Ari E. Moss (SBN 238579)
Jeremy F. Bollinger (SBN 240132)
MOSS BOLLINGER LLP
15300 Ventura Blvd., Ste. 207
Sherman Oaks, California 91403
Telephone: (310) 982-2984
Facsimile: (310) 861-0389
ari@mossbollinger.com
jeremy@mossbollinger.com

Superior Court of California County of Los Angeles

MAR 07 2017

Sherri R. Carter, Executive Officer/Clerk

By North Was Veronica Hillard

Attorney for Plaintiff, VERA SEROVA

## SUPERIOR COURT OF THE STATE OF CALIFORNIA

#### COUNTY OF LOS ANGELES

VERA SEROVA, an individual, on behalf of herself and all others similarly situated,

Plaintiff,

VS.

SONY MUSIC ENTERTAINMENT, a
Delaware general partnership; JOHN BRANCA,
as Co-Executor of the Estate of Michael J.
Jackson; EDWARD JOSEPH CASCIO, an
individual; JAMES VICTOR PORTE, an
individual; MJJ PRODUCTIONS, INC., a
California Corporation; ANGELIKSON
PRODUCTIONS LLC, a New York Jersey
Limited Liability Company; and DOES 1
through 50, inclusive,

Defendants.

Case No. BC 548468

PLAINTIFF VERA SEROVA'S
OPPOSITION TO DEFENDANTS
EDWARD JOSPEH CASCIO, JAMES
VICTOR PORTE AND ANGELIKSON
PRODUCTIONS, LLC'S MOTION FOR
AWARD OF ATTORNEYS' FEES AND
COSTS

Case Assigned for All Purposes to Judge Ann I. Jones

Date: March 21, 2017

Time: 9:00 a.m.

Dept.: 308

# TABLE OF CONTENTS

I.	INTRODUCTION		1
II.	RELEVANT FACTUAL BACKGROUND		1
	A.	The Operative Complaint	1
	В.	The Angelikson Defendants' Special Motion to Strike	2
	C.	Joint Stipulation Phasing the Defendants' Motions to Strike	3
	D.	The Court's Ruling on Defendants' Motions to Strike	4
III.	ARGUMENT		4
	A.	Angelikson Defendants Are Not Prevailing Parties Because They Did Not	
		Achieve A Practical Benefit From The Anti-SLAPP Ruling.	4
	В.	Angelikson Defendants Are Not Prevailing Parties Because The Anti-SLAPP	
		Motions Have Not Been Entirely Resolved.	9
IV.	COI	NCLUSION	10

李 多 多 多 多 多 多 多 多 多

## **TABLE OF AUTHORITIES**

CASES	
Baral v. Schnitt, 1 Cal. 5th 376 (2016)	3, 9
Brown v. Electronic Arts, Inc., 722 F. Supp. 2d 1148 (2010)	5, 6
Coltrain v. Shewalter, 66 Cal. App. 4th 94 (1998)	5
ComputerXpress, Inc. v. Jackson, 93 Cal. App. 4th 993 (2001)	, 9
Copenbarger v. Morris Cerullo World Evangelism, 215 Cal. App. 4th 1237 (2013)	6
Lin v. City of Pleasanton, 176 Cal. App. 4th 408 (2009)	5
Mann v. Quality Old Time Serv., Inc., 139 Cal. App. 4th 328 (2006)	, 9
Moran v. Endres, 135 Cal. App. 4th 952 (2006)	, 9
STATUTES	
Code of Civil Procedure section 425.16(c)	10

#### I. <u>INTRODUCTION</u>

Defendants Edward Joseph Cascio, James Victor Porte, and Angelikson Productions, LLC (collectively, the "Angelikson Defendants") may only be awarded their attorney's fees and costs if they are "prevailing defendants" under the anti-SLAPP statute. The Angelikson Defendants are not "prevailing defendants" because they failed to strike any of Plaintiff Vera Serova's ("Plaintiff") causes of action from her complaint. The only endeavor they succeeded in was excluding Defendant Cascio's statement on the Oprah Winfrey Show from Plaintiff's Consumer Legal Remedies Act ("CLRA") and California's Unfair Competition Law ("UCL") claims. They did not manage to strike the actual target of their anti-SLAPP motion: the UCL and CLRA claims themselves.

The operative complaint alleges that, in addition to Cascio's statements on the Oprah Winfrey Show, the Angelikson Defendants are liable for violations of the UCL and CLRA based on the misrepresentation they made to Sony Music Entertainment, John Branca, and MJJ Productions, Inc. (collectively, the "Jackson Defendants") that was repeated on the cover of the Michael album and in a video ad for the album. The complaint also contains unchallenged allegations of the Angelikson Defendants' secondary liability under the CLRA and UCL for conspiring with each other, aiding and abetting the Jackson Defendants, and furnishing the means to them for falsely advertising the Michael album. Those allegations survived the Angelikson Defendants' motion to strike. Thus, contrary to what Angelikson Defendants claim in their motion for fees and costs (Angelikson Defs.' Mot. at 1-2), the UCL and CLRA claims are still viable and pending against them.

The Angelikson Defendants' request for fees should be denied as the Angelikson Defendants cannot be said to have prevailed when they still face all of the same causes of action that they faced before bringing their motion to strike.

#### II. RELEVANT FACTUAL BACKGROUND

## A. The Operative Complaint

On January 11, 2016, Plaintiff filed her First Amended Complaint ("FAC") alleging

72.

₹₫

ĊŅ.

(性)

(April

**(%** 

violations of the CLRA and UCL against the Angelikson Defendants and the Jackson Defendants, and fraud against the Angelikson Defendants only. Plaintiff's claims are based on the defendants' misrepresentations that three songs recorded by a Michael Jackson soundalike and released on Sony Music's *Michael* album (the "Cascio songs") were performed by Michael Jackson.

The misrepresentations, on whichPlaintiff bases her claims against all defendants, including the Angelikson Defendants, include (1) a video ad for the *Michael* album, in which the narrator states "a brand new album from the greatest artist of all time", (2) the *Michael* album's back cover that states "This album contains 9 previously unreleased vocal tracks performed by Michael Jackson", (3) the album's title — *Michael*; and (4) artwork on the album cover that is composed primarily of images of Michael Jackson. FAC ¶27.

In support of her CLRA claim against the Angelikson Defendants, Plaintiff alleges:

Defendants Cascio, Porte, and Angelikson are subject to direct liability for this cause of action because they each performed actions proscribed under Civil Code section 1770 in transactions intended to result and that resulted in the sale of goods to consumers. Defendants Cascio, Porte, and Angelikson are also liable for: (a) conspiring with one another to violate the CLRA; (b) furnishing the means for the accomplishment of the CLRA violations described above (by providing Sony and the Estate with "Breaking News," "Monster," and "Keep Your Head Up,"); (c) aiding and abetting the CLRA violations of one another and the other Defendants; (d) the CLRA violations of one another under agency, alter ego, and/or joint venture principles; and (e) false and misleading statements that were not made directly to Plaintiff and Class members, but which were made to a third person with the intent and expectation that the substance of the misrepresentation would be communicated to Plaintiff and Class members and would influence their conduct in the transactions at issue.

FAC ¶50.

Plaintiff asserts the same allegations of direct and secondary liability of the Angelikson Defendants under her UCL claim. FAC ¶58.

Plaintiff's fraud claim against the Angelikson Defendants is based on the same misrepresentations. FAC ¶¶60-63.

## B. The Angelikson Defendants' Special Motion to Strike

On February 3, 2016, the Angelikson Defendants, concurrently with the Jackson Defendants, filed a motion to strike Plaintiff's First and Second Causes of Action for

violations of the CLRA and UCL pursuant to California Code of Civil Procedure §425.16. Specifically, Angelikson Defendants moved to strike from the FAC statements that Plaintiff alleges can be attributed to the Angelikson Defendants, including: (1) statements defendant Cascio made on the Oprah Winfrey Show citing FAC ¶25; (2) statements Angelikson Defendants made "[i]n marketing and defending' the Album" citing FAC ¶27; (3) statements in which "Defendants represented to the public that Michael Jackson performed the lead vocals on' the Cascio Tracks" citing FAC ¶31; and (4) statements made "[i]n 'transactions that were intended to result in ... the sale of goods or services to consumers" citing FAC ¶46. Angelikson Motion to Strike at 4. The statements made "[i]n 'marketing and defending' the Album" in Paragraph 27 of the FAC incorporate by reference the *Michael* video ad, and the title, artwork and statement on the *Michael* album cover. FAC ¶24, 27.

Angelikson Defendants argued, among other things, that their private statements to the Jackson Defendants were statements on a matter of public interest, and that these statements, along with their statements made "[i]n marketing the Album" as alleged in Paragraph 27, concerned "creation, dissemination, exhibition, advertisement, and/or promotion of a musical or artistic work." Angelikson Motion to Strike at 5-7.

In other words, in addition to Cascio's statement on the Oprah Winfrey Show, the Angelikson Defendants sought to strike their alleged misrepresentation to the Jackson Defendants that Michael Jackson performed the Cascio songs and the statements on the covers of the Michael album and in the video ad that repeated this misrepresentation.

## C. \_ Joint Stipulation Phasing the Defendants' Motions to Strike

The April 18, 2016 Joint Stipulation and Order re Defendants' Anti-SLAPP Motions ("Joint Stip.") set forth two phases in which the defendants' special motions to strike would be briefed and decided. The first phase was limited to the questions of law: ruling on the defendants' burden under the first prong of the anti-SLAPP analysis and determining whether the various representations on which Plaintiff bases her UCL and CLRA claims constitute non-commercial speech and/or are inextricably intertwined with non-commercial

speech, and whether the album covers and video ad include any statements that a reasonable trier of fact could decide are sufficiently false or misleading to support a claim under the UCL or CLRA. Joint Stip. ¶2. The parties assumed, solely for purposes of this determination, that Michael Jackson did not sing the lead vocals on the Cascio songs. *Id.* Plaintiff's burden to establish a prima facie case was postponed "for one or more subsequent phases, if necessary." Joint Stip. ¶4.

Pursuant to the Joint Stipulation and Order, Plaintiff briefed and the parties presented argument only on the issues of the first phase of the defendants' anti-SLAPP motions.

## D. The Court's Ruling on Defendants' Motions to Strike

On December 9, 2016, this Court granted in part and denied in part the defendants' motions to strike within the scope of phaseone. With regards to the claims challenged by the Angelikson Defendants, the Court found that 1) the Angelikson Defendants met their burden under the first prong of the anti-SLAPP analysis (Order at 10); 2) Cascio's statement on the Oprah Winfrey Show was non-commercial speech (Order at 13); 3) the statements on the album covers and in the video ad were commercial speech (Order at 15); and 4) assuming Jackson did not perform the lead vocals on the Cascio songs, the front and back covers of *Michael* and the video ad were likely to deceive a reasonable consumer (Order at 16). Accordingly, the Court granted the Angelikson Defendants' motion only "to the extent that Plaintiff alleges violations of the UCL and CLRA based on ... the Oprah Winfrey interview" and did not dismiss the UCL and CLRA claims against the Angelikson Defendants.

### III. ARGUMENT

A. Angelikson Defendants Are Not Prevailing Parties Because They Did Not Achieve A Practical Benefit From The Anti-SLAPP Ruling.

Angelikson Defendant's motion for attorney fees should be denied because the Angelikson Defendants are not "prevailing defendants" under Section 425.16(c). While the anti-SLAPP statute provides for anaward of attorney fees to successful defendants, "a fee award is not required when the motion, though partially successful, was of no practical

effect." Lin v. City of Pleasanton, 176 Cal. App. 4th 408, 426 (2009). A party who partially prevails on an anti-SLAPP motion is considered a prevailing party "unless the results of the motion were so insignificant that the party did not achieve any practical benefit from bringing the motion." Id. (emphasis added); Mann v. Quality Old Time Serv., Inc., 139 Cal. App. 4th 328, 340 (2006). As one court explained, "the critical issue is which party realized its objectives in the litigation. Since the defendant's goal is to make the plaintiff go away with its tail between its legs, ordinarily the prevailing party will be the defendant." Coltrain v. Shewalter, 66 Cal. App. 4th 94, 107 (1998). Conversely, where the Plaintiff is not sent away with its tail between its legs, but in fact is still standing squarely on its feet, the defendant's motion cannot be said to have been successful.

The policy behind this rule is simple: "There is no reason to encourage a defendant to bring an anti-SLAPP motion where the factual and legal grounds for the claims against the defendant remain the same after the resolution of the anti-SLAPP motion." *Mann*, 139 Cal. App. 4th at 340.

Thus, courts compare the position of the moving party before and after resolution of an anti-SLAPP motion to determine whether the moving party achieved a practical benefit. "The crucial question is one of practicality; did anything of substance (technical victories notwithstanding) change in the posture of the case and the claims being lodged against the defendant after it brought the special motion to strike than were in existence beforehand." Brown v. Electronic Arts, Inc., 722 F. Supp. 2d 1148, 1155 (2010) (denying fee motion). In making this analysis, courts consider the following factors: (1) the extent to which the defendant's litigation posture was advanced by the motion, (2) whether the same factual allegations remain to be litigated, (3) whether discovery and motion practice have been narrowed, (4) the extent to which future litigation expenses and strategy were impacted by the motion. Mann, 139 Cal. App. 4th at 345.

For example, in *Moran v. Endres*, 135 Cal. App. 4th 952 (2006), the court denied the motion for attorney's fees even though the defendants obtained dismissal of a cause of action

D.

إطائجة

(60

ंस

(gi)

(19) (13) for conspiracy. *Id.* at 954. The court held that the dismissal had no practical effect (and therefore the defendant was not entitled to its fees) because other numerous substantive tort claims remained unaffected. *Id.* The court concluded that the defendants achieved an "illusory victory" because:

...both before and after the special motion to strike, these plaintiffs had to prove commission of the torts they alleged, and defendants had to defend that case. ...
[D]efendants' motion accomplished nothing, except that plaintiffs were put to the cost of defending the motion. [1] The possible recovery against defendants did not change. [2] The factual allegations which defendants had to defend did not change. [3] The work involved in trying the case did not change. [4] Defendants' burden [...] did not change. The case was essentially the same after the ruling on the special motion to strike as it was before. The results of the motion were minimal and insignificant, fully justifying the court's finding that defendants should not recover fees.

Id. at 955. As in *Moran*, here, the exclusion of the Cascio's statement on the Oprah Winfrey Show from the CLRA and UCL causes of action had no practical effect on the case.

First, there is less justification for a fee award here than in *Moran*, because the Angelikson Defendants did not even manage to get a single claim against them dismissed. *Brown*, 722 F. Supp. 2d at 1155 (denying fee motionwhere all of the same causes of action remained after anti-SLAPP motion was granted with leave to amend the complaint and plaintiff did so amend). The Angelikson Defendants' litigation posture was not advanced by their motion for this very reason.

During the first prong of the anti-SLAPP analysis, "the court must decide whether the defendant has made a threshold showing that the challenged cause of action arose from the defendant's protected activity." Copenbarger v. Morris Cerullo World Evangelism, 215 Cal. App. 4th 1237, 1244 (2013) (emphasis added). Thus, a part of the defendant's burden is to identify the statements they have made, which they consider protected by the anti-SLAPP statute.

In their motion to strike, the Angelikson Defendants identified multiple statements they had made which they claimed were protected, including the statement on the Oprah Winfrey Show and the representation about the singer of the Cascio songs that was made to the Jackson Defendants with the intent that it would be repeated to Plaintiff and the class

Court found that the Angelikson Defendants had met their burden under the first prong of the anti-SLAPP analysis, but invalidated Plaintiff's CLRA and UCL claims against the Angelikson Defendants only to the extent they were based on the statement on the Oprah Winfrey Show. The misrepresentation to the Jackson Defendants, and the misrepresentations on the album cover and in the video that repeated it, survived as the basis of the claims.

Moreover, the FAC alleges the Angelikson Defendants' liability under the CLRA.

members—and ultimately was repeated to them on the album cover and in the video ad. The

Moreover, the FAC alleges the Angelikson Defendants' liability under the CLRA and UCL for conspiring with one another to violate the statutes; furnishing the means for violation by providing the Jackson Defendants with the Cascio songs; aiding and abetting the violations of one another and the Jackson Defendants; and the violations of one another under agency, alter ego, and/or joint venture principles. These allegations were not challenged by the Angelikson Defendants' motion to strike. All of the aforementioned allegations remain viable and sustain the CLRA and UCL causes of action. Because the Angelikson Defendants were unsuccessful in striking the CLRA and UCL causes of action, they cannot recover for work on these causes of action. Mann, 139 Cal. App. 4th at 342 ("[A] prevailing party generally may not recover for work on causes of action on which the party was unsuccessful.").

Second, the Angelikson Defendants must litigate the same factual allegations to defend against the Plaintiff's claims as they had to before filing their motion to strike. The core facts to be litigated between Plaintiff and the Angelikson Defendants remain unchanged, including that Michael Jackson did not perform the Cascio songs; that the Angelikson Defendants jointly and severally created the songs, provided the songs to the Jackson Defendants and misrepresented to the Jackson Defendants that the songs were performed by Jackson with the intent that this misrepresentation would be repeated to consumers; as well as Plaintiff's reliance on these misrepresentations.

Third, the work involved in trying the case is the same, including discovery and any potential motion practice. Cascio's statement on the Oprah Winfrey Show plays no part in

1 | C 2 | C 3 | I 4 | t 5 | r 6 | v

₹પ્રંધ

class certification and the corresponding class discovery. Instead, class certification will turn on statements consumers saw at the point of sale. (See Plaintiff's Opp'n to Angelikson Defendants' Demurrers to FAC at 4-5.) The exclusion of Cascio's statement to Oprah from the UCL and CLRA claims does not lessen discovery on the merits because discovery regarding the Angelikson Defendants' participation in promotional activities for the album will still be required to establish their fraud and aiding and abettingin the Jackson Defendants' false advertising.

Fourth, the Angelikson Defendants' burden has not been lessened as they still have to defend against the same claims. *Moran*, 135 Cal. App. 4th at 955 (denying fee motion where "Defendants' burden concerning their jurisdictional defense did not change."). Even if the UCL and CLRA claims had been stricken, the Angelikson Defendants would have faced the same facts and burdens in defending against Plaintiff's fraud claim which is based on the same allegations. *Baral v. Schnitt*, 1 Cal. 5th 376, 396 (2016) ("Allegations of protected activity supporting the stricken claim are eliminated from the complaint, unless they also support a distinct claim on which the plaintiff has shown a probability of prevailing.").

In contrast, in *Mann*, the defendants filed an anti-SLAPP motion to strike four causes of action, including defamation and trade libel, but the court only granted the motion as to the libel cause of action. 139 Cal. App. 4th at 335. Notwithstanding their partial success, the defendantswere found to be a prevailing party because the elimination of the libel cause of action narrowed the scope of the lawsuit, limited discovery and reduced the plaintiff's potential damages and settlement posture. *Id.* at 340. Finding that the attorney's work on successful and unsuccessfulcauses of action was overlapping, the Court of Appeal reduced the attorney's fee award to an amount that "reflects the fact that defendants prevailed on important issues that materially changed the litigation, but does not reward them for legal efforts that were meritless." *Id.* at 346; *see also ComputerXpress, Inc. v. Jackson*, 93 Cal. App. 4th 993, 1019 (2001) (awarding defendant its fees on the causes of action on which the

defendant prevailed, but no fees on the surviving causes of action).

Unlike the defendants in Mann and ComputerXpress, the Angelikson Defendants are legally and factually in the same position as they were in before they filed their motion, notwithstanding the Court's order excluding Cascio's statement to Oprah from the UCL and CLRA causes of action. Accordingly, the Angelikson Defendants cannot even claim to bepartially successful defendants.<sup>1</sup>

In short, the Angelikson Defendants "sought to dismiss the case against them, but instead obtained a ruling which in every practical sense meant nothing. That does not entitle them to fees." *Moran*, 135 Cal. App. 4th at 956.

B. Angelikson Defendants Are Not Prevailing Parties Because The Anti-SLAPP Motions Have Not Been Entirely Resolved.

The Court's Order from December 9, 2016 ruled that the defendants had met their burden under the first prong of the anti-SLAPP analysis, and questions of law did not preclude Plaintiff from meeting her burden under the second prong of the analysis. Because the Court reached the second prong of the anti-SLAPP analysis, but resolved only the questions of law pertaining to it, it became necessary to litigate phase two of the special motions to strike, as prescribed in the April 18, 2016 Joint Stipulation and Order, and allow Plaintiff to fully meet her burdenby presenting evidence in support of her probability of prevailing on the challenged claims. *Baral*, 1 Cal. 5th at 396 ("[At the second step,] the burden shifts to the plaintiff to demonstrate that each challenged claim based on protected activity is legally sufficient *and factually substantiated*") (emphasis added).

Because phase two of the defendants' motions to strike has not been litigated and factual questions of the second prong of the anti-SLAPP analysis remain to be resolved, the Angelikson Defendants cannot be considered prevailing parties on their anti-SLAPP motion. It would be absurd to penalize Plaintiff by making her pay the Angelikson Defendants'

<sup>&</sup>lt;sup>1</sup>To the extent the Court disagrees, the Court should reduce the fees claimed by the Angelikson Defendants to reflect the significance of the overall relief obtained, in accordance with Mann and ComputerXpress.

attorneys' fees for the CLRA and UCL claims when the Court has not ruled out Plaintiff's probability of prevailing on these claims.

## IV. <u>CONCLUSION</u>

For all of the foregoing reasons, the Court should find that the Angelikson Defendants were not prevailing defendants under Code of Civil Procedure section 425.16(c) and deny the Angelikson Defendants' motion for award of attorneys' fees and costs.

Date: March 7, 2017

MOSS BOLLINGER LLP

By:

Jeremy F. Bollinger

Attorneys for Plaintiff VERA SEROVA

# PROOF OF SERVICE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action.

On March 7, 2017, the foregoing documents described as:

## Plaintiff's Opposition to Defendants' Motion for Attorney's Fees and Costs

on interested parties in this action by placing () the original (x) a true copy thereof enclosed in a sealed envelope addressed as follows:

Bryan Freedman Jordan Susman FREEDMAN + TAITELMAN, LLP 1901 Avenue of the Stars, Suite 500 Los Angeles, CA 90067 Howard Weitzman
Suann C. Macisaac
KINSELLA WEITZMAN ISER KUMP
& ALDISERT LLP
808 Wilshire Blvd., FI. 3
Santa Monica, CA 90401

Zia F. Modabber, Andrew J. Demko, KATTEN MUCHIN ROSENMAN, LLP 2029 Century Park East, Suite 2600 Los Angeles, CA 90067-3012

- [] (BY MAIL) I am "readily familiar" with the firm's practice of collection and processing correspondences for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- [X] (BY ELECTRONIC SERVICE) On the date set forth below I caused to be transmitted the document(s) listed above on the parties listed herein on CASE ANYWHERE in this action before 6:00 p.m. I hereby certify that this document was served from Sherman Oaks, California.
- [] (VIA FACSIMILE) I caused such document to be transmitted via facsimile. Such transmission was reported via facsimile confirmation sheet as complete and without error.

Executed on 3/7/2017 at Los Angeles, California.

(x) (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Lea Garbe