С	ase 3:21-cv-00098-BEN-JLB Document 1	Filed 01/19/21 PageID.1 Page 1 of 52
1	BOTTINI & BOTTINI, INC.	
2	Francis A. Bottini, Jr. (SBN 175783) Albert Y. Chang (SBN 296065)	
3	Anne Beste (SBN 326881)	
4	7817 Ivanhoe Avenue, Suite 102 La Jolla, California 92037	
5	Telephone: (858) 914-2001	
6	Facsimile: (858) 914-2002	
7	Attorneys for Plaintiff Tatoma, Inc.	
8	UNITED STATES	S DISTRICT COURT
9		ICT OF CALIFORNIA
10	TATOMA INC. a California	Case No. '21CV0098 BEN JLB
11	TATOMA, INC., a California Corporation, DBA Atelier Aucoin Salon	
12	on behalf of itself and all others similarly	y CLASS ACTION COMPLAINT FOR:
13	situated, Plainti	1 144 AMENDMENT DUE
14	VS.	PROCESS;
15	GAVIN NEWSOM, in his official	2. 14th AMENDMENT EQUAL PROTECTION;
16	capacity as the Governor of California;	3. 5th AMENDMENT
17	XAVIER BECERRA, in his official capacity as the Attorney General of	TAKINGS; 4. CAL. CONST. ART. 1 § 1
18	California; and KRISTY UNDERWOO	
19	in her official capacity as Executive Officer of the State Board of Barbering	5. CAL. CONST. ART. 1 § 7 RIGHT TO PROPERTY; and
20	and Cosmetology,	6. CAL. CONST. ART. 1 § 19 TAKINGS WITHOUT
21	Defendan	ts. COMPENSATION
22		DEMAND FOR JURY TRIAL
23		DEMAND FOR JURY IRIAL
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	CLASS ACTION COMPLAINT	

#### **INTRODUCTION**

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California courts have routinely held that the California Constitution provides just compensation to property owners when their land is taken for public use, because the law seeks to bar the government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.

Since March 2020, the State of California has issued multiple closure orders 9 10 prohibiting barbering and cosmetology professionals from operating their 11 businesses. These businesses have been singled out for closure in order to benefit 12 They remain one of the only types of businesses which have been the public. 13 14 ordered to completely shut down, with no opportunity to conduct any operations 15 whatsoever or earn a livelihood, despite the lack of any showing or evidence that 16 the operation of hair salons at the same levels permitted for other types of 17 18 businesses (e.g., 20% capacity) would lead to increased transmission rates of 19 Covid-19. Gyms are allowed to operate outdoors, but not hair or nail salons. As 20 such, the property of Plaintiff and the Class has been taken for a public use and 21 22 benefit, and compensation must be paid.

When the government takes the property of dozens or even hundreds of homeowners whose homes abut an existing highway in order to expand the highway, compensation is owed to the homeowners; the public at large is benefitted, but only certain members of the public bear the burden, thus entitling

them to compensation. The same is true here. Plaintiff and the Class own and 1 2 operate hair and nail salons which have been forced to completely shutter their 3 operations, with absolutely no opportunity to conduct any business whatsoever, in 4 order to benefit the public. Almost all other businesses have been permitted to 5 6 continue operations on-site at 20% capacity, operate outdoors, conduct operations 7 remotely, or provide services on a take-out or delivery basis, thus permitting them 8 to earn some kind of livelihood. Plaintiff and the Class, in stark contrast, have been 9 10 denied all economically beneficial use of their property, and thus have been subject 11 to a complete taking of their property and business. 12

Because Plaintiff's fundamental rights guaranteed by the constitutions of the United States and the State of California have been violated, Plaintiff is entitled to compensation.

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#### NATURE OF THE ACTION

In response to the coronavirus emergency, Defendants have taken
 Plaintiff's property without just compensation in violation of fundamental rights
 protected by the United States and California constitutions.

22 2. On March 19, 2020, Governor Newsom issued Executive Order N-3323 20 (the "Governor's Order") attached hereto as Exhibit 1. The Governor's Order
24 has no sunset provision or expiration date.

3. Several other orders were issued subsequent to March 19, 2020 which
adversely affected Plaintiff's business and imposed restrictions on the ability of
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Plaintiff and the Class to operate their hair and nail salons.

2 4. On December 3, 2020, the State of California issued a Regional Stay at 3 Home Order (see Exhibit 2). The Regional Stay Home Order and a supplemental 4 order, signed December 6, 2020, announced that the orders would go into effect at 5 6 11:59 PM the day after a region was determined to have less than 15% Intensive 7 Care Unit ("ICU") availability. The supplemental order clarified retail operations 8 and went into effect immediately. They prohibit private gatherings of any size, 9 10 close sector operations except for critical infrastructure and retail, and require 100% 11 masking and physical distancing in all others. The order was supposed to last only 12 three weeks. 13 14 5. Then, on December 29, 2020, the most recent December 3, 2020 15 closure order was extended indefinitely. 16 6. As a result of the orders, including the most recent December 29, 2020 17 18 order, Plaintiff is completely and indefinitely prohibited from engaging in any 19 business operations. 20 The State's official Covid-19 website provided the following 7. 21 22 explanation for issuance of the December 3, 2020 Stay at Home Order: 23 /// 24 25 | | | 26 /// 27 28 3 CLASS ACTION COMPLAINT

#### **Regional Stay Home Order**

Why is this Regional Stay Home Order being implemented now?

We are in the midst of an unprecedented surge in cases and hospitalizations in California and across the country. *Without immediate action many hospital Intensive Care Units (ICU) will reach capacity before the end of the year. ICU beds are a critical resource for individuals who need the most advanced support and care*. Given the nationwide surge, the ability to add surge ICU capacity is limited by availability of ICU nurses and physicians. *We need to protect our hospital capacity so those who need care—for such things as cancer treatment, heart attacks, and strokes—can get it.* By taking this action we are saving lives, protecting our health care delivery system and keeping those at highest risk and essential workers safe.

#### PARTIES

8. Plaintiff Tatoma, Inc., d/b/a Atelier Aucoin Salon, is a California
Corporation with its principal place of business in La Jolla, California. The
California Board of Barbering and Cosmetology ("the Board") issued License No.
313411 to Plaintiff on June 30, 2017. Plaintiff operates Atelier Aucoin Salon in
San Diego, California.

9. Defendant Gavin Newsom is made a party to this action in his official
capacity as the Governor of California. The California Constitution vests the
"supreme executive power of the State" in the Governor, who "shall see that the
law is faithfully executed." CAL. CONST. ART. V, § 1. Governor Newsom issued the
Governor's Order on March 19, 2020.

10. Defendant Xavier Becerra is made a party to this action in his official

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capacity as the Attorney General of California. Under California law, Becerra is
 the chief law enforcement officer with supervision over all sheriffs in the State.
 CAL. CONST. ART. V, § 13.

11. Defendant Kristy Underwood is made a party to this action in her
official capacity as Executive Officer of the California State Board of Barbering
and Cosmetology.

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#### JURISDICTION AND VENUE

10 12. This action is brought under 42 U.S.C. § 1983 in relation to
 11 Defendants' deprivation of Plaintiff's constitutional rights to due process, equal
 12 protection, and just compensation for temporary takings under the Fifth and
 14 Fourteenth amendments to the U.S. Constitution.

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13. Accordingly, this Court has federal question jurisdiction under 28
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U.S.C. §§ 1331 and 1343.

18 14. This Court has supplemental jurisdiction over the claims asserted
 19 under California's Constitution, statutes, and regulations.

15. The Southern District of California is the appropriate venue for this
 action pursuant to 28 U.S.C. §§ 1391(b)(1) and (2) because it is a District in which
 Defendants maintain offices, exercise their authority in their official capacities,
 have enforced, and have threatened to enforce the Orders.

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## FACTUAL ALLEGATIONS

2	16.	On or about January 31, 2020, the U.S. Secretary of Health and Human
3	Services declared a public health emergency, under section 319 of the Public Health	
4 5	Service Act (	(42 U.S.C. 247d), in response to COVID-19.
6	17.	On or about March 4, 2020, California Governor Gavin Newsom
7	proclaimed a State of Emergency as a result of the potential threat of COVID-19.	
8 9	18.	On or about March 13, 2020, President Donald J. Trump proclaimed a
10	National Sta	te of Emergency as a result of the threat of the emergence of a novel
11	coronavirus,	SARS-CoV-2, which causes the COVID-19 illness.
12 13	19.	On March 19, 2020, Governor Newsom issued Executive Order N-33-
14	20, attached hereto as Exhibit 1, directing all residents to heed the State Public	
15	Health Officer's directives.	
16 17	20.	Several other orders were issued subsequent to March 19, 2020 which
18	adversely af	fected Plaintiff's business and imposed restrictions on the ability of
19 20	Plaintiff and	the Class to operate their hair and nail salons.
20	21.	On December 3, 2020, the State of California issued a Regional Stay at
22	Home Order. The Regional Stay at Home Order and a supplemental order, signed	
23 24	December 6, 2020, announced that the orders would go into effect at 11:59 PM the	
25	day after a region was determined to have less than 15% Intensive Care Unit	
26	("ICU") availability. The supplemental order clarified retail operations and went	
27 28	into effect immediately. They prohibit private gatherings of any size, close sector	
	CLASS ACT	6 FION COMPLAINT

operations except for critical infrastructure and retail, and require 100% masking
and physical distancing in all others.

3 On December 4, 2020, the California State Board of Cosmetology 22. 4 issued a directive in response to the December 3, 2020 Stay at Home Order, 5 6 clarifying that Plaintiff and all other hair and nail salons were required to close and 7 completely shutter their operations. The directive stated: 8 When a Regional Stay at Home Order is triggered because ICU 9 capacity has dropped below 15%, salons, barber shops and personal 10 care services (esthetics, manicuring and electrology) must close.<sup>1</sup> 11 23. The December 4, 2020 order was originally slated to remain effective 12 for three weeks. 13 However, on December 29, 2020, California extended the closure 14 24. 15 order indefinitely. As stated by Dr. Mark Ghaly, Secretary of the California Health 16 and Human Services, Southern California's stay-at-home order will now remain in 17 place for the foreseeable future as the region grapples with a gripped ICU capacity, 18 19 25. The order, which covers an 11-county Southern California area, took 20 effect at 11:59 p.m. Dec. 6, 2020 and was set to expire December 28, 2020. But 21 with the region's intensive-care unit capacity at hospitals still effectively listed at 22 23 24 <sup>1</sup> The directive is available at https://www.barbercosmo.ca.gov/licensees/new stay at home.pdf, last visited Jan. 25 11, 2021 (emphasis in original). 26 27 28 7

 $1 \mid 0\%$ , that order was instead extended.

2 26. As a result of the orders, including the most recent December 29, 2020 3 order and the State Board of Cosmetology's December 4th directive, Plaintiff is 4 completely and indefinitely prohibited from engaging in any business operations. 5 6 27. Plaintiff has ceased licensed operations and has had no income from its 7 Board-licensed activities in the beauty professions since the Defendants issued the 8 Orders. 9 10 Significantly, Gavin Newsom's order closing hair and nail salons 28. 11 completely is unique in the United States. As of December 14, 2020, all other 49 12 states allowed hair and nail salons to remain open, as indicated in the following 13 14 chart: 15 (1) behind the chair.com 16 ND мт OR 17 SD wy 18 NE UΤ co 19 MO ĸs CA 20 AR AL IPDATED 12/14 21 WHERE ARE 22 SALONS OPEN? OPEN 23 Alabama Oklahoma Maine Alaska Oregon Arizona Maryland Pennsylva 24 Arkansa Michigan Rhode Island Colorado Minnesota South Carolina South Dakota Connecti Delawa Missouri Tenny 25 Florida Montana Texas Utah Georgia PARTIAL OPEN Vermont 26 Virginia Idaho KEY v Ha Washington Indiana Washington, D.C Salons Are One West Virginia 27 North Caro Kansas Miecou State Partially On Kentuck Wyoming Louisian 28 8 CLASS ACTION COMPLAINT

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#### ARBITRARY CATEGORIES OF "ESSENTIAL" AND "NON-ESSENTIAL" SERVICES

29. The Governor's Order, by reference, incorporated the U.S. 3 government's "16 critical infrastructure sectors whose assets, systems, and 4 5 networks, whether physical or virtual, are considered so vital to the United States 6 that their incapacitation or destruction would have a debilitating effect on security, 7 economic security, public health or safety, or any combination thereof' such that 8 9 Newsom ordered that "Californians working in these 16 critical infrastructure 10 sectors continue their work because of the importance of these sectors to 11 12 Californians' health and well-being."<sup>2</sup>

30. On or about March 22, 2020, Dr. Sonia Angell in her capacity as
California Public Health Officer designated a list of "Essential Critical
Infrastructure Workers".<sup>3</sup> The list was updated on April 28, 2020.

31. The Order allows persons to continue working only if they are deemed
"essential workers" in an "essential business." While some of the deemed-essential
businesses are clearly critical to human needs despite an emergency (*e.g.*, public
safety, food supply chain, utilities), others, when viewed in the light of the

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<sup>&</sup>lt;sup>2</sup> See, supra, n.2.

 <sup>&</sup>lt;sup>3</sup> The list of Essential Critical Infrastructure Workers can be found online at: https://covid19.ca.gov/img/EssentialCriticalInfrastructureWorkers.pdf. Last visited Jan. 11, 2021.

prohibitions against Plaintiff, are arbitrary as they bear no connection to public
 health and have been created for the sole purpose of allowing Defendants'
 politically preferred trades and industries to continue operating while secondary
 interests are left in economic distress. The State Public Health Officer's Directive<sup>4</sup>
 (referred to herein as the "List") includes the following as "essential":

a. "Workers supporting the entertainment industries, studios, and other related establishments, provided they follow COVID-19 public health guidance around physical distancing." Licensees supporting the entertainment industries as beauticians, hair stylists, and manicurists at a film studio are "essential," while Plaintiff's licensed services to clients outside the entertainment industry are not. This distinction bears no connection whatsoever to public health. 

b. "Workers for health manufacturing ... and distributors of ... cleaning, sanitizing, disinfecting or sterilization supplies, personal hygiene products, and tissue and paper towel products" are deemed "essential."
Plaintiff and other licensees provide these services, sell shampoo, as well as other hygiene products. While Plaintiff is essential for selling

<sup>4</sup> As of January11, 2021, located at: https://covid19.ca.gov/img/EssentialCriticalInfrastructureWorkers.pdf. of shampoo, it is deemed non-essential when it comes to the licensed services. Plaintiff at least partially falls within the "essential" services exception list, yet Defendants' threat to revoke Plaintiff's licenses for practicing licensed activities underscores the irrational, arbitrary and capricious nature of the Governor's Order and Defendant's enforcement.

- c. "Workers performing services in support of the elderly and disabled 9 10 populations who coordinate a variety of services, including health care 11 appointments and activities of daily living" are deemed essential. 12 Personal grooming services, including those offered by Plaintiff, are 13 14 central to the daily lives of the elderly and disabled. However, 15 Defendants nevertheless deny Plaintiff and other licensees the ability 16 to perform these services under threat of criminal prosecution and 17 18 license revocation.
- 20d. Workers in laundromats, laundry services, and dry cleaners come in21close, direct contact with the clothing and linens from members of the22public, with no temporal limitation. These items which, if a customer23is infected with COVID-19, pose as high a risk, if not greater, of24infection as Plaintiff's licensed activities.
- 32. Accordingly, Governor Newsom's "essential workers" list prohibits all
  workers in the hair, skin, nail care, and electrolysis industries from engaging in their
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profession, regardless of the measures taken by these professionals to reduce or
 eliminate the risk of the virus spreading. Meanwhile, the List deems the continuity
 of services provided by espresso bars, recreational cannabis dispensaries, pet
 grooming, chiropractors, and other professions to be so essential to "public
 infrastructure" that these activities are permitted to resume under the Governor's
 Order, despite posing the same or greater risks than Plaintiff's licensed activities.

33. The State Public Health Officer's directives require, in part, "all 9 10 individuals living in the State of California to stay home or at their place of 11 residence except as needed to maintain continuity of operations of the federal 12 critical infrastructure sectors".<sup>5</sup> The public health directive provides that its 13 14 directives "shall stay in effect until further notice."<sup>6</sup> The Governor's Order and its 15 public health directives, which was the first such "stay-at-home" directive issued in 16 the country, provides that it "shall stay in effect until further notice." Thus, without 17 18 giving any benchmarks or standards to determine when the proclaimed emergency 19 is over, the Governor's Order grants State actors the limitless power to create 20 arbitrary standards and capriciously enforce them in perpetuity, or "until further 21 22 notice."

<sup>5</sup> The State Public Health Directive was included in the text of Executive Order N-33-20.
<sup>6</sup> Id.

CLASS ACTION COMPLAINT

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34. The December 29, 2020 Order, which extended the complete, 100% shutdown of the hair and nail salon industry indefinitely, clarified the major, sustained, and forced closure of Plaintiff's business in order to benefit the public. These orders now demonstrate that the government has taken Plaintiff's property for public use and must pay compensation.

35. Meanwhile, services and industries which are clearly not essential to
public health and welfare have been allowed to remain open for business. After
being lobbied by the United Cannabis Business Association,<sup>7</sup> Governor Newsom
and Dr. Angell made arbitrary exceptions, amending their original List to declare
that cannabis retail stores were "essential" while maintaining that Plaintiff's
licensed activities are "non-essential."

36. None of the powers expressly granted under the California State
Emergency Services Act allow Governor Newsom to sequester all Californians
within their homes indefinitely, unable to ply their trades or provide for their
families legally.<sup>8</sup>

 37. Since the initial outbreak of COVID-19 in the United States in
 February and March 2020, the Defendants imposed increasingly stringent
 <sup>7</sup> See, e.g., https://www.wsj.com/articles/california-deems-pot-an-essentialcoronavirus-business-11585005903 (last visited on January 11, 2021).

<sup>8</sup> CAL. GOV'T CODE § 8565, *et seq*.

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restrictions — and then banned completely — Plaintiff's licensed activities, while
 allowing individuals in other classes and groups to perform similar activities that
 pose equal or greater risks to public health.

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## THREATENED LICENSE REVOCATIONS

During all relevant times, California officials have threatened criminal 38. 6 7 prosecution for violations of the Governor's Orders. Defendants' conduct 8 constitutes a regulatory taking, requiring the State to pay compensation to Plaintiff 9 and the Class. Defendants' conduct has effectively taken away Plaintiff's lawful 10 11 right to engage in professional state-licensed activities. This has forced Plaintiff to 12 lay off employees, forego their property, lose their livelihoods, and suffer financial 13 ruin. Defendants have singled out Plaintiff and the Class for closure orders, while 14 15 allowing far less essential businesses whose operation poses a much more 16 substantial threat of Covid-19 spread to remain open. 17

Defendants' purported justification of the closure orders is to promote 18 39. 19 the public good and benefit. Defendants' December 2020 closure orders 20 specifically justified the regulatory taking of Plaintiff's business by stressing the 21 benefits to the public of increasing the number of available ICU beds available to 22 23 the public. For example, the State's Covid-19 website states: "To preserve our 24 health care system, the Regional Stay Home Order goes into effect if intensive care 25 26

unit (ICU) capacity drops below 15% in a region. Counties in the region will be subject to new restrictions."<sup>9</sup> Because Defendants have taken Plaintiff's property for the benefit of the public, they must pay compensation to Plaintiff and the Class.

40. As of February 2020, the State Board had issued outstanding licenses to 313,734 stylists and cosmetologists, 34,093 barbers, 90,392 estheticians, 129,802 manicurists, 1,679 electrologists, and 53,694 business establishments.

41. Throughout the relevant time period, Defendants have threatened to 9 10 revoke licenses of cosmetology professionals for violation of the closure orders. At 11 the same time, Defendants have allowed pet groomers to remain open, sending the 12 signal that dog haircuts are more essential than human haircuts. Defendants have 13 14 also allowed restaurants, strip clubs, toy stores, clothes stores, souvenir shops, and 15 adult sex shops to remain open while at the same time forcing Plaintiff to 16 completely close, with no opportunity to make any income or livelihood 17 18 whatsoever.

42. For example, as of December 17, 2020, adult sex shops in San Diego
were still open and allowed to conduct business inside the premises at a supposed
capacity of 25%, although enforcement of the 25% capacity limitation was left
completely to the discretion of the store. Moreover, the State did not even impose
<sup>9</sup> See https://covid19.ca.gov/, last visited Jan. 11, 2021.

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any restrictions on the operating hours of such establishments. For example, as of
 Dec. 17, 2020, Roy's Adult Fantasy Outlet, 4650 Border Village Rd., San Ysidro,
 CA 92173 (in San Diego County) was still being allowed to operate, and was
 operating, business operations in the interior of its store from 9:00 a.m. to 11:00
 p.m. Monday to Saturday, and 9:00 a.m. to 10:00 p.m. on Sundays. Other adult sex
 shops in the State of California are operating 24 hours a day.

9 43. Defendants' actions have deprived Plaintiff and the Class of all
 10 economically beneficial use of their property, for which compensation is required.

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## THREATENED AND ACTUAL DISCIPLINARY ACTION

44. Defendants have threatened Plaintiff and other licensees with
 expulsion from their profession if they do not keep their businesses closed, while
 "essential" workers and businesses resume operations. Individuals requesting
 guidance or relief are directed to seek assistance from their "industry associations."

On May 1, 2020, the Board issued a notice directing all license-holders 18 45. 19 to, in part, "abide by the Governor's stay at home order," threatening that 20 businesses that do not follow the Governor's Order will be subject to "disciplinary 21 22 action against their license" and that "[violations] will not be taken lightly" (the 23 "Board's Directive"). The only legal authority cited in the Board's Directive was 24 the Governor's Order, stating, "[T]he Board fully supports the Governor's stay at 25 26 home order and we expect our licensees to comply."

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46. This lawsuit seeks compensation for the taking of Plaintiff's property.

Plaintiff represents licensees who have been devastated by the State of California's
 arbitrary and capricious closure orders that have forced Plaintiff to shutter its
 business completely, while other businesses that are far less essential than
 Plaintiff's business are allowed to remain open. For example, under the Governor's
 order, toy stores and strip clubs are allowed to remain open, but hair and nail salons
 are forced to completely close.

9 47. In addition to threatened disciplinary action, various governmental
10 agencies have taken actual enforcement action.

- 11 In San Diego County, the government has issued hundreds of cease 48. 12 and desist orders to businesses which are in violation of the limitations imposed by 13 14 the orders governing the operation of businesses. In San Diego County, these cease 15 and desist orders have predominantly been issued to restaurants and health clubs 16 which, while allowed to remain open, are not allowed to conduct indoor operations. 17 18 The typical cease and desist order states that "Failure to comply may result in 19 criminal misdemeanor citations with a \$1,000 fine for each violation."<sup>10</sup> 20
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<sup>&</sup>lt;sup>10</sup> See,e.g.,

https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/phs/Epidemiolog
 y/covid19/closure\_orders/StudioBarre-CeaseandDesist-11182020.pdf, last visited
 Jan. 11, 2021. A list of the cease and desist orders issued by San Diego County can
 be found at

https://www.sandiegocounty.gov/content/sdc/hhsa/programs/phs/community\_epide
 miology/dc/2019-nCoV/closure-orders.html.

49. Plaintiff has asked what it can do to resume its profession safely, only
to be rebuffed.

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Plaintiff and other licensees are well-versed in the latest practices of 50. 4 health, safety, sanitation, and hygiene required to prevent the spread of contagion. 5 6 The Board restricts entry to the examination to those applicants who have 7 completed all the required hours for their field of study. Stylists and cosmetologists 8 are required to complete 1,600 hours of training. Barbers are required to complete 9 10 1,500 hours of training. Estheticians are required to complete 600 hours of training. 11 Electrologists are required to complete 600 hours of training. Manicurists are 12 required to complete 350 hours of training. Most of the required training consists 13 14 of safety, hygiene, and sanitation protocols. Licensed training programs include 15 comprehensive health and safety measures. 16

17 51. Besides the vigorous training described above, licensees are also
 18 subject to regular inspections and ongoing scrutiny for safety, cleanliness, and
 19 sanitation practices.

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## **DEPRIVATION OF REAL AND PERSONAL PROPERTY**

52. Plaintiff and the Class hold licenses issued by the Board. They have
been denied use of these licenses and other property, both real and personal, since
the Governor's order was issued. They nevertheless remain liable for licensing fees
and other fixed operating costs.

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53. Plaintiff has been denied the use of its real property, licenses, and other 18

personal property by Defendants. Plaintiff maintains and operates hairdressing and
 cosmetology suites at its leased premises in San Diego, California. Plaintiff has
 been deprived of income and the ability to work in its profession since the
 Governor's Orders were issued. Plaintiff nevertheless remains liable for monthly
 rental payments for leased real property, licensing fees, and other fixed operating
 costs exceeding thousands of dollars per month.

54. Instead of promulgating conditions or guidelines for the safe practice
of these licensed activities as the Centers for Disease Control and counterparts in
neighboring states have, Defendants have categorically labelled Plaintiff's industry
"non-essential," thereby conscripting Plaintiff and other licensees to joblessness and
taking their property without due process or legal justification.

55. Plaintiff does not have adverse disciplinary history with the Board.

17 56. Plaintiff has not contracted COVID-19. Plaintiff and its employees
18 and workers are not aware of coming into contact with anyone with COVID-19.

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57. Not one of the licensees or other personnel operating at Plaintiff's
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a facility has contracted COVID-19 nor, to its knowledge, been exposed thereto.

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## FEDERAL MONITORING OF CIVIL RIGHTS VIOLATIONS

58. On April 27, 2020, Attorney General William Barr sent a
memorandum to all U.S. Department of Justice United States Attorneys regarding
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civil rights violations occurring in various states during the coronavirus crisis.<sup>11</sup> 1 2 This memorandum is attached hereto as **Exhibit 3** and incorporated herein by this 3 reference.

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In his memorandum, Attorney General Barr directs all United States 59. 5 Attorneys to identify state directives that could be violating the Constitutional rights and civil liberties of individual citizens, stating "the Constitution is not suspended in times of crisis." Attorney General Barr wrote: 10 "If a state or local ordinance crosses the line from an appropriate exercise of authority to stop the spread of COVID-19 into an 11

- overbearing infringement of constitutional and statutory protections, the Department of Justice may have an obligation to address that overreach in federal court."
- 14 60. Defendants have abused their power by seizing on the coronavirus 15 pandemic to expand their authority to lengths unprecedented by any prior crisis in 16 California, including prior natural disasters, wars, and economic crises. This legal 17 action challenges the very type of overbearing infringement of constitutional and 18 19

statutory protections identified by Attorney General Barr.

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<sup>11</sup> As of January 11, 2021, accessible at:

https://cdn.cnsnews.com/attachment/ag memo -25

balancing public safety with the preservation of civil rights 0.pdf.

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#### THE STATE OF CALIFORNIA'S CLOSURE ORDERS CONSTITUTE A REGULATORY TAKING OF PRIVATE PROPERTY FOR PUBLIC BENEFIT

3 At a press conference on March 19, 2020, Newsom repeatedly said the 61. 4 rationale for the Governor's Order was to "bend the curve."<sup>12</sup> He also said "[t]he 5 point of the stay at home order is to make those numbers moot"<sup>13</sup> and put them "in 6 7 the dustbin of history."<sup>14</sup> He added that one goal was to slow down transmission 8 enough to reduce the strain it might place on hospital resources.<sup>15</sup> Indeed, the strain 9 on hospital resources was a key factual foundation of the emergency proclamation 10 11 of March 4, 2020.<sup>16</sup>

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62. At the outset of the COVID-19 crisis, Governor Newsom wrote in a
 letter to President Trump<sup>17</sup> stating that in eight weeks, by May 13, 2020,
 approximately 56% percent of Californians — 25.5 million individuals —would be

- <sup>12</sup> March 19, 2020 press briefing at 0:30-0:35, 8:10-8:20, 10:00-10:15, 24:20-24:30,33:45-33:55, and 35:17-36:00, available as of January 11, 2021 at:
   <sup>18</sup> https://www.youtube.com/watch?v=80eyeK8-S50.
- 19  $^{13}$  Id. at 35:10-35:20.
- 20  $^{14}$  Id. 33:55-34:05.
  - <sup>15</sup> *Id.* at 5:42-8:09.

<sup>16</sup> Twelfth paragraph of the Proclamation of a State of Emergency, which as
 of the date of this filing can be found online at:
 <sup>23</sup> https://www.gov.ca.gov/wpcontent/uploads/2020/03/3 4 20-Coronavirus-SOE-

https://www.gov.ca.gov/wpcontent/uploads/2020/03/3.4.20-Coronavirus-SOE Proclamation.pdf.

<sup>17</sup> As of January 11, 2021, accessible at: https://www.gov.ca.gov/wp-content/uploads/2020/03/3.18.20-Letter-USNS-Mercy-Hospital-Ship.pdf.
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infected by the novel coronavirus. His letter went on to say that "[i]n some parts of
our state, our case rate is doubling every four days."<sup>18</sup> On the basis of these
projections, he issued his Governor's Order on March 19, 2020.

63. As of May 7, 2020, there were 58,815 confirmed cases, which was
only 0.2% of Governor Newsom's projection. By January 3, 2021, the number of
confirmed cases in California was 2,397,923, still just 9.4% of the Governor's
projection from March 2020.<sup>19</sup>

10 64. Newsom expounded on these numbers at his March 19, 2020 press
11 conference. He explained that a hospitalization rate of 20 percent could mean that
13 California would face a shortfall of 19,543 hospital beds above the state's current
14 capacity of approximately 78,000 beds.<sup>20</sup> He added that California had a surge
15 capacity of 10,207 additional beds that could partially offset this shortfall.<sup>21</sup> Thus,
16 he was predicting a total shortfall of approximately 9,336 beds.<sup>22</sup>

18 65. Mark Ghaly, the governor's Secretary of Health and Human Services,
19 explained that the state came up with the 56 percent estimate by "[u]sing the

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<sup>19</sup> See https://news.google.com/covid19/map?hl=en US&mid=%2Fm%2F01n7q&gl=US&ceid=US%3Aen, last visited Jan. 11, 2021.
 <sup>20</sup> March 19, 2020 press briefing, supra, at 5:40-7:32.
 <sup>21</sup> Id. at 7:20-7:40.
 <sup>22</sup> Id.
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 22
 CLASS ACTION COMPLAINT

 $<sup>^{18}</sup>$  *Id*.

available literature, advice from the CDC and our understanding and experience in
 California, we applied a variety of different measures that looked at an attack rate,
 that looked at the ... hospitalization rates that we had available as well as other
 outcome measures."<sup>23</sup>

6 66. The Secretary also stated that "[w]e knew that the attack rate of 56
7 percent that we chose was somewhat in the middle between the high-end and the
9 low-end of what we'd seen in the literature...."<sup>24</sup>

10 67. Newsom admitted that his numbers did not account for any mitigation
11 measures put in place. Rather, those numbers assumed that "we're just along for
13 the ride[.]"<sup>25</sup>

14 68. Defendant Newsom has admitted that the underlying public health
15 benefits are the main — if not sole — reason for the closure orders. Governor
16 Newsom has also stated that the closure orders have in fact benefitted the public.
18 During a briefing on April 16, 2020, Newsom stated that "[we] have successfully
19 bent and arguably flattened the curve in the state of California."<sup>26</sup>

- 23 11
  - <sup>23</sup> *Id.* at 28:49-31:11.
- $^{24}$  Id.
  - <sup>25</sup> *Id.* at 24:20-24:40.

<sup>26</sup> April 16, 2020 briefing by the Governor at 37:20, transcript available as of
 January 11, 2021, at: https://www.rev.com/blog/transcripts/gov-gavin-newsom california-covid-19-briefing-transcript-april-16.

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69. The County of San Diego has also stated that the purpose of the 1 2 regulations is to benefit the public: "The goal is to slow the spread of the virus and 3 to make sure the healthcare system is able to care for all patients."<sup>27</sup> 4 The closure orders constitute regulatory takings which have benefitted 70. 5 6 the pubic at large by increasing the number of available ICU beds, increasing the 7 availability of health care resources available to the public, and decreasing the 8 spread of the virus, thus saving lives. 9 10 PLAINTIFF'S PROPERTY WAS TAKEN FOR PUBLIC USE WITHOUT COMPENSATION 11 12 71. The property of Plaintiff and the Class has been taken by the State of 13 California for public use without just compensation. 14 Almost all businesses in the State of California have been allowed to 72. 15 remain open during the Covid-19 pandemic. Hair and nail salons have been singled 16 17 out for complete closure. The explicitly stated purpose for the complete closure 18 orders is to maintain the number of ICU beds available to the public. This is clearly 19 20 a public benefit, similar to expanding a highway by forcing adjoining landowners to 21 have their homes acquired by the government in order to expand the highway. 22 Here, while the businesses of Plaintiff and the Class have not been physically taken, 23 27 24 https://www.sandiegocounty.gov/content/sdc/hhsa/programs/phs/community epide 25 miology/dc/2019-nCoV/health-order.html, last visited Jan. 11, 2021. 26 27 28 24 CLASS ACTION COMPLAINT

they have been completely shut down by the State, precluding Plaintiff and the
Class from earning any income.

73. Other businesses that are far less essential and where there have been
more instances of the spread of Covid-19 from their operations have been allowed
to remain open — completely or partially.

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74. Courts have refused to set aside the State's closure orders. If the
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## **CLASS ACTION ALLEGATIONS**

75. Plaintiff brings this action both on behalf of Plaintiff and as a class
 action pursuant to Federal Rules of Civil Procedure 23(a) and (b)(3), on behalf of
 the following class:

All residents in the State of California holding barbering or cosmetology licenses which were active as of March 19, 2020 and who have been unable to work at any time from March 19, 2020 to the present due to the Closure Orders issued by the State of California ("Class Period").

76. This definition specifically excludes the following persons or entities:
(a) any of the Defendants named herein; (b) any of the Defendants' parent
companies, subsidiaries, and affiliates; (c) any of the Defendants' officers,

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directors, management, employees, subsidiaries, affiliates or agents; (d) all
governmental entities; and (e) the judges and chambers staff in this case, as well as
any members of their immediate families. Plaintiff reserves the right to expand,
modify, or alter the class definition in response to information learned during
discovery.

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77. This action is properly brought as a class action under Federal Rule of
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Civil Procedure 23(a) for the following reasons:

a. Numerosity (Fed. R. Civ. P. 23(a)(1)): The proposed Class is so numerous and geographically dispersed throughout California that the joinder of all Class Members is impracticable. While Plaintiff does not know the exact number and identity of all Class Members, Plaintiff is informed and believes that there are thousands of Class Members. The State Board of Barbering and Cosmetology represents that it licenses over 560,000 individuals.<sup>28</sup> The precise number of Class Members can be ascertained through discovery;

b. Commonality and Predominance (Fed. R. Civ. P. 23(a)(2) and 23(b)(3)): There are questions of law and fact common to the

24 <sup>28</sup> See https://www.barbercosmo.ca.gov/ ("The Board was established in 1992
 25 (after the Board of Barber Examiners and Board of Cosmetology merged) and today
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1	proposed class which predominate over any questions that may
2	affect particular Class Members. Such common questions of law
3	and fact include, but are not limited to:
4	
5	i. Whether the Closure Orders and other orders and conduct by
6	Defendants constitutes a regulatory taking of Plaintiff's
7	property;
8	
9	ii. Whether Defendants' conduct represents the taking of private
10	property for public use; and
11	iii. Whether Plaintiff and the other members of the Class were
12	
13	injured by Defendants' conduct and, if so, the determination
14	of the appropriate Class-wide measure of damages and/or
15	compensation;
16	c. Typicality (Fed. R. Civ. P. 23(a)(3)): Plaintiff's claims are typical
17	c. Typicanty (Feu. K. Civ. T. 23(a)(5)). I faintin s claims are typicar
18	of the claims of the members of the proposed Class. Plaintiff and
19	the Class have been injured by the same wrongful practices of
20	Defendants. Plaintiff's claims arise from the same practices and
21 22	
22	conduct that give rise to the claims of the Class and are based on
24	the same legal theories; and
25	d. Adequacy of Representation (Fed. R. Civ. P. 23(a)(4)): Plaintiff
26	
27	will fairly and adequately protect the interests of the Class in that
28	Plaintiff has no interests antagonistic to those of the other members 27
	CLASS ACTION COMPLAINT

of the Class, and Plaintiff has retained attorneys experienced in class actions and complex litigation as counsel.

78. A class action is superior to other available methods for the fair and efficient adjudication of this controversy for at least the following reasons:

- a. Given the size of individual Class Member's claims and the expense of litigating those claims, few, if any, Class Members could afford to or would seek legal redress individually for the wrongs Defendants committed against them and absent Class Members have no substantial interest in individually controlling the prosecution of individual actions;
- b. This action will promote an orderly and expeditious administration
  and adjudication of the proposed Class claims, economies of time,
  effort and resources will be fostered and uniformity of decisions
  will be insured;
  - c. Without a class action, Class Members will suffer damages, and Defendants' violations of law will proceed without remedy while Defendants reaped and retained the substantial proceeds of their wrongful conduct; and
- d. Plaintiff knows of no difficulty that will be encountered in the
   management of this litigation which would preclude its
   maintenance as a class action.

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79. Plaintiff intends to provide notice to the proposed class by communicating the existence of the action in popular trade publications in the industry, utilizing online advertisements, and using professional notice companies to strategically and comprehensively develop additional methods to reach class members.

FIRST CAUSE OF ACTION

THE FOURTEENTH AMENDMENT

(Against All Defendants)

**E DUE PROCESS CLAUSE OF** 

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80. Plaintiff incorporates by reference each and every allegation set forth
in all preceding paragraphs as if fully set forth herein.

13 The Due Process Clause contains both a substantive and a procedural 81. 14 Substantive due process forbids the government to infringe certain component. 15 16 'fundamental' liberty interests at all, no matter what process is provided, unless the 17 infringement is narrowly tailored to serve a compelling state interest. Procedural 18 due process imposes constraints on governmental decisions which deprive 19 20 individuals of 'liberty' or 'property' interests within the meaning of the Due 21 Process Clause. Procedural due process does not forbid the government from 22 depriving individuals of a protected interest, but rather requires the government to 23 24 employ adequate procedures that ensure the fairness of any deprivation.

82. The Orders and Defendants' enforcement thereof violate Plaintiff's
substantive due process rights as follows:

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VIOLATION OF 7

1	a. Plaintiff's fundamental property interest in conducting lawful
2	business activities is protected by the Due Process Clause of the
3	Fourteenth Amendment. Medina v. Rudman, 545 F.2d 244, 250 (1st
4	
5	Cir. 1976) (included among the substantive rights so protected is
б	the right to pursue one's vocation under a state-granted license)
7	(citing Paul v. Davis, 424 U.S. 693 (1976)).
8	b. Plaintiff has been issued cosmetology licenses by the State of
9	
10	California, and therefore has a right to lawfully pursue that
11	vocation, a substantive due process right impaired by Defendants'
12 13	actions.
14	c. Defendants lack any legitimate or compelling interest for depriving
15	c. Defendants fack any regitilitate of competining interest for depriving
16	Plaintiff of its right to lawfully pursue its vocation.
17	d. Even if such a legitimate, compelling interest existed, Defendants'
18	Orders are not rationally related or narrowly tailored to further any
19	such interest.
20	
21	83. The Orders and Defendants' enforcement thereof violate Plaintiff's
22	procedural due process rights as follows:
23	a. The Governor's Order and list of "Essential" Workers and
24	
25	Businesses are arbitrary and capricious and thus are invalidated by
26	the Fourteenth Amendment's procedural due process protections.
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	CLASS ACTION COMPLAINT

1	b. Procedural due process, at a minimum, would require Plaintiff	
2	having a meaningful opportunity to respond to the Order (or the	
3	continuation thereof) and explain how and why it is constitutionally	
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5	invalid as applied to Plaintiff. However, the State's closure orders	
б	have prevented Plaintiff from challenging the application of the	
7	Order and the List to them, denying them any process whatsoever	
8 9	before their rights were forcibly taken.	
9 10		
11	c. Further, this taking lasts indefinitely, with neither the Order nor the	
12	List providing for any mechanism or opportunity to review or	
13	challenge the need to continue the Order in the light of developing	
14	events.	
15	84 Defendents' estions therefore have demised Disintiff of both	
16	84. Defendants' actions therefore have deprived Plaintiff of both	
17	procedural and substantive Due Process.	
18	85. Plaintiff has no adequate remedy at law and has suffered serious and	
19	irreparable harm to its constitutional rights.	
20		
21	86. Plaintiff found it necessary to engage the services of private counsel to	
22	vindicate its rights under the law. Plaintiff is therefore entitled to an award of	
23	attorneys' fees pursuant to 42 U.S.C. § 1988.	
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20	31 CLASS ACTION COMPLAINT	

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## SECOND CAUSE OF ACTION VIOLATION OF THE EQUAL PROTECTION CLAUSE OF THE FOURTEENTH AMENDMENT (Against All Defendants)

87. Plaintiff incorporates by reference each and every allegation set forth in all preceding paragraphs as if fully set forth herein.

88. At its core, the Equal Protection Clause of the 14th Amendment to the
U.S. Constitution requires states to govern impartially — not draw arbitrary
distinctions between businesses based solely on differences that are irrelevant to a
legitimate governmental objective.

89. Strict scrutiny under the Equal Protection Clause applies where the
classification impinges on fundamental rights, including the right to due process
and the right to travel (both interstate and intrastate), among others. Defendants
have violated Plaintiff's procedural and substantive due process rights under the
Fourteenth Amendment.

90. Defendants cannot satisfy strict scrutiny, because their arbitrary
classifications are not narrowly tailored measures that further compelling
government interests.

91. Defendants have intentionally and arbitrarily categorized California
 businesses and conduct as either "essential" or "non-essential." Those businesses
 classified as "essential," or as participating at least partly in "essential services," are
 permitted to conduct their business and activities, even when the businesses also

provide "non-essential" goods and services. Those classified as "non-essential," are 1 2 required to completely shut down. Entertainment providers are deemed essential, 3 whereas Plaintiff, who provides basic personal grooming services, is not. 4 Defendants have therefore arbitrarily discriminated against Plaintiff in violation of 5 6 Plaintiff's equal protection rights. 7 92. Plaintiff has no adequate remedy at law and has suffered serious and 8 irreparable harm to its constitutional rights. 9 10 Plaintiff found it necessary to engage the services of private counsel to 93. 11 vindicate its rights under the law. Plaintiff is therefore entitled to an award of 12 attorneys' fees pursuant to 42 U.S.C. § 1988. 13 14 THIRD CAUSE OF ACTION VIOLATION OF THE TAKINGS CLAUSE OF 15 THE FIFTH AMENDMENT BY INTERFERENCE 16 WITH LICENSES AND PROPERTY (Against All Defendants) 17 Plaintiff incorporates by reference each and every allegation set forth 18 94. 19 in all preceding paragraphs as if fully set forth herein. 20 Plaintiff complied and continues to comply with the State's 95. 21 requirements to obtain the appropriate licenses and/or permits to conduct its 22 23 business and at all times relevant to this Complaint, Plaintiff has the right to 24 continue to operate under its licenses, and its related commercial activities were 25 26 continuous and lawful pursuant to California law, and particularly the regulations 27 promulgated by the Department of Consumer Affairs - Board of Barbering and 28 33 CLASS ACTION COMPLAINT

Cosmetology. 1

2 The California Supreme Court has held the right to engage in a 96. 3 licensed profession is a property right of such high character that revocation of that 4 license should only occur upon clear proof that the licensee has forfeited the same, 5 6 and only in strict conformity to the statute authorizing its forfeiture. Cavassa v. Off, 7 206 Cal. 307 (1929). The licenses and Plaintiff's right to operate its business are 8 therefore personal property to which the takings clause applies. 9

10 The regulatory actions taken by the Defendants have resulted in 97. 11 Plaintiff being deprived of all economically beneficial or productive use of its 12 property including, without limitation, its licenses, its leased property, and its 13 14 business property, and further resulted in the involuntary closing of its business, 15 ultimately making Plaintiff suffer a loss, in that it has to pay license fees, rent, 16 property maintenance, and related expenses for property it is barred by law from 17 18 using. The California Supreme Court has found that "While the police power is 19 very broad in concept, it is not without restrictions in relation to the taking or 20 damaging of property. When it passes beyond proper bounds in its invasion of 21 22 property rights, it in effect comes within the purview of the law of eminent domain 23 and its exercise requires compensation." House v. Los Angeles County Flood 24 Control Dist., 25 Cal. 2d 384 (1944). 25

26 98. Defendants' Orders and the enforcement thereof has caused both a 27 complete and total regulatory taking of Plaintiff's property without just 28 34

compensation in violation of the Takings Clause of the Fifth Amendment to the 1 2 U.S. Constitution. At a minimum, the effect of Defendants' Orders constitutes a 3 "partial" taking under the Penn-Central three-factor test. See Penn Cent. Transp. 4 Co. v. City of New York, 438 U.S. 104, 124 (1978). As a result, Defendants' 5 6 violation of the Takings Clause of the 5th Amendment has caused proximate and 7 legal harm to Plaintiff. 8 99. The taking of Plaintiff's property was for the public benefit and the 9 10 public has benefitted. 11 100. Plaintiff found it necessary to engage the services of private counsel to 12 vindicate its rights under the law. Plaintiff is therefore entitled to an award of 13 14 attorneys' fees pursuant to 42 U.S.C. § 1988. 15 FOURTH CAUSE OF ACTION 16 VIOLATION OF THE CALIFORNIA CONSTITUTION **RIGHT TO LIBERTY (CAL. CONST. ART. 1, § 1)** 17 (Against All Defendants) 18 101. Plaintiff incorporates herein by reference each and every allegation 19 20 contained in the preceding paragraphs of this Complaint as though fully set forth 21 herein. 22 102. Since 1879, the California Constitution has provided intrinsic and 23 24 unalienable rights and liberties to its citizens. Chief among those rights and 25 liberties are those found in Article 1 of the California Constitution. Article 1, 26 Section 1 of the California Constitution provides, in pertinent part: 27 28 35 CLASS ACTION COMPLAINT

All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and privacy.

- 103. Defendants' Orders have not only interfered with Plaintiff's rights and
  liberties as set forth under Article 1, Sections 1, 7, and 19 of the California
  Constitution, but have deprived Plaintiff of the use, enjoyment and ability to operate
  its business because of the closure orders.
- 9
  104. Defendants' Orders have proximately and legally caused unique and
  10
  11
  tremendous financial harm to Plaintiff's business.
- 12 105. Requiring Plaintiff to abstain from conducting lawful business in the
   13 State of California merely because its business has been arbitrarily deemed
   14 "nonessential," despite other compliance measures being taken to satisfy the
   16 public's important health interests, violates its California Constitutional liberty
   17 rights. The burden is on State actors to prove these actions meet strict scrutiny.
- 19 106. Plaintiff has suffered serious and irreparable harm to its constitutional
  20 rights.

107. Plaintiff has found it necessary to engage the services of private
counsel to vindicate its rights under the law. Plaintiff is therefore entitled to an
award of attorneys' fees and costs pursuant to California Code of Civil Procedure
Section 1021.5.

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### FIFTH CAUSE OF ACTION VIOLATION OF THE CALIFORNIA CONSTITUTION RIGHT TO PROPERTY (CAL. CONST. ART. 1, § 7) (Against All Defendants)

108. Plaintiff incorporates herein by reference each and every allegation contained in the preceding paragraphs of this Complaint as though fully set forth

herein.

8 109. Article 1, Section 7 of the California Constitution provides, in

pertinent part:

(a) A person may not be deprived of life, liberty, or property 11 without due process of law or denied equal protection of the laws; 12 provided, that nothing contained herein or elsewhere in this Constitution imposes upon the State of California or any public entity, 13 board, or official any obligations or responsibilities which exceed those imposed by the Equal Protection Clause of the 14th Amendment 14 to the United States Constitution with respect to the use of pupil school 15 assignment or pupil transportation. In enforcing this subdivision or any other provision of this Constitution, no court of this State may impose 16 upon the State of California or any public entity, board, or official any 17 obligation or responsibility with respect to the use of pupil school assignment or pupil transportation, (1) except to remedy a specific 18 violation by such party that would also constitute a violation of the 19 Equal Protection Clause of the 14th Amendment to the United States Constitution, and (2) unless a federal court would be permitted under 20 federal decisional law to impose that obligation or responsibility upon 21 such party to remedy the specific violation of the Equal Protection Clause of the 14th Amendment of the United States Constitution. 22

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110. Requiring Plaintiff to abstain from conducting lawful business in the State of California, despite the availability of compliance measures available and being taken by so-called "essential businesses" to satisfy the public health interests

- <sup>27</sup> at stake, violates Plaintiff's California Constitutional liberty rights.
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1111. Plaintiff has suffered serious and irreparable harm to its constitutional2rights.

112. Plaintiff has found it necessary to engage the services of private
counsel to vindicate its rights under the law. Plaintiff is therefore entitled to an
award of attorneys' fees and costs pursuant to California Code of Civil Procedure
Section 1021.5.

### SIXTH CAUSE OF ACTION VIOLATION OF THE CALIFORNIA CONSTITUTION TAKINGS WITHOUT COMPENSATION (CAL. CONST. ART. 1, § 19) (Against All Defendants)

113. Plaintiff incorporates herein by reference each and every allegation
 contained in the preceding paragraphs of this Complaint as though fully set forth
 herein.

114. Article 1, Section 19 of the California Constitution provides, in

<sup>17</sup> pertinent part: Article 1, Section 19:

(a) Private property may be taken or damaged for a public use and only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation.

115. California courts have routinely held that the California Constitution
 provides just compensation to property owners when their land is taken for public
 use, because the law seeks to bar the government from forcing some people alone to

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bear public burdens which, in all fairness and justice, should be borne by the public
as a whole.

116. The principle underlying just compensation for property taken for
public use is to put the owner in as good a position monetarily as he or she would
have occupied if his or her property had not been taken.

117. Finally, the constitutional guarantee of just compensation for property
taken by the government is not only intended to protect the landowner (or business
owner), but it also protects the public by limiting its liability to losses that can fairly
be attributed to the taking. *Emeryville Redevelopment v. Harcros Pigments, Inc.*,
101 Cal. App. 4th 1083 (2002).

14 118. Plaintiff has found it necessary to engage the services of private
counsel to vindicate its rights under the law. Plaintiff is therefore entitled to an
award of attorneys' fees and costs pursuant to California Code of Civil Procedure
Section 1021.5.

PRAYER FOR RELIEF

### . . . . . .

Plaintiff respectfully requests that this Court:

A. Enter an order and judgment requiring Defendants to provide just
 compensation for the regulatory taking of Plaintiff's private property;

B. Award to Plaintiff the costs and disbursements of the action, including
reasonable attorneys' fees, accountants' fees, experts' fees, costs, and expenses;
and

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Ca	se 3:21-cv-00098-BEN-JLB Document 1	Filed 01/19/21 PageID.41 Page 41 of 52
1	C. For such other relief as the	e Court may deem just and proper.
2		
3	DEMAND FOR JURY TRIAL	
4	Plaintiff hereby demands a trial by jury of all issues that are subject to	
5	I function hereby demands a triar by jury of an issues that are subject to	
6	adjudication by a trier of fact.	
7	Dated: January 19, 2021	Respectfully submitted,
8		
9		Bottini & Bottini, inc.
10		Francis A. Bottini, Jr. (SBN 175783) Albert Y. Chang (SBN 296065)
11		Anne Beste (SBN 326881)
12		s/ Francis A. Bottini, Jr.
13		Francis A. Bottini, Jr.
14		7817 Ivanhoe Avenue, Suite 102
15		La Jolla, California 92037
16		Telephone: (858) 914-2001 Facsimile: (858) 914-2002
17		Email: fbottini@bottinilaw.com
18		achang@bottinilaw.com abeste@bottinilaw.com
19		abeste@bottimiaw.com
20		Counsel for Plaintiff
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	CLASS ACTION COMPLAINT	

# **EXHIBIT 1**

**EXHIBIT 1** 

Gase 3:21-cv-00098-BEN-JLB Document 1 Filed 01/19/21 PageID.43 Page 43 of 52 **EXECUTIVE DEPARTMENT** STATE OF CALIFORNIA **EXECUTIVE ORDER N-33-20** WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and WHEREAS in a short period of time, COVID-19 has rapidly spread throughout California, necessitating updated and more stringent guidance from federal, state, and local public health officials; and WHEREAS for the preservation of public health and safety throughout the entire State of California, I find it necessary for all Californians to heed the State public health directives from the Department of Public Health. NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8627, and 8665 do hereby issue the following Order to become effective immediately: IT IS HEREBY ORDERED THAT: 1) To preserve the public health and safety, and to ensure the healthcare

1) To preserve the public health and safety, and to ensure the healthcare delivery system is capable of serving all, and prioritizing those at the highest risk and vulnerability, all residents are directed to immediately heed the current State public health directives, which I ordered the Department of Public Health to develop for the current statewide status of COVID-19. Those directives are consistent with the March 19, 2020, Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response, found at: <u>https://covid19.ca.gov/</u>. Those directives follow:

#### ORDER OF THE STATE PUBLIC HEALTH OFFICER March 19, 2020

To protect public health, I as State Public Health Officer and Director of the California Department of Public Health order all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors, as outlined at

https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19. In addition, and in consultation with the Director of the Governor's Office of Emergency Services, I may designate additional sectors as critical in order to protect the health and well-being of all Californians.

Pursuant to the authority under the Health and Safety Code 120125, 120140, 131080, 120130(c), 120135, 120145, 120175 and 120150, this order is to go into effect immediately and shall stay in effect until further notice.

The federal government has identified 16 critical infrastructure sectors whose assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, economic security, public health or safety, or any combination thereof. I order that Californians working in these 16 critical infrastructure sectors may continue their work because of the importance of these sectors to Californians' health and well-being.

This Order is being issued to protect the public health of Californians. The California Department of Public Health looks to establish consistency across the state in order to ensure that we mitigate the impact of COVID-19. Our goal is simple, we want to bend the curve, and disrupt the spread of the virus.

The supply chain must continue, and Californians must have access to such necessities as food, prescriptions, and health care. When people need to leave their homes or places of residence, whether to obtain or perform the functions above, or to otherwise facilitate authorized necessary activities, they should at all times practice social distancing.

- 2) The healthcare delivery system shall prioritize services to serving those who are the sickest and shall prioritize resources, including personal protective equipment, for the providers providing direct care to them.
- 3) The Office of Emergency Services is directed to take necessary steps to ensure compliance with this Order.
- 4) This Order shall be enforceable pursuant to California law, including, but not limited to, Government Code section 8665.

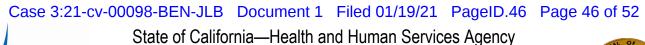
**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.



## **EXHIBIT 2**

### **EXHIBIT 2**



California Department of Public Health

SANDRA SHEWRY, MPH,MSW Acting Director

> ERICA S. PAN, MD, MPH Acting State Health Officer



#### Regional Stay At Home Order 12/03/2020

Upon assessment of the recent, unprecedented rise in the rate of increase in COVID-19 cases, hospitalizations, and test positivity rates across California, the California Department of Public Health (CDPH) is taking immediate actions to prevent the spread of the virus.

The State, like the nation, continues to record an unprecedented surge in the level of community spread of COVID-19. California implemented an accelerated application of the Blueprint Framework metrics on November 16 and a limited Stay at Home Order issued on November 19. However, in the interim, the number of new cases per day has increased by over 112%, (from 8,743 to 18,588) and the rate of rise of new cases per day continues to increase dramatically. The number of new hospital admissions has increased from 777 on November 15, to 1,651 on December 2, and because of the lag between case identification and hospitalizations, we can only expect these numbers to increase.

Current projections show that without additional intervention to slow the spread of COVID-19, the number of available adult Intensive Care Unit (ICU) beds in the State of California will be at capacity in mid-December. This is a sign that the rate of rise in cases, if it continues, is at risk of overwhelming the ability of California hospitals to deliver healthcare to its residents suffering from COVID-19 and from other illnesses requiring hospital care. ICU beds are a critical resource for individuals who need the most advanced support and care and the ability to add additional ICU capacity is limited by the lack of available ICU nurses and physicians as a result of the nationwide surge in hospitalizations and ICU admissions.

Because the rate of increases in new cases continues to escalate and threatens to overwhelm the state's hospital system, further aggressive action is necessary to respond to the quickly evolving situation. While vaccines are promising future interventions, they are not available to address the immediate risks to healthcare delivery in the current surge. The immediate aggressive institution of additional non-pharmaceutical public health interventions is critical to avoid further overwhelming hospitals and to prevent the need to ration care.



## NOW, THEREFORE, I, as Acting State Public Health Officer of the State of California, order:

- 1. CDPH will evaluate public health based on Regions, responsive to hospital capacity for persons resident in those Regions.
- CDPH will evaluate the adult ICU bed capacity for each Region and identify on <u>covid19.ca.gov</u> any Regions for which that capacity is less than 15%. When that capacity is less than 15%, the following terms (the Terms of this Order) will apply.
  - a. All gatherings with members of other households are prohibited in the Region except as expressly permitted herein.
  - b. All individuals living in the Region shall stay home or at their place of residence except as necessary to conduct activities associated with the operation, maintenance, or usage of critical infrastructure,<sup>1</sup> as required by law, or as specifically permitted in this order.
  - c. <u>Worship</u> and <u>political expression</u> are permitted outdoors, consistent with existing guidance for those activities.
  - d. Critical infrastructure sectors may operate and must continue to modify operations pursuant to the <u>applicable sector guidance</u>.
  - e. <u>Guidance</u> related to schools remain in effect and unchanged. Accordingly, when this Order takes effect in a Region, schools that have previously reopened for in-person instruction may remain open, and schools may continue to bring students back for in-person instruction under the <u>Elementary</u> <u>School Waiver Process</u> or <u>Cohorting Guidance</u>.
  - f. In order to reduce congestion and the resulting increase in risk of transmission of COVID-19 in critical infrastructure retailers, all retailers may operate indoors at no more than 20% capacity and must follow the <u>guidance</u> <u>for retailers</u>. All access to retail must be strictly metered to ensure compliance with the limit on capacity. The sale of food, beverages, and alcohol for instore consumption is prohibited.
  - g. To promote and protect the physical and mental well-being of people in California, outdoor recreation facilities may continue to operate. Those facilities may not sell food or drink for on-site consumption. Overnight stays at

<sup>&</sup>lt;sup>1</sup> See <u>https://covid19.ca.gov/essential-workforce/</u> for full list of California's Critical Infrastructure workforce.

campgrounds are not permitted.

- h. Nothing in this Order prevents any number of persons from the same household from leaving their residence, lodging, or temporary accommodation, as long as they do not engage in any interaction with (or otherwise gather with) any number of persons from any other household, except as specifically permitted herein.
- i. Terms (a) and (b) of this section do not apply to persons experiencing homelessness.
- 3. Except as otherwise required by law, no hotel or lodging entity in California shall accept or honor out of state reservations for non-essential travel, unless the reservation is for at least the minimum time period required for quarantine and the persons identified in the reservation will quarantine in the hotel or lodging entity until after that time period has expired.
- 4. This order shall take effect on December 5, 2020 at 1259pm PST.
- 5. For Regions where the adult ICU bed capacity falls below 15% after the effective date of this order, the Terms of this Order shall take effect 24 hours after that assessment.
- 6. The Terms of this Order shall remain in place for at least three weeks from the date the order takes effect in a Region and shall continue until CDPH's four-week projections of the Region's total available adult ICU bed capacity is greater than or equal to 15%. Four-week adult ICU bed capacity projections will be made approximately twice a week, unless CDPH determines that public health conditions merit an alternate projection schedule. If after three weeks from the effective date of the Terms of this Order in a Region, CDPH's four-week projections of the Region's total available adult ICU bed capacity is greater than or equal to 15%, the Terms of this Order shall no longer apply to the Region
- 7. After the termination of the Terms of this Order in a Region, each county within the Region will be assigned to a tier based on the <u>Blueprint for a Safer Economy</u> as set out in my August 28, 2020 Order, and the County is subject to the restrictions of the Blueprint appropriate to that tier.
- I will continue to monitor the epidemiological data and will modify this Regional Stay-at-Home Order as required by the evolving public health conditions. If I determine that it is necessary to change the Terms of this Order, or otherwise modify the Regional Stay-at-Home Order, these modifications will be posted at covid19.ca.gov.

- 9. When operative in a Region, the Terms of this Order supersede any conflicting terms in other CDPH orders, directives, or guidance. Specifically, for those Regions with ICU bed capacity triggering this order, the Terms of this Order shall supersede the State's <u>Blueprint for a Safer Economy</u> and all guidance (other than guidance for critical infrastructure sectors) during the operative period. In all Regions that are not subject to the restrictions in this order, the <u>Blueprint for a Safer Economy</u> and all guidance for a <u>Safer Economy</u> and all guidance shall remain in effect.
- This order is issued pursuant to Health and Safety Code sections 120125, 120130(c), 120135, 120140, 120145, 120175,120195 and 131080; EO N-60-20, N-25-20, and other authority provided for under the Emergency Services Act; and other applicable law.

Gnicon PM

Erica S. Pan, MD, MPH Acting State Public Health Officer California Department of Public Health

## **EXHIBIT 3**

**EXHIBIT 3** 



### Office of the Attorney General Washington, D. C. 20530

April 27, 2020

MEMORANDUM FOR THE ASSISTANT ATTORNEY GENERAL FOR CIVIL RIGHTS AND ALL UNITED STATES ATTORNEYS

THE ATTORNEY GENERAL FROM:

SUBJECT: Balancing Public Safety with the Preservation of Civil Rights

The current national crisis related to COVID-19 has required the imposition of extraordinary restrictions on all of our daily lives. Millions of Americans across the nation have been ordered to stay in their homes, leaving only for essential and necessary reasons, while countless businesses and other gathering places have been ordered to close their doors indefinitely. These kinds of restrictions have been necessary in order to stop the spread of a deadly disease—but there is no denying that they have imposed tremendous burdens on the daily lives of all Americans.

In prior Memoranda, I directed our prosecutors to prioritize cases against those seeking to illicitly profit from the pandemic, either by hoarding scarce medical resources to sell them for extortionate prices, or by defrauding people who are already in dire circumstances due to the severe problems the pandemic has caused. We have pursued those efforts vigorously and will continue to do so. Now, I am directing each of our United States Attorneys to also be on the lookout for state and local directives that could be violating the constitutional rights and civil liberties of individual citizens.

As the Department of Justice explained recently in guidance to states and localities taking steps to battle the pandemic, even in times of emergency, when reasonable and temporary restrictions are placed on rights, the First Amendment and federal statutory law prohibit discrimination against religious institutions and religious believers. The legal restrictions on state and local authority are not limited to discrimination against religious institutions and religious believers. For example, the Constitution also forbids, in certain circumstances, discrimination against disfavored speech and undue interference with the national economy. If a state or local ordinance crosses the line from an appropriate exercise of authority to stop the spread of COVID-19 into an overbearing infringement of constitutional and statutory protections, the Department of Justice may have an obligation to address that overreach in federal court.

I am therefore directing the Assistant Attorney General for Civil Rights, Eric Dreiband, and Matthew Schneider, the U.S. Attorney for the Eastern District of Michigan, to oversee and coordinate our efforts to monitor state and local policies and, if necessary, take action to correct them. They should work not only with all Department of Justice offices and other federal agencies, but with state and local officials as well.

Memorandum from the Attorney General

Subject: Balancing Public Safety with the Preservation of Civil Rights

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Many policies that would be unthinkable in regular times have become commonplace in recent weeks, and we do not want to unduly interfere with the important efforts of state and local officials to protect the public. But the Constitution is not suspended in times of crisis. We must therefore be vigilant to ensure its protections are preserved, at the same time that the public is protected.

I thank you for your attention to this important initiative and for your service to our country.