

LATHAM & WATKINS LLP 1 Marvin S. Putnam (212839). 2 marvin putnam@lw.com Jessica Stebbins Bina (248485) jessica.stebbinsbina@lw.com 3 10250 Constellation Blvd., Suite 1100 4 Los Angeles, California 90067 Telephone: (424) 653-5500 Facsimile: (424) 653-5501 5 6Attorneys for Specially Appearing Defendant Elliott Broidy 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 COUNTY OF LOS ANGELES 11 12 SHERA BECHARD. Case No. BC712913 13 Plaintiff. The Hon. Samantha P. Jessner (Dept. 31) 14 FILED CONDITIONALLY UNDER SEAL V. PURSUANT TO COURT ORDER DATED 15 ELLIOTT BROIDY, an individual, KEITH JULY 6, 2018 PROVISIONALLY SEALING DAVIDSON, an individual; MICHAEL COMPLAINT AND ALL REFERENCES 16 AVENATTI, an individual; DAVIDSON & THERETO ASSOCIATES, PLC, a professional limited 17 liability company; and DOES I through 20. SPECIALLY APPEARING DEFENDANT inclusive. ELLIOTT BROIDY'S NOTICE OF 18 MOTION AND MOTION TO STRIKE Defendants. SENSITIVE AND IMMATERIAL 19 PORTIONS OF THE COMPLAINT; MEMORANDUM OF POINTS AND 20. AUTHORITIES IN SUPPORT 21 Date: September 5, 2018 8:30 a.m. Time: 22 Dept.: 31 23 DATE APPROVED WITHOUT RESERVATION PER DEPT, 31 CLERK 24 July 6, 2018 Action Filed: 25 Trial Date: None Set 26 27 28

TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

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PLEASE TAKE NOTICE that on September 5, 2018 at 8:30 a.m. in Department 31 of the above-entitled court, located at 111 North Hill Street, Los Angeles, California, specially appearing defendant Elliott Broidy will and hereby does move for an order striking portions of the verified complaint for damages and other relief, filed by plaintiff Shera Bechard. Specifically, Mr. Broidy moves to strike the following portions of the complaint: pages 2:5-9, 4:12, 4:16-17, 4:19, 4:22-6;8, 7:6-7, 7;22-28, 8:1-7, 8:14-17, 13:12-13:14.

The portions requested to be stricken are further identified in Exhibit A to the Declaration of Marvin Putnam, filed July 23, 2018, in support of Mr. Broidy's Motion to Seal or Alternatively Strike Sensitive and Immaterial Portions of the Complaint the ("Alternative Motion"), and which is attached hereto as Exhibit A to the Declaration of Jessica Stebbins Bina.

Mr. Broidy filed the Alternative Motion in compliance with an expedited schedule ordered by the Court (Judge Hiroshige) for the briefing of sealing motions. As further explained in the declaration of Jessica Stebbins Bina, in response to an *ex parte* application filed by defendant Michael Avenatti the day after the case was filed (and before Mr. Broidy was served), Judge Hiroshige required the parties to brief any motions to seal on an expedited basis. Judge Hiroshige further barred the parties from reserving any motion dates (and thereby from filing any motions) until after August 10, 2018, the date he had set for the hearing on any and all motions to seal. As an alternative to sealing (and because the Court at that time was not allowing the parties to file any other motions), the Alternative Motion set forth reasons why certain sensitive and immaterial portions of the complaint should be stricken rather than sealed. However, the expedited schedule set by the Court made it impossible for counsel to meet and confer regarding the striking of those allegations in the manner contemplated by Section 430.41 of the Code of Civil Procedure before the Alternative Motion was due to be filed. Counsel noted in the notice of motion that it was willing to re-file the Motion to Strike portions of the Alternative Motion as needed to comply with any notice requirements caused by the unusual procedural posture of the case.

Counsel has now met and conferred as contemplated by Section 430.41 of the Code of Civil Procedure, and Mr. Broidy hereby resubmits the arguments for striking certain portions of

l :	the complaint, which are identical to the reasons articulated in his pending Alternative Motion. As		
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	the case is currently subject to peremptory challenge to Judge Jessner, and is likely to be reassigned		
3	again, Mr. Broidy requests that this Motion to Strike be heard at the same time as his Alternative		
4	Motion, as his requested remedy of striking the sensitive and immaterial portions of the complaint		
5	would render any scaling issues moot.		
6	This motion is made pursuant to Sections 435 and 436 of the Code of Civil Procedure, and		
7	is based on this notice of motion and motion, the attached memorandum of points and authorities,		
8	the concurrently filed Declaration of Jessica Stebbins Bina the pleadings on file in this action, and		
9	such further evidence as the court may consider at or before the hearing on this motion.		
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11	Dated: August 13, 2018 LATHAM & WATKINS LLP		
12	Marvin S. Putnam Jessica Stebbins Bina		
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14	By		
15	Attorneys for Specially Appearing Defendant Elliott Broidy		
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MEMORANDUM OF POINTS AND AUTHORITIES

J. INTRODUCTION.

Plaintiff's sole claim against defendant Elliott Broidy is that he failed to pay her approximately \$1.2 million due under a Settlement Agreement between the parties. See Compl. \$4,56-62. She was required to bring any such claim in a confidential arbitration according to the very provisions of the very Settlement Agreement that she claims was breached here. Yet, she strategically chose not to do so, instead filing a complaint full of false, salacious, and irrelevant claims about Mr. Broidy, including intimate information about his health, his sexual history, and his interaction in remantic relationships, and asking the Court to make it public. None of plaintiff's salacious allegations have anything to do with her breach of contract claim, or any other claim in this case. Rather, they are an attempt to avoid the strictures of her confidentiality obligations under the Settlement Agreement, and to use the court system to embarrass and hurt Mr. Broidy.

The immaterial and improper allegations included by plaintiff form no part of her causes of action against any party in this case, and should be stricken in their entirety and removed from the record in this case.

II. FACTUAL BACKGROUND.

This case arises out of a Settlement Agreement entered last year between plaintiff Shera Beehard and Mr. Broidy. The Settlement Agreement relates to a relationship Mr. Broidy had with plaintiff, during which she claimed to be pregnant with his child, a pregnancy she claims to have subsequently terminated. The Settlement Agreement required Mr. Broidy to pay plaintiff \$1.6 million in eight installments of \$200,000. Plaintiff, in turn, was required to keep all matters relating to her relationship with Mr. Broidy confidential, and to submit any dispute between them to binding, confidential arbitration, in order to maintain this confidentiality.

On April 12, 2018, defendant Michael Avenatti began publishing information about the existence of the Settlement Agreement on Twitter. The next day, the *Wall Street Journal* published an article revealing the facts discussed above. A variety of articles repeating these facts—though with no further details about the affair between plaintiff and Mr. Broidy—were published between

April 13 and June 30, 2018.¹ In these articles, plaintiff appeared to blame her former attorney, defendant Keith Davidson, for the leaked information.² Mr. Avenatti also claims to have obtained the information from Mr. Davidson. On July 1, 2018, the *Wall Street Journal* published a further article noting that Mr. Broidy now considered the Settlement Agreement to have been breached by plaintiff, and intended to stop making payments otherwise due thereunder.

The required confidential arbitration was expected to follow. Instead, plaintiff filed this lawsuit on Friday, July 6, 2018.

III. PROCEDURAL BACKGROUND.

Knowing that filing her lawsuit publicly would breach the Settlement Agreement, plaintiff filed the suit and immediately moved, *ex parte*, to provisionally scal it. Bina Decl. § 3; Ex. B. Judge Ruth Kwan, who was covering the assigned Court, Judge Hiroshige in Department 54, granted the motion and ordered the complaint provisionally scaled for 20 days, or until July 26, 2018, to allow any interested party time to move to seal portions of the complaint. *Id.* On Tuesday, July 10, 2018, defendant Michael Avenatti moved *ex parte* to unseal the complaint. *Id.* Ex. C. Avenatti was joined in his application by special counsel for seven media entities who sought leave to intervene for the purpose of opposing sealing of the complaint. *Id.* ¶ 4. Counsel for Mr. Broidy—who had still not been served with the complaint—appeared to oppose the *ex parte* and allow briefing on the question of sealing. *Id.* ¶ 5. The Court declined to make the complaint public immediately, and ordered further briefing on whether sealing should be briefed on an expedited basis. *Id.* After receiving such briefing, the Court ordered—on Wednesday, July 18, 2018—that all motions to seal by filed no later than Monday. July 23, 2018, at noon. *Id.* Ex. D.

The continued media attention stems largely from the fact that the attorney who negotiated the Settlement Agreement on behalf of Mr. Broidy, Michael Cohen, is under investigation by the FBI for work he did on behalf of President Donald Trump.

² See, e.g., Kate Briquelet, "The Sex-Tape Lawyer Who Worked With Michael Cohen to Silence Trump's Women," The Daily Beast, April 23, 2018, https://www.thedailybeast.com/the-sex-tape-tawyer-who-worked-with-michael-cohen-to-silence-trumps-women; Rebecca Ruiz & Jim Rutenberg, "R.N.C. Official Who Agreed to Pay Playboy Model \$1.6 Million Resigns," The New York Times, April 13, 2018, https://www.nytimes.com/2018/04/13/us/politics/elliott-broidy-michael-cohen-payout.html

Mr. Broidy was served effective July 13, 2018. *Id.* ¶ 6. He intended to file a motion to seal, or in the alternative, to strike, certain allegations in plaintiff's complaint on July 26, 2018, the original deadline to file motions to seal. *Id.* ¶ 8. In addition, he also intended to file a motion to compel arbitration on July 19, 2018—six days after being served. *Id.* ¶ 9. However, when he attempted to file the motion to compel arbitration, the Court rejected the filing, and issued an order stating that no motions could be calendared for hearing until after the sealing issues were decided on August 10, 2018. *Id.* Ex. E. Effectively, the Court barred Mr. Broidy from filing anything other than the motion to seal on July 23, 2018.

Mr. Broidy believed that the best remedy to address the inappropriate allegations in plaintiff's complaint was to strike them, rather than to seal them, and that sealing was an alternative remedy. *Id.* Ex. F at 8, 11-12. Accordingly, on July 23, 2018, Mr. Broidy filed a combined motion to seal or in the alternative, to strike sensitive and immaterial allegations in plaintiff's complaint (the "Alternative Motion"). The Court-ordered schedule, requiring Mr. Broidy to file the motion to seal four-and-a-half days after the Court's July 18 order—left Mr. Broidy unable to meet and confer in the ordinary course on the motion to strike portions of the Alternative Motion. In the Alternative Motion, Mr. Broidy explained that he would be happy to re-file the "strike" portions of the motion to the extent necessary to comply with the Code and the Rules of Court. *Id.* Ex. F at 1; see also Mr. Broidy's Reply In Support of the Alternative Motion, filed Aug. 03, 2018, at 3 n. 3.

On July 25, 2018, Mr. Broidy filed a Code of Civil Procedure section 170.6 chailenge to Judge Hiroshige. *Id.* Ex. G. That challenge was granted, and the matter was reassigned to Judge Jessner in Department 31.³ After repeated attempts, on Friday, August 3, 2018, counsel for Mr. Broidy was finally able to obtain a hearing date from the court clerk in Department 31 for the motion to compel arbitration, and on August 3, 2018, counsel re-filed the same. *Id.* ¶ 12; Ex. H.

³ On August 3, 2018, plaintiffs filed a Code of Civil Procedure section 170.6 challenge to Judge Jessner. That challenge is currently pending as the Court is dark. As of the date of this filing, the Alternative Motion is off-calendar pending resetting by the Court, the motion to compel arbitration is set for August 31, and this motion is set for September 5. Mr. Broidy requests that the Court set all three motions for hearing on the same date, given the overlap of issues.

Given that it was now possible, for the first time, for Mr. Broidy to file a motion in the case that did not relate to scaling, Mr. Broidy also began preparing to re-file this motion to strike. *Id.* ¶ 13. On Wednesday, August 8, 2018, counsel for Mr. Broidy met and conferred with counsel for plaintiff regarding the motion. Counsel explained that they believed the pending Alternative Motion was valid, but that they intended to re-file the motion to strike portions of the complaint in order to address any Code of Civil Procedure deficiencies created by the expedited briefing schedule and ban on further motions. Counsel for plaintiff confirmed they were familiar with the Alternative Motion, and declined to amend their complaint to address the arguments contained therein. *Id.* ¶ 14-15.

Mr. Broidy now resubmits the reasons for striking certain portions of the complaint, which are identical to the reasons articulated in his prior (and pending) Alternative Motion.

IV. ARGUMENT.

Plaintiff concedes—as she must—that the Settlement Agreement includes a confidentiality provision barring her from publicizing the details of her relationship with Mr. Broidy and thus from bringing this matter in a public forum. See, e.g., Compl. ¶¶ 8, 9, 26, 42, 60, 64, 97. She seeks to avoid her agreed-upon confidentiality obligations, however, by including in her complaint numerous statements that improperly reveal confidential information about Mr. Broidy, despite these allegations forming no part of her substantive legal claims. These statements have been included for no lawful purpose, but rather solely to publicly embarrass and hurt Mr. Broidy by revealing highly confidential and private information about him to the public. These portions of the complaint should be stricken.

A. The Complaint Contains Irrelevant, Protected Personal Information.

Plaintiff asserts just one cause of action against Mr. Broidy—for failure to pay monies owed under a written contract. Compl. ¶ 55-62. Yet, numerous paragraphs of the complaint go into graphic, sordid detail about Mr. Broidy's purported sexual history, health, and romantic relationship with plaintiff. Plaintiff asserts, for example, that Mr. Broidy has genital herpes, Compl. ¶ 3, that he enjoys masturbating, id. ¶ 20(b), and that he postponed treatment for cancer because it would interfere with his enjoyment of sex, id. ¶ 20(c). The complaint also contains

numerous other false statements designed to malign and embarrass Mr. Broidy; e.g., that he was a "violent misogynist," Compl. \P 3, 20(d), 22, that he prevented plaintiff from working, id. \P 20(d), and that he claimed to have connections who would make people "disappear," id. \P 22. The complaint further includes statements intended solely to hurt Mr. Broidy's family; e.g., Mr. Broidy referred to plaintiff as "mommy," "shared personal information about his children" with her, and called his wife a "bitch." Id. \P 20 (b), (f).

None of these vicious accusations have *anything* to do with plaintiff's legal claims in this case, against Mr. Broidy or anyone else. To the contrary, plaintiff accuses Mr. Broidy only of breaching the Settlement Agreement, and accuses the other defendants, ironically, of leaking information required to be kept confidential pursuant to her Settlement Agreement with Mr. Broidy.⁴ *None* of the information included by plaintiff and challenged here has previously been reported in the media or otherwise made publicly available. Plaintiff's aspersions against Mr. Broidy thus appear to have been included for one purpose and one purpose alone—to improperly shakedown yet more money from Mr. Broidy by threatening to disparage him and to reveal his heretofore private and personal information to the public.

B. The Requested Materials Should Be Stricken.

California courts are empowered to "prevent court files from becoming the conduits of disclosure of sensitive private information," and have full authority to strike such "scandalous and abusive statements in pleadings." *Olve v. Fox.*, 211 Cal. App. 4th 1036, 1069, 1070 (2012). The situation confronting Mr. Broidy today—with plaintiff threatening to expose intimate information about Mr. Broidy to the world unless he again pays for her silence—is the exact situation that the Settlement Agreement was supposed to prevent. Mr. Broidy paid for and was promised —

⁴ See, e.g., Compl. ¶¶63-68 (plaintiff alleges the remaining defendants interfered with her Settlement Agreement by disclosing confidential information); id. ¶¶ 69-72 (defendants allegedly breached fiduciary duties by revealing confidential information); id., ¶¶ 75-84, 93-98 (seeking indemnity and relief from fees otherwise owed to defendant Davidson as a result of the aforementioned breaches). Plaintiff also alleges that her former attorney Keith Davidson committed malpractice and a breach of fiduciary duty by failing to act in her best interests in connection with the negotiation of the contract's liquidated damages provision and failure to return her client file to her. Id. ¶ 85-88, 89-92. None of this has anything to do with her salacious allegations against Elliott Broidy.

absolute confidentiality and a private forum to address disputes. See Putnam Decl. Ex. D at 2-3. Instead, plaintiff's actions have led here, to the point where Mr. Broidy must file multiple motions to avoid exposing his most intimate information about his health, his family, and sexual relationships to the public. To be clear, plaintiff's only legal claim against Mr. Broidy is that he stopped making payments she contends remain due under the Settlement Agreement. Compl. ¶ 56-62. The salacious and personal details she includes throughout the complaint have no relationship whatsoever to this straightforward breach of contract claim. Plaintiff seeks to use this Court to make her malicious and irrelevant allegations public, so that she can continue to claim damages while vitiating the entire purpose of the Settlement Agreement. This Court should decline to further plaintiff's breaches of the Settlement Agreement, and should strike this extraneous and irrelevant material.

The Code of Civil Procedure provides this Court with full authority to "[s]trike out any irrelevant, false, or improper matter inserted in any pleading." Cal. Code Civ. Proc. § 436(a). The tawdry personal details plaintiff alleges about Mr. Broidy have absolutely no relevance to the legal issue of whether Mr. Broidy breached the terms of the Settlement Agreement "by failing to make the required contractual payments." Compl. • 59. These extraneous facts, which serve only to embarrass and harass Mr. Broidy, should be stricken from the record. Oiye, 211 Cal. App. 4th at 1070; accord Warner v. Warner, 135 Cal. App. 2d 302, 304 (1955) ("There can be no doubt of the power of a . . . court to strike from its file a brief or other document containing disrespectful, scandalous, or abusive language, directed against . . . litigants. . . . [I]t has been exercised from the earliest times[.]").

California law is clear that, in this situation and as discussed further below, sealing is watranted, but striking the extraneous material altogether is preferred. In Mercury Interactive Corp. v. Klein, 158 Cal. App. 4th 60 (2007), for example, the Court of Appeal observed that it would have been appropriate for the trial court to simply strike certain extraneous material from the complaint rather than engaging in a lengthy dispute over whether such materials should be sealed:

We observe that in this instance, the Complaint's exhibits appear to

have been entirely unnecessary to the pleading and that the sealing controversy could have been avoided by either a stipulation or an order amending the Complaint to strike the exhibits and to strike any quotes from, or references to them. The required contents of a complaint are 'a statement of the facts constituting the cause of action, in ordinary and concise language, and a demand for judgment for the telief to which the pleader claims to be entitled.' It is obvious from a review of the 35-page Complaint and attached 48 pages of exhibits that the pleading contains far more than simply an altegation of the ultimate facts 'in ordinary and concise language' setting for the cause of action.

Id. at 104 n. 35 (emphasis original, internal citations omitted.) Similarly, in Overstock.Com, Inc. v. Goldman Sachs Group, Inc., 231 Cal. App. 4th 471, 506-510 (2014), the Court of Appeal advised that numerous extraneous materials attached to a motion "were irrelevant and should have been struck and either removed from the record or sealed for good cause." (Emphasis original).

Notwithstanding the obvious irrelevance of this information, defendant Michael Avenatti previously opposed striking the complaint in his opposition to the Alternative Motion. Yet, in that opposition. Mr. Avenatti did not even attempt to argue that the vast majority of the challenged portions were relevant to any claim in the case—nor could he. Instead, Mr. Avenatti summarily stated that all the information contained in paragraph 20 - including information related to Mr. Broidy's prostate and sexual preferences – are relevant simply because Ms. Bechard told this information to her attorney, Mr. Davidson. Yet, Mr. Avenatti utterly failed to explain how Mr. Davidson's more knowledge of this personal information renders it relevant to any cause of action asserted. Mr. Avenatti then attempted to take a small number of the challenged portions, particularly those allegations contained in paragraphs 27-28 and 31 related to Ms. Bechard's prognancy and abortion, out of context and argued that they could conceivably relate to plaintiff's claims that Davidson failed to represent her competently in connection with the Settlement Agreement. Opposition to Broidy's Motion to Seal or Alternatively Strike at 11-12. This is speculation on Mr. Avenatti's part, and fails to justify the public disclosure of the private information alleged in those paragraphs, namely, that Mr. Broidy purportedly sought to force plaintiff to have an abortion and that she did so purportedly in response to his demands. Similarly,

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l	! "Mr. Avenatti bizarrefy asserted that plaintiff may have intended to plead a "defense of duress" by -		
2	including facts related to Ms. Bechard's fear of Mr. Broidy in Paragraphs 22 and 31. Opp. at 13.		
3			
	This claim makes no sense: plaintiff, as a <i>plaintiff</i> , does not need to plead any defenses to the		
4	contract on which she sues, nor does she actually allege that her consent to the Settlement		
5	Agreement was invalid or procured by duress. To the contrary, she seeks to <i>enforce</i> the Settlement		
6	Agreement. None of the challenged allegations relate to plaintiff's actual claims; namely, that Mr.		
7	Broidy owes her money and that the other defendants breached duties to her by negotiating a bad		
8	liquidated damages clause and by publicly disclosing her affair with Mr. Broidy.		
9	The Court should strike the requested materials here, and require plaintiff to refile her		
10	complaint without these irrelevant and improper allegations.		
11	V. CONCLUSION.		
12	For the foregoing reasons, Mr. Broidy respectfully requests that the Court grant its motion		
13	to strike the portions of the complaint identified above.		
14	Dated: August 13, 2018 LATHAM & WATKINS LLP		
15	Marvin S. Putnam Jessica Stebbins Bina		
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17	By		
18	Attorneys for Specially Appearing Defendant Elliott Broidy		
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PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to this action. My business address is Latham & Watkins LLP, 355 South Grand Avenue, Suite 100, Los Angeles, CA 90071-1560. My email address is jeeah.yang@lw.com.

On August 13, 2018, I served the following document described as:

SPECIALLY APPEARING DEFENDANT ELLIOTT BROIDY'S NOTICE OF MOTION AND MOTION TO STRIKE SENSITIVE AND IMMATERIAL PORTIONS OF THE COMPLAINT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT – FILED CONDITIONALLY UNDER SEAL PURSUANT TO COURT ORDER DATED JULY 6, 2018 PROVISIONALLY SEALING COMPLAINT AND ALL REFERENCES THERETO

by serving a true copy of the above-described document in the following manner:

BY HAND DELIVERY

The above-described document was transmitted via hand delivery following individuals on August 13, 2018:

Michael J. Avenatti mavenatti@eaganavenatti.com AVENATTI & ASSOCIATES, APC 520 Newport Center Drive, Suite 1400 Newport Beach, CA 92660 949-706-7000	Peter K. Stris peter.stris@strismaher.com Elizabeth R. Brannen elizabeth.brannen@strismaher.com Dana Berkowitz dana.berkowitz@strismaher.com Kenneth J. Halpern ken.halpern@strismaher.com John Stokes john.stokes@strismaher.com STRIS & MAHER LLP 725 S. Figueroa Street, Suite 1830 Los Angeles, CA 90017 213-995-6800
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I declare that I am employed in the office of a member of the Bar of, or permitted to practice before, this Court at whose direction the service was made and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on August 13, 2018, at Los Angeles, California.

Jeeah Yang