ARIZONA SUPERIOR COURT
FOR THE COUNTY OF MARICOPA

Jie Cao, Haining Xia, Stone Xia Plaintiffs, v. Lorne Polger, Matt Quinn, Michael A Schern Defendants.	CV2019-055353 MOTION FOR TREBLE DAMAGES (Assigned to the Honorable Theodore Campagnolo)

The undersigned on behalf of the Plaintiffs, Jie Cao, Haining Xia and Stone Xia, move this Court for additional damages due to new cause of action which occurred while the case is pending, as a result of Defendants' illegal trespassing and unlawful destruction of our Unit 106 in Dorsey Place Condominium ("Dorsey") located at 1275 E University Dr., Tempe, AZ 85281. We respectfully pray for treble damages because the Defendants acted with ill intent to obstruct justice and acted intentionally to cause damages to our unit, our properties and our personal belongings, as well as attempting to destroy evidences we collected related to this ~~complaint~~ case.

Before going in the details of these new events, we want to recapture some of the history and background of this case. We hope to demonstrate the extent of the Defendants' nefarious actions up to this point.

1. Polger is the Principal of Pathfinder Partners which is the parent company of PFP Dorsey Investment ("PFP"), the owner of over 90% of the units in Dorsey. Polger is also the self-appointed Secretary for Dorsey HOA (see Item 10).

   Quinn is the Vice President of Pathfinder Partners (or an affiliate of PFP) and the self-appointed President of the Dorsey HOA (see Item 10).

   Schern is the lawyer for PFP.

   The Unit is a high-end condominium with high-end appliances, heated swimming pool and within walking distance to Arizona State University (ASU), a highly desirable location for both ASU students and faculties. To quote from PFP's website "*According to Lorne Polger, senior managing director of Pathfinder Partners, the property represents an attractive investment in an outstanding location. "This is an ideally located, value add property near Arizona State University and adjacent to the Loop 101, US 60 and I-10," said Polger. "We*

believe ASU's continued growth will create increased demand for housing in the area and plan to add significant upgrades so the community will have even more appeal."

In this case, HOA pretend to sell all 96 condo units to PFP but the real intent is to force the six non-PFP units to sell to PFP who already own 90 units. PFP tried to take our Unit, (i) first through deceit and fraud, (ii) then through bully and threat, and (iii) when all those failed, through recording of an illegal title document.

2. The Defendants have acted with complete dishonesty from the first time they communicated with us in late March 2019. Quinn called for a Special Members Meeting to be held on April 4, 2019. With the notice of meeting, Quinn sent (i) a draft Condominium Termination Agreement ("Draft", see Attachment 1), (ii) 5 appraisal reports prepared by K & T Appraisals for five units in Dorsey dated 2/5/2019, and (iii) a falsified copy of ARS 33-1228 Termination of Condominium (see Attachment 2). Some of the notable clauses are:

   a. In a Recital of the Draft, it is stated: "WHEREAS, Association is agreeing on behalf of the Owners to sell **the entire Project** to PFP upon termination of the Condominium." The Recital is incorporated by reference into the agreement (Article 1). The "entire Project" is defined as "all property described in the Plat (Document No. 2015-0740949) and subject to the Declaration (Document Nos. 2007-0921387, 2009-0825688, 2012-0168217 and 2108-0161234).

   b. In Article 4 "Title to the Project; Power of Association", it is stated: "Upon termination of the Condominium, title to the Project vests in the Association as trustee for the holders of all interest in the Units."

   c. In Article 5 "Sale of the Project and Assets of the Association", it is stated: "All interest in the Project and assets of the Association shall be sold by the Association to PFP.

   d. In Article 5(b) "Purchase Price", it is stated: "PFP agrees to buy and the Association and Owners agree to sell the Project for $22,646,000 (Twenty-Two Million Six Hundred Forty Six Thousand and 00/100 Dollars)."

   e. In Article 7 "Distribution of Sale Proceeds and Satisfaction of Lien", the Defendants tried to assign fair market values to all units in Dorsey, creating five types (Types A, B, C, D and E) and using the appraisal reports for five units prepared by K & T Appraisals in February 2019, purportedly one for each unit type. (However, we noted the appraisal reports do not even match the five types. For example, unit 119 was appraised for $243,000 but the draft has no such type to match the appraisal).

   As we will discuss below in Item 3, at the time of the notice, PFP already owned ~90% of the total units of the Association; there was no intent to sell the "entire Project". The Purchase Price of $22,646,000 was a faked number serving only as a pretense for the sale of entire units. Three of the five appraisals were not needed because only two unit types were to be acquired by PFP. Even more gravely, the statute enclosed in the notice of meeting had been falsified in material terms (see Item 6 below).

We believe the Draft was a pretense to cover a different and illegal deal, which was presented in the Condominium Termination Agreement for approval at the Special Members Meeting on April 4, 2019.

3. At the Special Members Meeting on April 4, 2019, we were given a totally different Termination Agreement (the "Agreement", see Attachment 3) for approval. The Defendants failed to notify us of the changes to the Draft contained in this Agreement and we were not aware of any change until much later. Specifically, we noticed several material changes:

   a. In the Recitals, it is stated: "WHEREAS, Association is agreeing on behalf of the Owners to a sale of all portions of and interest in the Project not already owned by PFP, upon termination of the Condominium." The Recital was incorporated by reference into the Agreement (Article 1).

      The units "not already owned by PFP" is defined in the Agreement as the "Purchased Property" which was used to replace the "entire Project" throughout the Agreement.

   b. In Article 4 "Title to the Project; Power of Association", it is stated: "Upon termination of the Condominium, title to the Purchased Property (meaning the six non-PFP units) vests in the Association as trustee for the holders of all interests in the Units." (We noted the title to the Article remained unchanged, but "Project" has been replaced with "Purchased Property" in the content of the Article.)

   c. In Article 5 "Sale of the Purchased Property", it is stated "All interest in the Purchased Property shall be sold by the Association to PFP promptly following termination of the Condominium."

   d. In Article 5(a) "Determination of the Respective Interest of Unit Owners", it is stated "(i) Fair Market Value Determination. An independent appraiser, K & T Appraisals, Inc. chosen by the Association has valued the Project. The appraiser's determination of fair market value ("Association's Appraisal") report will be distributed to the Owners for review..."

      However, without such Association Appraisal being distributed, a value is already assigned for the six non-PFP unit owners in Article 7(a) and Exhibit C attached thereto.

      As of today, we have not received any appraisal from the HOA. Since we believe we are not obligated to sell to PFP, appraisal is not the issue in dispute at this point. We mentioned it only to show that the HOA failed to exercise duty of care.

4. ARS 33-1228 allows a condominium to termination upon a supermajority approval, if proper procedures are followed by the HOA. ARS 33-1228(C) also provides that "A termination agreement may provide that **all the common elements and units of the condominium shall be sold following termination.**" However, in no place does the statute require the minority unit owners to sell their units to the bulk owner.

To make such a requirement would constitute a "taking" by the bulk owner and would contradict the due process and equal protection rights guaranteed by the U.S. Constitution and the Arizona State Constitution.

a. The U.S. Constitution

   i. The Fifth Amendment of the U.S. Constitution provides that: "**No person shall be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.**"

   ii. Section 1 of the Fourteen Amendment of the U.S. Constitution provides that: "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; **nor shall any state deprive any person of life, liberty, or property, without due process of law**; nor deny to any person within its jurisdiction the equal protection of the laws."

   We believe ARS 33-1228 does not support the Defendants' claim that they have a right to take our Unit without our consent. We also believe, the Arizona State legislators, by adopting ARS 33-1228, had no intent to abridge our constitutional rights. In our case, the State of Arizona would not be able to take our property because there is no public justification. If the State had no such right, it would be unable to delegate a private party such right by statute or otherwise.

b. We find Arizona State Constitution fully support our view.

   i. In Article 2 "Declaration of Rights", under Section 13 Equal Privileges and Immunities, it is provided: "**No law shall be enacted granting to any citizen, class of citizens, or corporation other than municipal, privileges or immunities which, upon the same terms, shall not equally belong to all citizens or corporations.**"

   ii. In the same Article 2, under Section 4 Due Process of Law, it is also provided: "**No person shall be deprived of life, liberty, or property without due process of law.**"

5. Fully aware that ARS 33-1228 does not give them the right to take our Unit, the Defendants willfully designed and implemented **a scheme of fraud** which worked generally as follows:

   a. As mentioned in Item 2, prior to the Special Members Meeting, the Defendants distributed to us a plausible draft (with material misrepresentations of law that I will discuss below in Item 7) that requires the "entire Project" be sold to PFP, hiding the facts that PFP already owned 90% of the total units.

   b. As mentioned in Item 3, at the Special Members Meeting on April 4, 2019, a different and illegal version of the Agreement, which requires only six units to be sold to PFP, was given to members for approval. Not a word was mentioned about the difference in the two versions and no time was allowed for review or discussion.

c. At the meeting, Quinn did not disclose his conflict of interest acting as President of the HOA and Vice-President of PFP (or its affiliate). Notwithstanding such conflict, Quinn appointed himself as trustee and attorney-in-fact for us.

d. Schern, counsel for PFP, imposed himself as legal authority for the HOA. Both the Draft and the Agreement bear his name. He also distributed a copy of ARS 33-1228, which we later found (after we filed the Summons and Complaint) was falsified to suit the Defendants' needs in the scheme of fraud (see Item 6 below).

e. During the course of our dealing with the Defendants, they tried to defraud us first. When that did not work, they bullied and threaten us.

In Polger's email to Haining Xia dated August 22, 2019, he stated: "**our offer to buy the unit for $250,000** (only $10,000 below where we purchased the 3 bedroom units for, you have an unrenovated 2 bedroom unit) **is good until 5 p.m. tomorrow (Friday). If you do not accept the offer by then, we will proceed to deposit the lower amount** and we will own your unit as of next week pursuant to Arizona law." (We want to inform the court that our unit is as updated as it could be. New tile and wood flooring, new cabinets and new countertop, new stainless-steel appliance, etc. The Defendants or any of their agent never set foot inside or request a showing of the unit at any time.)

In Schern's email to Haining Xia, dated August 21, 2019, he stated: "**However, my client is willing to make a one-time, non-negotiable offer to pay you the total sum of $250,000 in exchange for your agreement to sell your property voluntarily to my client** as did every other previous unit owner."

They negotiated separate deals with each of the other five unit owners so that even though all five units have the same appraised value, they were sold at different prices and at different times. None of these negotiations were transparent to us.

f. Quinn was fully aware that he could not act in the capacity of a trustee for any of the non-PFP units. The conflict of interest he had with PFP (Polger) would disqualify him from such a role. Moreover, Quinn had zero communication with us in all aspects, and completely failed in acting in our best interest. Everything was handled in secrecy.

g. The Defendants filed the unduly adopted version of the Termination Agreement with the Maricopa County, making an-illegal document into a so-called "official document".

h. Based on this "official document", PFP presented a title company with a warranty deed signed by Polger as Secretary of HOA and hence transferred our title to PFP.

i. The title company filed the warranty deed with the Maricopa County, and made the Defendants as owner of the Unit on public record.

j. By defrauding the public authorities twice (i) first when they filed the unduly adopted, unlawful Termination Agreement and (ii) second when they filed the fraudulent warrant

deed and defrauded the general public who rely on information provided by the public authority.

6. With every intent to defraud and deceive, Schern went as far as falsifying ARS 33-1228, the statute governing termination of condominium. Upon later examinations, we discovered that he had created a version of ARS 33-1228 with material misrepresentations:

   a. ARS 33-1228(A) requires a board meeting before the recording the termination agreement. Moreover, it provides that "**Any termination agreement that is recorded without full compliance with this subsection is invalid.**" Schern's version took out the entire section regarding board approval, reducing a 14-line paragraph to 4 lines.

   b. ARS 33-1228(G)(1) provides for unit owners "pro rata share of any monies in the association's reserve fund and the operating account." This language was completely removed from Schern's version.

   c. Regarding arbitration, ARS 33-1228(G)(1) provides the unit owner shall submit to "**arbitration by an arbitrator affiliated with a national arbitration association and under the rules of that association at the association's expense...As part of the arbitration process, the appraisers shall fully disclose their appraisal methodologies and shall disclose any other transaction occurring between the buyer and the sellers.**" Schern's version only stated the unit owner shall submit "to arbitration at the association's expense" while deleted the rest of the texts.

   d. At the end of ARS 33-1228(G)(1), where the statute provides: "An additional five percent of the final sale amount shall be added for relocation costs." Schern's version changed it by saying the "relocation cost" is only "for owner-occupied units".

   e. ARS 33-1228(K) makes August 3, 2018 the effective date of the statute, Schern's version changed it to "on the effective date of this amendment to this section."

   All the above falsifications were made calculatedly to suit his client's need to evade the statutory requirements. As we can see in Item 7 below, the unduly adopted Termination Agreement is based on the falsified statute.

7. The falsified contents of ARS 33-1228 were incorporated in the unduly adopted Termination Agreement. Specifically,

   a. The Agreement did not mention board approval because Schern's falsified statute conveniently removed such requirement. This is critical to the Defendants because there was no properly constituted HOA board.

   b. Because Schern's version of the ARS 33-1228(G)(1) was incorporated by reference, non-owner occupied units do not get the 5% relocation costs provided by ARS 33-1228.

   c. Because Schern deleted "pro rata share of any monies in the association's reserve fund and the operating account," each of the non-PFP units was given $145 for its

"proportional share on the Common Elements and assets of the Association" (Article 7(a) and Exhibit C thereto). No explanation was given by the Defendants as to how $145 was calculated. (We want to inform the court that three days prior to the Special Members Meeting unduly adopting the Agreement, on April 1, 2019, we just paid our HOA due of $151.)

Upon reviewing the financial statements (see Attachment 4) ending in February 2019, we noticed the **HOA had total assets in the amount of $8,402.23**, which consisted of $1,584 cash, $5,678.26 Accounts Receivables, and $1,139.97 Capital Assets. Of the $1,139.97 Capital Assets, (i) **$600.83 was assigned to swimming pool**, (ii) $839.81 to pool equipment, and (iii) -$300.67 for building improvement.

The issue of the financial statements was not in the current dispute because we are not privy to its details. However, it may become another case of misrepresentation upon discovery.

d. Article 5(a)(iii)(3) of the unduly adopted Termination Agreement provides: **"The tribunal shall consist of one arbitrator, appointed as follows: the appraiser who authored the Owner's Appraisal and the appraiser who authored the Association's Appraisal shall ... act together to appoint a third independent appraiser who shall act as the arbitrator."**

Article 5(a)(iii)(4) states: **"The arbitrator shall decide the procedures to be followed in the arbitration after consultation with the Owner and the Association."**

Both the above clauses directly contradict ARS 33-1228(G)(1) (see Item 6(d) above) and is a blatant violation of our constitutional rights of due process and equal protection.

8. Other notable clauses in the unduly adopted Termination Agreement that are legally false and therefore not legally enforceable include:

a. Article 8 "Power of Attorney"

Matt Quinn never obtained a power of attorney from us and had no right to act as our attorney-in-fact.

b. Article 7 "Distribution of Sale Proceeds and Satisfaction of Lien"

Under section (c): "To the extent that after reasonable efforts to locate an Owner... the Escrow Agent is directed to comply with the Revised Arizona Unclaimed Property Act for deposit of those proceeds according to Arizona law." Even though it may be legally correct, the intention for the Defendants here is to threaten the owners of the non-PFP units – if we refuse to take the money offered to us by PFP, we may lose it completely.

Under section (b) "Each Owner for which PFP paid a deficiency to satisfy lien(s) encumbering the Owner's Unit shall be personally obligated to reimburse PFP for such

deficiency. Schern is misrepresenting the law again by turning a non-recourse loan into a recourse personal debt. This is an **intentional misrepresentation of law** and was used to the unit owners who have significant mortgage debt (each of the five other units were purchased for over $400,000 in 2007 and 2008) to cooperate with the Defendants.

Knowing that this not an enforceable clause, in the presence of all who attended the Special Members Meeting on April 4, 2019, Polger verbally offered to pay-off any mortgage on the units. We believe this clause, combined with Polger's verbal promise, was part of their ploy to intimidate owners to sell their properties.

c. Article 4 "Title to the Project, Power of Association". (We noted the title to the Article read Title to Project, while the content talks about title to the Purchased Property.)

Article 4 states: "Upon termination of this Condominium, title to the Purchased Property vests in the Association as trustee for the holders of all interests in the Units."

We believe this clause is also a misrepresentation of ARS 33-1228(D), which gives the HOA the power to act as "trustee for the holders of all interest in the units" when all common elements and units are sold following the termination. There can not be a trustee designation for the six-units only. Because PFP already controlled the HOA, to designate the HOA as trustee for non-PFP units would create an illegal trust.

i. ARS 14-10406 Creation of Trust Induced by Fraud, Duress or Undue Influence provides: "**A trust is void, in whole or in part, to the extent its creation was induced by fraud, duress or undue influence.**"

ii. Moreover, ARS 14-10802 Duty of Loyalty stipulates:

"A. A trustee shall administer the trust **solely in the interests of the beneficiaries.**

B. Subject to the rights of persons dealing with or assisting the trustee as provided in section 14-11012, a sale, encumbrance or other transaction involving the investment or management of trust property entered into by the trustee for the trustee's own personal account or that is otherwise affected by **a conflict between the trustee's fiduciary and personal interests is voidable by a beneficiary affected by the transaction.**

C. A Sale, incumbrance or other transactions involving the investment or management of trust property is presumed to be affected by a conflict between personal and fiduciary interests if it is entered into by the trustee with...(4) a corporation or other person or enterprise in which the trustee...has an interest that might affect the trustee's best judgment."

Quinn, if he were indeed acting on behalf of the HOA as trustee, would have breached ARS 14-802 Duty of Loyalty, ARS 14-803 Impartiality, ARS 14-10804 Prudent Administration, ARS 14-812 Collecting Trust Property, ARS 14-813 Duty to Inform and

Report, ARS 14-810 Record Keeping and Identification of Trust Property, ARS 14-10817 Distribution.

9. Since the very beginning after we noticed the difference between the two versions, we have told the Defendants that the recorded version of the Condominium Termination Agreement was not duly approved. Article 3.5 of the Association Bylaw stipulates: "business transacted at any special meeting of Members shall be limited to the items stated in the notice unless determined otherwise by a unanimous vote of the Members present at such meeting." No unanimous vote was present at the meeting. The Defendants completely disregarded our request for an explanation for the differences in material facts.

10. From the very beginning, the Defendants have willfully disregarded HOA governing documents and state statutes regarding HOA and acted in bad faith. No General Members Meeting was held as required by the Bylaws (Article 3.3) in March 2019, and thus no board member was elected. Without a duly constituted board, the Defendants appointed themselves as President (Quinn) and Secretary (Polger) of the HOA. ARS 10-483 requires officers to (i) act in good faith; (ii) with duty of care and (iii) act in the best interest of HOA. Good faith is defined as honesty or sincerity of intention, be fair, open and honest.

11. From the very beginning, we told the Defendants that we were only obligated to sell if the "entire Project" is to be sold following the termination, assuming the condominium was properly terminated. Like any other corporation intending to terminate its business, the HOA can find a buyer for the entire Condominium and, provided the requisite approval is obtained, the minority unit owners may be "dragged-along" by the super majority. There is no place in ARS 33-1228 which requires the minority owners to sell to the super majority. In fact, ARS 33-1228(E) provides that "if the real estate constituting the condominium is not to be sold following termination, title to all the real estate in the condominium vests in the unit owners on termination as tenants in common." Quinn, who is supposed to owe us a duty of care (ARS 10-842), never sought legal advice independent of Schern (who represented PFP).

12. Finally, over our fierce objections, the Defendants appointed themselves as trustee and attorney-in-fact for us. They executed the above-mentioned warrant deed and filed the deed with the Maricopa County on November 15, 2019.

    Quinn and Polger, being President and Secretary of the HOA respectively, willfully and recklessly breached their duties of care (ARS 10-842) as Officers of the HOA. They are personally liable to us for such willful and reckless breach.

13. Schern, in addition to falsifying Arizona State Statute and design and implement the above-mentioned Scheme of Fraud (see Item 5), also breached Rules of Professional Conduct issued by the Arizona State Bar.

    a. ER 4.1 Truthfulness in Statement to Others provides: "A lawyer shall not knowingly (a) make a false statement of material fact or law; (b) fail to disclose a material fact when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client."

b. ER 4.3 Dealing with Unrepresented Person provides: "The lawyer shall not give legal advice to an unrepresented person, if the lawyer knows ... that the interest of such a person are ... in conflict with the interest of the client."

c. ER 8.4 Misconduct, among other things, provides: "It is a professional misconduct for a lawyer to: (a) violate or attempt to violate the Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another; (b) commit a criminal act that reflect adversely on the lawyer's honesty, or fitness as a lawyer in other respect; (c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation; (d) engage in conduct that is prejudicial to the administration of justice."

We understood that the trial for a lawyer misconduct will be handled by the Supreme Court of Arizona. But we want to mention it here because we believe, by breaching the Rules of Professional Conduct, he also breached his duty to act in good faith with us.

14. Polger is a licensed attorney in California with over 20 years of experience (quoting his email to Haining Xia dated August 22, 2019, "*I practiced real estate law for 20 years and handled over $7 billion in transactions before starting my company. I know what I'm doing and I have zero doubt that we will prevail if this matter is litigated*"). Schern is a licensed attorney in Arizona with 14 years of experience in real estate and others. There is no question that they understood the basic legal principles such as proper notice for a meeting, HOA governance, directors' and officers' duties of care, trustees' fiduciary duties, conflicts of interest, constitutional prohibition against taking private property without public justification and due process. They fully understood what they were doing was illegal and that is why they resorted to the scheme of fraud, the falsification of statute and other illegal tactics, as described in Item 5.

15. We became aware of the fraudulent title transfer on November 19. On November 20, fearing danger to our properties and personal belongings, we filed a summons and complaint and with the Maricopa County Superior Court. We acted quickly because Schern stated in his letter to us dated November 19 "you must make arrangement with the new owner within the next 10 (ten) business days... the new owner will have no choice but institute legal proceedings to recover possession of the unit."

16. We had hoped the pending litigation would provide a moratorium on the Defendants' possession of our unit until a judgement is rendered. We also wanted to bring the case in front the judge and jury to expose their scheme of fraud. But for nearly forty (40) days, neither Polger nor Quinn provided an answer to our complaint, notwithstanding the fact that both have engaged Edith Rudder and Nicholas Nogami of Carpenter, Hazlewood, Delgado & Bolen to defend them on the case. Schern did not file an answer until December 28, 2019.

*** *** ***

From the time of our filing of the lawsuit on November 20, 2019, further horrific events resulting in irreparable damages to our properties and our personal belongings have occurred. We only became aware of them when we visited the unit on January 2nd, 2020.

1. The Defendants have broken (or has caused someone to break) into of our Unit and changed the lock on the front door.

2. The Defendants have completely destroyed (or caused someone to destroy) our personal properties and belongings. According to Megan Renz (manager for PFP) and Dean Tran (staff on site), whom we spoke on Jan 2, 2020, everything was either thrown away or donated. We could not believe our beautiful home was trashed in such wanton, wicked and reckless fashion. The damage to our properties is over $34,000, as attached in Exhibit A. The damage to our emotions and feelings is beyond repair.

3. Worst of all, we were not given a word of what is going on, either by phone, email or mail. The only thing that was purported to be a notice is **a two (2) day notice** for landlord to enter premises to check occupancy dated November 26, 2019 posted on the door of the Unit (See Attachment 5). We did not see the notice until the evening of December 24, 2019 when my son swung by to get some of his personal stuff.

4. For nearly four weeks, that notice hung on the door. Knowing that no one lives in the unit (in our Complaint, we clearly stated that my son and his friends all left for other places to avoid confrontation with PFP, as we believe litigation is the right approach) and that no one has seen the notice, PFP went ahead and entered the unit, changed our lock and threw out our entire houseware.

5. When we asked Megan Renz why there was no communication with us, she said the owner (meaning PFP) told her that we could not be reached. This is a huge lie, as since late March, every one of the Defendants had our email address, phone numbers, and home address. Also, all the court papers we served or sent to them bear our contact information. We are furious that they would act with complete disregard of our properties and belongings. We are beyond fury that the Defendants willfully trashed my son's lovely home. We felt our lives were trampled by a bulldozer. We've never felt our individual rights and dignities being so violated. We couldn't believe they deliberately ignored the ongoing litigation and acted with contempt of the court as if nothing could stop them from taking other people's private properties.

6. A renovation company hired by the management for PFP was on-site on January 2, 2019. We do not know what they were trying to do. Our Unit was completely updated with new tile and wood flooring, new cabinets, new marble countertop, new stainless-steel appliances, and before they trashed our place, also contained high-end furniture and art pieces worth over $34,000. Losing those personal belongings are an irreparable damage to us. We also believe the undergoing renovation will make the place one of PFP's cookie cutters.

7. As the case is ongoing, we did a lot of research and collected many documents reflecting the Defendants' wrongdoings. Among other things, **we have identified three other condo**

terminations that Schern was involved in, showing similar scheme of fraud and professional misconduct: (i) Quatros HOA termination (Recording Numbers 20140026273, 20140026565 and 20140203270); (ii) Garden Lane Square One HOA termination (Recording Number 20150501360); (iii) Quatros II HOA termination (Recording Number 20160133162). A folder containing these important documents was placed on the table in the Unit. However, we found them disappeared along with all the furniture and personal belongings. **This made us to believe that the breaking in was intended to destroy these documents as evidence to be introduced to the court and to obstruct justice.**

We believe this new event is the cause of action for treble damages. The Defendant has demonstrated complete disregard of the judicial proceedings and has acted with malice and willfulness. Such ruthless and lawless behavior not only created great anxiety and distress on us, but also created great fear for personal safety and security of our entire family. As a precautionary measure, we installed a surveillance system at our main residence. We began to watch for any suspicious activities around our home and when we are driving. We became very alert and frightened during the day and night, and as a direct result, lost a great deal of sleep and peace of mind.

PRAYER

WHEREFORE, Plaintiffs pray for an award of treble damages as a result of Defendants' illegal trespassing, unlawful destruction of our properties and belongings. Treble damages are prayed here because the Defendant acted willfully and intentionally, having caused tremendous harm on us. They have acted wickedly, evilly, lawlessly and ruthlessly.

1. Specially, for Unit 106 itself, which is being altered to become one of PFP's cookie cutters, we pray for treble damages for the entire unit. Taking into consideration of the fact that all the other five units were initially sold above $400,000 (specifically, $415,000 for Unit 101, $425,000 for Unit 307, $433,900 for Unit 410, $430,000 for Unit 401, and $428,000 for Unit 310) and taking into consideration the amount of upgrade that we put into the Unit, we think $450,000 is a fair estimate of the unit's value.

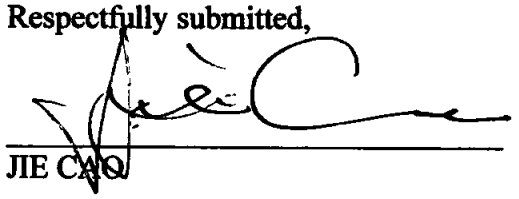
   In our original complaint filed with the court on November 20, 2019, we prayed for the restoration of our title. However, in light of the series of events leading to the illegal trespassing and complete destruction of the Unit, in lieu of restoring our title, we are asking for $1,350,000 as punitive damage.

2. Moreover, as attached as Exhibit A hereto, we have lost over $34,000 in properties and personal belongings. We are also praying for punitive damages to our properties and personal belongings, in the amount of $102,000.

AFFIDAVIT

I, Jie Cao, do hereby certify that the statements and allegations set forth herein are true and accurate to the best of my knowledge and belief.

Respectfully submitted,



JIE CAO

On behalf of:

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Incl.

Exhibit A: Unit Furniture and Personal Belongings

Attachment 1: Draft Termination Agreement sent in the Notice of Special Members Meeting in late March 2019.

Attachment 2: Copy of the falsified statue ARS 33-1228 included in the package of the Notice of Special Members Meeting

Attachment 3: Termination Agreement distributed for adoption at the Special Members Meeting on April 4, 2019.

Attachment 4: Financial Statements distributed at the Special Members Meeting on April 4, 2019.

Attachment 5: Two (2) Day Notice (Notice of Intent to Enter Premises) posted on the Unit door, found on Dec. 24, 2019.