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8 **Case assigned to.**
9 **Judge** J. CHIRLIN

FILED
LOS ANGELES SUPERIOR COURT

MAR 22 1999

JOHN A. CLARKE, CLERK
BY YVETTE GONZALEZ, DEPUTY

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF LOS ANGELES

BC207488

12 MARK BAKER,

13 Plaintiff,

14 vs.

15 AUTOMOBILE CLUB OF SOUTHERN CALIF-
16 ORNIA, a corporation, INTER INSUR-
17 ANCE EXCHANGE OF THE AUTOMOBILE
18 CLUB OF SOUTHERN CALIFORNIA, a
19 corporation, LARRY BAKER, an indiv-
20 idual, SCOTT SHAW, an individual
21 doing business as SCOTT SHAW INVES-
22 TIGATIONS, SHAW INVESTIGATION,
23 INC., a corporation, and JOHN DOES
24 ONE through TWENTY, inclusive,

25 Defendants

Case No.

COMPLAINT FOR DAMAGES

1. Defamation
2. Interference with Business Relationship
3. Interference with Economic Relationship
4. Negligent Hiring
5. Racketeering
6. Misrepresentation
7. Negligent Supervision
8. Respondeat Superior.

Damages Sought:

Compensatory: as proven
Exemplary: \$20,000,000.

26 Comes now the Plaintiff, MARK BAKER, and as and for his Complaint
27 alleges as follows:

28 I.

FIRST CAUSE OF ACTION

(Defamation)

1. Plaintiff, Mark Baker (hereinafter "MARK BAKER" or
"Plaintiff"), is, and at all times relevant herein was,

CONFIDENTIAL

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1 resident of the City of Long Beach, County of Los Angeles, State of
2 California.

3 2. Defendant Automobile Club of Southern California,
4 (hereinafter "AUTOMOBILE CLUB") is, and at all times was, a
5 corporation organized within the State of California doing business
6 at all times relevant in the City of Los Angeles and within the
7 jurisdiction of this Court and of this Central Branch of this
8 Court.

9 3. Defendant Inter Insurance Exchange of the Automobile Club
10 of Southern California (hereinafter "INTER INSURANCE") is, and at
11 all times was, a corporation organized within the State of
12 California doing business at all times relevant in the City of Los
13 Angeles and within the jurisdiction of this Court.

14 4. Defendant Larry Baker (hereinafter "LARRY BAKER") is an
15 individual who at all times relevant was employed and resided in
16 the County of Los Angeles, State of California. At all times
17 relevant said Defendant LARRY BAKER was a controlling person and
18 director and officer of Defendants INTER INSURANCE and the
19 AUTOMOBILE CLUB.

20 5. Defendant Scott Shaw is an individual who at all times
21 relevant was employed and resided in the County of Los Angeles,
22 State of California under the style and custom of SHAW
23 INVESTIGATIONS, INC. within the jurisdiction of this Court.

24 6. Defendant SHAW INVESTIGATION, INC. (hereinafter "SHAW
25 INVESTIGATIONS") is, and at all times was, a corporation organized
26 within the state of California doing business at all times relevant
27 in the City of Los Angeles and within the jurisdiction of this
28 Court. Defendants Scott Shaw and Shaw Investigations, Inc. will be

1 collectively referred to hereinafter as "SHAW".

2 7. All the incidents described herein occurred within the
3 County of Los Angeles, State of California.

4 8. Plaintiff is informed and believes and thereon alleges
5 that at all times herein mentioned each of the defendants was the
6 agent and employee of each of the remaining defendants and, in
7 doing the things hereinafter alleged, was acting within the course
8 and scope of such agency and employment with the knowledge, consent
9 and ratification of the Defendants AUTOMOBILE CLUB and INTER
10 INSURANCE and LARRY BAKER.

11 9. Plaintiff is ignorant of the true names and capacities
12 of the Defendants sued herein as DOES ONE through TWENTY,
13 inclusive, and therefore sue such Defendants by said fictitious
14 names. Plaintiff will amend this pleading to allege their true
15 names and capacities when the same are ascertained. Plaintiff is
16 informed and believes and thereupon alleges that said DOE
17 Defendants are in some manner intentionally or negligently
18 responsible for the wrongs and injuries hereinafter alleged and
19 that Plaintiffs' injuries were proximately caused by said acts.

20 10. The named Defendant in doing the things complained of
21 herein at all times acted with the other Defendants in conspiracy
22 and with the knowledge and consent and at the instructions of each
23 of the other Defendants and all acts occurred in the scope and in
24 furtherance of such conspiracy willfully, knowingly and
25 purposefully with the specific intent to injure the Plaintiff as is
26 more particularly described hereinafter.

27 11. Defendant was terminated from over 12 years employment as
28 an agent and employee of Defendants AUTOMOBILE CLUB and INTER

1 INSURANCE in November, 1997.

2 12. On or about April, 1998 Defendants LARRY BAKER, SHAW,
3 AUTOMOBILE CLUB and INTER INSURANCE conspired together and agreed
4 and determined upon a plan and scheme to discredit the reputation
5 of and injure the Plaintiff and his business of selling automobile
6 and other insurance and to retaliate against the Plaintiff for what
7 they deemed to be his bad moral character and to eliminate the
8 Plaintiff as a competitor to their business of selling automobile
9 insurance by publishing false and malicious and unprivileged
10 allegations throughout the insurance business community in Los
11 Angeles that Plaintiff was corrupt and dishonest and that he could
12 not be trusted.

13 13. In the course of and in furtherance of this scheme and
14 plan, Defendants AUTOMOBILE CLUB, INSURANCE EXCHANGE and LARRY
15 BAKER hired and retained Defendants Scott Shaw and SHAW
16 INVESTIGATIONS and, together with said Defendants, falsely and
17 maliciously, on or about May 2 1998 caused, ordered and instructed
18 and caused SHAW and SHAW INVESTIGATIONS to orally relate and
19 publish to Plaintiff's then employer, Farmers' Insurance Company
20 and Plaintiff's associates and colleagues at Farmer's Insurance and
21 elsewhere, false and baseless and malicious oral statements that
22 Plaintiff was going to be going to prison for fraud arising from
23 his abuse of his former position as an employee of the AUTOMOBILE
24 CLUB and INTER INSURANCE and that Plaintiff had been involved in a
25 fraudulent claim racket within the AUTOMOBILE CLUB involving 160
26 vehicles.

27 14. These statements, described above, charging Plaintiff
28 with fraud and theft were false and defamatory and slanderous per

1 se in that they alleged statements that were defamatory of
2 Plaintiff.

3 15. Plaintiff is informed and believes, and on that basis
4 alleges, that, from April, 1998 through the present the named
5 Defendants SHAW acting in the course and conduct of a conspiracy
6 and employment with Defendants AUTOMOBILE CLUB and INTER INSURANCE
7 and LARRY BAKER and others, wrongfully and willfully and with a
8 malicious intent to injure Plaintiff and his personal and business
9 reputation, have orally communicated without any privilege or
10 necessity to do so, to colleagues at Farmer's Insurance and
11 elsewhere throughout the area of Los Angeles, California where
12 Plaintiff has been employed and where he earns his living by
13 marketing automobile and other insurance to the public, false and
14 defamatory statements and injurious and defamatory allegations and
15 innuendo that, inter alia, Plaintiff was dishonest; that he was
16 going to be arrested and imprisoned for fraud and car theft and
17 false automobile claims; that he had committed fraud in conspiracy
18 with others upon the AUTOMOBILE CLUB and INTER INSURANCE; and that
19 he was of bad moral character.

20 16. These false defamatory statements were first made by the
21 Defendants SHAW acting as the agents and coconspirators of the
22 other named Defendants as stated above to officers and employees of
23 Farmer's Insurance where Plaintiff had found employment after being
24 terminated from the Defendants' employment on May 2, 1998.

25 17. Prior to such defamatory statements being published,
26 Plaintiff had established a reputation in the community as an
27 honest, honorable, decent, sound, and competent person. The above
28 described defamatory statements were false and baseless and were

1 know at the time made to be so by the Defendants and were intended
2 to and did exposed and continue to expose the Plaintiff to personal
3 humiliation and disgrace and are defamatory per se in that they
4 accuse him of illegal acts and felonies such as fraud and larceny.

5 18. In no manner were any of the above statements true or
6 privileged and at all times relevant they were known to defendants
7 AUTOMOBILE CLUB, INTER INSURANCE and LARRY BAKER to be false and
8 baseless.

9 19. The above described statements were seen and heard by
10 the management and other persons at Plaintiff's then employer
11 Farmers Insurance and by persons throughout Los Angeles and
12 elsewhere, which was reasonably foreseeable to the Defendants.

13 20. Plaintiff is informed and believes, that the above
14 defamatory statements have been stated by the defendants and
15 republished by others and will be heard and republished by persons
16 throughout the said insurance industry in Southern California all
17 to the injury of Plaintiff's personal and business reputation.

18 21. On or about May 7, 1998, after hearing of the Defendants
19 making said statements, Plaintiff orally asked Defendants SHAW and
20 SHAW INVESTIGATIONS and Defendants AUTOMOBILE CLUB and INTER
21 INSURANCE and LARRY BAKER (by leaving messages) to cease and desist
22 making and thereafter to withdraw and take back said defamatory
23 statements. Defendants SHAW and SHAW INVESTIGATIONS refused to do
24 so and Defendants AUTOMOBILE CLUB and INTER INSURANCE and LARRY
25 BAKER declined to speak to Plaintiff.

26 22. Defendants LARRY BAKER, AUTOMOBILE and INTER INSURANCE
27 affirmed and ratified the acts of SHAW and SHAW INVESTIGATIONS set
28 forth above and refused to retract and correct the same.

1 23. Plaintiff is informed and believes that the named
2 Defendants continued after May 7, 1998 to make said statements and
3 at no time withdrew, retracted or otherwise refuted said defamatory
4 statements.

5 24. In December, 1998 as a direct and proximate and
6 foreseeable result of said defamatory statements Plaintiff was
7 terminated from his employment as an agent of Farmers Insurance.

8 25. The above defamatory statements held the Plaintiff up to
9 professional and personal contempt and derision and mistrust and,
10 as a direct and proximate result thereof, the Plaintiff's
11 reputation and professional standing and employment prospects have
12 been injured in an amount which cannot be presently ascertained but
13 is in excess of \$500,000.00.

14 26. Defendants knew or should have known that said statements
15 would be republished throughout the insurance industry and amongst
16 clients and potential clients of Plaintiff and intended that the
17 same occur, as it did.

18 27. These defamatory statements were intended by the
19 Defendants, and each of them, to injure and have injured the reput-
20 ation and credibility and employability of Plaintiff and were
21 intended to damages and ruin his business opportunities.

22 28. As a direct and proximate result of the aforesaid acts
23 of the Defendants, and each of them, Plaintiff has suffered and
24 continues to suffer loss of employment and business opportunities
25 and great mental anguish, from then until now, and will continue to
26 do so in the future by reason of having been held up to public
27 scorn and derision and to humiliation by the publication of the
28 foregoing defamatory statements of the Defendants all to the

1 general damages of the Plaintiff in the amount in excess of
2 \$500,000.00).

3 29. As a direct and proximate result of the acts of ,
4 Plaintiff was injured in his health, strength, and activity,
5 sustaining shock and injury to his nervous system and person, and
6 among others, sustained injuries including but not limited to
7 shortness of breath, sleeplessness, nausea, near fainting,
8 depression, flushing, spotting, all of which injuries have caused
9 plaintiff to suffer extreme and severe physical pain and mental
10 anguish all to her general damage in an amount which cannot as yet
11 be determined but is in excess of Five Hundred Thousand Dollars
12 (\$500,000.00).

13 30. The acts alleged herein constitute reprehensible and
14 despicable conduct carried on by the named Defendants with a
15 willful and deliberate conscious disregard of the rights of
16 Plaintiff and with an intent to injure him and his business and
17 employment prospects. In doing the acts complained of hereinabove
18 the Defendants, and each of them, acted with malice and ill will
19 and with callous and reckless disregard of the Plaintiff and with
20 oppression, fraud and malice towards the Plaintiff who is,
21 therefore, each entitled to punitive or exemplary damages against
22 the said Defendants in the amount of Twenty Million Dollars
23 (\$20,000,000.00) a sum which is reasonably necessary to deter
24 Defendants in the future from such conduct.

25 II.

26 SECOND CAUSE OF ACTION

27 (Interference with Business Relationships)

28 Plaintiff, as and for his Second Cause of Action, allege as

1 follows:

2 31. Plaintiff reasserts and realleges, as if set forth in
3 full, each and every allegation contained in Paragraph 1 through
4 29 above, inclusive.

5 32. Plaintiff had established, while an employee of
6 Defendants AUTOMOBILE CLUB and INTER INSURANCE from 1987 to 1998,
7 a large number of clients and customers and had been a highly
8 successful insurance agent.

9 33. Plaintiff is informed and believes and infers that after
10 he left employment of Defendants AUTOMOBILE CLUB and INTER
11 INSURANCE and the employ of Defendant LARRY BAKER, said defendants
12 and other decided that Plaintiff's clients who were customers were
13 likely to terminate their automobile insurance policies with said
14 Defendants and follow Plaintiff and purchase new policies from
15 Plaintiffs new employers.

16 34. Plaintiff believes and hereby alleges that in order to
17 prevent the loss of said business and the gain to Plaintiff of said
18 business going to his new employer, said named defendants agreed
19 and conspired to ruin Plaintiff's reputation in the insurance
20 business community and thus effectively prevent the loss of said
21 insurance customers by preventing Plaintiff from being hired or
22 associating with any other insurance company.

23 35. Pursuant to and in furtherance of said agreement and plan
24 and scheme to ruin the Plaintiff's reputation and destroy his
25 business opportunities, Defendants retained and hired Defendants
26 SHAW to seek out and find Plaintiff's then new employer and, under
27 the false and deceitful guise of claiming to be investigating the
28 Plaintiff, make the false and malicious statements described above

1 to Plaintiff's new employer and to his colleagues at said employer
2 in order to discredit Plaintiff and thus injure his business
3 prospects.

4 36. At no time were the defendants acting out of any lawful
5 or appropriate authority or necessity. Their communications with
6 Plaintiff's new employers were not privileged nor made in the
7 course and scope of any legitimate investigation nor intended to
8 investigate Plaintiff but were knowingly falsely made solely with
9 the intent and purpose of ruining and injuring Plaintiff's existing
10 and future employment opportunities and to prevent his former
11 clients from cancelling their policies and taking new policies
12 through him at his new employers. In this Defendants were
13 effective.

14 37. There was no lawful, appropriate, proper or privileged
15 purpose for said communications.

16 38. As a direct and proximate and foreseeable and intended
17 result of said defamatory communications, Plaintiff who was
18 formerly held in high regard by his new employer became the subject
19 of suspicion and doubt and after being unable to get Defendants to
20 withdraw said reckless and defamatory false statements was, as a
21 direct, intended and proximate result of said statements,
22 terminated from his position with Farmer's Insurance in November,
23 1998 as was intended and planned by Defendants.

24 39. Once terminated as described above Plaintiff was unable
25 to write insurance coverage for his clients and was thus further
26 injured and made unable to make a living.

27 40. As a direct and proximate result of the aforesaid acts of
28 the Defendants, and each of them, Plaintiff has suffered and

1 continues to suffer loss of employment and business opportunities
2 and great mental anguish, from then until now, and will continue to
3 do so in the future all to the general damages of the Plaintiff in
4 the amount in excess of \$500,000.00).

5 41. The acts alleged herein constitute reprehensible and
6 despicable conduct carried on by the named Defendants with a
7 willful and deliberate conscious disregard of the rights of
8 Plaintiff and with an intent to injure him and his business and
9 employment prospects. In doing the acts complained of hereinabove
10 the Defendants, and each of them, acted with malice and ill will
11 and with callous and reckless disregard of the Plaintiff and with
12 oppression, fraud and malice towards the Plaintiff who is,
13 therefore, each entitled to punitive or exemplary damages against
14 the said Defendants in the amount of Twenty Million Dollars
15 (\$20,000,000.00) a sum which is reasonably necessary to deter
16 Defendants from said conduct.

17 III.

18 THIRD CAUSE OF ACTION

19 (Interference with Economic Relationships)

20 Plaintiff, as and for his Third Cause of Action, allege as
21 follows:

22 44. Plaintiff reasserts and realleges, as if set forth in
23 full, each and every allegation contained in Paragraph 1 through
24 29 and 32 through 42 above, inclusive.

25 45. In doing the acts alleged herein and as a direct and
26 proximate and intended result of said acts Defendants LARRY BAKER,
27 AUTOMOBILE CLUB and INTER INSURANCE and SHAW deliberately and
28 intentionally caused Plaintiff's reputation as an honest and

1 credible insurance agent to be ruined and his business to suffer
2 and to cause Farmer's Insurance to cancel and terminate contracts
3 he had written with clients and to cause potential clients to
4 remain insured by them and not to take their business to Plaintiff
5 and further to cause Plaintiff to lose future contracts with
6 potential clients by ruining his reputation and causing him to be
7 terminated as an agent by Farmer's Insurance.

8 46. The acts alleged herein constitute reprehensible and
9 despicable conduct carried on by the named Defendants with a
10 willful and deliberate conscious disregard of the rights of
11 Plaintiff and with an intent to injure him and his business and
12 employment prospects. In doing the acts complained of hereinabove
13 the Defendants, and each of them, acted with malice and ill will
14 and with callous and reckless disregard of the Plaintiff and with
15 oppression, fraud and malice towards the Plaintiff who is,
16 therefore, each entitled to punitive or exemplary damages against
17 the said Defendants in the amount of Twenty Million Dollars
18 (\$20,000,000.00) a sum which is reasonably necessary to deter
19 Defendants in the future from such conduct.

20 IV.

21 FOURTH CAUSE OF ACTION

22 (Negligent Hiring)

23 Plaintiff, as and for his Fourth Cause of Action, allege as
24 follows:

25 47. Plaintiff reasserts and realleges, as if set forth in
26 full, each and every allegation contained in Paragraph 1 through
27 29 and 32 through 45 above, inclusive.

28 48. On or about April or May, 1998 Defendants AUTOMOBILE

1 CLUB, INTER INSURANCE and LARRY BAKER agreed to hire, and did hire,
2 Defendants SHAW and SHAW INVESTIGATIONS to serve them as an
3 independent contractor for the purpose of trying to establish a
4 seeming case of fraud and corruption against the Plaintiff
5 Pursuant to the said agreement, Defendants SHAW and SHAW
6 INVESTIGATIONS undertook to perform the work.

7 49. Had Defendants AUTOMOBILE CLUB and INTER INSURANCE
8 adequately investigated the history, reputation, methods and
9 activities of the said investigators SHAW they hired in a proper
10 and appropriate manner, it would have been apparent and was to any
11 reasonable person apparent that Defendants SHAW were neither
12 sufficiently experienced nor sufficiently appropriately trained and
13 disciplined nor sufficiently discrete and professional in the
14 conduct of investigations to be entrusted with investigation of the
15 nature described hereinabove.

16 50. On or about May 2, 1998 Defendants SHAW in fulfillment
17 and execution of the above mentioned contract and in the course and
18 within the scope of their employment by the other named Defendants,
19 went to the offices of Farmer's Insurance in Los Angeles where he
20 had learned Plaintiff had found employment and pursuant to and
21 within the scope of said employment and thereafter with the
22 knowledge and consent and thereafter the ratification of the
23 Defendants AUTOMOBILE CLUB. LARRY BAKER and INTER INSURANCE
24 negligently, recklessly and without cause or privilege slandered
25 and defamed the Plaintiff as described above.

26 51. Given the lack of experience, professional judgment, and
27 appropriate training in this type of investigation of Defendants
28 SHAW, it was reasonably foreseeable to the other Defendants that

1 SHAW was reckless and foolish and would do the acts alleged herein
2 and that to hire and retain and employ SHAW for the investigation
3 of Plaintiff was negligent and reckless and without regard of or
4 for the rights of Plaintiff.

5 52. The failure of Defendants LARRY BAKER, AUTOMOBILE CLUB and
6 INTER INSURANCE to adequately investigate Defendants SHAW and to
7 cause SHAW to act reasonably professionally was the proximate cause
8 of Plaintiff's injury, as said investigation of Plaintiff as was
9 contemplated are known, or in the exercise of reasonable care would
10 be known, to be particularly dangerous to the reputation and
11 business of the subject of said investigation unless conducted in
12 a responsible and professional manner.

13 53. Had Defendants LARRY BAKER, AUTOMOBILE CLUB and INTER
14 INSURANCE adequately investigated SHAW in a proper and appropriate
15 manner, it would have been apparent and was to any reasonable
16 person given the situation, that Defendants SHAW and SHAW
17 INVESTIGATIONS were neither sufficiently experienced nor
18 sufficiently appropriate or discrete and professional in the
19 conduct of investigations to be entrusted with investigation of the
20 nature described hereinabove.

21 54. Had Defendants adequately and appropriately with due care
22 chosen and retained professional and responsible investigators the
23 incidents that occurred as described herein above would not have
24 occurred and Plaintiff would not have been injured.

25 55. Despite this advance knowledge or in the absence of due
26 care, Defendants AUTOMOBILE CLUB, INTER INSURANCE and LARRY BAKER
27 allowed Defendants SHAW and SHAW INVESTIGATIONS to investigate
28 Plaintiff in conscious disregard of the rights and safety of the

1 Plaintiff and his reputation and business and employment
2 opportunities including keeping his employment with Farmer's
3 Insurance.

4 56. As a direct and proximate result of this conscious
5 disregard of the rights of Plaintiff, Plaintiff was injured as
6 described herein above.

7 57. As a direct, proximate and foreseeable result of the acts
8 of defendants, plaintiff suffered loss of his employment with
9 Farmer's Insurance; loss of business clients and customers; loss of
10 future business and clients and emotional and all the other
11 injuries described above.

12 58. In employing Defendants SHAW and SHAW INVESTIGATION to do
13 the work of investigation described above, Defendants AUTOMOBILE
14 CLUB, INTER INSURANCE and LARRY BAKER recognized or should have
15 recognized that the work would be likely to create, during its
16 progress, a peculiar unreasonable risk of injury and harm to
17 Plaintiff and his reputation and business (prospective and
18 existing) and his employment unless special precautions were taken,
19 in that in the course and conduct of said investigation unless
20 great and particular care was taken the reputation of Plaintiff and
21 thus his business and employment prospects would be injured.

22 59. Defendants AUTOMOBILE CLUB, INTER INSURANCE and LARRY
23 BAKER failed to provide in the contract by which they employed SHAW
24 that Defendants SHAW must take special precautions nor exercised
25 reasonable care to provide in some other manner for the taking of
26 the said reasonable precautions in order to avoid the peculiar
27 unreasonable risk of irreparable harm to Plaintiff likely to be
28 created during the progress of the work as occurred as described

1 above.

2 60. Plaintiff is informed and believes and on that basis
3 alleges that Defendants AUTOMOBILE CLUB, INTER INSURANCE and LARRY
4 BAKER in entering into the hire of Defendants SHAW and SHAW
5 INVESTIGATIONS negligently and recklessly failed to adequately
6 research and investigate the history, reputation, and record and
7 experience of SHAW and SHAW INVESTIGATIONS and to recognize and to
8 protect against the reckless and injurious methods of investigation
9 used by SHAW and SHAW INVESTIGATIONS and were reckless and
10 negligent in hiring said Defendants for this purpose.

11 61. As a direct and proximate result of said negligence and
12 recklessness in hiring and supervision of SHAW, Plaintiff was
13 injured as described above.

14 62. The acts alleged herein constitute reprehensible and
15 despicable conduct carried on by the named Defendants with a
16 willful and deliberate conscious disregard of the rights of
17 Plaintiff and with an intent to injure him and his business and
18 employment prospects. In doing the acts complained of hereinabove
19 the Defendants, and each of them, acted with malice and ill will
20 and with callous and reckless disregard of the Plaintiff and his
21 reputation and employment prospects and with oppression, fraud and
22 malice towards the Plaintiff who is, therefore, each entitled to
23 punitive or exemplary damages against the said Defendants in the
24 amount of Twenty Million Dollars (\$20,000,000.00) a sum which is
25 reasonably necessary to deter Defendants in the future from such
26 conduct.

27 V.

28 FIFTH CAUSE OF ACTION

1 (Racketeering and Corrupt Practices

2 Conspiracy to Restrict Trade and Commerce)

3 Plaintiff, as and for his Fifth Cause of Action, allege as
4 follows:

5 63. Plaintiff reasserts and realleges, as if set forth in
6 full, each and every allegation contained in Paragraph 1 through
7 29, and 32 through 42 above, inclusive.

8 64. In doing the acts alleged herein, Defendants AUTOMOBILE
9 CLUB, INTER INSURANCE, LARRY BAKER, SHAW and SHAW INVESTIGATIONS
10 and others conspired together and engaged in a pattern and practice
11 of racketeering activity as that is defined in law with the
12 unlawful purpose of preventing the Plaintiff from engaging in
13 business with customers and clients of said Defendant AUTO MOBILE
14 CLUB and INTER INSURANCE who were or who might be loyal to
15 Plaintiff and who might seek his agency for insurance services.

16 65. Plaintiff is informed and believes that said named
17 Defendants have in the past conducted a similar pattern and
18 practice of unlawful and illegal activities to discredit and
19 destroy the business and personal reputations of other persons
20 employed as agents who had terminated their employment relationship
21 with Defendants AUTOMOBILE CLUB and INTER INSURANCE in order to
22 restrict trade in the business of automobile insurance and to
23 acquire and maintain an interest in the accounts of person
24 similarly situated to the Plaintiff and to restrict the free flow
25 of trade and business through a pattern of such racketeering
26 activity.

27 66. As a direct and intended and proximate result of the acts
28 described herein Plaintiff's business was lost and was maintained,

1 obtained and retained by the said Defendants AUTOMOBILE CLUB, INTER
2 INSURANCE and LARRY BAKER.

3 67. The acts alleged herein constitute reprehensible and
4 despicable conduct carried on by the named Defendants with a
5 willful and deliberate conscious disregard of the rights of
6 Plaintiff and with an intent to injure him and his business and
7 employment prospects. In doing the acts complained of hereinabove
8 the Defendants, and each of them, acted with malice and ill will
9 and with callous and reckless disregard of the Plaintiff and his
10 reputation and employment prospects and with oppression, fraud and
11 malice towards the Plaintiff who is, therefore, each entitled to
12 punitive or exemplary damages against the said Defendants in the
13 amount of Twenty Million Dollars (\$20,000,000.00) a sum which is
14 reasonably necessary to deter Defendants in the future from such
15 conduct.

16 VI.

17 SIXTH CAUSE OF ACTION

18 (Misrepresentation to Prospective Employer Labor Code §§1050,
19 1054; Code of Civil Procedure §425.10 and Civil Code §3333)

20 Plaintiff, as and for his Sixth Cause of Action, allege as
21 follows:

22 68. Plaintiff reasserts and realleges, as if set forth in
23 full, each and every allegation contained in Paragraph 1 through
24 29 and 32 through 42 above, inclusive.

25 69. On or about 1990, Defendants AUTOMOBILE CLUB and INTER
26 INSURANCE hired Plaintiff, and Plaintiff entered into employment,
27 as said Defendants' employee.

28 70. On or about February, 1998 defendant AUTOMOBILE CLUB and

1 INTER INSURANCE discharged Plaintiff from employment. There was no
2 legal cause for said termination.

3 71. On or about April or May, 1998, Defendants AUTOMOBILE
4 CLUB and INTER INSURANCE and LARRY BAKER through the
5 instrumentality of SHAW falsely informed Farmer's Insurance
6 Company, to whom Plaintiff had applied and for whom he had just
7 become employed, that Plaintiff was a criminal, that Plaintiff was
8 going to be soon in prison and that Plaintiff had committed
9 fraudulent insurance practices including being part of a fraudulent
10 theft claim ring.

11 72. As a proximate result of said defendant's intentional
12 misrepresentation(s), Plaintiff was prevented from maintaining
13 employment with Farmer's Insurance Co., to Plaintiff's damage in a
14 sum which presently cannot be calculated but which is in excess of
15 \$500,000.00.

16 73. The above-described misrepresentation(s) was made by the
17 defendant AUTOMOBILE CLUB by and through Defendant SHAW with malice
18 and oppression and fraud in that said charges were utterly false
19 and were known by said Defendants to be false and would, under the
20 circumstances known to exist, cause Plaintiff to lose his
21 employment then found. Defendants' conduct therefore warrants the
22 assessment of punitive or exemplary damages.

23 VII.

24 SEVENTH CAUSE OF ACTION

25 (Negligent Supervision)

26 Plaintiff, as and for his Seventh Cause of Action, allege as
27 follows:

28 74. Plaintiff reasserts and realleges, as if set forth in

1 full, each and every allegation contained in Paragraph 1 through
2 29, 32 through 42, 48 through 61, 64 through 66, and 69 through 72,
3 above, inclusive.

4 75. In doing the acts as heretofore alleged, Defendants
5 AUTOMOBILE CLUB and INTER INSURANCE knew, or in the exercise of
6 reasonable diligence should have known, that Defendants SHAW and
7 SHAW INVESTIGATIONS were neither qualified nor sufficiently
8 disciplined and professional to be able to appropriately investigate
9 the allegations made against Plaintiff and that an undue risk to
10 the professional and personal reputation of Plaintiff would exist
11 because of this lack of ability unless Defendants AUTOMOBILE CLUB
12 and INTER INSURANCE adequately trained and supervised Defendants
13 SHAW and SHAW INVESTIGATIONS in the exercise of the tasks of
14 employment.

15 76. Notwithstanding the knowledge that Defendants SHAW and
16 SHAW INVESTIGATIONS was neither qualified nor sufficiently
17 professional to appropriately investigate Plaintiff without
18 injuring his reputation in a safe manner Defendants did not
19 adequately train or supervise said defendants SHAW and SHAW
20 INVESTIGATIONS in the performance of their assigned tasks.

21 77. The failure of Defendants AUTOMOBILE CLUB and INTER
22 INSURANCE to adequately supervise Defendants SHAW and SHAW
23 INVESTIGATIONS was the proximate cause of Plaintiff's injury, as
24 said investigations are known to be particularly dangerous to the
25 reputation and business of subjects unless conducted in a
26 responsible and professional manner.

27 78. Had Defendants AUTOMOBILE CLUB and INTER INSURANCE
28 adequately investigated, chosen and supervised the activities of

1 the investigators they hired in a proper and appropriate manner, it
2 would have been apparent and was to any reasonable person giving
3 the situation due and appropriate care apparent that Defendants
4 SHAW and SHAW INVESTIGATIONS were neither sufficiently experienced
5 nor sufficiently appropriate or discrete and professional in the
6 conduct of investigations to be entrusted with investigation of the
7 nature described hereinabove.

8 79. Had Defendants he incidents that occurred as described
9 herein above would not have occurred and Plaintiff would not have
10 been injured.

11 80. In the course and conduct of said investigation,
12 Defendants SHAW and SHAW INVESTIGATIONS negligently, recklessly and
13 with complete disregard and or ignorance of all appropriate
14 professional standards, stated that he was engaged in a bona fide
15 investigation of Plaintiff and that Plaintiff had committed frauds
16 and the other acts of slander and defamation alleged above and that
17 negligence was the proximate cause of the injuries and damages
18 described above. This was conduct typical of the methods of said
19 Defendants.

20 81. Despite advance knowledge, Defendant AUTOMOBILE CLUB and
21 INTER INSURANCE recklessly and negligently allowed Defendant SHAW,
22 in conscious and willful disregard of the rights and safety of
23 Plaintiff, to conduct said investigation of Plaintiff.

24 82. As a direct and proximate result of the aforesaid acts
25 of the Defendants, and each of them, Plaintiff has suffered and
26 continues to suffer loss of employment and business opportunities
27 and great mental anguish, from then until now, and will continue to
28 do so in the future all to the general damages of the Plaintiff in

1 the amount in excess of \$500,000.00).

2 83. The acts alleged herein constitute reprehensible and
3 despicable conduct carried on by the named Defendants with a
4 willful and deliberate conscious disregard of the rights of
5 Plaintiff and with an intent to injure him and his business and
6 employment prospects. In doing the acts complained of hereinabove
7 the Defendants, and each of them, acted with malice and ill will
8 and with callous and reckless disregard of the Plaintiff and with
9 oppression, fraud and malice towards the Plaintiff who is,
10 therefore, each entitled to punitive or exemplary damages against
11 the said Defendants in the amount of Twenty Million Dollars
12 (\$20,000,000.00) a sum which is reasonably necessary to deter
13 Defendants from said conduct.

14 VII.

15 EIGHTH CAUSE OF ACTION

16 (Respondeat Superior)

17 Plaintiff, as and for his Eighth Cause of Action, allege as
18 follows:

19 84. Plaintiff reasserts and realleges, as if set forth in
20 full, each and every allegation contained in Paragraph 1 through
21 29, 32 through 42, 48 through 61, 64 through 66, 69 through 72, and
22 75 through 82 above, inclusive.

23 85. At all times herein in doing all the acts described above
24 Defendants SHAW was acting at the express instructions and at the
25 direction of Defendants LARRY BAKER, AUTOMOBILE CLUB and INTER
26 INSURANCE who had a duty to control said investigation of Plaintiff
27 and to prevent defamation of Plaintiff and injury to Plaintiff's
28 reputation and business which duty may not be delegated to any

1 person or entity at any time pursuant to contract or otherwise.

2 86. Defendants LARRY BAKER, AUTOMOBILE CLUB and INTER
3 INSURANCE are therefore liable for all the injuries suffered by
4 Plaintiff as alleged above.

5 87. The acts alleged herein constitute reprehensible and
6 despicable conduct carried on by the named Defendants with a
7 willful and deliberate conscious disregard of the rights of
8 Plaintiff and with an intent to injure him and his business and
9 employment prospects. In doing the acts complained of hereinabove
10 the Defendants, and each of them, acted with malice and ill will
11 and with callous and reckless disregard of the Plaintiff and with
12 oppression, fraud and malice towards the Plaintiff who is,
13 therefore, each entitled to punitive or exemplary damages against
14 the said Defendants in the amount of Twenty Million Dollars
15 (\$20,000,000.00) a sum which is reasonably necessary to deter
16 Defendants from said conduct.

17 WHEREFORE, Plaintiff Mark Baker prays judgment against the
18 Defendants Automobile Club of Southern California, Inter Insurance
19 Exchange of the Automobile Club of Southern California, Larry
20 Baker, Scott Shaw and Shaw Investigations, Inc. and others, and
21 each of them jointly and severally, as follows:

22 As and for his First Cause of Action:

- 23 1. Compensatory Damages according to proof;
24 2. As and for Exemplary or punitive damages the sum of
25 \$20,000,000.00;
26 3. Actual costs of suit herein; and,
27 4. Such other and further relief as this court deems
28 proper.

1 As and for his Second Cause of Action:

2 1. Compensatory Damages according to proof;

3 2. As and for Exemplary or punitive damages the sum of
4 \$20,000,000.00;

5 3. Actual costs of suit herein; and,

6 4. Such other and further relief as this court deems
7 proper.

8 As and for his Third Cause of Action:

9 1. Compensatory Damages according to proof;

10 2. As and for Exemplary or punitive damages the sum of
11 \$20,000,000.00;

12 3. Actual costs of suit herein; and,

13 4. Such other and further relief as this court deems
14 proper.

15 As and for his Fourth Cause of Action:

16 1. Compensatory Damages according to proof;

17 2. As and for Exemplary or punitive damages the sum of
18 \$20,000,000.00;

19 3. Actual costs of suit herein; and,

20 4. Such other and further relief as this court deems
21 proper.

22 As and for his Fifth Cause of Action:

23 1. Compensatory Damages according to proof;

24 2. As and for statutory damages an amount three times the
25 amount of compensatory damages found;

26 3. As and for Exemplary or punitive damages the sum of
27 \$20,000,000.00;

28 4. Plaintiff's reasonable attorneys fees incurred in this

1 action;

2 5. Actual costs of suit herein; and,

3 6. Such other and further relief as this court deems
4 proper.

5 As and for his Sixth Cause of Action:

6 1. Compensatory Damages according to proof;

7 2. That said compensatory damages be trebled as provided in
8 Labor Code Section 1054;

9 3. As an alternative to the treble damages prayed for herein,
10 for punitive damages in an amount appropriate to punish defendant
11 and deter others from engaging in similar wrongful conduct;

12 4. For costs of suit herein incurred including actual
13 attorney's fees;

14 5. For such other and further relief as the court deems
15 proper.

16 As and for his Seventh Cause of Action:

17 1. Compensatory Damages according to proof;

18 2. As and for Exemplary or punitive damages the sum of
19 \$20,000,000.00;

20 3. Actual costs of suit herein; and,

21 4. Such other and further relief as this court deems
22 proper.

23 As and for his Eighth Cause of Action:

24 1. Compensatory Damages according to proof;

25 2. As and for Exemplary or punitive damages the sum of
26 \$20,000,000.00;

27 3. Actual costs of suit herein; and,

28 4. Such other and further relief as this court deems

1 proper.

2 March 22, 1999.

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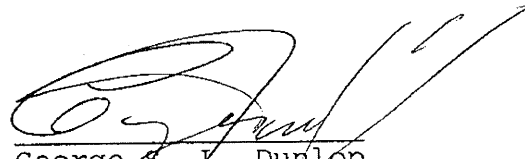
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George S. L. Dunlop
Attorney for Plaintiff
Mark Baker

COMPLAINT FOR DAMAGES

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

SHORT CASE TITLE

CASE NUMBER

MARK BAKER v. AUTOMOBILE CLUB

CERTIFICATE OF ASSIGNMENT

File this certificate with all cases presented for filing in all districts of the Los Angeles Superior Court.

☒ JURY TRIAL

☐ NON-JURY TRIAL

☒ TIME ESTIMATED FOR TRIAL 14 ☐ HOURS / ☒ DAYS.

The undersigned declares that the above entitled matter is filed for proceedings in the CENTRAL District of the Los Angeles Superior Court under Section 392 et seq., Code of Civil Procedure and Rule 2 (b), (c) and (d) of this court for the reasons checked below. The address of the accident, performance, party, detention, place of business, or other factor which qualifies this case for filing in the above designated district is as follows:

NAME: (INDICATE TITLE OR OTHER QUALIFYING FACTOR)

ADDRESS:

GEORGE S. L. DUNLOP ESQ.

2253 Martin Street, Suite 311
IRVINE, CA 92612

CITY:

STATE:

ZIP CODE:

CHECK ONLY ONE NATURE OF ACTION.

NATURE OF ACTION	GROUND	NATURE OF ACTION	GROUND
<input type="checkbox"/> A7100 Vehicle Accident <input type="checkbox"/> A7210 Med Malpractice <input type="checkbox"/> A7200 Other Personal Inj. <input type="checkbox"/> A7220 Product Liability <input checked="" type="checkbox"/> A6050 Other Malpractice <input type="checkbox"/> A6012 Collection/Note <input type="checkbox"/> A6040 Injunct. Relief <input type="checkbox"/> A6030 Declar. Relief <input type="checkbox"/> A6170 Late Claim Relief <input checked="" type="checkbox"/> A6000 Other Complaint (Specify): <u>DEFAMATION</u>	Local Rule 2 sets forth the provisions for mandatory filings in the Central District and optional filings in the Central District or District other than the Central District in "Los Angeles County." If this is a Class Action, mark this box: <input type="checkbox"/> Class Action	No. of Minors Involved: _____ <input type="checkbox"/> A5520 Regular Dissolution <input type="checkbox"/> A5525 Summary Dissolution <input type="checkbox"/> A5530 Nullity <input type="checkbox"/> A5510 Legal Separation <input type="checkbox"/> A6135 Foreign Support <input type="checkbox"/> A6136 Foreign Custody <input type="checkbox"/> A6122 Domestic Violence <input type="checkbox"/> A6130 Family Law Complaint-Other	One or more of the party litigants resides within the district.** (Not a requirement for filing in Central District—Rule 2)
<input type="checkbox"/> A6011 Contract/Commercial	Performance in the district is expressly provided for.**	No. of Minors Involved: _____ <input type="checkbox"/> A6080 Paternity <input type="checkbox"/> A6131 DA Paternity (DA use only) <input type="checkbox"/> A6133 DA Agreement (DA use only) <input type="checkbox"/> A6600 Habeas Corpus Family Law	Child resides or deceased father's probate would be filed in the district.** Child is held within the district.**
<input type="checkbox"/> A7300 Eminent Domain/Inverse Condemnation No. of Parcels: _____ <input type="checkbox"/> A6020 Landlord/Tenant (UD) <input type="checkbox"/> A6060 Real Property Rights	The property is located within the district.**	<input type="checkbox"/> A6101 Agency Adoption <input type="checkbox"/> A6102 Independent Adoption <input type="checkbox"/> A6104 Stepparent Adoption <input type="checkbox"/> A6103 Adult Adoption <input type="checkbox"/> A6106 Sole Custody Petition <input type="checkbox"/> A6105 Abandonment	Petitioner resides within the district.** or Consent to out-of-state adoption, consensor resides within the district.**
<input type="checkbox"/> A6140 Admin Award	The administrative tribunal is located within the district.**	<input type="checkbox"/> A6210 Probate Will-Letters Testamentary <input type="checkbox"/> A6211 Probate Will-Letters Administration <input type="checkbox"/> A6212 Letters of Administration <input type="checkbox"/> A6213 Letters of Special Administration <input type="checkbox"/> A6214 Set Aside Sm. Estate (6602 PC) <input type="checkbox"/> A6215 Spousal Property <input type="checkbox"/> A6216 Succession to Real Property <input type="checkbox"/> A6217 Summary Probate (7660 PC) <input type="checkbox"/> A6218 Real Prop./Sm. Value (13200 PC) <input type="checkbox"/> A6230 Conservatorship P & E <input type="checkbox"/> A6231 Conservatorship Person <input type="checkbox"/> A6232 Conservatorship Estate <input type="checkbox"/> A6233 Medical Treatment without Consent <input type="checkbox"/> A6240 Guardianship P & E <input type="checkbox"/> A6241 Guardianship Person <input type="checkbox"/> A6242 Guardianship Estate <input type="checkbox"/> A6243 Spouse Lacks Capacity <input type="checkbox"/> A6254 Trust Proceedings <input type="checkbox"/> A6260 Comp. Minor's Claim <input type="checkbox"/> A6180 Petition to Establish Fact of Birth, Death or Marriage. <input type="checkbox"/> A6200 Probate Other (Specify): _____	Decedent resided within the district.** or Decedent resided out of the district, but held property within the district.** or Petitioner, conservatee or ward resides within this district.**
<input type="checkbox"/> A6160 Abstract <input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6107 Confession of Judgment	The judgment debtor holds property within the district.**		
<input type="checkbox"/> A7221 Asbestos Pers. Inj. <input type="checkbox"/> A6070 Asbestos Prop. Dam. <input type="checkbox"/> A6137 RESL Initiating Petition <input type="checkbox"/> A6138 RESL Responding Petition <input type="checkbox"/> A6139 RESL Reg of Foreign Support <input type="checkbox"/> A6111 Minor's Contract <input type="checkbox"/> A6190 Election Contest	Must be filed in the Central District.		
<input type="checkbox"/> A6110 Name Change <input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6100 Other Petition (Specify): _____	One or more of the party litigants resides within the district.**		
<input type="checkbox"/> A6151 Mandamus* <input type="checkbox"/> A6152 Prohibition* <input type="checkbox"/> A6150 Other Writ* (Specify): _____	The defendant functions wholly within the district.**		

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and this declaration was executed on MARCH 22, 1999 at IRVINE, California.

(SIGNATURE OF ATTORNEY/FILING PARTY)

*Perogative writs concerning a Court of inferior jurisdiction shall be filed in Central District.

**Rule 2 allows optional filing in Central District.

THE COURT MAY IMPOSE SANCTIONS OR OTHER PENALTIES FOR FAILURE TO FILE IN THE PROPER DISTRICT

New Civil Case Filing Instructions

Effective July 1, 1995, all persons filing new civil actions with the Los Angeles County Superior Court will be required to comply with the following procedures.

Pursuant to Superior Court Local Rules, Rule 2 (d), this "Certificate of Assignment" must be completed and filed with the Court along with the original Complaint or Petition in ALL cases filed in any district (including the Central District) of the Los Angeles County Superior Court.

**PLEASE HAVE THE FOLLOWING DOCUMENTS COMPLETED
AND READY TO BE FILED ALONG WITH YOUR ORIGINAL CIVIL
COMPLAINT OR PETITION:**

1. Original Complaint or Petition.
 2. One copy of the **caption or front page (or as many pages as necessary) of the Complaint or Petition** to show the names of ALL the parties involved in the case.
 3. This "**Certificate of Assignment**" form, completely filled out. * (Superior Court Form Number 4, revised 4/97)
 4. Civil Case Cover Sheet required by California Rule of Court 982.2(b)(1).
 5. Payment in full of the filing fee or an Order of the Court waiving payment of filing fees.
 6. Additional copies of documents presented for endorsement.
- * With the exception of personal injury cases, and those types of actions required to be filed in the Central District by Local Court Rule 2, all civil actions may be optionally filed either in the Central District, or in whichever other district the rule would allow them to be filed. When a party elects to file an action in the Central District which would also be eligible for filing in one or more of the other districts, this form shall be submitted with location information completed on the reverse.