLC.

25 **REQUEST FOR ADMISSION NO. 14:**

26 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
27 received compensation from any source for legal work **YOU** performed for World International LLC.

28 //

1 **REQUEST FOR ADMISSION NO. 15:**

2 Admit that at any point in time between September 4, 2008 and December 17, 2020, IPG
3 received compensation from any source for legal work IPG performed for World International LLC.

4 **REQUEST FOR ADMISSION NO. 16:**

5 Admit that at any point in time between September 4, 2008 and December 17, 2020, IPG
6 received compensation from any source for legal work YOU performed for Three60 LLC.

7 **REQUEST FOR ADMISSION NO. 17:**

8 Admit that at any point in time between September 4, 2008 and December 17, 2020, IPG
9 received compensation from any source for legal work IPG performed for Three60 LLC.

10 **REQUEST FOR ADMISSION NO. 18:**

11 Admit the document attached hereto as **ATTACHMENT 1** is a true and correct copy of the
12 **BANKRUPTCY ORDER** (as used herein the term "**BANKRUPTCY ORDER**" means and refers to
13 the Order filed September 16, 2008 in the Diablo Grande Limited Partnership Chapter 11 Bankruptcy
14 Action in the US Bankruptcy Court for the Eastern District of California (Modesto Division) Case No.
15 08-90365).

16 **REQUEST FOR ADMISSION NO. 19:**

17 Admit the document attached hereto as **EXHIBIT A** to the **BANKRUPTCY ORDER** filed
18 September 16, 2008 in **ATTACHMENT 1** is a true and correct copy of the Agreement for Purchase and
19 Sale of Diablo Grande Stanislaus County dated September 4, 2008 (hereafter "**DG PURCHASE SALE**
20 **AGREEMENT**").

21 **REQUEST FOR ADMISSION NO. 20:**

22 Admit that YOU executed the **DG PURCHASE SALE AGREEMENT** as **WORLD**'s attorney-
23 in-fact.

24 **REQUEST FOR ADMISSION NO. 21:**

25 Admit that at any point in time between September 4, 2008 and December 17, 2020, YOU
26 executed documents on behalf of **WORLD** as its attorney-in-fact.

27 **REQUEST FOR ADMISSION NO. 22:**

28 Admit that there is a legal difference between an "attorney at law" and an "attorney-in-fact."

1 **REQUEST FOR ADMISSION NO. 23:**

2 Admit that **WORLD** executed a Power of Attorney authorizing **YOU** to act as its "attorney-in-
3 fact."

4 **REQUEST FOR ADMISSION NO. 24:**

5 Admit that when **YOU** executed the **DG PURCHASE SALE AGREEMENT** as **WORLD**'s
6 attorney-in-fact, **YOU** acted as **WORLD**'s agent in an official capacity.

7 **REQUEST FOR ADMISSION NO. 25:**

8 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU** billed
9 **WORLD** for **YOUR** attendance at **WHWD** (as used herein the term "**WHWD**" refers to Western Hills
10 Water District) board meetings.

11 **REQUEST FOR ADMISSION NO. 26:**

12 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG** billed
13 **WORLD** for **YOUR** attendance at **WHWD** (as used herein the term "**WHWD**" refers to Western Hills
14 Water District) board meetings.

15 **REQUEST FOR ADMISSION NO. 27:**

16 Admit that at any point in time between September 4, 2008 and December 17, 2020, **YOU**
17 received compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

18 **REQUEST FOR ADMISSION NO. 28:**

19 Admit that at any point in time between September 4, 2008 and December 17, 2020, **IPG**
20 received compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

21 **REQUEST FOR ADMISSION NO. 29:**

22 Admit that **YOU** did not inform **WHWD** that **YOU** were being compensated by **WORLD** to
23 attend Board meetings between November 8, 2008 and December 17, 2020.

24 **REQUEST FOR ADMISSION NO. 30:**

25 Admit that **YOU** did not inform **WHWD** that **IPG** was being compensated by **WORLD** for your
26 attendance at **WHWD** Board Meetings between November 8, 2008 and December 17, 2020.

27 ///

28

1 **REQUEST FOR ADMISSION NO. 31:**

2 Admit the document attached hereto as ATTACHMENT 2 is a true and correct copy of the
3 **MASTER AGREEMENT** (as used herein the term "MASTER AGREEMENT" refers to the Master
4 Agreement to Provide Water, Sewer and Storm Drainage Services between Western Hills Water District
5 and Diablo Grande Limited Partnership dated June 4, 1988).

6 **REQUEST FOR ADMISSION NO. 32:**

7 Admit that **YOU** are not a party to the **MASTER AGREEMENT** in your individual capacity.

8 **REQUEST FOR ADMISSION NO. 33:**

9 Admit that the **MASTER AGREEMENT** does not contain an arbitration clause.

10 **REQUEST FOR ADMISSION NO. 34:**

11 Admit the document attached hereto as ATTACHMENT 3 is a true and correct copy of the
12 **ADDENDUM** (as used herein, the term "ADDENDUM" means and refers to the Addendum to Master
13 Agreement to Provide Water, Sewer and Storm Drainage Services dated May 14, 2009 to the **MASTER
14 AGREEMENT**).

15 **REQUEST FOR ADMISSION NO. 35:**

16 Admit that **YOU** drafted the language for the **ADDENDUM** to the **MASTER AGREEMENT**.

17 **REQUEST FOR ADMISSION NO. 36:**

18 Admit that **YOU** participated in drafting the language for the **ADDENDUM** to the **MASTER
19 AGREEMENT**.

20 **REQUEST FOR ADMISSION NO. 37:**

21 Admit that **YOU** negotiated the terms for the **ADDENDUM** to the **MASTER AGREEMENT**.

22 **REQUEST FOR ADMISSION NO. 38:**

23 Admit that **YOU** participated in discussions pertaining to the **ADDENDUM** to the **MASTER
24 AGREEMENT**.

25 **REQUEST FOR ADMISSION NO. 39:**

26 Admit that an attorney employed by IPG participated in drafting the language for the
27 **ADDENDUM** to the **MASTER AGREEMENT**.

28 ///

1 **REQUEST FOR ADMISSION NO. 40:**

2 Admit that an attorney employed by **WORLD** participated in drafting the language for the
3 **ADDENDUM to the MASTER AGREEMENT.**

4 **REQUEST FOR ADMISSION NO. 41:**

5 Admit that an attorney employed by **THREE60** participated in drafting the language for the
6 **ADDENDUM to the MASTER AGREEMENT.**

7 **REQUEST FOR ADMISSION NO. 42:**

8 Admit that **IPG** billed **WORLD** for legal services to draft the language for the **ADDENDUM to**
9 **the MASTER AGREEMENT.**

10 **REQUEST FOR ADMISSION NO. 43:**

11 Admit that **YOU** are not a party to the **ADDENDUM** in your individual capacity.

12 **REQUEST FOR ADMISSION NO. 44:**

13 Admit that Defendant **CARMEN KEARNEY** is not a party to the **ADDENDUM** in her
14 individual capacity.

15 **REQUEST FOR ADMISSION NO. 45:**

16 Admit that **DOUGLAS KEARNEY** is not a party to the **ADDENDUM** in his individual
17 capacity.

18 **REQUEST FOR ADMISSION NO. 46:**

19 Admit that **THREE60 LLC** is not a party to the **ADDENDUM**.

20 **REQUEST FOR ADMISSION NO. 47:**

21 Admit that the arbitration clause at paragraph m(3) in the **ADDENDUM** limits arbitration to
22 disputes arising out of Section 7 of the **ADDENDUM**.

23 **REQUEST FOR ADMISSION NO. 48:**

24 Admit that the **BANKRUPTCY ORDER** approved the sale of **Diablo Grande** to **WORLD**.

25 **REQUEST FOR ADMISSION NO. 49:**

26 Admit that the **BANKRUPTCY ORDER** required **WORLD** to assume the duties of **Diablo**
27 **Grande** under the **MASTER AGREEMENT.**

28 **///**

1 **REQUEST FOR ADMISSION NO. 50:**

2 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
3 A to the **BANKRUPTCY ORDER** required **WORLD** to notify Diablo Grande in writing not later than
4 September 15, 2008 of the Material Contracts Buyer was prepared to assume.

5 **REQUEST FOR ADMISSION NO. 51:**

6 Admit that the **MASTER AGREEMENT** is listed as a "Material Agreement" on Schedule 1 of
7 the **DG PURCHASE SALE AGREEMENT**.

8 **REQUEST FOR ADMISSION NO. 52:**

9 Admit that the Section 2.3 of the **DG PURCHASE SALE AGREEMENT** attached as Exhibit
10 A to the **BANKRUPTCY ORDER** required "*that Buyer shall in all events assume the contract with
11 the Western Hills Water District listed on Schedule 2 hereto.*"

12 **REQUEST FOR ADMISSION NO. 53:**

13 Admit that Schedule 2 to the **DG PURCHASE SALE AGREEMENT** attached as Exhibit A to
14 the **BANKRUPTCY ORDER** identifies "*Western Hills Water District (WHWD) [sic] document relating
15 to water, sewer and storm drain services, including costs of operating and maintaining water supply
16 systems, entitlement to water from Kern County Water Agency and any other sources and availability
17 of water for future development.*"

18 **REQUEST FOR ADMISSION NO. 54:**

19 Admit that the Paragraph 2.5(a) to the **DG PURCHASE SALE AGREEMENT** attached as
20 Exhibit A to the **BANKRUPTCY ORDER** states that the "documents and information in Seller's
21 possession which Buyer deems material to the purchase of the Property, including without limitation the
22 documents listed on Exhibit B attached hereto."

23 **REQUEST FOR ADMISSION NO. 55:**

24 Admit that Exhibit B to the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to
25 the **BANKRUPTCY ORDER**, identifies the "Master Agreement to Provide Water, Sewer and Storm
26 Drainage Services (WHWD/DG)".

27 ///

28 ///

1 **REQUEST FOR ADMISSION NO. 56:**

2 Admit that the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
3 **BANKRUPTCY ORDER**, required **WORLD** to assume the "Master Agreement to Provide Water,
4 Sewer and Storm Drainage Services (WHWD/DG)".

5 **REQUEST FOR ADMISSION NO. 57:**

6 Admit that **WORLD** gave notice to **Diablo Grande** on/about September 15, 2008 that it was
7 assuming **Diablo Grande**'s duties under the "Master Agreement to Provide Water, Sewer and Storm
8 Drainage Services (WHWD/DG)".

9 **REQUEST FOR ADMISSION NO. 58:**

10 Admit that there was no legal necessity for **WHWD** to approve the **ADDENDUM** in order for
11 **WHWD** to continue providing its water, sewer and storm drainage services.

12 **REQUEST FOR ADMISSION NO. 59:**

13 Admit that there was no legal necessity for **WHWD** to add an arbitration clause at paragraph
14 m(3) in the **ADDENDUM** in order for **WHWD** to continue providing its water sewer and storm
15 drainage services.

16 **REQUEST FOR ADMISSION NO. 60:**

17 Admit that there was no legal necessity for **WHWD** to approve the arbitration clause at
18 paragraph m(3) in the **ADDENDUM** in order for **WHWD** to continue providing its water sewer and
19 storm drainage services.

20 **REQUEST FOR ADMISSION NO. 61:**

21 Admit that in 2009, in order to be qualified as a candidate, **WHWD** Directors were required to be
22 U.S. Citizens.

23 **REQUEST FOR ADMISSION NO. 62:**

24 Admit that at the time Carmen Kearney voted to approve the **ADDENDUM** on May 14, 2009,
25 she was not a U.S. Citizen.

26 ///

27 ///

28

1 **REQUEST FOR ADMISSION NO. 63:**

2 Admit that ATTACHMENT 4 hereto is a true and correct copy of the AA&R AGREEMENT
3 (as used herein the term "AA&R AGREEMENT" means the Assignment, Assumption and Release
4 Agreement dated effective April 30, 2020).

5 **REQUEST FOR ADMISSION NO. 64:**

6 Admit that **YOU** are not a party to the AA&R AGREEMENT in your individual capacity.

7 **REQUEST FOR ADMISSION NO. 65:**

8 Admit that Defendant **CARMEN KEARNEY** is not a party to the AA&R AGREEMENT in
9 her individual capacity.

10 **REQUEST FOR ADMISSION NO. 66:**

11 Admit that **DOUGLAS KEARNEY** is not a party to the AA&R AGREEMENT in his
12 individual capacity.

13 **REQUEST FOR ADMISSION NO. 67:**

14 Admit that the AA&R AGREEMENT does not contain an arbitration clause.

15 **REQUEST FOR ADMISSION NO. 68:**

16 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s agent.

17 **REQUEST FOR ADMISSION NO. 69:**

18 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s
19 attorney.

20 **REQUEST FOR ADMISSION NO. 70:**

21 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s
22 representative.

23 **REQUEST FOR ADMISSION NO. 71:**

24 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s advisor.

25 **REQUEST FOR ADMISSION NO. 72:**

26 Admit that between September 4, 2008 and December 17, 2020, **YOU** were **WORLD**'s
27 consultant.

28 //

1 REQUEST FOR ADMISSION NO. 73:

2 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's agent
3 pertaining to WORLD's performance regarding its AGREEMENTS (as used herein, the term
4 "AGREEMENTS" refers collectively to the MASTER AGREEMENT and ADDENDUM) with
5 WHWD.

6 REQUEST FOR ADMISSION NO. 74:

7 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's attorney
8 pertaining to WORLD's performance regarding its AGREEMENTS with WHWD.

9 REQUEST FOR ADMISSION NO. 75:

10 Admit that between September 4, 2008 and December 17, 2020, YOU gave legal advice to
11 WORLD pertaining to WORLD's performance regarding its AGREEMENTS with WHWD.

12 REQUEST FOR ADMISSION NO. 76:

13 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's
14 representative pertaining to WORLD's performance regarding its AGREEMENTS with WHWD.

15 REQUEST FOR ADMISSION NO. 77:

16 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's advisor
17 pertaining to WORLD's performance regarding its AGREEMENTS with WHWD.

18 REQUEST FOR ADMISSION NO. 78:

19 Admit that between September 4, 2008 and December 17, 2020, YOU were WORLD's
20 consultant pertaining to WORLD's performance regarding its AGREEMENTS with WHWD.

21 REQUEST FOR ADMISSION NO. 79:

22 Admit that YOU drafted the language for the AA&R AGREEMENT.

23 REQUEST FOR ADMISSION NO. 80:

24 Admit that YOU participated in drafting the language for the AA&R AGREEMENT.

25 REQUEST FOR ADMISSION NO. 81:

26 Admit that YOU participated in the preparation of the AA&R AGREEMENT.

27 REQUEST FOR ADMISSION NO. 82:

28 Admit that YOU negotiated the terms and conditions of the AA&R AGREEMENT.

1 **REQUEST FOR ADMISSION NO. 83:**

2 Admit that an attorney employed by IPG participated in drafting the language for the AA&R
3 AGREEMENT.

4 **REQUEST FOR ADMISSION NO. 84:**

5 Admit that attorney Carolina Juarez was employed by IPG in 2020.

6 **REQUEST FOR ADMISSION NO. 85:**

7 Admit that Carolina Juarez participated in drafting the language in the AA&R AGREEMENT.

8 **REQUEST FOR ADMISSION NO. 86:**

9 Admit that IPG billed WORLD for Carolina Juarez's work drafting the AA&R
10 AGREEMENT.

11 **REQUEST FOR ADMISSION NO. 87:**

12 Admit that IPG billed WORLD for legal services to draft the language for the AA&R
13 AGREEMENT.

14 **REQUEST FOR ADMISSION NO. 88:**

15 Admit that WORLD paid IPG at least \$13,085 to draft the AA&R AGREEMENT in 2020.

16 **REQUEST FOR ADMISSION NO. 89:**

17 Admit that in addition to receiving a \$5,000 payment per month, YOU received additional
18 amounts from WORLD that YOU did not disclose on your Form 700s.

19 **REQUEST FOR ADMISSION NO. 90:**

20 Admit that in addition to receiving a \$5,000 payment per month, IPG also billed WORLD
21 \$1,300 for YOUR review of the AA&R AGREEMENT.

22 **REQUEST FOR ADMISSION NO. 91:**

23 Admit that YOU received compensation from IPG in 2020.

24 **REQUEST FOR ADMISSION NO. 92:**

25 Admit that \$165,000 IPG billed to WORLD/THREE60 for legal services was transferred to
26 ANGELS CROSSING as part of the DG PURCHASE SALE AGREEMENT.

27 **REQUEST FOR ADMISSION NO. 93:**

28 Admit that YOU signed the AA&R AGREEMENT on behalf of WHWD as Board President.

1 **REQUEST FOR ADMISSION NO. 94:**

2 Admit that **YOU** received \$35,000 out of the funds that were paid to **WORLD** from the sale of
3 the property to **ANGELS CROSSING**.

4 **REQUEST FOR ADMISSION NO. 95:**

5 Admit that **IPG** received \$35,000 out of the funds that were paid to **WORLD** from the sale of
6 the property to **ANGELS CROSSING**.

7 **REQUEST FOR ADMISSION NO. 96:**

8 Admit that when **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board
9 President, **YOU** understood the language of the **AA&R AGREEMENT** required that the Buyer
10 **ANGELS CROSSING** to indemnify and hold **YOU** harmless from any claims arising out of the
11 **MASTER AGREEMENT**.

12 **REQUEST FOR ADMISSION NO. 97:**

13 Admit that when **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board
14 President, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **YOU** and
15 hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

16 **REQUEST FOR ADMISSION NO. 98:**

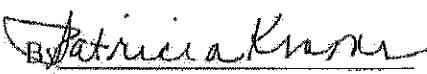
17 Admit that when **YOU** accepted appointment to the **WHWD** Board of Directors, you undertook
18 a fiduciary duty to act in the best interests of **WHWD**.

19 **REQUEST FOR ADMISSION NO. 99:**

20 Admit that when **YOU** signed the **AA&R AGREEMENT** on behalf of **WHWD** as Board
21 President, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** released **WORLD** from
22 any claims arising out of the **MASTER AGREEMENT**.

23 Dated: January 12, 2025

NEASHAM & KRAMER LLP

24 
25 By Patricia Kramer
26 PATRICIA KRAMER

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California, I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On January 13, 2025, I served a copy of the foregoing document(s) described herein as **PLAINTIFF WESTERN HILLS WATER DISTRICT'S REQUEST FOR ADMISSIONS AND REQUEST TO ADMIT GENUINENESS OF DOCUMENTS TO DEFENDANT GUILLEMMO MARRERO [SET NO. ONE]** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by FEDEX, in an envelope or package designated by FEDEX with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 13, 2025, at Folsom, California.

Matthewine Scott

Katherine R. Gott

EXHIBIT "C"

William C. Neasham, CSB #72078
Patricia Kramer, CSB #155484
Chad Vierra, CSB #255801
NEASHAM & KRAMER LLP
340 Palladio Parkway, Suite 535
Folsom, California 95630
Tel: (916) 853-8030; Fax: (916) 853-8039
pkramer@neashamlaw.com

Attorneys for Plaintiff,
WESTERN HILLS WATER DISTRICT

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS**

WESTERN HILLS WATER DISTRICT,
Plaintiff,
and
WORLD INTERNATIONAL, LLC, a
Delaware limited liability company;
THREE60 LLC, a Delaware limited liability
company; ANGELS CROSSING LLC, a
California limited liability company;
GUILLERMO MARRERO, CARMEN
KEARNEY aka CARMEN MILLAN
KEARNEY, DOUGLAS KEARNEY, and
DOES 1-100, inclusive,
Defendant,
Case No. CV-24-003049
PLAINTIFF WESTERN HILLS WATER
DISTRICT'S REQUEST FOR
ADMISSIONS AND REQUEST TO
ADMIT GENUINENESS OF
DOCUMENTS TO DEFENDANT
CARMEN KEARNEY
[SET NO. ONE]

PROPOUNDING PARTY: Plaintiff WESTERN HILLS WATER DISTRICT

RESPONDING PARTY: Defendant GUILLERMO MARRERO

SET NO.: ONE (1)

Pursuant to California Code of Civil Procedure section 2013.1, et seq., Plaintiff WESTERN HILLS WATER DISTRICT hereby requests Defendant CARMEN KEARNEY aka CARMEN MILLAN KEARNEY (hereafter "CARMEN KEARNEY" or "Defendant") to provide full and complete

1 admissions to the following requests for admission and for genuineness of documents within 30 days of
2 service of this request. If the response is anything other than an unqualified admission, Defendant is
3 directed to admit as much of the request as may be admitted and provide a full and complete explanation
4 as to why the request cannot be admitted in its entirety, pursuant to the accompanying form
5 interrogatories. Pursuant to California Code of Civil Procedure section 2033.420 Plaintiff will seek its
6 attorneys' fees and costs from Defendant if she fails to admit the truth of the following matters and
7 Plaintiff thereafter incur attorneys' fees to prove the same.

8

9 **REQUESTS FOR ADMISSION**

10 **REQUEST FOR ADMISSION NO. 1:**

11 Admit that at any point in time between March 24, 2009 and December 2, 2020 **YOU** (as used
12 herein the term "**YOU**" and "**YOUR**" refers to Defendant **CARMEN KEARNEY**) were employed by
13 **WORLD** (as used herein the term **WORLD** refers to Defendant World International LLC).

14 **REQUEST FOR ADMISSION NO. 2:**

15 Admit that at any point in time between March 24, 2009 and December 2, 2020 **YOU** were
16 employed by **WORLD** as its Chief Financial Officer.

17 **REQUEST FOR ADMISSION NO. 3:**

18 Admit that at any point in time between March 24, 2009 and December 2, 2020, **YOU** received
19 financial compensation from **WORLD**.

20 **REQUEST FOR ADMISSION NO. 4:**

21 Admit that **YOU** were appointed as **WHWD** (as used herein the term "**WHWD**" means and
22 refers to the Western Hills Water District) Director on March 27, 2009.

23 **REQUEST FOR ADMISSION NO. 5:**

24 Admit the document attached hereto as **EXHIBIT A** to the **BANKRUPTCY ORDER** filed
25 September 16, 2008 in **ATTACHMENT 1** is a true and correct copy of the Agreement for Purchase and
26 Sale of Diablo Grande Stanislaus County dated March 24, 2009 (hereafter "**DG PURCHASE SALE**
27 **AGREEMENT**").

28 **REQUEST FOR ADMISSION NO. 6:**

1 Admit that at any point in time between March 24, 2009 and December 2, 2020, **YOU** received
2 compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

3 **REQUEST FOR ADMISSION NO. 7:**

4 Admit that at any point in time between March 24, 2009 and December 2, 2020, in addition to
5 your compensation as Chief Financial Officer, **YOU** received payment from **WORLD** for **YOUR**
6 attendance at **WHWD** board meetings.

7 **REQUEST FOR ADMISSION NO. 8:**

8 Admit that **YOU** did not inform **WHWD** that **YOU** were being compensated by **WORLD** to
9 attend Board meetings.

10 **REQUEST FOR ADMISSION NO. 9:**

11 Admit the document attached hereto as **ATTACHMENT 2** is a true and correct copy of the
12 **MASTER AGREEMENT** (as used herein the term "**MASTER AGREEMENT**" refers to the Master
13 Agreement to Provide Water, Sewer and Storm Drainage Services between Western Hills Water District
14 and Diablo Grande Limited Partnership dated June 4, 1988).

15 **REQUEST FOR ADMISSION NO. 10:**

16 Admit that **YOU** are not a party to the **MASTER AGREEMENT** in your individual capacity.

17 **REQUEST FOR ADMISSION NO. 11:**

18 Admit that the **MASTER AGREEMENT** does not contain an arbitration clause.

19 **REQUEST FOR ADMISSION NO. 12:**

20 Admit the document attached hereto as **ATTACHMENT 3** is a true and correct copy of the
21 **ADDENDUM** (as used herein, the term "**ADDENDUM**" means and refers to the Addendum to Master
22 Agreement to Provide Water, Sewer and Storm Drainage Services dated May 14, 2009 to the **MASTER
23 AGREEMENT**).

24 **REQUEST FOR ADMISSION NO. 13:**

25 Admit that **YOU** are not a party to the **ADDENDUM** in your individual capacity.

26 **REQUEST FOR ADMISSION NO. 14:**

27 Admit that Defendant **GUILLERMO MARERRO** is not a party to the **ADDENDUM** in her
28 individual capacity.

1 **REQUEST FOR ADMISSION NO. 15:**

2 Admit that DOUGLAS KEARNEY is not a party to the ADDENDUM in his individual
3 capacity.

4 **REQUEST FOR ADMISSION NO. 16:**

5 Admit that THREE60 LLC is not a party to the ADDENDUM.

6 **REQUEST FOR ADMISSION NO. 17:**

7 Admit that the arbitration clause at paragraph m(3) in the ADDENDUM limits arbitration to
8 disputes arising out of Section 7 of the ADDENDUM.

9 **REQUEST FOR ADMISSION NO. 18:**

10 Admit that the BANKRUPTCY ORDER approved the sale of Diablo Grande to WORLD.

11 **REQUEST FOR ADMISSION NO. 19:**

12 Admit that the BANKRUPTCY ORDER required WORLD to assume the duties of Diablo
13 Grande under the MASTER AGREEMENT.

14 **REQUEST FOR ADMISSION NO. 20:**

15 Admit that the Section 2.3 of the DG PURCHASE SALE AGREEMENT attached as Exhibit
16 A to the BANKRUPTCY ORDER required WORLD to notify Diablo Grande in writing not later than
17 September 15, 2008 of the Material Contracts Buyer was prepared to assume.

18 **REQUEST FOR ADMISSION NO. 21:**

19 Admit that the MASTER AGREEMENT is listed as a "Material Agreement" on Schedule 1 of
20 the DG PURCHASE SALE AGREEMENT.

21 **REQUEST FOR ADMISSION NO. 22:**

22 Admit that the Section 2.3 of the DG PURCHASE SALE AGREEMENT attached as Exhibit
23 A to the BANKRUPTCY ORDER required "*that Buyer shall in all events assume the contract with*
24 *the Western Hills Water District listed on Schedule 2 hereto.*"

25 **REQUEST FOR ADMISSION NO. 23:**

26 Admit that Schedule 2 to the DG PURCHASE SALE AGREEMENT attached as Exhibit A to
27 the BANKRUPTCY ORDER identifies "*Western Hills Water District (WHD) document relating to*
28 *water, sewer and storm drain services, including costs of operating and maintaining water supply*

1 *systems, entitlement to water from Kern County Water Agency and any other sources and availability*
2 *of water for future development.”*

3 **REQUEST FOR ADMISSION NO. 24:**

4 Admit that the Paragraph 2.5(a) to the **DG PURCHASE SALE AGREEMENT** attached as
5 Exhibit A to the **BANKRUPTCY ORDER** states that the “documents and information in Seller’s
6 possession which Buyer deems material to the purchase of the Property, including without limitation the
7 documents listed on Exhibit B attached hereto.”

8 **REQUEST FOR ADMISSION NO. 25:**

9 Admit that Exhibit B to the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
10 **BANKRUPTCY ORDER**, identifies the “Master Agreement to Provide Water, Sewer and Storm
11 Drainage Services (WHWD/DG)”.

12 **REQUEST FOR ADMISSION NO. 26:**

13 Admit that the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
14 **BANKRUPTCY ORDER**, required **WORLD** to assume the “Master Agreement to Provide Water,
15 Sewer and Storm Drainage Services (WHWD/DG)”.

16 **REQUEST FOR ADMISSION NO. 27:**

17 Admit that **WORLD** gave notice to **Diablo Grande** on/about September 15, 2008 that it was
18 assuming **Diablo Grande**’s duties under the “Master Agreement to Provide Water, Sewer and Storm
19 Drainage Services (WHWD/DG)”.

20 **REQUEST FOR ADMISSION NO. 28:**

21 Admit that there was no legal necessity for **WHWD** to approve the **ADDENDUM** in order for
22 **WHWD** to continue providing its water, sewer and storm drainage services.

23 **REQUEST FOR ADMISSION NO. 29:**

24 Admit that there was no legal necessity for **WHWD** to add an arbitration clause at paragraph
25 m(3) in the **ADDENDUM** in order for **WHWD** to continue providing its water sewer and storm
26 drainage services.

27 ///

28

1 **REQUEST FOR ADMISSION NO. 30:**

2 Admit that there was no legal necessity for WHWD to approve the arbitration clause at
3 paragraph m(3) in the **ADDENDUM** in order for WHWD to continue providing its water sewer and
4 storm drainage services.

5 **REQUEST FOR ADMISSION NO. 31:**

6 Admit that in 2009, a candidate for director of WHWD was required to be a U.S. Citizen.

7 **REQUEST FOR ADMISSION NO. 32:**

8 Admit that at the time **YOU** voted to approve the **ADDENDUM** on May 14, 2009, **YOU** were
9 not a U.S. Citizen.

10 **REQUEST FOR ADMISSION NO. 33:**

11 Admit that ATTACHMENT 4 hereto is a true and correct copy of the **AA&R AGREEMENT**
12 (as used herein the term "**AA&R AGREEMENT**" means the Assignment, Assumption and Release
13 Agreement dated effective April 30, 2020).

14 **REQUEST FOR ADMISSION NO. 34:**

15 Admit that **YOU** are not a party to the **AA&R AGREEMENT** in your individual capacity.

16 **REQUEST FOR ADMISSION NO. 35:**

17 Admit that Defendant **GUILLERMO MARERRO** is not a party to the **AA&R AGREEMENT**
18 in his individual capacity.

19 **REQUEST FOR ADMISSION NO. 36:**

20 Admit that **DOUGLAS KEARNEY** is not a party to the **AA&R AGREEMENT** in his
21 individual capacity.

22 **REQUEST FOR ADMISSION NO. 37:**

23 Admit that the **AA&R AGREEMENT** does not contain an arbitration clause.

24 **REQUEST FOR ADMISSION NO. 38:**

25 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s agent.

26 **REQUEST FOR ADMISSION NO. 39:**

27 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s
28 representative.

1 REQUEST FOR ADMISSION NO. 40:

2 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s
3 representative on the **WHWD** Board of Directors.

4 REQUEST FOR ADMISSION NO. 41:

5 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s advisor.

6 REQUEST FOR ADMISSION NO. 42:

7 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s consultant.

8 REQUEST FOR ADMISSION NO. 43:

9 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s agent
10 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** (as used herein, the term
11 "**AGREEMENTS**" refers collectively to the **MASTER AGREEMENT** and **ADDENDUM**) with
12 **WHWD**.

13 REQUEST FOR ADMISSION NO. 44:

14 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s
15 representative pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

16 REQUEST FOR ADMISSION NO. 45:

17 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s advisor
18 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

19 REQUEST FOR ADMISSION NO. 46:

20 Admit that between March 24, 2009 and December 2, 2020, **YOU** were **WORLD**'s consultant
21 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

22 REQUEST FOR ADMISSION NO. 47:

23 Admit that **YOU** participated in drafting the language for the **AA&R AGREEMENT**.

24 REQUEST FOR ADMISSION NO. 48:

25 Admit that an attorney employed by **IPG** participated in drafting the language for the **AA&R**
26 **AGREEMENT**.

27 REQUEST FOR ADMISSION NO. 49:

28 Admit that **Carolina Juarez** participated in drafting the language in the **AA&R AGREEMENT**.

REQUEST FOR ADMISSION NO. 50:

Admit that GUILLERMO MARERRO participated in drafting the language in the AA&R AGREEMENT.

REQUEST FOR ADMISSION NO. 51:

Admit that YOU voted to approve the AA&R AGREEMENT

REQUEST FOR ADMISSION NO. 52:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the language of the **AA&R AGREEMENT** required that the Buyer **ANGELS CROSSING** to indemnify and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 53:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **YOU** and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 54;

Admit that when **YOU** accepted appointment to the **WHWD** Board of Directors, you undertook a fiduciary duty to act in the best interests of **WHWD**.

REQUEST FOR ADMISSION NO. 55:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **WORLD** from any claims arising out of the **MASTER AGREEMENT**.

Dated: January 12, 2025

NEASHAM & KRAMER LLP

By Patricia Kramer
PATRICIA KRAMER

1
PROOF OF SERVICE

2 I, Katherine R. Gott, declare that:

3 I am employed in the County of Sacramento, State of California. I am over the age of eighteen
4 years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom,
5 California 95630. My electronic service address is kgott@neashamlaw.com

6 On January 13, 2025, I served a copy of the foregoing document(s) described herein as
7 **PLAINTIFF WESTERN HILLS WATER DISTRICT'S REQUEST FOR ADMISSIONS AND
REQUEST TO ADMIT GENUINENESS OF DOCUMENTS TO DEFENDANT CARMEN
KEARNEY [SET NO. ONE]** on the interested party(es) named below addressed as follows:

8 Sarah G. Hartman, Esq.
9 Jeffer Mangels Butler & Mitchell LLP
10 3 Park Plaza, Suite 1100
11 Irvine, CA 92614-2592
12 SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

13 (MAIL) I am readily familiar with my employer's business practice for collection and processing
14 of correspondence for mailing with the United States Postal Service. By following ordinary business
15 practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the
16 United States Postal Service where it would be deposited for first class delivery, postage fully prepaid,
17 in the United States Postal Service that same day in the ordinary course of business.

18 (OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other
19 facility regularly maintained by FEDEX, in an envelope or package designated by FEDEX with
20 delivery fees paid.

21 (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-
22 mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail
23 addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any
24 electronic message or other indication that the transmission was unsuccessful.

25 I declare under penalty of perjury under the laws of the State of California that the foregoing is
26 true and correct and that this declaration was executed on January 13, 2025, at Folsom, California.

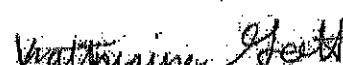
27
28 
Katherine R. Gott

EXHIBIT "D"

1 William C. Neasham, CSB #72078
2 Patricia Kramer, CSB #155484
3 Chad Vieira, CSB #255801
4 NEASHAM & KRAMER LLP
5 340 Palladio Parkway, Suite 535
6 Folsom, California 95630
7 Tel: (916) 853-8030; Fax: (916) 853-8039
8 pkramer@neashamlaw.com

9
10 Attorneys for Plaintiff,
11 WESTERN HILLS WATER DISTRICT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF STANISLAUS

WESTERN HILLS WATER DISTRICT,
Plaintiff,

and

WORLD INTERNATIONAL, LLC, a
Delaware limited liability company;
THREE60 LLC, a Delaware limited liability
company; ANGELS CROSSING LLC, a
California limited liability company;
GUILLERMO MARRERO, CARMEN
KEARNEY aka CARMEN MILLAN
KEARNEY, DOUGLAS KEARNEY, and
DOES 1-100, inclusive,

Defendant.

} Case No. CV-24-003049

PLAINTIFF WESTERN HILLS WATER
DISTRICT'S REQUEST FOR
ADMISSIONS AND REQUEST TO
ADMIT GENUINENESS OF
DOCUMENTS TO DEFENDANT
DOUGLAS KEARNEY
[SET NO. ONE]

PROPOUNDING PARTY: Plaintiff WESTERN HILLS WATER DISTRICT

RESPONDING PARTY: Defendant DOUGLAS KEARNEY

SET NO.: ONE (1)

Pursuant to California Code of Civil Procedure section 2013.1, et seq., Plaintiff WESTERN
HILLS WATER DISTRICT hereby requests Defendant DOUGLAS KEARNEY (hereafter "DOUGLAS
KEARNEY" or "Defendant") to provide full and complete admissions to the following requests for

1

REQUEST FOR ADMISSIONS AND ADMISSIONS RE GENUINENESS OF DOCUMENTS
FROM WESTERN HILLS WATER DISTRICT TO DEFENDANT DOUGLAS KEARNEY
[SET ONE]

1 admission and for genuineness of documents within 30 days of service of this request. If the response is
2 anything other than an unqualified admission, Defendant is directed to admit as much of the request as
3 may be admitted and provide a full and complete explanation as to why the request cannot be admitted
4 in its entirety, pursuant to the accompanying form interrogatories. Pursuant to California Code of Civil
5 Procedure section 2033.420 Plaintiff will seek its attorneys' fees and costs from Defendant if he fails to
6 admit the truth of the following matters and Plaintiff thereafter incur attorneys' fees to prove the same.
7

8 **REQUESTS FOR ADMISSION**

9 **REQUEST FOR ADMISSION NO. 1:**

10 Admit that at any point **YOU** (as used herein the terms "**YOU**" and "**YOUR**" refer to Defendant
11 **DOUGLAS KEARNEY**) were appointed as a Director to the **WHWD** Board of Directors (as used
12 herein the term "**WHWD**" means and refers to Plaintiff Western Hills Water District) on July 1, 2010.

13 **REQUEST FOR ADMISSION NO. 2:**

14 Admit that at any point in time between July 1, 2010 and June 5, 2020 **YOU** were employed by
15 **WORLD** (as used herein the term **WORLD** refers to Defendant World International LLC).

16 **REQUEST FOR ADMISSION NO. 3:**

17 Admit that at any point in time between July 1, 2010 and June 5, 2020 **YOU** were employed by
18 **WORLD** as a Field Manager.

19 **REQUEST FOR ADMISSION NO. 4:**

20 Admit that at any point in time between July 1, 2010 and June 5, 2020, **YOU** received financial
21 compensation from **WORLD**.

22 **REQUEST FOR ADMISSION NO. 5:**

23 Admit the document attached hereto as **EXHIBIT A** to the **BANKRUPTCY ORDER** filed
24 September 16, 2008 in **ATTACHMENT 1** is a true and correct copy of the Agreement for Purchase and
25 Sale of Diablo Grande Stanislaus County dated July 1, 2010 (hereafter "**DG PURCHASE SALE**
26 **AGREEMENT**").

27 **///**

1 **REQUEST FOR ADMISSION NO. 6:**

2 Admit that at any point in time between July 1, 2010 and June 5, 2020, **YOU** received
3 compensation from **WORLD** for **YOUR** attendance at **WHWD** board meetings.

4 **REQUEST FOR ADMISSION NO. 7:**

5 Admit that at any point in time between July 1, 2010 and June 5, 2020, in addition to your
6 compensation as Field Manager, **YOU** received payment from **WORLD** for **YOUR** attendance at
7 **WHWD** board meetings.

8 **REQUEST FOR ADMISSION NO. 8:**

9 Admit that **YOU** did not inform **WHWD** that **YOU** were being compensated by **WORLD** to
10 attend Board meetings.

11 **REQUEST FOR ADMISSION NO. 9:**

12 Admit the document attached hereto as **ATTACHMENT 2** is a true and correct copy of the
13 **MASTER AGREEMENT** (as used herein the term "**MASTER AGREEMENT**" refers to the Master
14 Agreement to Provide Water, Sewer and Storm Drainage Services between Western Hills Water District
15 and Diablo Grande Limited Partnership dated June 4, 1988).

16 **REQUEST FOR ADMISSION NO. 10:**

17 Admit that **YOU** are not a party to the **MASTER AGREEMENT** in your individual capacity.

18 **REQUEST FOR ADMISSION NO. 11:**

19 Admit that the **MASTER AGREEMENT** does not contain an arbitration clause.

20 **REQUEST FOR ADMISSION NO. 12:**

21 Admit the document attached hereto as **ATTACHMENT 3** is a true and correct copy of the
22 **ADDENDUM** (as used herein, the term "**ADDENDUM**" means and refers to the Addendum to Master
23 Agreement to Provide Water, Sewer and Storm Drainage Services dated May 14, 2009 to the **MASTER
24 AGREEMENT**).

25 **REQUEST FOR ADMISSION NO. 13:**

26 Admit that **YOU** are not a party to the **ADDENDUM** in your individual capacity.

27 **///**

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1 **REQUEST FOR ADMISSION NO. 14:**

2 Admit that Defendant GUILLERMO MARERRO is not a party to the ADDENDUM in her
3 individual capacity.

4 **REQUEST FOR ADMISSION NO. 15:**

5 Admit that CARMEN KEARNEY is not a party to the ADDENDUM in his individual
6 capacity.

7 **REQUEST FOR ADMISSION NO. 16:**

8 Admit that THREE60 LLC is not a party to the ADDENDUM.

9 **REQUEST FOR ADMISSION NO. 17:**

10 Admit that the arbitration clause at paragraph m(3) in the ADDENDUM limits arbitration to
11 disputes arising out of Section 7 of the ADDENDUM.

12 **REQUEST FOR ADMISSION NO. 18:**

13 Admit that the BANKRUPTCY ORDER approved the sale of Diablo Grande to WORLD.

14 **REQUEST FOR ADMISSION NO. 19:**

15 Admit that the BANKRUPTCY ORDER required WORLD to assume the duties of Diablo
16 Grande under the MASTER AGREEMENT.

17 **REQUEST FOR ADMISSION NO. 20:**

18 Admit that the Section 2.3 of the DG PURCHASE SALE AGREEMENT attached as Exhibit
19 A to the BANKRUPTCY ORDER required WORLD to notify Diablo Grande in writing not later than
20 September 15, 2008 of the Material Contracts Buyer was prepared to assume.

21 **REQUEST FOR ADMISSION NO. 21:**

22 Admit that the MASTER AGREEMENT is listed as a "Material Agreement" on Schedule 1 of
23 the DG PURCHASE SALE AGREEMENT.

24 **REQUEST FOR ADMISSION NO. 22:**

25 Admit that the Section 2.3 of the DG PURCHASE SALE AGREEMENT attached as Exhibit
26 A to the BANKRUPTCY ORDER required "*that Buyer shall in all events assume the contract with*
27 *the Western Hills Water District listed on Schedule 2 hereto.*"

28 ///

1 **REQUEST FOR ADMISSION NO. 23:**

2 Admit that Schedule 2 to the **DG PURCHASE SALE AGREEMENT** attached as Exhibit A to
3 the **BANKRUPTCY ORDER** identifies "*Western Hills Water District (WHWD) document relating to
4 water, sewer and storm drain services, including costs of operating and maintaining water supply
5 systems, entitlement to water from Kern County Water Agency and any other sources and availability
6 of water for future development.*"

7 **REQUEST FOR ADMISSION NO. 24:**

8 Admit that the Paragraph 2.5(a) to the **DG PURCHASE SALE AGREEMENT** attached as
9 Exhibit A to the **BANKRUPTCY ORDER** states that the "documents and information in Seller's
10 possession which Buyer deems material to the purchase of the Property, including without limitation the
11 documents listed on Exhibit B attached hereto."

12 **REQUEST FOR ADMISSION NO. 25:**

13 Admit that Exhibit B to the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to
14 the **BANKRUPTCY ORDER**, identifies the "Master Agreement to Provide Water, Sewer and Storm
15 Drainage Services (WHWD/DG)".

16 **REQUEST FOR ADMISSION NO. 26:**

17 Admit that the **DG PURCHASE SALE AGREEMENT**, attached as Exhibit A to the
18 **BANKRUPTCY ORDER**, required **WORLD** to assume the "Master Agreement to Provide Water,
19 Sewer and Storm Drainage Services (WHWD/DG)".

20 **REQUEST FOR ADMISSION NO. 27:**

21 Admit that **WORLD** gave notice to **Diablo Grande** on/about September 15, 2008 that it was
22 assuming **Diablo Grande**'s duties under the "Master Agreement to Provide Water, Sewer and Storm
23 Drainage Services (WHWD/DG)".

24 **REQUEST FOR ADMISSION NO. 28:**

25 Admit that there was no legal necessity for **WHWD** to approve the **ADDENDUM** in order for
26 **WHWD** to continue providing its water, sewer and storm drainage services.

27 ///

28 ///

1 **REQUEST FOR ADMISSION NO. 29:**

2 Admit that there was no legal necessity for WHWD to add an arbitration clause at paragraph
3 m(3) in the ADDENDUM in order for WHWD to continue providing its water sewer and storm
4 drainage services.

5 **REQUEST FOR ADMISSION NO. 30:**

6 Admit that there was no legal necessity for WHWD to approve the arbitration clause at
7 paragraph m(3) in the ADDENDUM in order for WHWD to continue providing its water sewer and
8 storm drainage services.

9 **REQUEST FOR ADMISSION NO. 31:**

10 Admit that ATTACHMENT 4 hereto is a true and correct copy of the AA&R AGREEMENT
11 (as used herein the term "AA&R AGREEMENT" means the Assignment, Assumption and Release
12 Agreement dated effective April 30, 2020).

13 **REQUEST FOR ADMISSION NO. 32:**

14 Admit that **YOU** are not a party to the AA&R AGREEMENT in your individual capacity.

15 **REQUEST FOR ADMISSION NO. 33:**

16 Admit that Defendant **GUILLERMO MARERRO** is not a party to the AA&R AGREEMENT
17 in his individual capacity.

18 **REQUEST FOR ADMISSION NO. 34:**

19 Admit that **CARMEN KEARNEY** is not a party to the AA&R AGREEMENT in his
20 individual capacity.

21 **REQUEST FOR ADMISSION NO. 35:**

22 Admit that the AA&R AGREEMENT does not contain an arbitration clause.

23 **REQUEST FOR ADMISSION NO. 36:**

24 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s agent.

25 **REQUEST FOR ADMISSION NO. 37:**

26 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s representative.

27 **///**

28 **///**

1 **REQUEST FOR ADMISSION NO. 38:**

2 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s representative on the
3 WHWD Board of Directors.

4 **REQUEST FOR ADMISSION NO. 39:**

5 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s advisor.

6 **REQUEST FOR ADMISSION NO. 40:**

7 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s consultant.

8 **REQUEST FOR ADMISSION NO. 41:**

9 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s agent pertaining to
10 **WORLD**'s performance regarding its **AGREEMENTS** (as used herein, the term "**AGREEMENTS**"
11 refers collectively to the **MASTER AGREEMENT** and **ADDENDUM**) with **WHWD**.

12 **REQUEST FOR ADMISSION NO. 42:**

13 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s representative
14 pertaining to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

15 **REQUEST FOR ADMISSION NO. 43:**

16 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s advisor pertaining to
17 **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

18 **REQUEST FOR ADMISSION NO. 44:**

19 Admit that between July 1, 2010 and June 5, 2020, **YOU** were **WORLD**'s consultant pertaining
20 to **WORLD**'s performance regarding its **AGREEMENTS** with **WHWD**.

21 **REQUEST FOR ADMISSION NO. 45:**

22 Admit that **YOU** participated in drafting the language for the **AA&R AGREEMENT**.

23 **REQUEST FOR ADMISSION NO. 46:**

24 Admit that an attorney employed by **IPG** participated in drafting the language for the **AA&R
25 AGREEMENT**.

26 **REQUEST FOR ADMISSION NO. 47:**

27 Admit that **Carolina Juarez** participated in drafting the language in the **AA&R AGREEMENT**.

28 //

REQUEST FOR ADMISSION NO. 48:

Admit that **GUILLERMO MARERRO** participated in drafting the language in the **AA&R AGREEMENT**.

REQUEST FOR ADMISSION NO. 49;

Admit that **YOU** voted to approve the AA&R AGREEMENT.

REQUEST FOR ADMISSION NO. 50:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the language of the **AA&R AGREEMENT** required that the Buyer **ANGELS CROSSING** to indemnify and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 51:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT**, **YOU** understood the **AA&R AGREEMENT** provided that **WHWD** would release **YOU** and hold **YOU** harmless from any claims arising out of the **MASTER AGREEMENT**.

REQUEST FOR ADMISSION NO. 52:

Admit that when **YOU** voted to approve the **AA&R AGREEMENT** as a WHWD Director, **YOU** understood the **AA&R AGREEMENT** provided that WHWD was releasing **WORLD** from any claims arising out of the **MASTER AGREEMENT**.

Dated: January 12, 2025

NEASHAM & KRAMER LLP

By Patricia Kramer
PATRICIA KRAMER

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On January 13, 2025, I served a copy of the foregoing document(s) described herein as **PLAINTIFF WESTERN HILLS WATER DISTRICT'S REQUEST FOR ADMISSIONS AND REQUEST TO ADMIT GENUINENESS OF DOCUMENTS TO DEFENDANT DOUGLAS KEARNEY [SET NO. ONE]** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
elopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by FEDEX, in an envelope or package designated by FEDEX with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on January 13, 2025, at Folsom, California.

Watson, Scott

Katherine R. Gott

PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On February 3, 2025, I served a copy of the foregoing document(s) described herein as **DECLARATION OF WILLIAM NEASHAM RE: STATUS UPDATE ON DISCOVERY** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by **FEDEX**, in an envelope or package designated by **FEDEX** with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on February 3, 2025, at Folsom, California.

Katherine Scott

Dept. 22

Stacy Speiller
JUDGE

WESTERN HILLS WATER
DISTRICT vs WORLD
INTERNATIONAL LLC

**STANISLAUS COUNTY
SUPERIOR COURT
STATE OF
CALIFORNIA**

2/7/2025

Motion: Other Pre-Disposition

Yvette Moths
Clerk

Case No. CV-24-003049

APPEARANCES:

No appearance by Plaintiff(s)/Respondent(s).
No appearance by Defendant(s)/Respondent(s).

This matter is regularly called for hearing.

There being no request for a hearing, the Court confirms the tentative ruling as follows:

Plaintiff's Motion to Continue Hearing – CONTINUED, to February 27, 2025, at 8:30 am in Department 22.

Preliminarily, the Court notes that, in their opposition to this motion, Defendants accuse Plaintiff of engaging in various tactics designed to delay a ruling on the motion to compel arbitration so that it can obtain discovery to which it is purportedly not entitled. This argument might hold more weight if the Court had not noticed that Defendants have also engaged in a few delaying tactics of their own, such as setting the first motion to compel arbitration rather far out from the filing date, then withdrawing that motion close to the hearing date and filing a second motion to compel arbitration, all the while arguing that discovery must be stayed while a motion to compel arbitration is pending.

In any case, Plaintiff filed a material but untimely declaration on February 3, 2025. The Court wishes to consider the substance of this declaration and therefore CONTINUES the hearing on the instant motion to February 27, 2025, at 8:30 am in Department 22, to give Defendants an opportunity to respond. Any response to the declaration is to be filed and served no later than February 20, 2025.

In addition, because the Court wishes to decide this motion before substantively considering the arbitration motion, the Court on its own motion VACATES and RE-SETS the motion to compel arbitration scheduled for February 11, 2025, to March 6, 2025, at 8:30 am in Department 22.

MINUTE ORDER

Electronically Filed
2/26/2025 11:51 AM
Superior Court of California
County of Stanislaus
Clerk of the Court
By: Erin Barnett, Deputy

1 William C. Neasham CSB #72078
2 Patricia Kramer, CSB # 155484
3 Chad A. Vierra, CSB #255801
4 Neasham & Kramer LLP
5 Attorneys at Law
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Folsom, CA 95630
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pkramer@neashamlaw.com
cvierra@neashamlaw.com

7 Attorneys for Plaintiff
WESTERN HILLS WATER DISTRICT

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS**

WESTERN HILLS WATER DISTRICT, a) Case No. CV-24-003049
California public agency water district,)
Plaintiff,)
v.)
WORLD INTERNATIONAL, LLC, a Delaware)
limited liability company; THREE60 LLC, a) Date: February 27, 2025
Delaware limited liability company; ANGELS) Time: 8:30 a.m.
CROSSING LLC, a California) Dept.: 22
limited liability company; GUILLERMO) Judge: The Hon. Stacey Speiller
MARRERO, CARMEN KEARNERY aka)
CARMEN MILLAN KEARNEY, DOUGLAS)
KEARNEY, and DOES 1-100, inclusive,)
Defendants.)

To Court and all Counsel:

Plaintiff provides this status update prior to the scheduled hearing on February 27, 2025.

Plaintiff received 273 pages of initial responses to requests for admissions and form interrogatories on February 24, 2025 late in the evening. *Inter alia*, more than half the responses to requests that provide evidence the court should consider in determining the relationships of the parties relative to the arbitration motion were denied or only partially admitted. In their responses, the Defendants have again

1 reiterated pages of numerous objections and claimed privileges-many of which were previously
2 disagreed with by Plaintiff. Effectively Plaintiff has had only one (1) day to review these responses and
3 will need further time to meet and confer and/or file a motion to compel to overcome Defendants'
4 objections in order to obtain responses. For these reasons the Motion to Compel Arbitration should be
5 continued as initially requested by Plaintiff.

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8 Dated: February 26, 2025

NEASHAM & KRAMER LLP

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By 

William C Neasham

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PROOF OF SERVICE

I, Katherine R. Gott, declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to this action; my business address is 340 Palladio Parkway, Suite 535, Folsom, California 95630. My electronic service address is kgott@neashamlaw.com

On February 26, 2025, I served a copy of the foregoing document(s) described herein as **STATUS UPDATE RE: DISCOVERY** on the interested party(ies) named below addressed as follows:

Sarah G. Hartman, Esq.
Jeffer Mangels Butler & Mitchell LLP
3 Park Plaza, Suite 1100
Irvine, CA 92614-2592
SGHartman@jmbm.com
markadams@jmbm.com
clopez@jmbm.com

(MAIL) I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. By following ordinary business practice, I placed a true copy thereof enclosed in a sealed envelope for collection and mailing with the United States Postal Service where it would be deposited for first class delivery, postage fully prepaid, in the United States Postal Service that same day in the ordinary course of business.

(OVERNIGHT DELIVERY) Depositing a copy of the above document(s) in a box or other facility regularly maintained by **FEDEX**, in an envelope or package designated by **FEDEX** with delivery fees paid.

(XX) (ELECTRONIC) Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the person(s) at the e-mail addresses(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on February 26, 2025, at Folsom, California.

Katherine Goff

Katherine R. Gott

**STANISLAUS COUNTY
SUPERIOR COURT
STATE OF
CALIFORNIA**

2/27/2025

**Stacy Speiller
JUDGE**

WESTERN HILLS WATER
DISTRICT vs WORLD
INTERNATIONAL LLC

Motion: Other Pre-Disposition
Christina Gonzalez
Clerk

Case No. CV-24-003049

APPEARANCES:

WILLIAM C NEASHAM, Esq. present via VCourt, on behalf of WESTERN HILLS WATER DISTRICT

SARAH HARTMAN, Esq. present via VCourt, on behalf of WORLD INTERNATIONAL LLC, THREE60 LLC, GUILLERMO MARRERO, CARMEN KEARNEY, DOUGLAS KEARNEY

This matter is regularly called for hearing at the request of the Plaintiff(s).

Counsel present respective oral argument(s).

The Court confirms the tentative ruling as follows:

Plaintiff's Motion to Continue Hearing – **DENIED**.

In order to stay the hearing on the motion to compel arbitration, Plaintiff would have needed to demonstrate how the discovery at issue directly ties to the arbitration motion. Plaintiff's motion does not do that. Instead, the memorandum filed in support of the motion makes only global statements regarding Defendants' alleged failure to cooperate in the discovery process, and no supporting declaration was filed with the moving papers. Even the untimely supplemental declaration filed on February 3, 2025 (which the Court continued this motion to consider) fails to establish a solid link between the discovery sought and the pending motion.

As opposed to showing how the pending discovery relates to the arbitration motion, Plaintiff argues that, because the motion to compel arbitration might be granted and this case might be stayed as a result, the Court should delay the hearing on the motion so Plaintiff can obtain discovery responses to which it would otherwise not be entitled (at least not at this time). The Court finds this an unmeritorious justification. The Court acknowledges that it stated in its November 22, 2024 ruling, "Plaintiff's pleading raises issues of serious concern for the public, and those concerns warrant prompt exploration," when denying Defendants' request for a discovery stay under §§ 2017.020, 2019.020, and 2019.030 of the Code of Civil Procedure. However, that observation does not mean that the Court will engage in bending procedural rules or become a willing partner to discovery gamesmanship, which, in essence, is what Plaintiff appears to be asking the Court to do.

Accordingly, this motion to continue the hearing on the arbitration motion is DENIED. The arbitration motion remains on calendar for March 6, 2025.

MINUTE ORDER

Related Case No. CV-24-003155.

CV-24-003049 - WESTERN HILLS WATER DISTRICT vs WORLD INTERNATIONAL LLC -
Defendant's Motion to Compel Arbitration Pursuant to Cal. Code. Civil Proc. 1281.2 and Stay
Action - **HEARING REQUIRED.**

The Court does not agree with Defendants' contention that the First Amended Complaint ("FAC") comprises a sham pleading. Plaintiff is pursuing a different legal theory, not trying to rewrite evidentiary facts. However, the Court does agree with the points Defendants raise in their opposition to Plaintiff's Request for Judicial Notice. Accordingly, the Request for Judicial Notice ("RJN") is DENIED as to RJN Nos. 2, 3, 6, 10, 11 and 13. As for the remaining items, the Court takes judicial notice of the existence of those documents and their legal effect but not the truth of any hearsay statements contained therein. (See *Fremont Indem. Co. v. Fremont Gen. Corp.* (2007) 148 Cal.App.4th 97, 113; *Arce v. Kaiser Found. Health Plan, Inc.* (2010) 181 Cal.App.4th 471, 482-484; *Scott v. JPMorgan Chase Bank, N.A.* (2013) 214 Cal.App.4th 743, 752-761, as modified on denial of reh'g (Apr. 16, 2013).)

The Court would like to hear from the parties on the following issues:

1. Government Code § 1092(b) indicates that a violation of Government Code § 1090 renders a contract voidable, not void, and an action to void the contract must be brought within four years. Does Plaintiff dispute Defendants' contention that it knew or reasonably should have known more than four years before the pleading was filed of the conflicts of interest now alleged to render the May 14, 2009 Addendum void?
2. If the Court finds that the statute of limitations for rendering the contract void has passed, can the Court nevertheless still find that the arbitration provision is unenforceable as against public policy, or would that be error?
3. If the Court finds that the time for voiding the contract has passed and the arbitration agreement is enforceable, then the question will be what causes of action should be sent to arbitration. Defendants contend it is all of them. The Court previously read the arbitration clause narrowly to apply only to the fourth cause of action, but it would like to hear further argument from the parties on this issue.

The Court may have additional questions at the hearing.

The current order regarding the scope of the discovery stay remains in place pending a final ruling on this motion.

The following are the tentative rulings for cases calendared before Judge John D. Freeland in Department 23:

RULING ON MOTION TO COMPEL ARBITRATION

Having taken this matter under submission on March 6, 2025, the Court now rules as follows: For the reasons set forth below, the motion to compel arbitration is GRANTED in part and DENIED in part. Plaintiff's Request for Judicial Notice is also GRANTED in part and DENIED in part. Moving Defendants' request for a stay of the court action pending arbitration is DENIED.

BACKGROUND:

This case began on April 19, 2024. The operative pleading is the Verified First Amended Complaint (FAC) filed on October 24, 2024.

Parties Involved

- The Plaintiff is the Western Hills Water District (also referred to herein as WHWD). WHWD is a public agency water district in California.
- World International, LLC (also referred to herein as World) is a Delaware limited liability company conducting business in California.
- Three60 LLC is a Delaware limited liability company and the parent company of World.
- Angels Crossing LLC is alleged to be the successor-in-interest to World's interest in the Diablo Grande development.
- Guillermo Marrero, Carmen Kearney, and Douglas Kearney are individuals associated with both World and WHWD. Specifically, Guillermo Marrero and his firm, International Practice Group (IPG), have served as outside counsel for World. Carmen Kearney is alleged to have served as the CFO of World. Douglas Kearney has served as an Asset Manager for World. All three individuals have served as members of the WHWD Board.

History of Diablo Grande and Western Hills Water District

The following statements are drawn from the FAC:

- **Creation of Western Hills Water District:**
 - WHWD was formed in 1992 to serve as the water-sewer-storm drainage service provider for the Diablo Grande golf resort and residential development.

- **Diablo Grande Development:**

- The Diablo Grande subdivision development project was approved as a Vesting Tentative Map by the Stanislaus County Board of Supervisors on December 7, 1999. The development is located in the hills approximately 8 miles west of Interstate 5 and the City of Patterson within Stanislaus County.
- The development was initially owned by Diablo Grande LP, which was the sole landowner/developer at the time. Mello Roos bonds¹ were issued to build all the facilities of the WHWD and manage other public areas within Diablo Grande.

- **Financial and Legal Arrangements:**

- WHWD issued several bonds to finance new facilities and infrastructure, including the 2001 Bonds, 2002 Bonds, and 2005 Bonds, primarily to construct and acquire public infrastructure improvements of benefit to the District.
- The Master Agreement to Provide Water, Sewer, and Storm Drainage Services was entered into on June 4, 1998, between WHWD and Diablo Grande Limited Partnership. This agreement was later assumed by World International, LLC, following the sale of the Diablo Grande development.

- **Bankruptcy and Ownership Changes:**

- Diablo Grande LP filed for Chapter 11 bankruptcy on March 10, 2008, having been severely impacted by a downturn in the real estate industry. The final order closing the bankruptcy case was issued on July 2, 2011.
- On September 16, 2008, the Bankruptcy Court authorized the sale of assets by Diablo Grande LP to World International, LLC. The sale closed on or about October 7, 2008.

- **Subsequent Events:**

- World experienced financial difficulties beginning in approximately 2018. Despite these difficulties, World indicated in 2019 that it had a prospective buyer for the Diablo Grande project who would assume World's obligations under the Amended Master Agreement: Angels Crossing LLC.

1 The Mello-Roos Community Facilities Act of 1982 is codified in Title 5, Division 2, Part 1, Chapter 2.5 of the Government Code (§§ 53311- 53368.3). This Act “provides an alternative method of financing certain public capital facilities and services, especially in developing areas and areas undergoing rehabilitation.” (Gov’t Code, § 53311.5.) The Act “authorizes local government agencies ... to form community facilities districts to ‘finance the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer,’ as well as related planning and design work. (Gov.Code, § 53313.5.) The financed facilities need not be physically located within the Mello-Roos district. (Gov.Code, § 53313.5.) Funding under the Act is through the use of special taxes, submitted to a 2/3 voter approval. (Gov.Code, §§ 53326, 53328.)” (*Kaufman & Broad-South Bay, Inc. v. Morgan Hill Unified School Dist.* (1992) 9 Cal.App.4th 464, 467.)

- On April 24, 2020, the WHWD Board of Directors conditionally approved the Assignment, Assumption, and Release Agreement concerning World and Angels Crossing, but subsequent issues arose regarding the fulfillment of obligations to WHWD.

Key Contracts

The following agreements are material to this case:

- **1998 Master Agreement**

- WHWD and Diablo Grande LP entered into the “Master Agreement to Provide Water, Sewer, and Storm Drainage Services” (Master Agreement) on June 4, 1998. Pursuant to the terms of the Master Agreement, WHWD agreed to provide permanent water, sewer, and storm drainage services to all agricultural, municipal, and recreational areas within the Diablo Grande project. Diablo Grande LP, in turn, was required to advance funds to WHWD to cover operational costs until WHWD's revenues were sufficient to meet those costs. The advances were treated as loans with an interest rate of 8% per annum. (See 4/19/24 Compl. at pdf pp. 44-46.)
- Of note, Section 7 of the Master Agreement stated,

7. Operational Costs. Diablo Grande agrees to advance funds to Western as necessary to pay for the costs of operation until such time as Western's revenues are sufficient to meet the costs of operation. All such funds shall be treated as a loan to Western by DG which shall bear interest at the rate of eight percent (8%) per annum until paid in full. Western agrees to retire the debt created under this paragraph when its revenues begin to exceed its operation costs. At that time, the parties shall meet and confer to determine an appropriate schedule for repayment of the loan.
- This agreement was assumed by World on acquisition of the Diablo Grande development. (See 2009 Addendum at Recital ¶ C [“Pursuant to the Purchase Agreement, World assumed the Master Agreement.”].)

- **2009 Addendum**

- After Diablo Grande LP's bankruptcy and World's acquisition of the Diablo Grande development, an Addendum was presented to the WHWD Board and entered into effective May 14, 2009.
- Per the Addendum, the parties agreed to modify Section 7 of the Master Agreement to state as follows:

7. Operational and Capital Costs.

- a. In providing services under this Agreement, Western will incur operational costs, costs to replace existing capital assets, and costs for new capital assets. For purposes of this Section 7, "capital assets" shall be generally understood to mean land, buildings, plant and equipment, contract rights to water, patents, and other tangible or intangible assets with a useful life greater than one year. Operational costs shall include principal and interest payments on any outstanding debt other than to World but excluding any debt owed to Veolia North America.
- b. Western shall provide World with a proposed annual budget by November 1 of each year for World's review and comment. The annual budget shall include, among other things, line item detail of proposed operational costs, proposed costs for the replacement of existing capital assets, and proposed costs for the acquisition of new capital assets. The annual budget shall also include the projected timing by month of payments for such operational and capital costs. World agrees to provide Western with its comments/objections within thirty calendar days of receipt of the proposed annual budget.
- c. Upon approval of each annual operational budget by the Western Board of Directors and the approval of each annual capital budget by both Western's Board of Directors and World, World agrees to advance funds in accordance with the approved budget and in accordance with the projected monthly timing of the proposed expenditures contained within the approved budgets.
- d. World is not required to advance funds needed to pay the costs for the replacement of existing capital assets or for the acquisition of new capital assets. World agrees to review the proposed capital expenses and in its discretion to advance funds to acquire said capital assets provided that any such funds advanced shall be secured by the security interest granted to World under Section 7i below.
- e. Notwithstanding anything to the contrary in this Section 7, World shall not be responsible for advancing any funds to Western for any debt owed by Western to any of its vendors, providers, suppliers, lenders, employees or agents, which debt accrued prior to October 7, 2008. World agrees that the \$20,000 that the

Bankruptcy Court approved in settlement of World's administrative claim concerning those pre-October 7, 2008 debts of Western shall be paid to Western for use in settling the pre-October 7, 2008 non-Veolia debts and shall not be considered in any way as an advancement of funds to Western. Western agrees that it shall be responsible for the amount of \$15,461.37 in attorney's fees and costs incurred by World in procuring the \$20,000 settlement, which amount shall be deducted by World from the \$20,000 payable to Western.

- f. In the event that Western seeks additional funds above the amount set forth in the approved annual budget for either operations expenditures or capital expenditures, any additional funds requested may be advanced by World in its discretion and any and all sums advanced by World as a result of said increases shall be subject to the mutual agreement of World and Western.
- g. Subject to the required periodic audit of Westem's financial statements, the parties agree that as of April 30th, 2009, World has advanced to Western the total sum of \$1,043,384.33, excluding all accrued interest, and the parties further agree that by March 1 of each year World will submit a statement of the amount of sums advanced in the preceding 12 months, which statement will be conclusive (subject to the required periodic audit of Western's financial statements) unless within thirty days thereof, Western disputes the amount of sums advanced and submits documentation that supports and confirms the amounts actually advanced. The summary submitted by World shall also include the cumulative total of all sums advanced on a historical basis.
- h. All funds advanced shall be treated as a loan from World to Western. All funds advanced shall bear interest at the rate of eight percent (8 %) per annum simple interest until paid in full.
- i. Security Interest. Subject to any limitations on the granting of security interests in a public agency's assets and subject to Westem's repayment obligation set forth below, in consideration of World's advancing funds in accordance with this Section 7, Western hereby grants to World a security interest in the capital assets funded with World's advances and in such other assets owned by World. The parties agree to enter into a commercially reasonable security agreement or agreements setting forth the specific terms and conditions of the security interest therein.
- j. World may elect to cease advancing funds to Western for operating costs if and when World determines that Western's revenues are sufficient to meet the following on an on-going basis: (a) annual costs of operations; (b) annual costs for capital improvements and replacements; (c) an operating reserve fund as determined by Western's Board of Directors and (d) the principal and interest payments on any outstanding debt other than to World. Sums (a) and (c) in this

subsection shall not exceed ten percent (10.0%) of the prior fiscal year's actual operating expenditures. Sum (b) shall not exceed ten percent (10.0%) of the average of the prior three (3) fiscal years' actual capital expenditures.

k. In the event World elects to cease one hundred per cent (100%) of the funding, it shall provide not less than 18 months advanced, written notice to Western, and such notice shall be timed so that if funding ceases, it ceases at the end of Western's fiscal year. Example: With a World notice dated June 15, 2015, World shall cease advancing funds after December 31, 2016. World's notice shall also include World's proposed repayment plan. World's determination to cease advance funding and World's proposed repayment plan for funds advanced for both operational and capital costs must be reasonable and made in good faith and be based upon Western's audited financial statements and a reasonable three-year projection of Western's revenues and expenses, showing that Western would have sufficient projected revenues to meet the projected expenses set forth in Subsection 7j above.

l. Should Western disagree with World's determination under Subsection 7, Western may invoke the disputes resolution procedure set forth below. The vote by the Western Board of Directors as to whether or not it agrees with World's determination and to invoke the disputes procedure shall be only by those Western directors who do not have a financial interest in the decision in accordance with the District's Conflicts of Interest Code and the regulations of the California Fair Political Practices Commission, including, but not limited to, because the director is employed by or is a consultant to World. World agrees that such a vote by Western's Board may be by less than a majority of a quorum. World further agrees that should all Western directors have a financial interest in the decision, then Western may request the Stanislaus County Superior Court to appoint a qualified representative or representatives to act on behalf of Western for purposes of this Section 7.

m. Disputes Resolution Procedure.

(1) The parties shall attempt in good faith to resolve any dispute **arising out of or relating to this Section 7**, promptly by negotiation between representatives who have authority to settle the controversy. Any party may give the other party written notice of a dispute, which notice shall include a statement of that party's position and a summary of arguments supporting that position. Within fifteen (15) calendar days after receipt of the notice, the receiving party shall respond with a statement of that party's position and a summary of argument supporting that position. All negotiations pursuant to this subsection are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(2) If the dispute has not been resolved by negotiations within twenty (20) calendar days of the disputing party's notice, the parties shall endeavor to settle the dispute by mutual agreement.

(3) Any dispute **arising out of Section 7**, which has not been resolved by the above dispute resolution procedure within twenty (20) calendar days of the initiation of such procedure, shall be finally resolved by arbitration by a sole arbitrator in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall be qualified by education, training, and experience in public agency finances and shall not have a conflict of interest. As to any dispute over World's determination under Subsection 7j, the arbitrator is only authorized to make a binding determination to approve or disapprove World's determination; however, the arbitrator is also authorized to recommend a non-binding repayment plan for consideration by the parties. The place of arbitration shall be Patterson, California, unless otherwise agreed to by the parties.

(4) The time limits specified in Subsection 7m shall be suspended during the time taken to obtain any action by the Stanislaus County Superior Court.

(5) All arbitrators to be selected pursuant to this Section 7 shall avoid a conflict of interest and the appearance of a conflict of interest at the time of selection and during and after arbitration. A conflict of interest can arise from involvement by an arbitrator with the subject matter of the dispute or from any relationship between him/her and any participant, whether past or present, personal or professional, that reasonably raises a question of his/her impartiality.

(6) The costs for any arbitrator shall be borne equally between the parties. The prevailing party in any arbitration shall not be entitled to be awarded its attorneys' fees and costs.

(4/19/24 Compl., at pp. 54-57 [emphases added].)

- **2020 Assignment, Assumption, and Release Agreement (AA&R Agreement)**
 - The AA&R Agreement facilitates the transfer of World's obligations and liabilities to Angel's Crossing, with WHWD's consent and release of World from any future claims related to the Master Agreement.

MOTION TO COMPEL ARBITRATION:

MINUTE ORDER

On November 26, 2024, Defendants World International, LLC, Three60 LLC, Guillermo Marrero, Carmen Kearney, and Douglas Kearney filed a motion to compel arbitration.²

Motion

In their supporting memorandum, Moving Defendants argue that Western Hills Water District is obligated to arbitrate all claims against them based on a binding arbitration agreement in the Amended Master Agreement, specifically Section 7, which governs operational and capital costs. Defendants assert that the Plaintiff's claims are closely related to the arbitration agreement and should be resolved through arbitration, as the claims seek to hold World liable for costs under Section 7. The motion also requests that the Court stay all litigation pending a decision on the motion and the completion of arbitration, to prevent inconsistent rulings and conserve judicial resources.

Opposition

In opposition, Plaintiff argues, *inter alia*, that the arbitration agreements are void and unenforceable due to violations of California Government Code §1090 and related public disclosure statutes. It notes that the FAC challenges the May 14, 2009 Addendum to the Master Agreement—the agreement that includes the arbitration provision—as void due to unlawful conduct by the Defendants. Plaintiff argues that the Addendum was approved under questionable circumstances, including conflicts of interest and inadequate disclosures by WHWD Board members. Plaintiff contends that, because the Addendum was obtained unlawfully, it cannot be used to enforce arbitration.

Reply

Moving Defendants respond that the case has been pending in the wrong forum for over a year and should be transferred to arbitration based on the valid arbitration provision in the Addendum to the Master Agreement. Moving Defendants accuse WHWD of trying to evade its contractual obligation to arbitrate by appealing to jury sympathies “when seeking to hold the wrong party (World) liable for the debts of another (Angels Crossing), in the name of public interest.” (2/4/25 Reply, at p. 4.) Defendants further assert that Plaintiff’s sole defense against arbitration is based on purported conflicts of interest. According to Defendants, these contentions regarding conflicts are invalid for several reasons, including (1) the FAC is a sham pleading, (2) the argument is time-barred, and (3) there is no legally prohibited financial interest involved. Defendants again argue that all claims against them, except the first cause of action, are subject to arbitration and that the non-signatory Defendants can enforce the arbitration provision under the equitable estoppel doctrine.

Hearing

On March 6, 2025, the Court heard oral argument and took this matter under submission.

DISCUSSION:

² This was the Moving Defendants' second motion to compel arbitration. The hearing on the first motion was vacated at the Moving Defendants' request.

Request for Judicial Notice

In support of its opposition, Plaintiff filed a Request for Judicial Notice (RJN) with 13 attachments. Defendants objected to Attachments 2, 3, 6, 10, 11, and 13, contending they are not appropriate for judicial notice because they contain subjective legal opinions, are not facts of common knowledge, and are not reasonably indisputable. Defendants also objected to the Court taking judicial notice of the truth of the facts contained in Attachments 4, 5, 7, and 12.

The Court indicated in its tentative ruling for the March 6, 2025 hearing that it was denying the RJN as to Attachment Nos. 2, 3, 6, 10, 11 and 13. For the reasons explained below, the Court revises its ruling to take judicial notice of the filing and existence of RJN Nos. 10, 11, and 13. As for the remaining items, the Court takes judicial notice of the existence of those documents and their legal effect but not the truth of any hearsay statements contained therein. (See *Fremont Indem. Co. v. Fremont Gen. Corp.* (2007) 148 Cal.App.4th 97, 113; *Arce v. Kaiser Found. Health Plan, Inc.* (2010) 181 Cal.App.4th 471, 482-484; *Scott v. JPMorgan Chase Bank, N.A.* (2013) 214 Cal.App.4th 743, 752-761, as modified on denial of reh'g (Apr. 16, 2013).)

- **Attachment 2** is correspondence to Mr. Marcos from David L. Hobbs Regarding the Addendum to Master Agreement to Provide Water, Sewer and Storm Drainage Services, dated October 14, 2019 and December 22, 2017. Plaintiff has asked the Court to take judicial notice pursuant to Evidence Code § 452, subdivisions (g)—" Facts and propositions that are of such common knowledge within the territorial jurisdiction of the court that they cannot reasonably be the subject of dispute", and (h)—"Facts and propositions that are not reasonably subject to dispute and are capable of immediate and accurate determination by resort to sources of reasonably indisputable accuracy." In the Court's opinion, these letters do not meet the criteria for either of these categories.
- **Attachment 3** is the Fair Political Practice Commission Advice Letter A-16-254 to Mr. Hensley, City Attorney. Again, Plaintiff has submitted these under Evidence Code § 452(g) and (h). Again, the Court disagrees that this letter qualifies under those subdivisions.
- **Attachment 6** is WHWD's Master Agreement and Addendum to the Master Agreement. The Master Agreement is not an appropriate document for separate judicial notice in this context. With that stated, the Court notes that the Master Agreement was attached as an exhibit to the original verified complaint, and there has been no dispute regarding the authenticity of its contents.
- **Attachment 10** is California Form 700 - Carmen Kearney's Statement of Economic Interests required by Govt §87100 filed with the Clerk of the Board of Supervisors, Stanislaus County signed on April 7, 2009. Plaintiff has asked the Court to take judicial notice under § 452(g) and (h). Actually, because the submission of a Form 700 is part of the official duties of certain public officials and employees, the Court may take judicial notice of the existence and filing of the form pursuant to Evidence Code § 452(c).

- **Attachment 11** is Bryan Domyan's Information for Appointment to the Office of Western Hills Water District and California Form 700-Statement of Economic Interests required by Government Code § 87100 filed with the Clerk of the Board of Supervisors, Stanislaus County signed on March 31, 2009. Plaintiff has asked the Court to take judicial notice under § 452(g) and (h). As with the Form 700, the judicial notice of the existence and filing of an application for appointment to a public office that is submitted to a government agency and is a matter of public record is warranted under Evidence Code § 452(c).
- **Attachment 13** is Guillermo Marrero's Information for Appointment to the Office of Western Hills Water District and Hold Harmless indemnity letters for Marrero and C. Kearney. For the reasons stated above, the Court can take judicial notice of the existence and filing of this document pursuant to Evidence Code § 452(c).

Enforcement of Arbitration Agreements under California Law

California's statutory scheme for enforcing arbitration agreements is part of the California Arbitration Act ("CAA") and is set forth in Code of Civil Procedure §§ 1281-1281.99.

Code of Civil Procedure § 1281 states, "A written agreement to submit to arbitration an existing controversy or a controversy thereafter arising is valid, enforceable and irrevocable, save upon such grounds as exist for the revocation of any contract."

"On petition of a party to an arbitration agreement alleging the existence of a written agreement to arbitrate a controversy and that a party to the agreement refuses to arbitrate that controversy, the court shall order the petitioner and the respondent to arbitrate the controversy if it determines that an agreement to arbitrate the controversy exists, unless it determines that: (a) The right to compel arbitration has been waived by the petitioner; or (b) Grounds exist for rescission of the agreement." (Code Civ. Proc., § 1281.2(a)-(b).)

Courts are to apply the same procedural rules to an arbitration agreement as they would to any other contract. (See *Quach v. California Commerce Club, Inc.* (2024) 16 Cal.5th 562, 583.)

"Because the existence of the agreement is a statutory prerequisite to granting the petition, the petitioner bears the burden of proving its existence by a preponderance of the evidence. If the party opposing the petition raises a defense to enforcement—either fraud in the execution voiding the agreement or a statutory defense of waiver or revocation—that party bears the burden of producing evidence of, and proving by a preponderance of the evidence, any fact necessary to the defense." (*Rosenthal v. Great Western Fin. Securities Corp.* (1996) 14 Cal.4th 394, 397; see also *Engalla v. Permanente Medical Group, Inc.* (1997) 15 Cal.4th 951, 972, as modified (July 30, 1997) [following *Rosenthal* and applying it to an arbitration provision governed by California law].)

Questions regarding the validity or enforceability of an arbitration agreement "are to be resolved by the trial court in the manner provided for the hearing and decision of motions (Code Civ. Proc., § 1290.2), either on the basis of affidavits or declarations or, in the exercise of the court's discretion where necessary to resolve material conflicts in the written evidence, upon live testimony." (*Rosenthal, supra*, 14 Cal.4th, at p. 402.)

Government Code §§ 1090 and 1092

Plaintiff argues in this case that the 2009 Addendum should be deemed void pursuant to Government Code § 1092, which draws from Government Code § 1090.

Government Code § 1090 states,

- (a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.
- (b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).
- (c) As used in this article, “district” means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

Gov't Code § 1092 then states,

- (a) Every contract made in violation of any of the provisions of Section 1090 may be avoided at the instance of any party except the officer interested therein. No such contract may be avoided because of the interest of an officer therein unless the contract is made in the official capacity of the officer, or by a board or body of which he or she is a member.
- (b) An action under this section shall be commenced within four years after the plaintiff has discovered, or in the exercise of reasonable care should have discovered, a violation described in subdivision (a).

Plaintiff Failed to Show that the 2009 Addendum Is Still Voidable

There is no dispute that the 2009 Addendum was executed by both parties. Moving Defendants provide evidence of that, and Plaintiff does not dispute this point. Rather, Plaintiff's opposition focuses on the argument that the 2009 Addendum is void due to unlawful conduct on the part of the WHWD then-directors, Defendant Marrero, Defendant C. Kearney, and Bryan Domyan, who either failed to disclose they were financially interested in the contract or who should have been more forthcoming about their financial ties to World.

There are evidentiary issues with Plaintiff's opposition. As noted above, Plaintiff attached to its Request for Judicial Notice several documents that cannot be judicially noticed; rather, the documents should have been filed as exhibits authenticated by an appropriate declaration. Nonetheless, assuming *arguendo* that everything Plaintiff alleges is true and properly supported by evidence, the 2009 Addendum would only be voidable, not void. Government Code § 1092 states that a contract made by a public official who has an improper financial interest in the

agreement “may be avoided,” not that it is void. “ ‘A voidable contract is a contract which, in its inception, is valid and capable of producing the results of a valid contract, but which may be “avoided,” i.e. rendered void at the option of one (or even, though rarely, of both) of the parties.’ P.S. Atiyah, *An Introduction to the Law of Contract* 37–38 (3d ed. 1981).” (CONTRACT, Black's Law Dictionary (12th ed. 2024).)

Moreover, Government Code § 1092(b) mandates that a contract that is voidable under § 1092(a) is subject to a four-year statute of limitations. Because the contract at issue was executed well over four years ago, Plaintiff had the burden of showing that it only discovered the conflicting financial interests of the 2009 Board members within the last four years or that the statute of limitations was tolled for some other reason. At a minimum, Plaintiff should have indicated when the composition of the Board changed such that World-affiliated members no longer comprised the majority of the Board. But Plaintiff’s opposition completely fails to address this issue.

Plaintiff (via its counsel) asserted at the hearing on this matter that World-affiliated members controlled the WHWD Board until mid-2020, at least, and that the Court was already aware of this fact from a prior case. (See 3/6/25 Hrg. Tr., at pp. 11:8-12:21.) However, Plaintiff’s counsel’s representations at the hearing do not constitute admissible *evidence* by which the Court can substantiate the Board member timeline. Furthermore, a review (albeit a quick one) of the complaint and motion for summary judgment in Case No. CV-21-003252 failed to reveal the composition of the Board during the relevant period.

Consequently, Plaintiff’s opposition to the motion fails. (See *Rosenthal v. Great Western Fin. Securities Corp.* (1996) 14 Cal.4th 394, 397 [quoted *supra*].)

The Court clarifies that its ruling is not a final determination on the validity of the 2009 Addendum; it is merely based on the evidence that was presented in conjunction with *this* motion.

Bryan Domyan’s Purported Ineligibility for Office Does Not Render His Official Acts Void

Plaintiff also contends that Bryan Domyan, one of the WHWD Board members who approved the 2009 Addendum, was never eligible to serve as a Board member. However, this fact does not render his official acts void. California recognizes the *de facto* officer doctrine: “The *de facto* doctrine in sustaining official acts is well established. Present a *de jure* office, ‘Persons claiming to be public officers while in possession of an office, ostensibly exercising their functions

lawfully and with the acquiescence of the public, are de facto officers. * * * The lawful acts of an officer de facto, so far as the rights of third persons are concerned, are, if done within the scope and by the apparent authority of office, as valid and binding as if he were the officer legally elected and qualified for the office and in full possession of it.' [Citations.]" (*In re Bunker Hill Urban Renewal Project 1B of Community Redevelopment Agency of City of Los Angeles* (1964) 61 Cal.2d 21, 42.)

Plaintiff may well counter that, even if serving as a de facto officer, Mr. Domyan's approval of the contract addendum was not "lawful" because he failed to disclose a financial interest in World. But this argument circles back to the statute of limitations issue discussed *supra*.

Scope of Arbitration Clause in 2009 Addendum

One of the points of contention between the parties is the scope of the arbitration clause in the 2009 Addendum. The Court notes that, while the parties agreed to negotiate in good faith regarding any dispute "arising out of or relating to" Section 7 (see 2009 Addendum § 7(m)(1)), they only contractually agreed to arbitrate disputes "arising out of" Section 7 (see 2009 Addendum § 7(m)(3) [emphasis added]). This terminology significantly narrows the scope of the arbitration provision. (Cf. *Tracer Research Corp. v. National Environmental Services Co.* (9th Cir. 1994) 42 F.3d 1292, 1295 [finding that the phrase "arising out of," like "arising under," is limited in scope when not coupled with the phrase "relating to"].)

The Court previously determined that only the fourth cause of action, for breach of contract brought against World and Three60, "arises out of" section 7 of the 2009 Addendum. Having again reviewed the allegations of the FAC, the Court's position on this issue remains unchanged.

Specifically, the first cause of action seeks a declaration that the May 2009 Addendum is void "due to prohibited unlawful conduct in violation of Government Code §§ 1090 et seq. re Conflicts of Interests and related regulatory statutes." (10/24/24 FAC at p. 22.) In other words, the cause of action arises out of approval and execution of the 2009 Addendum as a whole, not out of the provisions of Section 7. And indeed, Defendants acknowledge in their reply that, even under their broader interpretation of the arbitration clause, the first cause of action would not be subject to arbitration. (See 2/4/25 Reply, at p. 12.)

Similarly, the second cause of action, also for declaratory relief, arises out of the approval and execution of the 2020 AA&R Agreement. The third cause of action, again for declaratory relief, questions the interpretation and application of an alleged condition precedent in the 2020 AA&R Agreement. The fifth cause of action alleges breach of the 2020 AA&R Agreement. The sixth cause of action contends that Defendants Marrero, C. Kearney, and D. Kearney breached their fiduciary duties to WHWD. The seventh cause of action accuses Defendants Marrero, C. Kearney, and D. Kearney of breaching their statutory duties vis-à-vis WHWD. The eighth cause of action alleges fraudulent inducement of contract relating to execution of the 2020 AA&R Agreement. The ninth cause of action asserts that Defendants World, Three60, Angels Crossing,

and Marrero committed fraud, misrepresentation, and fraudulent concealment that harmed WHWD in lead-up to the execution of the 2020 AA&R Agreement. The tenth cause of action accuses Defendants World, Three60, Angels Crossing, Marrero, and C. Kearney of conspiracy to commit fraud relating to the transfer of obligations from World to Angels Crossing through the 2020 AA&R Agreement. In short, none of these causes of action “arise out of” Section 7 itself.

Additional Issues

The Court recognizes that both the Moving Parties and Opposing Party raised many other arguments in their papers that the Court has not addressed herein. The Court focused on the issues that it deemed most material to its ruling.

Ordering of Matters; Possible Stay

As the Court previously stated in its ruling dated November 22, 2024, it is the Court’s position that the issues presented by the fourth cause of action are discrete and can be severed from the remainder of the complaint. Furthermore, given that, if Plaintiff is successful on its first cause of action, the 2009 Addendum would be deemed void, the Court is of the opinion that the arbitration should be stayed pending a determination on the merits of the rest of the complaint.

The Court notes that a case management conference is set for September 22, 2025. At the CMC, the Court will hear from the parties on whether the arbitration should be stayed pending trial.

Conclusion

For the reasons set forth above, the Court GRANTS the motion to compel arbitration only as to the fourth cause of action. Because the fourth cause of action is discrete and is brought only against Defendants World and Three60, (1) the arbitration shall not involve the claims brought against the other Defendants; and (2) the Court DENIES Defendants’ request to stay the judicial case pending arbitration. Rather, the Court shall discuss with the parties the ordering of events at the next case management conference.

Proposed Order

Moving Defendants are directed to submit a proposed order within five court days that conforms to this ruling.

IT IS SO ORDERED.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF STANISLAUS

801 10th Street, 4th Floor
Modesto, CA 95355

WESTERN HILLS WATER DISTRICT vs WORLD
INTERNATIONAL LLC

Case #:
CV-24-003049

CLERK'S CERTIFICATE OF MAILING SERVICE

I certify that I am over the age of 18, employed by the Superior Court of the State of California, County of Stanislaus, and not a party to this action. I certify that I served a copy of the attached **RULING ON MOTION TO COMPEL ARBITRATION** by mail service as indicated below.

Recipients Served by Mail

A copy of the item(s) identified above were placed in an envelope addressed to the recipient(s) listed below. Said envelope was then sealed and postage thereon fully prepaid and thereafter was, on **May 21, 2025** deposited in the United States mail at **Modesto, California**.

WILLIAM NEASHAM, ESQ.
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IRVINE, CA, 92614

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on **May 21, 2025**, at Modesto, California.

By Christina Gonzalez

Christina Gonzalez, Deputy Clerk
SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS