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16 Attorneys for Defendant  
17 MILT JOHNS

18 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
19 FOR THE COUNTY OF ORANGE  
20 CENTRAL JUSTICE CENTER

21 THIRD LAGUNA HILLS MUTUAL, a  
22 California non profit corporation,

23 Plaintiff,

24 v.

25 PROFESSIONAL COMMUNITY  
26 MANAGEMENT, INC., a California  
27 Corporation, also known as PCM; MILT JOHNS,  
28 an individual; JANET PRICE, an individual; and  
DOES 1 to 20, inclusive,

Defendants.

CASE NO. 30-2010-00380231-CU-BT-CJC  
CIVIL - UNLIMITED

Assigned for All Purposes to:  
Hon. Kirk H. Nakamura  
Dept. C-8

**DEFENDANT MILT JOHNS' ANSWER TO  
THIRD LAGUNA HILLS MUTUAL'S  
UNVERIFIED FIRST AMENDED  
COMPLAINT**

Action Filed: June 10, 2010  
Trial Date: None-Set

1 Defendant Milt Johns ("Johns") hereby answers and denies Third Laguna Hill Mutual's  
2 ("Third Laguna") unverified First Amended Complaint ("FAC") in its entirety, and further alleges as  
3 follows:

4 1. Pursuant to Section 431.30(d) of the California Code of Civil Procedure, Johns denies  
5 generally and specifically each and every material allegation contained in Third Laguna's FAC on file  
6 herein, and further denies each and every purported cause of action set forth in the FAC. Johns also  
7 specifically denies that Third Laguna has sustained any damage or injury as a result of any act or  
8 omission on the part of Johns as alleged in the FAC.

9 **SEPARATE AND ADDITIONAL DEFENSES**

10 2. By alleging the Separate and Additional Defenses set forth below, Johns intends no  
11 alteration of the burden of proof and/or burden of going forward with evidence which otherwise  
12 exists with respect to any particular issue of law or in equity. Furthermore, all such defenses are  
13 pleaded in the alternative, and do not constitute an admission of liability or that Third Laguna is  
14 entitled to any relief whatsoever.

15 **FIRST SEPARATE AND ADDITIONAL DEFENSE**

16 **(Failure to State a Cause of Action)**

17 3. The FAC, and each cause of action contained therein, fails to state a claim against  
18 Johns upon which relief can be granted.

19 **SECOND SEPARATE AND ADDITIONAL DEFENSE**

20 **(Laches)**

21 4. The FAC, and each cause of action contained therein, is barred, in whole or in part, by  
22 the doctrine of laches.

23 **THIRD SEPARATE AND ADDITIONAL DEFENSE**

24 **(Estoppel)**

25 5. Third Laguna is equitably estopped from asserting the claims alleged in the FAC.  
26 Third Laguna inexcusably and unreasonably delayed the filing of this action to the prejudice of Johns  
27

1 in that Third Laguna had actual or constructive knowledge of the facts alleged, and failed to act upon  
2 such actual or constructive knowledge.

3 **FOURTH SEPARATE AND ADDITIONAL DEFENSE**

4 (Waiver)

5 6. The FAC, and each cause of action contained therein, is barred, in whole or in part,  
6 because Third Laguna has waived any and all claims it had or may have had against Johns by its own  
7 acts or omissions.

8 **FIFTH SEPARATE AND ADDITIONAL DEFENSE**

9 (Failure to Mitigate Damages)

10 7. The FAC, and each cause of action contained therein, is barred, in whole or in part,  
11 because Third Laguna failed to exercise reasonable care and diligence to mitigate its damages, if any,  
12 despite its duty to do so.

13 **SIXTH SEPARATE AND ADDITIONAL DEFENSE**

14 (Ratification)

15 8. The FAC, and each cause of action alleged therein, is barred, in whole or in part,  
16 because Third Laguna ratified the conduct for which Third Laguna now seeks relief.

17 **SEVENTH SEPARATE AND ADDITIONAL DEFENSE**

18 (Unclean Hands)

19 9. The FAC, and each cause of action contained therein, is barred, in whole or in part, by  
20 the doctrine of unclean hands.

21 **EIGHTH SEPARATE AND ADDITIONAL DEFENSE**

22 (Apportionment of Liability)

23 10. If Johns is responsible in any respect for any injuries or damages alleged in the FAC,  
24 which Johns expressly denies, such injuries or damages have been caused by or contributed to by  
25 others, and Johns' proportional fault, if any, should be reduced to the extent thereof.  
26  
27  
28





1                                    **NINETEENTH SEPARATE AND ADDITIONAL DEFENSE**

2                                    **(Damages Not Recoverable)**

3                    21.        Johns alleges that damages are not recoverable pursuant to California Business &  
4 Professions Code §§ 17200.

5                                    **TWENTIETH SEPARATE AND ADDITIONAL DEFENSE**

6                                    **(No Punitive Damages)**

7                    22.        To the extent the FAC seeks punitive damages, Johns alleges that the conduct alleged  
8 does not support a claim for punitive damages and that any claim for punitive damages is  
9 unconstitutional and should be dismissed pursuant to the United States Constitution and the  
10 California Constitution.

11                                   **TWENTY-FIRST SEPARATE AND ADDITIONAL DEFENSE**

12                                   **(No Injury)**

13                    23.        Third Laguna's claims are barred because Third Laguna has not been injured at  
14 all as a result of Johns' conduct.

15                                   **TWENTY-SECOND SEPARATE AND ADDITIONAL DEFENSE**

16                                   **(Compliance with Statutes, Regulations and Laws)**

17                    24.        Johns is absolved from any liability for the wrongs alleged in the  
18 FAC by reason of his full compliance with all statutes, regulations, or other laws in effect at  
19 the time of the conduct alleged in the FAC.

20                                   **TWENTY-THIRD SEPARATE AND ADDITIONAL DEFENSE**

21                                   **(Advice from Others)**

22                    25.        Third Laguna's claims are barred, in whole or in part, because at all relevant  
23 times, Johns relied in good faith on the representations, reports and advice of others on whom  
24 he was entitled to rely.

25                                   **TWENTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE**

26                                   **(No Duty)**

27                    26.        Third Laguna's claims are barred, in whole or in part, because at all relevant  
28 times, Johns either did not owe or did not breach any duty to Third Laguna.





1 **CERTIFICATE OF SERVICE**

2 I am employed in the County of Orange, State of California; I am over the age of eighteen years and  
3 am not a party to this action; my business address is 15615 Alton Parkway, Suite 250, Irvine, California  
92618, in said County and State. On **January 24, 2011**, I served the following document(s):

4 **DEFENDANT MILT JOHNS' ANSWER TO THIRD LAGUNA HILLS MUTUAL'S UNVERIFIED  
5 FIRST AMENDED COMPLAINT**

6 on the parties stated below by the following means of service:

7 Counsel for Plaintiff:  
8 **Jeffrey M. Cohon, Esq.**  
9 **Henry Nicholls, Esq.**  
10 **John T. McDowell, Esq.**  
11 **COHON & POLLAK, LLP**  
12 **1999 Avenue of the Stars, Suite 1100**  
13 **Los Angeles, CA 90067**  
14 **Facsimile: 310.231.4610**

Counsel for Defendants Professional Community  
Management and Janet Price:  
**Paul E. Van Hoomissen, Esq.**  
**Jeff J. Astarabadi, Esq.**  
**MUCH SHELIST DENENBERG AMENT &**  
**RUBENSTEIN, P.C.**  
**2 Park Plaza, Suite 1075**  
**Irvine, CA 92614**  
**Facsimile: 949.385.5355**

15  (U.S. MAIL): I placed a true copy of the above-mentioned document(s) in a sealed envelope  
16 addressed as indicated above, on the above-mentioned date. I am familiar with the firm's practice of collection  
17 and processing correspondence for mailing. It is deposited with the U.S. Postal Service on that same day in  
18 the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if the  
19 postal cancellation date or postage meter date is more than one day after date of deposit for mailing in the  
20 affidavit.

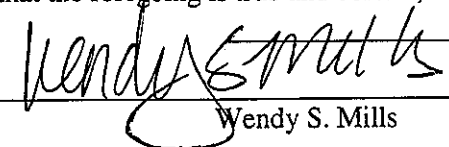
21 \_\_\_\_\_ (OVERNIGHT MAIL): I placed a true copy of the above mentioned document(s) in a sealed  
22 overnight envelope or package with delivery fees paid or provided for, addressed to the person(s) as indicated  
23 above, on the above-mentioned date, and I deposited same in a box or other facility regularly maintained by  
24 that overnight delivery service or delivered same to an authorized courier or driver authorized by the overnight  
25 delivery service to receive documents.

26 \_\_\_\_\_ (FACSIMILE): I caused the above-mentioned document(s) to be transmitted by facsimile machine to  
27 the parties and numbers indicated above, on the above-mentioned date, pursuant to Rule 2.306. The facsimile  
28 machine I used complied with Rule 2.306 and no error was reported by the machine. Pursuant to Rule 2.306, I  
caused the machine to print a transmission record of the transmission, a copy of which is maintained by this  
office.

\_\_\_\_\_ (PERSONAL SERVICE): I provided a true copy of the above-mentioned document(s) to a messenger  
for personal delivery to each person named above, at the address(es) shown above, before 5:00 p.m. on the  
above-mentioned date.

\_\_\_\_\_ (ELECTRONIC MAIL): I caused the above-mentioned document(s) to be transmitted electronically  
to the e-mail address of the addressees indicated above. I am readily familiar with this firm's Microsoft  
Outlook electronic mail system and each such document was duly served electronically on the above-  
mentioned date, and the transmission was reported as complete and without error.

I am employed in the office of Jared M. Toffer, a member of the bar of this Court, and the foregoing  
document(s) was/were printed on recycled paper. I declare under penalty of perjury under the laws of the  
State of California and the United States of America that the foregoing is true and correct, and that this  
declaration was executed on **January 24, 2011**.

  
Wendy S. Mills