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Superior Court of California  
County of Fresno  
By: A Ortega, Deputy

Attorneys for Plaintiff DELI DELICIOUS FRANCHISE, INC.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF FRESNO  
CIVIL UNLIMITED

10 DELI DELICIOUS FRANCHISE, INC., a  
11 California corporation

Case No. 19CECG01217

12 Plaintiffs,

COMPLAINT FOR:

13 v.

14 HADI HOBAB, an individual; and DOES 1  
15 through 50,

16 Defendants.

1. Defamation;
2. Intentional Interference with Contract;
3. Negligent Interference with Contract;
4. Intentional Interference with Prospective Economic Advantage; and
5. Negligent Interference with Prospective Economic Advantage

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22 COMES NOW Plaintiff DELI DELICIOUS FRANCHISE, INC. ("Plaintiff" or  
23 "DDFI") and alleges and avers for its complaint against Defendants HADI HOBAB and Does 1  
24 through 50, inclusive, as follows:

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1 **GENERAL ALLEGATIONS**

2 1. Plaintiff DELI DELICIOUS FRANCHISE, INC. (“Plaintiff” or “DDFI”) is a  
3 corporation duly organized, existing and authorized to conduct business in California under  
4 California law, with its principle place of business located in the City and County of Fresno,  
5 State of California.

6 2. Plaintiff is informed and believes and thereon alleges that Defendant HADI  
7 HOBAB (“Defendant”) is in individual residing in the County of Orange, State of California.

8 3. Plaintiff is unaware of the true names and capacities of Defendants sued herein  
9 as Does 1 through 50, inclusive, and therefore sues these Defendants by such fictitious names.  
10 When their true names are ascertained, Plaintiff will amend this complaint by inserting their  
11 true names herein.

12 4. Plaintiff is informed and believes, and thereon alleges, that each of the  
13 Defendants named herein was the agent, servant, employee or co-conspirator of each of the  
14 remaining Defendants, and that at all times herein mentioned, each was acting within the scope  
15 of such agency, employment and/or conspiracy and for the mutual benefit or for the benefit of  
16 one or more of the Defendants named herein.

17 5. Venue is proper in the County of Fresno as to all parties because the wrongful  
18 conduct and acts alleged herein occurred, in part, within the County of Fresno.

19 **FIRST CAUSE OF ACTION**

20 (Defamation)

21 Plaintiff alleges its first cause of action against Defendant and Does 1 through 50 as  
22 follows:

23 6. Plaintiff hereby incorporates by reference paragraphs 1 through 5, hereinabove,  
24 as if set forth in full herein.

25 7. Plaintiff is a successful restaurant franchise with over 100 stores operating or in  
26 development throughout California. Plaintiff began as a family-owned restaurant  
27 approximately 20 years ago and due to the popularity of its products and services grew into a  
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1 thriving franchise system. Through Plaintiff's system, franchisees obtain a recognized brand  
2 name, turnkey operations, and access to Plaintiff's proprietary recipes, systems and procedures.

3 8. DDFI was founded by Mohammad Hobab in 2008. Defendant was a teenager  
4 when the first Deli Delicious store was purchased by Mohammed Hobab in 1996. Though  
5 Defendant did work at the family restaurants from time to time, at no time material to the  
6 allegations of this complaint did Defendant have any ownership interest in the original  
7 restaurants or DDFI.

8 9. Plaintiff is informed, believes and thereon alleges that within the last three (3)  
9 years, Defendant without justification or privilege published orally and in writing a series of  
10 false and defamatory communications to third persons including, but not limited to, Plaintiff's  
11 franchisees, vendors and banking institution, among others, stating among other things that  
12 Plaintiff (1) is unable to support the needs of franchisees; (2) does not provide adequate  
13 marketing efforts to franchisees, describing those efforts as "anemic and sophomoric;" (3) has  
14 unqualified leadership that is sailing a "rudderless ship;" (4) has officers in place with no prior  
15 experience of running a franchise; (5) has taken loans from franchisees; and (6) is cheating its  
16 franchisees by requiring them to purchase through approved vendors.

17 10. Plaintiff is further informed, believes and thereon alleges that within the last  
18 three (3) years, Defendant without justification or privilege published orally and in writing a  
19 series of false and defamatory communications to third persons including, but not limited to,  
20 Plaintiff's franchisees, vendors and banking institution, among others, stating among other  
21 things that: (1) the management problems with Plaintiff occurred when Defendant was removed  
22 as Chief Operating Officer in 2017; (2) Defendant was the founder of DDFI; and (3) that the  
23 franchise community has issued a "vote of no confidence" in the current leadership of DDFI.

24 11. The comments and statements alleged above were false when made and remain  
25 false to this day.

26 12. Plaintiff is informed, believes and thereon alleges that Defendant knew of the  
27 falsity of the above-described statements when made, or acted with reckless and/or conscious  
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1 disregard for their falsity when made.

2 13. Plaintiff is further informed, believes and thereon alleges that such statements  
3 are in fact false and communicated by Defendant with malice, ill-will, and hatred toward  
4 Plaintiff and without any reasonable grounds for believing that such statements were true.

5 14. As a proximate result of Defendant's defamatory communications, Plaintiff has  
6 suffered damages to its reputation and its ability to contract with new franchisees, in an amount  
7 to be proven at trial.

8 15. At all times herein mentioned Defendant, in doing the things described herein,  
9 acted with malice, knowing the falsity of the his actions, in reckless disregard of the truth, such  
10 that Plaintiff is entitled to and hereby requests punitive damages.

11 16. Plaintiff is informed, believes and thereon alleges that if not enjoined by this  
12 Court, Defendant will continue to defame DDFI, which will cause great and irreparable injury  
13 in that Plaintiff will continue to suffer damage to its business reputation and established  
14 goodwill with its franchisees, vendors and banking institutions. Plaintiff has no adequate  
15 remedy at law for the injuries being suffered in that a judgment for money damages will not  
16 end Defendant's dissemination of false and defamatory information about DDFI. Preliminary  
17 and permanent injunctive relief, therefore, should be ordered enjoining Defendant from  
18 continuing to publish false and defamatory information about Plaintiff.

19 **SECOND CAUSE OF ACTION**

20 (Intentional Interference with Contract)

21 Plaintiff alleges its third cause of action against Defendant and Does 1 through 50 as  
22 follows:

23 17. Plaintiff hereby incorporates by reference paragraphs 1 through 16, hereinabove,  
24 as if set forth in full herein.

25 18. Over the past 19 years, Plaintiff has entered into written franchise agreements  
26 with various franchisees of the Deli Delicious brand.

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1           23. Plaintiff hereby incorporates by reference paragraphs 1 through 22, hereinabove,  
2 as if set forth in full herein.

3           24. Over the past 19 years, Plaintiff has entered into written franchise agreements  
4 with various franchisees of the Deli Delicious brand.

5           25. Plaintiff is informed, believes and thereon alleges that Defendant knew of the  
6 contracts between Plaintiff and its franchisees.

7           26. Plaintiff is informed, believes and thereon alleges that Defendant owed Plaintiff  
8 a duty of care to refrain from publishing false and defamatory communications concerning  
9 Plaintiff, or from interfering or otherwise disrupting Plaintiff's contract with its franchisees  
10 based on Defendant's previous knowledge and awareness of Plaintiff's business and business  
11 practices.

12           27. Plaintiff is informed, believes and thereon alleges that Defendant breached his  
13 duty of care by disrupting and interfering with Plaintiff's written franchise agreements with its  
14 franchisees by publishing a series of false and defamatory communications indicating that  
15 Plaintiff (1) is unable to support the needs of franchisees; (2) does not provide adequate  
16 marketing efforts to franchisees, describing those efforts as "anemic and sophomoric;" (3) has  
17 unqualified leadership that is sailing a "rudderless ship;" (4) has officers in place with no prior  
18 experience of running a franchise; (5) has taken loans from franchisees; and (6) is cheating its  
19 franchisees by requiring them to purchase through approved vendors. Plaintiff is further  
20 informed, believes and thereon alleges that Defendant intended to disrupt and intentionally  
21 interfered with Plaintiff's contracts with its franchisees by publishing a series of false and  
22 defamatory communications indicating that (1) the management problems with Plaintiff  
23 occurred when Defendant was removed as Chief Operating Officer in 2017; (2) Defendant was  
24 the founder of DDFI; and (3) that the franchise community has issued a "vote of no  
25 confidence" in the current leadership of DDFI.

26           28. As a proximate and foreseeable result of Defendant's conduct, Defendant has  
27 interfered with and prevented performance of Plaintiff's franchise agreements with its

1 franchisees and/or made performance more difficult, causing Plaintiff to suffer damages in an  
2 amount to be proven at trial.

3 **FOURTH CAUSE OF ACTION**

4 (Intentional Interference with Prospective Economic Advantage)

5 Plaintiff alleges its second cause of action against Defendant and Does 1 through  
6 50 as follows:

7 29. Plaintiff hereby incorporates by reference paragraphs 1 through 28, hereinabove,  
8 as if set forth in full herein.

9 30. For over 18 years, Plaintiff has had economic and contractual relationships with  
10 various franchisees, vendors, and banking institutions throughout the State of California in  
11 connection with the Deli Delicious franchise. Plaintiff is informed, believes and thereon  
12 alleges that due to their previous dealings, but for Defendant's conduct complained of herein, it  
13 is likely that Plaintiff's economic and contractual relationship with its franchisees, future  
14 franchisees, vendors and banking institutions will continue into the foreseeable future.

15 31. Plaintiff is informed, believes and thereon alleges that Defendant knew of  
16 Plaintiff's economic and contractual relationship these franchisees, vendors and banking  
17 institutions.

18 32. Plaintiff is informed, believes and thereon alleges that Defendant intentionally  
19 interfered with Plaintiff's economic and contractual relationship with these franchisees,  
20 vendors and banking institutions by publishing false and defamatory communications  
21 indicating that Plaintiff (1) is unable to support the needs of franchisees; (2) does not provide  
22 adequate marketing efforts to franchisees, describing those efforts as "anemic and  
23 sophomoric;" (3) has unqualified leadership that is sailing a "rudderless ship;" (4) has officers  
24 in place with no prior experience of running a franchise; (5) has taken loans from franchisees;  
25 and (6) is cheating its franchisees by requiring them to purchase through approved vendors.  
26 Plaintiff is further informed, believes and thereon alleges that Defendant intended to disrupt  
27 and intentionally interfered with Plaintiff's contracts with its franchisees by publishing a series

1 of defamatory communications indicating that (1) the management problems with Plaintiff  
2 occurred when Defendant was removed as Chief Operating Officer in 2017; (2) Defendant was  
3 the founder of DDFI; and (3) that the franchise community has issued a “vote of no  
4 confidence” in the current leadership of DDFI.

5 33. As a result of Defendant’s conduct, Plaintiff’s economic and contractual  
6 relationships with these franchisees, vendors and banking institutions was interrupted, resulting  
7 in damages to Plaintiff in an amount to be proven at trial.

8 34. At all times herein mentioned Defendant, in doing the things described herein,  
9 acted with malice, knowing the falsity of the his actions, in reckless disregard of the truth, such  
10 that Plaintiff is entitled to and hereby requests punitive damages.

11 **FIFTH CAUSE OF ACTION**

12 (Negligent Interference With Prospective Economic Advantage)

13 Plaintiff alleges its fifth cause of action against Defendant and Does 1 through  
14 50 as follows:

15 35. Plaintiff hereby incorporates by reference paragraphs 1 through 34, hereinabove,  
16 as if set forth in full herein.

17 36. For over 18 years, Plaintiff has had economic and contractual relationships with  
18 various franchisees, vendors, and banking institutions throughout the State of California in  
19 connection with the Deli Delicious franchise. Plaintiff is informed, believes and thereon  
20 alleges that due to their previous dealings, but for Defendant’s conduct complained of herein, it  
21 is likely that Plaintiff’s economic and contractual relationship with its franchisees, future  
22 franchisees, vendors and banking institutions will continue into the foreseeable future.

23 37. Plaintiff is informed, believes and thereon alleges that Defendant knew of  
24 Plaintiff’s economic and contractual relationship these franchisees, vendors and banking  
25 institutions.

26 38. Plaintiff is informed, believes and thereon alleges that Defendant owed Plaintiff  
27 a duty of care to refrain from publishing defamatory communications concerning Plaintiff, or  
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1 from interfering or otherwise disrupting Plaintiff's business dealings with its franchisees,  
2 vendors and banking institutions based on Defendant's prior relationship with Plaintiff.

3 39. Plaintiff is informed, believes and thereon alleges that Defendant breached his  
4 duty of care by interfering with Plaintiff's economic and contractual relationship with these  
5 franchisees, vendors and banking institutions by publishing false and defamatory  
6 communications indicating that Plaintiff (1) is unable to support the needs of franchisees; (2)  
7 does not provide adequate marketing efforts to franchisees, describing those efforts as "anemic  
8 and sophomoric;" (3) has unqualified leadership that is sailing a "rudderless ship;" (4) has  
9 officers in place with no prior experience of running a franchise; (5) has taken loans from  
10 franchisees; and (6) is cheating its franchisees by requiring them to purchase through approved  
11 vendors. Plaintiff is further informed, believes and thereon alleges that Defendant intended to  
12 disrupt and intentionally interfered with Plaintiff's contracts with its franchisees by publishing  
13 a series of false defamatory communications indicating that (1) the management problems with  
14 Plaintiff occurred when Defendant was removed as Chief Operating Officer in 2017; (2)  
15 Defendant was the founder of DDFI; and (3) that the franchise community has issued a "vote of  
16 no confidence" in the current leadership of DDFI.

17 40. As a proximate and foreseeable result of Defendant's conduct, Plaintiff's  
18 economic and contractual relationships with these franchisees, vendors and banking institutions  
19 were disrupted, resulting in damages to Plaintiff in an amount to be proven at trial.

20 WHEREFORE, Plaintiff requests relief from this court as follows:

21 **First Cause of Action for Defamation**

- 22 1. For damages in an amount to be proven at trial;
- 23 2. For punitive damages;
- 24 3. For costs of suit herein;
- 25 4. For preliminary and permanent injunctive relief restraining and enjoining  
26 Defendant from publishing false and/or defamatory information about Plaintiff; and
- 27 5. For other such relief as the Court deems proper.

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**Second Cause of Action for Intentional Interference With Contract**

1. For damages in an amount to be proven at trial;
2. For punitive damages;
3. For costs of suit herein; and
4. For other such relief as the Court deems proper.

**Third Cause of Action for Negligent Interference With Contract**

1. For damages in an amount to be proven at trial;
2. For costs of suit herein; and
3. For other such relief as the Court deems proper.

**Fourth Cause of Action for Intentional Interference With Prospective Economic Advantage**

1. For damages in an amount to be proven at trial;
2. For punitive damages;
3. For costs of suit herein; and
4. For other such relief as the Court deems proper.

**Fifth Cause of Action for Negligent Interference With Prospective Economic Advantage**

1. For damages in an amount to be proven at trial;
2. For costs of suit herein; and
3. For other such relief as the Court deems proper.

Dated: April 26, 2019

DOWLING AARON INCORPORATED

By: 

WILLIAM H. LITTLEWOOD  
Attorneys for Plaintiff  
DELI DELICIOUS FRANCHISE, INC.