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FILED
ALAMEDA COUNTY

NOV 06 2018

CLERK OF THE SUPERIOR COURT
By [Signature]
Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

People of the State of California,

Wounded Warriors Support Group, et al.,

Plaintiffs,

Defendants.

Case No. RG17856929

~~Proposed~~ **JUDGMENT ON VERDICT**

and case ended on November 5, 2018

This case came on regularly for trial on August 27, 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 were
5 directors of defendants Wounded Warriors Support Group and Central Coast Equine Rescue and
6 Retirement, and in that capacity, breached their duties by failing to act with utmost good faith in
7 the best interests of Wounded Warriors Support Group and Central Coast Equine Rescue and
8 Retirement a total of 3,430 times.

9 2. Defendants Matthew G. Gregory and Matthew J. Gregory operated illegal non-exempt
10 raffles in the State of California a total of 6 times.

11 3. Defendant Central Coast Equine Rescue and Retirement conducted a non-exempt raffle
12 in violation of the Attorney General's Regulations and Orders 1 time.

13 4. Defendant Wounded Warriors Support Group conducted non-exempt raffles in
14 violation of the Attorney General's Regulations and Orders 3 times.

15
16 **WHEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED** that Judgment is
17 entered in favor of plaintiffs the People of that State of California and damages are awarded to
18 plaintiffs from defendants as follows:

19 **Against defendant Matthew G. Gregory:**

20	1. Breach of Fiduciary Duty (charity fundraising)	\$1,350,000
21	2. Deceptive and Misleading Solicitations	\$1,350,000
22	3. Self-Dealing Transactions	\$ 641,528
23	4. Unjust Enrichment	\$ 500,000

24 **Against defendant Danella J. Gregory:**

25	1. Unjust Enrichment	\$ 500,000
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26 **Against defendant Matthew J. Gregory:**

27	1. Breach of Fiduciary Duty (charity fundraising)	\$1,350,000
28	2. Deceptive and Misleading Solicitations	\$1,350,000

1 3. Unjust Enrichment \$ 562,782

2 **Against defendant Gina D. Gregory:**

3 1. Aiding and Abetting a Breach of Duty \$ 251,129

4 2. Deceptive and Misleading Solicitations \$ 2,700

5 3. Unjust Enrichment \$ 751,129

6 **Against defendant Gregory Motorsports:**

7 1. Aiding and Abetting a Breach of Duty \$ 146,000

8 ~~People are entitled to 10% interest for defendants' breach of fiduciary duty, accruing from~~
9 ~~date of breach, and not date of judgment.~~ *W*

10 **THE COURT WILL RENDER A SEPARATE JUDGMENT** as to the People's cause
11 of action for Appointment of a Receiver and Involuntary Dissolution, and other injunctive relief
12 in the form of:

13 1. Removal of defendants Matthew G. Gregory, Danella J. Gregory, and Matthew J.
14 Gregory as officers and/or directors of Central Coast Equine Rescue and Retirement and
15 Wounded Warriors Support Group as provided by Corporations Code section 5223 and as
16 otherwise authorized by law, ordering them to surrender all assets of Central Coast Equine
17 Rescue and Retirement and Wounded Warriors Support Group, and enjoin them, their employees,
18 agents, servants, representatives, successors, and assigns, and any and all persons acting in
19 concert or participation with them, and all other persons, corporations, or other entities acting
20 under, by, through, or on their behalf, from doing any of the following: (1) expending,
21 disbursing, transferring, encumbering, withdrawing or otherwise exercising control over any
22 funds received by or on behalf of Central Coast Equine Rescue and Retirement or Wounded
23 Warriors Support Group, or rightfully due Central Coast Equine Rescue and Retirement or
24 Wounded Warriors Support Group; and (2) conducting business of any kind on behalf of, or
25 relating to Central Coast Equine Rescue and Retirement or Wounded Warriors Support Group
26 other than necessary to assist with dissolution, if requested by the Court and/or the receiver.

27 2. Appointment of a receiver to manage the affairs of Central Coast Equine Rescue and
28 Retirement and Wounded Warriors Support Group, and to preserve their remaining charitable

1 assets, and establish a procedure for determining the disposition of the assets of Central Coast
2 Equine Rescue and Retirement and Wounded Warriors Support Group in a manner consistent
3 with their charitable purposes.

4 3. Involuntary dissolution of Central Coast Equine Rescue and Retirement and Wounded
5 Warriors Support Group under the provisions of Corporations Code section 6510 et seq.

6 4. An order prohibiting defendants Matthew G. Gregory, Danella J. Gregory, Matthew J.
7 Gregory, and Gina D. Gregory, from acting as a founder, officer, director, agent, employee, or a
8 fiduciary for any charitable corporation, charitable association, charitable organization, or
9 charitable trust within the State of California.

10 5. An order prohibiting defendants Matthew G. Gregory, Danella J. Gregory, Matthew J.
11 Gregory, and Gina D. Gregory from operating any raffle and from soliciting charitable donations
12 and assets in California or from any resident of California.

13 6. Assessment of civil penalties against defendants under Government Code section
14 12591.1 for violations of the Supervision of Trustees and Fundraisers for Charitable Purposes Act
15 (Gov. Code § 12580, et seq.), and an order providing that all such penalties be paid by defendants
16 other than Central Coast Equine Rescue and Retirement and Wounded Warriors Support Group.

17 **Attorney's Fees and Costs:** Under Government Code section 12598 and Code of Civil
18 Procedure section 1021.8, and as otherwise permitted by law, the Attorney General is entitled to
19 recover reasonable attorneys' fees and actual costs. These fees and costs will be determined on
20 post-trial motion.

21 Dated: *11.6-2018*

22 

Stephen M. Pulido, Judge of the Superior Court

23
24 Judgment entered on November 6, 2018, in the Judgment Book, Volume No. _____,

25 Page _____.


26 Dated:

27 _____
Clerk of the Superior Court

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Submitted by:


Julianne Mossler, Deputy Attorney General
Attorneys for the People of the State of California

Approved as to Form:

Gina D. Gregory, Esq.

Matthew G. Gregory