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ALAMEDA COUNTY

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CLERK OF THE SUPERIOR COURT
By *R. Clark*
Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

People of the State of California,

Plaintiffs,

v.

Wounded Warriors Support Group, et al.,

Defendants.

RG17856929

~~Proposed~~ ORDER AND JUDGMENT
FOR THE INVOLUNTARY
DISSOLUTION OF:

(1) WOUNDED WARRIORS SUPPORT
GROUP

(2) CENTRAL COAST EQUINE RESCUE
AND RETIREMENT

This case came on regularly for trial on August 27, 2018, and concluded on November 5, 2018, in Department 517 of the above-entitled court, the Honorable Stephen M. Pulido, Judge, presiding. Plaintiffs, the People of the State of California, appeared by the Office of the Attorney General, Deputy Attorney General Julianne Mossler, assisted by Investigative Auditor Nicholas W. Dahl. Defendant Matthew G. Gregory represented himself and his sole-proprietorship business, defendant Gregory Motorsports. Gina D. Gregory, Esq., represented defendants Gina D. Gregory, Danella J. Gregory, Matthew J. Gregory, Wounded Warriors Support Group, and Central Coast Equine Rescue and Retirement.

A jury of 12 persons was regularly impaneled and sworn to try the action. After hearing the evidence, arguments of counsel and Mr. Matthew G. Gregory, and instructions of the Court,

1 the jury retired to consider their verdict, and subsequently returned to court, and being called,
2 answered to their names, and rendered their verdict in writing, in words, and figures.

3 **THE JURY MADE THE FOLLOWING FINDINGS OF FACT:**

- 4 1. Defendants Matthew G. Gregory, Danella J. Gregory, and Matthew J. Gregory
5 were directors of defendants WWSG and CCERR. Defendants Matthew G. Gregory and
6 Matthew J. Gregory breached their duties by failing to act with utmost good faith in the best
7 interests of WWSG and CCERR with respect to fundraising.
- 8 2. Defendants Matthew G. Gregory and Matthew J. Gregory engaged in unfair or
9 deceptive acts that created a likelihood of confusion or deception, and misled the public to
10 believe that donations would be used for charitable purposes when that was not the fact.
- 11 3. Defendant Gina Gregory engaged in unfair or deceptive acts that created a
12 likelihood of confusion or misunderstanding to the public.
- 13 4. As directors of WWSG and CCERR, defendants Matthew G. Gregory, Danella J.
14 Gregory, and Matthew J. Gregory failed to act with utmost good faith in the best interest of
15 WWSG and CCERR, a total of 3,430 times, including for failing to use reasonable care and
16 inquiry, spending donated funds on something other than charity, failing to keep accurate minutes
17 of board proceedings, avoiding self-dealing transaction, avoiding loans of money or property
18 between himself/herself and WWSG or CCERR, and failing to file accurate reports and tax
19 returns.
- 20 5. Defendant Matthew G. Gregory entered into self-dealing transactions with WWSG
21 and CCERR.
- 22 6. Defendants Matthew G. Gregory and Matthew J. Gregory operated illegal non-
23 exempt raffles in the State of California a total of 6 times.
- 24 7. Defendant CCERR conducted a non-exempt raffle in violation of the Attorney
25 General's Regulations and Orders 1 time.
- 26 8. Defendant WWSG conducted non-exempt raffles in violation of the Attorney
27 General's Regulations and Orders 3 times.
- 28 9. Defendant Gina Gregory aided and abetted the officers or directors of WWSG in

1 an unlawful act for the purpose of advancing her own interest or financial gain.

2 10. Defendant Gregory Motorsports aided and abetted the officers or directors of
3 WWSG in an unlawful act for the purpose of advancing its own interests or financial gain.

4 11. Defendants Matthew J. Gregory and Gina Gregory were unjustly enriched by
5 operation of defendants WWSG and CCERR.

6 12. Defendants Matthew G. Gregory and Danella Gregory were unjustly enriched by
7 operation of defendant WWSG.

8 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

9 1. Wounded Warriors Support Group and Central Coast Equine Rescue and Retirement
10 shall be wound up and dissolved under the terms set forth below.

11 2. Director defendants of WWSG and CCERR, Matthew G. Gregory, Danella J. Gregory,
12 and Matthew J. Gregory, and any of their agents, successors or representatives are ^{barely} ~~bared~~ from
13 doing any of the following from the date of this Order: (a) expending, disbursing, transferring,
14 encumbering, withdrawing, or otherwise exercising control over any funds or property of WWSG
15 and CCERR, and funds rightfully due WWSG and CCERR; and (b) conducting business of any
16 kind on behalf of, or relating to WWSG and CCERR other than necessary to assist with
17 dissolution, and as ordered by the Court.

18 3. Director defendants of WWSG and CCERR, Matthew G. Gregory, Danella J. Gregory,
19 and Matthew J. Gregory shall give an accounting of the remaining assets, including cash and/or
20 property) of WWSG and CCERR within 30 days of the date of this Order. If there are no
21 remaining assets, director defendants will so state under penalty of perjury within 30 days of the
22 date of this Order.

23 4. If any material assets remain for WWSG and CCERR, a receiver shall be appointed to
24 oversee the distribution of those assets to a charity or charities with the same or similar charitable
25 purposes of WWSG and CCERR. If a receiver is required, the Attorney General's Office shall
26 submit names of potential receiver for the Court's consideration.

27 5. Director defendants shall, within 7 days of the date of this Order, publish a Notice to
28 Creditors in accordance with Corporations Code section 6517, directing creditors and claimants to

1 make and present claims and proofs to Department 517 of the Alameda County Superior Court
2 within four months of the date of this Order. A copy of the Notice to Creditors will be served on
3 People's counsel within three days of publication. Such notice is to be published not less than
4 once per week for three consecutive weeks after the first publication. The publication shall be
5 made in a newspaper of general circulation in Alameda County. A copy of each publication will
6 be served on People's counsel within three days of publication.

7 6. Director defendants Matthew G. Gregory, Danella J. Gregory, and Matthew J. Gregory
8 shall also cause written notice of the involuntary winding up of WWSG and CCERR to be given
9 by mail to all known creditors and claimants whose addresses appear in the records of WWSG
10 and CCERR within 14 days of the date of this Order. Copies of all such notices will be served on
11 People's counsel within three days of their mailing to creditors and claimants.

12 7. On the final settlement of accounts, the Court will make an order declaring that
13 WWSG and CCERR are wound up and dissolved.

14 8. The Court retains jurisdiction to make any such additional orders and grant such
15 further relief as it deems proper on the evidence submitted, including an order that a receiver be
16 appointed upon payment(s) by defendants of the damages due WWSG and CCERR for the
17 purpose of distributing the funds to a charity or charities with the same or similar charitable
18 purposes of WWSG and CCERR. If a receiver is required, the Attorney General's Office shall
19 submit names of potential receiver^s for the Court's consideration.

20
21 Dated: 11-9-2018

22 _____
The Honorable Stephen Pulido