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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

GOMEZ, an individual )  
Plaintiff, ) Case No.: 21STCV15374

v. )

Defendants, )

**Demand for Jury trial**

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Cross-Complainants, )

v. )

Cross-Defendants. )

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**VERIFIED CROSS-COMPLAINT FOR INJUNCTIVE RELIEF AND DAMAGES**

**COMES NOW** Cross-Complainants ANADORE INC. and, IRVINE JOSEPH MOLDEN bring this action against the above Cross-Defendant, CARLOS CANALES allege the following based upon information and belief, the investigation of counsel, and personal knowledge as to the allegations pertaining to themselves.

Defendants' acts were intentional and proximately caused Plaintiff to suffer emotional distress and financial loss.

**1. INTRODUCTION**

1. This case is about human dignity and how we treat the most vulnerable among us. Having nowhere else to turn to, Cross-Complainants bring this action to address the numerous Fraud and Deceits, Unlawful Conversion, Intentional Infliction of Emotional Distress and Unjust enrichment by the Cross-Defendants against the Cross-Complainants. Knowing fully well that Cross-

1 Complainants have limited resources and income, Cross-Defendants exploited Cross-Complainants  
2 by subjecting them to, fraud, deceit, Conversion of assets and, mistreatment that are nothing short  
3 of vile. This action seeks to end the illicit conducts of the Cross-Defendants against Cross-  
4 Complainants.

- 5 2. Cross-Defendants' acts and practices, as described herein, constitute unlawful, fraudulent, or  
6 unfair business practices, in that (1) Cross-Defendants' practices violated numerous statutes as  
7 described in this Cross Complaint; (2) the justification for Cross-Defendants' conducts are  
8 outweighed by the gravity of the consequences to Cross-Complainants; (3) Cross-Defendants'  
9 conducts are immoral, unethical, oppressive, unconscionable, or substantially injurious to Cross-  
10 Complainants, and/or; (4) the uniform conduct of Cross-Defendants' has a tendency to deceive  
11 Cross-Complainants.

## 12 **2. THE PARTIES**

- 13 3. Cross-Complainant, IRVINE JOSEPH MOLDEN ("MR. MOLDEN"), at all relevant times  
14 mentioned herein is a resident of the State of California, County of LOS ANGELES.

- 15  
16 4. Cross-Complainant, ANADORE, INC ("Compton Pawn Shop"), at all relevant times  
17 mentioned herein is a California corporation, duly licensed to do business, were and are doing  
18 business, under and by virtue of the laws of the State of California, in the County of LOS  
19 ANGELES.

- 20  
21 5. Cross-Complainants are informed and believe that Cross-Defendant, CARLOS CANALES,  
22 (hereinafter "CANALES") is an individual who, at all relevant times mentioned herein and  
23 currently resides in the State of California, County of LOS ANGELES, and/or who caused injuries  
24 and damages to the Cross-Complainants.

- 25  
26 6. The true names and capacities, whether individual, corporate, or otherwise of the cross-  
27 defendants named in this Cross-Complaint as Roes 1 through 10, inclusive, are unknown to Cross-  
28 Complainants. Cross-Complainants are informed and believe, and on that basis allege, that each of  
said fictitiously named cross-defendants is liable to Cross-Complainants on the causes of action

1 herein alleged and/or asserts some interest, legal or equitable, in the subject matter of this action,  
2 and therefore Cross-Complainants sue said cross-defendants by said fictitious names. Cross-  
3 Complainants will move to amend this Cross-Complaints when the true names and capacities of  
4 said fictitiously named cross-defendants have been ascertained.

5 **3. JURISDICTION AND VENUE**

6  
7 7. This Court has jurisdiction over this action pursuant to California Code of Civil Procedure  
8 section 410.10. The amount in controversy exceeds the jurisdictional minimum of this Court.

9 8. This Court has personal jurisdiction over Cross-Defendants because the original action was  
10 filed in the Superior Court of the State of California, County of Los Angeles – Stanley Mosk.

11 9. Venue is also proper because the original action was filed in Superior Court of the State of  
12 California County of Los Angeles – Stanley Mosk.

13 10. All conditions precedent to this action have been performed, satisfied or waived.  
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21 **2. FACTUAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

22 11. Cross-Defendant, CARLOS CANALES was employed by Compton Pawn Shop from  
23 August 2011 to September 23, 2020. During the last five years of his employment, Canales’ primary  
24 duties were to train new staffs, opened and closed the store after business hours, Canales also  
25 attend to all customers, and he had unrestricted access to the safes.

26  
27 12. Cross-Complainants were astonished when they learned that Canales, who they trusted so  
28 much, was stealing money from the Compton Pawn Shop. Canales earned not much more than  
minimum wage. Yet, for approximately 2 years, Canales bought a 3-bedroom house for himself,

1 drove a Mercedes, bought a box truck, started a trucking company, and had an RV, all while earning  
2 slightly more than minimum wage.

3  
4 13. Additionally, while still employed at Compton Pawn Shop, Canales and three other former  
5 Compton Pawn Shop workers took steps to establish their own pawn shop, where Canales now  
6 works.

7  
8 14. On or about September 23, 2020, Mr. Molden, the owner of Compton Pawn Shop, was in the  
9 pawn shop and noticed a document on the printer. He picked up the document and noticed  
10 something was not right. It was a Forfeiture List, which has the record of all loans or pawns that  
11 have expired and for which the borrower has forfeited the collateral provided as security.

12  
13 15. In this list, the details of each loan are listed, including a detailed description of the collateral  
14 left to guarantee the loan. Mr. Molden noticed that some of the loans were unusually large. Mr.  
15 Molden asked Canales why the details of the loans were missing, and Canales abruptly responded,  
16 "After all this time and everything I have done for you, you still do not trust me?"

17  
18 16. Immediately Canales placed the keys on the glass counter, announced his resignation, and  
19 left the pawn shop.

20  
21 17. Mr. Molden was perplexed and broken-hearted. He had become so dependent on Canales  
22 that he could barely run the shop daily without him, and he certainly was not proficient with  
23 SuperPawn, the point-of-sale software used almost widely in pawn shops. Also, Mr. Molden  
24 regarded Canales as a member of his family. They had worked together for years, and Mr. Molden  
25 had great respect for Canales.

#### 26 **A. CANALES' THEFT AND FRAUD SCHEME**

27  
28 18. Canales established fictitious loans using the names of existing customers and kept the  
proceeds for himself. For collateral, he used junk. At the maturity of the loans, the collateral was  
forfeited. Every month, the shop has a "forfeiture day." On this day, the envelopes containing  
collateral for the forfeited loans are collected. Each envelope has a loan number on it.

1 19. Mr. Molden examined the loan numbers to ensure that the forfeiture only covered collateral  
2 for defaulted loans. The shop staff then opened all the bags containing the collateral and separated  
3 what could be sold, what could be melted, what types of metal there were, etc.

4 20. Mr. Molden never verified that the collateral in the envelope matched the description of the  
5 collateral for the loan or that the collateral supported the loan amount. This allowed Canales to get  
6 away with his plan. He used Mr. Molden's trust and his naiveté to scam him.

7  
8 21. Mr. Molden had no idea this was going on while Canales was employed. He knew that Canales'  
9 reaction to being asked about the missing information in the Forfeiture List was imbalanced.  
10 Canales' reaction made him suspicious, and after Canales has quitted, Mr. Molden began to  
11 investigate, which led to the unfolding of Canales' Theft and Fraud Scheme.

12 22. In the course of the Pawn business, Forfeitures were usually not done until four months after  
13 the loans were made. Mr. Molden had three rounds of Forfeitures where he was now opening the  
14 envelopes and learned for the first time that the collateral for many loans did not match the loan  
15 amount or the description (if there was one). Mr. Molden then pulled the tickets for these loans and  
16 saw that the signature was either missing or mismatched.

17  
18 23. The pawn store hardly earned a profit despite being open for years. Mr. Molden had been in  
19 business long enough to know that this should not be the case, and when he carried out his  
20 investigation, he discovered why the shop was not profitable.

21 24. Canales used the names of nine customers to perpetrate his fraud. He knew that he could use  
22 these customers because, in the past, when the pawn shop had contacted the purported customers  
23 to advise them that their loans were due and/or their collateral would be forfeited, the mail returned  
24 as undeliverable.

25  
26 25. The pawn shop did not have the correct contact information for these customers, so Canales  
27 knew that they could not be contacted and would not receive notification that their fake loans were  
28 due.

1 26. Mr. Molden was able to identify the nine customers because they all had the same things in  
2 common: (a) these loans did not include a detailed description of the collateral, (b) the signature  
3 required for each loan was missing or different; on some, the signature was for a different customer  
4 entirely, (c) the loans were for huge amounts, (c) the frequency of the loans for these customers  
5 was very high – they would have come into the shop almost every day (although Canales admitted  
6 that he had no idea what any of the customers looked like, despite seeing them almost every day  
7 for three years) and (e) none of these customers did business with Compton Pawn Shop after  
8 Canales quit.

9 27. Canales had also asserted that the SuperPawn was inadequate and that it always led to  
10 misinformation. But these assertions are only on the figment of his imagination. First, Canales uses  
11 SuperPawn in his pawn shop, which he opened while still employed at Compton Pawn Shop. If the  
12 software was so unreliable, indeed, he would not use it at his own pawn shop.

13 28. Second, while certain information could be changed for a certain period of time, no changes  
14 to the information can be made once the tickets were submitted to the Sheriff's department. Copies  
15 of the loans have been retrieved from the Sherriff department's database, known as CAPSS, which  
16 are identical to the loan tickets printed after the fact by Compton Pawn Shop.

17 29. Third, these errors (no weight, no carat, missing or mismatched signature) occurred ONLY  
18 with these nine customers.

19 30. Fourth, these loans were much larger than the average loan. The average loan amount was  
20 approximate \$100-\$250. These loans were in the thousands.

21 31. Fifth, computer error cannot be used to explain the discrepancies because each ticket is time-  
22 stamped, and transactions immediately before and after the effected loans were compliant.

23 32. All California pawn shops are required to download all transactions to the Sheriff's  
24 department's database regularly. And Mr. Molden instructed Canales to do so, but, as it turns out,  
25 during the last few years of Canales' employment, the information was rarely downloaded or  
26 transferred to the Sherriff's department when the fraud schedule was at its height. Nonetheless,  
27 there are enough instances of downloaded examples that show the information as of the date of the  
28

1 download (when Canales was employed) is the same as the information on the reprinted tickets,  
2 dispelling any argument that the information was changed or modified post-  
3 employment. *See* CAPPS, Exhibit A.

4  
5 33. Moreover, the same information is listed on the Forfeiture Lists, which become final at the  
6 time of the forfeiture. These fraudulent tickets were compared to information in the Forfeiture lists,  
7 which again proved consistent and served as additional evidence that no data was changed post-  
8 employment.

9 34. As if stealing from Compton Pawn Shop was not bad enough, Canales opened his own  
10 pawn shop while still employed by Compton Pawn Shop. El Monte Pawn Shop, LLC was  
11 incorporated on August 12, 2020, six weeks prior to Canales's resignation. It is clear that Canales  
12 conspired with his co-workers to compete while he was still employed.

13 35. Mario Recio, a former Compton Pawn Shop manager, quit just a few weeks before Canales,  
14 and is now Canales' business partner in the El Monte Pawn Shop, LLC. Also, Joel Delgadillo, who  
15 used to work for an affiliated pawn shop in El Monte (Alla's Pawn Shop) until it closed who later  
16 worked Compton, also quit, is now Canales' business partner in the El Monte Pawn Shop, LLC.

17  
18 36. Mr. Delgadillo worked at Alla's in El Monte for many years and made many customer  
19 contacts while working for Alla's. Compton Pawn Shop strongly suspects that Canales and  
20 Delgadillo stole the customer database which was developed while Delgadillo worked at the now  
21 defunct Alla's.

22 37. The El Monte Pawn Shop LLC opened to customers in or about October 2021. Canales had  
23 earlier stated that he would have worked there sooner if he had secured financing.

24  
25 **B. CANALES RESIGNATION**

26 38. Canales' assertion of wrongful termination is nothing more than a red herring to divert  
27 attention away from his criminal conduct. He was confronted with evidence that he knew would  
28 lead to his undoing, and he had already put the wheels in motion to start his own pawn shop, leaving  
him no choice but to quit.

1  
2 39. Mr. Molden never fired any employee for any reason. Compton Pawn Shop is a small shop  
3 with a few employees who are treated like family.

4  
5 40. If an employee makes a mistake, Mr. Molden invests time in teaching the employee the  
6 correct way of performing the task. Employees certainly left on their own, but small businesses  
7 suffer from turnover far more than large employers.

8 41. A long-term employee who can run the store without oversight is invaluable. This was  
9 particularly with Canales' case because another long-term employee, Mario Recio, quit without  
10 notice just a few weeks prior.

11  
12 42. Recio and Canales were Compton Pawn Shop's primary employees. They each worked there  
13 for approximately 10 years. Mr. Molden had become entirely dependent on these two employees,  
14 and the loss of these employees was devastating.

15  
16 43. Recio never told Mr. Molden that he was quitting. Instead, he told a co-worker that he had to  
17 go to Mexico for a family emergency, who relayed the message to Mr. Molden. Mr. Molden texted  
18 Recio several times, asking when he would return to work, but Recio has yet to respond. It was not  
19 until several weeks later that Mr. Molden realized that Recio was not coming back and instructed  
20 Canales to immediately put out an ad seeking a replacement employee.

21  
22 44. Recio also asked Mr. Molden for his "personal records, payroll and time cards" before his  
23 disappearance. Despite asking for these documents, Mr. Molden begged Recio to return to work. It  
24 simply makes no sense that Mr. Molden would beg Recio to come back to work after Recio asked  
25 for his payroll documents while terminating Canales' employment for making the same request.

26 45. Also, Recio's resignation made Canales' continued employment that much more important. Mr.  
27 Molden was in no position to terminate Canales because he could not run the store without him.  
28 And hiring employees during the height of COVID (August/September 2020) was almost



1 impossible because many entry-level employees chose to stay unemployed and collect the federal  
2 unemployment supplement.

3  
4 46. Shortly after Canales resigned, he submitted a request for unemployment benefits. The  
5 application asks applicants to list the reasons of the employment. Despite having the opportunity  
6 to allege that he was terminated for asking for her personnel file and payroll records or complaining  
7 about meal and rest breaks, he stated nothing. *See* EDD Notice of Unemployment (Reason for  
8 Separation: REASONS NOT LISTED). **Exhibit B.**

9 47. Also, while still employed at Compton Pawn Shop, Canales asked Mr. Molden to “fake” fire  
10 him. Canales wanted to continue to work (and presumably be paid in cash), but also wanted to  
11 collect unemployment, especially the federal supplement. However, Mr. Molden disagreed with his  
12 request.

13  
14  
15  
16 **C. COMPTON PAWN SHOP WAS UNAWARE OF CANALES’ WAGE AND HOUR**  
17 **VIOLATION ALLEGATIONS UNTIL HE QUIT.**

18  
19 48. Canales had alleged that he was terminated because he complained about not getting a meal  
20 and rest breaks or being paid overtime. Neither can be the case because Mr. Molden had no  
21 knowledge of either Canales’ complaint about missed meals or rest breaks.

22 49. Compton Pawn Shop was a small shop with a couple of employees and Mr. Molden was not  
23 a sophisticated business owner or well-informed on wage and hour issues. He had no idea why  
24 Recio or Canales was asking for the information, and clearly, it did not matter to him because  
25 AFTER Recio sent the text message, Mr. Molden begged Recio to come back to work.

26  
27 50. Moreso, Mr. Molden was in the shop only sporadically, and the employees were free to take  
28 meals or rest breaks at leisure. Mr. Molden had other responsibilities besides the Compton Pawn  
Shop, including running a pawnshop in Lynwood and another (now defunct) shop in El Monte.

1  
2 51. He split his time between these stores on Monday through Wednesday and Friday and took  
3 every Thursday, Saturday, and Sunday off. Mr. Molden was not at the store to direct when or if  
4 employees took lunch. But he encouraged his employees to take a lunch break by paying each  
5 employee \$5 daily to buy their lunch.

6 52. Consequently, the Compton Pawn Shop processed about 20 loans each day. A loan takes about  
7 10 minutes to process. At best, amongst four employees, there was only about 3-4 hours of work  
8 to be performed each day. During downtime, of which there was plenty, the employees watched  
9 TV and even ran a dog breeding business from the pawnshop. The employees admitted that they  
10 took the dogs out for walks during the day, thwarting any claim that they did not take their rest  
11 breaks.

12 53. As a result, as alleged herein, countless people, including Mr. Molden and his business, have  
13 been irreparably harmed. The ordeal distracts Mr. Molden and displaces the many positive  
14 associations with him, and his business name. It clouds his impeccable reputation and ultimately  
15 decreases the commercial value of his brand, name, image, and likeness.

16 54. Canales' conduct was so outrageous and extreme as to exceed all bounds usually tolerated  
17 in a civilized community. Canales' acts were intentional such that they had caused Cross-  
18 Complainants mental and financial distress to a severe degree.

19 55. Cross-Complainants is incurring and will continue to incur such damages in addition to any  
20 fraudulent activity, whether or not such injuries are ultimately reimbursed.

21 56. Cross-Defendant's acts were intentional, and proximately caused Cross-Complainants to  
22 suffer emotional distress and financial loss. Cross-Complainants have endured fear, humiliation,  
23 embarrassment, mental pain, suffering, inconvenience, and financial injury, including lost business  
24 profits.

25 57. Cross-Defendant's actions were intentional, malicious, willful, wanton, and callous, and  
26 showed reckless disregard for Cross-Complainants' rights.

1 58. Based on the information found, Cross-Complainants' believes Cross-Defendant is liable  
2 for their injuries and damages and therefore brings suit for the following causes of action:

3  
4 **MR. MOLDEN IS NOT A PUBLIC FIGURE**

5 59. Mr. Molden has not sought any form of publicity, public note, or prominence outside of  
6 implementing his own business affairs in private transactions and, private life.

7  
8 60. Mr. Molden has not sought or held any public office or Government position within the  
9 Government.

10 61. Mr. Molden thus is not a public figure based on facts; Mr. Molden has not sought or acquired  
11 any position of public power or influence which would give her the ability to protect himself apart  
12 from the courts within the meaning of New York Times v. Sullivan, 376 U.S. 254 (1964).

13  
14 62. Mr. Molden is not a public figure within the meaning of New York Times v. Sullivan, 376  
15 U.S. 254 (1964) or its progeny

16 **FIRST CAUSE OF ACTION**  
17 **DEFAMATION PER SE**  
18 **(Against Cross-Defendant Canales)**

19 63. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.

20  
21 64. Cross-Complainants are informed and believe Cross-Defendant by the herein-described acts  
22 did negligently, recklessly, and intentionally cause external statements of defamation, of and  
23 concerning Cross-Complainants to third persons and to the community.

24 65. The defamatory statements consisted of oral, knowingly false, and unprivileged  
25 communications, intending directly to injure Cross-Complainant and Cross-Complainant's  
26 personal, business, and professional reputation. These statements included the following false and  
27 defamatory statements (in violation of Civil Code §§ 45, 45a and 46(3)(5)) with the meaning and/or  
28 substance as follows: That Cross-Complainants fired Cross-Defendant, because Cross-Defendant

1 complained about not getting a meal and rest breaks or being paid overtime. And that Cross-  
2 Complainants violated California **Wage and Hour regulations**.

3  
4 66. Cross-Complainants are informed, believe, and fear that these false and defamatory per se  
5 statements will continue to be made by Cross-Defendant and will be foreseeably recirculated by  
6 their recipients, all to the ongoing harm and injury to Cross-Complainant and Cross-Complainant's  
7 business, professional, and personal reputations. Cross-Complainants also seek redress in this  
8 action for all foreseeable statements, including their own compelled self-publication of these  
9 defamatory statements.

10 67. The defamatory meaning of all of the above-described false and defamatory statements, and  
11 their reference to Cross-Complainants, were understood by these above-referenced third person  
12 recipients and other members of the community who are known to Cross-Defendant, and each of  
13 them, but unknown to Cross-Complainants at this time. None of Cross-Defendant's defamatory  
14 statements against Cross-Complainants referenced above are true.

15 68. The above defamatory statements were understood as assertions of fact, and not as opinion.  
16 Cross-Complainants are informed and believe this defamation will continue to be negligently,  
17 recklessly, and intentionally published and foreseeably republished by Cross-Defendant, and  
18 foreseeably republished by recipients of Cross-Defendant's statements, thereby causing additional  
19 injury and damages for which Cross-Complainants seek redress by this action.

20  
21 69. Each of these false defamatory per se statements (as set forth above) were negligently,  
22 recklessly, and intentionally published in a manner equaling malice and abuse of any alleged  
23 conditional privilege (which Cross-Complainants denied existed), since the statements, and each of  
24 them, were made with hatred, ill will, and an intent to vex, harass, annoy, and injure Cross-  
25 Complainants in order to justify the illegal and cruel actions of Cross-Defendant, and to cause  
26 further damage to Cross-Complainant's professional and personal reputation, and to cause him to  
27 be turned down from future business relations, especially in Los Angeles, California.

28 70. Each of these statements by Cross-Defendant were made with knowledge that no  
investigation supported the unsubstantiated and obviously false statements. The Cross-Defendant

1 published these statements knowing them to be false and unsubstantiated by any reasonable  
2 investigation. These acts of publication were known by Cross-Defendant, and each of them, to be  
3 negligent to such a degree as to be reckless. In fact, not only did Cross-Defendant has no reasonable  
4 basis to believe these statements, but he also had no belief in the truth of these statements, and in  
5 fact knew the statements to be false. Cross-Defendant excessively, negligently and recklessly  
6 published these statements to individuals with no need to know, and who made no inquiry, and who  
7 had a mere general or idle curiosity of this information. The above complained-of statements by  
8 Cross-Defendant were made with hatred and ill will towards Cross-Complaints and the design and  
9 intent to injure Cross-Complaints, Cross-Complaints' good name, reputation, and business  
10 relationship with others. Cross-Defendant published these statements, not with an intent to protect  
11 any interest intended to be protected by any privilege but with negligence, recklessness, and/or an  
12 intent to injure Cross-Complaints and destroy their reputation. Therefore, no privilege existed to  
13 protect Cross-Defendant from liability for any of these aforementioned statements.

14 71. As a proximate result of the publication and republication of these defamatory statements  
15 by Cross-Defendant, Cross-Complaints have suffered injury to their personal, business, and  
16 professional reputation including suffering embarrassment, humiliation, severe emotional distress,  
17 shunning, anguish, fear, loss of employment, and business relationship and significant economic  
18 loss in the form of lost wages and future earnings, all to Cross-Complaints' economic, emotional,  
19 and general damage in an amount according to proof.

20 72. Cross-Defendant committed the acts alleged herein recklessly, maliciously, fraudulently,  
21 and oppressively, with the wrongful intention of injuring Cross-Complaints, for an improper and  
22 evil motive amounting to malice (as described above), and which abused and/or prevented the  
23 existence of any conditional privilege, which in fact did not exist, and with a reckless and conscious  
24 disregard of Cross-Complaints' rights. All actions of Cross-Defendant herein alleged were known,  
25 ratified and approved by the Cross-Defendant. Cross-Complaints thus are entitled to recover  
26 punitive and exemplary damages from Cross-Defendant for these wanton, obnoxious, and  
27 despicable acts in an amount based on the wealth and ability to pay according to proof at time of  
28 trial.

1 73. Cross-Defendant's defamatory statements were a substantial factor in causing Cross-  
2 Complaints harm.

3  
4 74. Cross-Complaints have been damaged in an amount in excess of the jurisdictional limits of this

5 **SECOND CAUSE OF ACTION**

6 **INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE**

7 **(Against Cross-Defendant Canales)**

8 75. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.

9  
10 76. Cross-Complainants had a reasonable probability of future business opportunities and  
11 economic benefit in connection with its relationships with its customers.

12  
13 77. Cross-Defendant had knowledge of such opportunities and intentionally interfered with  
14 such opportunities in violation of Cross-Complainants' right.

15  
16 78. Cross-Defendant committed these tortious acts with deliberate and actual malice, ill-will,  
17 and oppression in conscious disregard of Cross-Complainants' legal rights.

18  
19 79. Cross-Defendant's actions have disrupted Cross-Complainants' relationships and business  
20 opportunities with its customers.

21  
22 80. The aforementioned acts of Cross-Defendant constitute a tortious interference with  
23 prospective economic advantage and relations.

24 81. Cross-Complainants have suffered and will continue to suffer damages due to Cross-  
25 Defendant's tortious interference with its prospective economic advantage.

26  
27 82. As the direct result of Cross-Defendant's actions as alleged herein, Cross-Complainants have  
28 been irreparably, materially, and substantially harmed and damaged in an amount to be proven at  
trial.

**THIRD CAUSE OF ACTION**  
**NEGLIGENT MISREPRESENTATION**  
**(Against Cross-Defendant Canales)**

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2  
3  
4  
5 83. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.

6 84. Cross-Defendant negligently misrepresented the true facts when he was working for Cross-  
7 Complainants.

8  
9 85. Cross-Defendant established fictitious loans using the names of existing customers and kept  
10 the proceeds for himself. For collateral, he used junk. At the maturity of the loans, the collateral  
11 was forfeited.

12  
13 86. Cross-Complainant Mr. Molden had no idea this was going on while Cross-Defendant was  
14 employed. Cross-Complainant Mr. Molden knew that Cross-Defendant's reaction to being asked  
15 about the missing information in the Forfeiture List was imbalanced. Cross-Defendant's reaction  
16 made him suspicious, and after Cross-Defendant has quitted, Cross-Complainant Mr. Molden  
17 began to investigate, which led to the unfolding of Cross-Defendant's Theft and Fraud Scheme.

18 87. Cross-Defendant used the names of nine customers to perpetrate his fraud. He knew that  
19 he could use these customers because, in the past, when the pawn shop had contacted the purported  
20 customers to advise them that their loans were due and/or their collateral would be forfeited, the  
21 mail returned as undeliverable.

22 88. Cross-Defendant misrepresented the true nature of the Forfeiture List, which make Cross-  
23 Complainants to loss thousands of dollars.

24  
25 89. Cross-Defendant knew or should have known that the above statements were false.

26  
27 90. Cross-Complainants relied on Cross-Defendant's misrepresentation, and at that material  
28 time as Cross-Complainants continue to fund his Pawn shop.

1 91. Cross-Complainants reasonably relied on the misrepresentation of the Cross-Defendant.

2  
3 92. Cross-Defendant negligently misrepresented the true nature of the Forfeiture List and, induced  
4 the Cross-Complainants to continue funding the business.

5 93. As a direct and proximate result of Cross-Defendant's misrepresentation of material facts,  
6 Cross-Complainants have suffered damages in an amount to be determined according to proof at  
7 trial.

8  
9 94. Cross-Complainants are also entitled to punitive damages as a result of Cross-Defendant's  
10 negligent misrepresentations.

11  
12 **FOURTH CAUSE OF ACTION**

13 **CONVERSION**

14  
15 **(Against Cross-Defendant Canales)**

16 95. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set  
17 forth.

18 96. Cross-Defendant was stealing money from the Compton Pawn Shop. Cross-Defendant  
19 earned not much more than minimum wage. Yet, for approximately 2 years, Cross-Defendant  
20 bought a 3-bedroom house for himself, drove a Mercedes, bought a box truck, started a trucking  
21 company, and had an RV, all while earning slightly more than minimum wage.

22  
23 97. Additionally, while still employed at Compton Pawn Shop, Cross-Defendant and three other  
24 former Compton Pawn Shop workers took steps to establish their own pawn shop, where Cross-  
25 Defendant now works.

26 98. Cross-Defendant has also failed to refund the money he stole from Cross-Complainants.

27  
28 99. Cross-Defendant has constructive and physical possession, dominion, and control over, and have



1 interfered with Cross-Complainants' funds.

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3 100. The interference has deprived Cross-Complainants of possession and use of its funds

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5 101. Cross-Complainants have suffered damages as a result of such unlawful dominion and  
6 control of her funds by Cross-Defendant.

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13 **FIFTH CAUSE OF ACTION**

14 **UNJUST ENRICHMENT**

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16 **(Against Cross-Defendant Canales)**

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18 102. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.

19  
20 103. Cross-Defendant was stealing money from the Compton Pawn Shop. Cross-Defendant  
21 earned not much more than minimum wage. Yet, for approximately 2 years, Cross-Defendant  
22 bought a 3-bedroom house for himself, drove a Mercedes, bought a box truck, started a trucking  
23 company, and had an RV, all while earning slightly more than minimum wage.

24 104. Also, while still employed at Compton Pawn Shop, Cross-Defendant and three other  
25 former Compton Pawn Shop workers took steps to establish their own pawn shop, where Cross-  
26 Defendant now works.

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28 105. Cross-Defendant has also failed to refund the money he stole from Cross-Complainants.

1 106. Cross-Defendant did not provide any compensation to Cross-Complainants.

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3 107. Cross-Complainants have been damaged as a direct and proximate result of Cross-  
4 Defendant's retention of the benefits described herein.

5 108. The retention of the benefits by Cross-Defendant is unjust.  
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13 **SIXTH CAUSE OF ACTION**  
14 **INTENTIONAL INFLECTION OF EMOTIONAL DISTRESS**  
15 **(Against Cross-Defendant Canales)**  
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17 109. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.  
18

19 110. The conduct of Cross-Defendant was extreme and outrageous. Cross-Defendant was in a  
20 position of authority and power whom consistently and systematically abused Cross-Complainants  
21 as detailed in paragraphs 11 to 62 and otherwise alleged in Cross-Complainants' **FACTUAL**  
22 **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION.**

23 111. Cross-Defendant knew that Cross-Complainants were particularly vulnerable and,  
24 Cross-Defendant knew Cross-Complainants were limited in resources and education in Pawn shop  
25 business, and was unlikely to be familiar with or know about the various government and other  
26 agencies and authorities they could contact to seek relief when the violations were committed.  
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1 112. Cross-Defendant acted with reckless disregard of the probability that his conduct would  
2 result in Plaintiff suffering severe and extreme emotional distress, knowing that Cross-  
3 Complainants were present when the conduct occurred.

4 113. As a direct and proximate result of Cross-Defendants' conduct, Cross-Complainants  
5 have suffered and/or continues to suffer severe emotional distress, including extreme suffering,  
6 anguish, depression, fearfulness, anxiety, nightmares, embarrassment, and shame in an amount to  
7 be determined at trial.

8  
9 114. In addition, as detailed in paragraphs 11 to 62 and otherwise alleged in Cross-  
10 Complainants' **FACTUAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**,  
11 Cross-Defendant's intentional infliction of emotional distress has been despicable, malicious,  
12 willful, knowing, cruel, unjust, and oppressive, thereby entitled Cross-Complainants to punitive  
13 damages in an amount to be determined at trial.

14  
15 **SEVENTH CAUSE OF ACTION**  
16 **NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE**  
17 **(Against Cross-Defendant Canales)**

18 115. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.

19  
20 116. Cross-Complainants had a reasonable probability of future business opportunities and  
21 economic benefit in connection with its relationship with its customers.

22 117. Cross-Defendant had knowledge of such opportunities and knew or should have known  
23 that if they did not act with due care, their actions would interfere with such opportunities and cause  
24 Cross-Complainants to lose the economic benefit of such relationships.

25  
26 118. Cross-Defendant's actions have disrupted Cross-Complainants' relationships and  
27 business opportunities with its customers.

1 119. The aforementioned acts of Cross-Defendant constitute a tortious interference with  
2 prospective economic advantage and relations.

3  
4 120. Cross-Complainants have suffered and will continue to suffer damages due to Cross-  
5 Defendant's tortious interference with its prospective economic advantage.

6 121. As the direct result of Cross-Defendant's actions as alleged herein, Cross-  
7 Complainants have been irreparably, materially, and substantially harmed and damaged in an  
8 amount to be proven at trial.

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17 **EIGHT CAUSE OF ACTION**

18 **BREACH OF FIDUCIARY DUTY**

19 **(Against Cross-Defendant Canales)**

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21 122. Cross-Complainants hereby re-allege paragraphs 1 through 62 as if specifically set forth.

22 123. The parties had a relationship of trust and confidence giving rise to a fiduciary duty, as  
23 Cross-Defendant was an employee of Cross-Complainants. Cross-Defendant was to act primarily  
24 for the benefit of Cross-Complainants while performing his respective duties pursuant to his  
25 employment relationship with Cross- Complainants.

26  
27 124. Cross-Defendant breached his fiduciary duties by intentionally and fraudulently  
28 misappropriated Cross-Complainants' Pawnshop Database' highly valuable proprietary

1 information and financial resources (together the "Propriety Information") to redirect the business  
2 and revenue of Cross-Complainants for Cross-defendant's own pecuniary gain.

3 125. Cross-Defendant also breached his fiduciary duties as described herein. while still  
4 employed at Compton Pawn Shop, Cross-Defendant and three other former Compton Pawn Shop  
5 workers took steps to establish their own pawn shop, where Cross-Defendant now works.

6 126. As a result of Cross-Defendant's breach of fiduciary duty, Cross-Complainants suffered  
7 damages and is entitled to compensatory damages in an amount to be proven at trial.

8 127. As a result of Cross-Defendant's breach of fiduciary duty, Cross-Complainants are  
9 entitled to punitive damages in an amount to be proven at trial.  
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17 **PRAYER**

18 **WHEREFORE**, Cross-Complainants pray judgment be entered in his favor against Cross-  
19 Defendant as follows:

20 **AS TO THE FIRST CAUSE OF ACTION:**

- 21 1. For general and special damages, pursuant to California Civil Code Section 3333.2,  
22 according to proof;
- 23 2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294,  
24 according to proof;
- 25 3. For attorney's fees and cost of suit incurred in this action
- 26 4. For such and other further relief as the Court may deem just and proper

27 **AS TO THE SECOND CAUSE OF ACTION:**

- 28 1. For general and special damages, pursuant to California Civil Code Section 3333.2,

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according to proof;

2. For punitive and exemplary damages pursuant to California Civil Code Section 3294, according to proof;
3. For attorney's fees and cost of suit incurred in this action
4. For such and other further relief as the Court may deem just and proper.

**AS TO THE THIRD CAUSE OF ACTION:**

1. For general and special damages, pursuant to California Civil Code Section 3333.2, according to proof;
2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294, according to proof;
3. For attorney's fees and cost of suit incurred in this action.
4. For such and other further relief as the Court may deem just and proper.

**AS TO THE FOURTH CAUSE OF ACTION:**

1. For general and special damages, pursuant to California Civil Code Section 3333.2, according to proof;
2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294, according to proof;
3. For attorney's fees and cost of suit incurred in this action.
4. For such and other further relief as the Court may deem just and proper.

**AS TO THE FIFTH CAUSE OF ACTION:**

1. For general and special damages, pursuant to California Civil Code Section 3333.2, according to proof;
2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294, according to proof;
3. For attorney's fees and cost of suit incurred in this action.
4. For such and other further relief as the Court may deem just and proper.

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**AS TO THE SIXTH CAUSE OF ACTION:**

1. For general and special damages, pursuant to California Civil Code Section 3333.2, according to proof;
2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294, according to proof;
3. For attorney’s fees and cost of suit incurred in this action.
4. For such and other further relief as the Court may deem just and proper.

**AS TO THE SEVENTH CAUSE OF ACTION:**

1. For general and special damages, pursuant to California Civil Code Section 3333.2, according to proof;
2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294, according to proof;
3. For attorney’s fees and cost of suit incurred in this action.
4. For such and other further relief as the Court may deem just and proper.

**AS TO THE EIGHT CAUSE OF ACTION:**

1. For general and special damages, pursuant to California Civil Code Section 3333.2, according to proof;
2. For punitive and exemplary damages, pursuant to California Civil Code Section 3294, according to proof;
3. For attorney’s fees and cost of suit incurred in this action.
4. For such and other further relief as the Court may deem just and proper.

**DEMAND FOR JURY TRIAL**

Cross-Complainants hereby demand a trial by jury on all issues so triable.

**RESERVATION OF RIGHTS**

1 Cross-Complainants reserve right to further amend this Cross-Complaint, upon completion  
2 of their investigations and discovery, to assert any additional claims for relief against Cross-Defendant  
3 or other parties as may be warranted under the circumstances and as allowed by law.

4 **Dated; December \_\_\_\_\_, 2022.**

5 Respectively Submitted by;

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8 Cross-Complainants  
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17 **VERIFICATION**

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19 I, IRVINE JOSEPH MOLDEN, I am one of the Cross-Complainants in the above-entitled  
20 action. I have read the foregoing Cross-Complaint for Damages and Injunctive Relief and know the  
21 contents thereof. The same is true of our knowledge, except as to those matters which are therein  
22 alleged on information and belief, and, as to those matters, I believe them to be true. I declare under  
23 penalty of perjury under the laws of the State of California that the foregoing is true and correct and  
24 that this Verification was executed on December \_\_, 2022, in the City \_\_\_\_\_, County of \_\_\_\_\_,  
25 State of California.  
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