

From: [Priscilla Rocco](#)
To: [CITY CLERK](#)
Subject: City Council, an opinion in the Daily Pilot
Date: Friday, August 29, 2025 11:29:59 AM

City Council,

Your efforts haven't gone unnoticed. My letter to the LA Times/Daily Pilot was published and should be in the print edition of the paper this weekend:

“Neighborhoods Where We All Belong” is the latest community outreach by the Costa Mesa City Council. Unfortunately the title is as misleading as the council’s efforts. The state wants 40% of the 11,760 (RHNA) units built in our city to be very-low, or low-income affordable housing, which is exactly what 47% of Costa Mesa residents prefer, as they are low-income working families.

The City Council said in 2022 that these goals would require residents relinquish their votes on building projects, giving the council their power to negotiate (Measure K). The council would then write a strong inclusionary housing ordinance. Instead of affordable units in every build, the council turned requirements into suggestions. A few dollars of in-lieu fees paid to the city, and developers are free from providing affordable housing, open space, parks, or amenities. And for more accommodations, developers can secure a personal developer agreement with the city, and density bonuses from the state. Together, the council has ensured that we all will never have to be neighbors.

The majority of the poor will be restricted to converted motels or high-rise tenements overlooking the Emergency Operations Center at the former Fairview Developmental Center. With each iteration of that plan, the parkland shrinks as the concrete tenements rise. Golf course views and parks for the rich, all concrete all the time for the poor. And just so private equity has room at the troth, the City Council has approved many more luxury rental projects than for-purchase housing. The city is already 60% rentals and 40% owners.

Despite the exercises of residents putting dots on the roof-lines they prefer, the City Council offers no guarantees to them on what’s built, where, affordable housing, or what will be done with the money paid to the city as in-lieu fees. However, the City Council has guaranteed developers a 16.7% return on investment, which is used in calculating the density of units-per-

acre they are allowed to build.

“Neighborhoods Where We All Belong” is a good marketing slogan, but an unforgivable lie.

Priscilla Rocco
Costa Mesa

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Sept. 2, 2025

Dear Mayor Stephens and City Council Members,

Fairview Park Alliance is writing to you concerned that the Mesa Restoration agenda item has been pushed back again. I sent this letter to you on Aug. 19th and never heard anything from any of you. I am sending it to you again to be part of the record for city council meeting Sept. 2, 2025. Restoration of the mesa is under a time constraint not only with the grant but with mother nature. By putting off the restoration for another month means not being able to start the clearing of the site to be ready for planting at the best time.

When this item does come before you, please pass it. Here are some good reasons to pass it:

1. It would allow an update to the 1997 Study acknowledging the Crotch's Bumble Bee and Western Burrowing Owl's existence in Fairview Park.
2. It would finally start the long-term restoration that the community has been waiting for in the Fairview Park Master Plan since 1998. (FPMP p.38,42) (see FPMP link below)
3. It would provide a designated trail system. (see FPMP link below)
4. It would allow the cultural resources to be protected. (see FPMP link below)
5. It would meet the city's obligation to OCTA and its Environmental Mitigation Program. (see staff report link below)
6. It is exactly what Measure AA was written for and complies fully with Measure AA. (see Measure AA (Ordinance 16-17) link below)
7. It acknowledges the unique natural and archaeological park that only Costa Mesa has.

I saw an email sent to all of you dated Aug. 4, 2025 by the president of the gliderplane club, Mr. Garcia. There were many inaccuracies in it. I will address these inaccuracies and hope you consider them and verify them by doing your own investigating.

1. One inaccuracy in Mr. Garcia said was that the only people out there helping to restore Fairview Park's habitats are "conservationists" and not the community. This is a false dichotomy. The volunteers ARE the community. They are all residents of the community who mostly are local Costa Mesa residents but some come from Santa Ana or other

neighboring cities. Most of them walk, run, or bicycle in Fairview Park on a regular basis. Fairview Park is their get away from their loud and busy lives.

- The majority of the community has said many times over the years at EVERY community outreach, at every community meeting for the master plan update, that they want Fairview Park to be a passive nature park. It should matter that 70.9% of Costa Mesa voters passed Measure AA.

2. Another inaccuracy - Mr. Garcia suggests that the mesa restoration is not in accordance with Measure AA. That is not true either. This mesa restoration project is in total compliance with Measure AA. Restoration is not a 'Significant Change' like Mr. Garcia claims.

- Please read for yourselves in Measure AA Section 6 "Exceptions" It says that

"Exceptions" This ordinance shall not apply to any Significant Changes to Fairview Park that are made for:

1. Restoration purposes, or;...

3. Mr. Garcia then has the audacity to say he knows the intentions of the authors of Measure AA! I was one of the authors and he got it wrong again! He says the authors only wanted "small" restoration projects, not "large" ones.

- As a contributing writer of Measure AA, I can say that is not correct and I refer you to Section 3 of Measure AA, the definition of "Restoration" (which would be exempt as a Significant Change)says:

"Restoration" means any act or activity whose purpose is to restore any part of Fairview Park to the natural non-developed state."

There is no language about a "large" vs. "small" restoration project in Measure AA.

Measure AA also says activities that would be allowed without an election included **"Restoring Fairview Park to its natural non-developed state"**. (Please see Measure AA attachment)

4. Mr. Garcia also claimed in his email that restoration would keep seniors, children, and the public from using that area. That is not correct either.

- The public doesn't use that area in the first place. It has nonnative prickly tocolate brush on it. It is also a core archaeological site to be protected so the public shouldn't be on it anyway. (See Cogstone Report). I am attaching a photo of the area. I suggest you go and look for yourselves.

5. Mr. Garcia also claimed that this mesa restoration was a premature action and overreaching a restoration area. This is not true because this restoration has been in the Fairview Park Master Plan since 1998 but there were no funds to start it. Now there is.

- What is true is that by passing this mesa restoration you will be allowing a long-awaited restoration objective to begin and at the same time fulfilling an obligation by the city to OCTA. This is a smart and efficient way of utilizing funds for two projects at once.

I imagine a high-impact activity like gliderplane flying in a vernal pool watershed has forced Mr. Garcia to attack restoration.

I encourage you all to read:

- **Staff report on this agenda item** City staff has done a good job showing the background and all aspects of the project.
<https://costamesa.legistar.com/View.ashx?M=F&ID=14556932&GUID=D2710338-B8A9-4F90-BC10-7E30267659ED>
<https://costamesa.legistar.com/View.ashx?M=F&ID=14494250&GUID=FC044DE9-B223-4028-B71B-AF692A854306>
- **Technical Reports on the city's website under 'Fairview Park Master Plan'**. There are three technical reports about the biological resources and archaeological resources.
<https://www.costamesaca.gov/community/fairview-park/fairview-park-master-plan>
- **Fairview Park Master Plan (2008)** *"The overwhelming consensus is to continue a park for passive use by individuals and small groups and to enhance the natural environment of the park for those uses and as a habitat preserve."* (FPMP p.25)
<http://ftp.costamesaca.gov/costamesaca/parksandrecreation/fairviewpark/FairviewParkMasterPlanSept2008Update.pdf>
- **Measure AA**
<https://weblink.costamesaca.gov/WebLink/DocView.aspx?id=83110&dbid=0&repo=CityofCostaMesa&cr=1>

If you read all of these documents, then you will understand Mr. Garcia's inaccuracies and why the plants and animals that live there are unique, essential for biodiversity, and important to protect for our very own well being. You would also see why this mesa restoration project is a good thing to happen to Fairview Park and the community. But after that, you need to go for a walk in Fairview Park.

You need to experience Fairview Park.

You need to smell the coastal sage scrub

You need to hear the different bird calls

You might even listen to your thoughts

You need to *experience* the difference between only using Fairview Park and appreciating Fairview Park. Flying gliderplanes uses Fairview Park by degrading and damaging sensitive habitat, kicking the birds out, and stressing the natural resources. Gliderplanes can fly elsewhere. In fact, they have better amenities for their planes less than 20 miles away. Vernal pools can't be moved. Extinct species can't be brought back. The vernal pools, their watersheds, and the grass/flower fields that surround them are all interconnected. They contain endangered and threatened plants and animals that rely on each other for their survival. You can't move them. Please pass this agenda item and start restoring the mesa.

If you have any questions or would like to comment on anything I've written, please do not hesitate to email me. FPA is more than willing to give any of you a guided tour of the different habitats that Fairview Park offers the community.

Sincerely,

Kim Hendricks

Fairview Park Alliance - President

19 August 2025

Dear Honorable Mayor Stephens and City Councilmembers,

As Chair and Vice Chair of the Parks and Community Services Commission (PACS), we would like to take the opportunity to provide you brief updates on our monthly meetings. As part of these monthly memos, we plan to include suggested action items—particularly on important topics where your awareness and support would be especially valuable. What follows is a report on our August 14th meeting:

1. Fairview Park Master Plan (FPMP) Draft

In Director Gruner's monthly Director's Report we learned more about the process for the FPMP presentation, and are concerned that the draft is scheduled to move forward to Council without first being presented to PACS for review and formal feedback. Given the years of work and significant public resources invested in this plan, it seems essential that our commission—whose purpose is to advise Council on such matters—have the opportunity to weigh in.

We were informed that we could review the draft “like any member of the public,” which was surprising, especially considering that we are asked to vote on *every single* bench or tree donation to city parks. Given your direction—and the very purpose of our commission to provide you with informed feedback—it feels counterintuitive and frustrating that we must continually push to be included in significant processes like the FPMP. A note that Chair Brown, in whose district Fairview Park resides and on whose steering committee she served as the liaison for over 3 years, specifically requested at the June PACS meeting (when this issue was also part of the Director's report) that the process formally include our Commission.

At our most recent meeting, we proposed (with broad Commission support) either:

- ☐ A joint FPMP presentation that includes **both** Council and the Commission, or
- ☐ Agendizing the FPMP draft for our September 11 meeting.

Action item: We would appreciate support in ensuring the commission's role in this process.

2. Commission Values & Decision-Making Framework

We have been working diligently to develop a framework that clearly outlines our commission's values and priorities, and how these should be applied to recurring processes such as the Capital Improvement Program (CIP), budget development, master plan drafts, and other key planning documents. This effort stems from our belief that the commission has not been fully utilized during the CIP and budget cycles in recent years.

Action item: We would like to agendize a presentation to City Council in which we present the finalized values and principles document to help guide future decision-making.

3. Ad Hoc Committees

Director Gruner raised the issue of subcommittees in his closing remarks, informing PACS that we “bypassed” attorney approval in our constitution of a subcommittee. These remarks were framed as part of a larger directive intended to formalize the process with city attorney approval in the future; the subtext of these remarks, however, seem to discourage future subcommittees.

The City's ordinance clearly grants PACS the authority to initiate its own studies, investigations, and hearings "by its own motion" ([Section 12-71\(b\)](#)) and to report findings and recommendations directly to Council, the City Manager, and relevant department directors. This means we are not limited to only the matters referred to us by staff or Council—we have the right to proactively explore issues, develop action plans, and bring them forward.

Given this mandate, the creation of ad hoc committees to support these efforts is well within our purview, and the ordinance reinforces our ability to set our own agendas when addressing matters related to parks, recreation, community services, and open space.

In terms of timing, we would respectfully ask that staff notify the commission in advance when substantial topics such as the role or scope of ad hoc committees will be discussed—especially during summer meetings when attendance can be challenging. Holding the City Council study session in June, without much notice, did not well position us to advocate on behalf of Costa Mesa residents.

Action item: We would like some clarification from Council as to the best process for moving forward with any potential future subcommittees, if and when they become necessary.

4. Park Ranger Data Reporting

In this past meeting we had an excellent biannual report from Lt. Diaz on the state of our parks. The report was comprehensive in that it addressed issues that ranged from safety to conservation. With just 7 rangers for Costa Mesa, we are always continuously impressed with what our park rangers can manage to do on incredibly lean staffing.

We have repeatedly requested that Park Ranger data reports be provided to us in their raw form rather than in aggregated or modified presentations. For the past 6+ months, however, we have not received any data from park rangers. We believe that a revised form of data presentation is important for public transparency and accountability.

Action item: We would appreciate Council's support in facilitating park ranger data reports.

Thank you for your time and continued support of our work we do on behalf of Costa Mesa residents. We look forward to working closely with you on these matters.

Sincerely,



Kelly Anne Brown, PhD | Chair, District 5



and Shyanne Wright | Vice Chair, At-Large

From: [Russell Toler](#)
To: [CITY COUNCIL](#); [CITY CLERK](#)
Cc: [SETHURAMAN, RAJA](#); [MARTIN, PAUL](#); [THOMAS, BRETT ATENCIO](#); [NIKOUJ, RAMIN](#)
Subject: Santa Ana Bike Lanes
Date: Tuesday, September 2, 2025 10:32:04 AM
Attachments: [image.png](#)

Mr. Mayor and City Council Members,

If you were out and about this past weekend—or anytime this summer—you likely noticed something increasingly common: more and more people riding bikes. I regularly marvel at the full spectrum of people trying to get around Costa Mesa safely on two wheels: young and old, commuters and couples, families with kids, solo riders, people with beach chairs, grocery bags, backpacks—some just out for a ride, others clearly on their way somewhere. Despite our less-than-perfect infrastructure (we do have perfect terrain and weather), many people are nonetheless choosing to be out there on their bikes.

I'm writing because I wanted to share a development that you might not be aware of.

Last August, the City closed a critical gap in the heavily-used southbound bike lane on Santa Ana Avenue right in front of Kaiser Elementary School. As you may remember, students biking to Woodland, Kaiser, Ensign and Newport Harbor used to be forced to merge with 30mph traffic between 22nd and 21st Streets. That design preserved parking on both sides—unlike the rest of Santa Ana Avenue, which (mostly) has parking only on one side to allow for bike lanes in both directions.

This simple change in design has led to such an increase in young riders (specifically those coming from the north and benefitting from the newly completed lane) that Kaiser Elementary is now facing the challenge of how to manage so many of them.

Parents received a notice from the principal that a new arrival protocol will be tested this week so that they can gauge the viability of, and best location for, an entire new bike corral (bike cage).

I wanted to let you know about this, because despite the grumbling when the new lane was going in, it *did not* in fact make the street more dangerous, it *did not* result in a "parking nightmare," nor any of the other doomsday predictions we always hear.

This is not to say that any/all street improvement that is geared towards pedestrian or bicyclist safety is going to be a home run by default—accommodating slow and fast things in the same spaces is very tricky and there are no one-size-fits-all solutions. But this one worked well—it enables kids to get to/from school by bike, which comes with a host of developmental benefits. We should all celebrate that and be thinking of how to enable more of that across the city.

One of the reasons it works so well is because it *closed a gap*—the bike lane continues for many blocks on either end. *Connectivity* is something we need to really focus on when it comes to making biking more viable in Costa Mesa. I am always

reminded of the way the former Chief Planner of Vancouver once [explained the issue](#):

One of the mistakes we made with our infrastructure for bikes in Vancouver is how slowly we've done it, one bike lane at a time, pulling the Band-Aid off slowly. Every time we did one, I would have to go to the media and answer questions:

"Why aren't there more cyclists?" Because there isn't a complete network.

"Are you done yet?" Of course we're not done yet — we don't have a complete network.

Now Vancouver's gotten to the point where there's enough of a protected bike lane network that real biking gains are happening, but we went through about almost 10 years of unnecessary pain because we pulled the Band-Aid off too slowly.

If you want to get serious about mode share for cycling, you're going to need a much faster and more robust approach to building separated, protected bike lanes.

Just glance inside your neighbors' garages—nearly everyone has bikes. People buy them because they want to ride. They enjoy it. They want to use them to get places. In fact, many people pay a premium to live in neighborhoods where walking and biking is relatively easy and pleasant. That's why half of the goals in our Circulation Element—Goals 7 through 12—are focused specifically on improving conditions for biking and walking. These goals were written into the General Plan to reflect a clear community vision: a safer, more pleasant, more bikeable Costa Mesa.

I would specifically ask that you give attention to the blocks of Santa Ana Ave. between Broadway and E. 17th St., which currently have parking on both sides or a center turn lane—taking up the space that might otherwise go towards the completion of the bike lanes. This is another critical gap in our bike network—one that actively discourages people from biking (or letting their kids bike) to 17th Street, Ensign, Harbor, Mariners Mile, or the Peninsula. And it's not just those on the eastside that depend on or benefit from this bike route—many people come from the west side of the 55 and bike through the eastside to get to these places. It's a small but high-impact improvement that would benefit residents across the city.

Thanks for all you do, and thanks for reading!

Russell Toler



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From: [Avinash Apte](#)
To: [CITY CLERK](#)
Subject: A request
Date: Monday, September 1, 2025 9:19:36 AM

Dear Manager,

On paularino street between Babb street until end of school, southbound side never gets swept because there are no parking restrictions sign. Vehicles remain parked for ever. The street is very dirty with litter, Please do whatever it takes to clean the southbound side. We appreciate it.

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From: [W Lewis](#)
To: [CITY CLERK](#)
Subject: PAPL-25-0003
Date: Tuesday, September 2, 2025 10:31:13 AM

I own several residential rental properties in Costa Mesa and I oppose this cannabis application. The properties I own include 280 Del Mar Ave and 414 Hamilton. Glenda Lewis

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September 3, 2024

Costa Mesa City Council
77 Fair Drive
Costa Mesa, CA 92626

Re: 3150 Bear St. Screening

Mr. Mayor and the City Council,

Thanks for all the work you do for the city. Here are my humble reactions to the conceptual plans for the Trinity Broadcasting site that I want to share with you. I would say these things about any large site development. The reason I'm bringing this up is to help you think through some of the aspects that maybe you aren't typically focused on, with the goal of getting any changes that you might deem appropriate directed to the applicant now—*before* any expensive design work that may follow the screening.

Site Design

The primary thing that I want to get across to staff and the city council is that *it is possible to build 146 units without the dreaded "townhome community site plan"*¹ that makes us all squirm. It's been done many times before, and it is still done in many places across the world. The [townhome community site plan](#) is one that is criss-crossed with driveways because each unit needs parking directly below. This leaves little-to-no room on the site for anything resembling "public realm"—the element that buildings traditionally [front](#) onto. A simple principle that our city should insist on is that new buildings front² a [public realm](#)—whether it is the existing sidewalks on the edge(s) of the site (necessary regardless), or *new* public realm that extends *into* (and *through* where possible) the site from the existing sidewalk in the form of new streets (*not driveways*), paseos, and/or open spaces.³ These spaces should be generous in size, contiguous with each other, and connected to the actual, existing public realm—not islands within inside-out blocks, floating in a sea of driveways/alleys. Please see my [previous letter](#) on

¹ The townhome community site plan is not necessarily limited to townhome projects, though that is what they are most of the time.

² The verb *to front* implies that the building has a front. A garage door with an inconspicuous auxiliary entrance for humans on the side would not be considered to be a front by any reasonable person. That's a back.

³ I'm using this term to describe the shared-ness of space, not the ownership of the space.

these sorts of projects. It's my opinion that it would be better to allow more units and require less parking if it means better design.

If we could collect units more efficiently and reasonably into buildings, perhaps we could pull all new buildings away from the existing neighbors, rendering the "need" to provide SFHs as transitions unnecessary.

I know that [these](#) are ridiculous images to share, but I think they're useful in reminding ourselves that density is not the enemy. Rather, bad urbanism is the enemy. Buildings and neighbors are good, and urban living can be green and quiet and beautiful and economically productive—the things we all want. Note that part of what feels "right" about all of these is that buildings front and frame a car-lite public realm. It's a key ingredient to livable cities that people want to be in.

The Units Themselves

There is nothing wrong with flats. People live in them all over the world. Ironically, everyone in this particular design is living *above* the ground floor (which is nearly entirely devoted to parking), making it puzzling as to why such tortured floor plans that are awkwardly trying to approximate townhomes are necessary. The multiplex buildings each contain something like 12 to 18 units each. Why not build [simple 12-plexes or 18-plexes](#) then?

Façades

Not only are the floorplans tortured, the façades are tortured. Part of this is the fault of our design guidelines, which beg for as much variety as possible—gratuitous or not. I believe that most people's preferences—whether they can articulate it or not—is [simplicity](#), with tasteful ornamentation, regardless of style. We should update our guidelines to reflect this.

If larger buildings were included, and they were brought up to Bear St., this would provide at least some bit of framing to the street, as well as some "eyes on the street" that could only make Bear St. a little more pleasant.

Parking

Parking precludes good design. This is especially true when each space needs to be connected to each unit on a dense site. It is embarrassing that we still have not managed to lower our parking minimums at this point, such that 477 spaces would be required were it not for density

bonus law. This forces us to admit something that many of us don't want to: thank God for state usurping of local control.

The provision of 288 parking spaces is still a lot. Not only does it degrade urban design, but it floods our streets with more cars (exacerbating traffic and parking problems elsewhere) and generally contributes to [car-dependent density](#)—something we do not want. Regardless of what the developer thinks the right number is, we as a city should be pushing for developers to embrace Costa Mesa as a walkable and bike-able city, and we should commit to continue to do our part to make such a risk worth it for them.

Context

Although this site butts up against the 405, it is not a terrible location for new residents: it is a 10-minute walk to Metro Pointe and South Coast Plaza and a five-minute bike ride to the heart of SoBECA. What is the city doing to ensure that Bear St. is a safe and pleasant place to be on and to cross? Same with Paularino and Baker. Would you want to walk to SCP? Or the park across the street? Would you want to bike to a brewery on Randolph? It shouldn't take a project of this size to make us consider these things, but *it would be remiss of us to entertain this project without having a serious discussion about whether we are doing everything we reasonably can to ensure that this neighborhood is a great place for people to live and where car-lite living is possible.* Car-lite living is the ultimate win-win scenario for housing projects.

Regarding the emergency access from Olympic Ave., we should never pass up an opportunity to create *more pedestrian connectivity* in the city. But the connection should be provided via the public realm (see above)—not through people's private car-alleys. This is really our only opportunity to integrate this site into the fabric of the existing neighborhood, unless we are ambitious and are able to provide another pedestrian access point further north on Bear St.

That's all—thanks for reading!

Russell Toler



City of Costa Mesa

RESERVE FOR FILING STAMP

RECEIVED
CITY CLERK

24 FEB 28 PM 1:34

☐ Appeal of Planning Commission Decision:

\$1,220.00 (Tier 1)¹

\$3,825.00 (Tier 2)²

☐ Appeal of Non-Planning Commission Decision:

\$690.00 (Tier 1)¹

\$3,825.00 (Tier 2)²

CITY OF COSTA MESA
BY File with: City Clerk

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
714-754-5225

APPLICATION FOR APPEAL OR REVIEW

Applicant Name* _____

Address _____

Phone _____

REQUEST FOR: ☐ APPEAL ☐ REVIEW**

Decision of which appeal or review is requested: (give application number, if applicable, and the date of the decision, if known.)

PA-22-37

3150 Bear Street, Costa Mesa, CA. 92626

Decision by: Planning Comm.

Reasons for requesting appeal or review:

more information to be provided.

* September 2, 2025

Of course item PGPA-24-0002 can be appealed please refer to receipts

- please make sure all documentation provided (minus my Name) is INCLUDED for public record

Date: 2.28.24

Signature: _____

*If you are serving as the agent for another person, please identify the person you represent and provide proof of authorization.

**Review may be requested only by Planning Commission, Planning Commission Member, City Council, or City Council Member

For office use only – do not write below this line

SCHEDULED FOR THE CITY COUNCIL/PLANNING COMMISSION MEETING OF:

If appeal or review is for a person or body other than City Council/Planning Commission, date of hearing of appeal or review

Updated September 2023

¹ Includes owners and/or occupants of a property located within 500 feet of project site (excluding owners and/or occupants of the project site).

² Includes the project applicant, owners and/or occupants of the project site, and owners and/or occupants of a property located greater than 500 feet from the project site.

CITY OF COSTA MESA
CUSTOMER SERVICE RECEIPT

160722

ORIGINATED BY:

25 SEP -2 AM 10:56

DATE

2/28/2024

, 20

Building ☐

City Clerk ☒

Received from

Finance ☐

Fire ☐

Admin. Services ☐

Planning ☐

Public Services ☐

the sum of \$

for

Appeal Planning
Commission Decision

BY:

Not valid unless properly validated/endorsed.

Account No.

Tran. Code

Cash ☐ Check ☐ Credit Card ☒

0405-22 (rev. 6/03)
White-Customer, Canary-Finance, Pink-Depart.

CITY OF COSTA MESA
CUSTOMER SERVICE RECEIPT

162245

ORIGINATED BY:

25 SEP -2 AM 10:56

DATE

8/5/25

, 20

Building ☐

City Clerk ☒

Received from

Finance ☐

Fire ☐

Admin. Services ☐

Planning ☐

Public Services ☐

the sum of \$

for

Appeal of city council
Decision PG-PA-24-0002-3150 Bear St.

BY:

Not valid unless properly validated/endorsed.

Account No.

Tran. Code

Cash ☐ Check ☐ Credit Card ☒

0405-22 (rev. 6/03)
White-Customer, Canary-Finance, Pink-Depart.

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*Attorneys for Trinity Broadcasting of Texas, Inc.
dba Trinity Broadcasting Network and TCT Ministries, Inc.*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

MERIT STREET MEDIA, INC.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No.: 25-80156-11 (SWE)

**TRINITY BROADCASTING OF TEXAS, INC. AND
TCT MINISTRIES, INC.'S EMERGENCY MOTION FOR AN ORDER:
(I) DISMISSING DEBTOR'S CHAPTER 11 CASE, (II) CONVERTING THE CASE
TO CHAPTER 7, OR (III) APPOINTING A CHAPTER 11 TRUSTEE**

Emergency relief has been requested. Relief is requested not later than 9:30 a.m. on July 29, 2025. If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

Trinity Broadcasting of Texas, Inc. dba Trinity Broadcasting Network ("TBN") and TCT Ministries, Inc. ("TCT" and together with "TBN," "Trinity"), file this *Emergency Motion for an*

¹ The last four digits of the Debtor's federal tax identification number are 8990. The Debtor's mailing address is 5501 Alliance Gateway Fwy., Fort Worth, Texas 76177.

Order: (I) Dismissing the Debtor's Chapter 11 Case, (II) Converting the Case to Chapter 7, or (III) Appointing a Chapter 11 Trustee (the "**Motion**"), and respectfully state as follows: 59

I.
PRELIMINARY STATEMENT²

1. This Chapter 11 Case is a sham proceeding orchestrated by one man—McGraw—to benefit himself at the expense of all others. Filed in the dead of night preceding a holiday weekend with questionable legal authority, the bankruptcy has no legitimate purpose. Within hours of the bankruptcy filing, MSM—by its own admission—terminated 90% of its employees. The six (6) remaining are believed to be friends and associates of McGraw. MSM lists very few unsecured creditors, and Trinity and Peteski are the only parties asserting or seeking liens.³

2. MSM is a media company that intends to spend \$0 during the case on programming or production, has no apparent operations and projects a grand total of \$0 in revenue. MSM exists only to borrow money (from McGraw/Peteski) to fund litigation and run a sale process designed to allow McGraw to make off like a thief in the night with assets created through the investment of tens of millions of dollars by Trinity, while leaving nothing behind for creditors or other parties in interest. Given that MSM has abandoned the offices and studio built for it by TBN, it is apparent that McGraw intends to use MSM's remaining employees as well as any "assets" acquired from MSM to launch his new competing media and network company.⁴ This Court need look no further

² Defined terms in this section shall have the same meaning as later defined in the Motion, or as defined in the *Declaration of Gary Broadbent, Chief Restructuring Officer of the Debtor, in Support of the Debtor's Chapter 11 Proceeding* [Docket No. 14] (the "**Broadbent Declaration**"). In further support of the DIP Motion, the Debtor filed the *Declaration of Lisa K. Lansio in Support of the Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing (A) Postpetition Financing, and (B) the Use of Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 12] (the "**Lansio Declaration**"), as applicable.

³ July 3, 2025 Hr'g Tr. 17:1-7 (Debtor's counsel representing that "there's a relatively small number of creditors. . . . We did file a Top 30, so of course there are at least 30 unsecured creditors, we believe. But I don't believe the number extends too far beyond what was disclosed in the Top 30."); Broadbent Decl. at p. 9 (petition capital structure chart).

⁴ Contemporaneous with the commencement of this Chapter 11 Case (or perhaps immediately prior thereto), McGraw launched a new media venture, Envoy Media Co. ("**Envoy Media**"). Apparently, Envoy Media will

than the Approved Budget filed on the Petition Date to understand McGraw/Peteski's preordained outcome: it contemplates no sale proceeds coming into the estate and no resulting payments to creditors. Line items for these concepts do not exist. At the same time, more than 80% (approximately \$10.8 million) of the new money loaned (approximately \$13.4 million) will go solely to professionals, including \$2.4 million apparently earmarked for payment of Peteski's own legal fees to counsel who likely will be called as a material witness based on his prior representation of the Debtor.

3. The Debtor maintains that the purpose of this Chapter 11 Case is centralize the resolution of the Debtor's open disputes in a coordinated fashion to "ensure the equitable treatment of creditors under Court supervision" and facilitate the sale of some or all of the Debtor's assets.⁵ But this is merely a pretext—the Debtor's own pleadings filed and representations made (described in more detail below) lay McGraw/Peteski's intentions bare for all to see:

- Through the DIP Financing, McGraw/Peteski intends to artificially saddle MSM with senior-secured debt, 80+% of which will be used to fund litigation against Trinity and PBR, while affirming Peteski's credit-bid rights against any challenge, even for cause. In conditioning subsequent draws of the DIP on the full adjudication of the Preference Claim, McGraw/Peteski also seeks to vitiate Trinity's due-process rights and artificially manipulate procedural safeguards, solely for its own benefit—not that of the estate. McGraw/Peteski would also be completely absolved of any wrongdoing with no independent investigation as into whether any claims against them exist.
- Through the Bid Procedures Motion, McGraw/Peteski intends to effectuate that credit bid, taking all or substantially all of MSM's assets—including, explicitly, litigation claims—while providing nothing for anyone else in the form of real value.

include live news and original entertainment, and digital platform, "including library programming and original shows from McGraw and his friend and Merit Street collaborator Steve Harvey." Alex Weprin, *Hollywood Reporter*, *Dr. Phil Returns: Launches Envoy Media Co. in Comeback Bid* (July 14, 2025, at 6:36 a.m.),

("Dr. Phil's Merit Street Media may be effectively dead, but his Envoy Media Co. is just beginning.") (emphasis added).

⁵ Broadbent Decl. ¶ 7.

- Through the Rejection Motion, McGraw/Peteski intends to jettison all of MSM's executory contracts and unexpired leases *except those with TBN* before the sale process even begins, implying MSM already knows what the outcome of that process will be and creating substantial rejection-damages claims the estate will have no way to satisfy nor any intention to do so.
- Finally, through the Adversary Proceeding, McGraw/Peteski attempts shift the spotlight away from their artifice and distract the Court and the parties with the threadbare allegations against Trinity.

In other words, rather than a legitimate attempt at a reorganization of MSM that will benefit all creditors and parties in interest, the purpose of this Chapter 11 Case is to give value to and benefit McGraw *vis-à-vis* Peteski, leaving nothing for anyone else. Chapter 11 reorganization is not intended to be a vehicle for the personal enrichment of one man.

4. As will be set forth herein, this Chapter 11 Case was transparently filed in bad faith and without proper corporate authority, which cannot be rectified. As such, Trinity submits there is ample cause under section 1112(b) and respectfully requests that this case be dismissed as there is no benefit to creditors. In the alternative, Trinity requests the Court convert this Chapter 11 Case to a Chapter 7 for cause. Without any operations to protect, Chapter 11 is unnecessary. A Chapter 7 trustee is fully capable of administering MSM's assets—including litigation claims—in an efficient and impartial way without the need for DIP financing or an expensive sale process that is only intended to facilitate McGraw's "loan-to-own" strategy. If the Court determines that MSM should remain in Chapter 11, at a minimum it should remove the Debtor from possession through the appointment of a Chapter 11 trustee.

II. **JURISDICTION, VENUE, AND PREDICATES FOR RELIEF**

5. The United States Bankruptcy Court for the Northern District of Texas (the "**Court**") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The bases for the relief requested herein are sections 105(a), 1104(a), and 1112(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rules 2002 and 9006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Section J.34 of the Procedures for Complex Cases in the Northern District of Texas (the “**Complex Procedures**”).

7. Trinity confirms its consent to the entry of a final order by the Court in connection with the Motion in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

III. **RELEVANT BACKGROUND**

A. The Joint Venture Between TBN and Peteski and Formation of MSM

8. From 2002 until he sold TBN on his fake intentions to lean out production staff and move production to Texas, the Dr. Phil Show was hosted by Phillip C. McGraw (“**McGraw**”) in connection with Oprah Winfrey’s Harpo Productions (2002-2010), Stage 29 Productions (2010-2023), Peteski Productions, Inc. (“**Peteski**”) (2005-2023) and CBS Media Ventures (“**CBS**”). The Dr. Phil Show ceased production with CBS in 2023, with the final episode airing on May 25, 2023.

9. In early January 2023, representatives of McGraw and/or Peteski, a company owned by McGraw, sought out TBN to be a new partner in the production and distribution of the Dr. Phil Show. Proclaiming that he was tired of “snot-nosed lawyers” telling him what to do, McGraw wanted a new home with less censorship and more cultural influence, particularly in advance of the 2024 presidential election. To induce TBN into this partnership, McGraw, on behalf of Peteski, made various representations regarding the advertising revenue, product integrations, and viewership of McGraw’s “Dr. Phil Show” on CBS and through syndication with other networks and distributors. For instance, McGraw represented, among other things, that:

- i. the Dr. Phil Show received inflated amounts for every advertising spot sold on CBS and that CBS was selling out its ad inventories;
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- ii. the Dr. Phil Show was switching from a 60-minute format to a 90-minute format for the purpose of increasing overall revenue;
- iii. production costs would be dramatically reduced by reducing employee workforce and moving all related production activities from California to Texas. Specifically, McGraw represented that he intended to bring *zero* individuals from his existing staff, which numbered in the dozens, to Texas; and
- iv. he owned and would provide access to the entire library of the Dr. Phil Show from his time with CBS.

10. Relying on these representations, TBN and Peteski then entered into an agreement, the “*Binding Letter of Intent*,” dated January 10, 2023 (the “**Joint Venture Agreement**”), as the preface to definitive long-form documents that were never finalized. The Joint Venture Agreement contemplated the formation of a joint venture that would ultimately become the Debtor, Merit Street Media, Inc. (“**MSM**” or “**Debtor**”). Under the Joint Venture Agreement, Peteski agreed to provide MSM with 160 new 90-minute episodes of the new Dr. Phil show per year and agreed that MSM would serve as the exclusive broadcaster of those Dr. Phil shows. In exchange, TBN agreed to provide means for carriage to distribute the Dr. Phil shows and specials to a nationwide audience. TBN also agreed to provide services necessary to produce the new Dr. Phil show, such as building a production studio in Fort Worth, Texas. The parties also agreed that TBN would have a controlling equity interest in MSM. Within days of the execution of the Joint Venture Agreement, TBN wired \$20,000,000 to Peteski.

11. On February 3, 2023, TBN formed MSM under the laws of the State of Delaware.⁶

⁶ MSM was originally formed as APG Ventures, Inc. (“**APG**”) On or about March 5, 2024, APG changed its name to MSM, which then converted itself to a Texas corporation on or about February 24, 2025. This Motion refers to MSM as such throughout in order to avoid confusion.

B. TBN Invests Tens of Millions to Build MSM and Merit TV.

12. Thereafter, TBN began the process of putting together a production studio and offices for MSM at TBN's "Plex" campus in Fort Worth based on the exact dimensions of McGraw's prior studio in California. In outfitting the studio to McGraw's specifications—including expansive dressing rooms for McGraw and his wife and the addition of a helipad at the Plex campus—TBN invested tens of millions of dollars into the future of MSM with production of the new 90-minute Dr. Phil shows expected to start in January 2024. TBN also created a new channel, Merit TV, to air them. The Dr. Phil studio at TBN's Plex campus is shown in the images below:





13. Throughout 2023 TBN made the necessary preparations for the launch of MSM's network and programming, including meetings with McGraw and his ^{25 SEP 2023} proposed team. By May 2023, McGraw had reneged on his promise of a "from scratch" Texas organization with entirely new employees in favor of moving 30-50 prior employees from California. The first MSM employees were officially onboarded in July 2023, including numerous individuals that McGraw declared essential and demanded be hired.

14. In June 2023, McGraw informed TBN that MSM would not have access to his prior library of Dr. Phil Show episodes. Instead, he proposed TBN buy half of that library for \$100 million, an offer that TBN declined. McGraw later agreed to allow MSM to show 160 legacy episodes of the Dr. Phil Show per year.

15. On or about February 1, 2024, TBN and MSM executed that certain *Lease Agreement* concerning the Fort Worth studio and related offices. MSM has never paid any rent or associated amounts under this agreement, nor does the Approved Budget contemplate any such payments post-petition. TBN also provided MSM access to other world-class studios and technical spaces in the Plex. TBN understood that McGraw would film approximately six (6) shows a week so that production of the first season would be completed by July 2024.

16. On March 5, 2024, multiple things happened with respect to MSM, then named APG Ventures, Inc.:

- i. MSM, TBN, and Peteski executed that certain *Voting Agreement* of the same date (the "**Voting Agreement**").⁷ Among other things, the Voting Agreement provides for a three-person Board of Directors, with two members to be designated by TBN and one by Peteski.⁸ The Voting Agreement further provides that no director may be removed from office

⁷ A true and correct copy of the *Voting Agreement* by and between APG Ventures, Inc.; TBN; and Peteski dated March 5, 2024 is attached hereto as **Exhibit A**.

⁸ Exhibit A § 1.2.

other than for cause unless the appointing shareholder (TBN or Peteski) directs or approves such removal;⁹

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- ii. MSM adopted its Bylaws;¹⁰
- iii. MSM elected three directors: Matthew Crouch (a TBN designee), McGraw (the Peteski designee), and Samuel Smadja (a TBN designee);¹¹ and
- iv. MSM changed its name to MSM.¹²

17. On April 2, 2024, MSM officially launched its network with morning and evening news shows, as well as other programming, including 60-minute episodes of Dr. Phil Primetime.

C. TBN Ceases Funding McGraw's Largesse.

18. Rather than decrease from his days at CBS, production costs related to MSM and the 60-minute Dr. Phil Primetime shows ballooned. Ultimately, from February 2023 through July 2024, TBN funded approximately \$130 million in costs related to the studio and offices at the Plex, MSM employees, and building out MSM's operations; McGraw, however, had yet to film a single new 90-minute episode (and, to date, has never produced any such episodes). Unwilling to be the only source of funding for MSM, in July 2024 TBN advised Peteski that it would not continue indefinitely.

19. On July 29, 2024, McGraw proposed that Peteski would assume financial responsibility for MSM's ongoing operations, rather than TBN. In exchange the parties' relative ownership percentages would flip; where TBN previously owned 70% of MSM and Peteski, 30%, thereafter Peteski would own 70% and TBN, 30%. On August 8, 2024, the parties amended the

⁹ *Id.* § 1.4.

¹⁰ A true and correct copy of the *Action of Sole Incorporator of APG Ventures, Inc.* dated March 5, 2024 is attached hereto as **Exhibit B.**

¹¹ *See* Exhibit B.

¹² A true and correct copy of the *Action by Written Consent of the Stockholders of APG Ventures, Inc.* dated March 5, 2024 is attached hereto as **Exhibit C.**

prior stock purchase agreements of both TBN and Peteski to reflect a redistribution predicated on certain representations by McGraw.

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20. Shortly after executing the stock swap with TBN, on or about August 9, 2024, Peteski (through MSM) terminated nearly 50 of MSM's existing employees and McGraw/Peteski purported to remove the other two members of MSM's board of directors (both TBN designees), leaving himself as the only member of the board. He did this despite the express provisions of the Voting Agreement regarding removal of directors.

D. The \$25 Million Convertible Promissory Note

21. Around this time, in May 2024, MSM and Professional Bull Riders, LLC ("**PBR**") entered into a four-year agreement pursuant to the certain *Media Rights Agreement* (the "**PBR Agreement**") for the license by MSM to broadcast certain PBR programming. But similar to its relationship with TBN, MSM (now purportedly controlled by McGraw) failed to uphold its end of the bargain and never paid \$3.5 million in monthly fees. MSM was then facing lawsuit for its breach of the PBR Agreement, which was later commenced in November of 2024 (the "**PBR Arbitration**"). At MSM's request, TBN participated in the PBR Arbitration by collecting documents and responsive information in its possession, reviewing such documents and information, and ultimately producing them to PBR.

22. MSM's cash burn and need for additional capital did not end with the August stock swap and related negotiations and representations. Accordingly, still hoping to salvage the souring relationship while McGraw sought outside funding from new investors, CrossSeed, a Texas non-profit entity affiliated with TBN and TCT, issued a \$25 million convertible promissory note to MSM in September 2024 (the "**CrossSeed Convertible Note**"). The CrossSeed Convertible Note converts to equity at a fixed MSM valuation of \$425 million at the option of CrossSeed, exercisable only at the time of an equity raise of qualified financing. The CrossSeed Convertible Note is secured by substantially all assets of MSM, and bears interest a rate of 12% simple interest, payable

on the maturity date of September 7, 2026. The outstanding amount under the CrossSeed Convertible Note is approximately \$26.25 million.

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23. Following the execution of the CrossSeed Convertible Note and funding of any amounts pledged thereunder, McGraw requested that CrossSeed hold off on filing a UCC-1 Financing Statement in order to prevent interference with future fundraising and stay below the radar with the SEC. Still wanting to be a good partner with McGraw, CrossSeed acquiesced to this request. Had McGraw disclosed his plan to use this pretext to challenge that security interest as a preference, CrossSeed would never have delayed recording.

24. On March 5, 2025, CrossSeed assigned the note to TCT, an affiliate of TBN, which then filed a UCC-1 Financing Statement on May 27, 2025 covering all or substantially all of MSM's assets.

E. The 2024 December Outline

25. Despite Peteski and McGraw's failures under the Joint Venture Agreement through and including late 2024, TBN still wanted to salvage the relationship. To that end, and as an extension of the prior negotiations around the equity swap in August 2024, the parties negotiated a non-binding term sheet, dated December 9, 2024 (the "**2024 December Outline**"). In the 2024 December Outline, TBN, Peteski and MSM "agree[d] to negotiate in good faith to reach definitive agreements addressing the issues outlined here as promptly as practical, and with the common goal of signing such definitive agreements prior to December 31, 2024." As such the 2024 December Outline expressly contemplated *subsequent* "definitive agreements" that "when executed by the Parties [would] supersede and replace in its entirety" the Joint Venture Agreement. Those definitive agreements were never finalized or executed prior to the Petition Date.

F. The Chapter 11 Case

26. On July 2, 2025 (the "**Petition Date**"), MSM filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code thereby initiating the instant chapter 11 case (the

“**Chapter 11 Case**”). Attached to MSM’s voluntary petition is an unsigned copy of the *Resolutions of the Special Committee of the Board of Directors of Merit Street Media, Inc.* [Docket No. 1] (the “**Bankruptcy Resolutions**”) purporting to establish MSM’s corporate authority to file the Chapter 11 Case. The Bankruptcy Resolutions state that on June 30, 2025, the board (composed solely of McGraw) established a special committee and delegated to it the duties, rights, and authority set forth in a document called the Special Committee Charter. At the first-day hearing on July 3, MSM’s counsel stated that Gary Broadbent, MSM’s chief restructuring officer, is the sole member of the Special Committee.¹³ On cross-examination, Ms. Lansio, on behalf of MSM, confirmed that McGraw and Mr. Broadbent (as sole director of the Special Committee) were the only members of the board.¹⁴

27. On and after the Petition Date, MSM undertook four significant actions that lay bare its intentions in this case, which are entirely to benefit McGraw and his affiliated entities.

28. On July 17, 2025, the United States Trustee formed a committee of unsecured creditors (the “**Committee**”).¹⁵ The Committee is comprised of PBR, the Darcy Lynn Ribman 1997 Trust, and Borden Media Consulting, LLC.

i. The Adversary Proceeding

29. First, MSM filed its *Adversary Complaint for Declaratory and Monetary Relief* against Trinity (the “**Complaint**”),¹⁶ thereby initiating Adversary Case No. 25-08006 (the “**Adversary Proceeding**”). The Complaint asserts various claims against Trinity, including, among other things, breach of contract, breach of fiduciary duty, equitable subordination, and avoidance of the alleged preferential transfer under section 547(b) (the “**Preference Claim**”). As

¹³ July 3, 2025 Hr’g Tr. 7:20-23.

¹⁴ *Id.* 38:24-39:9.

¹⁵ Docket No. 95.

¹⁶ Docket No. 3.

discussed below, MSM (and Peteski) then immediately sought to truncate TCT's due process rights with respect to the Preference Claim by conditioning any and all future borrowings under the DIP Facility to a final judgment on the Preference Claim.¹⁷

30. While the Court permitted the Preference Claim to be adjudicated on an expedited schedule, it further reserved all rights with respect to any of TCT's defenses under section 547(c) to a later date.¹⁸

31. In accordance with the Court's scheduling order, TCT filed its Answer to the Preference Claim on July 10, 2025.¹⁹ Trinity's answers or responses to the remaining counts of the complaint are due in the ordinary course of litigation.

ii. The DIP Motion

32. Second, among other first-day motions, MSM filed its DIP Motion²⁰ seeking authority for MSM to borrow from Peteski up to \$21.4 million of debtor-in-possession financing (the "**DIP Financing**") on a secured basis in the form of a delayed-draw term loan facility (the "**DIP Facility**") comprised of (a) \$13.4 million of new money loans and (b) upon entry of the final DIP order, a \$7.9 million roll up of the Bridge Loans (as defined in the DIP Motion). MSM and its professionals represented that an interim advance of up to \$4.1 million DIP Financing was necessary "in order to for the Debtor to operate its business during the interim period and commence the Adversary Complaint[.]"²¹

¹⁷ See Adv. Pro. Docket No. 2.

¹⁸ Adv. Pro. Docket No. 7.

¹⁹ Adv. Pro. Docket No. 15.

²⁰ *Emergency Motion for Entry of Interim and Final Orders (I) Authorizing (A) Postpetition Financing, and (B) the Use of Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 11] (the "**DIP Motion**").

²¹ Broadbent Decl. ¶ 50.

33. There are many troubling aspects of MSM's proposed DIP Financing.²² First and foremost, MSM's purported "need" for the DIP Financing is questionable at best. MSM first proclaims that the DIP Financing is needed in the interim to "operate its business," but nothing about MSM suggests that this is an operating company.²³ For instance, the DIP budget (the "**Approved Budget**"), which was later approved by the Interim DIP Order (defined below), shows that MSM has no projected revenue through October 24, 2025.²⁴ Moreover, the majority of "operating" expenses relate to "Labor Costs," which MSM's investment banker, Ms. Lisa K. Lansio, confirmed were to cover employee wages and benefits.²⁵ But MSM's Chief Restructuring Officer ("**CRO**") and "Independent" Director, Gary Broadbent, later testified that MSM terminated nearly 90% of its workforce after filing the Chapter 11 Case:

Q: Have there been layoffs in the last couple of days of most of the employees of the Debtors [sic]?

A: There was a workforce reduction yesterday that reduced basically by 90 percent the workforce. It went from roughly 60 employees to maybe 6 today.²⁶

The Approved Budget's allocation for "Other Expenses" were for various unknown "operating expenses," which could include network costs or storage costs.²⁷ Notably, the Debtor—a media and television production company—budgets \$0 for the entire Chapter 11 Case for "Programming and Production" expenses.

²² Trinity intends to file an objection to the DIP Financing forthwith, and reserves all rights related thereto.

²³ DIP Motion ¶ 2.

²⁴ See Interim DIP Order, Ex. 2; see also July 3, 2025 Hr'g Tr. 34:23-35:3 (Ms. Lansio confirming that the Approved Budget shows no revenue for MSM).

²⁵ See July 3, 2025 Hr'g Tr. 35:4-8.

²⁶ *Id.* 46:20-24 (cross-examination of G. Broadbent).

²⁷ *Id.* 36:9-18 (Q: Do you know what the other expenses are here that are referenced? A: I do. That was meant to cover, in looking at the company's trial balance, you know, certain other operating expenses. You know, kind of network costs, storage costs, various things that may arise that we weren't exactly sure what the nature of those would be, but that was intended to be a cash-all, given the company's trial balances and kind of prior spending history, so to create, you know, some buffer in operating expense in case those did arise.).

34. The Debtor also represents that interim DIP Financing is needed to “commence the Adversary Complaint” against Trinity.²⁸ Indeed, during the interim period (from July 11 through July 25, 2025), over half of the \$4.1 million amount is designated to pay professional fees—\$1.9 million for the Debtor’s professional fees and \$650,000 for Peteski’s attorneys’ fees.²⁹ In fact, the majority of the entire DIP Facility is budgeted to pay professional fees—not operating expenses. For the entire Chapter 11 Case over 80% of the new-money portion of the DIP Facility is reserved for Debtor’s and Peteski’s professional fees (\$8,438,000 for the Debtor’s professional fees and \$2,375,000 for Peteski’s counsel).³⁰ It is clear that this DIP Facility is nothing more than a litigation fund set up by McGraw/Peteski to go after Trinity—something that could have been done outside of bankruptcy. However, the obvious ploy here is to give McGraw/Peteski a priming position over all other existing creditors to facilitate the loan-to-own strategy—a strategy made even clearer by McGraw’s announcement of a newly-formed entity called Envoy Media, Co.,³¹ which on information and belief, has been contacting certain of the Debtor’s contract parties (such as broadcasters) to enter into new contracts and may already be in possession of property of the Debtor’s estate.

35. In furtherance of this goal, and perhaps the most puzzling and disconcerting part about the DIP Financing, is the condition that any subsequent DIP funding cannot occur until the

²⁸ DIP Motion ¶ 2.

²⁹ It is also worth noting that Peteski’s legal counsel, Jackson Walker LLP, also represented the Debtor prior to the Petition Date. According to the Mr. Broadbent, Jackson Walker LLP represented MSM in connection with the PBR Arbitration—which was commenced in November 2024 and remains ongoing. *See* July 3, 2025 Hr’g Tr. 43:21-44:6 (Q: Are you aware that Jackson Walker had previously -- has been representing the Debtors up through perhaps today? Or yesterday? A: So, I think Jackson Walker has been longstanding counsel to Peteski. They did represent Merit Street in a dispute with the Professional Bull Riders Association. You know, Matt Cavanaugh can speak to the scope of that engagement. Q: Okay. But to your knowledge, they have been -- they have been representing the Debtors as well? A: In that dispute, yes.).

³⁰ *Id.* at 37:24-38:4 (Q: Do you see Other Professional Fees of \$638,000? Do you know what that is for? A: So, that would be for nondebtor professionals that the Debtor is responsible for paying for, so would include parties like Jackson Walker.).

³¹ *See Dr. Phil Returns: Launches Envoy Media Co. in Comeback Bid*, *supra* note 4.

Court has fully adjudicated the Preference Claim in the Adversary Proceeding.³² When asked why the remaining DIP Facility was conditioned on adjudication of the Preference Claim, Peteski's counsel provided the following ambiguous response to the Court's direct question:

From Peteski's point of view, Peteski has been supporting and keeping MSM -- keeping the lights on at MSM for many, many months, when it was TBN's obligation to do so. And as I have heard many times over the past couple weeks, enough is enough and too much is too much. And Peteski is willing to provide the bridge financing that got us here today, plus the incremental amounts that are proposed in the interim relief, but is not prepared at this point, Your Honor, to provide any additional funding until it can -- until it knows that there are protections that are going to be available in terms of collateral and the like.³³

36. The proposed roll-up of the prepetition Bridge Loans (approximately \$7.9 million) is also problematic in that the Debtor's filings are inconsistent about the actual amount of such loans and contain no information about the use of the loaned funds. For example, the DIP Motion states that on June 30, 2025, Peteski lent \$6,966,636 (defined thereafter as the "**Bridge Loans**").³⁴ But it also says in a footnote of the same paragraph that Peteski did so in three tranches—\$1,666,636 on June 10, \$1,300,000 on June 24, and \$5 million on June 30.³⁵ This adds up to \$7.97 million, not \$6.97 million, and the entered Interim DIP Order (defined below) repeats the \$7.97 million. Which is it, and for what were the funds used—particularly the \$5 million allegedly funded two days prior to the Petition Date? The DIP Motion does not say, but it does seek a full roll-up of this alleged funding.

³² See DIP Term Sheet, Conditions Precedent to All Subsequent Credit Extensions.

³³ July 3, 2025 Hr'g Tr. 74:10-20.

³⁴ DIP Motion ¶ 17.

³⁵ *Id.* n.10.

37. Notwithstanding Trinity's objection, on July 3, 2025, the Court entered the Interim DIP Order,³⁶ approving an interim advance of \$4.1 million of the DIP Financing, the majority of which will be set aside for the Debtor's professionals in order to pursue the Adversary Proceeding against Trinity. The Interim DIP Order further contemplates that upon entry of the final DIP order, Peteski will have the absolute and unchallengeable right to credit bid the entire DIP Facility (including the Roll-Up), and that right "shall not be prohibited from making such credit bid 'for cause' under section 363(k) of the Bankruptcy Code."³⁷ A final hearing on the DIP Motion is scheduled for June 29, 2025. Trinity will object to this proposed financing, which should not be approved on a final basis until this Motion is adjudicated.

iii. The Rejection Motion

38. Third, also on the Petition Date, the Debtor filed its Rejection Motion.³⁸ The Rejection Motion was not set for hearing on July 3, 2025, but incorporated the Broadbent Declaration, which does not describe or reference any MSM contracts except those with PBR, Trinity, or its insurers. Regardless, the intent of the Rejection Motion appears to be to seek rejection of all or substantially all of MSM's executory contracts or unexpired leases with parties other than TBN "with respect to its media and general operations."³⁹ This includes, among other things, license and location agreements, distribution agreements, affiliation agreements, program orders, and service agreements.⁴⁰ Rejection of these agreements could give rise to significant

³⁶ *Interim Order (I) Authorizing (A) Postpetition Financing, and (B) the Use of Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 35] (the "**Interim DIP Order**").

³⁷ Interim DIP Order ¶ 34.

³⁸ *Motion for Entry of an Order (I) Authorizing Rejection of Certain Executory Contracts and (II) Granting Related Relief* [Docket No. 26] (the "**Rejection Motion**").

³⁹ See Rejection Motion ¶ 7. Notably absent from the list of executory contracts and unexpired leases to be rejected is the Lease Agreement with TBN for the studio and office space in the Plex. With no contemplated lease payments in the Approved Budget, it appears MSM does not intend to satisfy all of its administrative expenses.

⁴⁰ Ex. 1 to the Rejection Motion.

claims against MSM's estate, and the business judgment of potential rejection (currently sought to be approved on July 29, 2025) during a sale process (described below), is unexplained.⁴¹

iv. The Bid Procedures Motion

39. Fourth, regarding that sale process, on July 5, 2025, the Debtor filed its Bid Procedures Motion.⁴² Through the Bid Procedures Motion, the Debtor seeks the approval of a prompt sale schedule and bid procedures for the sale of substantially all the Debtor's assets, which include: (a) litigation claims, (b) contract rights, (c) intellectual property, and (d) various personal property assets.⁴³ A hearing on the Bid Procedures Motion is currently scheduled for July 29, 2025. Notably, the creditors have no details about the "Debtor's assets" as its schedules and statements are not due to be filed until August 4, 2025.⁴⁴ Approving the Bidding Procedures for unknown assets is premature.

40. The proposed Bidding Procedures (attached as Exhibit 1 to the Bid Procedures Motion) expressly contemplate and authorize a credit bid by "[a]ny party that has a valid and perfected lien on any Assets of the Debtor's estate,"⁴⁵ and do not require that any party submitting a credit bid provide a Good Faith Deposit (as defined therein).⁴⁶ When read together with the other motions, the ruse is obvious—which is to give McGraw, who is an insider and fiduciary, a blocking

⁴¹ McGraw's recent creation of Envoy Media provides even more insight to the McGraw/Peteski's strategy—which is to acquire the Debtor's assets for \$0 and then transfer those assets McGraw's new media company.

⁴² *Motion for Entry of an Order (I)(A) Approving Bidding Procedures and the Form and Manner of Notice Thereof, (B) Authorizing the Selection of a Stalking Horse Bidder, (C) Establishing Bid Deadlines and Scheduling Auction and Sale Hearing, and (D) Establishing Certain Assumption and Assignment Procedures and Approving the Manner of Notice Thereof; (II)(A) Authorizing the Sale of the Assets Free and Clear of All Encumbrances, and (B) Approving the Assumption and Assignment of the Assumed Contracts; and (III) Granting Related Relief* [Docket No. 44] (the "**Bid Procedures Motion**").

⁴³ Bid Procedures Motion, ¶ 2.

⁴⁴ Docket No. 38 ¶ 2.

⁴⁵ Docket No. 44-1 § XIII.

⁴⁶ *Id.* § IX(d).

position to take over the Debtor's assets while saddling the estate with professional fees intended to benefit and effectuate his takeover.

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IV. LEGAL STANDARD

41. Pursuant to section 1112(b) of the Bankruptcy Code, a court shall convert or dismiss a bankruptcy case for cause when it is in the best interests of the creditors.⁴⁷ Section 1112(b)(4) contains a non-exclusive list of what constitutes "cause" for purposes of dismissal or conversion. For example, cause exists where there is a "substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation" or there is gross mismanagement of the estate.⁴⁸ This list is not exclusive; bankruptcy courts have the flexibility and discretion to determine what constitutes cause under section 1112(b).⁴⁹ Upon a finding of cause under section 1112(b) to dismiss or convert a Chapter 11 case, the court must weigh whether the appointment of a trustee under section 1104(a) is in the best interest of the creditors and estate.⁵⁰

42. The moving party bears the initial burden to establish "cause" by a preponderance of the evidence.⁵¹ Once the cause has been established, it is the debtor's burden to establish an exception under section 1112(b)(2).⁵²

⁴⁷ 11 U.S.C. § 1112(b).

⁴⁸ 11 U.S.C. §§ 1112(b)(4)(A)-(B).

⁴⁹ See, e.g., *In re Nat'l Rifle Assoc. of Am.*, 628 B.R. 262, 270 (Bankr. N.D. Tex. 2021) (noting that "'cause' affords flexibility to the bankruptcy courts and can include a finding that the debtor's filing for relief is not in good faith."); *In re Delta AG Grp., LLC*, 596 B.R. 186, 194 (Bankr. W.D. La. 2019); *In re Guiliani*, 661 B.R. 493, 501 (Bankr. S.D.N.Y. 2024).

⁵⁰ See, e.g., *Nat'l Rifle Assoc.*, 628 B.R. at 284; *In re Royal Alice Props., LLC*, No. 19-12337, 2020 WL 5357795, at *9 (Bankr. E.D. La. Sept. 4, 2020) (citing 11 U.S.C. § 1112(b)(1)); *In re NOA, LLC*, 578 B.R. 534, 541 (Bankr. E.D.N.C. 2017) ("Section 1112 and Section 1104 read together require the court to make a finding as to what remedy is in the best interest of the creditors and the estate.').

⁵¹ *Delta AG Grp., LLC*, 596 B.R. at 194 (citing *In re Woodbrook Assocs.*, 19 F.3d 312, 317 (7th Cir. 1994)).

⁵² *Id.*

V.

ARGUMENT AND AUTHORITIES

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A. Cause Exists Under Section 1112(b) to Dismiss or Convert the Chapter 11 Case.

i. *The Debtor Lacked the Authority to File the Chapter 11 Case, the Actions Were Ultra Vires, and Thus, the Chapter 11 Case Must be Dismissed.*

43. Mr. Broadbend did not have the corporate authority to authorize the Debtor's bankruptcy. This fact alone requires the Court to dismiss the Chapter 11 Case under section 1112(b). Independent from any finding of "cause," a bankruptcy case must be dismissed if the debtor did not have valid corporate authority to file a petition because the Court thus lacks subject matter jurisdiction over the case.⁵³ As the Fifth Circuit held, the person who signs the bankruptcy petition must have had the actual authority to do so at the time the petition is filed.⁵⁴ State law determines who has the authority to file a bankruptcy petition on behalf of the corporation.⁵⁵

44. The Debtor is a Texas corporation, and thus, Texas law should govern. Under Texas law, the default rule is that the business and affairs of a corporation is managed through the board of directors.⁵⁶ Any action by the board requires either (a) a vote of a majority of the directors present at a meeting at which quorum is present, or (b) a written consent stating the action to be

⁵³ See, e.g., *Franchise Servs. of Am. Inc. v. United States Trustee (In re Franchise Servs. of N. Am., Inc.)*, 891 F.3d 198, 206-07 (5th Cir. 2018) ("If the petitioners lack authorization under state law, the bankruptcy court 'has no alternative but to dismiss the petition.'") (citing *Price v. Gurney*, 324 U.S. 100, 106 (1945)); *In re Cinch Wireline Servs., LLC*, No. 23-51742-CAG, 2024 WL 848199, at *9 (Bankr. W.D. Tex. Mar. 18, 2025); *In re Mid-South Business Assocs., LLC*, 555 B.R. 565, 570 (Bankr. N.D. Miss. 2016); *In re 301 W.N. Avenue, LLC*, 666 B.R. 583, 955 (Bankr. N.D. Ill. 2025) ("There is cause to dismiss a case if corporate authority to file for relief under the Bankruptcy Code does not exist."); *In re Apex Brittany MO, LP*, No. 23-11463 (CTG), 2023 WL 8205669, at *3 (Bankr. D. Del. Nov. 27, 2023) ("It is well established that a court must dismiss a bankruptcy case if the party acting on behalf of a corporate entity in filing the petition lacked the authority to do so.").

⁵⁴ *Franchise Servs. of N. Am.*, 891 F.3d at 207 ("It is not enough that those who seek to speak for the corporation may have the right to obtain that authority. Rather, they must have it at the time of filing.").

⁵⁵ *Id.* at 206; *Mid-South Business Assocs.*, 555 B.R. at 570-71.

⁵⁶ Tex. Bus. Orgs. Code § 21.401(a); see also *In re Estate of Poe*, 648 S.W.3d 277, 286 (Tex. 2022).

taken that is signed by all members of the board.⁵⁷ One of these requirements was necessary to authorize MSM to file for relief under the Bankruptcy Code; yet neither were validly obtained.

45. Instead, the Bankruptcy Resolutions reflect that MSM's board appointed a "Special Committee" (of one person, Mr. Broadbent), who then authorized the filing of this Chapter 11 Case and the appointment of Mr. Broadbent as the CRO and "Independent" Director. All of these actions were done without the proper and valid board approval.

46. First, MSM's board did not have the authority to designate the Special Committee because such action was approved by a single board member—McGraw. And while MSM's certificate of formation lists only one director—McGraw—this is incorrect. MSM's Texas certificate of conversion *should have* listed two other board members (the TBN designees). Its apparent failure to do so is likely because McGraw/Peteski believed that they terminated the TBN directors prior to its conversion to a Texas entity.

47. However, McGraw/Peteski's removal of the TBN-appointed directors was not done in accordance with the Voting Agreement, and therefore, such termination was invalid.⁵⁸ The Voting Agreement allows a TBN-director to be removed only if TBN consented to the removal by written consent or affirmative vote to such removal.⁵⁹ That did not happen here. At no point did TBN provide a written agreement or an affirmative vote to remove its own directors.⁶⁰ As a result,

⁵⁷ Tex. Bus. Orgs. Code § 21.415.

⁵⁸ The purported termination of the TBN directors occurred while MSM was incorporated under Delaware law. As such, the Voting Agreement and Delaware law governs removal of directors.

⁵⁹ Voting Agreement § 1.4(b).

⁶⁰ *Salamone v. Gorman*, 106 A.3d 354, 379-80 (Del. 2014) (finding removal provisions in a voting agreement permissible where it allowed only those persons eligible to designate a director could remove said director); *New Enter. Assocs. 14, L.P. v. Rich*, 295 A.3d 520, 573 (Del. Ch. 2023) (noting that stockholders can contract "about how to exercise their voting power to elect directors" without violating the DGCL, charter, and bylaws); *c.f. Bouchard v. Braidly Indus., Inc.*, 2020 WL 2036601, at *15 (Del. Ch. Apr. 28, 2020) ("Although Bouchard seeks the immediate removal of the Director Defendants from the Board without regard to the mechanism by which they were designated the Voting Agreement limits Plaintiff's removal rights to the removal of directors that he is entitled to designate.") (cleaned up). Even under Texas law, this would have been improper. See Tex. Bus. Orgs. Code § 21.409(b) ("If the certificate of formation entitles the holders of a class or series of shares or a group of classes or series of shares to elect one or more directors, only the

any action taken or approved by MSM's board, including the designation of the Special Committee, was *ultra vires* and should be null and void.⁶¹ 25 SEP -2 PM 11: 02

48. Second, because the "Governing Body" (*i.e.*, the board of one) was acting without proper corporate authority, the appointment of Mr. Broadbent as the CRO and "Independent" Director of MSM was similarly *ultra vires* and should be null and void. The Special Committee had no authority to authorize the filing of this Chapter 11 Case, nor did Mr. Broadbent have the authority to sign the bankruptcy petition.⁶²

49. As such, section 1112(b) requires dismissal of this Chapter 11 Case.⁶³

ii. *The Little Creek Factors Demonstrate Bad Faith.*

50. Assuming, arguendo, that the Debtor had the corporate authority to file bankruptcy (which it did not), Trinity submits that cause exists to dismiss or convert the case for lack of good faith filing. The majority of courts, including the Fifth Circuit, have determined that filing a bankruptcy petition not in good faith is sufficient cause under section 1112(b).⁶⁴ The standard for

holders of shares of that class, series, or group may vote on the removal of a director elected by the holders of shares of that class, series, or group.").

⁶¹ MSM also did not have the authority to convert to a Texas corporation. In Delaware, the board of directors must adopt a resolution approving the conversion and then such resolution must be submitted to the stockholders of the corporation at an annual or special meeting; only after a majority vote approving the resolution may the entity convert. 8 D.G.C.L. § 266(b). MSM did not properly adopt any board resolution (if one exists) as the TBN directors were never notified of the conversion. Nor did TBN vote on such resolution at a stockholder meeting.

⁶² Similarly, MSM also did not have the authority to commence the Adversary Proceeding against Trinity.

⁶³ See *Price*, 324 U.S. at 107 (noting that there was no "indication that Congress bestowed on the bankruptcy court jurisdiction to determine that those who in fact do not have the authority to speak for the corporation as a matter of local law are entitled to be given such authority and therefore should be empowered to file a petition on behalf of the corporation.").

⁶⁴ See, e.g., *Little Creek Dev. Co. v. Commonwealth Mortg. Corp. (In re Little Creek Dev. Co.)*, 779 F.2d 1068, 1071-73 (5th Cir. 1986) ("Every bankruptcy statute since 1898 has incorporated literally, or by judicial interpretation, a standard of good faith for the commencement, prosecution, and confirmation of bankruptcy proceedings."); *In re Humble Place Joint Venture*, 936 F.2d 814, 816-17 (5th Cir. 1991); *In re Antelope Techs., Inc.*, 431 F.App'x 272, 275 (5th Cir. 2011); *In re LTL Mgmt., LLC*, 64 F.4th 84, 101 (3d Cir. 2023) ("Chapter 11 bankruptcy petitions are subject to dismissal under 11 U.S.C. § 1112(b) unless filed in good faith."); *In re Phoenix Piccadilly, Ltd.*, 849 F.2d 1393 (11th Cir. 1988) ("A case under Chapter 11 may be dismissed for cause pursuant to section 1112 of the Bankruptcy Code if the petition was not filed in good faith."); see also *Nat'l Rifle Assoc.*, 628 B.R. at 270 (noting that "'cause' affords flexibility to the bankruptcy courts and can include a finding that the debtor's filing for relief is not in good faith.").

dismissal or conversion for bad faith “depends largely upon the bankruptcy court’s on-the-spot evaluation of the debtor’s financial condition, motives, and the local financial realities.”⁶⁵ Overall, the analysis of “cause” under section 1112(b) is “‘case-specific, focusing on the circumstances of each debtor’ and requires consideration of the totality of the debtor’s circumstances.”⁶⁶ The moving party has the initial burden to make a prima facie showing of lack of good faith; upon such showing the burden shifts to the debtor to show good faith.⁶⁷

51. The Fifth Circuit in *Little Creek* observed that findings of lack of good faith are generally predicated on certain “reoccurring but non-exclusive patterns,” such as:

- (1) The debtor employees few or zero employees, except for the principal(s);
- (2) The debtor has engaged in improper pre-petition conduct;
- (3) The debtor has little or no cash flow;
- (4) The debtor has little to no cash to sustain a plan of reorganization or make adequate protection payments;
- (5) There are only a few unsecured creditors with relatively small claims;
- (6) The case is a two-party dispute between the debtor and a single creditor (or consolidated group of creditors);
- (7) The debtor’s primary asset is about to be sold or transferred, and the debtor has failed to prevent the sale or transfer in state court.⁶⁸

Not all factors must be present for a finding of bad faith.⁶⁹ Here, the majority of the *Little Creek* factors are present, evidencing that the Chapter 11 Case was filed in bad faith.

⁶⁵ *Little Creek Dev. Co.*, 779 F.2d at 1072.

⁶⁶ *In re Traxcell Techs., LLC*, 657 B.R. 453, 459 (Bankr. W.D. Tex. 2024) (quoting *United Savs. Ass’n of Tex. v. Timbers of Inwood Forest Assocs., Ltd.* (*In re Timbers of Inwood Forest Assocs., Ltd.*), 808 F.2d 363, 371-72 (5th Cir.1987)).

⁶⁷ *Nat’l Rifle Assoc. of Am.*, 628 B.R. at 270.

⁶⁸ See, e.g., *In re 1701 Commerce, LLC*, 744 B.R. 652, 657-58 (Bankr. N.D. Tex. 2012) (citing *Little Creek Dev. Co.*, 779 F.2d at 1072-73); *Traxcell Techs., LLC*, 657 B.R. at 459; see also *In re McMahan*, 481 B.R. 901, 916 (Bankr. S.D. Tex. 2012) (adding the existence of a two-party dispute as a *Little Creek* factor).

⁶⁹ *1701 Commerce, LLC*, 744 B.R. at 658, n.18.

52. Factor 1—Little to No Employees. As the Debtor's CRO testified, the Debtor terminated over 90% of its employees on the Petition, leaving the Debtor with only six (6) employees, the majority of which are believed to be only executives or friends of McGraw.⁷⁰ "A lack of any employees suggests that there is no business to reorganize and thus no good faith reason for being in chapter 11."⁷¹ As such, factor 1 weighs in favor of bad faith.

53. Factor 2—Improper Prepetition Conduct. The Debtor unquestionably engaged in improper pre-petition conduct, denuding MSM of resources that could and should otherwise have gone to satisfy obligations to PBR, produce the agreed-upon 90-minute shows (none of which were made to date), and avoid the financial distress of which MSM now complains. McGraw pocketed millions in compensation for himself and his cronies through MSM, which was funded entirely by TBN before September 2024.

54. Factors 3 & 4—No Cash Flow and No Cash to Sustain a Reorganization. The Debtor has absolutely no revenue or cash flow, and the only projected cash flow is funding from the DIP Facility (if approved), a majority of which is to pay professionals. To that end, there is essentially nothing to sustain a plan of reorganization or liquidation. Furthermore, the Debtor contemplates a sale of substantially all of its assets to Peteski via a credit bid. Assuming that sale occurs, and Peteski is the winning bidder, there would be no proceeds for other creditors, nor would there be anything for the Debtor to reorganize or liquidate. As such, factors 3 and 4 weigh in favor of finding bad faith.

55. Factor 5—Few Unsecured Creditors. The Debtor has very few unsecured creditors and the amounts are relatively small. "A relatively low proportion of unsecured debts tends to indicate bad faith because it suggests the debtor filed in contemplation of a single, large, secured

⁷⁰ See July 3, 2025 Hr'g Tr. 46:19-24.

⁷¹ *Traxcell Techs.*, 657 B.R. at 460.

debt.”⁷² The Debtor reports to have a little over thirty (30) unsecured creditors, totaling to a little over \$12 million of unsecured debt.⁷³ By way of comparison, the Debtor has two secured creditors—Trinity and Peteski. Trinity is the Debtor’s largest secured creditor, and is the primary target of this Chapter 11 Case. As such, factor 5 weighs in favor of finding bad faith.

56. Factor 6—Two-Party Dispute. This Chapter 11 Case is nothing more than a two-party dispute between Trinity and the Debtor. The existence of a two-party dispute in a chapter 11 case is enough by itself to find bad faith and support dismissal.⁷⁴

57. This Chapter 11 Case is nothing more than a way to fund litigation against Trinity. This entire bankruptcy was manufactured to allow McGraw *vis-à-vis* Peteski to finance a litigation against Trinity—something that could have been done outside of bankruptcy. Indeed, the Adversary Proceeding and DIP Term Sheet clearly show that the entire purpose of this Chapter 11 Case was to strip Trinity of its security interest—a claim manufactured by McGraw prepetition in asking Trinity to delay its filing of UCC-1 Financing Statement—and litigate with Trinity regarding their pre-petition contractual relationship on a truncated timeline required by the terms of the DIP Financing—a lending relationship where McGraw/Peteski are on both sides of the proposed transaction. Factor 6 thus weighs in favor of finding bad faith.

⁷² *Id.* at 460-61.

⁷³ See Top 30 Largest Unsecured Creditors, Docket No. 1. The Debtor represented that the number of unsecured creditors does not extend too far beyond the Top 30 List. See July 3, 2025 Hr’g Tr. 17:1-7.

⁷⁴ See, e.g., *Traxcell Techs.*, 657 B.R. at 461-2; *In re Triumph Christian Center, Inc.*, 493 B.R. 479, 495 (Bankr. S.D. Tex. 2013) (noting the most important fact was that this was a two-party dispute); *In re Starmark Clinics, LP*, 388 B.R. 729, 736 (Bankr. S.D. Tex. 2008) (dismissal for cause is appropriate where it appears that the “debtor was attempting to use the Bankruptcy Code to gain an unfair advantage in a two party dispute.”); see also *In re Liptak*, 304 B.R. 820, 836 (Bankr. N.D. Ill. 2004) (“If the debtor’s only purpose for filing the case is to delay (or defeat) a single judgment creditor, and the case has little or no ability to benefit the creditor body as a whole, then the debtor has not filed the Chapter 11 in good faith.”).

ii. ***The Chapter 11 Case Serves No Valid Bankruptcy Purpose And was Filed To Obtain a Tactical Litigation Advantage, which also Demonstrates Bad Faith.***

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58. In determining good faith or lack thereof, courts also look to (a) whether the chapter 11 case serves a “valid bankruptcy purpose” and (b) whether the case was filed “merely to obtain a tactical litigation advantage.”⁷⁵ Valid purposes of bankruptcy include, among other things, preserving the debtor’s going concerns or liquidating its assets *for the benefit of creditors*.⁷⁶

59. It is the Debtor’s position that its purpose in filing this Chapter 11 Case is to (a) centralize all open disputes, to prevent a race to the courthouse and ensure the equitable treatment of creditors, and (b) to facilitate a sale or disposition of some or all of its assets.⁷⁷ But this is nothing more than stage dressing or lip service to the Court.⁷⁸ The Debtor has no intention to ensure “equitable treatment of creditors” through use of a sale—and it is hard to imagine that the Debtor is even intending to make any distribution to its creditors. Instead, the end goal of this bankruptcy is for McGraw, through Peteski—the Debtor’s purported majority shareholder—to takeover the company. Put simply, the sole purpose of this Chapter 11 Case is to benefit McGraw/Peteski.

60. Commencing a bankruptcy to facilitate the takeover of debtor by a shareholder is not a valid purpose of bankruptcy.⁷⁹ Ultimately, a chapter 11 case is filed in good faith when it

⁷⁵ See, e.g., *Nat’l Rifle Assoc.*, 628 B.R. at 280 (citing *In re 15375 Mem’l Corp.*, 589 F.3d 605, 618 (3d Cir. 2009)); *In re Ozcelebi*, 639 B.R. 365, 396 (Bankr. S.D. Tex. 2022); *In re Red River Talc. LLC*, No. 24-90505 (CML), 2025 WL 1029302, at *42 (Bankr. S.D. Tex. Mar. 31, 2025); see also *In re Trust*, 526 B.R. 668, 680 (Bankr. N.D. Tex. 2015).

⁷⁶ See, e.g., *Ozcelebi*, 639 B.R. 396-97 (noting a valid purpose is to preserve the debtor’s going concern and maximize property available to satisfy creditors); *Red River Talc. LLC*, 2025 WL 1029302, at *42 (finding that a valid purpose is to liquidate assets and create a liquidation trust to benefit creditors).

⁷⁷ Broadbent Decl. ¶ 7.

⁷⁸ *In re Rent-A-Wreck of Am., Inc.*, 580 B.R. 364, 374 (Bankr. D. Del. 2018) (noting that the desire to use the Bankruptcy Code to one’s advantage does not automatically constitute a good faith filing).

⁷⁹ See *id.* at 383 (finding bad faith where the debtors’ purpose in filing was “nothing more than a straightforward attempt to take value that belongs Mr. Schwartz [a creditor/adversary of the debtors] and give it to the debtors” which would in turn only benefit the debtors’ owner).

“seeks to preserve or create some value that would otherwise be lost outside of bankruptcy” whether that be done via a plan of reorganization or liquidation.⁸⁰ As the Third Circuit observed:

To be filed in good faith, a petition must do more than merely invoke some distributional mechanism in the Bankruptcy Code. It must seek to create or preserve some value that would otherwise be lost—not merely distributed to a different stakeholder—outside of bankruptcy. *This threshold inquiry is particularly sensitive where, as here, the petition seeks to distribute value directly from a creditor to a company’s shareholders.*⁸¹

61. Here, it is clear that the Chapter 11 Case seeks to avoid Trinity’s security interest in order to allow McGraw/Peteski—the Debtor’s purported majority stakeholder—to credit bid for substantially all of the Debtor’s assets, including for all litigation claims against Trinity. This scheme is made abundantly clear through the Debtor’s proposed sale process. Indeed, the Interim DIP Order expressly contemplates that Peteski has the right to credit bid the entire DIP Facility (including the Roll-Up) and that right shall not be prohibited “for cause.”⁸² This language, if approved, gives McGraw/Peteski the unchecked right to acquire assets at no cost and zero benefit to the creditors. Such a sale would not require the Debtor to satisfy the best-interest test, nor would it result in any distributions to creditors. Rather, because Peteski is financing this entire process, it is artificially inflating its own secured claim in order to credit bid against the Debtor’s assets and then transfer those assets for no consideration to Envoy Media (McGraw’s new media company). The Debtor cannot use the bankruptcy process for the sole benefit of McGraw.

62. Furthermore, as detailed above, the Chapter 11 Case was filed to obtain a tactical litigation advantage (which is also an improper bankruptcy purpose).⁸³ Indeed, the Chapter 11

⁸⁰ See, e.g., *Ozcelebi*, 639 B.R. 396-97; *In re Rent-A-Wreck of Am., Inc.*, 580 B.R. at 383 (“One of the purposes of chapter 11 is to maximize property available to satisfy creditors.”).

⁸¹ *In re Integrated Telecom Express, Inc.*, 384 F.3d 108, 129 (3d Cir. 2004) (emphasis added).

⁸² See Interim DIP Order ¶ 34.

⁸³ See *In re Antelope Techs., Inc.*, 431 F.App’x 272, 275 (5th Cir. 2011) (affirming dismissal where the district court found that the purpose of the petition was not primarily to reorganize or respond to a financial crisis but to gain an unfair advantage in a shareholder derivative action).

Case was filed to jam Trinity in a truncated litigation timeline—particularly as it relates to the alleged Preference Claim. The litigation purpose inherent in the bankruptcy filing is evident from the fact that the Complaint was filed prior to any substantive pleadings in the bankruptcy itself.

63. Accordingly, there is ample cause to find the Chapter 11 Case was commenced in bad faith. The primary purpose of this Chapter 11 Case is to take advantage of the debtor-in-possession's avoidance powers all to benefit one of the Debtor's stakeholders. That is not a valid bankruptcy purpose. One of the primary purposes of a Chapter 11 is to "maximize property *available to satisfy creditors*."⁸⁴

B. Because there is Ample Cause to Find Bad Faith, the Court Should Dismiss the Chapter 11 Case, or in the Alternative Convert to a Chapter 7 Case under Section 1112(b) of the Bankruptcy Code.

64. Upon finding cause, the Court must determine whether conversion or dismissal is in the best interest of the creditors and the estate.⁸⁵ There is no brightline test to determine whether conversion or dismissal is the best interest of the estate.⁸⁶ The decision is left to the discretion of the Court.⁸⁷

65. Trinity submits that the creditors would be served best by dismissal of this case. As detailed above, the Debtor is essentially not operating, has very few remaining employees, no cash flow or cash to facilitate a plan of reorganization or liquidation, and commenced this Chapter 11 Case with the only goals being to fund a litigation against Trinity and allow McGraw/Peteski to acquire the assets. "Resort to the protection of the bankruptcy laws is not proper under these

⁸⁴ *In re Rent-A-Wreck of Am., Inc.*, 580 B.R. at 383 (emphasis in the original).

⁸⁵ 11 U.S.C. § 1112(b).

⁸⁶ *Ozcelebi*, 639 B.R. at 365; *In re Fleestar LLC*, 614 B.R. 767, 781 (Bankr. E.D. La. 2020).

⁸⁷ *In re M.A.R. Designs & Construction, Inc.*, 653 B.R. 843, 872 (Bankr. S.D. Tex. 2023).

circumstances because there is no going concern to preserve, there are no employees to protect, and there is no hope of rehabilitation, except according to the debtor's terminal euphoria.⁸⁸

66. Moreover, everything that the Debtor seeks to do through this Chapter 11 process can be, and should be, done outside bankruptcy. There was no reason to commence bankruptcy but-for allowing McGraw/Peteski to credit bid at almost no cost and provide zero benefit to creditors while also enjoying the benefit of exceptionally broad releases proposed to be approved on a final basis in the Interim DIP Order. Neither this Court nor the Debtor's creditors should be subjected to the costs and delays of a bankruptcy proceeding under these conditions. As such, dismissal of this Chapter 11 Case is in the best interest of the estate.

67. In the alternative, Trinity submits that conversion could also provide a meaningful chance of recovery and would be more appropriate than MSM remaining in chapter 11. Because the Debtor is essentially not operating and has little to no assets, a chapter 7 trustee would be fully equipped to conduct a sale (if it so chose) in a manner that maximizes value for creditors, without the artificial encumbrance of the superpriority DIP Facility and saddling the estate with millions of dollars of unnecessary professional fees. In other words, because there is nothing to legitimately reorganize, and no ongoing operations to protect, conversion to chapter 7 with an independent fiduciary (the chapter 7 trustee) in place would minimize administrative costs, allow for an independent review of the needs of the estate and the best way to maximize the value of assets, and ultimately pave the way for a more meaningful distribution to the Debtor's creditors and other stakeholders. Any assets of the estate would remain to be liquidated, and McGraw/Peteski would be allowed to bid real dollars. What he would not be allowed to do is orchestrate the entire bankruptcy filing to direct the assets to himself in exchange for funding litigation where no one benefits but him.

⁸⁸ *Little Creek*, 779 F.2d at 1073.

C. **In Alternative, the Court Should Appoint a Chapter 11 Trustee Under Sections 1112(b) and/or 1104(a) of the Bankruptcy Code.**

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68. Even if the Court were to determine that dismissal or conversion is not appropriate, Trinity submits that a Chapter 11 trustee under section 1104(a) should be appointed at this time. Section 1112(b) of the Bankruptcy Code provides that if there is cause to convert or dismiss a case, the Court may instead appoint a Chapter 11 trustee under section 1104(a) if it is in the best interest of creditors and the estate.⁸⁹ In making this determination, one court observed that:

the distinguishing factor is the expanded possibility in Chapter 11 for a trustee using independent judgment and good management to direct the affairs of the estate including on-going operations (if any) in order to optimize recovery for the creditors and the estate.⁹⁰

69. As detailed above, ample cause exists under section 1112(b) to find that the Debtor filed its Chapter 11 Case in bad faith. Creditors would be best served by an independent trustee—not one that is currently under the control of McGraw/Peteski. An independent trustee (whether it be one appointed in a Chapter 11 or Chapter 7 case) will best serve the interests of *all* creditors and stakeholders. Thus, if the Court determines it is in the best interest of creditors and the estate to keep the Debtor in a Chapter 11 case, then Trinity respectfully requests that a Chapter 11 trustee be appointed.

i. ***The Court Should Appoint a Chapter 11 Trustee for Cause under Section 1104(a)(1) Because there is an Irresolvable Conflict of Interest Between the Debtor and Peteski.***

70. In addition to cause under section 1112(b), cause also exists under section 1104(a)(1) to appoint a Chapter 11 trustee. Section 1104(a)(1) requires the Court to appoint a Chapter 11 trustee “for cause, including fraud, dishonesty, incompetence, or gross mismanagement

⁸⁹ See, e.g., *In re Patman Drilling Int'l, Inc.*, No. 07-34622-SGJ, 2008 WL 724086, at *6 (Bankr. N.D. Tex. Mar. 14, 2008); *In re NOA, LLC*, 578 B.R. 534, 541 (Bankr. E.D.N.C. 2017) (“Section 1112 and Section 1104 read together require the court to make a finding as to what remedy is in the best interest of the creditors and the estate.”).

⁹⁰ *NOA, LLC*, 578 B.R. at 541 (quoting *In re Sydnor*, 431 B.R. 584, 600 (Bankr. D. Md. 2010)) (cleaned up).

of the affairs of the debtor by current management, either before or after the commencement of the case, or similar cause.”⁹¹

25 SEP -2 21:11:03

71. Although section 1104(a)(1) provides four types of misconduct that constitute cause to appoint a trustee (e.g., fraud, dishonesty, incompetence, and gross mismanagement), these examples are not exclusive.⁹² For instance, courts have determined that cause exists when there is a conflict of interest or when the debtor fails to discharge its fiduciary duties.⁹³ The legal principles underlying this are straightforward: as a “debtor-in-possession,” the debtor owes fiduciary duties, such as the duty of care, duty of loyalty, and duty of impartiality.⁹⁴ If the debtor is clearly incapable of performing such fiduciary duties, a chapter 11 trustee may be appointed pursuant to section 1104(a) of the Bankruptcy Code.⁹⁵

72. Here, it is questionable at best as to whether the Debtor is able to perform its fiduciary duties during this Chapter 11 Case. As the DIP Financing and Bid Procedures make clear: it is McGraw *vis-à-vis* Peteski that is running this Chapter 11 Case—not the Debtor. Peteski is using the Debtor and this Chapter 11 Case to wipe out Trinity’s security interest and inflate its own security interest to acquire the Debtor for little to no meaningful value to the estate. Put simply, the Debtor is being controlled by McGraw to effectuate a sale of substantially all its assets to an insider (McGraw/Peteski) that will provide absolutely no benefit to the Debtor’s other

⁹¹ 11 U.S.C. § 1104(a)(1).

⁹² 11 U.S.C. § 1104(a)(1); *see, e.g., In re Sillerman*, 605 B.R. 631, 641 (Bankr. S.D.N.Y. 2019) (“The words ‘including’ and ‘or similar cause’ allow the court to consider other conduct in analyzing whether there is cause to appoint a trustee.”); *In re Futterman*, 584 B.R. 609, 616 (Bankr. S.D.N.Y. 2018) (noting other types of conduct that constitute cause include “inappropriate relations between corporate parents and subsidiaries, misuse of assets and funds, inadequate record-keeping and reporting, and various instances of conduct found to establish fraud or dishonesty, lack of credibility, and lack of creditor confidence.”).

⁹³ *See, e.g., Patman Drilling Int’l, Inc.*, 2008 WL 724086, at *6; *Sillerman*, 605 B.R. at 647-48.

⁹⁴ *In re Ford Steel, LLC*, 629 B.R. 871, 890 (Bankr. S.D. Tex. 2021); *In re Bowman*, 181 B.R. 836, 842-43 (Bankr. D. Md. 1995).

⁹⁵ *See Sillerman*, 605 B.R. at 648 (citing *In re Ionosphere Clubs, Inc.*, 113 B.R. 164, 169 (Bankr. S.D.N.Y. 1990)).

creditors. A debtor-in-possession owes fiduciary duties *to all of its creditors*; its job “is to make sure the creditors are paid.”⁹⁶ It appears Debtor has abdicated this duty by facilitating a sale intended to benefit one insider—McGraw/Peteski. This alone is sufficient cause to appoint a trustee.⁹⁷

73. Moreover, the Debtor’s prepetition conduct with McGraw/Peteski further demonstrates the Debtor’s inability to carry out its debtor-in-possession duties. For instance, prior to June 18, 2025 (after the first alleged funding of the Bridge Loans was made on June 10), McGraw was allegedly the sole board member of the Debtor.⁹⁸ McGraw then handpicked and appointed Mr. Broadbent to the Debtor’s board—McGraw was the only vote needed for Mr. Broadbent’s appointment.⁹⁹ It is also unclear as to whether McGraw, in control of Peteski, was involved in DIP Financing negotiations with Peteski prior to Mr. Broadbent’s appointment as CRO and “Independent” Director of the Debtor.¹⁰⁰ It seems impossible for him not to have been on both sides of that transaction.

74. These facts do not instill confidence that the Debtor is capable of carrying out its fiduciary duties. As such, cause exists to appoint a Chapter 11 trustee under section 1104(a)(1) of the Bankruptcy Code.

⁹⁶ *Bowman*, 181 B.R. at 843.

⁹⁷ *See, e.g., Royal Alice Props.*, 2020 WL 5357795, at *10 (finding cause to appoint a Chapter 11 trustee because the managers of debtor were operating the debtor for their own benefit and not creditors).

⁹⁸ July 3, 2025 Hr’g Tr. 45:23-46:3.

⁹⁹ *Id.* 45:16-22.

¹⁰⁰ It is also worth noting that Peteski’s legal counsel, Jackson Walker LLP, also represented the Debtor prior to the Petition Date. According to the Mr. Broadbent, Jackson Walker LLP represented MSM in connection with the PBR Arbitration—which was commenced in November 2024 and remains ongoing. *See id.* 43:21-44:6 (Q: Are you aware that Jackson Walker had previously – has been representing the Debtors up through perhaps today? Or yesterday? A: So, I think Jackson Walker has been longstanding counsel to Peteski. They did represent Merit Street in a dispute with the Professional Bull Riders Association. You know, Matt Cavanaugh can speak to the scope of that engagement. Q: Okay. But to your knowledge, they have been -- they have been representing the Debtors as well? A: In that dispute, yes.).

ii. ***The Court Should Appoint a Chapter 11 Trustee Under Section 1104(a)(2) Because Appointment is in the Interests of the Creditors, Equity Security Holders, and Other Interests.***

75. Trinity further submits that in the absence of dismissal or conversion, the appointment of a Chapter 11 trustee is in the “interests of the creditors, any equity security holders, and other interests of the estate[.]”¹⁰¹ In making such a determination, “the court should consider the practical realities, necessities of the case, and the totality of the circumstances in determining whether to appoint a trustee.”¹⁰² In addition, courts consider the following factors which should be balanced against the cost of appointment:

(i) the trustworthiness of the debtor; (ii) the debtor-in-possession’s past and present performance and prospects for the debtor’s rehabilitation; (iii) the confidence—or lack thereof—of the business community and of creditors in present management; and (iv) the benefits derived by the appointment of a trustee; balanced against the cost of the appointment.¹⁰³

76. First, while under the control of McGraw/Peteski the trustworthiness of the Debtor to protect the interests of the estate is questionable at best. As noted above, the Debtor is intending to facilitate a sale that provides zero benefit or recoveries to other creditors and steers MSM’s assets to McGraw/Peteski or an entity they designate.

77. Second, the Debtor’s prospects of rehabilitation are slim to none. After a sale that would yield no proceeds, there is nothing left to reorganize (let alone liquidate).

78. Third, the fact that the Debtor’s only “Independent” Director was appointed and approved at the sole discretion of McGraw, Trinity is not confident in the Debtor’s present management.

¹⁰¹ 11 U.S.C. § 1104(a)(2).

¹⁰² *Ford Steel, LLC*, 629 B.R. at 890 (citing *Ionosphere Clubs*, 113 B.R. at 168).

¹⁰³ *Royal Alice Props.*, 2020 WL 5357795, at *11 (quoting *Ionosphere Clubs*, 113 B.R. at 168); *Ford Steel*, 629 B.R. at 890; *In re Esco Elevators, Inc.*, No. 494-44339-MT, 1995 WL 605982, at *3 (Bankr. N.D. Tex. Jan. 31, 1995).

79. *Fourth*, there would be no additional cost to the estate with the appointment of a Chapter 11 trustee. Rather, additional benefit could be brought into the estate with the appointment of an independent trustee because such trustee could pursue a real value maximizing sale process. It could also reevaluate the Approved Budget to maximize recoveries for all creditors.

80. But overall, and perhaps the most important justification here, is that the appointment Chapter 11 trustee cleanses the Debtor of all material conflicts of interest—*i.e.*, removes McGraw/Peteski from control. As detailed above, the entire objective of this Chapter 11 Case is to inflate McGraw/Peteski's security interest and sell substantially all of the Debtor's assets free of charge. This is not only an invalid bankruptcy purpose, it also demonstrates that the Debtor is not acting as a fiduciary for all creditors. To that end, the only way to give the creditors any real chance of recoveries here would be to appoint a Chapter 11 trustee.

VI. **CONCLUSION**

81. The Debtor did not have the proper corporate authority to file this Chapter 11 Case, and thus, the Court lacks jurisdiction and the case must be dismissed. This Chapter 11 Case also serves no legitimate or valid bankruptcy purpose. The Debtor is hardly operational; has no cash flow; a handful of employees; and there is nothing to reorganize or liquidate for the benefit of creditors. Rather, the Debtor commenced this Chapter 11 Case at the behest of McGraw/Peteski to commence litigation with Trinity and wipe out its security interest secured creditor in order to transfer value to McGraw/Peteski. This Chapter 11 Case should be dismissed, or at least, converted to a Chapter 7 case. In the alternative, Trinity submits that under these facts and circumstances the appointment of a Chapter 11 trustee is also warranted.

WHEREFORE, Trinity respectfully requests that this Court enter an order (a) dismissing this Chapter 11 Case, (b) converting this Chapter 11 Case to a case under chapter 7; or (c) appointing a chapter 11 trustee; and (d) grant such other and further relief as may be just and proper.

DATED: July 18, 2025

Respectfully submitted by:

/s/ Mark C. Moore

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CERTIFICATE OF SERVICE

I hereby certify that on July 18, 2025, a true and correct copy of the foregoing document was served electronically by the Court's PACER system.

/s/ Nora J. McGuffey

Nora J. McGuffey

CERTIFICATE OF CONFERRAL

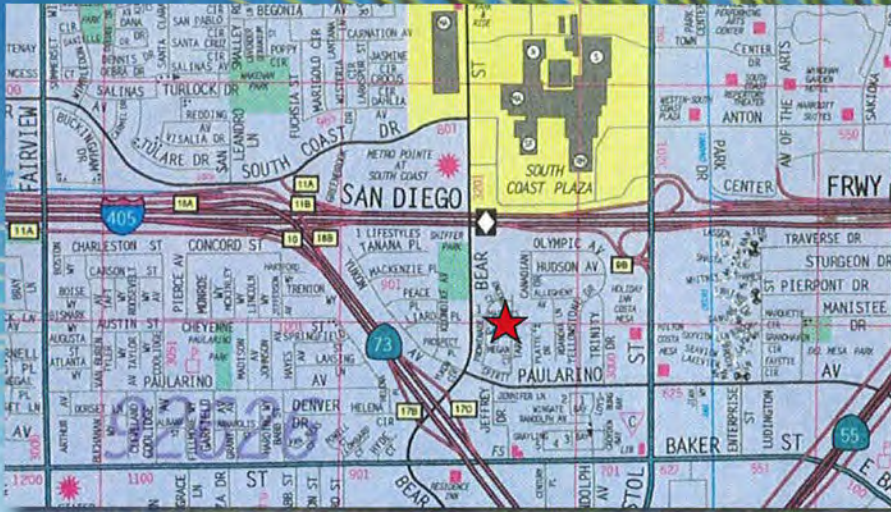
Pursuant to Local Rule 9007-1(f) and Section J.34 of the Complex Procedures, on July 18, 2025, I conferred with Debtor's counsel at Sidley Austin LLP regarding the filing of the Motion and relief sought herein. I understand counsel does not consent to the relief requested herein, and the Motion is considered contested.

/s/ Mark C. Moore

Mark C. Moore

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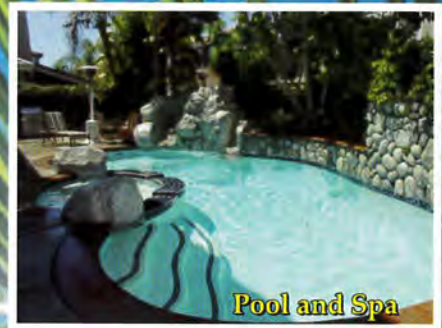
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- RECALL APPEAL 3/13
1. As long time resident of Costa Mesa, I would like to formally request a RECALL APPEAL of Costa Mesa City MEASURE K. The City of Costa Mesa (the City) claimed it could cost any resident who intended on calling for a recount, upwards of \$114,000, which the resident would be required to pay for the City to proceed with the recount?! How, in any reasonable way, is that fair, especially given how incredibly narrow the vote margin was? Especially given Measure K was heavily promoted as the City's and Developer's initiative. The citizens of Costa Mesa should have a legal right to not be bulldozed into submission to City/Developer initiatives by imposing an unfair financial burden on a concerned resident who has the reasonable and legitimate right to question the validity of the vote.
 2. Measure K promised voters it would maintain the character of Costa Mesa's single-family neighborhoods, protect the environment and open space!! 140+ multi story apartment type homes, to include five story, 50 foot tall, low-income housing would have a MAJOR impact to the surrounding residential homes and streets alongside. Measure K passed by 22 votes. 32,944 total ballots.... 16,483 "for" the measure, 16,461 against the measure. I believe to be fact, that despite "winning" by half a percentage point, because the City/Developer "won", the City felt it had no moral, civil, or other compulsion to confirm the results such that, to further dissuade, the City placed a major financial impediment on a citizen's ability act on forcing a vote recount.
 3. Many of the former surrounding residential homeowners (Lifestyles namely) eventually gave up their homes due to contentious and persistent litigation battles. Additionally, those same homeowners had feared harm (financial and physical) to their properties. Aggressive Ficus trees were allowed to be planted, specifically by the City of Costa Mesa no less, immediately abutting the Lifestyle properties included in the Landscape Plan (Building Permit B01-00202, Mel Lee was the Associate Planner (2001)) which required oversight by the City of Cost Mesa. Linda Nguyen (City of Costa Mesa employee) subsequently claimed the document referenced was somehow "lost". This initiated my misgivings about the City's interests/agenda when it comes to the 3150 property versus my home and neighborhood.
 4. It seems obvious, given the routine interaction between properties (Lifestyles and 3150 Bear), that the 501C charity, which previously owned 3150 Bear Street, now owns material percentage of the Lifestyles homes and has what I believe to be contractors and others tangential to them rotate in an out as necessary. This is what leads me to feel that I remain on an island as I try to deal with this truly upsetting and life altering issue as my "neighbors" in reality aren't neighbors so much as they are part time visitors when it suits their purposes. (What residents have out of state

car plates?). Why would they and/or their contractors care about what goes on behind the property line?

5. The same entity appears in control of the Lifestyle neighborhood (contractor appears to have controlling interest of the HOA Board). From my perspective, it appears as though the contractors, employees.. family members, are rotating throughout a number of the Lifestyles properties, do not appear to have any investment in the well-being of the homes or the neighborhood. As such, I believe this is why I've been placed at a severe disadvantage of being the only person on Lifestyles bordering property to speak out against what I believe is a blatant misrepresentation by the City of what Measure K was supposed to be.
6. Very recently, I was intimidated and ridiculed in my own backyard by a "surveyor" who physically, from the 3150 property side, reached out with a measuring tool without my permission, into my yard and raked my plants with the device to take a "measurement". I asked him to remove the device which he did. He then began to berate me to his colleague with verbal language which I won't include here. (I have video footage of the event). The fact that he was "measuring" from within my property boundary makes me believe he was making false representations of the property line.
7. The City of Costa Mesa claims Neighborhood and sense of Community is their goal.... That's interesting given that following every 3150 interaction I've had with City, they have left me feeling dismissed as irrelevant as well as alienated. What motivation would the city have to further dismantle the neighborhood surrounding 3150 Bear Street?? This Facility was zoned as ADMINISTRATIVE-AP and has never been held accountable nor to the "spirit" of this zoning type. It has felt as though the 501 C charity, NGOs, and its affiliates were enabled by the city to help them overtake homes within Lifestyles neighborhood. It leaves one to question whether there could be outside interests controlling the current decisions, as well? Without fail I've always been left to watch the city, reliably and predictably, support whatever corporate entity 3150 project, which came before them. Whatever Conditional Use Permit it took or other manipulation that needed to be crafted, it seems the City of Costa Mesa could and would come up with a way to make it happen.
8. Measure K appears to be yet another City false promise. "No Impact to Residential neighborhoods"? Well, I'm a long standing resident of a well-established neighborhood and I am telling you, the City, that this new housing proposal is causing me a tremendous amount of fear and anxiety, and despite my best efforts to express my concerns, nobody at the City seems to have any interest in coming up with real mitigating solutions. Actions speak louder than words. There has been no "outreach" other than very late, taped, paper notices, "going through the motions"

to make it "appear" as though they care when in actuality, it feels as they have no interest in my safety concerns. The City says all the right things like "good for the community" but in reality, at least in my reality, they have no empathy at all about those Costa Mesa residents most immediately impacted by their direct actions.

9. There appeared to be an enormous funding advantage by the proponents of Measure K. Residents didn't/don't stand a chance because the financial cards were/are so heavily stacked against regular everyday residents by those who want to come in and profit when an opportunity such as this 3150 avails itself. I saw professionally created signs stating that it would help reduce rent in Costa Mesa--- non-Citizen groups also appeared to be funding the measure. To me these signs appeared confusing and to be funded by outside interests?! Even given all the financial resources thrown its way, Measure K only "passed" by 22 votes and I believe should remain open to appeal and subsequently be appealed or recalled.
10. I'm all for more affordable housing. I wish the City would be smart about how it resolves the housing issues. As well, the City, should show much more deference to the other half of Costa Mesa residents, who like myself, voted against K. Sadly, in my case specifically, they've left me feeling completely and utterly disregarded. (not by any measure an embellishment)
11. It is not like, in any way, Measure K can be considered to have the overwhelming support of the actual Costa Mesa community as a whole. In my opinion The City's agenda seems to be what matters to the City (government) most, not those of the actual residents. Measure K, in every way, seriously, turned out to be a very misleading way of accomplishing the City's agenda to suit its own purposes.
12. The Lifestyles neighborhood has already suffered FRACTURE of the neighborhood...with the takeover by the 501C charity and its connected contractors and NGO's. The current situation feels like the city has never held the interests of it's Citizens who simply want to invest in their home and neighborhoods. I believe I can safely say that at least half of the Costa Mesa residents who own and live in their homes do not want Commercial interests ruining their retirement or lifestyle plans! Windfall gains for Developers at the expense of the surrounding residential neighborhoods? How is that in any way considered fair? Will this same type of funding be allowed to purchase the homes in the same fashion as Lifestyles which appear to have been the case in some instances with NDAs with the residence of the homes? It was admitted many years ago, during a legal deposition that there were agreements.... NDAs with the homes in the Lifestyles neighborhood.
13. Yet another obvious problem, Bear Street already has traffic issues, specifically speeding traffic issues. Bear St, especially in front of Lifestyles is a reliable and well-established speed trap for vehicles that come flying over the bridge. Knowing the

traffic characteristics, how can the City somehow still see fit to allow a developer to put 140 units in at 3150, each with its own 2 car garage/port plus guest parking, knowing those residents as well the already routine Bear St. users struggle as it is? What about unintended consequences? At the end of the day, hundreds of more cars and even more hundreds of people will in future be transiting Bear at any given time increasing the order of risk which must be mitigated by the City if its plans were to go through.

14. What were the results of the Study, if any, which forecast/comparative future traffic stagnation rates relative to current traffic flow rates for Bear back to South Coast Plaza? There already exists two traffic lights on one side of the bridge. Yet another traffic light installed on the other side of the bridge will undoubtedly snarl traffic even worse than it already is. I can't imagine the impact over the holiday seasons.
15. The 3150 community will not be gated and as such how easy would it be for a child to stray out of that neighborhood trying to get to the park? I can't imagine anything happening to a child because the City didn't ensure its infrastructure is sound and that it will safely support the project given the character of Bear street traffic especially at that 3150 location.
16. Bear Street doesn't need the added burden of a large neighborhood being stuffed into such a small geographical footprint! In my opinion it appears as though CEQA didn't put much thought into their determinations (many traffic citations and accidents already on Bear) In addition it seems commons sense CEQA should not be funded by the applicant? It leaves it appearing as though there could be a conflict of interest.... In my opinion this practice seems to ensure the City will come through with determinations that work in the best interests of the applicant and all those who fund them.
17. Does this proposed Developer have 501C/ NGO /Switzerland/Sweedden -foreign funding/former 501C funding? To me this feels like it might have happened with the previous proposed 3150 land use?? A 501 C charity was allowed to buy up homes, which I can personally attest has felt overwhelming because of it. Hard to know if there has been a nonstop abuse of power with certainty, but it has unquestionably removed my sense of safety and well-being in my own home. It feels like daily turmoil, with feelings of a lack of well-being, concern for my personal safety, and vulnerability to their unmitigated control of everything that happens here.
18. Purple Bee-High Energy Equipment-Was there also a hidden Marijuana Dispensary placed at 3140 Bear Street? I know at one point this was also a proposal. How could a Marijuana Dispensary even have been considered so close to a city park and so many residential communities? Same thing can be said with high energy equipment

also placed in this same building? What are the safety concerns to such nearby residents as well?

19. Have there been NDAs behind the scenes of these proposals? I am personally aware of attempts for NDAs with my home with previous attempts for CUPS and Rezoning!! Makes me wonder how many NDAs have been utilized to allow the powerful outside entities to gain further leverage?? The NDAs attempted to silence my voice, verbiage included broad statement to entities unnamed having ties to each other! Have these proposed projects been funded behind the scenes by NGOS that could ultimately show through history the funding ties together??
20. WHY has the City of Cost Mesa Planning and Council appeared to have repeatedly (my opinion based on 29 years direct experience dealing with 3150 issues) DISCOUNTED the Citizens for what appears to be accommodations to "Big Developers" (501C'S/NGOs)"? Personally, it now feels beyond my ability to believe there shouldn't be considerations of conflicts of interest formulating these decisions?? Starting with Measure K and, again, in my opinion, its sketchy roots!
21. I have a right to appeal this proposal that is coming from the Planning Commission to what appears fast tracked to Council? Why am I being advised by the City Clerk (Brenda Green) to "not waste my money"? Does the City Clerk already know this to be a foregone conclusion? Where does that confidence come from? It would be great to have a reasoned discussion with the Council, however, very sadly my understanding of and experiences with this and prior councils with respect to prior public meetings are that they simply must be accomplished by code and that the meetings serve as a means for the City to feign interest by being present as residents try to assert heartfelt concerns and genuine hope that they can affect change. In my mind all the smoke and mirrors are for show only. In fact, during one (once again) late night council meeting, which I personally attended, a representative for a separate 3150 project applicant actually, leaned into my personal space, with a threatening demeanor/stance to ensure I fully understood his displeasure with my position. That experience felt threatening and made me feel very uncomfortable about attending live, in-person meetings.
22. After 29 years of this, and other similar like interactions with the City of Costa Mesa. I can no longer bring myself to personally attend in-person meetings. I shouldn't have to feel concerned just because I want to share my worries with the City. Some say, why do I contest 3150, when I "know" the City has no interest in mitigating the project's impact on my life and I "should assume" they're going to do what they want anyway. As ludicrous as it might sound, the reason is, as I get older, I simply want to believe the day will arrive when I will be able to peacefully live out life in my neighborhood and beautiful home which I purchased over 29 years ago. Despite all

my negative experiences dealing with the City over all those years, while feeling like the City has never shown legitimate concern about my well-being, just the plain, in your face, innate unfairness about the way the City approaches virtually helpless residents shouldn't just be accepted as "normal" or treated like "whatever". It seems government "for the people" should be just that. Remarkably, I still have not lost hope and I do continue to wish that the 3150 property will finally be held to its original Administrative (AP) zoning so that, for once, I can simply and peacefully enjoy my home the way I envisioned it when I first fell in love with it 29 years ago.

23. Prior to the last Public Meeting, I submitted a PowerPoint presentation for Council consideration. The meeting, which started at 5:00 PM, did not get to the 3150 project item until ~, 11:16 PM. They (The Council) as they worked through all the administrative processes got to the vote the next day! I was on the meeting from 5 until the conclusion. I raised my hand to comment on other agenda topics but my Zoom "raised hand" icon was never acknowledged.
24. I do not believe it to be simply coincidental that, given the alleged suspect behavior of some City representatives as highlighted in numerous local publications, that all these City and Developer led initiatives are coming to fruition given the City's approach to Measure K. I believe this is more than adequate justification for withholding a vote until at minimum all the ethical questions hanging out there in the public domain are resolved.



CITY OF COSTA MESA

CALIFORNIA 92626-1200

P.O. BOX 1200

DEVELOPMENT SERVICES DEPARTMENT

25 AUG -4 PM 3:43

April 25, 2001

Court
Costa Mesa, CA 92626

**SUBJECT: BUILDING PERMIT NO. B01-00202
3150 BEAR STREET, COSTA MESA**

Dear Ms.

This letter has been prepared in response to your request for information on the above permit issued by the City for a 17-foot tall statue for Trinity Broadcasting Network (TBN). The permit was issued by the City on February 13, 2001, for the statue to be located in the central courtyard/fountain area. On April 9, 2001, Mr. Kent Whitmore of TBN requested that the statue be relocated to an existing landscape planter near the main entry of the facility on Bear Street. The planter contained a large mature tree. To offset the removal of the mature tree, TBN submitted a plan to plant a row of 48-inch box canopy trees between TBN and the homes to the south of the site to act as a natural buffer. The plan and statue relocation complied with all applicable code requirements and was approved on April 12, 2001.

If you have any questions, please do not hesitate to contact me at (714) 754-5611, between 1 p.m. and 5 p.m.

Sincerely,

Mel Lee

MEL LEE, AICP
Associate Planner

cc: Kent C. Whitmore
Special Projects Coordinator
Trinity Broadcasting Network
3150 Bear Street
Costa Mesa, CA 92626

Aug 6, 25

New Page Added

Dr. Phil / TBN lawsuit to be added to public Record

August 6, 2025

3 videos + PDF to be added to public Record for Appeal pgs 8-8 to be added to public record for Appeal NEW APPEAL

25. Based on discussion last night where it felt like the builder was given all priority and the Olympic gate was going to be locked to attempt silence the neighborhood that was very verbal and upset about the back gate. This would leave all of this compound roaming out onto Bear Street, which often has two to three policemen taking down speeders continuously asking them to pull off on Paularino, so they can ticket multiples!. Despite this Lifestyles has to negotiate a center divide with potential traffic coming in the other direction wanting the same lane to enter from the opposite direction. This is already a dangerous situation, without the added burdens of walkers, bikers and 100s added to the car traffic equation!

26. Based on last night attempts to fast track this reckless and ill-conceived compound (my opinion) it DID NOT appear that any ADA- American Disabilities Act considerations were made. It kept being referred to as young and indigent/Low Income were top priority. A high statistic was quoted for Seniors in Costa Mesa, it felt like there was a clear DISREGARD, it felt as though it was being stated that seniors and DIASBLED shouldn't have consideration (Despite the fact that Seniors are likely the highest long term contributors to the City!!!. There were many seniors who spoke that said that it would destroy their Quality of life and sense of Safety, security and Privacy!! Despite this you all sat there appearing stoic and anxious to fast track accommodations to the builder and the 'young' if it felt like it was being stated they should get priority considerations over the Long term residents, many said they had contributed 40 plus years to the City of Costa Mesa, myself and many of my friends, included! ADA could be both senior and young AND cannot be ignored ... especially with the potential dangerous conditions that would be imposed to them on Bear Street!!

27. All of this is a moot point, since 22 votes to establish measure K, likely funded by the recipients of the profits (my opinion) does NOT justify REZONING an Administrative Zoned lot that HAS NEVER been held to its zoning to THE MASSIVE DETRIMENT of the LIFESTYLES community!! Again, one has to question what motivates this council must have to sell off its older Citizens who paid into this community most of their lives to suddenly claim a younger, low income crowd should not be given PRIORITY and stuffed into a small lot?

28. Are large entities going to be able to buy up the apartments after they are built?? As one lady stated What "Kickbacks"? "Quid Pro Quos" are potentially involved????

- 25 AUG - 9 2013
1. As long time resident of Costa Mesa, I would like to formally request a RECALL/APPEAL Costa Mesa City MEASURE K. The City of Costa Mesa (the City) claimed it could cost any resident who intended on calling for a recount, upwards of \$114,000, which the resident would be required to pay for the City to proceed with the recount?! How, in any reasonable way, is that fair, especially given how incredibly narrow the vote margin was? Especially given Measure K was heavily promoted as the City's and Developer's initiative. The citizens of Costa Mesa should have a legal right to not be bulldozed into submission to City/Developer initiatives by imposing an unfair financial burden on a concerned resident who has the reasonable and legitimate right to question the validity of the vote.
 2. Measure K promised voters it would maintain the character of Costa Mesa's single-family neighborhoods, protect the environment and open space!! 140+ multi story apartment type homes, to include five story, 50 foot tall, low-income housing would have a MAJOR impact to the surrounding residential homes and streets alongside. Measure K passed by 22 votes. 32,944 total ballots....16,483 "for" the measure, 16,461 against the measure. I believe to be fact, that despite "winning" by half a percentage point, because the City/Developer "won", the City felt it had no moral, civil, or other compulsion to confirm the results such that, to further dissuade, the City placed a major financial impediment on a citizen's ability act on forcing a vote recount.
 3. Many of the former surrounding residential homeowners (Lifestyles namely) eventually gave up their homes due to contentious and persistent litigation battles. Additionally, those same homeowners had feared harm (financial and physical) to their properties. Aggressive Ficus trees were allowed to be planted, specifically by the City of Costa Mesa no less, immediately abutting the Lifestyle properties included in the Landscape Plan (Building Permit B01-00202, Mel Lee was the Associate Planner (2001)) which required oversight by the City of Cost Mesa. Linda Nguyen (City of Costa Mesa employee) subsequently claimed the document referenced was somehow "lost". This initiated my misgivings about the City's interests/agenda when it comes to the 3150 property versus my home and neighborhood.
 4. It seems obvious, given the routine interaction between properties (Lifestyles and 3150 Bear), that the 501C charity, which previously owned 3150 Bear Street, now owns material percentage of the Lifestyles homes and has what I believe to be contractors and others tangential to them rotate in an out as necessary. This is what leads me to feel that I remain on an island as I try to deal with this truly upsetting and life altering issue as my "neighbors" in reality aren't neighbors so much as they are part time visitors when it suits their purposes. (What residents have out of state

car plates?). Why would they and/or their contractors care about what goes on behind the property line?

5. The same entity appears in control of the Lifestyle neighborhood (contractor appears to have controlling interest of the HOA Board). From my perspective, it appears as though the contractors, employees.. family members, are rotating throughout a number of the Lifestyles properties, do not appear to have any investment in the well-being of the homes or the neighborhood. As such, I believe this is why I've been placed at a severe disadvantage of being the only person on Lifestyles bordering property to speak out against what I believe is a blatant misrepresentation by the City of what Measure K was supposed to be.
6. Very recently, I was intimidated and ridiculed in my own backyard by a "surveyor" who physically, from the 3150 property side, reached out with a measuring tool without my permission, into my yard and raked my plants with the device to take a "measurement". I asked him to remove the device which he did. He then began to berate me to his colleague with verbal language which I won't include here. (I have video footage of the event). The fact that he was "measuring" from within my property boundary makes me believe he was making false representations of the property line.
7. The City of Costa Mesa claims Neighborhood and sense of Community is their goal.... That's interesting given that following every 3150 interaction I've had with City, they have left me feeling dismissed as irrelevant as well as alienated. What motivation would the city have to further dismantle the neighborhood surrounding 3150 Bear Street?? This Facility was zoned as ADMINISTRATIVE-AP and has never been held accountable nor to the "spirit" of this zoning type. It has felt as though the 501 C charity, NGOs, and its affiliates were enabled by the city to help them overtake homes within Lifestyles neighborhood. It leaves one to question whether there could be outside interests controlling the current decisions, as well? Without fail I've always been left to watch the city, reliably and predictably, support whatever corporate entity 3150 project, which came before them. Whatever Conditional Use Permit it took or other manipulation that needed to be crafted, it seems the City of Costa Mesa could and would come up with a way to make it happen.
8. Measure K appears to be yet another City false promise, "No Impact to Residential neighborhoods"? Well, I'm a long standing resident of a well-established neighborhood and I am telling you, the City, that this new housing proposal is causing me a tremendous amount of fear and anxiety, and despite my best efforts to express my concerns, nobody at the City seems to have any interest in coming up with real mitigating solutions. Actions speak louder than words. There has been no "outreach" other than very late, taped, paper notices, "going through the motions"

25 AUG -6 11:53

to make it "appear" as though they care when in actuality, it feels as they have no interest in my safety concerns. The City says all the right things like "good for the community" but in reality, at least in my reality, they have no empathy at all about those Costa Mesa residents most immediately impacted by their direct actions.

9. There appeared to be an enormous funding advantage by the proponents of Measure K. Residents didn't/don't stand a chance because the financial cards were/are so heavily stacked against regular everyday residents by those who want to come in and profit when an opportunity such as this 3150 avails itself. I saw professionally created signs stating that it would help reduce rent in Costa Mesa--- non-Citizen groups also appeared to be funding the measure. To me these signs appeared confusing and to be funded by outside interests?! Even given all the financial resources thrown its way, Measure K only "passed" by 22 votes and I believe should remain open to appeal and subsequently be appealed or recalled.
10. I'm all for more affordable housing. I wish the City would be smart about how it resolves the housing issues. As well, the City, should show much more deference to the other half of Costa Mesa residents, who like myself, voted against K. Sadly, in my case specifically, they've left me feeling completely and utterly disregarded. (not by any measure an embellishment)
11. It is not like, in any way, Measure K can be considered to have the overwhelming support of the actual Costa Mesa community as a whole. In my opinion The City's agenda seems to be what matters to the City (government) most, not those of the actual residents. Measure K, in every way, seriously, turned out to be a very misleading way of accomplishing the City's agenda to suit its own purposes.
12. The Lifestyles neighborhood has already suffered FRACTURE of the neighborhood...with the takeover by the 501C charity and its connected contractors and NGO's. The current situation feels like the city has never held the interests of it's Citizens who simply want to invest in their home and neighborhoods. I believe I can safely say that at least half of the Costa Mesa residents who own and live in their homes do not want Commercial interests ruining their retirement or lifestyle plans! Windfall gains for Developers at the expense of the surrounding residential neighborhoods? How is that in any way considered fair? Will this same type of funding be allowed to purchase the homes in the same fashion as Lifestyles which appear to have been the case in some instances with NDAs with the residence of the homes? It was admitted many years ago, during a legal deposition that there were agreements.... NDAs with the homes in the Lifestyles neighborhood.
13. Yet another obvious problem, Bear Street already has traffic issues, specifically speeding traffic issues. Bear St, especially in front of Lifestyles is a reliable and well-established speed trap for vehicles that come flying over the bridge. Knowing the

traffic characteristics, how can the City somehow still see fit to allow a developer to put 140 units in at 3150, each with its own 2 car garage/port plus guest parking, knowing those residents as well the already routine Bear St. users struggle as it is? What about unintended consequences? At the end of the day, hundreds of more cars and even more hundreds of people will in future be transiting Bear at any given time increasing the order of risk which must be mitigated by the City if its plans were to go through.

14. What were the results of the Study, if any, which forecast/comparative future traffic stagnation rates relative to current traffic flow rates for Bear back to South Coast Plaza? There already exists two traffic lights on one side of the bridge. Yet another traffic light installed on the other side of the bridge will undoubtedly snarl traffic even worse than it already is. I can't imagine the impact over the holiday seasons.
15. The 3150 community will not be gated and as such how easy would it be for a child to stray out of that neighborhood trying to get to the park? I can't imagine anything happening to a child because the City didn't ensure its infrastructure is sound and that it will safely support the project given the character of Bear street traffic especially at that 3150 location.
16. Bear Street doesn't need the added burden of a large neighborhood being stuffed into such a small geographical footprint! In my opinion it appears as though CEQA didn't put much thought into their determinations (many traffic citations and accidents already on Bear) In addition it seems commons sense CEQA should not be funded by the applicant? It leaves it appearing as though there could be a conflict of interest.... In my opinion this practice seems to ensure the City will come through with determinations that work in the best interests of the applicant and all those who fund them.
17. Does this proposed Developer have 501C/ NGO /Switzerland/Sweedden -foreign funding/former 501C funding? To me this feels like it might have happened with the previous proposed 3150 land use?? A 501 C charity was allowed to buy up homes, which I can personally attest has felt overwhelming because of it. Hard to know if there has been a nonstop abuse of power with certainty, but it has unquestionably removed my sense of safety and well-being in my own home. It feels like daily turmoil, with feelings of a lack of well-being, concern for my personal safety, and vulnerability to their unmitigated control of everything that happens here.
18. Purple Bee-High Energy Equipment-Was there also a hidden Marijuana Dispensary placed at 3140 Bear Street? I know at one point this was also a proposal. How could a Marijuana Dispensary even have been considered so close to a city park and so many residential communities? Same thing can be said with high energy equipment

also placed in this same building? What are the safety concerns to such nearby residents as well?

25 AUG -6 AM 11:53

19. Have there been NDAs behind the scenes of these proposals? I am personally aware of attempts for NDAs with my home with previous attempts for CUPS and Rezoning!! Makes me wonder how many NDAs have been utilized to allow the powerful outside entities to gain further leverage?? The NDAs attempted to silence my voice, verbiage included broad statement to entities unnamed having ties to each other! Have these proposed projects been funded behind the scenes by NGOS that could ultimately show through history the funding ties together??
20. WHY has the City of Costa Mesa Planning and Council appeared to have repeatedly (my opinion based on 29 years direct experience dealing with 3150 issues) DISCOUNTED the Citizens for what appears to be accommodations to "Big Developers" (501C'S/NGOs)? Personally, it now feels beyond my ability to believe there shouldn't be considerations of conflicts of interest formulating these decisions?? Starting with Measure K and, again, in my opinion, its sketchy roots!
21. I have a right to appeal this proposal that is coming from the Planning Commission to what appears fast tracked to Council? Why am I being advised by the City Clerk (Brenda Green) to "not waste my money"? Does the City Clerk already know this to be a foregone conclusion? Where does that confidence come from? It would be great to have a reasoned discussion with the Council, however, very sadly my understanding of and experiences with this and prior councils with respect to prior public meetings are that they simply must be accomplished by code and that the meetings serve as a means for the City to feign interest by being present as residents try to assert heartfelt concerns and genuine hope that they can affect change. In my mind all the smoke and mirrors are for show only. In fact, during one (once again) late night council meeting, which I personally attended, a representative for a separate 3150 project applicant actually, leaned into my personal space, with a threatening demeanor/stance to ensure I fully understood his displeasure with my position. That experience felt threatening and made me feel very uncomfortable about attending live, in-person meetings.
22. After 29 years of this, and other similar like interactions with the City of Costa Mesa. I can no longer bring myself to personally attend in-person meetings. I shouldn't have to feel concerned just because I want to share my worries with the City. Some say, why do I contest 3150, when I "know" the City has no interest in mitigating the project's impact on my life and I "should assume" they're going to do what they want anyway. As ludicrous as it might sound, the reason is, as I get older, I simply want to believe the day will arrive when I will be able to peacefully live out life in my neighborhood and beautiful home which I purchased over 29 years ago. Despite all

25 AUG - 6 AM 11:53

my negative experiences dealing with the City over all those years, while feeling like the City has never shown legitimate concern about my well-being, just the plain, in your face, innate unfairness about the way the City approaches virtually helpless residents shouldn't just be accepted as "normal" or treated like "whatever". It seems government "for the people" should be just that. Remarkably, I still have not lost hope and I do continue to wish that the 3150 property will finally be held to its original Administrative (AP) zoning so that, for once, I can simply and peacefully enjoy my home the way I envisioned it when I first fell in love with it 29 years ago.

23. Prior to the last Public Meeting, I submitted a PowerPoint presentation for Council consideration. The meeting, which started at 5:00 PM, did not get to the 3150 project item until ~, 11:16 PM. They (The Council) as they worked through all the administrative processes got to the vote the next day! I was on the meeting from 5 until the conclusion. I raised my hand to comment on other agenda topics but my Zoom "raised hand" icon was never acknowledged.
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CITY OF COSTA MESA

CALIFORNIA 92626-1200

P.O. BOX 1200

DEVELOPMENT SERVICES DEPARTMENT

25 AUG 2001 3:43

April 25, 2001

25 AUG 2001 11:53

Court
Costa Mesa, CA 92626

SUBJECT: BUILDING PERMIT NO. B01-00202
3150 BEAR STREET, COSTA MESA

Dear Ms.

This letter has been prepared in response to your request for information on the above permit issued by the City for a 17-foot tall statue for Trinity Broadcasting Network (TBN). The permit was issued by the City on February 13, 2001, for the statue to be located in the central courtyard/fountain area. On April 9, 2001, Mr. Kent Whitmore of TBN requested that the statue be relocated to an existing landscape planter near the main entry of the facility on Bear Street. The planter contained a large mature tree. To offset the removal of the mature tree, TBN submitted a plan to plant a row of 48-inch box canopy trees between TBN and the homes to the south of the site to act as a natural buffer. The plan and statue relocation complied with all applicable code requirements and was approved on April 12, 2001.

If you have any questions, please do not hesitate to contact me at (714) 754-5611, between 1 p.m. and 5 p.m.

Sincerely,

Mel Lee
MEL LEE, AICP
Associate Planner

cc: Kent C. Whitmore
Special Projects Coordinator
Trinity Broadcasting Network
3150 Bear Street
Costa Mesa, CA 92626

PGPA - 24 - 0002

pg 1/34



25 AUG 14 PM 8 25

KW

The Costa Mesa Planning Commission will conduct a public hearing as follows to consider:

Hearing Date:	July 14, 2025	Hearing Time & Location:	6:00 PM or as soon as possible thereafter City Hall Council Chambers 77 Fair Drive, Costa Mesa, CA; and virtual locations
Application No.	PGPA-24-0002	Applicant/Agent:	Meritage Homes/ Vanessa Scheidel
Site Address:	3150 Bear Street	Zone:	AP – Administrative and Professional
Contact:	Planning Division (714) 754-5245	Email Comments to:	PCPublicComments@costamesaca.gov

Description: The applicant proposes a 142-unit (including 7 very low income units) ownership residential development on a 6.12-acre site, with 93,500 square feet of on-site open space including private balconies. The project proposes to install a new traffic signal and associated improvements at the project entrance. To facilitate the project, the applicant is requesting approval of a General Plan Amendment PGPA-24-0002 to modify maps, figures, texts, and tables of the City's Land Use Element. The applicant is also requesting approval of a Rezone, Design Review, Tentative Tract Map No. 19334, and Density Bonus Agreement to facilitate the project.

Environmental Determination: In accordance with the California Environmental Quality Act (CEQA) per CEQA, a Mitigated Negative Declaration (MND) was prepared for the project to analyze potential impacts of the project and identify measures to mitigate the environmental effects. No areas of significant impact were determined from the construction or operation of the proposed project with the implementation of mitigation measures.

Additional Information: For more information, call (714) 754-5245, or email planninginfo@costamesaca.gov. Planning Division staff are available from 8:00 AM to 5:00 PM Monday through Thursday and alternating Fridays, except specified holidays. All interested parties may submit comments to the Planning Commission in regard to this application. Please refer to the Planning Commission meeting agenda for instructions regarding how to participate in the meeting. The Planning Commission meeting agenda and staff report will be posted online 72 hours prior to the meeting at: <https://costamesa.legistar.com/Calendar.aspx>. Members of the public may submit comments via email to PCPublicComments@costamesaca.gov. Comments received by **12:00 PM** on the date of the meeting will be provided to the Planning Commission, made available to the public, and will be part of the meeting record. Any written communications, photos, PowerPoints or other materials for distribution to the Planning Commission must be 10 pages or less and submitted to the City **NO LATER THAN 12:00 PM** on the day of the hearing via email or submitted to the Planning Department on a flash drive, or mailed to the Planning Department. All materials, pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. No links to YouTube videos or other streaming services will be accepted. A direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats: .mp4, .mov, or .wmv. Only one file may be included per speaker for public comments. Please note that materials submitted by the public that are deemed appropriate for general audiences will not be redacted in any way and will be posted online as submitted, including any personal contact information. If you challenge this project in court, you may be limited to raising only those issues you, or someone else raised, during the public hearing or in written correspondence submitted to the City, during or prior to, the public hearing.

12:00

Costa
Mesa

City of Costa Mesa
Economic & Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92626-1200

RETURN SERVICE REQUESTED

SANTA ANA, CA 926

24 JUN 2025 PM 1 L

RECEIVED
CITY OF COSTA MESA

25 AUG -6 PM 12:00

CITY OF COSTA MESA
SV

[REDACTED]

Occupant

[REDACTED] Encore Ct

Costa Mesa, CA 92626-7303

RECEIVED
CITY OF COSTA MESA

25 AUG -4 AM 8:25

92626-730391

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PGPA-24-0002
P3 2/34

**CITY OF COSTA MESA
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Costa Mesa City Council at its regular meeting at City Hall Council Chambers, 77 Fair Drive, Costa Mesa, California on **Tuesday, August 5, 2025, at 7:00 P.M.**, or as soon as possible thereafter, to consider PGPA-24-0002 for an application to construct a 142-unit (including 7 very low income units) ownership residential development on a 6.12-acre site, with 93,500 square feet of on-site open space including private balconies. The applicant is also requesting approval of a Rezone, Design Review, Tentative Tract Map No. 19334, and Density Bonus Agreement to facilitate the project. The project also includes a new traffic signal and associated improvements at the project entrance. To facilitate the project, the applicant is requesting approval of a General Plan Amendment to modify maps, figures, texts, and tables of the City's Land Use Element; and to introduce:

ORDINANCE NO. 2025-xx

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA APPROVING PGPA-24-0002 TO REZONE A 6.12-ACRE SITE TO MULTIPLE FAMILY RESIDENTIAL (R3) FOR THE PROPERTY LOCATED AT 3150 BEAR STREET

Application No: PGPA-24-0002

Applicant/Agent/Appellant: Meritage Homes/ Vanessa Scheidel

Site Address: 3150 Bear Street

Zone: AP – Administrative and Professional

Description: The Planning Commission recommended approval of the project (5-0 vote) at its July 14, 2025 meeting.

Environmental Determination: In accordance with the California Environmental Quality Act (CEQA) per CEQA, a Mitigated Negative Declaration (MND) was prepared for the project to analyze potential impacts of the project and identify measures to mitigate the environmental effects. No areas of significant impact were determined from the construction or operation of the proposed project with the implementation of mitigation measures.

Public Comments: Members of the public wishing to participate in the meeting may find instructions on the agenda and may also submit written comments via email to the City Clerk at cityclerk@costamesaca.gov and they will be provided to the City Council, made available to the public, and will be part of the meeting record. Any written communications, photos, or other materials for copying and distribution to the City Council that are 10 pages or less, can be e-mailed to cityclerk@costamesaca.gov, submitted to the City Clerk's Office on a flash drive, or mailed to the City Clerk's Office. Kindly submit materials to the City Clerk **AS EARLY AS POSSIBLE, BUT NO LATER THAN 12:00 p.m.** on the day of the hearing, **August 5, 2025**. All materials, pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments. Please note that materials submitted by the public that are deemed appropriate for general audiences will not be redacted in any way and will be posted online as submitted, including any personal contact information. For further assistance, contact the City Clerk's Office at (714) 754-5225. For questions on the project contact the project Planner: Chris Yeager, Senior Planner at (714) 754-4883. The City Council agenda and related documents may also be viewed on the City's website at <http://costamesaca.gov>, 72 hours prior to the public hearing date. **IF THE AFOREMENTIONED ACTION IS CHALLENGED IN COURT**, the challenge may be limited to only those issues raised at the public hearing described in the notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Brenda Green, City Clerk, City of Costa Mesa

Published: July 19, 2025

JUL 12 00

**Costa
Mesa**

City of Costa Mesa

City Clerk

P.O. Box 1200

Costa Mesa, CA 92628-1200

RETURN SERVICE REQUESTED

1500 0067092925

Occupant

Encore Ct

Costa Mesa, CA 92626-7303

FGPA - 24 - 0002
Pg. 4 / 34

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25 AUG 26 PM 12:00

Pg. 5/34

Case 25-80156-swe11 Doc 3-1 Filed 07/02/25 Entered 07/02/25 01:43:13 Desc
Adversary Proceeding Cover Sheet Page 1 of 2

B1040 (FORM 1040) (12/24)

25 AUG -4 AM 8:26

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)	
PLAINTIFFS Merit Street Media, Inc.		DEFENDANTS Trinity Broadcasting of Texas, Inc. TCT Ministries, Inc.	
ATTORNEYS (Firm Name, Address, and Telephone No.) Sidley Austin LLP One South Dearborn Chicago, IL 60603 Telephone: (312) 853-7000		ATTORNEYS (If Known) Rajiv Dharnidharka Foley & Lardner LLP 555 California Street, Suite 1700 San Francisco, CA 94104 (415) 438-6443	
PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee		PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other [for Trinity Broadcasting of Texas; TCT Ministries is a Creditor] <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Breach of Contract, Breach of Covenant of Good Faith and Fair Dealing, Breach of Fiduciary Duty, Declaratory Judgment for Preference Avoidance and Equitable Subordination under 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57. Relief also sought under sections 105, 365, and 541 of title 11 of the United States Code (the "Bankruptcy Code"), and Bankruptcy Rule 7001.			
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)			
FRBP 7001(a) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input checked="" type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(b) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(c) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner – §363(h) FRBP 7001(d) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection – revocation of discharge - §727(c),(d),(e) FRBP 7001(e) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(f) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)		FRBP 7001(f) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(g) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(h) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(i) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(j) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa et seq. <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law		<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint		Demand \$	
Other Relief Sought			

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR Merit Street Media, Inc.		BANKRUPTCY CASE NO. 25-80156 (SWE)
DISTRICT IN WHICH CASE IS PENDING United States Bankruptcy Court for the Northern District of Texas	DIVISION OFFICE Dallas	NAME OF JUDGE Judge Scott W. Everett
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF)		
DATE July 2, 2025		PRINT NAME OF ATTORNEY (OR PLAINTIFF) James W. Ducayet

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendant.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

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*Proposed Attorneys for the Debtor
and Debtor in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re: MERIT STREET MEDIA, INC. ¹ Debtor.	Chapter 11 Case No. 25-80156 (SWE)
MERIT STREET MEDIA, INC. Plaintiff, v. TRINITY BROADCASTING OF TEXAS, INC., AND TCT MINISTRIES, INC. Defendants.	Adv. Proc. No. 25- <div>25 AUG -6 PM 12:00</div>

¹ The last four digits of the Debtor's federal tax identification number are 8990. The Debtor's mailing address is 5501 Alliance Gateway Fwy, Fort Worth, TX 76177

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ADVERSARY COMPLAINT FOR DECLARATORY AND MONETARY RELIEF

Plaintiff Merit Street Media, Inc., ("Merit Street"), by and through its undersigned attorneys, files this adversary proceeding pursuant to 11 U.S.C. § 105 and 28 U.S.C. § 2201 against Trinity Broadcasting of Texas Inc. ("TBN") and TCT Ministries, Inc. ("TCT"), and alleges as follows:

NATURE OF THE CASE

1. This lawsuit arises out of a sad but oft told story: one side lived up to its commitments but the other, the Defendant TBN, did not. Moreover, these failures by TBN were neither unintended nor inadvertent. They were a conscious, intentional pattern of *choices* made with full awareness that the consequence of which was to sabotage and seal the fate of a new but already nationally acclaimed network which has, since its launch in April of 2024, delivered its viewers with cutting edge reports, interviews, and in-depth analysis of national importance. This fresh voice on the national stage is inexorably going dark, going off the air because TBN has refused to honor its commitment to transfer its must carry rights and thereby provide national distribution for the network—Merit Street. And this conduct stretches beyond mere breach of contract and extends to breach of fiduciary duty and breach of the duty of good faith and fair dealing—the full extent to which may require a forensic accounting audit.

2. TBN formed Merit Street as a joint venture and contractually committed to provide valuable services to the joint venture. But TBN then reneged on its obligations and abused its position as the controlling shareholder of Merit Street to improperly and unilaterally burden Merit Street with unsustainable debt, doing so either without notice or in direct violation of promises not to do so. In total, TBN transferred its obligations to Merit Street causing it to pay or incur

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obligations to third parties in excess of \$100 million—obligations that are the responsibility of TBN, not Merit Street.

3. The most egregious impact is TBN's conscious and knowing choice to cause Merit Street to lose its national distribution by withholding distribution payments despite repeatedly acknowledging those distribution payments were 100% TBN's sole responsibility. Simply put, as a result of TBN's conduct, Merit Street has nowhere to send its broadcast signal and nowhere to air its programming no matter how great it may be.

4. In January 2023, TBN and a company majority owned by Dr. Phillip C. McGraw ("Dr. Phil") called Peteski Productions, Inc. ("Peteski") entered into an agreement to form a joint venture (the "Joint Venture Agreement"). The joint venture would later be called Merit Street Media. Merit Street was formed by TBN to create a new network, with TBN being required to transfer its must carry rights to Merit Street and provide distribution and all production services as well as to make certain payments to Peteski. Certain new programming was to be and was provided by Peteski. Peteski went above and beyond its contractual duties in an effort to save the network, including funding the expenses (including payroll) that should have been borne by TBN. Importantly, TBN long ago stopped paying Peteski for Dr. Phil's services and he has thus been providing world class programs without compensation.

5. Under the Joint Venture Agreement, Peteski agreed to provide Merit Street with certain new original episodes of the Dr. Phil show, as well as primetime specials to air on the new TV network. For its part, TBN agreed to provide, *at no cost to Merit Street*, carriage to distribute Dr. Phil's shows and specials to a nationwide audience. TBN also agreed to provide all "first class quality" services necessary to produce Dr. Phil's shows and primetime specials. In short, the deal was simple and straightforward: Dr. Phil/Peteski contributed content, while TBN contributed

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access to a distribution network to air Dr. Phil's content along with the production services to support the creation of that content. TBN agreed to provide these services to the joint venture at no cost, in exchange for which TBN would have a controlling equity interest in the network.

6. Shortly after Merit Street was formed, however, TBN reneged. It began to abuse its power as a controlling shareholder to advance its own interests and those of its CEO Matthew Crouch, while causing Merit Street to assume responsibility of TBN's obligations under the Joint Venture Agreement and to otherwise enrich itself at Merit Street's expense.

- TBN caused Merit Street to enter into expensive distribution agreements with third parties to distribute Dr. Phil's new content. Those distribution agreements have aggregate monthly expense of approximately \$2.6 million and total expenses during the life of those agreements of approximately \$96 million. However, it was TBN—not Merit Street—that should have incurred those expenses.
- TBN caused Merit Street to sign a five-year, multi-million-dollar studio lease *with TBN* to produce Dr. Phil's shows, even though TBN was responsible under the Joint Venture Agreement for paying for those studio production expenses.
- TBN caused Merit Street to pay to license TBN content on the new Merit Street network, even though the Joint Venture Agreement required TBN to license that content at no cost to Merit Street.
- TBN also caused Merit Street to pay TBN for Merit Street's production expenses, such as employee and marketing expenses, even though those production expenses were the sole responsibility of TBN under the Joint Venture Agreement.

7. TBN's "production services" were also comically dysfunctional. Although it promised the equivalent of the professional facilities and services that Dr. Phil had long relied on when producing his show in Los Angeles for CBS, the supposed "first class" services TBN promised under the Joint Venture Agreement were nothing of the sort. TBN provided screens and teleprompters that blacked out during live shows, an incomplete control room operating out of a truck, an unusable cell phone app for viewers, and amateur video editing software. Merit Street staff often could not even make phone calls in the studio due to poor cell coverage. When confronted about these and many other problems, TBN did not even attempt to remedy its

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breaches. Instead, TBN's CEO dismissed these concerns by telling Merit Street that Dr. Phil only needed two chairs and a camera.

8. Additionally, TBN caused CrossSeed, Inc ("CrossSeed")—a party with whom TBN is closely connected—to make a \$25 million loan to Merit Street, which is reflected in a September 2024 promissory note. CrossSeed's directors include TBN President and CEO Matthew Crouch and former TBN Chief Business Officer Frank Amedia.

9. CrossSeed then assigned that note to another associated party, TCT, on March 5, 2025. TCT perfected the security interest granted pursuant to the note on May 27, 2025. However, the transfer of the security interest to TCT is an avoidable preference because perfection occurred more than 30 days after CrossSeed transferred the note to it and within 90 days of the date Merit Street filed its petition. Moreover, all of TBN and TCT's obligations should be equitably subordinated to Merit Street's other creditors due to TBN's gross misconduct.

10. This adversary proceeding seeks to hold TBN accountable for its multiple breaches of contract and fiduciary duties that gravely impaired Merit Street's ability to succeed and ultimately led to its failure. While Peteski has gone above and beyond to ensure Merit Street's success, including by continuing to loan on an *unsecured* basis over \$25 million to Merit Street throughout 2024 and 2025 to keep its operations afloat, TBN has not held up its end of the bargain. TBN shirked its financial and operational commitments, and engaged in extensive self-dealing, all with the goal to benefit and enrich TBN, not Merit Street.

JURISDICTION

11. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. § 1334(a) and (b) and 11 U.S.C. § 157.

12. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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13. The statutory bases for the relief requested herein are 28 U.S.C. § 2201 (the "Declaratory Judgment Act") sections 105, 365, and 541 of title 11 of the United States Code (the "Bankruptcy Code"), and Bankruptcy Rule 7001.

PARTIES

14. Plaintiff Merit Street is the debtor-in-possession in the above-captioned chapter 11 case the ("Chapter 11 Case"). The Debtor is authorized to continue to operate its business and manage its properties as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

15. Defendant Trinity Broadcasting of Texas, Inc. is a not-for-profit corporation that operates the Trinity Broadcasting Network, based in Forth Worth, Texas. TBN produces its own original Christian programs and also broadcasts those Christian programs as well as other Christian programming in the United States and internationally.

16. According to TBN, "TBN is the world's most-watched faith and family broadcasting network, available in 98% of U.S. households, reaching over 175 nations with inspirational programming in 17 languages on over 30 global networks, allowing TBN to reach a potential 2 billion viewers daily." TBN's programming is available over-the-air on numerous television stations that TBN owns, directly or through its subsidiaries. Through carriage agreements, TBN's programing and networks are also available through traditional cable and satellite companies and online streaming.

17. American televangelist Paul Crouch and his wife Jan Crouch founded TBN in late 1973. Today, TBN is overseen by its President and CEO Matthew Crouch (Paul and Jan's youngest son).

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18. Defendant TCT Ministries, Inc. is a not-for-profit corporation that operates the TCT Network, based in Marion, Illinois. Like TBN, TCT produces and broadcasts Christian programming. TCT programming is available on local television stations over-the-air or through traditional cable and satellite companies and online streaming. On information and belief, from the mid-1980s until 2007, TCT was an affiliate of TBN, and also currently maintains a relationship with TBN.

BACKGROUND

A. TBN And Peteski Form Merit Street.

19. Dr. Phil has been one of the most prominent television personalities, podcast hosts, and authors for the past twenty-three years. Dr. Phil created Peteski Productions, Inc., a Texas corporation, in 2002. Beginning in 2002, Dr. Phil hosted his talk show *Dr. Phil*, with Oprah Winfrey's Harpo Productions and CBS Media Ventures ("CBS"). He was prepared to continue the highly successful program with CBS until Mr. Crouch approached him about the prospects of a Joint Venture which eventually became Merit Street. Mr. Crouch made many promises following due diligence trips to Los Angeles to see the quality of the world class production facilities and to solicit Peteski and Dr. Phil.

20. Once Peteski agreed to the deal, there was significant dislocation for Dr. Phil personally who moved from Los Angeles, as well as many staff members of *Dr. Phil* who likewise relocated. In January 2023, CBS announced the Dr. Phil show would be ending after its 21st season.

21. As of January 10, 2023, Peteski and TBN executed the Joint Venture Agreement to form a joint venture, "NewCo," which later would become Merit Street—through which Peteski

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and TBN would launch a new television network in 2024.² Under the Joint Venture Agreement, ownership of Merit Street would be allocated 70% to TBN, and 30% to Peteski.

22. Under the Joint Venture Agreement, Peteski agreed to provide new, topical programming—specifically, 160 new ninety-minute episodes of the “Dr. Phil” show, and further, agreed that Merit Street would serve as the exclusive broadcaster of those Dr. Phil shows. Additionally, Peteski agreed to provide two primetime specials or documentaries for Merit Street to air on the new network.

23. For its part, under the Joint Venture Agreement TBN assumed full responsibility for all behind-the-scenes operations to produce Dr. Phil’s programming. Specifically, TBN agreed in the Joint Venture Agreement to provide “[a]ll production services associated with ‘Dr. Phil’ programming.” It further agreed that its production services would be “first class quality,” in a “comparable manner to the quality of other ... syndicated television programming.” For example, the Joint Venture Agreement required TBN to provide Merit Street with the following production services necessary for Dr. Phil’s programming:

- i) actual production and editing of all episodes,
- ii) dedicated hair and make-up artist,
- iii) all wardrobe expenses,
- iv) administrative personnel,
- v) legal personnel,
- vi) human resources personnel,
- vii) sales personnel,

² In February 2023, TBN formed APG Ventures, Inc. as a Delaware corporation to serve as the “NewCo” referenced in the Joint Venture Agreement. APG Ventures, Inc. changed its name to Merit Street Media, Inc. in March 2024. In February 2025, Merit Street re-incorporated in Texas.

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- viii) insurance,
- ix) ad campaigns and public relations,
- x) travel and entertainment expenses,
- xi) expenses relating to COVID protocols and mandates, and
- xii) promotional and marketing and any and all other functions customarily associated with a full scale, top level production, above and below the line.

24. Under the Joint Venture Agreement, TBN also agreed to “license all TBN content to” Merit Street.

25. Critically, TBN also agreed under the Joint Venture Agreement to distribute Merit Street’s programing at no expense to Merit Street. TBN, directly or through its affiliates, owns dozens of local television stations throughout the country. Those stations have exercised their “must carry” rights—meaning they *require* cable operators serving their geographic market to carry their signals at no cost. This ensures that the TBN-owned local stations are distributed to widespread audiences. TBN also has the right to broadcast its national networks with national satellite providers DISH and DirecTV.

26. TBN agreed under the Joint Venture Agreement to distribute Merit Street’s content through TBN’s extensive national footprint, including via its local stations’ must carry rights. This unequivocal guarantee that it would provide distribution to Merit Street on a national basis was a linchpin of the deal.

27. The arrangement and division of responsibilities under the Joint Venture Agreement made sense and played to the parties’ strengths. Peteski and Dr. Phil focused on content creation, while TBN provided the production services and distribution network required to launch and sustain a successful a new television network.

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B. Merit Street Launches MeritTV.

28. On February 20, 2024, Merit Street announced that it had “successfully completed agreements to establish the Merit Street Media television network as a fully distributed, cable, satellite, and free over-the-air broadcast media brand.” Merit Street further announced: “With commitments already exceeding 65 million television homes and pending agreements set to significantly expand that number, Merit Street, in partnership with Trinity Broadcasting Network, is poised to become one of the most widely distributed startup networks in modern history.” The feature program of the network would be Dr. Phil’s new program, “Dr. Phil Primetime.”

29. On April 2, 2024, Merit Street officially launched a new television network called MeritTV. At the outset, Merit Street included three original programs: Morning on Merit Street, The News on Merit Street, and Dr. Phil Primetime.

C. TBN Abuses Its Power As The Controlling Shareholder.

30. From the get-go, TBN abused its power as the controlling shareholder to cause Merit Street to pay for TBN’s obligations and to otherwise enrich itself at Merit Street’s expense. It also failed to deliver on its obligations under the Joint Venture Agreement to ensure that MeritTV became a successful network.

1. TBN fails to distribute Merit Street content through its distribution network and instead negotiates expensive distribution agreements in Merit Street’s name.

31. To start, TBN did *not* distribute MeritTV and Dr. Phil’s programming through its national footprint—as it was required to do under the Joint Venture Agreement.

32. Instead, and without telling Merit Street or Peteski, TBN unilaterally developed a new distribution plan: TBN inexplicably caused Merit Street to enter into agreements with local television stations, cable, and national satellite providers to broadcast Merit Street’s content—at

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considerable expense to Merit Street. Merit Street's obligations under those agreements are approximately \$96 million over the life of the agreements.

33. Specifically, TBN unilaterally caused Merit Street to execute a series of nine programming license agreements with local television stations for the ability to broadcast Merit Street's programming on those local television stations.³ The terms of these licensee agreements had fees ranging from approximately \$400,000 to \$5.27 million annually and became the contractual obligations of Merit Street, not TBN. This was a far cry from the *free* distribution that TBN promised under the Joint Venture Agreement.

34. TBN also unilaterally caused Merit Street to execute distribution agreements with DirecTV and DISH, for DirecTV and DISH to distribute Merit Street's programming to its subscribers throughout the United States. Those agreements again came at a substantial cost to Merit Street: *each* approximately \$3.6 million per year. TBN caused Merit Street to enter into those new contracts with DirecTV and DISH even though TBN's own national network already had distribution rights with those distribution platforms.

35. Additionally, TBN caused Merit Street to enter into an agreement with Ocean Communications, LLC to grant Ocean a license to negotiate with third parties to achieve further distribution of the Merit Street network via Xfinity and Verizon Fios. These agreements, too, came at a substantial cost to Merit Street—approximately \$4 million total per year, depending on the number of Xfinity and Verizon Fios subscribers.

³ These agreements include the following station groups and stations: CNZ Communications, LLC (WGBP, Atlanta); KAZT, LLC (KAZT, Phoenix); Caballero III, LLC (KGMM, San Antonio); Stryker Media LLC (KYVV, San Antonio); Stryker Media 2 LLC (KOFY, San Francisco); KVMD Licensee Co., LLC (KVMD, Los Angeles); Entravision Communications Corp. (WJAL, Washington, D.C.); Mountain Broadcasting Corp. (WMBC, New York); Cunningham Broadcasting Corp. (KTXD, Dallas; WYZZ, Peoria, Illinois; WATM, Johnston, Pennsylvania).

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36. Although TBN initially paid the distribution fees under the agreements for several months, soon TBN stopped paying those fees altogether. TBN incorrectly asserted that Merit Street was responsible for these contractual obligations. This is notwithstanding the fact that TBN has acknowledged, in a signed agreement, that these contracts are TBN's "sole responsibility" and a "TBN contractual liability." The aggregate costs of these various agreements is approximately \$2.6 million per month, with increased prices in future years, and approximately \$96 million in total over the life of the agreements.

37. Because TBN has failed to satisfy its payment obligations under these agreements, numerous distributors have discontinued Merit Street's broadcast signals, which has resulted in millions of households losing access to Merit Street's programming, including *Dr. Phil Primetime*. Merit Street has also received numerous breach notices, threatening damages and discontinuation of their broadcast signals. On April 28, 2025, for example, Merit Street received a notice of breach regarding its agreement with Ocean Communications, LLC, and a second notice of breach on May 16, 2025. On May 22, 2025, Merit Street received a notice of continuing default and intent to pursue legal remedies from a law firm on behalf of several of the stations groups with which Merit Street has agreements: Stryker Media LLC, CNZ Communications SE, LLC, Caballero III, LLC, and Stryker Media 2 LLC. On June 2, 2025, Merit Street received a similar letter from the same firm on behalf of KVMD TV LLC. And on May 28, 2025, Merit Street received a Notice of Breach from Entravision Communications Corp.

38. In total, TBN saddled Merit Street with approximately \$96 million in contractual obligations that are the sole responsibility of TBN.

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2. TBN improperly causes Merit Street to enter into a lease to use TBN's production facilities.

39. On February 1, 2024, TBN caused Merit Street to enter into a five-year, multi-million-dollar lease *with TBN* to use TBN's studio space (the "Plex") to produce Dr. Phil's content. Under the lease agreement, Merit Street would pay TBN over \$2.3 million per year for five years to use 27% of the "Plex."

40. This is a classic example of self-dealing. TBN did not even inform Merit Street's senior management that it was executing the lease with itself. Instead, it caused TBN's General Counsel to sign the lease on Merit Street's behalf.

41. When Merit Street's senior management eventually learned of the lease many months later, they were shocked. TBN had agreed, as part of the Joint Venture Agreement that formed Merit Street, to provide "[a]ll production services associated with 'Dr. Phil' programming." Nothing in the Joint Venture Agreement suggests that Merit Street would need to *pay TBN* to access its studio and production space.

3. TBN improperly charges Merit Street to license TBN's content.

42. Although the Joint Venture Agreement required TBN to license all TBN content to Merit Street at no cost, TBN improperly caused Merit Street to pay millions of dollars for TBN's content—some of which never even aired on MeritTV.

4. TBN improperly charges Merit Street for production services.

43. The gift did not stop there. TBN improperly charged Merit Street for production services TBN had an obligation to provide under the Joint Venture Agreement.

44. The September 2024 balance sheet that TBN prepared on behalf of Merit Street reflect a "Notes Payable" liability to Merit Street in favor of TBN of \$132,994,750. TBN has claimed that this note payable is for personnel and other costs incurred by TBN on behalf of Merit

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Street. TBN later claimed that the note payable had grown to \$140 million. TBN never provided, despite repeated requests, an accounting or breakdown of the expenses included in this \$140 million note payable. “We don’t do that,” TBN’s Vice President of Finance stated.

45. The financial statements for Merit Street that TBN prepared while it was the controlling shareholder of Merit Street also reflect millions of dollars in expenses charged to Merit Street and paid to TBN and third parties for production services that TBN expressly agreed in the Joint Venture Agreement to provide. As just one example, the July 2024 income statement shows year-to-date marketing expenses of over \$2 million. But the Joint Venture Agreement expressly stated that TBN would be responsible for all “[p]romotional and marketing” expenses of Merit Street.

D. TBN Provides Shoddy Production Services.

46. As soon as Merit Street began producing content it quickly became apparent that TBN’s contractual promises for a state-of-the-art “first class quality” production facility and services were empty. For example:

- The teleprompters suffered from frequent malfunctions, including blackouts during live Dr. Phil episodes before studio audiences.
- The control room was incomplete, so operations ran out of a temporary setup in a truck rather than in a control room for over a year. The truck-based control group had about one third of the functionality of an industry standard control room and, unlike the standard setup, could not run multiple productions simultaneously. To make matters worse, the control room’s monitors and communication systems malfunctioned frequently.
- TBN promised state-of-the-art editing software, but instead provided only Adobe Premier, a basic tool used by entry-level video editors. During its previous 21-season run, Dr. Phil’s show used an advanced program called Avid. The downgrade led to substantial wasted time and an inferior product.
- Internal studio screens showing the stage from other rooms—including the greenroom where Dr. Phil’s guests waited before going on air—malfunctioned, preventing guests, producers, and support staff from watching an ongoing production in real time. This hindered production and forced guests to take the stage blind and without context of

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what preceded their segments. Production staff resorted to sharing screens because there were too few working ones to go around.

- TBN did not have an industry-standard system for tracking viewership. It had no Nielsen Ratings and Merit Street was never able to obtain audience metrics.
- The touch screens used for film editing at the studio were nonfunctional, which hindered the editing of footage and degraded final productions. These included the three primary screens Dr. Phil had been used to using for decades. The screens TBN provided struggled to perform basic tasks such as starting and stopping video, rearranging images, and calling up text.
- The Merit Street cell phone app, an important direct-to-consumer tool, was basically unusable.
- Cell phone service in the studio was often so poor that Merit Street staff could not make calls.
- TBN did not provide enough engineers to address the many technical glitches that arose during productions. This required Merit Street staff to compensate for TBN's deficient service through workarounds that involved using hardware and software in ways they were not designed to be used. The time required for even basic production tasks soared.

47. These glaring problems became apparent as soon as rehearsals for Dr. Phil Primetime began in early 2024. On a daily basis, Merit Street raised the issues with TBN. The reply was always the same: in effect, "don't worry about it, we'll handle it." But TBN did not handle it. The problems persisted.

48. Indeed, TBN CEO Mr. Crouch dismissed Merit Street's requests for the industry-standard service to which it was contractually entitled as unreasonable demands for "bells and whistles." If he had it his way, Mr. Crouch said, Dr. Phil Primetime's production would consist of two chairs in front of a single camera, and nothing more. This is hardly the bargain the parties reached; it is not "first class quality," nor is it "comparable" to other syndicated television programming.

49. There were other issues, too. For example, despite contractually agreeing to provide "first class quality" promotional and marketing services, TBN's marketing and PR

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contributions were lackluster—limited to just minimal social media advertising at the time of the Merit Street launch and one other social media campaign. TBN designed those limited social media efforts so that TBN itself would benefit by ensuring that a TBN entity would receive payment for the advertising.

E. The TBN And Peteski Relationship Breaks Down.

50. TBN and Peteski's relationship reached a new low in July 2024, when TBN failed to make a \$5 million payment owed to Peteski under the Joint Venture Agreement.

51. Shortly thereafter, in August 2024, Peteski and TBN agreed to amend the stock purchase agreements that each company had entered into in March 2024 whereby TBN had acquired a 70% ownership interest in Merit Street and Peteski had acquired the remaining 30% ownership interest in Merit Street. The August 2024 amendment shifted Peteski's ownership interest in Merit Street to 70% with the remaining 30% owned by TBN.⁴ Although the parties' ownership interest shifted, TBN remained obligated to provide all distribution and production services to Merit Street.

52. Shortly after transferring 70% ownership of Merit Street to Peteski in August 2024, and after just four short months of MeritTV being on the air, TBN declared that it would cease all further support for Merit Street. TBN claimed it lacked financial resources to continue to support Merit Street—notwithstanding it reported assets of over \$900 million in recent filings.

F. CrossSeed Issues \$25 Million Convertible Promissory Note.

53. In September 2024, Merit Street issued a \$25 million convertible promissory note to CrossSeed (the "CrossSeed Convertible Note"). CrossSeed is a Texas non-profit corporation and, on information and belief, closely connected to TBN. The CrossSeed Convertible Note

⁴ Currently, Peteski owns 66.5% of Merit Street, TBN owns 28.5%, and SHG Partnership, LLC owns 5%.

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converts to equity at a fixed Merit Street valuation of \$425 million at the option of CrossSeed, exercisable only at the time of an equity raise of qualified financing. The CrossSeed Convertible Note purports to be secured, and bears interest a rate of 12% simple interest, payable on the maturity date of September 7, 2026.

54. On March 5, 2025, CrossSeed assigned the note to TCT. On information and belief, TCT is closely connected to TBN. TCT filed a U.C.C. Financing Statement as a secured party on May 27, 2025.

G. The Parties Attempt—And Fail—To Salvage the Joint Venture.

55. By September 2024, it was becoming clear that TBN would never live up to its contractual obligations. Merit Street realized that in order to ensure its continued viability, it needed to resolve its outstanding disputes with TBN. To that end, the parties entered negotiations.

56. The parties' negotiations culminated in a December 9, 2024 Outline of Proposed Terms ("December 2024 Agreement"). In the December 2024 Agreement, TBN, Peteski and Merit Street "agree[d] to negotiate in good faith to reach definitive agreements addressing the issues outlined here as promptly as practical, and with the common goal of signing such definitive agreements prior to December 31, 2024." In the December 2024 Agreement, the parties also reached a resolution on a number of definite terms to document in the definitive agreements, and agreed that the definitive agreements would supersede and replace the Joint Venture Agreement. The definite terms upon which the parties agreed, included:

- ***The Plex Lease.*** TBN agreed to abate 45 months of rent.
- ***Shared Facilities.*** TBN agreed that it would grant Merit Street access to other studio areas in the Plex.
- ***\$140 Million Note Payable.*** TBN agreed that Merit Street would not be responsible for paying TBN the purported \$140 million note payable that TBN caused Merit Street to record.

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- **Prior Services.** TBN agreed that TBN would reverse charges to Merit Street for prior services provided by TBN to Merit Street.
- **Administrative Service Expenses.** TBN agreed that it would supply numerous administrative staff to Merit Street, including for accounting, payroll, billing, human resources, information technology services, technology support, and engineering.
- **Payments to Peteski.** TBN agreed to pay Peteski amounts owed.
- **License and Distribution Agreement Costs.** TBN acknowledged that “[t]he contractual costs of [Merit Street’s] current distribution agreements are the sole responsibility of TBN”—averaging about \$2.6 million per month. Merit Street had paid, on TBN’s behalf, approximately \$13 million under these contracts. While the agreement stated that TBN maintained it was not in a position to pay those expenses, it acknowledged the “significant hardship and inequity for [Merit Street] to be servicing a TBN contractual liability,” and agreed that it would reimburse Merit Street for these payments and assume current payments as it was able. Merit Street agreed to continue to make payments “subject to ultimate repayment by TBN.”

57. The December 2024 Agreement reflected the very same terms to which TBN had agreed and failed to abide by in the Joint Venture Agreement. In other words, TBN was responsible for providing distribution and production services to Merit Street at no cost to Merit Street.

58. Peteski immediately set out to prepare draft agreements based on the terms of the December Term Sheet. But then TBN abruptly stated that it would not honor the signed December 2024 Agreement. Instead, TBN proposed entirely new terms, which were unworkable and unacceptable to Merit Street.

59. All the while, the quality of TBN’s already poor production services continued to decline. Earlier this year, a senior TBN executive admitted that TBN was doing only the bare minimum for Merit Street. He sought to justify TBN’s position by baselessly characterizing Dr. Phil’s unchanged desire for first-class service as “unpredictable” expectations. Other TBN staff followed this executive’s example by insinuating that meeting TBN’s obligations to Merit Street wasted TBN’s scarce resources.

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60. Moreover, TBN defaulted on an additional \$25 million in payments due to Peteski, and continues to refuse to pay for the license and distribution agreements it caused Merit Street to enter.

H. Peteski And Dr. Phil Take Steps To Keep Merit Street Afloat.

61. Even though TBN refused to honor its commitments to Merit Street and refused to pay Peteski the amounts it was owed, Peteski and Dr. Phil continued to support Merit Street to keep it afloat.

62. Between December 2024 and May 2025, Peteski advanced additional funds to Merit Street, totaling approximately \$25.4 million. Specifically, on February 28, 2025, Merit Street issued to Peteski a convertible promissory note, pursuant to which Peteski purchased approximately \$11,407,166 of aggregate principal amount of convertible notes. And on June 1, 2025, Merit Street issued to Peteski a convertible promissory note, pursuant to which Peteski purchased approximately \$14 million of aggregate principal amount of convertible notes. These convertible notes issued by Peteski convert to equity at the valuation of the next equity raise.

63. Additionally, on June 30, 2025, Peteski agreed to enter into an agreement with Merit Street, effective June 10, 2025, whereby Peteski agreed to issue a secured bridge loan of \$6,996,636.

64. In total, to date—due to TBN's breaches of the Joint Venture Agreement—Peteski has loaned over \$25 million to Merit Street.

COUNT I
(Breach of Contract ("Joint Venture Agreement") Against TBN)

65. Merit Street incorporates the allegations set forth in the foregoing paragraphs as if set forth in full below.

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66. As of January 10, 2023, Peteski and TBN executed a valid contract, the Joint Venture Agreement.

67. Merit Street is a third-party beneficiary to the Joint Venture Agreement between Peteski and TBN. The Joint Venture Agreement was intended to benefit Merit Street directly and under the agreement TBN owes contractual duties directly to Merit Street.

68. Merit Street fully performed its obligations as a third-party beneficiary under the Joint Venture Agreement.

69. As alleged herein, TBN breached its obligations under the Joint Venture Agreement, including by failing to meet its obligations to provide production and distribution services to Merit Street and causing Merit Street to pay or incur obligations that were the responsibility of TBN.

70. As a direct and proximate result of TBN's breaches of the Joint Venture Agreement, Merit Street suffered and continues to suffer significant damages, including monetary damages.

COUNT II
(Breach of Covenant Of Good Faith And Fair Dealing
(Joint Venture Agreement) Against TBN) (In the Alternative)

71. Merit Street incorporates the allegations set forth in the foregoing paragraphs as if set forth in full below.

72. As of January 10, 2023, Peteski and TBN executed a valid contract, the Joint Venture Agreement, and Merit Street is a third-party beneficiary to the Joint Venture Agreement.

73. TBN has an obligation to perform its obligations under the Joint Venture Agreement fairly, honestly, in good faith, and in a manner that does not deprive Merit Street of the benefits and overarching purpose of the agreement.

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74. Merit Street fully performed its obligations as a third-party beneficiary under the Joint Venture Agreement.

75. To the extent that TBN's obligations to provide distribution and production services were not identified specifically in the Joint Venture Agreement, TBN breached the covenant of good faith and fair dealing by depriving Merit Street of the benefit of the Joint Venture Agreement, which was for TBN to provide production and distribution services to Merit Street at no cost to Merit Street.

76. As a direct and proximate result of TBN's breaches of the implied covenant of good faith and fair dealing, Merit Street suffered and continues to suffer significant damages, including monetary damages.

COUNT III
(Breach of Contract (December 2024 Agreement) Against TBN)

77. Merit Street incorporates the allegations set forth in the foregoing paragraphs as if set forth in full below.

78. On December 9, 2024, Merit Street, Peteski, and TBN entered into the binding December 2024 Agreement. In the December 2024 Agreement, the parties agreed on certain definite terms relating to the operation of Merit Street. The December 2024 Agreement is a complete and enforceable agreement with respect to these definite terms. The December 2024 Agreement also contained a binding agreement to "negotiate in good faith to reach definitive agreements addressing the issues outlined here as promptly as practical, and with the common goal of signing such definitive agreements prior to December 31, 2024." The definitive agreements were to supersede and replace the Joint Venture Agreement, which is governed by Delaware law.

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79. Merit Street performed its obligations under the December 2024 Agreement, including by attempting in good faith to draft final agreements addressing the issues in the December 2024 Agreement.

80. TBN breached its obligations under the December 2024 Agreement. It failed to honor the definite terms contained in the December 2024 Agreement. It also flatly refused to work in good faith to draft final agreements addressing the issues in the December 2024 Agreement. But for TBN's bad-faith conduct, final agreements would have been executed.

81. As a direct and proximate result of TBN's breaches of the December 2024 Agreement, Merit Street suffered and continues to suffer significant damages, including monetary damages.

COUNT IV
(Breach of Fiduciary Duty Against TBN)

82. Merit Street incorporates the allegations set forth in the foregoing paragraphs as if set forth in full below.

83. As alleged herein, TBN exercised control over the affairs of Merit Street and owned 70% of Merit Street through August 2024. TBN owed Merit Street fiduciary duties, including duties of loyalty and care.

84. As alleged herein, TBN breached its fiduciary duties to Merit Street, including by engaging in self-dealing and other gross misconduct to advance its own interests at the expense of Merit Street.

85. As a direct and proximate result of TBN's breaches of its fiduciary duties, Merit Street suffered and continues to suffer significant damages, including monetary damages.

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COUNT V

(Declaratory Judgment For Preference Avoidance Regarding CrossSeed Convertible Note Under 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57 Against TCT)

86. Merit Street incorporates the allegations set forth in the foregoing paragraphs as if set forth in full below.

87. This claim for relief arises under the Federal Declaratory Judgment Act, 28 U.S.C. § 2201.

88. In September 2024, Merit Street issued a \$25 million convertible promissory note to CrossSeed.

89. Pursuant to Section 4 of the CrossSeed Convertible Note and in consideration for such note, Merit Street (i) granted to CrossSeed a security interest in all of Merit's personal property, instruments, accounts, money, deposit accounts, securities and all other investment property, contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles, and (ii) authorized the holder of the CrossSeed Convertible Note to prepare and file a financing statement to perfect the holder's security interest.

90. On March 5, 2025, CrossSeed assigned the CrossSeed Convertible Note to TCT.

91. On May 27, 2025, TCT perfected its security interest in the CrossSeed Convertible Note by filing a UCC-1 Financing Statement as a secured party with the Secretary of State of Texas. TCT did not perfect with respect to litigation proceeds, which are not mentioned in its UCC-1 Financing Statement.

92. Under 11 U.S.C. § 547(e)(2), the transfer of an interest of the debtor in property—including the transfer of a security interest—is made at the time such transfer is perfected, where the transfer is perfected more than 30 days after the transfer was made.

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93. Here, TCT perfected its security interest more than 30 days after CrossSeed transferred to it the CrossSeed Convertible Note, so the transfer is deemed to occur on the date of perfection, May 27, 2025.

94. May 27, 2025 is within Debtor's preference period because it is within 90 days of the date Merit Street filed its bankruptcy petition (July 2, 2025).

95. Accordingly, this Court should issue an order declaring that the transfer is an avoidable preference under 11 U.S.C. § 547(b). In addition or in the alternative, this Court should issue an order declaring that TCT has no perfected security interest in Merit Street's litigation proceeds.

COUNT VI

(Declaratory Judgment for Equitable Subordination of the under 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57 Against TBN and TCT)

96. Merit Street incorporates the allegations set forth in the foregoing paragraphs as if set forth in full below.

97. This claim for relief arises under the Federal Declaratory Judgment Act, 28 U.S.C. § 2201.

98. Equitable subordination is a remedy that allows a court to subordinate a creditor's claim to other claims as a result of misconduct by that creditor. *In re Equip. Equity Holdings, Inc.*, 491 B.R. 792, 840 (Bankr. N.D. Tex. 2013). This remedy is properly granted when (1) the claimant engaged in inequitable conduct; (2) the misconduct resulted in injury to debtors or other creditors, or conferred an unfair advantage to the claimant; and (3) equitable subordination of the claimant's claim is not contrary to other provisions of the Bankruptcy Code. *Id.* at 841–42. Further, conduct is inequitable if it involves or is the result of breaches of fiduciary duties. Additionally, if the claimant is an insider, courts scrutinize that claimant's conduct more rigorously.

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99. As alleged above, TBN breached fiduciary duties it owed to Merit Street, including by engaging in self-interested transactions that depleted Merit Street's capital. TBN then caused a \$140 million liability to be recorded on Merit Street's balance sheet in favor of TBN. Further, because TBN caused Merit Street to pay TBN and others money that TBN itself should have paid, Merit Street was forced to borrow an additional \$25 million from CrossSeed in September 2024, which note was later assigned to TCT. That \$25 million contribution was only made necessary by TBN's breaches of fiduciary duty.

100. This inequitable misconduct resulted in harm to Merit Street and its other creditors.

101. Equitable subordination would not be contrary to other provisions of the Bankruptcy Code.

102. Further, the Fifth Circuit and courts within it have equitably subordinated claims of even a secured party after finding that party engaged in wrongful conduct, as TBN has here. *See, e.g., In re Matter of Fabricators, Inc.*, 926 F.2d 1458 (5th Cir. 1991) (equitably subordinating otherwise secured lender's claim to unsecured status where, among other conduct, insider's exercise of control over debtor to allow insider to obtain a lien on debtor's assets); *In re Adv. Modular Power Sys., Inc.*, 413 B.R. 643, 676-77 (Bankr. S.D. Tex. 2009) (equitably subordinating claim to lower priority than other unsecured creditors based on insider's action in self-interest to deplete the debtors of their most profitable business). Because TBN has exerted improper control over Merit Street to solely further its own interests at the expense of Merit Street, including by causing its affiliate to issue a loan to Merit Street, any claims of TBN and TCT should be equitably subordinated.

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PRAYER FOR RELIEF

WHEREFORE, the Debtors respectfully request that upon final hearing, a judgment be entered as follows:

- A. Awarding Merit Street damages suffered as a result of TBN's breach of the Joint Venture Agreement and December 2024 Agreement, including prejudgment interest and punitive damages.
- B. Awarding Merit Street damages suffered as a result of TBN's breach of its fiduciary duties, including prejudgment interest and punitive damages.
- C. Entering judgment in favor of Merit Street and declaring that the March 5, 2025 transfer of the CrossSeed Convertible Note to TCT is an avoidable preference under 11 U.S.C. § 547(b), and, or in the alternative, that TCT has no perfected security interest in Merit Street's litigation proceeds.
- D. Entering judgment in favor of Merit Street and declaring that the CrossSeed Convertible Note should be equitably subordinated under Section 510(c) of the Bankruptcy Code;
- E. Granting Merit Street its attorneys' fees and costs; and
- F. Granting Merit Street such other and further relief as the Court may deem just and proper.

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Dated: July 2, 2025
Dallas, Texas

/s/ Jeri Leigh Miller

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*Proposed Attorneys for the Debtor
and Debtor in Possession*

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Certificate of Service

I certify that on July 2, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Jeri Leigh Miller

Jeri Leigh Miller

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PH-1

APPEAL TO USE OF 3150 BEAR ST. AS A 142 HOUSING UNITS DEVELOPMENT

Application to establish a 142 unit housing development in an AP designated zone



3150 trees are and lot line are closer to my bedroom than **MY OWN DRIVEWAY**

Local Business



Finding:

"Granting the conditional use permit or minor conditional use permit will not be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood."

- This approval is 100% Materially detrimental to my well-being. The stress is absurd and unnecessary.
 - I did not attend the public meeting precisely because of prior negative experiences at previous public meetings where I DID participate.
 - I realize I live in a City, but I love my home and I only wish to live peacefully in it without undue duress.



Finding:

"Granting the conditional use permit or minor conditional use permit will not be **materially detrimental to the health, safety, and general welfare** of the public or otherwise **injurious to property** or improvements within the immediate neighborhood."

- I am clearly directly impacted.
 - I feel like I'm on an island, handling this issue all on my own.
 - Who wouldn't be concerned about the negative impact this project will have on my market home value?
 - With that many people so near to my residence, I will feel even more unsafe than I already do.
 - Why am I left feeling helpless and hopeless by the city?



Old footage from an old computer typical of noise coming from the 3150 property

- The application does not describe any steps the property intends to take to mitigate noise.
 - There are no controls included in the application.
 - This footage captures typical noises I was exposed to for years.
 - I cannot understand why the city finds this acceptable.
 - Late night/early morning noise is not compatible with the with the general welfare.
-



A NEW FOR SALE RESIDENTIAL COMMUNITY IS BEING
PROPOSED NEAR YOU!
BEAR STREET
COSTA MESA, CALIFORNIA



Site Plan
Not to Scale



Location Map
Not to Scale

Fast Facts

- Replaces former Trinity Broadcasting Center at 3150 Bear Street
- Includes 142 new high-quality attached and detached, for-sale homes
- Two floor plans for the detached condos
- Four floor plans for the stacked flats
- Traditional architectural styles
- Two-car garages with additional on-site guest parking
- Energy efficient and water efficient buildings and landscaping
- Common amenity areas including lot lot, shade structures, turf area, and BBQ counters

Juanita O'Connell, Vice President of Entrepreneur
839 244 3547 | juanita.o'connell@mlcproperties.net

Meritage

MLC
Meritage Properties, Inc.

It is not plausible to believe that the air/noise quality in my backyard will not be even further degraded.

How is this fact fair or inconsequential to me? How am I supposed to peacefully enjoy my backyard with people, cars, car alarms, exhaust, traffic noise, etc., all within a very short distance from me?

52 FOOT BUILDINGS

52 FOOT TALL, BALCONY RESIDENCIES???

- How do I go into my backyard with balconies staring into my home??
- How can a reasonable person possibly contend that the facts pertinent to this development are not detrimental to my well-being, much less my own property value?

The screenshot shows a mobile news article from the *Daily Pilot*. At the top, the status bar displays the time 4:28, signal strength, 5G connectivity, and a battery level of 83%. The page header includes the website *latimes.com*, the *Daily Pilot* logo, and a 'LOG IN' button. The article text discusses the challenges of building 52-foot tall structures in residential areas, mentioning a 'density bonus' and the impact on parking spaces. It contrasts the proposed 372 parking spaces with the 477 required by the city code. At the bottom, there is an advertisement for 'Hope' with a close button (X) in the corner.

4:28 5G 83%

latimes.com

Daily Pilot LOG IN

Density — while balanced to complement the characteristics of the surrounding residential neighborhoods — is key to making the project pencil out, Crooker added.

For that reason, the Meritage subsidiary is planning to set aside eight deed-restricted units for very low-income residents, in exchange for a density bonus from the state that will allow it to build to greater heights and a higher density, while offering fewer parking spaces, than what's allowed for in Costa Mesa's municipal code.

This means three- and four-story stacked flats up to 52 feet, as opposed to the 27-foot, two-story cap imposed by the city. Instead of providing 477 parking spaces, applicants are proposing 372.

ADVERTISEMENT

Hope

NO TRAFFIC LIGHT NO CROSSWALK



It is already difficult left turn access onto Bear. Bear street will become so much more dangerous for residents and kids no plans to install even a crosswalk to Shiffer park much less a traffic light to handle all the newly increased residential traffic.

Tree Intrusion/Damage

The neighboring property's trees have intruded largely over and under my back yard.

1. How do I preserve my property from the neighboring property's roots and branches?
2. Where is the documentation supporting the approval of planting these trees so close to my property?
3. Does that approval remain valid?
4. I fear Santa Ana winds may uproot and cause 3150's trees to fall on my property and damage my property or harm me.



City Consistently all Project Proposals

I have resided in Lifestyles since 1996.

- My Noise, Air Quality, Invasive Tree issues all have been dismissed by the City.
- 1996-2017 TBN AP Administratively zoned.....
- 2019 – 2021 EF Education First (EFEKTA)
- 2021 – Present Manny Khoshbin
- Present – Meritage Homes



Transparency

1. Policy N-2.2:
 - a) Where is the data that supports that full consideration was given?
 - b) Where is the documentation that supports conclusion.
 - c) Where is the process documentation that supports how the conclusions were arrived at?
2. Policy N-2.5:
 - a) What are the city's plans for enforcement?
 - b) How many code/CUP enforcements before this permit is revoked?
3. Policy N-2.9:
 - a) Has the received noise test results from the applicant per scenarios proposed by the applicant?
 - b) Where does the city's confidence come from that the applicant will abide by the CUPs/codes, etc and that I will be able to live peaceably in my home?

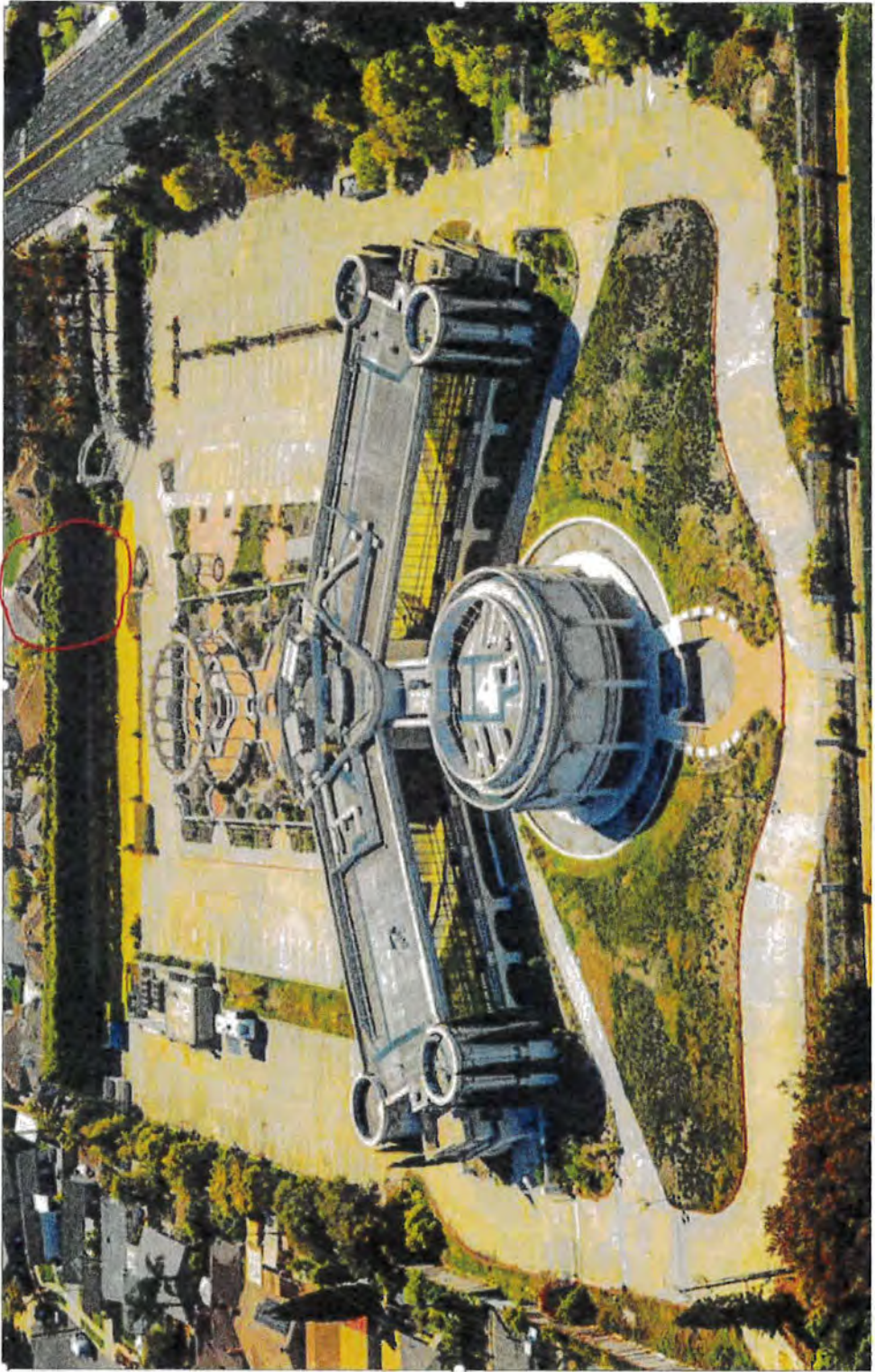
Goal N-2: Noise and Land Use Compatibility	
Recognize the known impacts of excessive noise on aspects of land use planning and living of residents and non-residential projects.	
Objective N-2A:	Plan for the reduction in noise impacts on sensitive receptors and land uses.
Policy N-2.1:	Require the use of sound walls, berms, other noise reduction, double-paneled windows, and other noise mitigation measures, as appropriate, in the design of new residential or other new noise sensitive land uses that are adjacent to arterials, freeways, or adjacent to industrial or commercial uses.
Policy N-2.2:	Require that all new development adjacent to existing noise sensitive land uses be designed to be compatible with the existing noise environment.
Policy N-2.3:	Consider alternative noise level standards for mixed-use projects that take into consideration the interaction of industrial, commercial, noise impacts and the mixed-use developments planned for the Westside and Solera.
Policy N-2.4:	Require that all proposed projects are consistent with sound noise/land use compatibility criteria.
Policy N-2.5:	Require that all new development adjacent to existing noise sensitive land uses be designed to be compatible with the existing noise environment.
Policy N-2.6:	Adopt a higher exterior noise level standard for all projects in existing residential areas adjacent to major arterials. It can be shown that there are no feasible mechanisms to meet the exterior noise levels. The exterior standard of 45 dBA CNEL shall be enforced for any new residential project.
N-24 Costa Mesa General Plan	
Noise Element	
Policy N-2.7:	Encourage effective site planning in mixed-use areas that provides the optimal distance between source of outdoor sound and receptors.
Policy N-2.8:	Require new noise-sensitive developments to be located away from parking lots, driveways, trash enclosures, mechanical equipment, and other noise sources away from the residential portion of the development and adjacent established residential developments.
Policy N-2.9:	Require that all new development adjacent to existing noise sensitive land uses be designed to be compatible with the existing noise environment.

FACTS

The City of Costa Mesa (the city) has repeatedly agreed to CUPs over and above those the property was originally zoned for.

As a long-time Costa Mesa resident, I cannot understand why the City remains so dismissive to my concerns and quality of life.

- Previously the city approved an application for EF Education. 1,400 people would have had access to the property at any given time. When that fell through the City signed on to an Event Center.
 - Now that's going by the wayside the City seems to be fine with high density dwellings right in the middle of South Coast Metro. The City now addresses the 3150 property as a high-density housing project, once again, contrary its AP zoning. Convenient use by the City of Abatements and CUPs which results in detrimental consequences to the surrounding properties.
 - Lifestyles properties on either side of mine are owned by a separate "corporate" entity which had previous ownership of the 3150 property and have been used by in/out of state persons as "hotel like" properties rather than single family dwellings.
- As such I am isolated in bringing this action forward.**





welfare

Games & Quizzes Word of the Day Gram

AT&T fiber Live like a G!Gillionaire™ with AT&T All-E! Get notified

welfare ^{1 of 2} noun

wel-fare wel-fer

Synonyms of *welfare* >

- 1 : the state of doing well especially in respect to **good fortune, happiness, well-being, or prosperity**
must look out for your own *welfare*
- 2 a : aid in the form of money or necessities for those in need
b : an agency or program through which such aid is distributed

welfare ^{2 of 2} adjective

- 1 : of, relating to, or concerned with welfare and especially with improvement of the welfare of disadvantaged social groups

well-being ^{noun}

well-be-ing wel-'bē-īŋ

Synonyms of *well-being* >

: **the state of being happy, healthy, or prosperous : WELFARE**



Finding:

“Granting the conditional use permit or minor conditional use permit will not be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.”

As an elder woman, I am informing the City that this process and the development itself will undoubtedly be materially detrimental to **MY** health, safety and general welfare, not to mention how the trees will continue to affect my property.

I ask the City carefully and empathetically consider my situation and take sufficient mitigating actions with respect to the 3150 Bear Street property which will lead to an opportunity for me to live peaceably in my beautiful home.

Thank you for your time and consideration.

From: rick_bkguru.com
To: [CITY CLERK](#)
Subject: Lake at Tewinkle Park
Date: Sunday, August 31, 2025 5:12:52 PM

It's time to change course and stop spending significant funds on fixing a very old and crumbling pond. The proposed fixes are only temporary and additional funds will be needed in the future. The money the staff wants to spend could be much more effectively utilized for replacing the pond with something much nicer.

Please stop this wasteful spending on a temporary fix.

Thank you for your consideration.

Thanks

Rick Kapko

1992 Balearic Dr.

40 year resident.

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From: mkhanna628@aol.com
To: [CITY CLERK](#)
Subject: Fw: Please stop wasting monies
Date: Tuesday, September 2, 2025 6:47:07 AM

Please do not waste our tax payer monies on awarding contracts which are know to be over inflated. Please wait until you can get a competitive bid to fix the park lakes.

Thanks in advance for the consideration.

Best,
Monica Khanna
181 Del Mar Ave,
Costa Mesa, CA

----- Forwarded Message -----

From: mkhanna628@aol.com <mkhanna628@aol.com>
To: citycouncil@costamesaca.gov <citycouncil@costamesaca.gov>
Sent: Tuesday, September 2, 2025 at 06:46:07 AM PDT
Subject: Please stop wasting monies

Please do not waste our tax payer monies on awarding contracts which are know to be over inflated. Please wait until you can get a competitive bid to fix the park lakes.

Thanks in advance for the consideration.

Best,
Monica Khanna
181 Del Mar Ave,
Costa Mesa, CA

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From: [Erin Gonzalez](#)
To: [CITY COUNCIL](#)
Cc: [CITY CLERK](#)
Subject: Opposition to TeWinkle Park Lake Repair Contract - Agenda Item 2 (9/2 Meeting)
Date: Tuesday, September 2, 2025 10:45:30 AM

Dear Mayor and Councilmembers,

I write as a millennial resident of Eastside Costa Mesa to strongly oppose the approval of the proposed multi million dollar contract to repair the lakes at TeWinkle Park. This figure is far above the fair market cost for the work required, and it forces the citizens of Costa Mesa to bear an unnecessary financial burden.

I humbly request that this item should be tabled until the Project Workforce Agreement (PWA) expires in January 2026. Delaying the project until then would save taxpayers hundreds of thousands, if not millions, of dollars. The PWA has created a non-competitive bidding environment, driving costs up and leaving taxpayers to foot the bill.

I urge the Council to hold off on this vote until the new year and to refrain from renewing the PWA. The current structure benefits a small group of corporations that exploit the lack of competition at the expense of the community. Costa Mesa deserves a system that reflects true capitalism and fosters a competitive market that serves both taxpayers and the integrity of the project.

Thank you for your consideration.

--

Erin Gonzalez
(714) 743-4397

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Tuesday, September 2nd, 2025

Dear Mayor and City Council,

We write to express our support of Item 2 on the New Business calendar (rental registry for tracking evictions). Rental registries are not something new, they have been implemented in cities across the state and they help to create better levels of communication and transparency between landlords and tenants.

While Costa Mesa has its own tenant protection ordinance to track no-fault evictions, not all evictions are being tracked and some continue to fly under the radar.

Recently, 6 Costa Mesa families were evicted from their homes in District 2. These families received a 60-day eviction notice that was rescinded due to not being filed properly. The City only was able to step in and inform the landlord that the original eviction notice served was not valid only after one of the families reached out to city staff. The landlord then informed the tenants that were served with evictions that their original notice was rescinded. This was 19 days after the original 60-day notice was served, at that point many of the families had already begun to look for new housing. By August some families had already begun to leave and some remaining families still did not understand that their original eviction notice had been rescinded and therefore invalid and unenforceable.

It is for this reason that we urge the Mayor and City Council to create a rental registry to better track and enforce existing state and local tenant ordinances. Thank you.

Sincerely,

Christian Lopez

Tenant Rights Organizer

Resilience Orange County

Email: christian@resilienceoc.org

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Ana, Santa Barbara, Santa Monica,
South Gate, and West Hollywood

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Pedro VASQUEZ PERDOMO; Carlos Alexander OSORTO; and Isaac VILLEGAS MOLINA; Jorge HERNANDEZ VIRAMONTES; Jason Brian GAVIDIA; LOS ANGELES WORKER CENTER NETWORK; UNITED FARM WORKERS; COALITION FOR HUMANE IMMIGRANT RIGHTS; IMMIGRANT DEFENDERS LAW CENTER,

Plaintiffs,

vs.

Kristi NOEM, in her official capacity as Secretary, Department of Homeland Security; Todd M. LYONS, in his official capacity as Acting Director, U.S. Immigration and Customs Enforcement; Rodney S. SCOTT, in his official capacity as Commissioner, U.S. Customs and Border Patrol; Michael W. BANKS, in his official capacity as Chief of U.S. Border Patrol; Kash PATEL, in his official capacity as Director, Federal Bureau of Investigation; Pam BONDI, in her official capacity as U.S. Attorney General; Ernesto SANTACRUZ JR., in his official capacity as Acting Field Office Director for Los Angeles, U.S. Immigration and Customs Enforcement; Eddy WANG, Special Agent in Charge for Los Angeles, Homeland Security Investigations, U.S. Immigration and Customs Enforcement; Gregory K. BOVINO, in his official capacity as Chief Patrol Agent for El Centro Sector of the U.S. Border Patrol; Jeffrey D. STALNAKER, in his official capacity as Acting Chief Patrol Agent, San Diego Sector of the U.S. Border Patrol; Akil DAVIS, in his official capacity as Assistant Director in Charge, Los Angeles Office, Federal Bureau of Investigation; Bilal A. ESSAYLI, in his official capacity as U.S. Attorney for the Central District of California,

Defendants.

Case No. 2:25-cv-05605-MEMF-SP

**AMENDED COMPLAINT IN
INTERVENTION FOR
DECLARATORY AND
INJUNCTIVE RELIEF OF
INTERVENORS THE CITY OF
LOS ANGELES, THE COUNTY OF
LOS ANGELES, THE CITY OF
ANAHEIM, THE CITY OF BELL
GARDENS, THE CITY OF
BEVERLY HILLS, THE CITY OF
CARPINTERIA, THE CITY OF
CULVER CITY, THE CITY OF
HUNTINGTON PARK, THE CITY
OF LONG BEACH, THE CITY OF
LYNWOOD, THE CITY OF
MONTEBELLO, THE CITY OF
MONTEREY PARK, THE CITY OF
OXNARD, THE CITY OF
PARAMOUNT, THE CITY OF
PASADENA, THE CITY OF PICO
RIVERA, THE CITY OF POMONA,
THE CITY OF SANTA ANA, THE
CITY OF SANTA BARBARA, THE
CITY OF SANTA MONICA, THE
CITY OF SOUTH GATE, AND THE
CITY OF WEST HOLLYWOOD**

Judge: Hon. Maame Ewusi-Mensah
Frimpong

INTRODUCTION

Pursuant to Federal Rule of Civil Procedure Rules 15(a) and 24(b), Plaintiffs-Intervenors (“Intervenors”) the City of Los Angeles, the County of Los Angeles, the City of Anaheim, the City of Bell Gardens, the City of Beverly Hills, the City of Culver City, the City of Huntington Park, the City of Long Beach, the City of Lynwood, the City of Montebello, the City of Monterey Park, the City of Oxnard, the City of Paramount, the City of Pasadena, the City of Pico Rivera, the City of Pomona, the City of Santa Ana, the City of Santa Barbara, the City of Santa Monica, the City of South Gate, and the City of West Hollywood allege as follows:

1. Since at least June 6, 2025, armed and masked individuals, often without visible credentials or other identification, have conducted unprecedented, illegal, and unconstitutional searches and seizures across the Los Angeles area and neighboring regions within the Central District of California.

2. Defendants have conducted these illegal raids purportedly in support of the federal government’s immigration enforcement goals. Yet the sweeping raids are conducted without warrants, without probable cause, and without reasonable suspicion.

3. Eyewitness accounts reveal a disturbing pattern of racial profiling. As one observer described, “They don’t care if you have papers, as long as you look like what they want you to look like, they’ll take you.”¹ A witness to another raid similarly recounted that “if you looked Hispanic in any way, they just took you.”² Indeed, federal officials have admitted their profiling practices. *See* Aaron Rugar,

¹ Travis Schlepp, *ICE agents make arrest at Los Angeles area church*, KTLA 5 (June 11, 2025), <https://ktla.com/news/local-news/ice-agents-make-arrest-at-los-angeles-area-church/#:~:text=Community%20members%20and%20religious%20leaders,in%20the%20church%20parking%20lot>.

² Jasmine Mendez et al., *Immigration raids continue as Trump appears to soften on targeting some workplaces*, L.A. Times (June 15, 2025), <https://www.latimes.com/california/story/2025-06-15/los-angeles-immigration-raids-continue>.

1 Bluesky (July 11, 2025), <https://tinyurl.com/pw3cusdc> (“Border Czar” Tom Homan
2 asserting that federal agents may detain individuals based on “the location, their
3 occupation, their physical appearance, their accent”).

4 4. Defendants’ pattern of arresting people merely because they appear to
5 be immigrants also reaches U.S. citizens. In one recent example, immigration
6 officers violently arrested a U.S. citizen and Army veteran—spraying him with
7 pepper spray and kneeling on his neck and back—and then held him in custody for
8 three days without offering any explanation for his arrest.³ Defendants arrested U.S.
9 citizen Andrea Velez during another raid, forcibly “lifting [her] off the ground and
10 carrying her away” without explanation; Ms. Velez’s only apparent offense was “the
11 color of her skin.”⁴ Yet another encounter, shared on social media, showed an ICE
12 agent repeatedly asking Plaintiff Brian Gavidia, a U.S. citizen: “What hospital were
13 you born at?” while detaining him.⁵

14 5. Community leaders who have witnessed Defendants’ operations have
15 described them as “kidnapp[ings]” and “disappear[ances]” evocative of “a
16 totalitarian regime.”⁶

17 6. The daily onslaught of armed, unidentified, often masked, and openly
18 hostile forces appearing at workplaces, schools, courthouses, churches, parks,
19

20 ³ Daniel Trotta, *US citizen says he was jailed for three days after California*
21 *immigration raid*, Reuters (July 16, 2025), <https://www.reuters.com/legal/government/us-citizen-says-he-was-jailed-three-days-after-california-immigration-raid-2025-07-17>.

22 ⁴ Dani Anguiano, *US citizen arrested during ICE raid in what family describes as*
23 *‘kidnapping,’* The Guardian (June 26, 2025), <https://www.theguardian.com/us-news/2025/jun/26/immigration-ice-raid-andrea-velez>.

24 ⁵ Jennifer Medina, *‘I’m an American, Bro!’: Latinos Report Raids in Which U.S.*
25 *Citizenship Is Questioned*, N.Y. Times (June 15, 2025), <https://www.nytimes.com/2025/06/15/us/hispanic-americans-raids-citizenship.html>.

26 ⁶ Martin Kaste, *As courts review military in LA, immigration enforcement*
27 *accelerates*, NPR (June 19, 2025), <https://www.npr.org/2025/06/19/g-s1-73569/as-courts-review-military-in-l-a-immigration-enforcement-accelerates>.
28

1 homes, baseball games, neighborhoods, and other public and private places where
2 families and other residents live, work, worship and recreate has reverberated across
3 the region. This has left many of Intervenor's residents, regardless of immigration
4 status, frightened to go to work, shop, visit, recreate, pray, study, seek Intervenor's
5 services, or even venture outside or engage in normal daily activity.

6 7. There is good reason for such fear. Defendants' choice to appear on
7 city streets or in other public spaces in force, visibly armed, in masks and driving
8 unmarked vehicles, radically increases the chance of violent encounters, whether
9 with frightened residents, including citizens, or local law enforcement called to the
10 scene. Even federal actions that have *not* ended with arrest or detention have
11 resulted in physical harm to citizens from tear gas, physical force, and battery.

12 8. The primary goal of Defendants' campaign is not immigration
13 enforcement. Defendants have been crystal clear that they seek to make an example
14 of Intervenor's for implementing policies that President Donald J. Trump dislikes.
15 The President announced on his social media platform, Truth Social, that he was
16 calling on federal immigration officials "to do all in their power" to effect "the
17 single largest Mass Deportation Program in History" in "Democratic Power
18 Center[s]" "such as Los Angeles."⁷ As Secretary of Homeland Security Kristi
19 Noem put it: "We are not going away. We are staying here to liberate this city from
20 the socialist and burdensome leadership that this Governor Newsom and this mayor
21 placed on this country and what they have tried to insert into this city."⁸

22
23 ⁷ Camilo Montoya-Galvez, *Trump directs immigration authorities to prioritize*
24 *deportations in Democratic-run cities*, CBS News (June 16, 2025),
25 [https://www.cbsnews.com/news/trump-directs-ice-deportations-democratic-run-](https://www.cbsnews.com/news/trump-directs-ice-deportations-democratic-run-cities)
[cities](https://www.cbsnews.com/news/trump-directs-ice-deportations-democratic-run-cities).

26 ⁸ Helen Jeong, *Kristi Noem blames Democratic officials for making ICE raids in LA*
27 *harder*, NBC Los Angeles (June 12, 2025), [https://www.nbclosangeles.com/](https://www.nbclosangeles.com/news/local/kristi-noem-blames-democratic-officials-for-making-ice-raids-in-la-harder/3722800)
28 [news/local/kristi-noem-blames-democratic-officials-for-making-ice-raids-in-la-](https://www.nbclosangeles.com/news/local/kristi-noem-blames-democratic-officials-for-making-ice-raids-in-la-harder/3722800)
[harder/3722800](https://www.nbclosangeles.com/news/local/kristi-noem-blames-democratic-officials-for-making-ice-raids-in-la-harder/3722800).

1 9. Defendants have shown no intention of stopping their unlawful assault.
2 Defendant Noem responded to the District Court’s July 11 Temporary Restraining
3 Order with open defiance, describing the District Court as an “idiot” and declaring
4 that “none of our operations are going to change.”⁹ Indeed, on August 6, 2025,
5 Defendants executed a “Trojan Horse” raid in which a driver drove a Penske truck
6 to a Home Depot, asked for workers, and then had several agents descend from the
7 back of the truck and sweep up 16 individuals.¹⁰ One Defendant bragged about the
8 operation, saying: “For those who thought Immigration enforcement had stopped in
9 Southern California, think again.”¹¹

10 10. Defendants’ agents also recently marched through MacArthur Park in
11 tactical gear, including past a playground filled with children at a summer day
12 camp.¹² “Better get used to us now, cause this is going to be normal very soon,”
13 Defendant Gregory Bovino told a reporter.¹³ “We will go anywhere, anytime we
14 want in Los Angeles.”¹⁴ Defendant Bovino suggested Defendants “may well go
15
16
17

18 ⁹ NBC News, *DHS Secretary Kristi Noem calls California judge an ‘idiot’ over*
19 *immigration detention ruling* (July 12, 2025), <https://www.youtube.com/shorts/8iuX7hhiJMc>.

20 ¹⁰ Nathan Solis et al., *Federal agents use Penske rental truck as ‘Trojan Horse’ to*
21 *raid Los Angeles Home Depot*, L.A. Times (Aug. 6, 2025), <https://www.latimes.com/california/story/2025-08-06/more-raids-home-depot-in-macarthur-park-raided>.

22 ¹¹ *Id.*

23 ¹² Michelle Krupa et al., *Tensions are rising in Southern California over*
24 *immigration raids. Here’s what we know*, CNN (July 13, 2025),
25 <https://www.cnn.com/2025/07/11/us/california-immigration-raids-la-wwk>.

26 ¹³ Jill Cowan & Mimi Dwyer, *Federal Agents March Through L.A. Park, Spurring*
27 *Local Outrage*, N.Y. Times (July 7, 2025), <https://www.nytimes.com/2025/07/07/us/la-macarthur-park-immigration.html>.

28 ¹⁴ *Id.*

1 back to MacArthur Park or other places in and around Los Angeles,” as “[i]llegal
2 aliens had the opportunity to self deport, now we’ll help things along a bit.”¹⁵

3 11. Defendants’ unwarranted and unlawful actions have severely impacted
4 the ordinary functioning of Intervenor’s communities, with serious consequences for
5 Intervenor’s ability to maintain law and order. Defendants are carrying out the
6 roving immigration raids without any notice to local law enforcement, thus forcing
7 Intervenor’s law enforcement officers to divert their limited resources to determine
8 whether armed individuals exiting unmarked vehicles are masked, unidentified
9 federal agents—or masked, unidentified criminals.¹⁶ And when the federal agents
10 are gone, law enforcement is left to “deal with the aftermath” of raids, “including
11 protests and questions from residents about what exactly happened.”¹⁷

12 12. The trust and relationships that Intervenor and local law enforcement
13 agencies have built with local communities, and immigrant communities in
14 particular, have been deeply undermined by Defendants’ unlawful raids, especially
15 when impacted residents confuse the unlawful conduct of Defendants’ agents with
16 the conduct of local first responders.¹⁸ Protestors and people subject to Defendants’
17 unlawful raids have mistaken not only Intervenor’s police officers, but also social
18 workers, firefighters, and building inspectors, for federal agents and have confronted
19 them with accusations, threats, and non-cooperation. And local prosecutors have
20 reported having difficulties prosecuting cases because undocumented immigrant
21

22 ¹⁵ See Melissa Gomez et al., *Heavily armed immigration agents descend on L.A.’s*
23 *MacArthur Park*, L.A. Times (July 7, 2025), <https://www.latimes.com/california/story/2025-07-07/immigration-agents-descend-on-macarthur-park>.

24 ¹⁶ Nathan Solis & Richard Winton, *‘Who are these people?’ Masked immigration*
25 *agents challenge local police, sow fear in L.A.*, L.A. Times (June 24, 2025),
26 <https://www.latimes.com/california/story/2025-06-24/masked-immigration-agents-local-law-enforcement-tension>.

27 ¹⁷ See *id.*

28 ¹⁸ See *id.*

1 witnesses are afraid to appear in county courthouses, which Defendants are using as
2 staging grounds for federal immigration enforcement.

3 13. Beyond the direct impacts on local law enforcement, Defendants'
4 illegal activities have broadly harmed Intervenor's economies and financial health.
5 Local businesses in Intervenor's jurisdictions have been devastated because their
6 employees and their customers are afraid to leave their homes. Intervenor has lost
7 and are continuing to lose meaningful tax revenue, in addition to bearing the
8 increased costs resulting from the increased demands on local law enforcement.
9 Intervenor has also incurred tens of millions of dollars in direct, additional costs,
10 including overtime and other unanticipated expenses resulting from Defendants'
11 unlawful activities.

12 14. Intervenor has sole responsibility for local affairs and certain core
13 public functions, including providing for public safety, public services, and the
14 health and welfare of the residents within their municipal boundaries. Defendants'
15 actions are a direct attack on, and an impediment to, each Intervenor's ability to
16 carry out those duties.

17 15. Each Intervenor is a local jurisdiction with compelling interests in the
18 subject matter of this litigation. Nine Intervenor are charter cities (Anaheim,
19 Culver City, Long Beach, Los Angeles, Pasadena, Pomona, Santa Ana, Santa
20 Barbara, and Santa Monica). Twelve are general law cities (Bell Gardens, Beverly
21 Hills, Carpinteria, Huntington Park, Lynwood, Montebello, Monterey Park, Oxnard,
22 Paramount, Pico Rivera, South Gate, and West Hollywood). Most of the cities are
23 located within the jurisdiction of Intervenor the County of Los Angeles, which is the
24 most populous county in the United States. Anaheim is the most populous city and
25 Santa Ana is the third most populous city within Orange County, Oxnard is the most
26 populous city within Ventura County, and Carpinteria and Santa Barbara are located
27 within Santa Barbara County.

JURISDICTION AND VENUE

16. This Court has federal question jurisdiction under 28 U.S.C. § 1331. The Court also has authority to award declaratory and injunctive relief pursuant to 28 U.S.C. §§ 2201–2202.

17. Defendants do not have immunity. *See, e.g.*, 5 U.S.C. § 702; *Larson v. Domestic & Foreign Commerce Corp.*, 337 U.S. 682, 689–90 (1949); *Presbyterian Church (U.S.A.) v. United States*, 870 F.2d 518, 526 (9th Cir. 1989).

18. Venue is proper under 28 U.S.C. § 1391(e)(1) because Defendants are officers or employees of the United States and at least one Plaintiff resides in this District; a substantial part of the events or omissions giving rise to the claims occurred in this District; and/or because at least one Defendant resides in this District.

PARTIES IN INTERVENTION

19. Allegations regarding the parties in Plaintiffs’ First Amended Petition and Complaint (the “Lead Complaint”), ECF No. 16, ¶¶ 12–32, are incorporated herein by reference.

Intervenor-Plaintiff the City of Los Angeles

20. Intervenor-Plaintiff the City of Los Angeles is a municipal corporation organized and existing under the laws of the State of California and is a charter city pursuant to Article XI of the California Constitution.

21. The principal law enforcement agency of the City of Los Angeles is the Los Angeles Police Department (“LAPD”). The mission of the LAPD is to safeguard the lives and property of the people it serves, to reduce the incidence and fear of crime, and to enhance public safety while working with the diverse communities of Los Angeles to improve Angelenos’ quality of life. LAPD works in partnership with the people and organizations within Los Angeles to solve local problems that affect public safety.

1 22. Historically, LAPD has received notice of large-scale, federal
2 immigration enforcement efforts.

3 23. Defendants launched the current immigration raids without notice to, or
4 coordination with, the LAPD.

5 24. As a result, LAPD officers have experienced confusion as to whether
6 an individual conducting a raid is, in fact, a federal agent.

7 25. LAPD has had to divert resources to responding to and managing the
8 fallout from federal enforcement efforts. Since June 6, 2025, LAPD has devoted
9 more than 10,000 personnel (measured in days of deployment) and has spent more
10 than \$27.8 million in total costs in responding to and managing the fallout from
11 Defendants' actions, including in receiving and responding to numerous 911 calls or
12 other reports about federal raids or other reports of "crimes" that turned out to be
13 federal immigration enforcement actions.

14 26. The relationships that LAPD has built with Angeleno communities,
15 including immigrant communities, have been and continue to be harmed by
16 Defendants' unlawful enforcement actions. LAPD officers have been confused for
17 federal agents, and accused by Angelenos of aiding federal agents. Victims of
18 crimes are hesitant to speak to local law enforcement investigators due to fears that
19 investigators knocking on their doors may actually be federal agents.

20 27. The warrantless arrests of individuals in Los Angeles, including in and
21 around courthouses, interferes with Los Angeles' ability to protect and to obtain
22 cooperation from its immigrant communities. For example, victims of crimes have
23 reported being afraid to come to court or otherwise cooperate with law enforcement
24 due to concerns about federal immigration enforcement.

25 28. Defendants' actions have also chilled economic activity in Los
26 Angeles. Ridership for DASH, Los Angeles' public bus service, has declined across
27 the City, with downtown DASH ridership for June 2025 down 35% from the prior
28 year. Restaurants, retail businesses have emptied out. Owners report declines in

1 sales and employees who are not showing up for work. Some businesses are
2 reporting up to 75% declines in foot traffic and sales. Los Angeles has lost both
3 sales and business tax income as a consequence.

4 **Intervenor-Plaintiff the County of Los Angeles**

5 29. Los Angeles County is a subdivision of the State of California, and one
6 of its original 27 counties, ratified under the first County Charter in 1912. It has the
7 largest population of any county in the United States at over 10 million residents—
8 who comprise more than one quarter of California’s population—and is the nation’s
9 largest county government, with more residents than most states. The County
10 covers 4,084 square miles, and more than one million residents live in
11 unincorporated areas outside of the County’s eighty-eight cities. Close to 49% of
12 County residents are of Hispanic or Latino origin, with another 16.4% of Asian,
13 Native Hawaiian, or Pacific Islander origin, 9% Black, and 25.3% of White or Non-
14 Hispanic origin. As of February 2025, the County budget exceeds \$49 billion in
15 federal, state, and local funds to support a range of vital commitments including, but
16 not limited to, healthcare, public safety, public benefits, workforce development,
17 foster care, child support, housing and emergency management.

18 30. Since June 7, 2025, federal immigration agents have conducted large-
19 scale and frequent raids across the County in public parks and streets, hospitals,
20 private homes, businesses, swap meets, parking lots, and in front of courthouses,
21 among a multitude of other locations that impact virtually every facet of life for
22 County residents.

23 31. Video footage and eyewitness accounts of these raids reveal that
24 federal immigration agents typically have not shown judicial, or even
25 administrative, warrants when conducting their operations. Some of the individuals
26 detained, questioned, and arrested in these operations are U.S. citizens or hold valid
27 immigration status; federal agents presumably did not have reasonable suspicion or
28 probable cause to suspect immigration violations in at least these cases, and perhaps

1 even in many cases of those without legal status. One such encounter, which was
2 shared in social media, included an ICE agent repeatedly asking a twenty-nine-year-
3 old Hispanic man, who is a U.S. citizen: “What hospital were you born at?” while
4 temporarily detaining him.

5 32. Video footage and eyewitness accounts also indicate that federal
6 immigration agents often wear masks and plainclothes and do not identify
7 themselves during these raids, heightening fear and tension among County residents
8 who are investigated or detained, as well as bystanders and others who learn of these
9 raids through the media accounts, word of mouth, and social media posts.

10 33. The vast majority of County residents targeted by these raids are of
11 Hispanic or Latino origin, followed by members of the Asian and Pacific Islander
12 communities.

13 34. As a result of the federal immigration raids, large numbers of Latino
14 and other residents have become fearful of leaving their homes to go to work, take
15 public transportation, access County services including medical services, access
16 open public programs and resources, and even attend appointments with
17 immigration lawyers and legal service providers funded by the County.

18 35. The masked, unidentified federal agents have created such a climate of
19 fear, mistrust, and suspicion that County employees ranging from Los Angeles
20 County Sheriff’s Department’s deputies to social workers have been mistaken for
21 federal agents and confronted with vandalism of their vehicles, verbal accusations,
22 harassment, and threats, as well as non-cooperation.

23 36. This confusion and mistrust also impacts public safety because victims
24 and witnesses are unwilling to cooperate with Sheriff’s deputies. In addition, due to
25 its expanded duties resulting from the public outcry against the large-scale federal
26 immigration raids, the Sheriff’s Department has incurred over \$9 million in
27 additional costs since Defendants’ immigration raids began in June.

28

1 37. Public fear of federal immigration agents also has disrupted the work of
2 social workers in the County's Department of Children and Family Services
3 ("DCFS") and Department of Aging & Disabilities, preventing them from protecting
4 the County's most vulnerable residents: children and elders. As one example, DCFS
5 operates a Multi-Agency Response Team ("MART") that helps provide emergency
6 protective services to children in imminent danger from illegal gangs, guns, and
7 drugs. In cooperation with local law enforcement, MART protects children in
8 "intelligence sensitive" child endangerment cases. On June 16, 2025, the Sheriff's
9 Department requested MART's presence in executing a warrant. During the
10 execution of the warrant, a crowd gathered and shouted profanities at the DCFS
11 MART social worker, making statements showing that they believed DCFS workers
12 were, or were helping, federal immigration enforcement agents. Despite the social
13 worker's showing a DCFS identification card, several individuals in the crowd
14 continued to mistakenly believe that MART staff were associated with federal
15 immigration authorities. Following those events, to reduce the risk to DCFS staff,
16 DCFS altered its procedures and began instructing its staff to meet law enforcement
17 at their precincts, instead of meeting them in the community. These changes in
18 protocol have resulted in delays in services and greater trauma to children served by
19 DCFS.

20 38. These fears have forced other County departments, including but not
21 limited to the Department of Consumer and Business Affairs and the Department of
22 Public Health, to shift resources away from established priorities to assist County
23 employees and affected residents attempting to navigate the current climate. County
24 officials have had to dedicate limited resources to reestablish trust with the
25 community and to create events that address the current fears in the community.
26 This has resulted in fewer resources being dedicated to various programs and
27 strategic plans benefiting the public.
28

1 39. These fears have also curtailed usual services to residents from County
2 field workers deterred from carrying out their services by the prospect of being
3 subject to the improper immigration enforcement tactics themselves.

4 40. Furthermore, the current climate of fear instilled on the immigrant
5 community has resulted in fewer people willing to file formal complaints with
6 County officials including those relating to instances of fraud and abuse.

7 41. These fears pose significant personal and public health risks, with the
8 cancellation and no-show rates across the County's health systems increasing after
9 June 8, 2025 for a wide range of critical health services, and the number of patients
10 seen at County public health clinics falling year-over-year in June 2025 by 25%. As
11 a result, low-level health problems may become severe if left untreated, with
12 individuals, families, and their wider communities ultimately paying the price in
13 communicable diseases and chronic health conditions. Not only do such widespread
14 negative health consequences threaten all of us, but they strain a health care safety
15 net already under threat.

16 42. The federal immigration raids' disregard for probable cause, reasonable
17 suspicion, and warrant requirements have also had a chilling effect on the economic
18 life of the County, similar to the impact of the COVID-19 shutdown in 2020, and
19 have affected County tax revenues accordingly.¹⁹

20 43. Immigration raids in Los Angeles County have occurred at a clothing
21 wholesaler where individuals were shopping, at a taco stand, and on County streets.
22 Many immigration raids have been recorded and shared on social media,
23 heightening the fear in Latino communities in particular of participating in regular
24 day-to-day activities.²⁰ As a result, food vendors, retailers, and even historic

25 _____
26 ¹⁹ Jesus Jiménez et al., *'Completely Disrupted': Fear Upends Life for Latinos in*
27 *L.A.*, N.Y. Times (June 30, 2025), [https://www.nytimes.com/2025/06/30/us/latinos-](https://www.nytimes.com/2025/06/30/us/latinos-los-angeles-immigration.html)
[los-angeles-immigration.html](https://www.nytimes.com/2025/06/30/us/latinos-los-angeles-immigration.html).

28 ²⁰ *Id.*

1 landmarks and tourist sites have seen decreases in business. Some residents no
2 longer shop at corner stores and stay holed up in their homes. In addition to the
3 public safety, public health, and economic impacts, civic life and activities
4 throughout the County have also been diminished as a result of the raids. Because
5 of the pervasive fear and insecurity the raids have engendered, the County's
6 Department of Parks and Recreation has had to cancel multiple concerts and events,
7 including its Fourth of July celebration.

8 **Intervenor-Plaintiff the City of Anaheim**

9 44. Intervenor-Plaintiff the City of Anaheim is a municipal corporation
10 organized and existing under the laws of the State of California, is a charter city
11 pursuant to Article XI of the California Constitution, and is located in Orange
12 County. It has a population of approximately 360,000 residents. Over 50% of the
13 City's population is Hispanic/Latino.

14 45. Unlawful immigration enforcement activities have occurred at locations
15 within Anaheim, destabilizing local families, neighborhoods and the City's
16 economic activity. Local business owners have been impacted when unlawful
17 immigration enforcement operations detain employees or frighten employees away
18 from their jobs and stores.

19 46. Some community members are afraid to leave their homes, take their
20 children to school, go to medical appointments, or visit businesses to buy groceries
21 and household items. As such, residents' fear of unlawful enforcement and arbitrary
22 detention negatively affects businesses in Anaheim and depresses tax revenue
23 derived from such activities.

24 47. The illegal enforcement also wastes and misdirects other city
25 investments in the community. For example, Anaheim operates three Family
26 Resource Centers, at which staff assess the family needs of local residents,
27 coordinate human services, distribute food and other necessities, and provide
28 bilingual programs and supportive services for local families. Anaheim has

1 observed a significant reduction in the number of residents using the resource
2 centers after commencement of Defendants' unlawful immigration enforcement
3 activities. City resources go unused and are wasted because residents are fearful of
4 seeking them.

5 48. Anaheim has also observed that fear of unlawful immigration
6 enforcement has motivated some residents to avoid public transportation, which
7 further inhibits their access to services and participation in the City's economy.

8 **Intervenor-Plaintiff the City of Bell Gardens**

9 49. Intervenor-Plaintiff the City of Bell Gardens is a municipal corporation,
10 duly organized and existing as a general law city under the laws of the State of
11 California, and is located in the County of Los Angeles. It has a population of
12 approximately 38,000 residents. Approximately 96% of the population is Latino.

13 50. Federal immigration raids have occurred throughout Bell Gardens by
14 masked, armed agents in unmarked vehicles. As a result, the Bell Gardens Police
15 Department has had to monitor suspected federal immigration activity and attempt
16 to confirm the legitimacy of individuals in masks, unmarked vehicles, and in plain
17 clothes.

18 51. The relationship between the Bell Gardens Police Department and the
19 community has suffered due to the federal immigration raids, as there are
20 community concerns that the Bell Gardens Police Department is cooperating with
21 federal immigration agencies. At times, Bell Gardens Police Department officers
22 have been mistakenly identified as federal immigration enforcement officers.

23 52. Significant Bell Gardens resources have been diverted as a result of the
24 raids. The Bell Gardens Police Department expended approximately \$25,000 to
25 address resident protests of the raids at a major intersection in Bell Gardens, Eastern
26 Avenue and Florence Avenue. Other Bell Gardens resources, including the City
27 Manager's Office, City Council, City Attorney, City Clerk, Public Works, and
28 Finance/Administration have been diverted to develop and promote material that

1 presents facts and resources and eases community fears. The expenditure of those
2 resources has led Bell Gardens to incur additional expenses of approximately
3 \$60,000.

4 53. After the federal immigration raids began in Bell Gardens and the
5 greater Los Angeles region, the Bell Gardens Recreation/Community Services
6 Department saw a 70% decline in attendance at City events. The decline led Bell
7 Gardens to cancel all public events during the month of July, including a large-scale
8 Independence Day Celebration. Deposits have been lost for multiple vendors.

9 54. Bell Gardens has also experienced decreased revenue as a result of the
10 federal immigration raids. As just one example, the Parkwest Bicycle Hotel and
11 Casino experienced a monthly revenue decline of 10% in June 2025 compared to
12 May 2025, resulting in a corresponding decrease in City General Fund revenues of
13 \$148,000. Additionally, the Bell Gardens trolley service ridership decreased by
14 approximately 40% and the dial-a-ride program ridership decreased by 14% in June
15 2025 compared to June 2024.

16 **Intervenor-Plaintiff the City of Beverly Hills**

17 55. Intervenor-Plaintiff the City of Beverly Hills is a municipal
18 corporation, duly organized and existing as a general law city under the laws of the
19 State of California, and is located in the County of Los Angeles.

20 56. Beverly Hills is a global destination and premier destination for travel
21 and tourism, attracting more than five million visitors a year. It is known
22 domestically and internationally for its hotels, retail shopping, restaurants, and
23 entertainment. Iconic destinations in Beverly Hills include Rodeo Drive, the
24 Beverly Hills Hotel, and flagship luxury boutiques. Beverly Hills hosts one of the
25 largest concentrations of Forbes Five-Star and AAA Five-Diamond properties in the
26 United States.

27 57. Federal immigration raids in the region, including in the neighboring
28 cities of West Hollywood and Los Angeles, have economically impacted Beverly

1 Hills. International visitors and hotel occupancy have decreased compared to last
2 year. The General Manager of one of Beverly Hills' Forbes Five-Star hotels
3 informed attendees at a media event in New York that its hotel was seeing
4 cancellations of bookings after mass protests against the federal immigration raids
5 across Los Angeles in June. Beverly Hills has experienced a loss of sales tax and
6 transient occupancy tax revenue as a result of the federal immigration raids.

7 58. Tourism is not the only industry impacted in Beverly Hills.
8 Construction contractors have informed the City that some workers are not coming
9 to work due to concerns of being detained or physically injured by federal agents.
10 The federal immigration raids have also impacted the operations of Beverly Hills'
11 Building and Safety Department, as Building Inspectors have experienced delays on
12 inspections, including delays caused by laborers fleeing construction sites after
13 mistaking the Building Inspectors for federal agents.

14 59. Beverly Hills has deployed significant numbers of Beverly Hills Police
15 Department and Department of Public Works personnel to respond to public
16 demonstrations, including a June 14, 2025 demonstration along one of Beverly
17 Hills' major corridors, Santa Monica Boulevard.

18 **Intervenor-Plaintiff the City of Carpinteria**

19 60. Intervenor-Plaintiff the City of Carpinteria is a municipal corporation,
20 duly organized and existing as a general law city under the laws of the State of
21 California, and is located in the County of Santa Barbara.

22 61. In July 2025, federal agents conducted three separate enforcement
23 actions in Carpinteria, resulting in the arrest of at least a dozen individuals. These
24 operations, often conducted by plain clothes agents in unmarked vehicles, have
25 raised serious concerns about the legality and conduct of federal agents operating in
26 the city and created a pervasive sense of fear in the community.

27 62. Residents across the City have reported that individuals of Latino or
28 Hispanic heritage have been stopped and detained during the series of raids that

1 have occurred, regardless of citizenship or legal immigration status. Specifically, at
2 least two people were detained at the parking lot of Carpinteria's Smart & Final on
3 July 7. One person was also detained in a residential neighborhood near El Carro
4 Park on July 8. In the July 8 instance, videos show one of the alleged ICE agents
5 breaking the driver's side window of a landscaping truck when the man inside did
6 not roll down the window. In both the July 7 and July 8 instances, the alleged
7 agents were wearing plain clothes with tactical vests labeled "POLICE" and/or
8 "ERO" and were in unmarked vehicles. These encounters appear to have been
9 conducted without any clear or individualized suspicion, suggesting that agents
10 lacked the specific, articulable facts required to justify such seizures.

11 63. The most aggressive action occurred on July 10, 2025, when at least 10
12 farmworkers were detained during a raid on Glass House Farms, a cannabis
13 operation on Casitas Pass Road right outside City limits in Ventura County.
14 According to witnesses at the scene, including State Senator Monique Limón and
15 Congressman Salud Carbajal, the agents included a mix of National Guard and ICE
16 agents, with some wearing military-style camouflage uniforms and bulletproof
17 vests, and others wearing t-shirts and jeans under tactical vests. Vehicle checkpoints
18 with armored vehicles were also set up at Casitas Pass Road and Highway
19 192/Foothill Road, and at Highway 150 and Foothill Road/Highway 192, further
20 escalating the sense of militarized enforcement. Agents—many of whom wore face
21 coverings—deployed flash-bang and smoke grenades indiscriminately at a crowd of
22 peaceful civilian protesters gathered near the greenhouses. Carpinteria City
23 Councilwoman Mónica Solórzano said she was injured when agents deployed flash-
24 bang grenades and pushed back the crowd without warning.

25 64. During this federal immigration raid, which occurred in Ventura
26 County just outside Carpinteria City limits, one farmworker, Jaime Alanis, fell over
27 30 feet from a greenhouse roof, broke his neck and skull, and later died in the
28

1 hospital where he was being treated. As a result of the July 10 actions, several
2 children—some as young as 10 months old—have been left without their parents.

3 65. The economic and social consequences of these raids have been
4 immediate and severe. Residents have reported being afraid to go to work, shop for
5 groceries, or even put gas in their cars within Carpinteria. Residents have also
6 reported a sense of community distrust of law enforcement due to these raids,
7 making it more difficult for the Santa Barbara Sheriff's Office (which contracts with
8 the City to provide law enforcement services) to perform their duties. This climate
9 of fear is not only disrupting daily life but also threatening the stability of the
10 region's \$4 billion agricultural industry.

11 66. After receiving a multitude of anecdotal evidence suggesting that these
12 raids have disrupted business operations, workforce availability, and customer
13 activity across the region to the detriment of commerce and community well-being,
14 the Santa Barbara South Coast Chamber of Commerce and Visit Santa Barbara
15 released a survey in late July to better understand the economic impact of the raids.
16 The results of this survey show that, of the 31 business respondents that identified as
17 operating within the City of Carpinteria, 39% have been directly impacted by recent
18 immigration enforcement to a "significant" or "moderate" degree, with 23% of
19 respondents having experienced a "significant decrease" in customer traffic,
20 revenue, or sales believed to be a result of immigration enforcement activity.
21 Twenty-three of the 31 business respondents reported impacts including drops in
22 customer activity, revenue loss, increased employee anxiety, or cancelled contracts
23 or projects, and 5 of the 31 business respondents reported losing between 10 and 40
24 employee hours as a result of immigration enforcement activity.

25 67. Community participation has also declined sharply. Attendance at
26 public events and festivals has dropped significantly in the last month. For example,
27 the annual three-day St. Joseph Church Festival, which drew approximately 10,000
28 attendees last year, saw only about 8,000 attendees this year. This drop reflects a

1 broader erosion of public trust and safety, as residents increasingly avoid public
2 spaces out of fear of arbitrary detention. If allowed to continue, this erosion of
3 public trust will continue to damage the region's economy, diminish use of public
4 services, and jeopardize the ability of local law enforcement to protect public safety.

5 **Intervenor-Plaintiff the City of Culver City**

6 68. Intervenor-Plaintiff the City of Culver City is a municipal corporation
7 organized and existing under the laws of the State of California and is a charter city
8 pursuant to Article XI of the California Constitution.

9 69. Federal immigration raids have occurred throughout Culver City since
10 late May 2025, including at Culver City Express Hand Car Wash²¹ and on Culver
11 City's streets by masked individuals who lack arrest warrants.²²

12 70. As a direct result of federal agents using unmarked vehicles, masks,
13 tactical gear, and personnel without visible identification or federal markings,
14 Culver City has been forced to divert resources to address community safety
15 concerns. For example, the Culver City Police Department now must monitor any
16 suspected federal enforcement activity in the City and, when possible, confirm the
17 identity and legitimacy of individuals claiming to act as federal agents.

18 71. Culver City businesses have experienced significant negative economic
19 impacts due to federal immigration enforcement activities. For example, the week
20 of June 23, 2025 was the first week in 2025 where visits to the Culver City
21 Westfield Mall were down all seven days of the week, across all hours of the day.

22
23 ²¹ Suhauna Hussain, *"They are grabbing people." LA and Orange County car wash*
24 *workers targeted by federal immigration raids*, L.A. Times (June 11, 2025)
25 <https://www.latimes.com/business/story/2025-06-11/l-a-orange-county-car-washes-hit-by-ice-raids>.

26 ²² Vivian Chow, *Community outraged after ice cream vendor detained by*
27 *immigration agents in Culver City*, KTLA News (June 25, 2025).
28 <https://ktla.com/news/local-news/community-outraged-after-ice-cream-vendor-detained-by-immigration-agents-in-culver-city/>.

1 The Westfield Mall generates a significant portion of Culver City's retail sales tax
2 revenue.

3 **Intervenor-Plaintiff the City of Huntington Park**

4 72. Intervenor-Plaintiff the City of Huntington Park is a municipal
5 corporation, duly organized and existing as a general law city under the laws of the
6 State of California, and is located in the County of Los Angeles. It has a population
7 of approximately 58,000. More than 97% of the City's residents identify as
8 Hispanic or Latino, and approximately half were born outside of the United States.
9 Huntington Park prides itself on its longstanding connection to the Hispanic/Latino
10 community.

11 73. Huntington Park has been a hotbed for unlawful immigration
12 enforcement activities, often carried out without warrants. To name just a few
13 examples, on June 9, 2025, federal agents conducted a raid in the parking lot of a
14 Huntington Park Home Depot, during which they arrested approximately ten day
15 laborers. Agents wore masks and failed and/or refused to identify themselves
16 during the course of the arrests.²³

17 74. On June 12, 2025, federal agents, accompanied by Defendant
18 Department of Homeland Security Secretary Kristi Noem, TV personality Dr. Phil,
19 and a film crew, raided the home of a pregnant U.S. citizen and her children with
20 guns drawn. While this raid was in progress, federal agents simultaneously raided
21 another house across the street.²⁴

22
23 ²³ Jory Rand, Demonstrators protest after raid at Huntington Park Home Depot, ABC7
24 (June 10, 2025), [https://abc7.com/post/demonstrators-protest-raid-huntington-park-](https://abc7.com/post/demonstrators-protest-raid-huntington-park-home-depot/16711032/)
25 [home-depot/16711032/](https://abc7.com/post/demonstrators-protest-raid-huntington-park-home-depot/16711032/); Tyler Shaun Evains, *Southeast LA officials denounce ICE*
26 *raids after arrests at Huntington Park Home Depot*, Daily Breeze (June 9, 2025),
[https://www.dailybreeze.com/2025/06/09/southeast-la-officials-denounce-ice-raids-](https://www.dailybreeze.com/2025/06/09/southeast-la-officials-denounce-ice-raids-after-arrests-at-huntington-park-home-depot/)

27 ²⁴ Ruben Vives, *Huntington Park resident describes illegal immigration*
28 *enforcement operation*, L.A. Times (June 12, 2025),
<https://www.latimes.com/00000197-66a1-df7d-a7ff-f7fd577c0000-123>; Mekahlo
Medina * Helen Jeong, *How U.S. citizen in Huntington Park found DHS Sec. Kristi*

1 75. On June 27, 2025, masked federal agents destroyed a wrought iron door
2 and window while forcibly entering a residence. The agents used a “flash bang” in
3 the course of their entry and failed and/or refused to identify themselves. The only
4 occupants present when approximately nine federal agents entered the home with
5 their rifles drawn were a young mother and her two children. No arrests were
6 made.²⁵

7 76. The unlawful federal enforcement actions have been detrimental to the
8 relationship of trust, respect and communication between the Huntington Park
9 Police Department and Huntington Park residents. That relationship is essential to
10 protect the public health, safety, and general welfare. On information and belief,
11 there has been an overall reduction in crime reporting throughout the City since the
12 federal immigration raids began, undermining local law enforcement efforts.

13 77. Further undermining local law enforcement efforts, the Huntington
14 Park Police Department has also been required to expend resources investigating
15 individuals impersonating federal officers. In one instance, City police officers
16 arrested an individual whom they initially believed to be an undercover federal
17 agent but later learned to be a member of the public posing as a border patrol agent
18
19
20

21 *Noem at her door*, NBC Los Angeles, (June 12, 2025),
22 <https://www.nbclosangeles.com/news/local/how-u-s-citizen-in-huntington-park-found-dhs-sec-kristi-noem-at-her-door/3722903/>.

23 ²⁵ Amy Powell, *Federal agents blast door off, shatter window during raid in*
24 *Huntington Park*, ABC7 (June 27, 2025), [https://abc7.com/post/federal-agents-blast-](https://abc7.com/post/federal-agents-blast-door-off-shatter-window-during-raid-huntington-park-home-children-inside/16867990/)
25 [door-off-shatter-window-during-raid-huntington-park-home-children-inside/](https://abc7.com/post/federal-agents-blast-door-off-shatter-window-during-raid-huntington-park-home-children-inside/16867990/)
26 [16867990/](https://abc7.com/post/federal-agents-blast-door-off-shatter-window-during-raid-huntington-park-home-children-inside/16867990/); Lauren Coronado & Jonathan Lloyd, *Video shows federal agents blast*
27 *their way into Huntington Park home*, NBC Los Angeles, (June 27, 2025),
28 [https://www.nbclosangeles.com/news/local/huntington-park-border-patrol-agents-](https://www.nbclosangeles.com/news/local/huntington-park-border-patrol-agents-door-explosion/3734095/)
[door-explosion/3734095/](https://www.nbclosangeles.com/news/local/huntington-park-border-patrol-agents-door-explosion/3734095/).

1 in possession of formal border patrol documents, a list of purported illegal
2 immigrants, and loaded firearms and ammunition.²⁶

3 78. Huntington Park has also received an influx of reports of unmarked
4 vehicles and suspicious persons believed to be federal agents, each requiring an
5 otherwise unnecessary expenditure of resources in the form of a police response
6 and/or investigation, all of which revealed no criminal activity. To restore public
7 trust, the Huntington Park Police Department now requires that: (1) officer(s) and a
8 supervisor be dispatched to any request for assistance with validating the official
9 status of federal agents; (2) officers attempt to verify the official status of apparent
10 federal agents any time they are observed in public; and (3) a formal report be made
11 about any interaction with federal agents. The Huntington Park Police Department
12 has further been required to develop policies specifically designed to protect ICE
13 agents in the event of an unruly or hostile crowd.

14 79. The federal immigration raids have resulted in mass hysteria, panic,
15 and fear amongst Huntington Park's residents. Numerous businesses have shuttered
16 and/or started operating on an "appointment only" basis. Participation in
17 community events, including City-sponsored gatherings, has also diminished, as has
18 City residents' use of public facilities and transportation services. Among other
19 things, the City was forced to cancel its planned Independence Day celebration due
20 to a lack of attendance, including a celebratory drone show. The City has also been
21 forced to cancel its weekly community movie nights and regularly scheduled, city-
22 sponsored yard sale, which required the City to refund each of the vendors that had
23 committed to participate.

24 80. This severe reduction in commerce and palpable increase in residents
25 staying home has diminished business revenue, employment, and overall economic

26
27 ²⁶ Lily Dallow, *L.A. Man with previous human smuggling arrest may have been*
28 *impersonating ICE agent*, KTLA (June 27, 2025), <https://ktla.com/news/local-news/1-a-man-arrested-in-huntington-park-for-possibly-impersonating-federal-agent/>.

1 growth in Huntington Park. In turn, Huntington Park has been deprived of monies
2 upon which it depends to meet its municipal obligations, including but not limited to
3 sales tax revenue.

4 **Intervenor-Plaintiff the City of Long Beach**

5 81. Intervenor-Plaintiff the City of Long Beach is a municipal corporation
6 organized and existing under the laws of the State of California and is a charter city
7 pursuant to Article XI of the California Constitution.

8 82. Federal immigration actions have taken place in areas frequented by
9 Long Beach residents, including Home Depots, transit stops, churches, and parking
10 lots. Long Beach has received multiple reports of increased community fear,
11 deterrence from reporting crimes, and avoidance of public spaces and municipal
12 services by Long Beach's large immigrant population.

13 83. The Long Beach Police Department's law enforcement efforts have
14 been undermined by the widespread fear in immigrant communities caused by the
15 federal immigration actions. Residents hesitate to contact the Long Beach Police
16 Department to report crimes, act as witnesses, or seek help. This erosion of trust
17 hinders community policing efforts and directly threatens public safety.

18 84. Long Beach has diverted staff and resources from the City Manager's
19 Office, the Office of Equity, and the City Prosecutor's Office to conduct public
20 education, host multilingual "know your rights" workshops, and facilitate
21 coordination with legal service providers and community-based organizations to
22 protect residents from unlawful stops, arrests, and removals.

23 **Intervenor-Plaintiff the City of Lynwood**

24 85. Intervenor-Plaintiff the City of Lynwood is a municipal corporation,
25 duly organized and existing as a general law city under the laws of the State of
26 California, and is located in the County of Los Angeles. Over 88% of the City's
27 population is Latino.

28

1 86. Unlawful immigration enforcement activities have occurred at
2 numerous locations throughout Lynwood. Defendants' unlawful federal
3 immigration enforcement has spread fear, confusion, and distress across the
4 Lynwood community. Lynwood residents—even those that have lived in the city
5 for decades—feel unsafe going outside to engage in everyday activities, such as
6 commuting to work, taking their children to school, and attending community events
7 due to concerns that they could be arbitrarily confronted and assaulted by federal
8 agents.

9 87. Federal immigration actions have occurred at various commercial and
10 residential locations within Lynwood. Lynwood depends on local taxes to fund its
11 municipal operations. Federal immigration enforcement has harmed and produced
12 chilling effects on Lynwood businesses. Businesses are experiencing declines in
13 sales or simply shutting down, which affects Lynwood's tax revenues.

14 88. Lynwood contracts with the Los Angeles County Sheriff's Department
15 for law enforcement services and is responsible for costs associated with the Sheriff
16 Department's presence within the City.

17 89. Lynwood's relationship with its community has suffered because of the
18 unlawful immigration enforcement activity. According to the Sheriff's Department,
19 its deputies have been erroneously accused on social media of cooperating with
20 federal agents, thus eroding trust in the Department. Lynwood staff resources,
21 including its Department Directors, Senior Management Analyst, and City Manager,
22 as well as contract communications support, have been diverted to develop and
23 promote material that presents facts and eases community fears regarding the federal
24 immigration enforcement actions.

25 90. Since the events and subsequent unlawful immigration activities
26 throughout the region, fearful residents have held protests and appeared at Lynwood
27 City Council meetings to share their sincere fear for the safety of the immigrant
28 community in Lynwood. These events require Sheriff's deputies to be diverted

1 from their normal assignments to provide protection and to ensure general
2 community safety.

3 91. Lynwood prides itself on providing a range of first-class recreational,
4 social, and civic resources to its residents. These include, among other things, a
5 senior center, youth programs, and other community events. Participation in City
6 events has decreased since the recent events conducted by federal agents and
7 personnel, including an annual City-sponsored Independence Day celebration and
8 Movies in the Park activities. The drop in attendance in these Lynwood events is
9 attributable to fears of unlawful immigration enforcement activity at these public
10 locations.

11 92. In an effort to counter the harm caused by the unlawful immigration
12 enforcement activities, Lynwood's City Council has publicly condemned the
13 activities by way of a resolution and appropriated funds to create the City of
14 Lynwood Justice Fund to support legal aid and resources for immigrants within the
15 Lynwood community.

16 **Intervenor-Plaintiff the City of Montebello**

17 93. Intervenor-Plaintiff the City of Montebello is a municipal corporation,
18 duly organized and existing as a general law city under the laws of the State of
19 California, and is located in the County of Los Angeles. It has a population of
20 approximately 60,015 residents. Over 78% of the City's population is Latino.

21 94. Unlawful immigration enforcement activities have occurred at
22 numerous locations throughout Montebello. Of note is the violent and unjustified
23 arrest of a U.S. citizen on June 13, 2025, at his tow truck place of employment in
24 Montebello.

25 95. There have been numerous federal immigration actions throughout
26 Montebello at various commercial and residential locations within the city.
27 Businesses are shutting down because of these federal immigration activities.
28

1 Protests of the federal immigration activities have occurred, which have impacted
2 both businesses and Montebello Police Department resources.

3 96. Montebello maintains its own Police Department for law enforcement
4 services. Montebello is responsible for costs associated with the Montebello Police
5 Department's services and law enforcement activities. The recent events and federal
6 immigration actions throughout Montebello have caused a significant diversion of
7 public safety resources to address the resulting protests.

8 97. Montebello's relationship with its community has suffered because of
9 the unlawful immigration enforcement activity. Montebello Police Department
10 officers have been erroneously accused on social media of cooperating with federal
11 agents, thus eroding trust in the Department. Staff resources, including the
12 Montebello Police Chief and City Manager, as well as other Montebello city staff
13 and personnel, have been diverted to develop and promote material that presents
14 facts and eases community fears.

15 98. Following unlawful immigration activities throughout the region,
16 fearful residents have held protests and appeared at Montebello City Council
17 meetings to share their sincere fears for the safety of the immigrant community in
18 Montebello. These events required Montebello officers to be diverted from their
19 normal assignments to provide protection and general community safety.

20 99. Montebello prides itself on providing a range of first-class recreational,
21 social, and civic resources to its residents. These include, among other things, a
22 senior center, youth programs, and other community events. Since the recent
23 federal immigration actions, participation in Montebello events has decreased,
24 including at the annual City-sponsored Independence Day celebration and concerts
25 in the park activities. On information and belief, the drop in attendance at these
26 Montebello events is attributable to fears of unlawful immigration enforcement
27 activity at these public locations.

28

1 100. In an effort to counter the harm caused by the unlawful immigration
2 enforcement activities, Montebello's City Council has publicly condemned the
3 activity by way of a resolution and is using City funds to create a humanitarian
4 assistance program for immigrants within the Montebello community.

5 101. Defendants' federal immigration enforcement has spread fear,
6 confusion, and distress across the Montebello community. Montebello residents,
7 even those that have lived in the city for decades, feel unsafe going outside to
8 engage in everyday activities, such as commuting to work, taking their children to
9 school, and attending community events due to concerns that they could be
10 arbitrarily confronted and assaulted by federal agents.

11 102. In addition to harming Montebello residents, the federal immigration
12 enforcement inflicts concrete and particularized injury to Montebello as a municipal
13 entity, including injury to the operations of its police department, management of its
14 community programs, and production of its tax revenue.

15 103. Defendants' federal immigration enforcement has forced Montebello to
16 divert its limited police resources to address public safety issues that would not have
17 arisen absent these unlawful enforcement practices.

18 104. Montebello depends on local taxes to fund its municipal operations.
19 The unlawful federal immigration enforcement has produced chilling effects on
20 Montebello businesses, causing declines in businesses' sales and tax revenues to the
21 City.

22 **Intervenor-Plaintiff the City of Monterey Park**

23 105. Intervenor-Plaintiff the City of Monterey Park is a municipal
24 corporation and general law city organized and existing under the laws of the State
25 of California. It has a population of approximately 61,096 residents. Over half of
26 the city's population, approximately 51.6%, is foreign-born. It serves as a
27 significant immigrant gateway, especially for Asian and Hispanic communities.
28

1 106. Monterey Park is notable for having one of the highest concentrations
2 of Asian Americans in the United States, with approximately 64-66% of the
3 population being Asian, predominantly of Chinese descent. Monterey Park also has
4 a longstanding Mexican-American community; the Latino population makes up
5 approximately 27–28% of City residents. Monterey Park is also home to historic
6 enclaves of Japanese-American, Armenian, and Jewish residents.

7 107. Federal immigration activities within the Los Angeles region have
8 cultivated a culture of fear and distrust within the Monterey Park community. On
9 July 2, 2025, community members provided public comment to the Monterey Park
10 City Council regarding their experiences with recent federal raids and inquired
11 about the City’s response to immigrant rights and protection.

12 108. Multiple speakers expressed fear among immigrant communities due to
13 reports of masked, unidentified individuals (allegedly federal agents or vigilantes)
14 detaining people without due process. The speakers’ shared personal and family
15 experiences highlighted the fear and anxiety within the community relating to
16 federal agents’ racial profiling and abductions, and underscored the perceived need
17 to keep documentation on hand at all times to prove legal status. Their emotional
18 testimony underscored the psychological toll on the residents of Monterey Park,
19 including U.S. citizens mistaken for undocumented immigrants.

20 109. Residents requested clear communication and proactive measures from
21 the Monterey Park Police Department to verify the identity of enforcement agents
22 and ensure public safety.

23 110. In response to community member concerns, Monterey Park has
24 expended public resources to provide information to residents including “Know
25 Your Rights” cards available in multiple languages at community centers, the
26 library, and online. It has ongoing efforts to expand outreach and make information
27 more accessible at public events and locations, develop clear protocols for local
28 police involvement during federal immigration activities, and provide assurances

1 that local law enforcement stands with and protects all residents, regardless of
2 immigration status.

3 111. The fear resulting from the unlawful federal immigration activity has
4 also harmed local law enforcement efforts. For example, while executing inspection
5 warrants in June 2025, the Monterey Park Police Department and Monterey Park
6 Fire Department were erroneously identified as federal immigration agents on social
7 media despite Monterey Park's extra efforts to inform residents regarding the
8 legitimate law enforcement activities occurring at the site.

9 112. Fostering a relationship of trust, respect, and open communication
10 between Monterey Park officials and residents is essential to the City's mission of
11 delivering efficient public services in partnership with the community, ensuring
12 public safety, and promoting a prosperous economic environment, opportunities for
13 Monterey Park's youth, and a high quality of life.

14 113. The federal government's activities are interfering with Monterey
15 Park's crucial role in protecting the public health, safety, and well-being of its
16 residents. Such activity is also resulting in the unnecessary expenditure of public
17 resources.

18 **Intervenor-Plaintiff the City of Oxnard**

19 114. Intervenor-Plaintiff the City of Oxnard is a municipal corporation
20 organized and existing as a general law city under the laws of the State of
21 California.

22 115. Since June 2025, Oxnard has experienced unlawful federal immigration
23 enforcement activity within its jurisdictional borders, as well as in neighboring
24 municipalities. Oxnard maintains its own Police Department ("OPD") for law
25 enforcement services and Fire Department for public safety services. Both
26 departments have responded to incidents stemming from immigration enforcement
27 activity. Responding to those incidents has diverted resources away from vital
28 community needs, which would not have been affected in the absence of the

1 activity, and has negatively impacted Oxnard's relationship with its residents,
2 fostering a culture of fear and distrust within the community that has led to a decline
3 in participation in public services.

4 116. On June 18, 2025, the OPD expended its resources to respond to a
5 vehicular collision that occurred on Vineyard Avenue in Oxnard involving a woman
6 and federal immigration agents. The collision took place when the woman was
7 following the agents' vehicle, and the agents suddenly applied the brakes.
8 Following the collision, the masked agents immediately exited their vehicle and
9 drew a firearm on the woman.

10 117. On July 10, 2025, OPD expended significant resources responding to
11 St. John's Regional Medical Center following a large-scale immigration raid that
12 took place at Glass House Farms. During that raid, vehicles from Border Patrol and
13 Customs and Border Protection blocked a road lined with fields and greenhouses as
14 military-style vehicles and a helicopter flew overhead.²⁷ Video footage and
15 eyewitness accounts show federal agents dressed in military garb, clothing, and
16 carrying military grade weapons.²⁸ This raid prompted tense confrontations between
17 federal agents and hundreds of protesters, including those who are Oxnard residents
18 and elected officials. Some of the protesters were exposed to and injured by gas
19 used by federal immigration agents to disperse the crowds.

20 118. The tense confrontations between federal agents and protesters caused
21 OPD to utilize its personnel, equipment, and resources, dispatching to St. John's
22 Regional Medical Center in Oxnard, where some protesters were being treated for
23 injuries from the gas used by federal immigration agents.

24 _____
25 ²⁷ Amy Taxin, *Protesters and federal agents clash during raid at Southern*
26 *California farm*, AP News (July 10, 2025), <https://apnews.com/article/california-farm-immigration-raid-d58bb572cd1638c2c4b8d3ef26c2b430>.

27 ²⁸ Michelle Krupa et al., *Tensions are rising in Southern California over*
28 *immigration raids. Here's what we know*, CNN (July 13, 2025),
<https://www.cnn.com/2025/07/11/us/california-immigration-raids-la-wwk>.

1 119. The Oxnard Fire Department (“OFD”) also expended its resources
2 responding to the raid that took place on July 10, 2025, which it would not have
3 done absent the unlawful immigration enforcement activity. The OFD initially
4 dispatched two units in response to a medical call at the Glass House Farms facility,
5 which cleared within 22 minutes of arriving at the scene. Shortly after the incident
6 escalated, OFD contributed resources to expand the Multi-Causality Incident
7 (“MCI”). That MCI response included an engine on scene for over eight hours, a
8 Battalion Chief on scene for over eight hours, and an Assistant Chief on scene for
9 nearly two hours. The OFD also responded to the St. John’s Regional Medical
10 Center in Oxnard shortly after the immigration raid at Glass House Farms. At the
11 hospital, the emergency room went on diversion, and two ambulances with patients
12 that would have been treated at St. John’s hospital were diverted to hospitals further
13 away.

14 120. The Oxnard City Attorney’s Office and City Manager’s Office also
15 expended their resources responding to unlawful federal immigration enforcement
16 within Oxnard by implementing a city-wide protocol and training to prepare staff for
17 potential encounters with federal immigration enforcement officials.

18 121. In addition to the diversion of significant city resources to responding
19 to federal immigration enforcement, federal immigration activities within Oxnard
20 have cultivated a culture of fear and distrust within the community. For example, on
21 June 15, 2025, OPD discovered that a federal immigration enforcement vehicle was
22 parked in the public parking lot of their headquarters building and requested that it
23 cease this practice since it caused at least one community group to allege that OPD
24 was cooperating with federal immigration enforcement efforts.

25 122. The mistaken community perception that Oxnard is actively
26 cooperating with federal immigration enforcement efforts is bolstered further when
27 OPD and OFD are dispatched to immigration raids, protests, and other encounters
28 with federal immigration enforcement efforts. This perception negatively impacts

1 public safety in Oxnard because victims and witnesses of crimes are unwilling and
2 less likely to cooperate with local law enforcement and public safety services.

3 123. The culture of fear and distrust resulting from federal immigration
4 activities within Oxnard has also negatively impacted participation in community
5 services. Since June 2025, there has been a reduction in public participation in
6 various city programs. For example, the Oxnard Public Library has seen a decrease
7 in attendance, circulation of books, and activation of library cards. Additionally, the
8 City has observed a troubling direct impact of ICE enforcement on the City's public
9 housing tenants. On two occasions, tenants have asked staff to pick up their rent
10 checks rather than dropping their checks off to Housing Department staff due to fear
11 of leaving their units, reflecting a climate of intimidation and anxiety within the
12 community. Moreover, the City has received several complaints that landlords have
13 threatened to report tenants to ICE as a means of intimidation and coercion. Such
14 tactics exacerbate tenant vulnerability and undermine trust between residents and
15 housing providers. This pattern of intimidation, even when indirect, interferes with
16 tenants' ability to safely access essential public services and threatens the stability of
17 housing within the Oxnard community.

18 **Intervenor-Plaintiff the City of Paramount**

19 124. Intervenor-Plaintiff the City of Paramount is a municipal corporation,
20 duly organized and existing as a general law city under the laws of the State of
21 California, and is located in the County of Los Angeles. Paramount is more than
22 80% Latino.

23 125. Paramount contracts with the Los Angeles County Sheriff's
24 Department for law enforcement services. Paramount is responsible for costs
25 associated with the Sheriff's presence within the City.

26 126. Paramount's relationship with its community has been strained as a
27 result of the unlawful immigration enforcement activity. According to the Sheriff's
28 Department, its deputies have been accused on social media of cooperating with

1 federal agents, thus eroding trust in the Department. Paramount has also been
2 erroneously accused of “covering up” the presence of a Department of Homeland
3 Security office within its jurisdiction. Staff resources, including its Public
4 Information Officer, Assistant City Manager, and City Manager, as well as contract
5 communications support, have been diverted to develop and promote material that
6 presents facts and eases community fears regarding the federal immigration
7 enforcement actions.

8 127. In an effort to counter the harm caused by the unlawful immigration
9 enforcement activities, Paramount’s City Council has publicly condemned the
10 activities by way of a resolution and is using City funds to create a humanitarian
11 assistance program for immigrants within the Paramount community.

12 128. As just one example of such activity, unlawful federal immigration
13 raids have occurred at a Paramount Home Depot. Paramount’s Home Depot has
14 been forced to close on at least two separate occasions since federal agents began
15 their immigration enforcement activities on or about June 6, 2025. The store
16 closures are expected to cause a loss of approximately \$7,700 in combined sales tax
17 and transactions and use tax revenue to Paramount.

18 129. Additionally, Paramount is home to one of the largest swap meets in
19 the region. The Paramount Swap Meet supports numerous small businesses and
20 generates significant sales tax revenue for Paramount. Paramount relies upon sales
21 tax revenues, along with other tax revenues, to maintain its services. Due to fear of
22 possible unlawful immigration enforcement, attendance at the Paramount Swap
23 Meet is down, which has resulted in lower sales tax revenues. Paramount expects to
24 lose approximately \$17,800 in exhibitor taxes and food and beverage sales. This
25 figure reflects an 80% revenue loss over two weeks and a 50% loss over one
26 additional week.

Intervenor-Plaintiff the City of Pasadena

130. Intervenor-Plaintiff the City of Pasadena is a municipal corporation organized and existing under the laws of the State of California and is a charter city pursuant to Article XI of the California Constitution. Pasadena alleges the following facts relating to federal immigration activity within Pasadena upon information and belief.

131. In recent weeks, Pasadena has experienced an unprecedented increase in unlawful federal immigration enforcement activity within its jurisdictional borders.²⁹ For example, Pasadena residents Pedro Vasquez Perdomo, Carlos Alexander Osorto, and Isaac Villegas Molina (collectively, “Pasadena Resident Plaintiffs”) report that in the early morning of June 18, 2025, approximately six masked federal agents equipped with weapons jumped out of unmarked cars and arrested the Pasadena Resident Plaintiffs while they waited at a Pasadena bus stop across the street from Winchell’s Donuts to be picked up for jobs. *See* Lead Compl. ¶¶ 12–14, 111–13, 124–26, 137–39.³⁰ The Pasadena Resident Plaintiffs report that federal agents made these arrests without first securing arrest warrants, making an individualized determination of risk of flight, establishing a reasonable suspicion of an immigration law violation, and identifying themselves as federal agents. *Id.* ¶¶ 114–19, 127–32, 140–44.

132. Federal agents have reportedly adhered to the same or similar improper practices on multiple other occasions when conducting enforcement activities in Pasadena. For example, plainclothes federal agents jumped out of unmarked

²⁹ *See Police Chief Reiterates His Department Does Not Assist or Participate in ICE Enforcement, Urges Calm*, Pasadena Now (July 1, 2025), <https://pasadenanow.com/main/police-chief-urges-calm-reiterates-his-department-does-not-assist-or-participate-in-ice-enforcement>.

³⁰ Sophie Flay, *ICE agents detain several people at Pasadena bus stop, conducts raids across the city*, ABC 7 (June 19, 2025), <https://abc7.com/post/ice-agents-detain-2-men-pasadena-bus-stop-conduct-raids-city/16785979/>.

1 vehicles and, while using excessive force, attempted to arrest a Pasadena resident in
2 front of her children outside a Pasadena apartment building on June 28, 2025,
3 prompting a 911 call to Pasadena Police about a suspected kidnapping.³¹ Multiple
4 Pasadena Police personnel responded to the scene to investigate, and it was
5 determined that the federal agents had mistakenly identified the Pasadena resident
6 for another individual they were seeking. Paramedics also responded to the scene
7 and medically treated the Pasadena resident due to the injuries she sustained from
8 the incident. Such action, and similar activities by Defendants as described herein,
9 is tantamount to a nuisance in Pasadena.

10 133. This federal immigration enforcement has spread fear, confusion, and
11 distress across the Pasadena community. Pasadena residents, even those who have
12 lived in the City for decades, feel unsafe going outside to engage in everyday
13 activities, such as commuting to work, taking their children to school, and attending
14 community events due to concerns that they could be arbitrarily confronted and
15 assaulted by federal agents.

16 134. In addition to harming Pasadena residents, the federal immigration
17 enforcement inflicts concrete and particularized injury to Pasadena as a municipal
18 entity, including injury to the operations of its police department, management of its
19 community programs, and production of its tax revenue.

20 135. The federal immigration enforcement has forced Pasadena to divert its
21 limited police resources to address public safety issues that would not have arisen
22 absent these enforcement practices.

23
24
25 ³¹ Angelique Brenes, *ICE agents detain mother in Pasadena in front of children*
26 *without showing a warrant*, KTLA 5 (June 28, 2025), [https://ktla.com/news/local-](https://ktla.com/news/local-news/ice-agents-detain-mother-in-pasadena-in-front-of-children-without-a-warrant/)
27 *news/ice-agents-detain-mother-in-pasadena-in-front-of-children-without-a-warrant/*;
28 *ICE Agents Detain Mother In Front of Her Children in Pasadena*, Pasadena Now
(June 29, 2025), [https://pasadenanow.com/main/ice-agents-detain-mother-in-front-](https://pasadenanow.com/main/ice-agents-detain-mother-in-front-of-her-children-in-pasadena)
[of-her-children-in-pasadena](https://pasadenanow.com/main/ice-agents-detain-mother-in-front-of-her-children-in-pasadena).

1 136. The federal immigration enforcement has also led to declines in public
2 participation in Pasadena's community programs such as youth summer education
3 and, in other cases, forced Pasadena to cancel swim lessons and other community
4 programs altogether due to public safety concerns.³²

5 137. Pasadena depends on local taxes to fund its municipal operations.
6 Federal immigration enforcement has harmed and produced chilling effects on
7 Pasadena businesses, causing declines in businesses' sales revenue and a
8 corresponding decrease in Pasadena's tax revenue.³³

9 **Intervenor-Plaintiff the City of Pico Rivera**

10 138. Intervenor-Plaintiff the City of Pico Rivera is a municipal corporation,
11 duly organized and existing as a general law city under the laws of the State of
12 California, and is located in the County of Los Angeles.

13 139. Pico Rivera is more than 90% Latino.

14 140. On information and belief, unlawful federal immigration enforcement
15 activities have occurred at numerous locations throughout Pico Rivera. Of note is
16 the violent and unjustified arrest of a U.S. citizen, Adrian Martinez, on June 17,
17 2025 at the Walmart parking lot in the City. This incident led to multiple
18 community protests, including rallies outside of Pico Rivera City Council Hall.

19 141. Federal immigration authorities have reportedly adhered to the same or
20 similar improper practices on multiple other occasions when conducting
21 enforcement activities in Pico Rivera.

22
23
24 ³² Tim Caputo, *Pasadena cancels Saturday swim lessons, other park programs after*
25 *reports of immigration enforcement*, ABC 7 (June 22, 2025),
26 <https://abc7.com/post/pasadena-cancels-saturday-swim-lessons-other-park-programs-reports-immigration-enforcement/16810001/>.

27 ³³ See Victor M. Gordo, *Pasadena Mayor: Trump's Immigration Raids Hurt*
28 *Communities Like Mine*, Time (June 18, 2025), <https://time.com/7295305/pasadena-trump-immigration-raids>.

1 142. Another significant incident occurred on June 17, 2025, at Ruben
2 Salazar High School in Pico Rivera, where video evidence was secured to
3 demonstrate what appears to federal immigration authorities trespassing upon El
4 Rancho Unified School District (“ERUSD”) property and federal personnel
5 engaging in purported public urination on ERUSD property, near locations where
6 minor children were located. The School Board of ERUSD conducted a press
7 conference where such conduct was condemned and an investigation was
8 demanded.

9 143. The unlawful federal immigration enforcement has spread fear,
10 confusion, and distress across the Pico Rivera community. Pico Rivera residents,
11 even those who have lived in the City for decades, feel unsafe going outside to
12 engage in everyday activities, such as commuting to work, taking their children to
13 school, and attending community events due to concerns that they could be
14 arbitrarily confronted and assaulted by federal agents.

15 144. Pico Rivera contracts with the Los Angeles County Sheriff’s
16 Department for law enforcement services. Pico Rivera is responsible for costs
17 associated with the Sheriff’s presence within the City. The events of June 17 caused
18 a significant diversion of resources to address the resulting protests.

19 145. Since the events of June 17, and subsequent unlawful immigration
20 activities throughout the region, fearful residents have held protests and appeared at
21 Pico Rivera City Council Hall to share their sincere fears for the safety of the
22 immigrant community in Pico Rivera. These events required Sheriff’s deputies to
23 be diverted from their normal assignments to provide protection and general
24 community safety.

25 146. Pico Rivera’s relationship with its community has suffered as a result
26 of the unlawful immigration enforcement activity. According to the Sheriff’s
27 Department, its deputies have been erroneously accused on social media of
28 cooperating with federal agents, thus eroding trust in the Department. Pico Rivera

1 has been erroneously accused of “covering up” the presence of a Department of
2 Homeland Security office within its jurisdiction. Staff resources, including its
3 Public Information Officer, Assistant City Manager, and City Manager, as well as
4 contract communications support, have been diverted to develop and promote
5 material that presents facts and eases community fears.

6 147. Pico Rivera prides itself on providing a range of first-class recreational,
7 social, and civic resources to its residents. These include, among other things, a
8 senior center, youth events, and other community events. Participation in some City
9 events has decreased since the recent events conducted by federal agents and
10 personnel. On information and belief, the drop in attendance at some Pico Rivera
11 events is attributable to fears of unlawful immigration enforcement activity at these
12 public locations.

13 148. In addition to harming Pico Rivera residents, the unlawful federal
14 immigration enforcement activity inflicts concrete and particularized injury to Pico
15 Rivera as a municipal entity, including injury to the operations of its police
16 department, management of its community programs, and production of its tax
17 revenue. The unlawful federal immigration enforcement has forced Pico Rivera to
18 divert its limited police resources to address public safety issues that would not have
19 arisen absent these enforcement practices.

20 149. Pico Rivera depends on local taxes to fund its municipal operations.
21 Federal immigration enforcement has harmed and produced chilling effects on Pico
22 Rivera businesses, causing declines in businesses’ sales revenue and a
23 corresponding decrease in Pico Rivera’s tax revenue.

24 **Intervenor-Plaintiff the City of Pomona**

25 150. Intervenor-Plaintiff the City of Pomona is a municipal corporation
26 organized and existing under the laws of the State of California and is a charter city
27 pursuant to Article XI of the California Constitution.
28

1 151. Unlawful federal immigration activities have occurred at numerous
2 locations throughout Pomona. Extensive federal immigration enforcement activities
3 and associated protests in Pomona have diverted already-strained Pomona Police
4 Department resources away from their core law enforcement and maintaining of the
5 peace functions.

6 152. In particular, federal agents lack clear identification to facilitate
7 differentiation between their activities and those of local law enforcement. The
8 federal immigration activities have fostered an environment of general distrust
9 among the City's residents, resulting in increased calls for service, including
10 incidents of vandalism, that negatively impact the Pomona Police Department's
11 ability to respond to, investigate, and clear the City's already-high normal volume of
12 calls for service.

13 153. Additionally, the City Manager's Office and Pomona Police
14 Department have expended significant staff resources to address social media
15 speculation and rumors alleging City resource coordination with ICE
16 activities. These challenges have cast the City and the Pomona Police Department
17 into the unfortunate position of having to dedicate already-limited local resources in
18 an effort to offset community harm, and have eroded trust in local government
19 programs and activities and municipal law enforcement operations.

20 **Intervenor-Plaintiff the City of Santa Ana**

21 154. Intervenor-Plaintiff the City of Santa Ana is a municipal corporation
22 organized and existing under the laws of the State of California and is a charter city
23 pursuant to Article XI of the California Constitution.

24 155. The federal immigration activities have disrupted public safety and
25 spread fear in the immigrant community of Santa Ana. Upon information and
26 belief, U.S. citizens and legal permanent residents in Santa Ana have been detained
27 for questioning. Federal immigration raids have occurred at individuals' homes,
28 schools, places of work, places of worship, places of public accommodation, swap

1 meets, grocery stores, medical facilities, and hotels. Residents of Santa Ana have
2 shared stories of racial profiling and the arrest of residents without criminal records.

3 156. The aggressive and unlawful tactics used by federal agents have
4 heightened tensions between the residents of Santa Ana and the Santa Ana Police
5 Department. They have also damaged trust in law enforcement and eroded the
6 critical relationship between residents and the Santa Ana Police Department. The
7 community is less safe because families are too afraid to report crimes or engage
8 with local authorities.

9 157. The unlawful federal immigration activities have also resulted in
10 negative economic and social impacts to Santa Ana. For example, Santa Ana city
11 centers are “deserted,”³⁴ and fewer people are frequenting commercial and retail
12 establishments, such as local restaurants, grocery stores, medical facilities, places of
13 public accommodation, and entertainment venues, for fear of being targeted by
14 federal agents.

15 **Intervenor-Plaintiff the City of Santa Barbara**

16 158. Intervenor-Plaintiff the City of Santa Barbara is a local municipality
17 organized and existing under the laws of the State of California and is a charter city
18 pursuant to Article XI of the California Constitution. Santa Barbara is located in the
19 County of Santa Barbara.

20 159. Federal immigration enforcement activities have occurred in various
21 locations throughout Santa Barbara as well as in neighboring communities within
22 the County of Santa Barbara. These activities have cultivated feelings of fear and
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24
25

26 ³⁴ Suhauna Hussain & Md Fazlur Rahman, *California’s economy is already getting*
27 *hit by immigration raids*, L.A. Times (July 30, 2025),
28 <https://www.latimes.com/business/story/2025-07-30/people-reporting-to-work-in-private-sector-in-california-down-after-raids-report-says>.

1 distrust within the Santa Barbara community. At least 111 arrests have been made
2 in Santa Barbara County since January 2025.³⁵

3 160. On July 10, 2025, federal law enforcement agents conducted raids on
4 Glass House Farms in Carpinteria and Camarillo, California. Carpinteria is a
5 community that is ten miles from Santa Barbara. At least ten people were detained
6 during this raid in Carpinteria. Further down the coast, in Camarillo, at least 350
7 people were detained.

8 161. On July 15, 2025, community members provided public comment to
9 the Santa Barbara City Council regarding their experiences with recent federal raids
10 and expressed concerns for the safety of immigrant communities in Santa Barbara.
11 Hundreds of members of the community attended this meeting, demonstrating the
12 high level of concern.

13 162. Santa Barbara businesses have experienced, and will continue to
14 experience, significant negative economic impacts and disruptions to business
15 operations due to federal immigration enforcement activities. Employees are
16 remaining at home, making it difficult for businesses to operate at normal levels.
17 There are fewer people patronizing businesses, fewer vendors on the streets, and
18 fewer employees showing up to their workplaces.

19 163. The Santa Barbara South Coast Chamber of Commerce compiled a
20 survey and sent it to local businesses to evaluate the impact immigration activity has
21 had on business operations. The Chamber of Commerce received approximately
22 167 responses within three days of distributing the survey. One of the respondent
23 businesses indicated that their employee, who is a U.S. citizen, was detained and
24

25
26 ³⁵ Ryan P. Cruz, *More than 620 Arrests Reported in Immigration Operations on*
27 *Central Coast*, Santa Barbara Independent (July 24, 2025),
28 <https://www.independent.com/2025/07/24/more-than-620-arrests-reported-in-immigration-operations-on-central-coast/>.

1 unable to report to work for a week because federal agents would not let him
2 retrieve his identification.

3 164. Many of the respondent businesses also noted decreased revenue and
4 general commercial activity due to immigration activities. Businesses in the
5 hospitality industry, including restaurants and hotels, noted a drastic decrease in
6 patrons since recent immigration enforcement actions. While these businesses
7 typically see many more patrons during the summer months due to tourism, they
8 reported significantly fewer visitors.

9 165. Other businesses reported difficulty hiring contractors and handymen to
10 complete projects, and delayed response times due to a decrease in staff. The
11 businesses reported that these issues were attributable to recent immigration
12 enforcement actions.

13 166. Santa Barbara is a prime destination for travel and tourism, particularly
14 during the summer months. Federal immigration activity in the area has harmed
15 Santa Barbara's reputation as a tourist destination, resulting in less overall spending
16 and lower hotel occupancy rates, specifically for international travelers.

17 167. Every year in Santa Barbara, residents and businesses celebrate Santa
18 Barbara's Spanish history during Old Spanish Days, more commonly referred to as
19 "Fiesta." Fiesta celebrations include events throughout Santa Barbara such as
20 official parades, markets, a rodeo, dance exhibitions, and more. Fiesta 2025, the
21 101st Fiesta celebration in Santa Barbara, is scheduled to be held from July 30
22 through August 3, 2025. Fiesta events both generate significant tax revenue
23 throughout Santa Barbara and are the premiere events for local nonprofits to raise
24 funds. Fiesta has an annual budget exceeding \$1,000,000.

25 168. Due to recent immigration enforcement activities, fewer patrons are
26 expected to frequent the event and purchase goods and services, in turn reducing
27 overall revenue. The Children's Fiesta Parade, one of the hallmark events of Fiesta,
28 has experienced a 15% decrease in parade entries. On July 14, 2025, the Downtown

1 Club announced that it was cancelling its Fiesta Carnival de Los Niños, which is a
2 major fundraising event in the City. The Downtown Club stated that it was
3 cancelling the event “to assure the safety of the kids” as well as due to declining
4 attendance at other community events, thereby making the carnival a financial risk.³⁶
5 Members of the community have further expressed concern that federal immigration
6 officials will attend other Fiesta events and target the community at these events.³⁷

7 169. On July 13, 2025, the Santa Barbara Museum of Contemporary Art
8 announced that it was cancelling its Dia de Los Muertos event due to recent
9 immigration enforcement actions.

10 170. The federal immigration enforcement has also led to declines in public
11 participation in Santa Barbara’s community programs and events, such as youth
12 education programs and other social services. Santa Barbara rents City-owned
13 facilities to both private organizations and nonprofits, which generates revenue for
14 the City necessary to manage and operate the facilities. When comparing the first
15 half of 2025 to the first half of 2024, there has been a 26% decrease in rentals with
16 four recent facility rental cancellations.

17 171. Community members are also afraid of visiting local food banks in
18 Santa Barbara for fear of federal immigration officials showing up at these
19 locations. The number of individuals visiting local food banks in recent months is
20 down 75% at the Westside Neighborhood Center (from 767 recipients to 226
21 recipients), 21% at the Franklin Neighborhood Center (from 249 recipients to 199
22 recipients), and 23% at Parque de Los Ninos (from 256 recipients to 199 recipients).

23
24 ³⁶ Edhat Staff, *Old Spanish Days Leaders Address Immigration Concerns as Fiesta*
25 *Prepares for 101st Celebration*, Edhat (July 21, 2025), <https://www.edhat.com/news/old-spanish-days-leaders-address-immigration-concerns-as-fiesta-prepares-for-101st-celebration/>.
26

27 ³⁷ Daniel Green, *Downtown Club Cancels Fiesta Carnival de Los Niños Event*,
28 Noozhawk (July 14, 2025), <https://www.noozhawk.com/downtown-club-cancels-fiesta-carnival-de-los-ninos-event/>.

1 At least one nonprofit organization in Santa Barbara has coordinated a food drive to
2 ensure individuals who are food insecure and afraid of visiting local food banks due
3 to immigration activity have access to food.

4 172. The unlawful federal immigration activities are also preventing
5 vulnerable members of the community from engaging in legal proceedings. The
6 Santa Barbara County District Attorney's Office prosecutes all misdemeanor crimes
7 that occur within the County of Santa Barbara. Fears of arrest by federal
8 immigration authorities in public and at courthouses have made victims more
9 reluctant to appear, thereby impacting the Office's ability to obtain just outcomes
10 for victims.

11 173. The unlawful federal immigration enforcement has spread fear,
12 confusion, and distress across the Santa Barbara community and produced chilling
13 effects on Santa Barbara businesses.

14 **Intervenor-Plaintiff the City of Santa Monica**

15 174. Intervenor-Plaintiff the City of Santa Monica is a municipal corporation
16 organized and existing under the laws of the State of California and is a charter city
17 pursuant to Article XI of the California Constitution. Santa Monica borders the City
18 of Los Angeles and is directly affected by activities occurring there and in the
19 region.

20 175. Santa Monica is a prime destination for travel and tourism, particularly
21 international travel, with more visits usually expected during summer vacations.
22 Unlawful federal immigration activity in the region has harmed Santa Monica's
23 reputation as a tourist destination and international arrivals have decreased
24 significantly, resulting in less overall spending and lower hotel occupancy rates.

25 176. Immigrant communities staying home out of fear of a federal
26 immigration raid diminishes economic activity and participation in public events as
27 well as the overall vibrancy and appeal of Santa Monica as a tourist destination. It
28 also negatively impacts many businesses that rely on immigrant labor, including

1 hotels, restaurants, sidewalk vendors, vendors at the farmers markets, car washes,
2 and construction trades, affecting business revenue, employment, and overall
3 economic growth. Santa Monica, in turn, loses critical transient occupancy and
4 sales tax revenue it depends on.

5 177. Because many members of immigrant or mixed status households who
6 live and/or work in Santa Monica are too afraid to leave their homes to go to work,
7 Santa Monica is exploring setting up a fund to help affected households pay for
8 food, rent, and other necessities.

9 178. The Santa Monica City Attorney's Office prosecutes all misdemeanor
10 crimes that occur within the city. Victims have been more reluctant to cooperate
11 with prosecutors and have required additional staff efforts to secure appearances in
12 court. Fear of arrest by federal immigration authorities in public or at courthouses is
13 impacting the City's ability to obtain just outcomes for victims.

14 179. Santa Monica has been required to employ significant City resources to
15 prepare for federal immigration raids at City facilities, which preparation is made
16 significantly more difficult by federal immigration authorities conducting
17 unannounced activities without identification.

18 180. Community members responded to regional federal immigration raids
19 with a large-scale public demonstration in Santa Monica on June 14, which required
20 the City to deploy significantly more Santa Monica Police Department and other
21 City resources to ensure public safety. There has been at least one occurrence of
22 masked, armed, and unidentified federal immigration agents arresting a Latino
23 construction worker on 16th Street near Washington Street in Santa Monica on June
24 12. The agents appeared not to communicate with the construction worker before
25 detaining him using zip ties and placing him in an unmarked car. The City has
26 obtained a video and declaration from at least one witness describing the incident
27 and how it terrified her.

28

Intervenor-Plaintiff the City of South Gate

181. Intervenor-Plaintiff the City of South Gate is a municipal corporation, duly organized and existing as a general law city under the laws of the State of California, and is located in the County of Los Angeles. It has a population of approximately 90,700 residents. Over 90% of the population is Latino.

182. Federal immigration enforcement activities have occurred at numerous locations in South Gate. These activities involve masked agents flooding street corners, bus stops, churches, car washes, parking lots, educational facilities, and other places, entering businesses, and interrogating residents as they are working, looking for work, or otherwise trying to go about their daily lives, including when providing lawn and gardening services. Some of the detained individuals are U.S. citizens.

183. Residents have come to South Gate City Council meetings to discuss their concerns regarding the effect that federal immigration enforcement activities have had on South Gate families, churches, and businesses. The residents have expressed concern about federal agents' failure to self-identify and the use of masks to cover their faces, which creates an atmosphere of confusion about whether detention activity is the work of federal law enforcement or kidnappers and/or assailants.

184. South Gate resources have been used to monitor public protests calling out the unlawful federal immigration enforcement activity. South Gate also cancelled its annual Fourth of July multi-day carnival and fireworks contracts because of the uncertainty created by the federal immigration enforcement and the concern of civil unrest following federal immigration enforcement activity.

185. The federal immigration enforcement activity also means South Gate will incur a loss of tax revenue due to decreased economic activity.

Intervenor-Plaintiff the City of West Hollywood

186. Intervenor-Plaintiff the City of West Hollywood is a municipal corporation, duly organized and existing as a general law city under the laws of the State of California, and is located in the County of Los Angeles.

187. A federal immigration raid occurred in West Hollywood on July 4, 2025 at the Santa Palm Car Wash by masked individuals who reportedly lacked arrest warrants.

188. West Hollywood businesses have experienced economic impacts due to federal immigration enforcement activities. Employees are remaining at home, making it difficult for businesses to operate at normal levels. There are fewer people patronizing businesses, fewer vendors on the streets, and fewer employees showing up to work.

189. West Hollywood is a hospitality destination and the local hotels report to the City that visitor rates are down overall for the international market sector that used to frequent West Hollywood in the summer. Defendants' policies and enforcement actions have positioned the United States as an unwelcoming destination for foreign guests with uncertainty and volatility. As a city with a hospitality-based economy, West Hollywood has experienced a strong negative impact from Defendants' actions—not only on hotels but also on the bars, restaurants, and nightclubs that visitors will often frequent when utilizing lodging options in the city.

190. Defendants' actions have diverted West Hollywood's law-enforcement resources. West Hollywood contracts with the Los Angeles County Sheriff's Department for law enforcement services. Defendants' actions in early June caused a significant diversion of resources to address the resulting protests in nearby cities. The West Hollywood City Council was scheduled to have multiple high-ranking representatives from the Los Angeles County Sheriff's Department present at its June 9, 2025 City Council meeting to discuss a public safety agenda item that was of

1 critical importance to the community. The Sheriff's Department representatives
2 were not able to attend the City Council meeting, as the regional protests utilized all
3 available resources in the region. The City Council had to continue the item to a
4 later date when the Sheriff's Department could provide the needed resources to
5 West Hollywood.

6 191. Defendants' unlawful actions also caused protests against Defendants'
7 policies and immigration activities in the region in West Hollywood Park on June
8 14, 2025, where it is reported that at least 3,000 people attended. The City and
9 Sheriff's Department had to expend significant resources to maintain safety and
10 order.

11 192. In response to community member concerns, West Hollywood has
12 expended public resources to provide information to residents including "Know
13 Your Rights" public information available at City facilities and online. It has
14 ongoing efforts to expand outreach and make information more accessible at public
15 events and locations, develop clear protocols for Sheriff's Department involvement
16 during federal immigration-enforcement activities, and provide assurances that local
17 law enforcement stands with and protects all residents, regardless of immigration
18 status.

19 193. Defendants' activities are interfering with West Hollywood's crucial
20 role in protecting the public health, safety, and well-being of its residents. Such
21 activity is also resulting in the unnecessary expenditure of public resources.

22 **FACTUAL ALLEGATIONS**

23 194. On July 2, 2025, Plaintiffs filed the Lead Complaint challenging
24 Defendants' use of unlawful searches and seizures to terrorize residents under the
25 guise of federal immigration enforcement. *See* ECF No. 16. As set forth in detail in
26 the Lead Complaint, in recent weeks, Defendants have carried out increasingly
27 aggressive and unlawful immigration raids in communities throughout the Los
28 Angeles region. Masked federal agents who refuse to identify themselves are

1 stopping, arresting, and detaining people all over the County, seemingly based
2 solely on their apparent ethnicity, capturing citizens and noncitizens alike.
3 Defendants' actions have sparked terror throughout the region.

4 195. As described in the Lead Complaint, Defendants' indiscriminate,
5 unchecked, and wanton enforcement efforts are violating the Fourth and Fifth
6 Amendment rights of Intervenor's community members, and exceed the scope of
7 Defendants' statutory authority under the Immigration and Nationality Act, 8 U.S.C.
8 § 1357. Those same actions violate Intervenor's rights under the Tenth
9 Amendment. This Amended Complaint in Intervention incorporates the allegations
10 in the Lead Complaint by reference and adds further allegations to describe how
11 Defendants' unlawful actions are inflicting distinct additional harm on the
12 Intervenor.

13 ***A. Defendants' Unlawful Raids Impair Intervenor's Ability to Maintain Law***
14 ***and Order***

15 196. Defendants' raids are anything but routine, lawful immigration
16 enforcement actions. In an unprecedented departure from longstanding practices,
17 armed, often unidentified federal agents are carrying out these roving raids without
18 prior notice to the Los Angeles County Sheriff's Department or any of the
19 Intervenor cities' police departments. As a result, local authorities are left in the
20 dark about when and where federal enforcement actions or other activities are
21 scheduled to occur in their jurisdictions.

22 197. Because the unlawful raids are being conducted by masked, armed
23 agents, often without any visible identification, from the perspective of the
24 Intervenor's residents, many of these activities are not readily distinguishable from,
25 and are therefore confused with, criminal activity. Witnesses have called 911 to
26 report kidnappings after witnessing events like a "group of armed, masked
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28

1 men . . . dragging a woman into an SUV.”³⁸ Local law enforcement agencies thus
2 have been required to divert limited resources to determining whether armed and
3 masked individuals jumping out of unmarked vehicles are federal agents or
4 individuals committing crimes. At least one local law enforcement agency has
5 arrested a civilian posing as a border patrol agent who possessed a list of purported
6 illegal immigrants and loaded firearms and ammunition.³⁹

7 198. Defendants are detaining and arresting Intervenor’s residents en masse
8 and without probable cause, which leads Intervenor’s residents to reasonably infer
9 that the detentions are based on residents’ appearance alone. As one observer
10 described, “They don’t care if you have papers, as long as you look like what they
11 want you to look like, they’ll take you.”⁴⁰ A witness to another raid similarly
12 recounted that “if you looked Hispanic in any way, they just took you.”⁴¹

13 199. Defendants’ pattern of arresting people merely because they appear to
14 be immigrants reaches U.S. citizens and other individuals with legal status. In one
15 recent example, immigration officers violently arrested a U.S. citizen and Army
16 veteran—spraying him with pepper spray and kneeling on his neck and back—and
17 then held him in custody for three days without offering any explanation for his
18

19 ³⁸ Libor Jany, *Kidnappers or ICE agents? LAPD grapples with surge in calls from*
20 *concerned citizens*, L.A. TIMES (July 3, 2025), <https://www.latimes.com/california/story/2025-07-03/los-angeles-police-immigration-kidnappings>.

21 ³⁹ Lily Dallow, *L.A. man with previous human smuggling arrest may have been*
22 *impersonating ICE agent*, KTLA (June 27, 2025), <https://ktla.com/news/local-news/l-a-man-arrested-in-huntington-park-for-possibly-impersonating-federal-agent/>.

23 ⁴⁰ Travis Schlepp, *ICE agents make arrest at Los Angeles area church*, KTLA 5
24 (June 11, 2025), <https://ktla.com/news/local-news/ice-agents-make-arrest-at-los-angeles-area-church/#:~:text=Community%20members%20and%20religious%20leaders,in%20the%20church%20parking%20lot>.

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26 ⁴¹ Jasmine Mendez et al., *Immigration raids continue as Trump appears to soften on*
27 *targeting some workplaces*, L.A. TIMES (June 15, 2025),
28 <https://www.latimes.com/california/story/2025-06-15/los-angeles-immigration-raids-continue>.

1 arrest.⁴² As another example, Defendants arrested U.S. citizen Andrea Velez,
2 forcibly “lifting [her] off the ground and carrying her away” without explanation;
3 Ms. Velez’s only apparent offense was “the color of her skin.”⁴³

4 200. Local law enforcement is left to deal with the aftermath of Defendants’
5 actions, including protests and hostility from residents whose community members
6 are the victims of such actions.

7 201. Defendants’ unlawful actions are directly harming the relationship
8 between Intervenor’s local law enforcement and their communities, including
9 immigrant communities. Local law enforcement agencies, including the Los
10 Angeles County Sheriff’s Department and Intervenor’s police departments, have
11 implemented policies and practices designed to promote the safety of residents by
12 fostering cooperation and trust between members of the region’s many immigrant
13 communities and law enforcement. One fundamental goal of these local policies
14 and practices has been to encourage victims and witnesses to collaborate with the
15 police, regardless of immigration status. But Defendants’ actions are eroding
16 Intervenor’s hard-won gains. Indeed, not only Intervenor’s police officers, but also
17 social workers, firefighters, and building inspectors, have already been confused for
18 federal agents and confronted by protestors who thought they were conducting
19 surveillance for an immigration sweep. Intervenor’s ability to obtain just outcomes
20 for victims also is being hindered by fear of arrest by federal agents in public or at
21 courthouses.

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24 ⁴² Daniel Trotta, *US citizen says he was jailed for three days after California*
25 *immigration raid*, Reuters (July 16, 2025), <https://www.reuters.com/legal/government/us-citizen-says-he-was-jailed-three-days-after-california-immigration-raid-2025-07-17>.
26

27 ⁴³ Dani Anguiano, *US citizen arrested during ICE raid in what family describes as*
28 *‘kidnapping,’* THE GUARDIAN (June 26, 2025), <https://www.theguardian.com/us-news/2025/jun/26/immigration-ice-raid-andrea-velez>.

1 ***B. Defendants’ Terror Campaign Chills Business and Drains Intervenor’s Tax***
2 ***Revenue***

3 202. Defendants’ actions also are harming Intervenor’s tax revenue.
4 Intervenor depends in part on business, sales, and/or hotel and motel taxes to fund
5 municipal operations. Because Defendants’ unlawful raids are sweeping up citizens
6 and noncitizens alike, many residents are unsurprisingly choosing to stay home,
7 regardless of their legal status. So too are international tourists, causing a negative
8 economic impact to the revenues of tourist destinations like Intervenor Beverly
9 Hills, the City of Los Angeles, Santa Barbara, Santa Monica, and West Hollywood.

10 203. The consequences for Intervenor are significant. Many residents and
11 people who work in Intervenor’s jurisdictions are immigrants or children or other
12 relatives of immigrants from ethnic backgrounds that Defendants are
13 indiscriminately and illegally targeting in their raids, including, as described in
14 detail in the Lead Complaint, people of Latino origin. Over 1.8 million City of Los
15 Angeles residents—nearly 48%—identify as Hispanic or Latino.⁴⁴ Over 4.8 million
16 in the County—nearly 49%—do so. Another 15% of the County identifies as Asian.
17 Intervenor Bell Gardens, Huntington Park, Pico Rivera, and South Gate are more
18 than 90% Latino. Intervenor Monterey Park is approximately 65% Asian.

19 204. Defendants’ actions have instilled widespread fear in Intervenor’s
20 communities. People are afraid to leave their homes in order to avoid becoming the
21 next victim of Defendants’ unlawful raids. In the MacArthur Park neighborhood
22 and in Boyle Heights, for example, children are being sent out on errands
23 unaccompanied by their parents. Intervenor all document a similar chilling effect
24 on their residents.

25 _____
26 ⁴⁴ U.S. Census Bureau, Los Angeles City, California, [https://data.census.gov/profile/](https://data.census.gov/profile/Los_Angeles_city_California?g=160XX00US0644000#race-and-ethnicity)
27 [Los_Angeles_city_California?g=160XX00US0644000#race-and-ethnicity](https://data.census.gov/profile/Los_Angeles_city_California?g=160XX00US0644000#race-and-ethnicity)
28 (identifying 1,829,991 “Hispanic or Latino” individuals in Los Angeles); Los Angeles City Planning, Demographics, [https://planning.lacity.gov/resources/](https://planning.lacity.gov/resources/demographics)
demographics (identifying 48% of Los Angeles population as “Hispanic”).

1 205. As a result, Defendants’ actions have created a *de facto* lockdown of
2 neighborhoods throughout the region. Shops and restaurants are sitting empty and
3 suffering business owners describe the situation as akin to the loss of business in the
4 COVID-19 pandemic.

5 206. Intervenors, in turn, lose vital tax revenue from those businesses. In the
6 past two years, business and sales taxes comprised approximately 12.5% of
7 Intervenor Los Angeles’s annual revenue budget. Those taxes are generally based
8 on gross receipts. Empty businesses do not generate gross receipts—and thus do not
9 pay business taxes or remit sales taxes to Los Angeles. As another example,
10 Intervenor Culver City documented lower visits to the Culver City Westfield Mall
11 for the entire week of June 23, 2025. Taxes from businesses in the Culver City
12 Westfield Mall are a substantial source of revenue for Culver City.

13 ***C. Defendants’ Actions Threaten the Functioning of California Courts***

14 207. California law prohibits the “civil arrest in a courthouse” of any person
15 “attending a court proceeding or having legal business in the courthouse.” Cal. Civ.
16 Code § 43.54. This prohibition reflects the California legislature’s judgment that
17 courthouse arrests pose a “threat to the proper functioning of California’s
18 government and to the rights enjoyed by all Californians.”⁴⁵ As the former Chief
19 Justice of the California Supreme Court, Tani G. Cantil-Sakauye, has explained,
20 “enforcement policies that include stalking courthouses and arresting undocumented
21 immigrants . . . undermine the judiciary’s ability to provide equal access to
22 justice.”⁴⁶

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25 ⁴⁵ See A.B. No. 668, 2019–2020 Legis. Sess., § 1(a) (Cal. 2019).

26 ⁴⁶ Letter from Chief Justice Tani G. Cantil-Sakauye to Attorney General Jeff
27 Sessions (March 16, 2017),
28 https://newsroom.courts.ca.gov/sites/default/files/newsroom/document/Chief%20Justice%20Cantil-Sakauye%20Letter_AG%20Sessions-Secretary%20Kelly_3-16-17.pdf.

1 208. Moreover, a long-established federal common law privilege forbids
2 civil arrests in or near courthouses. This privilege extends to parties, witnesses, and
3 all people going to court on business.

4 209. Despite the clear statutory and common law prohibitions on civil
5 arrests in and around courthouses, Defendants have seized Intervenor's residents
6 who are traveling to and from state courthouses to attend legal proceedings or
7 address other legal business. For example, federal immigration agents recently
8 stalked two women in the hallways of the Airport Courthouse on La Cienega
9 Boulevard and arrested the women after they appeared for their scheduled court
10 proceedings. Federal agents handcuffed the women, placed them in unmarked
11 vehicles, and drove away. The court was not provided advance notice of these
12 arrests.⁴⁷

13 210. Defendants' actions interfere with the functioning of California's
14 judiciary and threaten the rights enjoyed by all Californians, including Intervenor's
15 residents. To take just one example, prosecutors report that some victims and
16 witnesses are reluctant to even come to court out of fear of being accosted by federal
17 immigration officials.

18 CAUSES OF ACTION

19 COUNT I

20 Violation of the Fourth Amendment: 21 Detention Stop Without Reasonable Suspicion

22 (Asserted by Plaintiffs and Intervenor Plaintiffs)

23 211. The foregoing allegations are re-alleged and incorporated herein by
24 reference.

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27 ⁴⁷ James Queally, *ICE arrests at L.A. courthouse met with alarm: 'Absolutely*
28 *blindsided'*, L.A. TIMES (June 25, 2025), <https://www.latimes.com/california/story/2025-06-25/ice-arrests-los-angeles-courthouse>.

1 § 287.8(c)(2)(ii) that officers have reason to believe that an individual is “likely to
2 escape before a warrant can be obtained.”

3 226. Defendants have a policy, pattern, and practice of making arrests
4 without any warrant and without making an individualized determination of flight
5 risk. They have no mechanism for ensuring compliance with the regulatory limits of
6 agents’ and officers’ warrantless arrest authority and do not provide guidance to
7 agents and officers on how to make an individualized determination of likelihood of
8 escape. Defendants permit agents and officers to make warrantless arrests *carte*
9 *blanche* in violation of law.

10 227. Defendants’ policy, pattern, and practice is “final agency action” that is
11 “in excess of statutory jurisdiction, authority, or limitations” under 8 C.F.R.
12 § 287.8(c)(2)(ii). 5 U.S.C. §§ 704, 706(2)(C).

13 228. Defendants’ policy, pattern, and practice have caused ongoing harm to
14 Intervenor.

15 **COUNT IV**

16 **Violation of 8 C.F.R. § 287.8(c)(2)(iii)**
17 **Failure to Identify Authority and Reason for Arrest**
18 **(Asserted by Plaintiffs and Intervenor Plaintiffs)**

19 229. The foregoing allegations are realleged and incorporated herein by
20 reference.

21 230. The regulations require agents and officers, at the time of an arrest or as
22 soon as it is practicable and safe to do so, to identify themselves as “an immigration
23 officer who is authorized to execute an arrest” and “[s]tate that the person is under
24 arrest and the reason for the arrest.” 8 C.F.R. § 287.8(c)(2)(iii).

25 231. Defendants have a policy, pattern, and practice of not timely
26 identifying themselves, their authority to execute an immigration arrest, or the
27 reasons for an arrest.
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232. Defendants' policy, pattern, and practice is a "final agency action" that is "in excess of statutory jurisdiction, authority, or limitations" under 8 C.F.R. § 287.8(c)(2)(ii). 5 U.S.C. §§ 704, 706(2)(C).

233. Defendants' policy, pattern, and practice have caused ongoing harm to Intervenor.

COUNT V

Administrative Procedure Act: Agency Action Exceeding Statutory Authority (Asserted by Intervenor Plaintiffs)

234. The foregoing allegations are realleged and incorporated herein by reference.

235. Administrative agencies may only exercise authority validly conferred by statute. Under the Administrative Procedure Act, courts must "hold unlawful and set aside" federal agency action that is "in excess of statutory jurisdiction, authority, or limitations." 5 U.S.C. § 706(2)(C).

236. California law prohibits the civil arrest in a courthouse of any person attending a court proceeding or having legal business in the courthouse.

237. Congress has not authorized Defendants to conduct courthouse arrests in violation of California law.

238. A long-established federal common-law privilege forbids civil arrests in or near courthouses. This privilege extends to parties, witnesses, and all people attending the courts on business.

239. Congress did not displace the federal common-law privilege when it enacted the Immigration and Nationality Act.

240. Defendants' activities, including the warrantless arrests of individuals in or near courthouses, exceed the scope of Defendants' authority and violate this long-established prohibition on civil arrests and interfere with the ability of

Intervenors’ law enforcement agencies to obtain cooperation from individuals in immigrant communities, regardless of immigration status.

COUNT VI

**Administrative Procedure Act:
Agency Action Contrary to Constitutional
Right, Power, Privilege, or Immunity**

(Asserted by Intervenor Plaintiffs)

241. The foregoing allegations are realleged and incorporated herein by reference.

242. The Administrative Procedure Act instructs courts to “hold unlawful and set aside agency action” that is “contrary to constitutional right, power, privilege, or immunity.” 5 U.S.C. § 706(2)(B).

243. The Tenth Amendment to the United States Constitution reserves “[t]he powers not delegated to the United States by the Constitution . . . to the States.”

244. The states’ judicial and police powers are among the most important powers that the Constitution reserves to the states.

245. Defendants’ final agency actions have resulted in harm to Intervenors.

246. In violation of the Tenth Amendment, Defendants’ policy, pattern, and practice of arresting individuals in or around California state courthouses located within Intervenors’ boundaries (the “Courthouse Arrest Policy”) commandeers California’s judicial system and unduly interferes with California’s core sovereign judicial and police functions by, among other things, preventing residents of Intervenors from accessing state courts.

247. Defendants’ violation causes ongoing harm to Intervenors and their residents.

COUNT VII

**Administrative Procedure Act:
Arbitrary and Capricious Action**

(Asserted by Intervenor Plaintiffs)

248. The foregoing allegations are realleged and incorporated herein by reference.

249. Under the Administrative Procedure Act, courts must hold unlawful and set aside federal agency action that is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. 5 U.S.C. § 706(2)(A).

250. Defendants' final agency actions have resulted in harm to Intervenor.

251. Defendants' Courthouse Arrest Policy is arbitrary and capricious in violation of the Administrative Procedure Act.

252. The Courthouse Arrest Policy is arbitrary and capricious because Defendants do not sufficiently explain to whom the Policy applies, do not explain how the Policy complies with congressional statutes requiring certain non-citizens to appear in state courts to qualify for immigration relief, fail fully to consider the foreseeable harms and/or costs of the Policy, do not adequately explain its prioritizing of civil arrests in or near courthouses over the harms triggered by those arrests, and do not adequately justify the change from Defendants' prior policies on courthouse arrests.

253. Defendants' violation causes ongoing harm to Intervenor and their residents.

COUNT VIII

Tenth Amendment

(Asserted by Intervenor Plaintiffs)

254. The foregoing allegations are realleged and incorporated herein by reference.

1 3. Declare that Defendants' unlawful policies and practices violate 8
2 U.S.C. § 1357(a)(2); 8 C.F.R. § 287.8(c)(2)(ii); and 8 C.F.R. § 287.8(c)(2)(iii);

3 4. Declare that the Courthouse Arrest Policy exceeds Defendants'
4 statutory jurisdiction, authority, or limitations;

5 5. Declare that the Courthouse Arrest Policy is unconstitutional;

6 6. Enjoin Defendants and all of their officers, employees, agents, and
7 anyone acting in concert with them, from civilly arresting parties, witnesses, and
8 any other individual coming to, attending, or returning from state courthouses or
9 court-related proceedings;

10 7. Award Intervenor's their reasonable fees, costs, and expenses, including
11 attorneys' fees; and

12 8. Grant such other and further relief as the Court deems just and proper.

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1 DATED: August 8, 2025

Respectfully submitted,

2
3 By: /s/ E. Martin Estrada

4 E. MARTIN ESTRADA

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12 *Barbara, Santa Monica, South Gate, and*
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15 HYDEE FELDSTEIN SOTO

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By: /s/ Michele Beal Bagneris
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ATTESTATION

Pursuant to Local Rule 5-4.3.4(a)(2)(i), the filer attests that all other signatories listed, and on whose behalf the filing is submitted, concur in the filing's content and have authorized the filing.

DATED: August 8, 2025

By: /s/ E. Martin Estrada

E. MARTIN ESTRADA

MUNGER, TOLLES & OLSON LLP

Attorneys for Intervenors Cities of Los Angeles, Anaheim, Bell Gardens, Beverly Hills, Carpinteria, Culver City, Huntington Park, Long Beach, Lynwood, Montebello, Monterey Park, Oxnard, Paramount, Pico Rivera, Pomona, Santa Ana, Santa Barbara, Santa Monica, South Gate, and West Hollywood

From: [William](#)
To: [CITY CLERK](#)
Subject: 9/2/25 Counsel Meeting, Item 4
Date: Tuesday, September 2, 2025 1:20:47 PM

Hello, I strongly support the City joining the Orange County Power Authority. I support clean energy and non-investor owned energy sources, both of which are supported by joining the OCPA.

I understand that it may cost more, but that is a price I am willing to pay for clean energy.

Thank you,

William Ash
Costa Mesa Resident

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From: [MUNOZ, SANDY](#)
To: [GREEN, BRENDA](#); [TERAN, STACY](#)
Subject: FW: Item 4: Support Clean Energy Choice in Costa Mesa
Date: Tuesday, September 2, 2025 1:08:56 PM

From: Craig Preston <craigp4444@gmail.com>

Sent: Tuesday, September 2, 2025 12:30 PM

To: CITY COUNCIL <CITYCOUNCIL@costamesaca.gov>; +john.stephens@costamesaca.gov;
+manuel.chavez@costamesaca.gov; +andrea.marr@costamesaca.gov;
+mike.buley@costamesaca.gov; +loren.gameros@costamesaca.gov; +jeff.pettis@costamesaca.gov;
+arlis.reynolds@costamesaca.gov; +cityclerk@costamesaca.gov

Subject: Item 4: Support Clean Energy Choice in Costa Mesa

Dear Mayor Stephens and Councilmembers,

Thank you for clean energy leadership in Costa Mesa. And especially for agendizing a discussion of Costa Mesa's feasibility study with OC Power Authority (OCPA). As you consider the results of the feasibility study, please direct staff to move forward with the process for joining OCPA so Costa Mesa families can receive the benefits of clean energy choice.

Of the many benefits to us residents, I highlight Affordability

OCPA is the only avenue for rate relief available to families in Orange County.

SoCal Edison has raised rates by 90% over the past 10 years, and plans to increase prices another 45% by 2030.

Unmitigated rate increases have burdened Southern California families; the CPUC found that almost 900,000 people are almost \$1,000 behind on their energy bills to SCE. Costa Mesa families deserve more affordable options for their energy needs.

12 of 13 CCE programs in Southern California offer rates lower than or equal to those offered by SCE – including OCPA. OCPA's Basic Choice product is 3% less expensive per month than SCE.

Investor-Owned Utilities (IOUs) like SCE have a profit motive to deliver for their shareholders rather than the communities they serve. By contrast, Costa Mesa has greater local control with CCE, with a Board member who can voice the community's interests as a representative of Costa Mesa.

Please move forward with joining OCPA and bring the benefits of clean energy choice to Costa Mesa.

Grateful and looking forward to the meeting 2 SEP 2025.

Craig Preston

Resident of civic center neighborhood of Costa Mesa, 92626

[\(714\) 473-2798](tel:7144732798) CraigP4444@gmail.com

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August 31, 2025

Mayor John Stephens
Mayor Pro Tem Manuel Chavez
Council Member Jeff Pettis
Council Member Andrea Marr
Council Member Loren Gamos
Council Member Mike Buley
Council Member Arlis Reynolds
City Manager Cecilia Gallardo-Daly

City of Costa Mesa

77 Fair Drive
Costa Mesa, CA 92626

**RE: Public Comment on Agenda Item 4 (Old Business)
Orange County Power Authority
September 2, 2025**

Dear Mayor Stephens, Mayor Pro Tem Chavez, Council Members, and City Manager Gallardo-Daly:

I am writing to strongly oppose the City of Costa Mesa joining the Orange County Power Authority ("OCPA"). I was a resident of Costa Mesa for 15 years where I attended TeWinkle and graduated from Estancia High School. My parents lived in Costa Mesa for 45 years and my brother and his wife currently live in Costa Mesa. I graduated from USC and completed an Executive Program at the Darden School in Virginia. I had a successful career for 30 years in Corporate Finance, Banking and Investment Banking in San Francisco and New York. I presently reside in Irvine where I am a former Planning Commissioner for the City.

OCPA has had a very troubled existence from inception and today continues to struggle even more both financially and from a transparency perspective. OCPA made three core promises to the residents when they started operations and these are the promises and the current results:

1. Offer choice through local government control over energy procurement

OCPA outsources energy procurement to consultants Pacific Energy Advisors in Folsom, CA. Over the past 12 months, OCPA has purchased over 84% of their energy from 4 companies: Constellation Energy (Maryland), Shell Energy North America (Netherlands), Sunrise Power (Texas) and Southern California Edison (California). Energy dollars that were previously retained in California have now been largely outsourced to energy companies outside of California.

Residents were never offered any choice over whether to join OCPA. They were forced into OCPA by City Councils that voted to join. The City of Irvine had over 30% of their residents opt out of joining OCPA at inception – one of the highest opt out rates in the history of CCA launches.

2. An organization led by professionals to serve the community and create local jobs

OCPA continues to outsource jobs to consultants located outside of Orange County and the State of California including the customer call center which is operated by Calpine (now acquired by Constellation) in Texas. OCPA cannot even produce internally their quarterly financial statements instead relying on a northern California accounting firm even after hiring a full time Chief Financial Officer (Salary of over \$300,000) and a Controller. OCPA is spending over \$4 million on public relations firms such as Reveille and Golden Communications and now wants to hire a Sacramento lobbyist at \$250,000 per year. This has not created local jobs for Orange County or the member cities.

3. Provide affordable, competitive rates to deliver clean energy

OCPA's Power Content Label has a large and growing amount of unspecified power – where the source of the energy cannot be determined. OCPA has relied heavily on the purchase of Renewable Energy Certificates (at \$40 million per year) to greenwash their brown power purchases. Despite numerous requests from the City of Irvine and ratepayers, OCPA has declined to disclose what types of energy are being procured even when member cities have signed Non-Disclosure Agreements. In November of 2024, OCPA announced to their member cities that they could not procure energy at the 100% Renewable or Smart Tiers due to the costs of renewable energy. They requested that the entire ratepayer base opt down for two years or face skyrocketing utility bills increasing upwards of 400%.

The City of Irvine opted the City municipal accounts and all resident accounts down to the Basic Choice – a level that is on par with Southern California Edison. While ratepayers were allowed to opt back up to 100% Renewable or Smart Tiers, only 8 residents (**EIGHT**) opted back up from the Basic Choice. In addition, the City Manager issued a letter to OCPA regarding their last minute emergency tier change noting several questions about the actions of the Board and the CEO Joe Mosca (letter attached). After this letter, the Irvine City Council voted unanimously to exit OCPA in 2025 granting unilateral authority to the City Manager to issue the exit letter. The City of Irvine is 60% of OCPA's electricity load.

The State of Massachusetts, which set up the first CCA in the nation, has now concluded that providing energy choice has only led to significantly higher electricity costs for their residents and a disproportionate impact on their lowest income ratepayers. Over the past 8 years, they estimate Massachusetts residents lost over \$577 million through higher rates than if they had stayed with their existing utility

provider's basic service. I've attached the press release on their study, and a copy of the full study is being provided to your City Manager.

Recent Developments and Risks

There are several deteriorating trends for OCPA that present unknown risk for any new member city to consider:

1. OCPA is losing money and will continue losing money through 6-30-2026, reducing their reserves by 48% by 12-31-2025

At FYE 6-30-2025, OCPA incurred a loss of over \$15 million. They are projecting another loss at FYE 6-30-2026 of almost \$30 million. To cover for this deficiency, OCPA will be exhausting their Rate Stabilization Fund of \$45 million by December 31, 2025. This leaves OCPA with only \$45 million in remaining reserves or 16% of operating costs versus their Board directive of maintaining reserves at 30% to 50% of operating costs.

OCPA's energy providers are requiring \$15.8 million in cash collateral to supply their energy needs. This reflects a lack of confidence in OCPA's ability to pay their suppliers.

2. OCPA cannot meet their required Fixed Charge Coverage Ratio of 1.40x for the US Bank credit agreement

This is the second Event of Default under the bank credit agreement for OCPA. They have indicated they are in process of negotiating a waiver with their Bank so it is unknown what their actual fixed charge coverage ratio is at this point and if they can obtain a waiver.

3. On 12/31/2026, OCPA will switch to charging rates based on full cost recovery

Cost Recovery is defined by OCPA as "full recovery of energy procurement costs, operating expenses, debt service obligations, and reserve contributions". Basically, OCPA will right their financial ship off the backs of their ratepayer base. Unlike SCE, OCPA can change rates at any time with only Board approval. Costa Mesa would be one vote and would not be able to veto any rate increase for your own ratepayers.

4. The impact of AB 205 in November 2025 has not been reflected in the OCPA budget forecasts despite having paid a consultant \$9,200 for a study in 2024

Once AB 205 is implemented, OCPA will find itself at a competitive disadvantage with respect to rate comparisons to SCE. OCPA is already charging more on the generation rate side to SCE and once SCE's rates decline by \$24.15 per ratepayer, it will be

impossible for OCPA to compete with SCE. This could lead to a massive opt out for OCPA and a corresponding reduction in their customer base.

OCPA's budget forecast stated that the effect of AB 205 was not yet determined, however their own consultant study concluded that AB 205 could increase OCPA's residential bills by \$6 to \$10/month. A copy of this consultant report is provided in the package to the City Manager.

5. OCPA is considering the issuance of prepayment bonds to shore up their cash position, but this adds a significant, unquantified risk to member cities and ratepayers.

These complex 30 year bonds include significant costs of issuance, complexity with the use of derivatives, and unknown liabilities back to the ratepayers. OCPA has not yet met with member cities to explain this complex transaction and the consequences of issuance. Given that the Joint Powers Agreement is one of only 3 CCA's in California that puts the liability onto the ratepayers (JPA Liability Clause summary for CA JPA's included with City Manager package), this type of transaction requires careful study, transparency, discussion with member cities including a vote and disclosure of the risks.

6. OCPA continues to be non-responsive to the concerns and issues presented by their member cities, most notably the City of Irvine.

OCPA attempted to usurp the requirements of the JPA by unilaterally changing the energy tiers for the City of Irvine and their residents. When confronted by the City Manager and City Attorney in Irvine through a letter (copy attached), OCPA decided to comply with the stated terms of the JPA. After this incident, the two board representatives from the City of Irvine requested a presentation by OCPA of the options regarding the early repayment of the loans made by the City of Irvine to fund the start up of OCPA. This motion passed with Mr. Mosca agreeing to present the options within 90 days (February 2025). Mr. Mosca and OCPA have never presented the options to the Board or to the City of Irvine, ignoring their largest customer and the Board approved directive.

Even more recently, OCPA indicated a desire to pursue solar initiatives within the Great Park in Irvine. However, according to our current City Manager, OCPA has been nonresponsive to requests by Irvine City Staff to understand this new initiative.

Summary

Finally, I would reference a letter I've attached from the City of Long Beach that studied joining a CCA for 6 years. Long Beach has its own gas plant and staff members with over 40 years of experience in power procurement. Their exhaustive study of this issue culminated in their letter to the City Council in 2023 wherein they outlined the issues with CCA's and their reasons for declining to join any CCA. This motion was unanimously supported by their City Council.

The Costa Mesa City Council has a fiduciary duty to study and understand the risks inherent in putting their residents into an unproven and financially unstable entity. The Joint Power Authority Agreement which is the governing document for OCPA contains numerous inadequate and vague provisions addressing only the assignment of liabilities and not reserves and/or assets. The question you should be asking Mr. Mosca is what the costs are to enter and exit OCPA.

I would ask that you investigate other alternatives with SCE, invite them to present their ideas and programs to the City Council before proceeding further. SCE has their own investors who understand the risks of investment while OCPA forces residents to be their investors and take on only the downside risks of the volatile energy market. There are many alternatives for Costa Mesa to pursue for their clean energy goals. OCPA is an Enron like energy trading company taking on commodity risk that is undisclosed to their ratepayers. OCPA is a risky and unproven option and should be discounted at this time.

Very truly yours,



Michelle C. Johnson

Enclosures:

PowerPoint slides – Orange County Power Authority Risk Analysis and Update

Letter Dated December 5, 2024 from Oliver Chi, City Manager, Irvine to CEO Mosca

April 28, 2023 Memo from Long Beach Utilities Dept on CCA Feasibility

4/3/2024 Press Release from Attorney General Andrea Joy Campbell State of Massachusetts

Full Report dated April 2024 on the Residential Electricity Market in Massachusetts (City Manager only)

July 16, 2024 Report on Income Graduated Fixed Charge Bill Impact Analysis (City Manager Only)

Comparison of JPA Liability Clauses in California (City Manager Only)



December 5, 2024

Joe Mosca
Chief Executive Officer
Orange County Power Authority
15642 Sand Canyon Avenue
P.O. Box 54283
Irvine, CA 92619-4283

Delivered Via Email

Dear Mr. Mosca,

As the City Manager for the City of Irvine (City), I am writing to you to express the serious concern that City staff has regarding the actions that you have agenized for the Orange County Power Authority Board (Board) to consider at a Special Meeting on December 6, 2024, at 9:30 a.m.

At that special meeting, Orange County Power Authority (OCPA) staff is asking the Board to do the following:

- (1) Authorize the OCPA staff to take all preliminary steps necessary to provide early repayment in full of the \$7,500,000+ Capital Loan owed to the City of Irvine;
- (2) Make significant changes to Board Policy 23, relating to the selection of the Default Rate Product by cities on behalf of their constituents; and
- (3) Provide direction relating to “potential changes in Orange County Power Authority Rate Design in relation to updated energy market information and default rate product scenarios.”

We are confused as to why you and OCPA have called a special meeting with only 24-hours of advance notice to contemplate these matters. None of these are issues are new. The Capital Loan (Agenda Item 4.1) has been in place since 2021, and is not due until 2027. The turmoil in the power supply market that appears to be the motivation for Agenda Item 4.2 (stripping cities and subscribers of their authority over the Default Rate Product) and Agenda Item 4.3 (modifying the rate design) has been evolving for many months. Yet, for reasons that are unclear to the City, OCPA has proposed Board actions on all three of these items with only limited notification, and with no outreach to the City to inform us

Importantly, reinforcing that obligation, the Debt Subordination Agreement requires that the City turn over any payment that if OCA is not entitled to make that payment.

At best, it is unclear why OCA staff have chosen to agendize this matter on such short notice, and with so few details. It is also unfair and unrealistic to expect the Board, the public, and the City of Irvine, to be well-informed about this matter before the Board acts, given the lack of information and analysis provided in advance of the meeting. Rather than make a multi-million dollar decision in this rushed and under-informed environment, we urge you to recommend that the Board take a step back; discuss the loan repayment with Irvine staff; provide a reasoned written staff analysis to explain why repayment of the loan is good for OCA, ratepayers, and Irvine; and make an informed decision at a properly noticed regular meeting.

For its part, the City staff is also disappointed that OCA did not more actively communicate on this issue. The City provided more than \$7,500,000 to form and provide seed funding for OCA. The City has been a good partner and a strong ally to OCA. The courtesy of some advance notice and discussion between OCA staff and City staff would have been appreciated.

Agenda Item 4.2 – Updates to Policy No. 23, Changes to Default Rate Product Policy, and Approval of Changes to Power Supply Options/Default Rate Products Relating to OCA Energy Procurement Strategy Changes

In the opinion of Irvine's staff, if Agenda Item 4.2 is approved, it will represent a massive breach of trust with both OCA's Member Agencies, and with all of the electrical power subscribers who are members of OCA.

As you are aware, Board Policy 23 currently states, "Each Orange County Power Authority ("OCA") Member agency has discretion to select to the Default Rate Product for the customers in its respective jurisdiction." These words are clear and unambiguous, and the ability of each agency to choose the default rate was fundamental to many (if not all) cities' decision to join OCA.

Agenda Item 4.2 would severely diminish that authority through a bait-and-switch – member agencies will nominally retain the ability to choose a "default rate," but the policy proposed by OCA staff redefines the term "default rate" to mean whatever the Board wants or needs it to be.

Further, the revised policy would also allow the Board to determine that "certain OCA Rate Products will not be available to one or more Member Agencies as Default Rate

defined and rushed. Selection the rate design and default rate products are two of the most fundamental tasks for the OCPA staff and Board. They take months of study and analysis, involve the expenditure of hundreds of millions of dollars, and impact the lives and trust of hundreds of thousands of subscribers. A misstep or an uninformed decision can have drastic adverse effects.

Despite those realities, the "Discussion/Fiscal Impact" section of the staff report states **in full, the following:** "A summary of this item will be provided orally at the Board meeting."

As with the Capital Loan item, the staff report acknowledges that "Staff have prepared a presentation with updated possible scenarios ...", but the presentation is not provided. To put it mildly, this is not the way to conduct serious public business.

Based on the foregoing, I would urge you to recommend that the OCPA Board not to act on any of the three above referendum agenda items. Of course, it would have been preferable if you had provided me and the City of Irvine with the courtesy of informing us about these dramatic proposed changes in advance of the publication of your December 6, 2024, special meeting agenda, so that we could have at least shared our perspective with you. Regardless, if you are available, I remain open to discussing these matters with you, and can be reached at [REDACTED], or via email at ochi@cityofirvine.org.


Regards,





Oliver Chi
City Manager, City of Irvine

Cc: Jeff Melching, Irvine City Attorney

Date: April 28, 2023

To: Thomas B. Modica, City Manager 

From: Robert Dowell, Director, Energy Resources 
Christopher J. Garner, General Manager, Long Beach Utilities Department 

For: Mayor and Members of the City Council

Subject: **Long Beach Community Choice Aggregation Feasibility Study Status**

History

In 2002, the California State Legislature passed Assembly Bill (AB) 117, creating Community Choice Aggregation (CCA), which allows cities, counties, and some special districts the option to aggregate the electrical buying power of individual customers into a single entity. A CCA supplants the traditional role of the existing private electric utility as the buyer of the electricity for the customers. The goal is for a CCA to secure electricity supply contracts that offer customers a higher percentage of renewable energy than currently offered by traditional electric utilities while remaining cost comparable to the private utilities.

In 2017, the City Council first requested City staff to evaluate the potential benefits of forming a CCA, as well as potential risks, for the Long Beach community. Over the past several years, staff has provided the City Council with periodic updates on the viability of forming a CCA, each time recommending against the formation of a CCA due to various reasons including substantial financial risks and regulatory uncertainties. Rather than forming a CCA, the City has pursued new opportunities that have become available, as well as opportunities the City sees forthcoming, relative to increasing Long Beach's green energy use in replacement of electricity produced with traditional fossil fuels.

This memorandum is in response to the City Council's request on December 7, 2021, to provide a follow-up report on the feasibility of the City forming a CCA.

Background

As noted in previous communications with the City Council, the opportunity to form a CCA also carries significant risk, to both the customers and the City of Long Beach (City). Therefore, as the City has evaluated different avenues for achieving green energy benefits, the need to mitigate risk must be, and has been, a strong consideration.

A City CCA would supplant Southern California Edison's (SCE) existing responsibility of being the default buyer of the electricity commodity for all 500,000 Long Beach residents and businesses. The dollar value of this responsibility that the City CCA would assume from SCE is well above \$100 million annually. All SCE customers in Long Beach would be defaulted "in"

towards a cleaner, healthier environment. Under the Green Rate Program, SCE will purchase, on the Utilities' behalf, solar energy from independently owned solar farms in California. This program gives our City the option to request SCE purchase green power for either 50 percent or 100 percent of Utilities' energy usage. If the Utilities' opts for the 50 percent green rate option, the other 50 percent of the Utilities' needs would be met with energy from SCE's standard energy supply portfolio. The City is also assisting SCE in promoting this green power option to Long Beach residents and businesses.

In addition to the electrical Green Rate Program, the City is an active partner in several statewide and regional clean energy initiatives:

- **SCE CPCP Work Group** – This is a joint work group with co-leadership from City and SCE staff. Collectively, our organizations are actively working on upgrading electrical infrastructure in Long Beach to support increased EV fleet vehicle charging. This work will enable the City to safely and reliably transition a larger percentage of our City fleet to electric vehicles in the near future.
- **California Energy Commission** – The California Energy Commission (CEC) has been holding meetings to identify opportunities to decommission some natural gas infrastructure in the State, and also look at ways to increase the availability of and safety for new electrical infrastructure, as well as battery storage, which would be needed for a clean energy future.
- **Alliance for Renewable, Clean Hydrogen Systems (ARCHES)** – Long Beach, with direction from the City Council, has taken a leadership role in the statewide ARCHES coalition, building a framework for advancing clean energy in Long Beach and statewide.

Through this work, we have also found that ongoing activities at the California Public Utilities Commission (CPUC) will continue to impact CCAs and the future of clean energy development.

CCA Rates

In 2022, a comparison* of the lowest priced option for CCAs against the base option charged by SCE, indicated that the CCA rates ranged from being 1.1 percent lower to 2.0 percent higher than SCE. For 2022, SCE had a green rate anomaly in which its 100 percent green rate was much lower than its base rate, as well as much lower than the 100 percent green rates charged by CCAs, with SCE's 100 percent green rate ranging from 3.8 percent to 19.3 percent lower than those charged by CCAs. As SCE's green rate was priced unusually low, this option was oversubscribed and not available to all SCE customers interested in taking advantage of this option.

In 2023, SCE has had a significant rate increase and some CCAs have quickly similarly followed while others are expected to do the same very soon. For example, CPA which serves certain areas in the Counties of Los Angeles and Ventura, this month approved an interim rate

LSE Type	Date Fine was Issued	Company	Citation Amount
CCA	05/17/2022	CleanPowerSF	\$ 2,500
IOU	06/03/2022	San Diego Gas & Electric	\$ 11,000
CCA	09/15/2022	Silicon Valley Clean Energy Authority	\$ 5,000
ESP	08/30/2022	EDF Industrial Power Services, LLC	\$ 1,500
CCA	09/14/2022	CleanPowerSF	\$ 20,000
ESP	09/15/2022	Direct Energy Business, LLC	\$ 499,145
ESP	09/15/2022	Direct Energy Business, LLC	\$ 1,733,021
CCA	09/16/2022	Orange County Power Authority	\$ 415,406
CCA	09/16/2022	Central Coast Community Energy	\$ 25,000
CCA	09/21/2022	Central Coast Community Energy	\$ 506,098
CCA	09/22/2022	CleanPowerSF	\$ 1,456,320
CCA	09/30/2022	East Bay Community Energy	\$ 878,587

CCA Financial Security Requirements

Currently, CCAs must provide a Financial Security Requirement (FSR), i.e., deposit, which is designed to cover any incremental costs that their incumbent IOU might face in the result of their sudden failure and the return of all their customers to full IOU service. This amount equals a fixed \$147,000, to the address administrative costs to absorb the CCAs customers, plus an amount to cover any incremental procurement costs that the incumbent IOU would face serving the returned customers. The incremental procurement cost is updated every 6 months and is based on a formula set in 2013. Up until early 2022, the FSR has been simply the fixed administrative cost of \$147,000.

The WCE failure in 2021 demonstrated that the current FSR amount was insufficient to cover the administrative costs of absorbing the returned customers, let alone the incremental procurement costs. In May 2022, because of high forward power prices, the incremental procurement formula resulted in very high FSRs. For example, the FSR for the CPA CCA would have increased from \$147,000 to \$88 million. The CPUC suspended the updated FSR calculation, subject to an overall reconsideration.

Because of WCEs failure and the extreme increase in the FSR per the formula change, the CPUC integrated the issue of how to ensure that failed CCAs do not impose costs on their incumbent IOU or their ratepayers into Rulemaking 21-03-011. Parties to that proceeding have put forth various proposals to revise the FSR calculation, all of which would significantly increase it from the current \$147,000 amount. A proposed decision on this issue should be released in the next few months. We anticipate that the CPUC will increase the administrated portion of the FSR beyond \$147,000 and include some safety valves that will prevent the FSR from increasing too much from year to year.

OFFERED BY [Office of the Attorney General](#)

PRESS RELEASE

New Report: Massachusetts Residents Lost Over \$577 Million Through Competitive Electric Supply Contracts In The Last 8 Years

Report calls the competitive electric supply industry a “predatory and broken market,” calls for the Legislature to act to protect consumers.

FOR IMMEDIATE RELEASE:

4/03/2024

Office of the Attorney General

MEDIA CONTACT

Max German, Deputy Press Secretary

Phone

(617) 727-2543

Online

Max.German@mass.gov

BOSTON — Attorney General Andrea Joy Campbell today released a new [competitive electric supply report](#), (</doc/competitive-electric-supply-report-2024/download>) which found that in the last eight years, individual residential customers who switched to and received their electric supply from competitive suppliers paid over \$577 million more on their electric bills than they would have paid if they stayed with their utility company's basic service. As detailed in the new report, customers accrued significant net losses in seven of eight years studied, with \$51.8 million in net losses for the two most recent years, July 2021–June 2023.

“This report once again shows a clear pattern by the individual competitive electric supply industry of substantially harming our residents, with customers experiencing net losses of \$51.8 million for the two years studied and predominantly in communities of color and low-income communities,” **said AG Campbell**. “The harms caused by these companies significantly outweigh any benefits to consumers, and I will continue to push and advocate to the Legislature for the elimination of this predatory and broken industry.”

Max.German@mass.gov



Office of the Attorney General

The Attorney General is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts.

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ORANGE COUNTY POWER AUTHORITY

Risk Analysis and Update

For Costa Mesa City Council –Item 4

September 2, 2025

Michelle Johnson

OCPA promised the following when they launched service in 2022:

1. Offer choice through local government control over energy procurement
2. An organization led by professionals to serve the community and create local jobs
3. Provide affordable, competitive rates to deliver clean energy

1. Offer choice through local government control over energy procurement

OCPA energy purchases are concentrated in 3-4 companies largely headquartered outside of California:

2024 Top Energy Providers - 84.5%

Constellation Energy (MD)	\$67.5 MM (32.1%)
Shell Energy North America (Netherlands)	\$65.4 MM (31.1%)
Sunrise Power (TX)	\$22.9 MM (10.9%)
Southern California Edison (CA)	\$21.9 MM (10.4%)

- ▶ **OCPA** outsources energy procurement to consultants Pacific Energy Advisors in Folsom, CA
- ▶ **Energy procurement dollars** that were previously retained in California have now been largely **outsourced to energy companies outside of California**

3

*Sourced from OCPA check registers on a calendar year payment basis

OCPA has suspended additional purchases of renewable energy for two years and energy providers require cash collateral

► OCPA suspended PCC1 purchases for 2025 and 2026 – 24 months

- 400% spike in renewable energy market prices started late 2024
- **OCPA** defines PCC1 as follows:
 - PCC1 is a renewable resource located within the state of California or, a renewable resource that is directly deliverable to California without energy substitution from another resource.

► \$15.8 Million in **cash collateral** was posted from May 2024-December 2024

- Shell Energy, SCEdison, PG&E, Grace Orchard Energy, CAISO
- Unknown additional postings due to lack of check register postings in 2025 (only March 2025 has been posted)

► Cash collateral requirement indicates a **weak financial position of OCPA** and **lack of confidence** in their ability to pay for energy purchases

2. An organization led by professionals to serve the community and create local jobs

► **OCPA** continues to outsource jobs to consultants

- A full time Chief Financial Officer and full time Controller are still outsourcing accounting and financial statement preparation - why?
- **OCPA** increased their spending on public relations to Reveille (\$4 million), Golden Communications and others
- The call center and customer contact location is run by Calpine in Texas (acquired by Constellation Energy) and rates will be increasing substantially in FY 2026 (\$2.2 Million)
- **OCPA** is forecasting to hire a Sacramento lobbyist for FY2026 at a salary of \$250,000

OCPA IS AN ORGANIZATION RUN BY CONSULTANTS AND POLITICAL OPERATIVES OUTSOURCING JOBS OUT OF IRVINE AND THE STATE

3. Provide affordable, competitive rates to deliver clean energy

OCPA is a relatively small player in the energy commodity markets and continues to struggle to deliver on their promise of competitive rates for clean energy

- ▶ Price spikes of Renewable Energy in FYE 2025 prompted **OCPA** to request member cities/ratepayers to opt down from 100% Renewable Energy or risk skyrocketing rates (increased rates of 400%+!)
 - **OCPA** reported that only 8 residents in Irvine opted back up to 100% Renewable Energy indicating a lack of demand for their product
- ▶ **OCPA** historically has benchmarked their rates to Southern California Edison providing less than 1% savings on the total Basic Rate and significantly higher rates for their renewable energy tiers – from an **OCPA** Board Meeting on rates:
 - **OCPA's** rates “in setting the Basic Choice customer rates equal to Southern California Edison’s current rates, it would not fully recover the **OCPA** annual revenue requirement, so **some additional costs are recovered through the premium on the other product offerings**, including the Smart Choice product offering”

Implementation of new legislation in November 2025 – AB 205 – and the impact on **OCPA** is a risk that **OCPA** has not yet addressed

- ▶ All residents within SCE territory will see a \$24.15 fixed fee on the delivery side of their bill and a corresponding reduction in the generation rate to offset the fee
- ▶ The most recent joint rate comparison of SCE/OCPA indicates **OCPA is already charging higher generation rates than SCE**

Residential

Monthly Usage: 541 kWh

SCE rates are current as of June 1, 2025. OCPA rates are current as of July 14, 2025.

This rate comparison represents similar comparisons for D-SDP, D-SDP-O, DE, DE-SDP, DE-SDP-O, DM, DMS-1, DMS-2, DMS-3

Domestic	SCE	OCPA Basic Choice (47% Renewable)	OCPA Smart Choice (55% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.11136	\$0.12323	\$0.13323	\$0.13823
SCE Delivery Rate	\$0.24862	\$0.24069	\$0.24069	\$0.24069
Surcharges	\$0.00000	-\$0.00775	-\$0.00775	-\$0.00775
Total Costs	\$0.35998	\$0.35617	\$0.36617	\$0.37117
Average Monthly Bill (\$)	\$194.75	\$192.69	\$198.10	\$200.80

At 12/31/2026 **OCPA** will switch to charging rates based on cost recovery defined as:

- ▶ **“Full recovery of energy procurement costs, operating expenses, debt service obligations, and reserve contributions”**
- ▶ Unlike Investor-Owned Utilities that must apply and receive CPUC approval for rate increases, **OCPA** can change rates at any time with Board approval leaving ratepayers exposed to swings in the energy markets

Ratepayers will be exposed to higher pricing whether they are in the Basic Choice tier or higher as **OCPA seeks to recover their costs and rebuild their reserves through their new cost recovery pricing method**

Financial Update and Outlook

OCPA is unable to meet their lender required Fixed Charge Ratio(1.40x) necessitating a requested waiver to remain in compliance with their credit agreement

- ▶ This is the 2nd requested waiver for **OCPA**
 - **OCPA** previously defaulted their credit agreement when they misapplied payments to the City of Irvine loan in noncompliance with their bank waiver
 - **OCPA**'s inability to provide sufficient financial capacity to cover their debt service is **another indicator of their weakening financial position**

OCPA's Rate Stabilization Fund of \$45 million is forecast to be depleted by 12-31-2025

- ▶ Deferred Revenue is an accounting mechanism which takes revenue earned in a prior period and moves it to a current period in order to show a profit
- ▶ Considering the actual revenues and expenses for the FYE, **OCPA** is expecting to record a **deficit for FYE 2025 of \$15 Million** and a **deficit for FYE 2026 of \$29 Million**
 - The deficit in FYE 2026 could be much larger during the first 6 months when the Rate Stabilization Fund is expected to be fully exhausted
 - Thereafter, **OCPA** is forecasting they will record breakeven profitability and keep their reserve at \$45 Million or 16% of operating expenses which is far below the target of 30% to 50% of operating expenses

OCPA's reserves are forecast to decline 48% from a high of \$86 million (FYE 2024) to \$45 million (FYE 2026)

\$ thousands	OCA Forecast	OCA Budget
	<u>FYE 6-30-2025</u>	<u>FYE 6-30-2026</u>
Revenues		
Electricity Base	248,064	246,322
Smart Choice Premium	5,257	7,430
100% Renewable Premium	16,008	3,252
Less: Uncollectible Accts	(4,713)	(3,855)
Deferred Revenue	<u>15,112</u>	<u>29,888</u>
Net Revenue Electricity	279,728	283,037
Investment Income	4,510	3,000
Total Net Revenue	284,238	286,037
Expenses/Other		
Cost of Energy	271,038	269,368
Other Expenses	12,514	15,904
Other Uses (Capital Outlay)	377	0
Debt Service – Interest	309	314
Total Expenses/Other	284,238	285,587
Net Income (Surplus/(Deficit))	0	450

OCPA's consideration of prepayment bonds is an attempt to shore up their cash position and adds a significant, unquantified risk to member cities and ratepayers

- ▶ The **OCPA** Joint Powers Agreement is one of only 3 CCA's in California that **puts the liability onto the ratepayers**
- ▶ Substantial upfront costs of issuance, complexity of derivatives, and long term nature (30 years) of these transactions requires careful study, transparency, discussion with member cities and disclosure

OCPA has targeted their first issuance of prepayment bonds by January 2026 with little time for analysis of the risks inherent in a complex financial transaction

Summary and Recommendations

- ▶ **OCPA** has lost 50% of their initial member city base since inception
 - **OCPA** has only signed one new member city (Fountain Valley late 2026) with Dana Point, Laguna Woods, Stanton and others declining to join **OCPA**
 - Fountain Valley will be the smallest member city of OCPA and the opt out rate is unknown at this time
- ▶ **OCPA's financial condition is deteriorating**
 - Rate Stabilization Fund of \$45 million is expected to be depleted by 12/31/2025
 - Operational shortfalls are continuing to put cash flow pressure on **OCPA** until at least 12/31/2026
 - Bank financial covenants are not being met necessitating bank waivers
 - Energy providers are requiring cash collateral to ensure payment

Summary and Recommendations

- ▶ The volatility of the energy markets make it impractical for **OCPA** to provide an accurate forecast and impacts their ability to provide cheaper, cleaner energy to ratepayers
 - **OCPA** ceased purchasing PCC1 100% Renewable Energy for 2 full years
 - **OCPA** is changing their rate methodology to a “cost recovery” method to pass along higher rates to ratepayers to rebuild their reserves and stabilize their financial condition
 - **OCPA** has not been able to accurately forecast their financial position due to the extreme volatility of the energy markets coupled with the departure of members
 - The unknown risks of the full implementation of AB205 in November 2025 and the effect on rates has not been disclosed

Summary and Recommendations

- ▶ **OCPA is not responsive to the concerns and issues presented by the City of Irvine (OCPA's largest member city and over 60% of their electricity load)**
 - **OCPA's** CEO and CFO requested an urgent opt down from the City of Irvine/ratepayers in November 2024 with little notice to the City prompting a letter from the City Manager
 - **OCPA's** current Budget repeatedly blames the City of Irvine's "unexpected shift from 100% Renewable Choice to Basic Choice" for **OCPA's** financial shortfalls
 - City of Irvine's **OCPA** Directors requested by February 2025 a presentation on the options for repayment of the City of Irvine loans – this request has been ignored by OCPA and no presentation/analysis has ever been made despite CEO Mosca and the Board approving the motion
- ▶ **OCPA's consideration of prepayment bonds is an attempt to shore up their financial position and presents a significant, unquantified risk to the member cities and ratepayers**
 - The long-term risks of prepayment bonds to **OCPA**, member cities and the ratepayers is unclear
 - The **OCPA** Joint Powers Agreement is one of only 3 CCA's in California that **puts the liability onto the ratepayers**

Summary and Recommendations

The Costa Mesa City Council has a **fiduciary duty to your residents** to perform due diligence before entering any agreement with **OCPA** including

- ▶ Understanding the risk to the ratepayers and the City of an **increase in electricity rates** caused by AB 205 and their new cost recovery method and the ability of Costa Mesa to impact, positively or negatively, the rates their residents will pay with one Board seat
- ▶ A thorough review of the **Joint Powers Agreement** including the costs of entry and the costs and process to exit
- ▶ A full understanding of the **financial outlook** for **OCPA**
- ▶ The risk of **issuing long term bonds** to the ratepayers and the City
- ▶ The impact on **OCPA** of an **exit by the City of Irvine** (60% of **OCPA**'s electricity load) – voted unanimously on 12/12/2024 to issue a letter to exit by 12/31/2025

Summary and Recommendations

“There’s a reason that investor-owned utilities are owned by investors: they’re willing to put their own money into it for the risk that’s in that market and they know that if the utility does well, they benefit from that. When you’re a CCA and you’re buying a commodity, your investors unfortunately are your residents. And unbeknownst to them, they’re taking on a piece of the risk in the energy market”

***Christopher J. Garner, General Manager
Long Beach Utilities Department***

Who is looking out for the ratepayers?

From: [Jim Ward](#)
To: [CITY CLERK](#)
Subject: A strong recommendation for Costa Mesa to join OCPA
Date: Tuesday, September 2, 2025 11:42:44 AM

I highly recommend that the Costa Mesa City Council take whatever steps are necessary to join OCPA.

I have been a climate activist and a strong advocate of Community Choice Energy since before OCPA was formed.

Although I am not a resident of Costa Mesa, I have lived in Orange County for over 50 years. I believe it is very important for Costa Mesa to show the leadership which might influence other Orange County cities to join OCPA also.

This has become more personal for me than just a climate issue. I recently purchased a plug in hybrid and have seen my electric bill take a significant Increase. Unfortunately, I live in a small condo in Rancho Santa Margarita which would make it impractical for me to install solar panels. The best way for me to reduce my SCE bill and my carbon footprint would be to have my city join OCPA also. And the best way to do that would be to convince them to follow the leadership of other Orange County cities such as Costa Mesa.

I hope that my email can be forwarded to each of the City Council members. Thank you.

James Ward
Rancho Santa Margarita, California 92688

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From: [Joclyn Rabbitt-Sire](#)
To: [CITY CLERK](#)
Subject: Agenda Item #4
Date: Tuesday, September 2, 2025 12:16:48 AM

Dear Mayor Stephens, Mayor Pro-Tem Chavez, and all Council Members,

I am a resident of Huntington Beach writing to you in strong support of agenda item #4, concerning Costa Mesa's next steps with regard to Orange County Power Authority (OCPA). I understand the results of the feasibility study point to highly favorable outcomes if you opt to join Orange County's sole Community Choice Aggregator. With such positive prospects facing the City, you are poised to unlock enormous benefits for your community, including cost savings, rate stability, and reinvestment of returns back into your city infrastructure.

One of the most important benefits your residents and businesses stand to gain is **choice**. With OCPA, ratepayers can choose how much of their energy comes from renewable sources. As a resident of one of the four cities that founded OCPA in 2022, this choice is something that I and many of my neighbors gravely miss since it was taken from us last year. I am hoping that you as a Council will make more judicious decisions than my city's council concerning OCPA, and keep the benefits to your people as your guiding priority. If you do, I'm certain you will adopt the provisions laid out in agenda item #4 this evening.

Thank you for your consideration.

Sincerely,

Joclyn Rabbitt-Sire

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From: drynerson@earthlink.net
To: [CITY COUNCIL](#); [CITY CLERK](#)
Subject: Agenda Item #4: OCPA Feasibility Study
Date: Tuesday, September 2, 2025 10:23:45 AM

Costa Mesa City Council -

While I am not one of your constituents, I think that my experience with OCPA in Huntington Beach might be of interest to you. As I'm sure you know, Huntington Beach had OCPA for several years, and then our city council decided to terminate the relationship.

Here are several things that I think you should know about OCPA in HB.

Despite numerous claims that people were forced onto OCPA service, nothing could be further from the truth. All residents and businesses received notice of the relationship several months in advance and were given the option to choose their service plan. The options included three plans from OCPA as well as remaining on SCE. Residents and businesses were also notified that they could change their choice at any time by simply reaching out to the provider and requesting a change to the service they desired. That request could be a change of plans within OCPA or a return to SCE service.

OCPA offered three plans in Huntington Beach: a lowest cost plan, a balanced plan, and a 100% green energy plan. SCE offered no such choices - there was only the base plan or a TOU (Time-Of-Use) plan for those of us with solar. There was no 100% green option at all. An interesting point is that OCPA's lowest cost plan was less expensive than any SCE plan.

You might be surprised to learn that about 80% of residents and businesses chose to be on OCPA. I was one of them. My experience was seamless. I chose the 100% green energy plan and was transitioned to it with no issues. It cost me an extra \$3 a month to be on that plan - a small price to pay to try to slow global warming and leave a liveable planet to future generations. We had no outages and no billing issues in my time on OCPA.

The Huntington Beach city council did not even bother to have public hearings ahead of their decision to pull HB out of OCPA. They did so in the face of significant public opposition, and frankly, couldn't really justify their decision. They relied on old information and half truths, much like opinions you may have seen from Jim Phelps - a former consultant for the CPUC.

What that decision did was to take choice away for Huntington Beach residents. With OCPA, we had a choice of three rate plans and could still opt for SCE. After that decision, we were all forced onto SCE with no choice of rate plans.

It's important to note that OCPA has not stood still in the intervening years. They now offer benefits that SCE does not. For those of us who have an EV, OCPA now offers a program to install a Level 2 EV charger at no cost. (Mine cost me several thousand dollars to have installed.) They also offer a \$1000 rebate on the installation of batteries for those with solar. To the best of my knowledge, SCE offers neither. SCE depends on the federal IRA tax credits, which were just rescinded.

As someone trained in economics, a bedrock principle of capitalism is that competition is necessary for our markets to function properly. OCPA is the only competition to SCE - a regulated monopoly. I would argue that our regulators are not doing a very good job. California's electricity prices have about tripled in the last 20 years and are now the highest in the continental United States. Detailed studies by environmental economists show that about 90% of that increase is due to uncontrolled spending by the utilities on transmission and distribution lines, spending that should be authorized by the CPUC, but is, in fact, 60% self-approved by the utilities.

So, my message to you is that OCPA offers your residents choices that are simply not available from SCE without taking anything away. Why wouldn't you offer that to your citizens?

Thank you for your consideration.

David Rynerson

HUntington Beach

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COLLEGE HOSPITAL COSTA MESA

Dear Costa Mesa City Council,

College Hospital Costa Mesa (CHCM) supports the City of Costa Mesa joining the Orange County Power Authority (OCPA).

As a leading provider of medical and mental health services in our community, we see every day how clean, reliable energy and a healthy environment form the foundation of physical and emotional well-being.

Additionally, as a large employer in Costa Mesa, we welcome the opportunity to secure competitive electric rates for our operations and local staff and neighbors.

Our experience with the Clean Power Alliance (CPA) in Los Angeles County—where we operate Partial Hospitalization Programs in Hawthorne and Alhambra—has been outstanding. We have enjoyed responsive customer service and transparent communications.

Above all, CHCM is dedicated to serving patients from all walks of life, including those in underserved and low-income communities. We are excited about the health-focused energy-savings programs and partnership opportunities that OCPA will bring to the Costa Mesa community.

As a community-centered business, we support the City of Costa Mesa joining the Orange County Power Authority allowing customers more sustainable options and competitive choice.

Sincerely,

Warren Bradley

Chief Executive Officer

College Hospital Costa Mesa

Good Evening Mayor, Mayor Pro Tem, and City Council Members,
Agenda Item 4

This November, in SCE's delivery area, the AB205 \$24.15 Utility Fee will be on everyone's electric bill. No exceptions. SCE bundled customers will see a generation rate reduction of between 5-7 cents per KWh to offset the Utility Fee. The big question is: will the OCPA reduce their generation rate by the same amount to offset the Utility Fee. If not, OCPA customers will be paying the \$24.15 fee and 5 cents per KWh or more in their Basic Choice and other tier rates.

30 seconds

Ask the OCPA before you make a decision that would be devastating to your residents. The OCPA has spent \$9000-\$10,000 to see how much AB205 will increase their rates and already has that answer. Make them answer the question before you get trapped. Do Costa Mesa residents want higher electric rates? I doubt it, no one needs higher bills. Don't expose your residents to this mess.

60 seconds

I have included screenshots on the aberration between SCE's and the OCPA's delivery charges. As I interpret the documents the OCPA adjusts its section of the Joint Rate Comparison to keep their Basic Choice rate artificially below SCE's Basic Rate. Query the OCPA to see if they are playing games with the numbers. Ask if they are paying SCE a portion of the surcharges to keep their rates artificially lower than SCE's. Will AB205 throw a monkey wrench into the OCPA gears?

90 seconds

Sincerely

Walter Nobrega

Affordability

- OCPA is the only avenue for rate relief available to families in Orange County.

Climate
Reality
comments

- SoCal Edison has raised rates by 90% over the past 10 years, and plans to increase prices another 45% by 2030.
- Unmitigated rate increases have burdened Southern California families; the CPUC found that almost 900,000 people are almost \$1,000 behind on their energy bills to SCE. Costa Mesa families deserve more affordable options for their energy needs.
- 12 of 13 CCE programs in Southern California offer rates lower than or equal to those offered by SCE – including OCPA.

The same
misleading
3%

OCPA's Basic Choice product is 3% less expensive per month than SCE.

- Investor-Owned Utilities (IOUs) like SCE have a profit motive to deliver for their shareholders rather than the communities they serve. By contrast, Costa Mesa has greater local control with CCE, with a Board member who can voice the community's interests as a representative of Costa Mesa.

From: [Mary](#)
To: [CITY CLERK](#)
Subject: Council Agenda Item #4 OCPA Clean Energy Choice for Costa Mesa
Date: Monday, September 1, 2025 8:26:19 PM

As a resident of Costa Mesa, I am very proud to live in a LEED Gold City and do what I can to add to environmental practices. Costa Mesa can make significant progress on climate by moving forward with OCPA Tuesday night. A study by the City of Irvine found that by joining OCPA will reduce CO2 emissions by 360,000 tons/year - more than Any other action individuals can take combined. I will be watching to see your discussion.

Mary Estrada
499 Flower Street
Costa Mesa, CA 92627

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From: [MUNOZ, SANDY](#)
To: [GREEN, BRENDA](#); [TERAN, STACY](#)
Subject: FW: Item 4: Support Clean Energy Choice in Costa Mesa
Date: Tuesday, September 2, 2025 8:36:53 AM

From: Marilyn Palomino <palominoccr@gmail.com>
Sent: Monday, September 1, 2025 7:18 PM
To: CITY COUNCIL <CITYCOUNCIL@costamesaca.gov>; +john.stephens@costamesaca.gov;
+manuel.chavez@costamesaca.gov; +andrea.marr@costamesaca.gov;
+mike.buley@costamesaca.gov; +loren.gameros@costamesaca.gov; +jeff.pettis@costamesaca.gov;
+arlis.reynolds@costamesaca.gov; +cityclerk@costamesaca.gov
Subject: Item 4: Support Clean Energy Choice in Costa Mesa

Dear Mayor Stephens and Councilmembers,

Thank you for facilitating a discussion of Costa Mesa's feasibility study with OC Power Authority (OCPA). As you consider the results of the feasibility study, please direct staff to move forward with the process for joining OCPA so Costa Mesa families can receive the benefits of clean energy choice. I live in the City of Huntington Beach and was so pleased to have the choice to select cleaner energy through OCPA. OCPA is the only alternative to fossil fuel-powered pollution that residents currently receive through SoCal Edison (SCE). Joining the agency allows families to choose for themselves which clean energy tier (Basic, Smart, or 100% renewable) best fits their household needs, all while making significant local progress on climate change. I had been on SCE's clean energy choice list for years. Then the city of HB opted into OCPA. My electrical bills were about the same and I felt like I was helping to lower the carbon footprint of our city. When the new city council pulled out of the OCPA contract I was extremely disappointed, as were many others. Please give your residents and businesses a choice!

Joining OCPA will also protect working families from arbitrary rate increases by SCE. Just in the past decade alone, investor-owned utilities (IOUs) have raised rates by 90% and plan to keep increasing prices 45% by 2030. Costa Mesa residents deserve relief from soaring energy bills by a monopoly utility that prioritizes shareholders over our communities. Please move forward with joining OCPA and bring the benefits of clean energy choice to Costa Mesa.

Thank you,
Marilyn Palomino

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From: WJnohr1@earthlink.net
To: WJnohr1@earthlink.net, WJnohr1@earthlink.net
Subject: PEP: OCPA uses their own consultant.
Date: Tuesday, September 2, 2025 8:38:06 AM
Attachments: [image001.png](#)

From: WJnohr1@earthlink.net <WJnohr1@earthlink.net>
Sent: Monday, September 1, 2025 1:35 PM
To: CITY COUNCIL <CITYCOUNCIL@costamesaca.gov>
Subject: OCPA uses their own consultant.

Good Afternoon Mayor, Mayor Pro Tem, and City Council Members,
The OCPA was just going through the motions when they hired PEA to evaluate Costa Mesa's feasibility study. The fix was in. The right consultant should have been a company that would not have financial ties to the OCPA.
Sincerely,
Walter Nobrega
Lake Forest, CA

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Mail 1:29 PM Sun Aug 31

costamesa.legistar.com

99%

EXECUTIVE SUMMARY

In July 2024, the Orange County Power Authority (OCPA) presented to the Costa Mesa City Council. At that meeting, the Council authorized the City Manager to release the City's electric load data to OCPA for the purpose of conducting a feasibility study.

OCPA engaged Pacific Energy Advisors (PEA) to conduct an independent analysis evaluating the financial implications of the City joining OCPA. The results of the study were presented to Costa Mesa staff on May 21, 2025.

Based on the study's assumptions, the outlook for the City's potential membership is favorable. A prospective launch in March 2027 is projected to yield a net positive outcome for OCPA. The study anticipates that approximately 46,000 new customer accounts in Costa Mesa would be served by OCPA, with an estimated 90% enrolling in the Smart Choice rate plan—which offers approximately 76% renewable energy content at an added cost of 1.0 cent per kWh above the Basic Choice rate in 2025. The remaining 10% are expected to choose the 100% Renewable Choice plan, which provides full renewable content at an additional cost of 1.5 cents per kWh over the Basic Choice rate.

ANALYSIS

The Community Choice Aggregation (CCA) program has been available in California since 2002, following the passage of Assembly Bill 117. This program provides an alternative to the traditional Investor-Owned Utility (IOU) model by enabling local governments to manage their own energy procurement. Through CCA, participating agencies can purchase electricity, set generation rates, and reinvest revenue locally. As of today, there are 25 operational CCAs in California, including the Orange County Power Authority (OCPA), collectively serving over 14 million customers across more than 200 cities and counties.

To assess the financial viability of membership, OCPA engaged Pacific Energy Advisors (PEA) to conduct an independent feasibility study. The results of the study will be presented to the OCPA Board in September 2025. At that time, the Board will consider whether to formally invite the City to join OCPA and initiate collaboration on the necessary steps for membership integration.

PEA acquired and analyzed the City's 2024 historical annual load consumption data from SCE, which is the most up-to-date information available, to conduct the Study. As of August 2024, there are approximately 50,600 eligible customer accounts within the City, with energy consumption of 33% for residential and 67% for commercial customers.

The Study was based on several key assumptions:

PEA is not an independent consultant. It is the OCPA's energy consultant. An independent consultant would be a company like MRW which has no financial stake in your decision.

A detailed overview of the fiscal impact—including projected incremental revenues, operating expenses, and operating margins for FY2026/27 through FY2029/30—is provided in Attachment 1. These projections, calculated on a load-weighted basis, account for energy procurement, staffing, marketing, outreach, SCE service fees, data management, reserves, and other operational costs.

Prospective Outlook

Based on the assumptions in the feasibility study, the outlook for the City of Costa Mesa joining OCPA is currently positive. A prospective launch in March 2027 is projected to result in a net financial benefit for OCPA.

However, OCPA staff emphasizes that California's energy markets are inherently volatile, with prices subject to rapid fluctuations. As a result, the study's projections may change depending on market conditions at the time of implementation.

Beyond the financial outlook, there are several strategic and environmental benefits to the City's potential participation. Joining OCPA would:

- Expand the agency's membership base,
- Support regional progress toward increased renewable energy adoption and reduced greenhouse gas emissions, and
- Enhance customer choice and local control over energy procurement and rate setting.

These benefits align with broader sustainability goals while offering Costa Mesa the opportunity to play an active role in shaping a cleaner, more resilient energy future.

OCPA Renewable Energy Content for OCPA Smart Choice Customers

In 2025, OCPA's Smart Choice plan offers 55% renewable energy plus 40% carbon free content, exceeding SCE's 2024 default basic product renewable energy content by 17%. OCPA's Basic Choice plan and 100% Renewable Choice plan offer 47% and 100% renewable energy content, respectively. SCE customers who wish to receive service with higher renewable content must opt into SCE's Green Tariff Shared Renewables program (Green Rate Program), which is currently closed to new customers. Out of approximately 5,000,000 accounts in the entire SCE service area, only about 3,000 accounts are currently enrolled in the SCE Green Rate Program.

Joining OCPA provides the City of Costa Mesa with a unique opportunity to take control of its energy choices while delivering substantial benefits to the community. As a public, community-driven agency, OCPA empowers customers to select their energy sources, including options that are more affordable or sustainable. For its existing member agencies, OCPA currently offers a 3% discount compared to SCE's equivalent generation rate on the Basic Choice plan, which customers have enjoyed approximately \$2.6 million in on-bill savings since its inception. The

Market volatility.
AB205 Utility
Fee will be
implemented in
Nov. 2025 in
SCE areas.
OCPA Basic
Rate customers
are projected to
have a large
increase in their
monthly bills.
Ask the OCPA
what the added
cost is going to
be.

Positive outlook.
What else would
it be when the
OCPA uses the
same consultant
it uses for their
energy
purchases.

From: [MARGOT SANCHEZ](#)
To: [CITY COUNCIL](#)
Subject: [P&P: The OCPA is coming for your city](#)
Date: Tuesday, September 2, 2025 8:38:31 AM

From: Wjndbr1@earthlink.net <wjndbr1@earthlink.net>
Sent: Sunday, August 31, 2025 9:15 PM
To: CITY COUNCIL <CITYCOUNCIL@costamesaca.gov>
Subject: The OCPA is coming for your city.

Good Morning Mayor, Mayor Pro Tem, City Council Members,

I am not from Costa Mesa, but worked the last eighteen years of my career as an Operations Manager for a Costa Mesa company. Costa Mesa was like my second home. I hope I can help pull back the curtain on the OCPA and how they spew misinformation in the attempt to snare unwary cities. After our city was fooled into joining the OCPA I and other Lake Forest residents countered with facts about the misinformation the OCPA used to hook our City. We presented documented factual information disputing all the misleading information and the LF City Council decided to hire an independent consultant who eventually stated that we had done our homework and that LF should exit the OCPA. I don't have skin in Costa Mesa's game but I hate to see cities fall for their misinformation. Peruse the attached Joint Rate Comparison and look at the OCPA's claim of their generation rate being 3% lower than SCE's generation rate and ask yourself why would they make that claim. I think you know why. If you have any doubts about me I welcome you to call the LF Mayor Voight or Mayor Pro Tem Pequino and ask them about me.

Sincerely,
Walter Ndzinga
Lake Forest, CA

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2:25 PM Sun Aug 31

ocppower.org

91%

OCPA's GENERATION RATE 0.12323 SCE's GENERATION RATE 0.11136 THE OCPA's GENERATION RATE IS 0.01187 MORE THAN SCE's RESIDENTIAL

Domestic	SCE	OCPA Basic Choice (47% Renewable)	OCPA Smart Choice (55% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.11136	\$0.12323	\$0.13323	\$0.13823
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Surcharges	\$0.00000	-\$0.00775	-\$0.00775	-\$0.00775
Total Costs	\$0.35998	\$0.35617	\$0.36617	\$0.37117
Average Monthly Bill (\$)	\$194.75	\$192.69	\$198.10	\$200.80

Monthly Usage: 541 kWh

SCE rates are current as of June 1, 2025. OCPA rates are current as of July 14, 2025.

This rate comparison represents similar comparisons for D SDP, D SDP O, DE, DE SDP, DE SDP O, DM, DMS 1, DMS 2, DMS 3

D-CARE	SCE	OCPA Basic Choice (47% Renewable)	OCPA Smart Choice (55% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.11136	\$0.12323	\$0.13323	\$0.13823
SCE Delivery Rate	\$0.11782	\$0.11782	\$0.11782	\$0.11782
Surcharges	\$0.00000	-\$0.01568	-\$0.01568	-\$0.01568
Total Costs	\$0.22918	\$0.22537	\$0.23537	\$0.24037
Average Monthly Bill (\$)	\$123.99	\$121.93	\$127.34	\$130.04

Monthly Usage: 541 kWh

SCE rates are current as of June 1, 2025. OCPA rates are current as of July 14, 2025.

This rate comparison represents similar comparisons for DM-CARE, D-CARE-SDP, D-CARE-SDP-O

D-FERA	SCE	OCPA Basic Choice (47% Renewable)	OCPA Smart Choice (55% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.11136	\$0.12323	\$0.13323	\$0.13823
SCE Delivery Rate	\$0.18221	\$0.17626	\$0.17626	\$0.17626
Surcharges	\$0.00000	-\$0.00973	-\$0.00973	-\$0.00973
Total Costs	\$0.29357	\$0.28976	\$0.29976	\$0.30476
Average Monthly Bill (\$)	\$158.82	\$156.76	\$162.17	\$164.88

Monthly Usage: 541 kWh

OCPA Renewable Energy Content for Smart Choice Customers

In 2025, OCPA's Smart Choice plan offers a power mix consisting of 55% renewable energy and 40% carbon-free content, exceeding SCE's 2024 default product by 17% in clean energy content.

OCPA also offers two additional rate plans:

- Basic Choice: 47% renewable content
- 100% Renewable Choice: 100% renewable content

By contrast, SCE customers seeking higher renewable content must enroll in the Green Tariff Shared Renewables program (Green Rate Program)—a limited opt-in offering that is currently closed to new participants. As of now, only approximately 3,000 out of 5 million SCE accounts are enrolled in this program.

Joining OCPA would provide the City of Costa Mesa with a unique opportunity to gain local control over energy choices while delivering meaningful benefits to its residents and businesses. As a public, community-focused agency, OCPA empowers customers to choose energy options that are more affordable, sustainable, or both.

For example, OCPA's Basic Choice plan currently offers an estimated 3% discount compared to SCE's equivalent generation rate. Since launch, customers across existing member agencies have realized approximately \$2.6 million in on-bill savings. Actual savings for Costa Mesa customers who select Basic Choice will depend on rate classification and individual usage.

Unlike traditional investor-owned utilities, OCPA reinvests revenues locally, supporting economic development and funding programs that help reduce energy costs, promote energy efficiency, and improve system reliability.

By joining OCPA, the City of Costa Mesa can play a leading role in advancing a cleaner, more cost-effective, and locally governed energy future, while ensuring that its community has a voice in statewide energy policy decisions.

Next Steps

In accordance with the OCPA Joint Powers Agreement (JPA) and the California Public Utilities Code, the City of Costa Mesa must complete the following actions to formally join OCPA:

1. Adopt an ordinance authorizing implementation of OCPA's Community Choice Aggregation (CCA) program within City boundaries.
2. Adopt a resolution expressing the City's intent to join OCPA and approving the OCPA JPA Agreement.

Inspect the LATEST JOINT RATE COMPARISON that I sent. You will see that this 3% claim is bogus. The OCPA hopes you won't do your due diligence and just let this misinformation slide.

The OCPA has used this misleading information with other cities to try and appear like the residents will be saving on their energy bills. Those cities looked at the facts and understood that the 3% was false.

From: [Fiorella Gardella](#)
To: [CITY CLERK](#)
Subject: In support of Costa Mesa Community Choice for Energy
Date: Monday, September 1, 2025 10:06:49 PM

To whom it may concern,

I just want to let my voice heard on this issue.

We can't afford not having clean energy, we already know that changes in temperature from fossil fuels are causing vast destruction and costing millions of dollars. Please consider Community Choice for Energy, with Federal cuts OCPA is an option to meet sustainability goals.

Thank you.

Fiorella Gardella
Science Teacher

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From: [Lori Whalen](#)
To: [CITY CLERK](#); [CITY COUNCIL](#)
Subject: In Support of Costa Mesa Joining Orange County Power Authority – Old Business Item 4
Date: Saturday, August 30, 2025 7:30:11 AM

Dear City Council Members,

I am writing to express my strong support for Costa Mesa to join the Orange County Power Authority (OCPA), as outlined in Old Business Item 4 on the September 2 agenda. Delaying this decision with another third-party study could jeopardize our city's opportunity to access competitive energy rates this year.

Personally, joining OCPA directly impacts me by offering more transparent, competitive options for my utility bills during difficult economic times. I appreciate having a choice—and right now, I feel Costa Mesa ratepayers have none.

A few points to consider:

The Community Choice Aggregation model is well established and proven throughout California, including right here in Orange County, where OCPA has thrived financially and other cities benefit already.

CCAs are no-cost to participating cities and help return more ratepayer dollars to local customers—a critical advantage knowing federal support for sustainability has been cut. In California, cities leading on clean energy and sustainability goals almost always belong to a CCA, and residents deserve that same forward-thinking leadership.

I urge you to vote in favor of joining OCPA, ensuring our city remains competitive and sustainable. Please do not delay this important opportunity.

Thank you for your leadership.

Sincerely,

Lori Whalen
2242 Miner Street
Costa Mesa

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From: [Tristan Miller](#)
To: [CITY COUNCIL](#); [STEPHENS, JOHN](#); [CHAVEZ, MANUEL](#); [MARR, ANDREA](#); [BULEY, MIKE](#); [GAMEROS, LOREN](#); [PETTIS, JEFF](#); [REYNOLDS, ARLIS](#); [CITY CLERK](#)
Subject: Item 4: Support Clean Energy Choice in Costa Mesa
Date: Monday, September 1, 2025 4:33:19 PM

Dear Mayor Stephens and Councilmembers,

Families and businesses need clean energy choices in Costa Mesa. Further studies will only arrive at the same conclusion: it is the best time to join OCPA so the City of Costa Mesa has energy choice, more renewable energy, keeps rate payer dollars in our community, and a basic rate that is currently 3% less than SCE's. For businesses and residents, that could mean millions of dollars in savings plus incentives, rebates, energy-efficiency kits, and our ratepayer dollars staying in our community.

Thank you for agendizing a discussion of Costa Mesa's feasibility study with OC Power Authority (OCPA). As you consider the results of the feasibility study, please direct staff to move forward with the process for joining OCPA so Costa Mesa families can receive the benefits of clean energy choice.

OCPA is the only alternative to fossil fuel-powered pollution that residents currently receive through SoCal Edison (SCE). Joining the agency allows families to choose for themselves which clean energy tier (Basic, Smart, or 100% renewable) best fits their household needs, all while making significant local progress on climate change.

Only about 3,000 accounts out of approximately 5,000,000 in the entire SCE service area are currently enrolled in the SCE Green Rate Program, which is oversubscribed. In contrast, OCPA offers three tiers of renewable energy to our community.

Joining OCPA will also protect working families from continual rate increases by SCE. In the past decade alone, investor-owned utilities (IOUs) have raised rates by 90% and plan to keep increasing prices 45% by 2030. Costa Mesa residents deserve relief from soaring energy bills and all the benefits that Community Choice Energy brings to so many counties and cities across California.

Please move forward with joining OCPA and bringing the benefits of clean energy choice to Costa Mesa.

Thank you,
Tristan Miller

Volunteer for the City of Costa Mesa's Green Business Program
Parent, Business Owner, Vice Chair of the OC Chapter of CRP

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From: [DANNY GRAY](#)
To: [CITY CLERK](#)
Date: Tuesday, September 2, 2025 11:59:29 AM

Dear Mayor Stephens and Councilmembers,

Thank you for agendizing a discussion of Costa Mesa's feasibility study with OC Power Authority (OCPA). As you consider the results of the feasibility study, please direct staff to move forward with the process for joining OCPA so Costa Mesa families can receive the benefits of clean energy choice.

OCPA is the only alternative to fossil fuel-powered pollution that residents currently receive through SoCal Edison (SCE). Joining the agency allows families to choose for themselves which clean energy tier (Basic, Smart, or 100% renewable) best fits their household needs, all while making significant local progress on climate change.

Joining OCPA will also protect working families from arbitrary rate increases by SCE. Just in the past decade alone, investor-owned utilities (IOUs) have raised rates by 90% and plan to keep increasing prices 45% by 2030. Costa Mesa residents deserve relief from soaring energy bills by a monopoly utility that prioritizes shareholders over our communities. Please move forward with joining OCPA and bring the benefits of clean energy choice to Costa Mesa.

One of the key benefits in joining a CCA through OCPA is energy choice. If Costa Mesa joins OCPA, all residence and businesses will be able to choose their commitment to clean energy. It can be provided through one of the three tiers offered by OCPA or by opting back to SCE.

Costa Mesa has a little over 19,000 businesses registered with the city. Many are large, international companies. Sizable companies often make commitments to be good stewards of the environment. These commitments can come with huge investments that may not be feasible from a business point of view. OCPA can offer businesses renewable energy without huge investments such as microgrids.

Thank you,
Danny Gray
[Climate Reality Project / OC Chapter](#)

Honorable Mayor and City Council Members,

We are a local group of Costa Mesa residents writing to express our strong support for Costa Mesa joining the Orange County Power Authority (OCPA) without delay.

In January 2025, a well-attended community solar workshop was held at the Halecrest Park Swim and Tennis Club. Residents concerned about sustainability and energy affordability gathered to learn about solar energy, battery storage, and EV tax credits. While some attendees were able to take advantage of these programs, many were unable to do so due to upfront costs or home/roof limitations.

Notably, several Irvine residents in attendance shared their experience of being enrolled in a 100% Renewable Energy plan through OCPA. Their stories highlighted the power of Community Choice Aggregation (CCA) to democratize access to clean energy—especially for those who cannot install solar panels themselves.

We were excited to learn that Costa Mesa is considering joining OCPA. CCA programs have a proven track record across California, offering residents cleaner energy options, competitive rates, and local control. For everyday residents who want to make a difference, there are few alternatives as impactful and accessible.

Joining OCPA would help Costa Mesa meet its sustainability goals, reduce greenhouse gas emissions, and empower residents with energy choice. We urge you to move forward with this opportunity and vote in favor of joining the Orange County Power Authority.

Thank you for your leadership and commitment to a cleaner, more equitable energy future.

Sincerely,

Jake Comer, P.E., Born and Raised in Costa Mesa, now residing in Orange

Sharon, Christopher, and Sean Comer, Salvador St

Andrew and Lindsay Albers, 18th St

Kaiulani W. Peterson, Rainier Way

Bill, Lus, and Sam Hatch, Nancy Lane

Kevin Salwyer and Angel Fisk, Bay St

Diana and Lane Moore, Murray Ln

Jeanyne Fossell, Junipero Dr

Lorinda and Aili Wase, Juniper St

Mariel, William, and Olivia Levalley, Joann St

Trace Curet, San Rafael Circle

Richie Barden, Westminster Ave

Royce Friedman, Wilson St

Joanna and Paul Krikorian, Tulane Rd

Jessica Fager, Cte Venosa

Kim and Nathan Alvis, Cork Lane

Allison and Gregory Sides, Aspen Village Way

Cinthia Tompkins, Magellan St

Cinthia and Henry, Drake Ave

Shelly Woodward, Santa Clara Circle

Clare Warner, Windsor Ct

Lisa Feinstein, Shantar Sr

Daniel Wase, Pinecreek Dr

Jamie Sacco, Charle St

From: [Susan Eaton](#)
To: [CITY CLERK](#)
Subject: Old Business 4. Request for City Council ... OCPA
Date: Monday, September 1, 2025 7:30:28 PM

Dear Mayor Stephens, Mayor Pro Tem Chavez and Council members Reynolds, Pettis, Marr, Gameros and Buley,

As one who heard about the benefits of Community Choice Energy when it was first brought to OC to various business groups, environmentalists, and city councils in the 20teens. It has lived up to its presentation as the Best Thing that cities can do to meet their climate goals.

I began watching city council meetings all over the county during Covid when city councils were having presentations about adopting it - including Costa Mesa! I was unbelievably jubilant when Irvine agreed to put in the start-up funds and Huntington Beach and Buena Park joined them in voting to adopt the 100% Renewable Choice Plan and Fullerton the Smart Choice rate plan (that Costa Mesa is now considering).

Over the 3 years OCPA has been operational, they have solved their personnel problems and hired highly qualified individuals with experience and training in the industry, have maintained sound financial standing, passed several audits and used suggested practices for improvement, acquired a permanent office space, appeared at many community events (including CM) and begun giving back to their member cities and residents funds to support their climate projects as promised.

Besides watching many city council meetings, I have also watched most of the OCPA Board meetings and retreat and seen first hand a growing knowledge base of the Board members from the member cities. The new members from Irvine and Fountain Valley have been participating with good questions and seem very enthusiastic about OCPA.

Now that the independent feasibility study has shown that Costa Mesa will benefit from joining OCPA, I look forward to watching the Council move forward tomorrow night to direct staff to finish their application for OCPA by December 31, 2025 so that residents and businesses in Costa Mesa can provide cleaner energy to the grid in early 2027 (delay required by regulations).

Sincerely,
Susan Eaton

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From: [marie-helene.luebbers](#)
To: [CITY CLERK](#)
Subject: September 2, Agenda item #4
Date: Sunday, August 31, 2025 3:15:10 PM

Dear members of Costa Mesa City Council,
Please pass Agenda Item #4 and join OCPA for Costa Mesa's energy.
OCA has proven to be the only avenue for rate relief available to families in OC. It will deliver an affordable option for our energy needs. SoCal Edison keeps raising its rates and plans to raise them by 45% by 2030.
OCA is helping residents to install solar panels and EV chargers. Its finances are striving, and, most important, it helps reducing CO2 emissions> And California is experiencing regularly big fires and heat waves due to climate change. Please make the right decision.
Marie-Helene Luebbers

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Get more from your power **with money saving rebates and offers.**

As a not-for-profit community energy provider, Orange County Power Authority's (OCPA) profits go right back into the community. Our priority is creating opportunities to save time and money, increase energy efficiency, and support renewable energy.

ocpower.org/energy-programs



OCPA Charge@home rebate program

Get up to a \$1,000 rebate for a residential Level 2 hard-wired EV charger purchased through the OCPA Marketplace - where chargers range from \$500-\$700, this makes it no-cost to you! Available while supplies last.

To find a certified electrician to install your new EV charger, check out the California Electric Vehicle Infrastructure Project (CALeVIP).



Solar Battery rebate program

Take advantage of a \$1,000 rebate for rooftop solar installations that include a battery storage system, or standalone battery storage.

Rebates coming in July 2025

ocpower.org/energy-programs/marketplace

Other Money and Energy-Saving Programs



OCPA Marketplace

Great deals that make a difference! The OCPA Marketplace is an online tool that offers customers discounts on smart home devices and energy-efficient products such as LED bulbs, smart thermostats, power strips, home energy monitors and more.

Energy Efficiency Kits are available for free or reduced cost while supplies last!



Solar/Net Energy Metering (NEM)

For customers with rooftop solar or who are considering having solar installed at their home or business, OCPA's Net Surplus Compensation (NSC) rate can increase your excess energy payback. If your system has generated more energy than you've used, you're eligible to receive a credit that is 10% higher than Southern California Edison's prevailing NSC rate.



OhmConnect

In partnership with OhmConnect, OCPA customers can sign up to receive cash and gift cards for reducing their energy use during peak periods.



Incentive Finder

A one-stop shop to find state, federal and local rebates! The OCPA Incentive Finder helps customers find the rebates they are specifically eligible for with just a few pieces of information.



Orange County Power Authority Onboarding Timeline City of Costa Mesa_v1

July 16, 2024	OCPA appeared before the Costa Mesa City Council to present on OCPA; the Costa Mesa City Council voted to direct the city manager to approve the release of the city's electric load data to OCPA for the purpose of conducting a feasibility study
May 21, 2025	OCPA met with City Staff to present the results of the feasibility study
September 2, 2025	OCPA presentation of feasibility study results to the Costa Mesa City Council, and discussion on joining OCPA
September 10, 2025	OCPA presentation of feasibility study results to the Costa Mesa FiPAC , and discussion on joining OCPA
September 16, 2025	Costa Mesa City Council consideration of Ordinance and Resolution to join OCPA (1 st reading)
October 21, 2025	Costa Mesa City Council consideration of Ordinance to join OCPA (2 nd reading) (Must wait 30 days before 2nd reading)
November 10, 2025	OCPA Board to consider Amended Implementation Plan to include Costa Mesa as a member
December, 2025	30-Day Notice to Member Agencies Regarding the Amendment of the OCPA Implementation Plan
December 2025	OCPA files Amended Implementation Plan with California Public Utilities Commission (CPUC)
December 2025	Costa Mesa City Council appoints a representative to the OCPA Board
January 2026	OCPA onboards new Board member representing City of Costa Mesa
2026 - 2027	OCPA presence in the Costa Mesa community, communications efforts to spread awareness of OCPA
March 2027	OCPA service launches in the City of Costa Mesa

Orange County Power Authority Onboarding Timeline City of Costa Mesa_v2

July 16, 2024	OCPA appeared before the Costa Mesa City Council to present on OCPA; the Costa Mesa City Council voted to direct the city manager to approve the release of the city's electric load data to OCPA for the purpose of conducting a feasibility study
May 21, 2025	OCPA met with City Staff to present the results of the feasibility study
September 2, 2025	OCPA presentation of feasibility study results to the Costa Mesa City Council, and discussion on joining OCPA
September 10, 2025	OCPA presentation of feasibility study results to the Costa Mesa FiPAC , and discussion on joining OCPA
October 7, 2025	Costa Mesa City Council consideration of Ordinance and Resolution to join OCPA (1 st reading)
November 18, 2025	Costa Mesa City Council consideration of Ordinance to join OCPA (2 nd reading) (Must wait 30 days before 2nd reading)
December 8, 2025	OCPA Board to consider Amended Implementation Plan to include Costa Mesa as a member
Nov/Dec, 2025	30-Day Notice to Member Agencies Regarding the Amendment of the OCPA Implementation Plan
December 2025	OCPA files Amended Implementation Plan with California Public Utilities Commission (CPUC)
December 2025	Costa Mesa City Council appoints a representative to the OCPA Board
January 2026	OCPA onboards new Board member representing City of Costa Mesa
2026 - 2027	OCPA presence in the Costa Mesa community, communications efforts to spread awareness of OCPA
March 2027	OCPA service launches in the City of Costa Mesa

Questions for OCPA

Detailed timeline of necessary steps, including key voting milestones and time requirements (e.g., noticing for public vote) to meet the deadlines required for March 2027 launch

- Detailed timeline options are attached.
- To launch Costa Mesa in March 2027, we need to submit an amendment to the OCPA Implementation plan by the end of 2025 to the California Public Utilities Commission. This amendment must include Costa Mesa as a member of OCPA.
- The OCPA board must vote on the amended implementation no later than its regular meeting on December 8th at 4:30 PM.
- To ensure this timeline, we need a resolution and ordinance for Costa Mesa to join the OCPA to be considered by the Costa Mesa City Council in October and November.

Please provide timing for Costa Mesa to join the board (as ex officio and/or voting member) if it chooses to join for the March 2027 enrollment target.

- A Costa Mesa representative would join the OCPA board in January 2026. Costa Mesa can consider who it would like to sit on the OCPA Board of Directors at the normal time that it considers representation on outside boards and committees around the first meeting of the new year. OCPA would ask that Costa Mesa identify a primary and an alternate representative.

What would be the next opportunity if we miss the timing for March 2027 enrollment?

- The following year, 2028.

Please provide an example of an implementation plan – e.g., can you provide an implementation plan for Fountain Valley?

- You can find all of the Implementation Plans here: [Key Documents - Orange County Power Authority](#); the 2nd implementation plan is one that includes the city of Fountain Valley.

Please describe process for rate setting – my understanding is that the board sets the rate options collectively, and each city (board member or city council?) determines the default rate for the city on an annual process.

- OCPA's annual rate-setting process begins with strategies and principles established by the Board, which sets the rate options, while each member city selects its default rate (Smart Choice or 100% Renewable Choice) through its city

council; starting in 2026, Basic Choice will only be available as a residential opt-down option.

- Rates are designed to balance financial stability, clean energy goals, and community priorities, guided by objectives of local control, cost recovery, stability, competitiveness, and equity.
- At the core is the revenue requirement—the total amount needed to cover procurement, operating, financing, and capital costs, as well as compliance with lender covenants—ensuring that OCPA maintains reserves, meets financial obligations, and remains resilient and creditworthy over the long term.

Figure 1 – Feasibility Projections

Describe the Power Supply Cost categories (Cost of Lead, RA, PCC1, etc.)

- In FY25/26, more than 94% of OCPA’s budget—about \$270 million—is dedicated to purchasing electricity for our customers. Of this, roughly \$225 million (83%) is spent on energy supply, while \$45 million (17%) goes toward meeting state reliability requirements known as Resource Adequacy (RA). Within our supply costs, we rely on three categories: renewable energy, system energy, and carbon-free energy.
- Renewable energy comes from solar, wind, geothermal, eligible hydro, and biomass & biogas, which qualify under California’s Renewable Portfolio Standard (RPS). To count toward RPS compliance, renewable energy must be paired or bundled with Renewable Energy Credits (RECs). In 2024, OCPA procured over 80% of our customers’ energy that was RPS eligible based on the members’ choices. For 2025, California law requires that 47% of all energy served by OCPA and all Load Serving Entities be RPS-eligible resources. Of that 47% resource mix, 90% of the renewable procurement must come from Product Content Category 1 (PCC1 ≥ 75%) and PCC2 (maximum 15%) bundled resources, and the remaining 10% can be procured from PCC3 resources. PCC1 bundled renewable resources are located in California and are directly delivered into the state without substitution. PCC2 bundled resources represent “firmed and shaped” products, where out-of-state renewable generation is paired with substitute energy delivered into California. PCC3 resources consist of unbundled RECs purchased separately from the underlying electricity. These rules ensure that the majority of renewable energy is directly tied to California’s grid and provides real local benefits.
- System energy is electricity purchased from the wholesale market that does not carry renewable or carbon-free attributes. It is sometimes called “unspecified power” and represents a generic mix of what is available on the grid at the time.
- Carbon-free energy refers to power from resources that do not emit greenhouse gases during generation. For OCPA, this primarily includes large hydroelectric

facilities. While not classified as “renewable” under the RPS, these resources play a valuable role in reducing OCPA’s overall greenhouse gas profile and advancing local and state climate goals.

- Resource Adequacy (RA) is a regulatory program administered by the CPUC to ensure that electricity providers, including CCAs, maintain enough capacity to serve customer demand during peak periods. RA requires utilities to secure commitments from power plants or demand-response resources so that the California Independent System Operator (CAISO) can call on them when needed. RA obligations are divided into system, local, and flexible categories, and compliance is demonstrated through monthly and annual filings. While RA does not provide energy directly, it guarantees reliability and grid stability.
- To manage cost pressures from market volatility, seasonal demand spikes, and regulatory requirements, OCPA signs long-term power purchase agreements and maintains a diversified supply portfolio. By emphasizing PCC1 renewables, strategically incorporating limited PCC2 and PCC3 resources within state compliance thresholds, supplementing with carbon-free power, and prudently using system energy, OCPA works to stabilize customer prices, advance California’s clean energy goals, and ensure financial sustainability over time.

Describe the “Other Operating Cost” categories

- Other Operating Costs represent the essential expenses that keep OCPA operating effectively, provide access to specialized expertise, and deliver customer-focused programs. These costs include professional contract services, external legal support, general and administrative (G&A) expenses, and community energy programs.
- OCPA takes a balanced approach by building internal staffing capacity where appropriate while continuing to rely on consultants and legal experts for complex matters such as energy procurement, labor, and regulatory affairs.
- G&A expenses support core functions including office operations, IT systems, business insurance, and membership dues. These memberships—such as with CalCCA—amplify OCPA’s voice in statewide policy discussions and financing initiatives.
- Energy programs demonstrate OCPA’s commitment to reinvesting in the community, from clean energy education and community grants to customer tools like the OCPA Marketplace, which provides discounts on energy-efficient products. Together, these investments ensure OCPA remains fiscally responsible while advancing clean energy goals and supporting the communities we serve.

Why would Marketing & Enrollment be the same for first three years? I would expect this to be higher in initial years

- It's reasonable to assume that marketing and enrollment costs might be higher at the outset, since initial awareness-building is often front-loaded. In OCPA's case, however, the major one-time startup expenses—such as large-scale campaigns and the first round of mandatory enrollment mailers—were already incurred during program launch. From FY27 through FY30, the budget reflects only incremental costs tied to Costa Mesa's projected 27% load increase, calculated on a load-weighted basis rather than as a spike in early years.
- OCPA also treats marketing and enrollment as ongoing responsibilities, not one-time efforts. A steady budget ensures compliance with state law—covering required enrollment mailers, the annual joint rate comparison, and the power content label—while supporting community partnerships, local events, and targeted outreach.

“Other Operating Expenses” is almost the same as staffing costs – what is in this line item?

- See previous response.

Describe how the “Net Operating Margin” is allocated currently for OCPA, and describe whether/how Costa Mesa would be able to influence how this net operating margin provided by Costa Mesa customers would be used.

- At the end of each fiscal year, OCPA's Net Operating Margin is added to the agency-wide operating reserve rather than allocated to individual member cities. This pooled reserve strengthens OCPA's financial stability and benefits all members by minimizing rate volatility, supporting credit ratings, and ensuring liquidity for unexpected events. Costa Mesa does not have a city-specific reserve, but it does have direct influence through its representation on the OCPA Board, which sets the policies governing how reserves are managed and used.
- Under the Board-approved Reserve Policy, OCPA maintains a minimum balance equal to 30% of the operating budget, with a goal of 50% and a maximum of 75%. Reserves may be used to cover revenue shortfalls, unexpected power supply cost spikes, economic downturns, or emergencies. If balances exceed the maximum, the Board may consider reinvesting in customer programs, paying down debt, or reducing rates. This ensures reserves are used responsibly while keeping OCPA fiscally resilient and community focused.

How does this change if Costa Mesa defaults to Base Choice plan (e.g., 90% of customers move to Base Choice)

- As mentioned in a previous response above, beginning in 2026, Basic Choice will only be available as an individual residential opt-down option. In other words, it cannot be selected as a citywide default plan.

What are the anticipated rate/financial impacts of federal rollbacks on support for clean energy infrastructure? There is still a lot of uncertainty related to the impact of decision making at the federal level. OCPA continues to contract for mid-term and long-term renewable energy resources.

- There is still a great deal of uncertainty regarding how federal decisions may affect clean energy infrastructure and related incentives. To mitigate these risks, OCPA continues to secure mid-term and long-term renewable energy contracts that provide stability for our portfolio.
- At the same time, OCPA has taken proactive steps to reduce exposure to federal policy changes. Our long-term contracts include “change in law” provisions with price adjustment ceilings, which ensure that any additional costs from federal rollbacks are shared with counterparties rather than being fully passed on to customers.
- Additionally, the OCPA Board recently approved a standalone battery energy storage system (BESS) project designed to strengthen grid reliability during peak hours, reduce renewable energy curtailments, and limit exposure to federal actions. This project has been structured to remain viable even under scenarios where federal tax credits are repealed or land-use restrictions are tightened, and the developer has a strong track record of successful project delivery.
- These measures help shield customers from rate volatility while keeping OCPA financially resilient and on track to meet state clean energy requirements.

[Existing OCPA information](#)

Provide current customer opt-out rate for res/com by city

City	Class Code	2025_Total_Opt-Out	Customer_Count	2025 Opt-Out % of Active Customers
Buean Park	COM	8	3,360	0.2%
	RES	102	22,393	0.5%
Buean Park Total		110	25,753	0.4%
Fullerton	COM	10	6,501	0.2%
	RES	173	40,407	0.4%
Fullerton Total		183	46,908	0.4%
Irvine	COM	33	14,347	0.2%
	RES	722	94,314	0.8%
Irvine Total		755	108,661	0.7%
Grand Total		1,048	181,322	0.6%

Provide current breakdown of res and commercial customers into the three rate options, by city.

TownOrTerritory	Adders	NUM_CUSTOMERS
BUENA PARK, CITY OF	Basic Choice	645
BUENA PARK, CITY OF	100% Renewable Choice	14
BUENA PARK, CITY OF	Smart Choice	25,094
FULLERTON, CITY OF	Basic Choice	1,318
FULLERTON, CITY OF	100% Renewable Choice	78
FULLERTON, CITY OF	Smart Choice	45,512
IRVINE, CITY OF	Basic Choice	108,383
IRVINE, CITY OF	100% Renewable Choice	171
IRVINE, CITY OF	Smart Choice	107

How does OCPA handle customer enrollment in CARE and FERA?

- OCPA customers qualify for CARE and FERA discounts. We encourage all our customers to sign up for these programs if they qualify. We do a lot to help spread the word about these important programs in multiple languages.

Does OCPA have existing workforce agreement for energy resources?

- OCPA does not own energy generation facilities. Instead, it enters into contracts with energy suppliers and developers for renewable energy. Additionally, OCPA has established sustainable workforce guidelines that outline its goals and objectives for investing in a sustainable workforce now and in the future. We believe in local, good-paying jobs, and we are committed to investing our resources locally to ensure that we have a workforce for today and tomorrow.
- Our Communications and Community Engagement teams attend local job fairs and work with high school students to promote the possibilities offered by the green economy. We have many examples of this work, including our recently developed handout of local training opportunities that we share as a resource. It is attached for your reference.

[Regarding Staff Report recommendations](#)

What information can you provide from FV planning and/or other CCAs on the city staff resources required for enrolment/launch and ongoing support? How are other cities supporting their participation?

- We can arrange for City Manager Maggie Le and Director of Public Works Scott Smith to discuss with their city staff the minimal amount of time Fountain Valley has committed to this process.

- The OCPA team is highly knowledgeable about the procedures for a city to join OCPA. We handle most of the work and collaborate closely with city staff to ensure they are satisfied and comfortable with the process. We look forward to continuing our support and assisting your city staff with all matters related to energy and sustainability.

Same question as above with city costs / financial commitment.

- There are no city costs. At this point, OCPA has not asked cities to pay a fee for joining OCPA.

Summarized list of benefits for Costa Mesa

- **Customer Choice:**
 - OCPA provides an option in electricity providers where there was none before. Customers can choose from energy plan options offered by OCPA – to meet their environmental and financial goals – or choose to stay with SCE for bundled service. There is no cost to change energy plans or go with SCE.
 - OCPA, as a not-for-profit, has customers in mind and not shareholders. The money we make goes back to the communities we serve as grants and programs designed to help make the transition to cleaner energy sources easier and more affordable, and save money on their energy bills.
 - We are locally controlled with a community-focused staff, with our overhead at between 5% and 6% of our operating costs.
- **Estimated energy cost savings for Costa Mesa's energy accounts:**

OCPA is not able to provide a long-term rate forecast because, like most Community Choice Aggregators (CCAs), we follow an IOU-indexed rate design. Under this approach, OCPA's rates are set each year in reference to Southern California Edison's (SCE) approved generation rates. These rates are established annually through the Energy Resource Recovery Account (ERRA) process and related balancing accounts, and are approved by the California Public Utilities Commission (CPUC) each December. Because of this framework, OCPA can only finalize its projected rates in January, after SCE's rates are confirmed. Until that time, potential savings for Costa Mesa's energy accounts cannot be estimated with certainty.
- **Estimated potential for community reinvestment; how soon would we expect to start being able to participate in community programs, grants, etc., and what is the projection for this if Costa Mesa were to join?**

As soon as Costa Mesa is launched, Costa Mesa customers will qualify for customer programs launched by OCPA. Our Programs team keeps up with other

CCA offerings and is exploring opportunities based on other CCAs' success, including the following:

<ul style="list-style-type: none">• Electrification program for new construction affordable housing	<ul style="list-style-type: none">• Loans & incentives for electrification of single-family households
<ul style="list-style-type: none">• Multifamily building energy audits	<ul style="list-style-type: none">• Home and business energy audits
<ul style="list-style-type: none">• Multifamily building in-unit electric panel upgrades	<ul style="list-style-type: none">• Low-interest loans for solar
<ul style="list-style-type: none">• Demand response incentive program for businesses	<ul style="list-style-type: none">• Technical assistance for building decarbonization

Potential to participate in other energy-related grant programs e.g. with CEC

- Of course, we have our eyes out for grant funding that we can help our communities. This is a significant benefit to join OCPA.

Summaries from longer standing CCAs on the re-investment benefits – both programs and from a financial standpoint – of CCAs. E.g., how much \$\$ in the operating margin is supporting community-based re-investment?

- [Here is a link](#) to download the draft program overview for Central Coast Community Energy (3CE).
- For OCPA, we will use strategic planning like the Community Power Plan to set our priorities from year to year. Currently, OCPA is planning to spend over \$1 million on customer programs in this fiscal year.

Clean Tech Opportunities

Training Programs in Orange County and Surrounding Areas

Orange County is home to various clean energy technology trainings and programs – perfect for professionals wanting to be a part of the clean energy future. With green economy jobs on the rise, see how you can join in and be part of the movement.

Find Your Opportunity at a local Community College

HVAC Technologies

Cypress College & Orange Coast College

Avg. Salary: \$72,140

Forest & Conservation Technicians

Orange Coast College & Fullerton College

Avg. Salary: \$60,880

Urban & Regional Planner

(Includes Sustainable Infrastructure)

Irvine Valley College, Golden West College & UC San Diego

Avg. Salary: \$105,230

Environmental Science

Cypress College

Avg. Salary: \$127,660

Electrical Technologies

Irvine Valley College

Avg. Salary: \$52,024 - \$84,475

Solar Photovoltaic Installers

SEI Solar Professionals Certification Program

Avg. Salary: \$60,790

Postsecondary Environmental Science Teachers

Cypress College & Saddleback College

Avg. Salary: \$109,710

Lawyers (Includes Environmental Lawyers)

Irvine Valley College

Avg. Salary: \$197,790

Find Your Opportunity Through an Apprenticeship

**Orange County
Electrical Institute**

**JJATC HVACR
Apprenticeship Training**