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13 Kjersti Flaa

14 **UNITED STATES DISTRICT COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**
16 **WESTERN DIVISION**

17 KJERSTI FLAA, an individual,
18 Plaintiff,

19 v.

20 HOLLYWOOD FOREIGN PRESS
21 ASSOCIATION, a California Mutual
22 Benefit Corporation; AUD
23 BERGGREN MORISSE, an individual;
24 TINA JOHNS CHRISTENSEN, an
25 individual; ANIKO SKORKA
26 NAVAI, an individual; LORENZO
27 SORIA, an individual; MEHER
28 TATNA, an individual; and DOES
1-20, inclusive,
Defendants.

Case No. 2:20-cv-06974

COMPLAINT FOR:

- (1) Violation of the Right of Fair Procedure;**
- (2) Declaratory Relief;**
- (3) Sherman Act § 1 Violation;**
- (4) Sherman Act § 2 Violation; and**
- (5) Cartwright Act Violation**

DEMAND FOR JURY TRIAL

1 Plaintiff Kjersti Flaa (“Flaa”), through her undersigned counsel, hereby
2 brings this Complaint against the Hollywood Foreign Press Association (“HFPA”),
3 Aud Berggren Morisse (“Morisse”), Tina Johnk Christensen (“Christensen”),
4 Aniko Skorka Navai (“Navai”), Lorenzo Soria (“Soria”), Meher Tatna (“Tatna”),
5 and Does 1-20, inclusive (“Defendants”) for violating her California common law
6 right of fair procedure; Sections 1 and 2 of the Sherman Antitrust Act, 15 U.S.C.
7 §§ 1, 2; California’s Cartwright Act, Cal. Bus. & Prof. Code §§ 16720, et seq.; and
8 for a judicial declaration under 28 U.S.C. § 2201 that various provisions of
9 defendant HFPA’s Bylaws contravene the obligations imposed on it as a mutual
10 benefit corporation exempted from any obligation to pay taxes pursuant to 26
11 U.S.C. § 501(c)(6). This Court has subject matter jurisdiction pursuant to 28
12 U.S.C. §§ 1331, 1337, 15 U.S.C. § 15(a), 26 U.S.C. § 7428, 28 U.S.C. § 1507, and
13 principles of pendent jurisdiction. Flaa alleges as follows:

14 INTRODUCTION

15 1. Lord Acton famously observed that, “Power tends to corrupt; absolute
16 power corrupts absolutely. Defendants have proved his point. Through fortuitous
17 circumstance, the HFPA’s 87 members have been able to monopolize the foreign
18 entertainment reporting market in “the Entertainment Capital of the World”—Los
19 Angeles. Remarkably, they have accomplished that feat at the taxpayers’
20 expense—and that (among other things) makes their activities unlawful.

21 2. The HFPA is a California as a mutual benefit corporation exempted
22 from both state and federal taxes pursuant to Section 501(c)(6) of the Internal
23 Revenue Code. As such, it is required to benefit *all* members of the class of
24 workers it represents—foreign entertainment reporters who reside in Southern
25 California--equally, without regard to whether they are members. But it does no
26 such thing because its members are unwilling to share the enormous economic
27 benefits membership provides.

1 3. The HFPA was founded during World War II for high-minded
2 purpose and began conferring “Golden Globe®” awards in the late 1940s. The
3 date of its annual awards ceremonies substantially preceded the date of the
4 Academy of Motion Picture Arts & Science’s Academy Awards® ceremony at
5 which ©Oscar® statuettes are conferred. As motion picture studios began
6 spending ever increasing sums of money on “Oscar campaigns,” they hit upon
7 winning Golden Globe awards as a way to build momentum for a successful Oscar
8 campaign.

9 4. As a consequence, HFPA members are now invited to attend press
10 junkets, film festivals, and set visits around the world at no expense to themselves
11 (and are freely allowed to accept the studios’ largesse); coveted interview slots
12 with news making actors, directors, producers, screenwriters, and other industry
13 professionals are reserved for them; and HFPA members are paid lavish sums of
14 money to provide nominal services to the HFPA.

15 5. The HFPA does not provide any benefit of any kind to non-member
16 foreign entertainment reporters who live in Southern California. Instead, the
17 HFPA engages in very substantial and shocking discrimination *against* them for
18 the benefit of its members. It allocates foreign markets among its members;
19 requires applicants to execute agreements pledging not to offer to write for any
20 publication claimed by a member *and* not to write for any rival publication, either;
21 refuses to admit qualified applicants who might compete in a market claimed by an
22 existing member; leverages the fact that its members vote for the Golden Globe
23 awards to monopolize the opportunities to attend industry events to the exclusion
24 of non-members; leverages its Golden Globe awards to monopolize the available
25 interview slots for “hot” directors, actors, producers, screenwriters,
26 cinematographers, etc.; pays all travel expenses for its members (but not non-
27 members) to attend film festivals and press junkets around the world at a cost in
28 excess of \$1.1 million dollars annually; leverages its Golden Globe awards to

1 induce motion picture studios to assume the cost of five-star hotel stays and
2 gourmet meals while abroad (to the exclusion of non-members); and pays its
3 members (but not non-members) very substantial sums to work for the HFPA
4 doing little or nothing. By way of example, it pays one of its members more than
5 \$20,000 annually merely to assign the seating at the Golden Globes awards
6 ceremony, two members in their mid-90s get \$12,000 annually to serve on the
7 “History Committee,” and former presidents are paid \$1,000 a month for life
8 without even a notional requirement that they provide a service in exchange for
9 their sinecure.

10 6. The HFPA is so focused on protecting its monopoly position and tax-
11 free benefits that it has adopted Bylaw provisions that exclude from membership
12 all objectively qualified applicants who might possibly compete with an existing
13 member. There are no standards or guidelines for satisfying the subjective portions
14 of the applications process and rejected applicants have no right to demand either
15 that the applications procedure be fair or that they be allowed to appeal an adverse
16 decision made for obviously improper and unlawful reasons.

17 7. Through this action, Plaintiff Flaa seeks to enforce the right of fair
18 procedure long applied by California to private organizations that affect a person’s
19 ability to earn a lawful living; declare unlawful the provisions of the HFPA’s
20 Bylaws used unfairly to deny admission to qualified applicants; and recover under
21 applicable anti-trust laws for the economic harm she has suffered as the result of
22 defendants’ unlawful conduct.

23 **PARTIES**

24 8. Plaintiff Kjersti Flaa is a citizen of Norway domiciled in the County
25 of Los Angeles in the State of California.

26 9. Defendant Hollywood Foreign Press Association is a California
27 Mutual Benefit Corporation having its principal place of business in the City of
28 West Hollywood, State of California.

1 10. Defendant Aud Berggren Morisse is a citizen of Norway domiciled in
2 the City of Los Angeles, State of California.

3 11. Defendant Tina Johnk Christensen is a citizen of Denmark domiciled
4 in the City of Glendale, State of California.

5 12. Defendant Aniko Skorka Navai is, upon information and belief, a
6 citizen of Hungary domiciled in the City of Los Angeles, State of California.

7 13. Defendant Lorenzo Soria is a citizen of Italy domiciled in the City of
8 Los Angeles, State of California.

9 14. Defendant Meher Tatna is a citizen of India who claims to be
10 domiciled in the City of West Hollywood, State of California.

11 15. Defendants Does 1-20, inclusive, are sued under fictitious names
12 because their true names and capacities are presently unknown to Plaintiff.
13 Plaintiff is informed and believes, and based thereon alleges, that each of the
14 Defendants designated herein as a DOES 1 through 20, inclusive, is legally
15 responsible in some manner for the events, happenings, and unlawful conduct
16 referred to herein, whether as an independent actor, co-conspirator, agent, or
17 principal, and caused damage to Plaintiff as hereinafter alleged. Plaintiff will seek
18 leave of court to amend this Complaint to show the true names and capacities of
19 the Defendants designated herein as DOES when the same have been ascertained.
20 As used herein, "Defendants" shall include and be deemed to refer to each of the
21 Defendants, whether acting individually, jointly, and/or severally.

22

23

JURISDICTION AND VENUE

24 16. This Court has subject matter jurisdiction over this action pursuant to
25 28 U.S.C. §§ 1331, 1337, 15 U.S.C. § 15(a), 26 U.S.C. § 7428, and 28 U.S.C. §
26 1507.

27 17. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b).

28

FACTS COMMON TO ALL CLAIMS

Plaintiff Flaa’s Career in Entertainment Journalism.

18. Plaintiff Flaa was raised in Oslo, Norway. She earned a bachelor's degree in Teaching, followed by Communications and Media Studies from Oslo University College (HiO) in 1997. She then spent three years in London working as an account manager for Kingston Technology before finding her passion: writing. In 2003, she embarked on her journalism career at Egmont Publishing House, working for *In-Side Magazine* and eventually becoming its beauty editor. She was subsequently was hired to work in the feature department of Norway’s second largest newspaper’s weekend supplement feature, *Dagbladet Magasinet*. From there she moved to Aller Publishing House, becoming the text editor of Norway’s biggest tabloid magazine, *Se og Hør*.

19. In 2007, Flaa moved to New York City to work as a freelance journalist in the United States. She reported on entertainment, lifestyle, fashion, and trends for major newspapers and magazines in Norway, including *Dagens Næringsliv*, *D2 Magazine*, *Verdens Gang*, *Dagbladet*, *KK*, *Henne*, *Tara*, *Cosmopolitan* and *Aftenposten*. She became the principal celebrity interviewer for the biggest entertainment television show in Norway: "*God Kveld Norge*" (*Good Evening Norway*), on TV2. She also produced entertainment news segments for Norway’s NRK TV and Radio (the Norwegian equivalent to the BBC) and became a frequent panel moderator and guest host.

20. Flaa began transitioning to living in Southern California in 2015, where she founded and became the creative director of a production company, Content Now TV in 2018. Her company produced 130 episodes of the short form entertainment series “Hollywood Stories” for Scandinavia’s biggest streaming network, VIAPLAY, in 2018. The show was sold to over 40 countries. Flaa has also produced entertainment segments for *Entertainment Tonight MBC Arabic*, and served as the Hollywood correspondent for SBS, Channel 6, *Shownieuws* in

1 Holland for five years. Flaa also serves as the moderator for NOW - Nordic Oscar
2 Weekend - an annual three-day seminar and event in Los Angeles having as its
3 principal goal to build a bridge between entertainment industry professionals in
4 Scandinavia and Hollywood. As a testament to her skill, her celebrity interviews
5 on the YouTube “*Flaawsome Talk*” channel have been viewed 69.7 million times.

6 21. Flaa’s professional achievements have earned her professional
7 recognition. She has appeared as a Hollywood expert in five documentaries shown
8 in Germany by *Kabel Eins* and has been profiled multiple times by major outlets in
9 Norway concerning her success reporting on celebrities and her involvement with
10 NOW. She also earned the second place at the SoCal Journalism Awards Contest
11 in 2018 for a profile of Jane Fonda, and her television interview of Henry Winkler
12 earned second runner-up honors at the 12th National Arts & Entertainment
13 Journalism Awards in 2019.

14 22. Flaa’s achievements as an entertainment journalist and her
15 outstanding personal qualities have been acknowledged by members of the HFPA.
16 One of the members who nominated her for admission to the HFPA in 2018, H.J.
17 Park (a South Korean journalist), wrote that Flaa “would be a great addition to the
18 HFPA” and would “be an active member of our group attending screenings, press
19 conferences and meetings.” He further noted that Flaa “is also known in the
20 industry for being easy going with a sympathetic personality.”

21 23. In co-sponsoring her the same year, Diederik van Hoogstraten of The
22 Netherlands wrote that Flaa, “is known as a serious, enterprising journalist . . .
23 well-known in her country as a leading tv reporter covering the entertainment
24 business.” He also noted that among journalists and publicists in Los Angeles,
25 “she is extremely well regarded.” He then observed that, “Ms. Flaa is a kind and
26 generous person. As her acquaintance I can say with certainty that her personality
27 would be a welcome addition to the HFPA.” Notwithstanding her qualifications
28

1 and endorsements, the HFPA declined to admit Flaa to membership in 2018 (but
2 did admit Henry Arnaud of France after previously rejecting him five times).

3 24. In 2019, Flaa again applied for admission. Ramzy Malouki (Tunisia)
4 initially co-sponsored Flaa, writing that he was sponsoring a candidate for
5 admission for just the second time in his then 13-year membership because
6 “Kjersti Flaa is an amazing journalist, as well as a genuinely sympathetic person
7 with integrity.”

8 25. Flaa’s second 2019 member nominator, Frank Rousseau, a French
9 journalist who reports for Guiana and Guadelupe, noted that Flaa “is a highly
10 respected and talented journalist with a great reputation,” and had “received a
11 talent-visa by the US government for extraordinary abilities in her field of
12 journalism (01).”

13 26. In 2019, the HFPA rejected all five objectively qualified applicants.
14 The HFPA Carefully Cultivates a Public Perception of High-Minded Purpose.

15 27. The HFPA’s self-description posted on its website at
16 www.goldenglobes.com is, like so much else in Hollywood, a fictionalized account
17 of its activities and true nature. It states, in part, that:

18 [T]he **Hollywood Foreign Press Association** had humble origins that
19 stemmed solely from a group of journalists' desire to efficiently and
20 accurately cover all aspects of the world of entertainment.

21 Today's organization has its roots in the early 1940s when Pearl
22 Harbor had drawn America into World War II. Audiences, hungry for
23 diversion, were seeking out films offering escape, inspiration, and
24 entertainment; and filmmakers such as Orson Welles, Preston Sturges,
25 Darryl Zanuck and Michael Curtiz were working hard to fulfill the
26 need. Amid the turmoil of war and the difficulties with
27 communications, a handful of Los Angeles-based overseas journalists
28 banded together to share contacts, information, and material. . . .

1 In 1943 the journalists, led by the correspondent for Britain's Daily
2 Mail, formed the Hollywood Foreign Correspondents Association and
3 conceived the motto "*Unity Without Discrimination of Religion or*
4 *Race.*"

5 . . .

6 In 1950 differing philosophies among members created a schism
7 within the organization . . .

8 The separation ended in 1955 when the journalists reunited under the
9 collective title "**The Hollywood Foreign Press Association**" *with*
10 *firm guidelines and requirements for membership.* (Emphasis
11 supplied).

12 28. The HFPA's March 31, 1967 Articles of Incorporation as a California
13 Mutual Benefit Corporation expressly acknowledged its objective to become
14 "qualified for exemption from Federal income tax under the Internal Revenue
15 Code," and therefore asserts that the HFPA will make donations and dispense
16 charitable contributions "exclusively for religious, charitable, scientific, literary
17 and/or educational purposes, and/or for the prevention of cruelty to children or
18 animals."

19 29. The HFPA's more narrowly focused stated purposes included (i)
20 promoting interest in the study of the arts, including specifically promoting the
21 development of the motion picture art form; (ii) advancing appreciation of drama
22 and religious, classical, artistic, musical, literary, and social tradition by the
23 exhibition of motion picture performances; (iii) providing facilities for education
24 and instruction in the arts of motion picture production; (iv) establishing favorable
25 relations and cultural ties between foreign countries and the USA through the
26 exhibition of motion picture photoplays; (v) promoting interest in the motion
27 picture art form; (vi) to educate the American public in the motion picture art form
28 and in motion picture players throughout the world; (vii) broadening the national

1 culture by exposing the American public to the cultures of foreign countries
2 through the exhibition of motion picture photoplays; (viii) recognizing outstanding
3 achievements by conferring annual Awards of Merit within the motion picture and
4 television industry, both domestic and foreign; and (ix) assisting needy and
5 destitute individuals and families in or connected with the entertainment industry.

6 30. In November 1967, the HFPA was granted its coveted tax-exempt
7 status.

8 31. Consistent with the HFPA’s high-minded statements of purpose and
9 eleemosynary intent, its website now touts its “multi-million-dollar donations to
10 charity.” Taken at face value, that claim might seem credible. Per a September 14,
11 2018 report by Daniel Holloway in *Variety*, NBC pays “roughly \$60 million per
12 year” for the right to broadcast the Golden Globes ceremony. However, as of May
13 31, 2020, the HFPA was holding just a piggy bank less than \$60,000,000 in cash
14 and its records reflected that over the past 30 years, its total annual charitable
15 donations have averaged less than \$1,000,000.

16 Membership in the HFPA Brings Enormous Economic Benefits.

17 32. Qualified applicants for admission to the HFPA are virtually always
18 rejected because the majority of its 87 members are unwilling to share or dilute the
19 enormous economic benefits they receive as members. Because the HFPA’s
20 members will not admit anyone who might possibly compete with an existing
21 member, either by selling to the same publications or to competing publications,
22 the average age of HFPA members has steadily increased. Only half the HFPA’s
23 members are considered truly “active”; the remaining half either do the bare
24 minimum required to maintain their “active” status or are relieved from having to
25 meet minimum requirements by virtue of their longevity with the organization.
26 The HFPA’s 87 members—all of whom are eligible to vote for the Golden Globe
27 Award winners—include 5 persons in their 90s, an approximately equal number in
28 their 80s, and numerous members in their 70s.

1 33. One benefit members receive flows from the importance that motion
2 picture studios assign to winning Academy Awards of Merit®, popularly known as
3 “©Oscars®.” Motion picture studios annually spend millions of dollars on “Oscar
4 campaigns.” The HFPA confers its Golden Globe awards while members of the
5 Academy of Motion Picture Arts & Sciences are in the process of deciding which
6 persons and achievements will be nominated to contend for an Oscar. Winning
7 Golden Globe awards is therefore viewed both as a means to create “buzz” for a
8 successful Oscar campaign, and as a predictor (or self-fulfilling prophesy) of
9 success on Oscar night.

10 34. As a consequence, studios go far out of their way to accommodate
11 HFPA members by inviting them to attend every industry function, event, and
12 screening, and, most importantly, making their top producers, directors, actors, and
13 other talent available for exclusive interviews with HFPA members. When foreign
14 entertainment reporters make their seasonal migration to Los Angeles for “Awards
15 Season,” they, like their Los Angeles-based brethren excluded from membership in
16 the HFPA, find themselves competing for any invitations and interview slots that
17 remain after the HFPA’s members have gotten their fill.

18 35. The opportunities for HFPA members to ply their trade to the
19 exclusion of non-members are not limited to “awards season” but are continual and
20 ongoing. All year long, HFPA members enjoy all-expenses-paid trips to film
21 festivals around the world where the studios treat them lavishly and accommodate
22 their every desire. They do so because such concepts as “conflict of interest,”
23 “impropriety,” “impartiality,” and “appearance of objectivity” are unknown to the
24 HFPA.

25 36. Further, there is no special requirement for voting such as, for
26 example, watching the nominated motion pictures and television shows. One
27 member now in is upper 90s is, sadly, deaf and legally blind. He does, however,
28 cast 1 of the 87 votes that determine who will win a Golden Globe and therefore

1 enjoys the same perquisites befitting of royalty as the other voters. The studios, of
2 course, resent having to lavish enormous sums of money on, and being required to
3 cater to, the desires of a few dozen aging journalists who are regularly heard
4 snoring through screenings, but given the importance of the Golden Globes, they
5 see no way to end the farce.

6 37. Unsurprisingly, foreign entertainment reporters in Los Angeles
7 excluded from membership in the HFPA are greatly impaired in their ability to
8 report stories that can generate meaningful income for them.

9 38. A second economic benefit HFPA membership confers lies in the
10 worldwide press junkets available to members. The HFPA's annual "Return of
11 Organization Exempt From Income Tax" provided to the I.R.S. reflects that the
12 HFPA spends in excess of \$1.1 million annually solely to purchase airplane tickets
13 for its members to attend film festivals, press junkets, and set visits. HFPA
14 members are typically not even expected to do anything except earn frequent flier
15 miles while abroad on press junkets. They are not required to write any article at
16 all based on their first 5 junkets. By the time they have gone on 10 junkets, they
17 are required to have written just 1 article, and just 2 articles after going on 15
18 junkets. While abroad on junkets, the studios typically pick up the tab for 5-star
19 accommodations and haute cuisine wine and meals.

20 39. Most reporters have never been well paid. That is especially true of
21 reporters for news outlets in less populous countries, such as the foreign
22 entertainment reporters who live in Southern California. Their ability to earn a
23 living is becoming ever harder as technological advances allow reporters abroad to
24 conduct interviews in Los Angeles without ever needing a passport. When foreign
25 reporters in Southern California do sell articles and interviews, they frequently
26 receive just a few hundred dollars for their work. As a consequence, most support
27 themselves by moonlighting at another job.

28

1 40. Foreign entertainment reporters in Los Angeles excluded from
2 membership in the HFPA are thus economically disadvantaged because they
3 cannot afford to compete with reporters able to tap into the HFPA’s largesse.

4 41. A third economic benefit conferred by membership in the HFPA lies
5 in the economic benefits the HFPA directly provides to its members. Upon
6 information and belief, every HFPA member save one is on its payroll. Twenty of
7 the 87 members of the HFPA chair committees. For that, each is paid a four-figure
8 monthly salary. During May 2020, when entertainment reporting and travel were at
9 a standstill, one HFPA member was paid a substantial sum for his services on the
10 Travel Committee. At least two 95-year-old members are paid \$1,000 per month
11 to serve on the History Committee. Even the member who serves as a
12 parliamentarian at the HFPA’s meetings is handsomely compensated. Members
13 also earn tens of thousands of dollars a month by writing articles in their native
14 tongue for posting on the HFPA’s website—something they are free to do
15 whenever they want to enlarge their bank accounts.

16 42. Members who are also officers or board members are paid especially
17 well. During the 2017 tax year, Defendant Lorenzo Soria was paid \$93,637,
18 Defendant Meher Tatna was paid \$87,341, Vice President Anke Hormann was paid
19 \$44,376, Treasurer Ali Sar was paid \$43,804, and directors were paid from \$9,395
20 to \$57,043. All former presidents are paid \$1,000 per month for life.

21 43. During the months immediately preceding the Golden Globes telecast,
22 payments by the HFPA to its members skyrocket. For example, merely deciding
23 who will get seated for the Golden Globes presentation in the International
24 Ballroom at the Beverly Hills Hotel pays more than \$20,000.

25 44. A recent Return of Organization Exempt From Income Tax filed by
26 the HFPA reflected that it although it had just 6 employees, it that year paid
27 “salaries, other compensation, [and] employee benefits” of \$2,910,914, “other
28

1 salaries and wages” of \$2,539,179, and “other employee benefits” of \$120,176--
2 \$5,561,269 in total.

3 45. Even HFPA members who no longer qualify for active membership
4 status enjoy advantages unavailable to non-members. Members who lose their
5 “active” status by failing to sell 6 articles and attend 45 press conferences per year
6 remain entitled to attend all press conferences, screenings, and events, and
7 otherwise enjoy the privileges of active membership, including getting tickets to
8 the Golden Globes. They lose only their ability to earn money from the HFPA,
9 travel at its expense, and cast votes for the Golden Globe awards.

10 46. These benefits are, of course, also denied to the foreign entertainment
11 reporters in Los Angeles who are not permitted to join the HFPA.

12 The HFPA’s Members Act in Concert to Protect One Another From Competition.

13 47. On the rare occasions when a new member is allowed to join the
14 HFPA, membership is conferred only subject to an understanding concerning how
15 and where the new member will sell his or her reporting.

16 48. Those understandings are memorialized by the HFPA, itself. Its
17 membership directory includes such categories as “Name,” “Address,” “City and
18 State,” “Telephone,” “Cell,” “Fax,” “Email,” and “Country.” One might think that
19 “Country” refers to the nation where the reporter was born or resides, or whose
20 passport the reporter carries, but one would be wrong. It refers to the geographic
21 market or markets allocated to that reporter. For example, Ramzi Malouki of
22 France is identified with the “Country” of “Africa”; Defendant Tatna of India is
23 identified with Singapore and has staked a claim to Malaysia; Defendant Navai of
24 Hungary is identified with “Hungary, Singapore”; Theo Kingma of The
25 Netherlands is identified with “Australia, The Netherlands” and used to claim
26 Cuba, as well; Frank Rousseau of France is identified with “Guiana, Guadalupe”;
27 Yenny Nun-Katz of Chile is identified with “Chile, Peru”; Jenny Cooney of
28

1 Australia is identified with “Australia, New Zealand”; Dierk Sindermann of
2 Germany is identified with “Austria, Germany, Switzerland,” etc.

3 49. The HFPA members’ assigned territories are flexible. Karen Martin
4 was once responsible for Japan but is now responsible for Germany. Ramzi
5 Malouki was identified with “Algeria, Belgium, France, Morocco, Tunisia” before
6 those countries were exchanged for “Africa.” Jack Tewksbury once had France
7 and Russia but now has only Argentina. A description of the HFPA’s members
8 identifying the countries they were identified with five years ago may be found at
9 [https://www.vulture.com/2015/01/who-exactly-picks-the-golden-globes-](https://www.vulture.com/2015/01/who-exactly-picks-the-golden-globes-winners.html)
10 [winners.html](https://www.vulture.com/2015/01/who-exactly-picks-the-golden-globes-winners.html).

11 50. All told, the 87 HFPA members report for 49 “countries.” It does not
12 follow, though, that because there are more members than “countries,” there is
13 competition. Other factors explain why some countries have more than one
14 designated reporter. Several pairs of members are married; some are journalists
15 while others are photographers; some journalists report in print while others report
16 for electronic media; some report for outlets in the same country but in different
17 languages; and some have been allowed to join because the reporters assigned to
18 those countries have become largely inactive with advancing age and no longer
19 object to the admission of a compatriot.

20 51. In “Meet the Total Randos Who Decide the Golden Globes” published
21 by Vocativ on January 9, 2015, Molly Fitzpatrick provided a description of the
22 HFPA’s members that few people in the motion picture or television industries
23 would dispute:

24 Two or three dozen HFPA members—we’re erring on the generous
25 side—are legitimate, respected media figures, like Silvia Bizio, a
26 frequent contributor to Italy’s La Repubblica, and Rocio Ayuso, Los
27 Angeles correspondent for Spain’s El Pais. But most of the
28 association’s so-called journalists are intermittent freelancers at best.

1 Their bylines, usually in obscure publications, tend to be impossible to
2 find. (Unsurprisingly, the HFPA didn't respond to a request for
3 member biographies or records of their work.) Many might as well be
4 ghosts online, an effect compounded by the fact that the group's
5 membership skews geriatric.

6 52. The HFPA's Bylaws enshrine the members' purported right to
7 protection from competition. Section 4.12 provides that if "a member is accused of
8 offering to write for a publication that is already represented by another member . .
9 . the aggrieved member may lodge a Grievance." Further, "members should not
10 solicit publications represented by other members." It is also impermissible to
11 offer to write for a publication without remuneration.

12 53. The sense that they are entitled to protection from competition has
13 become so ingrained that HFPA members even demand that others respect that
14 purported right—so much so that Frederik Malling Juul, the Head of Theatrical
15 Distribution for SF Studios in Denmark, wrote to the HFPA in 2019 concerning
16 defendant Tina Johnk Christensen. Juul said that, "for a long time, [he had] not
17 been able to understand, how the HFPA gains anything from being associated with
18 Tina Johnk [Christensen] as the Danish representative." Addressing his studio's
19 views, Juul averred:

20 [W]e are appalled by the behavior of one of your members using her
21 membership [in] the organization as a power-tool fighting others.

22 And getting ahead, just because she is part of your organization, and
23 not because of her journalistic skills... From where we are sitting,

24 Tina works out of the interest of ONE person and one person only. . . .

25 Tina herself. I can honestly tell you, that we are not just one sole
26 distributor with these claims. When I talk to my colleagues and their
27 heads of publicity, it is a unanimous vote.

28

1 Defendant Christensen was also the subject of a complaint made by
2 Danish journalist Sara Madsen to the HFPA’s General Counsel, Gregory
3 Goeckner, and Defendants Tatna and Soria, among others, in 2019. Under a
4 caption headed, “work ethics and potential violation of The Cartwright Act,”
5 the journalist said, in part:

6 You now being a member of the HFPA, obviously gives you
7 access to incredible talent, yet you seem to be using your HFPA
8 position to push the big studios and the local distributors to make sure
9 journalists like me don’t have access to junkets.

10 Due to this purposeful sabotage, I’ve just lost four big feature
11 interviews on one of the biggest releases of the year with four of the
12 most extraordinary names in the industry. Interviews that I had sold
13 as they were already confirmed by the distributor and the studio . . .

14 It has been brought to my attention that you were using your
15 HFPA position to put pressure on the studio forcing them to cancel
16 my slots. In a junket that has nothing to do with the HFPA, but was
17 arranged for International journalists.

18 I have emails confirming this, and I am at the moment in
19 contact with a lawyer who is looking into this matter based on The
20 Cartwright Act, as your actions affect my livelihood, keep me from
21 doing my work and cause me to lose income.

22 54. Swedish member Magnus Sundholm was blocked and rejected for
23 membership for eight years at the insistence of Defendant Morisse, a Norwegian
24 journalist who feared that Sundholm might compete with her. Morisse was very
25 vocal in objecting to having another Scandinavian as a member.

26 55. Defendant Tatna misrepresented facts to her fellow members to
27 prevent a Singaporean journalist from gaining admission in 2015. Although Tatna
28 usually writes for publications in India, she had begun working for a Singaporean

1 magazine and did not want competition. She therefore spread the word that the
2 editor of the Singaporean publication had told her that if the Singaporean applicant
3 were admitted, the publication would stop accepting articles written by Tatna. The
4 applicant was denied admission before the editor confirmed that he had never said
5 any such thing

6 56. In 2015, HFPA member Nellee Holmes, whose territory is the Russian
7 Federation, wanted to protect herself from possible competition by Ukrainian
8 applicant Lena Basse. Holmes not only required that Basse agree not to write for
9 various Russian outlets but demanded a bribe in the form of Basse's Golden Globe
10 ticket allocation. Although HFPA members' ticket allocations then had a
11 combined face value of \$3,000, they were worth considerably more on the black
12 market. Defendant Soria, who was then as now the HFPA's president attempted to
13 sweep the incident under the rug while the membership voted to give Holmes a
14 slap on the wrist for demanding the bribe.

15 57. That a member might demand a bribe could not have come as a
16 surprise. After all, the HFPA's publicist had earlier sued the HFPA and its former
17 president (and current member) Philip Berk for fraud and engaging in "unethical
18 and potentially unlawful deals and arrangements which amount to a 'payola'
19 scheme."

20 58. Outside journalists familiar with the HFPA privately refer to it as "the
21 cartel" with good reason.

22 The HFPA's Practices Have Institutionalized a Culture of Corruption.

23 59. The HFPA sees no ethical conflict in allowing the very people who
24 vote on awards to accept thousands of dollars in emoluments from the very entities
25 competing for those awards. Section 4.4 of the HFPA's Bylaws express the only
26 limitation on voting rights: "members who work for motion picture, radio, and
27 television companies or their agents, in publicity or promotion, shall not vote for
28 the Golden Globe Awards. Any member who actively participates . . . in a motion

1 picture or a television program during the preceding year . . . shall not be eligible
2 to nominate or vote for such motion picture or television program.” Otherwise, the
3 sky’s the limit concerning what the HFPA’s members may accept from the studios.
4 Indeed, when Disney PR agent Jerry Rojas offered in 2019 to treat six members
5 who were then in Bali to a two-night stay in a five-star hotel in Singapore without
6 any pretense of a work-related purpose, the members were happy to accept and the
7 HFPA paid for their airfare.

8 60. Members of the HFPA feel so entitled that when the COVID-19
9 outbreak shut down virtually all motion picture and television production, they
10 wanted to disburse HFPA funds directly to HFPA members. Told that it would be
11 unlawful to do so, they grudgingly agreed to contribute \$400,000 to the Los
12 Angeles Press Club to offer grants to out-of-work correspondents.

13 61. The Bylaws include an *in terrorem* provision intended to protect the
14 HFPA’s code of silence while denying members equal protection of law. Section
15 4.6(A) provides that any member may be expelled “for cause,” but the Bylaws
16 nowhere define “cause.” Moreover, if a grievance procedure is invoked, the HFPA
17 may be represented by its general counsel but members are prohibited from having
18 an attorney present.

19 The HFPA Has Erected Numerous, Arbitrary Hurdles to Membership.

20 62. The HFPA’s requirements for admission to membership have both
21 objective and subjective requirements. Both are skewed to keep new members out.

22 63. The objective requirements for becoming a member are significantly
23 more demanding than the requirements for remaining an active member. And,
24 owing to a May 2020 Bylaw amendment that upon information and belief was
25 made for the purpose of preventing Plaintiff Flaa from gaining admission,
26 applicants can no longer satisfy the application requirements by reporting for
27 television, although persons who are already members may rely on television
28 reporting to prove they satisfy the requirements for active membership.

1 64. Otherwise, the objective requirements include providing (i)
2 credentials from publications appointing the applicant as their correspondent; (ii)
3 24 clippings of the applicant’s articles from the past 3 years (vs. 18 clippings for
4 members); (iii) proof the applicant was paid for those articles; (iv) proof the
5 applicant has belonged to the Motion Picture Association of America (“MPAA”)
6 for 2 years; and (v) two letters of sponsorship from active members.

7 65. Although the requirement that an applicant must find two sponsors
8 might seem unremarkable, it is an important part of the process by which the
9 HFPA prevents qualified applicants from obtaining membership. Members apply
10 enormous pressure on other members not to sponsor reporters they do not care for
11 or, more importantly, who might possibly compete with them. One of Plaintiff
12 Flaa’s 2019 sponsors was pressured into withdrawing his sponsorship of her the
13 day before nominations were due. A Japanese entertainment reporter has been
14 blocked from even applying for membership for 18 years because the senior
15 Japanese members of the HFPA will not support her, and, without their support, no
16 one will sponsor her.

17 66. HFPA insiders acknowledge that the sponsorship requirement is
18 unjustifiable and routinely bars qualified foreign entertainment journalists from
19 membership in the HFPA. One member recently said of the membership
20 admissions process, “this is making even more clear [] that we really need to get
21 rid of sponsors. I have not put myself out there very often, but every time I do I
22 get attacked.” Another has acknowledged that he, “fought hard to get rid of
23 sponsors this past year . . . It’s tough when these battles are lost again and again
24 because of an antiquated minority standing in the way of change.” Upon
25 information and belief, even the HFPA’s in-house general counsel, Gregory
26 Goeckner, favors removal of the sponsorship system.

27 67. And, lest any member become open minded about allowing qualified
28 applicants to join, HFPA, members are strictly limited to sponsoring no more than

1 one applicant per year. And, as a further check on the theoretical possibility that
2 too many qualified applicants might join, Section 4.1(E)(3) of the HFPA’s Bylaws
3 prohibits the admission of more than 5 members in any year.

4 68. The subjective requirements pose an even greater hurdle to
5 membership. After an applicant has managed to find two members willing to risk
6 the wrath of their fellow members by acting as a sponsor and has been certified as
7 satisfying all objective requirements for membership, the applicant must next be
8 approved by a majority vote of the members.

9 69. Significantly, the HFPA has no guidelines whatever for approving or
10 disapproving an applicant. Only one thing is certain—that the quality of an
11 applicant’s work is irrelevant. For many years, applicants’ press clippings were
12 made available for inspection by members who visited the HFPA’s offices in West
13 Hollywood but were not otherwise made available to members. Any who did not
14 visit thus voted without ever seeing an applicant’s work.

15 70. In 2018, Plaintiff Flaa’s qualifying reporting articles were made
16 accessible to all HFPA members via a link. Not one member accessed her
17 reporting. In 2020, the HFPA announced that it would not automatically make
18 applicants’ qualifying works available to members but would instead provide a link
19 to any member who requested it. Although it subsequently backed down, the point
20 has repeatedly been made that an applicant’s professional *oeuvre* is unimportant to
21 the admissions decision.

22 71. Because the HFPA has no guidelines for members to follow in
23 deciding whether to anoint applicants as “New” or “provisional,” non-voting
24 members—the precursor stage to becoming a voting member—character
25 assassination of applicants and sponsors alike has become the rule, not the
26 exception. Within the past few years, one newly-wed female applicant was
27 accused by the rumor mill of sleeping with male members in exchange for their
28 votes; another applicant was accused of money laundering; yet another applicant

1 was smeared with the accusation that she wanted to become a member only
2 because she was a psychologist who wanted to find celebrity clients; still another
3 applicant was accused of seeking membership only to help her father make more
4 connections in the industry. Defendant Navai did not mince words in telling one
5 applicant’s husband, “I’d rather vote for a dog than your wife.”

6 72. Surviving such hazing is viewed by members as just another hurdle all
7 applicants must clear. In 2018, Defendant Christensen warned Flaa that, “no one
8 gets in the first year so don’t expect that to happen to you. We all have to go
9 through it.”

10 73. Following a smear campaign ending in the rejection of a Belgian
11 applicant she had sponsored, Italian member Alessandra Venezia declared at a
12 membership meeting that she was “deeply ashamed to be part of a company that
13 allowed such a nasty campaign against a totally talented journalist.” A Latin
14 American member wrote in 2019 that, “it’s not hard to become a target for gossip
15 and bullying among our group. . . There is jealousy, envy, resentment, bitterness....
16 and that’s in their good days.” An Asian member said this year: “It’s so ridiculous
17 that some members try to block the bonafide journalist for their personal selfish
18 satisfaction and I find it’s as ridiculous for the association to let them get away
19 with it.”

20 74. A letter Flaa received anonymously in July 2020 said the following
21 about Sundholm, one of Flaa’s sponsors (with whom she has been in an exclusive
22 relationship with for five years):

23 Dear Kjesti [sic]

24 Hoping all is well in your fabulous existence.

25 It’s well known that you usually explain not getting your way
26 as people being somehow ‘jealous’ of you. Let me assure you, no one
27 is jealous of you and in particular, your relationship with Magnus
28

1 Sundholm, who for years has famously been considered the equivalent
2 of the town bicycle.

3 Before you, he slept with each and any female entertainment
4 journalist in the industry in LA, New York, London etc, with
5 publicists and HFPA colleagues, and the occasional actress, usually
6 openly cheating on whichever unfortunate 'girlfriend' he was
7 involved with at the time. So now, it's you and you may rest assured
8 that not a single individual feels envy of any kind towards you, more
9 like contempt for your staggering arrogance and delusion. What a
10 pair!

11 75. During recent years, reporters objectively qualified for admission to
12 the HFPA but who were prevented by the sponsorship requirement for applying or
13 rejected by vote of the membership have included Semira Ben-Amor (Finland),
14 Raffi Boghosian (Dubai), Claude Budin-Juteau (France), Yong Chavez
15 (Philippines), Alison De Souza (Singapore), Maria Estevez (Spain), Rosa Gamazo
16 (Spain), Sabrina Joshi (India), Catherine Nitelet-veddder (Belgium), Joanna
17 Ozdobinska (Poland), Gill Pringle (England), Yuki Saruwatari (Japan), Sophia
18 Silva (Uruguay), Evie Sullivan (Austria), and Christian Thiele (Germany). One
19 rejected applicant managed to find a bright side, though: "the gossip press voted
20 against [me] but the nice thing was [and] is that all, and I mean all, the successful
21 real journalist[s] voted for me."

22 76. During 2018-2019, just one of the six applicants certified by the
23 HFPA as objectively qualified survived the membership vote. But even the rare
24 applicants who do pass the membership vote would be premature in toasting their
25 good fortune. The process described above is merely the process for becoming a
26 "provisional member." Section 4.2(B) of the Bylaws requires that provisional
27 members *repeat* the process after a year to become active members.
28

1 who subsequently explained that Morisse was so upset that he could not continue
2 to serve as Flaa’s sponsor. He thereupon withdrew his sponsorship one day before
3 applications were due.

4 80. In a letter to his fellow HFPA members, Frank Rousseau also
5 addressed Flaa’s 2018 rejection: “Kjersti applied for membership last year where
6 she experienced an unjustifiable campaign against her, including blackmailing
7 from an HFPA member, as well as fabricated stories, to make people vote against
8 her.”

9 81. Magnus Sundholm (of Sweden) stepped in to sponsor Flaa after
10 Malouki was pressured to withdraw his sponsorship. Sundholm said of Flaa to his
11 fellow HFPA members:

12 Her original sponsor, a hard news reporter and former war
13 correspondent, was so pressured by some female members in the
14 organization that he saw no other option than to step down [as her
15 sponsor]. This behavior echoes of last year. Then, her 74-year-old
16 sponsor was harassed in text messages and called all sorts of nasty
17 things by the same members. So, you might wonder, what has Kjersti
18 done to trigger this kind of bullying? Is it because she is:

- 19 1) An accomplished journalist with over 17 years in the
20 profession?
- 21 2) Well liked and endorsed by all the studios and distributors?
- 22 3) Successful on YouTube with her celebrity interviews? 55
23 million views. 400 interviews. 52,000 subscribers.
- 24 4) Producing celebrity interviews for the largest entertainment
25 TV-show in Norway?
- 26 5) Working for one of the major newspapers in Norway?
- 27 6) Skilled in producing, video editing and photography?

28

1 7) Frequently asked by HFPA members for help on how to grow
2 their online presence?

3 82. Sundholm also addressed the concern that Flaa might compete with
4 other HFPA members, declaring, “Kjersti has never in her career sold a single
5 article to Denmark, Sweden or Finland.” He next addressed Flaa’s 2018 rejection:
6 Kjersti had an agreement with Aud last year, which Aud, without any
7 explanation, chose not to honor last minute. Kjersti has since had no luck in
8 getting any response of contact with Aud. Our Danish member has yet to
9 come up with an honest explanation for her continu[ou]s aggressive
10 campaign against [Flaa].

11 The Individual Defendants Have Conspired to Deny Flaa Fair Procedure and Have
12 Engaged in or Aided and Abetted Unlawful Anti-Competitive Conduct.

13 83. To ensure that Plaintiff Flaa would not compete with them in “their”
14 markets of Norway and Denmark, Defendants Christensen and Morisse attempted
15 to secure a signed agreement from Flaa committing Flaa to never compete with
16 them as a *quid pro quo* for not blocking her from admission to membership in the
17 HFPA. Going even further, Christensen demanded that Flaa agree in writing that if
18 admitted, Flaa would never support Danish entertainment reporter Sara Gerlach
19 Madsen for membership. Christensen and Morisse openly campaigned against
20 Flaa’s admission on the basis that although Flaa had pledged to restrict her
21 journalistic activities to television interviews as a means to assure them that she
22 would not compete for print reporting using material gathered at HFPA press
23 conferences, they believed that Flaa would not be able to sustain herself by doing
24 television interviews and would be driven by financial need to compete with them
25 in the print entertainment reporting market. Christensen and Morisse claim to have
26 a private agreement that allows either to sell to the “other’s” market when the other
27 person is not able to cover a given story. They were, however, unwilling to run the
28

1 risk that Flaa might disturb their monopoly by using admission to the HFPA to
2 compete with them.

3 84. To that end, they campaigned against Flaa's admission by, among
4 other things, telling HFPA members that Flaa would ruin Morisse's "career"
5 (Morisse was already in her mid-70s) if she were admitted to membership. HFPA
6 member Jack Tewksbury later disclosed that Christensen and Morisse were both in
7 tears as they persuaded him to vote against Flaa in 2018.

8 85. In 2019, Christensen attempted to persuade Frank Rousseau to
9 withdraw his sponsorship of Flaa, claiming to "have proof" that Flaa was a bad
10 person. Rousseau cut that short by demanding to see it.

11 86. Also in 2019, Christensen and Morisse teamed up again, this time to
12 persuade Ramzi Malouki to withdraw his sponsorship of Flaa on the eve of the
13 application deadline. Morisse again claimed that if admitted, Flaa would "ruin"
14 Morisse's "career."

15 87. Attempting to cover their tracks, Christensen and Morisse jointly
16 asked Malouki to tell the HFPA's then-president, Defendant Meher Tatna, that it
17 was entirely his idea to withdraw his sponsorship and deny that Christensen and
18 Morisse had anything to do with his decision. Informed of what had happened,
19 Tatna not only refused to remonstrate Christensen and Morisse but angrily
20 criticized another member for privately explaining to the membership why
21 Malouki had withdrawn his support of Flaa. Tatna also contacted members
22 individually, ordering them not to speak to *The Wrap*. As Tatna explained, if
23 word of what had happened were to get out, the HFPA's reputation would be
24 harmed. Tatna's actions and failure to act thus conveyed to the membership that
25 voting to deny a qualified applicant admission for anti-competitive reasons was
26 perfectly acceptable.

27 88. *The Wrap* annually reports on the HFPA's membership votes as best it
28 can (most rejected applicants refuse to speak to *The Wrap* fearing that doing so

1 would forever kill any possibility that they might someday be admitted), and 2019
2 was no exception. Attempting to leave *The Wrap* with nothing to report,
3 Defendant Tatna contacted members individually, ordering them not to speak to it.
4 Tatna told them that if word of what had happened were to get out, the HFPA's
5 reputation would be harmed. Then, putting her best public relations spin on the
6 HFPA's actions, Tatna piously conveyed to *The Wrap* that the HFPA would again
7 amend its Bylaws, this time to ensure that more applicants were admitted. True to
8 form, the HFPA promptly amended its Bylaws to ensure that it became more
9 difficult to obtain admission.

10 89. In 2020, Christensen and Morisse have been even more invidious in
11 attempting to prevent Flaa from gaining admission to the HFPA. Taking into
12 consideration that Morisse's health would no longer permit her to work full time
13 even if she wanted to, Christensen and Morisse schemed to back another
14 Norwegian reporter they had earlier tried to smear as a dishonest journalist, Mari
15 Glans. Remarkably, they did so after telling Defendant Soria that the Norwegian
16 journalism market did not have room for more than one journalist.

17 90. Although Glans had not planned to apply for admission this year and
18 did not have the necessary journalistic credentials, Morisse volunteered to serve as
19 Glans's second sponsor when Elisabeth Sereda (of Austria) announced that she
20 would become Glans's first sponsor. Sereda assured her fellow members that
21 Glans, "writes SOLELY for Norwegian publications and is not in competition with
22 any other member," and that Sereda "would still not have considered sponsoring
23 her without the approval of our Norwegian member Aud [Morisse]." Christensen
24 and Morisse have told others that through this stratagem, they hope to prevent Flaa
25 from at last surviving the initial membership vote. By adding Glans, a Norwegian,
26 to the HFPA's membership roll, they would be able to persuasively tell other
27 members that there were enough Norwegian members for the foreseeable future
28 and could delay Flaa's admission for decades.

1 91. Defendant Navai openly acknowledges that Flaa is “a very good
2 journalist” or an “outstanding journalist.” She collaborated with Flaa for over
3 seven years, asking Flaa to cover press junkets for her when she was traveling.
4 Nevertheless, she believes that the HFPA should exclude anyone who might
5 compete with a member in selling articles to a given publication. She further
6 believes that the HFPA should deny membership to anyone who has sold articles to
7 a publication that itself competes with a publication for which a member writes.
8 By accusing Flaa to other members of having done those things, saying that Flaa
9 wanted Morisse “to retire and die,” and “ageism,” Navai has actively participated
10 in the scheme to unlawfully deprive Flaa of admission to the HFPA.

11 92. As the HFPA’s current president, Defendant Soria has attempted to
12 protect the HFPA’s corrupt and unlawful practices by enforcing its implied oath of
13 *omertà*. After Flaa sent a privileged pre-litigation offer to enter into a confidential
14 settlement to the HFPA’s outside counsel, Marvin Putnam, Soria invited a German
15 member, Frances Schoenberger, to meet him for lunch. There, Soria shared Flaa’s
16 privileged settlement offer with Schoenberger (who is neither a board member nor
17 an officer of the HFPA) before dispatching her to convey a message to Magnus
18 Sundholm. Sundholm is a 25-year veteran of Scandinavia’s largest newspaper,
19 *Aftonbladet*, a member of the HFPA, and lives with Flaa. The message
20 Schoenberger conveyed to Sundholm was: “Obviously you have leaked numbers
21 from the HFPA’s treasurer’s report. Members are never going to go for this, and
22 you can’t continue being a member if this moves forward, and you can’t come to
23 press conferences because there could be sensitive information there. You cannot
24 continue to work as the official photographer for the HFPA. We have a good thing
25 going. That can all be taken away.” Schoenberger further intimated that unless
26 Flaa abandoned her legal claims, one of her sponsors would again be pressured
27 into withdrawing his endorsement thereby making Flaa ineligible for admission.

28

1 The sponsor has, however, emphatically refused to withdraw his sponsorship of
2 Flaa.

3 **FIRST CLAIM FOR RELIEF**

4 **Violation of the Common Law Right of Fair Procedure**

5 **(Against All Defendants)**

6 93. Flaa repeats and realleges paragraphs 1-92, above, as though fully set
7 forth at length.

8 94. California has long recognized a common-law right of fair procedure
9 that attaches to quasi-public organizations that make decisions affecting a person's
10 ability to practice a lawful trade or profession. When quasi-public organizations
11 do so, they have a duty to devise fair procedures, and to implement those
12 procedures fairly, in admitting qualified applicants. Their admissions decision-
13 making must be both substantively rational and procedurally fair.

14 95. As an organization afforded tax-free treatment by both the Internal
15 Revenue Service and the California Franchise Tax Board, defendant HFPA is a
16 quasi-public organization. In exchange for its tax exemption, it is required to act in
17 the best interests of the entire class of professionals from which its members
18 derive—foreign entertainment reporters residing in Southern California—without
19 regard to membership status. It may not offer preferential treatment to members at
20 the expense of non-members.

21 96. The HFPA is also a quasi-public organization in that it serves as a
22 gatekeeper organization for foreign entertainment reporters in Southern California
23 seeking to practice their profession.

24 97. Since the California Supreme Court first applied the right-of-fair-
25 procedure doctrine 76 years ago, California courts have in a variety of
26 circumstances recognized the effect that exclusion from membership in a private
27 organization may exert upon a person's ability to pursue a particular profession or
28 calling. Subsequent California decisions have applied the right of fair procedure to

1 the admissions practices of professional societies, membership in which is a
2 practical prerequisite to the pursuit of a profession.

3 98. Such is the case here. Admission to membership in the HFPA brings
4 with it access to events at which all the important players in the motion picture and
5 television industries are present, including, importantly, those with new releases to
6 discuss. Membership in the HFPA also brings with it special access to those
7 persons at those events. Moreover, membership in the HFPA allows members to
8 defray the cost of attending the press junkets vital to their work.

9 99. The HFPA not only fails to offer a fair procedure for seeking
10 membership, it does not even make a pretense of doing so. It has objective
11 requirements that applicants for membership must meet but arbitrarily requires that
12 an applicant must also find two sponsors for no evident purpose. It also requires
13 two votes of approval by the membership without providing any guidelines or
14 standards for approving or rejecting applicants. It places no emphasis whatever on
15 evaluating the quality of an applicant's work. Instead, it freely allows its members
16 to base their admissions decisions on whether an applicant might become a
17 competitive threat to an existing member. Indeed, the HFPA's Bylaws even
18 attempt to prohibit competition among members. The HFPA also freely allows
19 members to reject applicants based on their personalities and does nothing to
20 correct or prohibit the spread of character slurs and false accusations that
21 invariably confront every applicant. The emotional toll that character assignation
22 campaigns take has led numerous applicants to stop re-applying for membership,
23 thereby abandoning any hope of ever being admitted. And when all is said and
24 done, a rejected applicant has no right to appeal, no right to contest the
25 misinformation communicated about him or her, and no right to a review of any
26 sort.

27 100. In 2018 and 2019, the individually named defendants took advantage
28 of the utter institutional lack of fair procedure to unfairly and maliciously

1 communicate false or misleading information concerning Flaa to other HFPA
2 members, or to use their authority as officers of the HFPA to combat or prohibit
3 misinformation campaigns, as alleged hereinabove. The foreseeable and intended
4 consequence of their acts and omissions was to ensure that Flaa would unfairly be
5 denied admission.

6 101. As a direct and proximate cause of Flaa's unfair rejection for
7 membership in the HFPA when she first applied, she was unable to get access to
8 hundreds of press conferences attended by major Hollywood talent. Had she been
9 able to attend (as all HFPA members were), she would have been able to conduct
10 and sell many dozens of print interviews to Norwegian and other Scandinavian
11 publications. In addition, she would have been able to conduct dozens of video
12 interviews that she would then have been able to sell to television shows and
13 online media outlets in Scandinavia. Further, Flaa has a fast-growing YouTube
14 channel on which she shares her video interviews. Her channel has over 64,000
15 subscribers and typically gets between one and two million views per month. Had
16 she been admitted to the HFPA, Flaa would have been able to conduct far more
17 celebrity video interviews and would have derived far more income from her
18 YouTube channel as a consequence.

19 102. Accordingly, Flaa seeks preliminary and permanent injunctive relief
20 against Defendants prohibiting them from denying her admission to the HFPA as a
21 full member and from denying future qualified applicants the benefits of fair
22 procedure by modifying the requirements of their existing membership admissions
23 process in the following respects:

- 24 (a) Elimination of the sponsorship requirement.
25 (b) Elimination of the membership vote.
26 (c) Elimination of the "New Member" category of membership, making
27 everyone who would be a New Member under the Bylaws as currently
28 constituted an "Active Member."

1 103. Flaa additionally seeks damages against Defendants jointly and
2 severally according to proof at trial, together with her costs and reasonable
3 attorneys' fees.

4 **SECOND CLAIM FOR RELIEF**

5 **Declaratory Relief**

6 **(Against Defendant HFPA)**

7 104. Flaa repeats and realleges paragraphs 1-92 and 94-103, above, as
8 though fully set forth at length.

9 105. For-profit companies enjoy a large measure of freedom in deciding
10 whom to hire, how many persons to hire, how much to pay employees, what
11 benefits to offer, how to distribute profits, and the like. In exercising those
12 freedoms, they do not need to consider the needs and interests of their competitors
13 but are free to consider their concerns alone. But there is a *quid-pro-quo*. They
14 must pay taxes.

15 106. Companies give up a measure of those freedoms though when they
16 successfully petition the government to be relieved of the burden of paying taxes.
17 They may no longer act purely in their own self-interest but must serve a broader
18 good.

19 107. Defendant HFPA enjoys a tax-free existence under Section 501(c)(6)
20 of the Internal Revenue Code and a corresponding exemption from paying
21 California state taxes. In exchange, it may not engage in economic activities that
22 favor its members. As was explained during the Hearings on Tariff Schedules of
23 the Revenue Act of 1913 Before the Subcommittee of the Commerce on Finance,
24 63d Cong., 1st Session at 2001, 2003 (1913), the tax exemption created by Section
25 501(c)(6) was to help “cooperative agencies of good citizenship . . . ***increase the***
26 ***incomes, not of themselves, but of the individuals in their communities,***
27 ***irrespective of membership in the organizations.***” (Emphasis added.) In other
28 words, the benefits provided by an organization exempt under Section 501(c)(6)

1 may not accrue solely to its members but must benefit members of its industry
2 generally, as numerous courts have held.

3 108. As shown at length above, the benefits that accrue to the few, the
4 fortunate, the members of the HFPA, do not accrue to members of the industry
5 generally.

6 109. It is through its Bylaws that the HFPA excludes foreign entertainment
7 reporters residing in Southern California from enjoying the benefits that HFPA
8 members fight so fiercely to withhold from industry colleagues.

9 110. An actual case or controversy exists in that Plaintiff Flaa contends,
10 and Defendant HFPA denies, that the following provisions of the HFPA's Bylaws
11 are unlawful in light of the HFPA's commitments and obligations as a tax-exempt
12 Section 501(c)(6) mutual benefit corporation:

13 1. Section 4.1(E), which provides as follows:

14 E. New members shall be:

15 1. New members must fulfill all the requirements for active
16 membership.

17 2. After a period of one year, new members are eligible to
18 apply for Active Membership.

19 3. A maximum of five new members a year may be accepted into the
20 Association.

21 2. Sections 4.2(A)(6), (7), which provide as follows:

22 6. Sponsorship from two active members, including a letter of
23 recommendation from each sponsor detailing:

24 (a) How long the member has known the applicant.

25 (b) How long the applicant has been located in this area.

26 (c) How long the applicant has been writing about the
27 entertainment industry.
28

1 (d) Any other information that would support the applicant's
2 journalistic credentials.

3 7. Each active member may sponsor only one new applicant for
4 membership each year.

5 3. The following portion of Section 4.2(A), following subsection (7):

6 If the applicant meets the requirements, then the application
7 shall be submitted to the membership for 30 days' consideration. If
8 active members have any questions or concerns about the application,
9 they shall promptly advise the Credentials Committee about those
10 questions or concerns in writing. The Credentials Committee shall
11 investigate all such questions or concerns, including contacting the
12 applicant for additional information if appropriate, and if necessary,
13 shall then convene an open meeting in which members can share their
14 questions or concerns in person. After this, the Credentials
15 Committee shall advise the membership of their conclusions so that
16 the active members are able to consider those conclusions in their
17 decision on the application. Prior to the next meeting active members
18 shall decide by secret ballot and by a majority vote of those active
19 members voting on each applicant whether to accept the applicant as a
20 member. All members shall submit their ballots to the Association's
21 accounting firm prior to the August membership meeting. The
22 accounting firm shall count the votes and attend the August
23 membership meeting to announce the results.

24 4. Section 4.2(B), which provides as follows:

25 B. New members who fulfill the requirements for Active
26 membership after a period of one year, having been scrutinized by the
27 Credentials Committee, may apply for active membership and be
28 confirmed by the majority of active members. All members shall

1 submit their ballots to the Association’s accounting firm prior to the
2 August membership meeting. The accounting firm shall count the
3 votes and attend the August membership meeting to announce the
4 results.

5 111. Accordingly, Plaintiff Flaa seeks a judicial declaration that the
6 foregoing Bylaw provisions, and any others that are substantially similar in sum
7 and substance or that would achieve the same ends, are unlawful and
8 unenforceable.

9 **THIRD CLAIM FOR RELIEF**

10 **Violation of Section 1 of the Sherman Act, 15 U.S.C. § 1**

11 **(Against All Defendants)**

12 112. Flaa repeats and realleges paragraphs 1-92, 94-103, and 105-111,
13 above, as though fully set forth at length.

14 113. Southern California, and the Los Angeles area in particular,
15 constitutes a substantial market for foreign entertainment reporters who reside in
16 the area and earn a livelihood by gathering and selling entertainment news.

17 114. Plaintiff Flaa is a participant in the entertainment news reporting
18 industry in the Southern California market.

19 115. Defendants have entered into an unlawful contract, combination in the
20 form of trust or otherwise, or conspiracy in restraint of trade or commerce as
21 alleged hereinabove.

22 116. Defendants’ actions have caused injury not only to competition but to
23 Plaintiff Flaa individually, by reason of which Flaa has suffered actual damages in
24 an amount to be proven at trial, which damages shall be trebled and awarded to
25 Flaa as provided in Section 4 of the Clayton Antitrust Act, 15 U.S.C. § 15.

26 117. Unless the actions of Defendants as alleged hereinabove are enjoined,
27 competition in the relevant market will continue to be irreparably harmed in a
28 manner that cannot be compensated by money damages.

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FOURTH CLAIM FOR RELIEF

Violation of Section 2 of the Sherman Act, 15 U.S.C. § 2

(Against All Defendants)

118. Flaa repeats and realleges paragraphs 1-92, 94-103, 105-111, and 113-117, above, as though fully set forth at length.

119. Defendants' actions as alleged hereinabove constitute a course of conduct calculated to monopolize the market for foreign reporting of entertainment news emanating from Southern California in violation of Section 2 of the Sherman Act.

120. In engaging in the conduct described above, Defendants have acted with the specific intent to impede, prevent, or destroy competition in the international market for entertainment news gathered in Southern California and given their consistent pattern of unlawful behavior, there is a dangerous probability that their efforts will continue to succeed.

121. Defendants' actions as alleged hereinabove have caused injury not only to competition but to Plaintiff Flaa individually, by reason of which Flaa has suffered actual damages in an amount to be proven at trial, which damages shall be trebled and awarded to Flaa as provided in Section 4 of the Clayton Antitrust Act, 15 U.S.C. § 15.

122. Unless Defendants' actions as alleged hereinabove are enjoined, competition in the relevant market will continue to be irreparably harmed in a manner that cannot be compensated in monetary damages.

FIFTH CLAIM FOR RELIEF

Violation of the Cartwright Act, Cal. Bus. & Prof. Code §§ 16720, et seq.

(Against All Defendants)

123. Flaa repeats and realleges paragraphs 1-92, 94-103, 105-111, 113-117, and 119-122, above, as though fully set forth at length.

1 124. Defendants' actions as alleged hereinabove have caused injury not
2 only to competition but to Plaintiff Flaa individually, by reason of which Flaa has
3 suffered actual damages in an amount to be proven at trial, which damages shall be
4 trebled and awarded to Flaa as provided in Section 16750(a) of the Cartwright Act,
5 Cal. Bus. & Prof. Code § 16750(a).

6 125. Unless Defendants' actions as alleged hereinabove are enjoined,
7 competition in the relevant markets will continue to be irreparably harmed in a
8 manner that cannot be compensated in monetary damages.

9 **PRAYER FOR RELIEF**

10 **WHEREFORE**, Plaintiff Flaa prays for relief as follows:

11 1. On the First Claim for Relief:

- 12 A. For preliminary and permanent injunctive relief against Defendants
13 prohibiting them from denying her admission to the HFPA as a
14 full, voting member.
- 15 B. For preliminary and permanent injunctive relief against Defendants
16 prohibiting them from denying membership in the HFPA to
17 objectively qualified applicants.
- 18 C. For preliminary and permanent injunctive relief prohibiting the
19 HFPA from enforcing the requirement that applicants for
20 admission must have sponsors.
- 21 D. For preliminary and permanent injunctive relief prohibiting the
22 HFPA from treating persons who have satisfied its admissions
23 requirements as "new" or "provisional" members or otherwise
24 denying them the benefits of full membership for any period of
25 time.
- 26 E. For a damages award against Defendants jointly and severally in
27 an amount to be proved at trial.
- 28

1 F. For an award of costs and reasonable attorneys' fees against
2 Defendants jointly and severally.

3 2. On the Second Claim for Relief:

4 For a judicial declaration that the following provisions of the HFPA's
5 Bylaws are unlawful in light of the HFPA's commitments and obligations as
6 a tax-exempt mutual benefit corporation:

7 Section 4.1(E), which provides as follows:

8 E. New members shall be:

- 9 1. New members must fulfill all the requirements for active
10 membership.
11 2. After a period of one year, new members are eligible to
12 apply for Active Membership.

13 A maximum of five new members a year may be accepted into
14 the Association.

15 Sections 4.2(A)(6), (7), which provide as follows:

- 16 6. Sponsorship from two active members, including a letter
17 of recommendation from each sponsor detailing:
18 (e) How long the member has known the applicant.
19 (f) How long the applicant has been located in this area.
20 (g) How long the applicant has been writing about the
21 entertainment industry.
22 (h) Any other information that would support the
23 applicant's journalistic credentials.
24 7. Each active member may sponsor only one new applicant
25 for membership each year.

26 The following portion of Section 4.2(A), following subsection (7):

27 If the applicant meets the requirements, then the application
28 shall be submitted to the membership for 30 days'

1 consideration. If active members have any questions or
2 concerns about the application, they shall promptly advise the
3 Credentials Committee about those questions or concerns in
4 writing. The Credentials Committee shall investigate all such
5 questions or concerns, including contacting the applicant for
6 additional information if appropriate, and if necessary, shall
7 then convene an open meeting in which members can share
8 their questions or concerns in person. After this, the
9 Credentials Committee shall advise the membership of their
10 conclusions so that the active members are able to consider
11 those conclusions in their decision on the application. Prior to
12 the next meeting active members shall decide by secret ballot
13 and by a majority vote of those active members voting on each
14 applicant whether to accept the applicant as a member. All
15 members shall submit their ballots to the Association's
16 accounting firm prior to the August membership meeting. The
17 accounting firm shall count the votes and attend the August
18 membership meeting to announce the results.

19 Section 4.2(B), which provides as follows:

20 B. New members who fulfill the requirements for
21 Active membership after a period of one year, having been
22 scrutinized by the Credentials Committee, may apply for active
23 membership and be confirmed by the majority of active
24 members. All members shall submit their ballots to the
25 Association's accounting firm prior to the August membership
26 meeting. The accounting firm shall count the votes and attend
27 the August membership meeting to announce the results.
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Any other Bylaw provisions substantially similar in sum and substance to the foregoing or that would achieve the same ends.

3. On the Third, Fourth, and Fifth Claims for Relief:

- A. For treble damages according to proof at trial;
- B. For preliminary and permanent relief prohibiting the HFPA and its members from unlawfully competing with non-HFPA-member foreign entertainment journalists residing in Southern California or denying them the benefits of HFPA membership
- C. For an award of reasonable attorneys' fees.
- D. For costs of suit; and
- E. For such other and further relief as the Court deems proper and just.

Dated: August 3, 2020

ONE LLP

By: /s/ David W. Quinto

David W. Quinto
Joanna Ardan

Attorneys for Plaintiff
Kjersti Flaa

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DEMAND FOR JURY TRIAL

Plaintiff Kjersti Flaa hereby demands trial by jury of all issues so triable under the law.

Dated: August 3, 2020

ONE LLP

By: /s/ David W. Quinto
David W. Quinto
Joanna Ardalan

Attorneys for Plaintiff
Kjersti Flaa