

ORIGINAL

1 John Steele  
1111 Lincoln Road  
2 Suite 400  
Miami Beach, FL 33139

3 Pro Se

4 UNITED STATES DISTRICT COURT  
5 CENTRAL DISTRICT OF CALIFORNIA

2013 JUN 21 PM 3:18  
U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES  
BY: [Signature]

FILED

6  
7 INGENUITY 13 LLC,

8 Plaintiff,

9 v.

10 JOHN DOE,

11 Defendant.

CASE NO. 2:12-CV-8333-ODW (JCx)

Judge: Hon. Otis D. Wright, II  
Magistrate Judge: Hon. Jacqueline Chooljian

**JOHN STEELE'S EMERGENCY MOTION  
TO VACATE ORDERS AND FOR ORDER  
TO SHOW CAUSE**

12  
13 INTRODUCTION AND SUMMARY

14 John Steele ("Movant") recently reviewed the docket in this matter and was shocked to learn  
15 that attorneys Pietz and Ranallo have been submitting scores of papers to the Court over the past  
16 month without serving him. Movant has been proceeding in this case *pro se* since May 17, 2013,  
17 and has not received a single document from attorneys Pietz and Ranallo since then. Movant  
18 conferred with other *pro se* persons and learned that they did not receive documents from attorneys  
19 Pietz and Ranallo either. The attempt by attorneys Pietz and Ranallo to systematically deny *pro se*  
20 persons their right to be heard is a critical due process violation that the Court must swiftly address.  
21 Attorneys Pietz and Ranallo have sought, *inter alia*, an appellate attorneys' fee bond in the amount  
22 of \$135,933.66 and onerous bond conditions, but the *pro se* persons have not been afforded an  
23 opportunity to challenge those efforts. Accordingly, Movant respectfully requests that the Court  
24 vacate its order requiring the "Prenda parties" to post an additional bond in the amount of  
25 \$135,933.66, its order requiring the "Prenda parties" to consent to new bond conditions, and to order  
26 attorneys Pietz and Ranallo to show cause for why they should not be sanctioned for their brazen  
27 misconduct.

1           Emergency consideration of this motion is appropriate because Movant is facing crippling  
2 monetary sanctions if he does not comply with orders that were obtained *ex parte*. (See ECF 189)  
3 (threatening the imposition of monetary sanctions if Movant does not post an additional bond in the  
4 amount of \$135,933.66 and agree to additional conditions regarding the bond by July 15, 2013.)

5           **I. ATTORNEYS PIETZ AND RANALLO HAVE FAILED TO SERVE THE PAPERS**  
6           **THEY HAVE SUBMITTED IN THIS MATTER ON PERSONS APPEARING *PRO SE***

7           Service of papers (other than the summons and complaint) on *pro se* persons must be made  
8 by: (1) handing it to the person; (2) leaving at the person's office or dwelling; or (3) mailing it to the  
9 person's last known address. Fed. R. Civ. P. 5. Other methods of service are acceptable only if the  
10 person being served has consented in writing to the proposed method. *Id* The Local Rules of this  
11 Court require service in accordance with Fed. R. Civ. P. 5 for individuals not registered for the  
12 district court's CM/ECF System. L.R. 5-3.2. Further, a proof of service on such individuals in the  
13 form required by Local Rule 5-3.1.2 must accompany each of these papers. *Id*.

14           In this matter, attorneys Pietz and Ranallo have brazenly violated the service mandates of the  
15 Federal Rules of Civil Procedure and the Local Rules of this Court. A cursory review of the papers  
16 they submitted shows that they did not serve their papers on *pro se* persons. (See, e.g., ECF No. 69)  
17 (failing to attach proof of service); (ECF No. 70) (same); (ECF No. 74) (same); (ECF No. 75)  
18 (same); (ECF No. 76) (same); (ECF No. 77) (same); (ECF No. 78) (same); (ECF No. 79) (same);  
19 (ECF No. 80) (same); (ECF No. 102) (same); (ECF No. 111) (attaching a proof of service, but  
20 failing to include *pro se* persons on the service list); (ECF No. 117) (failing to attach proof of  
21 service); (ECF No. 118) (same); (ECF No. 119) (same); (ECF No. 124) (same); (ECF No. 148)  
22 (same); (ECF No. 175) (same); (ECF No. 183) (same); (ECF No. 184) (same); (ECF Nos. 190-191)  
23 (same.)

24           The conclusion that attorneys Pietz and Ranallo failed to serve their papers on the *pro se*  
25 persons is supported by the Declaration of Morgan E. Pietz Re: Fees and Costs. (ECF No. 102.) In  
26 his declaration, Mr. Pietz conspicuously declines to seek recovery for service costs with respect to  
27 *pro se* persons. (See ECF No. 102-1 at 15-16.) Mr. Pietz's failure to seek recovery for these costs

28

1 was not an act of generosity. (*See, e.g., id.* at 16) (seeking recovery of \$10 in advanced costs for  
 2 Blair Chintella's "Gas/Paper/Toner".) The Declaration of Nicholas Ranallo Re: Fees and Costs also  
 3 fails to seek recovery for *pro se* service costs. (*See id.* at 20-22.) Finally, the persons who appeared  
 4 *pro se* in this matter have affirmed that attorneys Pietz and Ranallo failed to serve papers on them.

5 **II. THE FAILURE OF ATTORNEYS PIETZ AND RANALLO TO SERVE *PRO SE***  
 6 **PERSONS WITH PAPERS IS A SEVERE DUE PROCESS VIOLATION**

7 "The fundamental requisite of due process of law is the opportunity to be heard." *Goldberg v.*  
 8 *Kelly*, 397 U.S. 254, 267 (1970) (citing *Grannis v. Ordean*, 234 U.S. 385, 394 (1914)). Movant has  
 9 been denied his due process right to be heard because these proceedings have been conducted *ex*  
 10 *parte* with respect to him ever since May 17, 2013, when his counsel withdrew from representation.<sup>1</sup>  
 11 Since that date Mr. Steele has not been served with any paper by attorneys Pietz or Ranallo. Yet,  
 12 attorneys Pietz and Ranallo have filed papers asking the Court to impose an enormous additional  
 13 bond on Movant (ECF 175), to require Movant to consent to onerous bond conditions (*id.*), to have  
 14 the Court strike the plaintiff's complaint as a further sanction (ECF No. 183), and to define "Prenda  
 15 parties" as including Mr. Gibbs (*id.*).

16 Movant has not had an opportunity to respond to any of these efforts and now finds himself  
 17 in a position where he is facing crippling monetary sanctions if he fails to comply with requests that  
 18 were granted *ex parte*. The Star Chamber tactics of attorneys Pietz and Ranallo have no place in a  
 19 United States district court. Due process concerns are particularly strong where, as here, the Court  
 20 adopted the putative John Doe's proposed order without alteration. (*See, e.g.,* ECF No. 176)  
 21 (adopting the putative John Doe's proposed order, including his counsel's signature block); (*see also*  
 22 ECF No. 177) (amending the proposed order to remove the signature block, footer text and  
 23 emphasis.)

24 The fact that other persons may have submitted papers to oppose the efforts of attorneys  
 25 Pietz and Ranallo is meaningless. The oppositions were submitted by individuals whose interests  
 26

27 <sup>1</sup> For the sake of clarity, Mr. Steele has been served with papers filed by Messers. Hansmeier and  
 28 Duffy and those filed by Prenda Law, Inc.

1 diverge from Movant's. Prenda Law, Inc., Mr. Duffy and Mr. Hansmeier, for example, sought  
2 independent representation from Movant during the order to show cause proceedings.

3 **III. THE BRAZEN MISCONDUCT OF ATTORNEYS PIETZ AND RANALLO**  
4 **DEMANDS A COMMENSURATE SANCTION**

5 This Court should take a hard line against the brazen misconduct of attorneys Pietz and  
6 Ranallo. Submitting scores of papers to the Court without serving them on opposing persons does  
7 not just smack of fraud—it is fraud. The order to show cause proceedings and subsequent bond  
8 proceedings have been conducted *ex parte* with respect to *pro se* individuals. An inadvertent failure  
9 to serve a paper or two might be the product of an innocent oversight; an unbroken pattern of doing  
10 so is fraud on the court.<sup>2</sup>

11 The integrity of the judicial system depends on the proper functioning of the adversary  
12 process. Courts place trust in litigants to serve one another with their papers. When licensed  
13 attorneys maliciously disregard this fundamental obligation, a court may find that “the very temple  
14 of justice has been defiled.” *Universal Oil Co. v. Root Rfg. Co.*, 328 U.S. 575, 580 (1946). In such  
15 circumstances, this Court may disbar those admitted to practice before it, impose monetary sanctions  
16 and order remedial measures. *Chambers v. Nasco, Inc.*, 501 U.S. 32 (1991).

17 At a minimum, Movant respectfully requests the Court to vacate the imposition of the  
18 \$135,933.66 attorneys' fee bond, vacate the imposition of new bond conditions, refer attorneys Pietz  
19 and Ranallo to the Standing Committee on Discipline of the United States District Court for the  
20 Central District of California, and order attorneys Pietz and Ranallo to properly serve every paper  
21 submitted in this matter on every *pro se* person. Further, the Court should impose monetary  
22 sanctions on attorneys Pietz and Ranallo in an amount that will help reimburse the *pro se* persons for  
23  
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25 \_\_\_\_\_  
26 <sup>2</sup> Notably, this is not the only attempt by attorneys Pietz and Ranallo to subvert the adversary  
27 process. In the “Stipulation Between Movant Brett L. Gibbs and Attorney Morgan E. Pietz” (ECF  
28 178), Pietz and Ranallo colluded with Gibbs to seek affirmative relief against the “Prenda parties”  
without using proper motion procedures. This was an attempt to defraud the Court because Pietz,  
Gibbs and Ranallo all benefited from the proposed stipulation while the “Prenda parties” stood to  
lose, thus necessitating notice and an opportunity to be heard.

1 the attorneys' fees they incur in evaluating their legal position in light of attorney Pietz's and  
2 Ranallo's fraud on the Court.


3 The undersigned has conferred with prospective counsel and learned that a \$10,000.00  
4 retainer will be required to procure legal advice on addressing the brazen misconduct of attorneys  
5 Pietz and Ranallo. Because there are ten<sup>3</sup> *pro se* persons affected by the service failures, the grand  
6 total compensatory sanction imposed on attorney Pietz and Ranallo should be \$100,000.00. The  
7 Court has placed enormous trust in attorneys Pietz and Ranallo to conduct themselves according to  
8 the highest ethical standards in this proceeding. Attorneys Pietz and Ranallo have betrayed that  
9 trust.

10 **CONCLUSION**

11 The Court should vacate the orders described herein and impose sanctions on attorneys Pietz  
12 and Ranallo.

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14  
15  
16 DATED: June 21, 2013

Respectfully submitted,

  
\_\_\_\_\_  
John Steele  
1111 Lincoln Road Suite 400  
Miami Beach, Florida 33139  
*Pro Se*

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26 <sup>3</sup> The ten *pro se* persons affected by the brazen misconduct of attorneys Pietz and Ranallo are: (1)  
27 John Steele; (2) Paul Duffy; (3) Paul Hansmeier; (4) Mark Lutz; (5) Angela Van Den Hemel; (6)  
28 Peter Hansmeier; (7) AF Holdings, LLC; (8) Ingenuity13, LLC; (9) Livewire Holdings, LLC; and  
(10) 6881 Forensics, LLC.

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

INGENUITY 13 LLC,  
*Plaintiff,*  
  
v.  
  
JOHN DOE,  
*Defendant.*

CASE NO. 2:12-CV-8333-ODW (JCx)  
  
Judge: Hon. Otis D. Wright, II  
Magistrate Judge: Hon. Jacqueline Chooljian

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED THAT:

I, the undersigned, am a citizen of the United States and am at least eighteen years of age.  
My address is 1111 Lincoln Road, Suite 400, Miami Beach, FL 33139. I have caused service of:

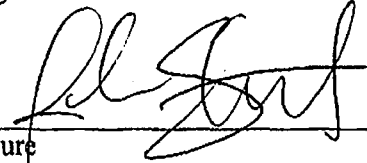
**JOHN STEELE'S EMERGENCY MOTION TO  
VACATE ORDERS AND FOR ORDER TO SHOW CAUSE**

On the following parties via U.S. Mail first-class, postage prepaid:

PARTIES	COUNSEL OF RECORD/PRO SE
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6881 Forensics, LLC Springates East Government Road Charlestown, Nevis	Pro Se
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3	Mark Lutz 2100 M Street Northwest, Suite 170-417 Washington, D.C. 20037	Pro Se
4	Paul Duffy 2 N. La Salle St. St., 13th Floor Chicago, IL 60602	Pro Se
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8	Non-Party Putative John Doe	Morgan Pietz (SBN 260629) The Pietz Law Firm 3770 Highland Ave., Ste. 206 Manhattan Beach, CA 90266 mpietz@pietzlawfirm.com Telephone: (310) 424-5557 Facsimile: (310)546-5301

16 I declare under penalty of perjury that the foregoing is true and correct. Executed on June 21,  
17 2013.

18   
19 \_\_\_\_\_  
20 Signature