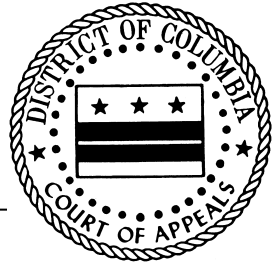


No. 23-CV-720



Clerk of the Court  
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**IN THE DISTRICT OF COLUMBIA  
COURT OF APPEALS**

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**Casa Ruby, Inc.,**  
*Appellant,*

-v-

**Ever Alfaro, et al.,**  
*Appellees.*

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ON APPEAL FROM THE SUPERIOR COURT  
OF THE DISTRICT OF COLUMBIA – CIVIL DIVISION  
2022 CA 003343 B  
(Hon. Danya A. Dayson)

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**BRIEF FOR APPELLEE HASSAN NAVEED**

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April 10, 2024

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## **TABLE OF AUTHORITIES**

Appellee Hassan Naveed files this brief in concurrence with the briefs of Appellees Mereidith Zotlick, Nick Harrison, and Miguel Rivera. He adopts and incorporates by reference the entirety of their Table of Authorities herein by reference and adds:

*Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)

*Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)

## **STATEMENT OF THE ISSUE**

Mr. Naveed files this brief in concurrence with the briefs of Appellees Zotlick, Harrison, and Rivera. He adopts and incorporates by reference the entirety of their statement of the issue(s) herein.

## **STATEMENT OF THE CASE**

This matter arises from the actions of Defendant Ruby Corado (“Ms. Corado”), who once served as Executive Director of Defendant Casa Ruby, Inc. (“Casa Ruby”), a District of Columbia nonprofit corporation. The District of Columbia Office of Attorney General (the “District”) has alleged, *inter alia*, that Ms. Corado maintained full control of the corporation’s bank and PayPal accounts and thereby engaged in misappropriation and unlawful conversion of corporate funds. The District has not sought to impose individual liability on Appellees Meredith Zotlick, Miguel Rivera, Nick Harrison or Hassan Naveed, who served as directors of Casa Ruby, Inc. during relevant time periods.

Noentheless, Casa Ruby, acting through its court-appointed receiver, The Wanda Alston Foundation, Inc., filed a Cross-Complaint and Third-Party Complaint. In the Third- Party Complaint, Casa Ruby sought monetary damages against some of its individual directors, including appellee Hassan Naveed (“Mr. Naveed”). The corporation alleged therein that, *inter alia*, (i) those individuals breached fiduciary duties by failing to exercise oversight or control over the corporation, and (ii) such breaches enabled Ms. Corado’s unlawful misappropriation and conversion of Casa Ruby’s assets to go unchecked.

Appellees Meredith Zoltick and Hassan Naveed successfully moved to dismiss the Third-Party Complaint pursuant to D.C. Super. Ct. R. 12(b)(6), and Appellees Harrison, Rivera, and Consuela Lopez thereafter joined in Ms. Zoltick’s motion. The appellees argued that even

assuming *arguendo* the directors had been negligent in overseeing corporate affairs, Casa Ruby had failed to allege facts indicating that they had acted in such a way that would overcome D.C. Code § 29-406.31(d)'s statutory bar of individual liability for money damages. Casa Ruby, in turn, argued that the appellees' alleged omissions had amounted to "intentional infliction of harm" upon it, thereby triggering an exception to that bar. The appellees replied that Casa Ruby had failed to allege any facts establishing intentional infliction or harm and/or willfull blindness, and that they should not be allowed to engage in a fishing expedition as against public interest. The trial court, rejecting Casa Ruby's attempt to conflate alleged "willful blindness" with the "intentional infliction of harm," granted the dispositive motions of all movants except Consuela Lopez (who was, in the Amended Complaint, accused of knowing, assisting, and financially benefitting from the gift).

Casa Ruby successfully moved for the issuance of an appealable Order of Partial Final Judgment and then filed the instant appeal.

### **STATEMENT OF FACTS**

Casa Ruby is a District of Columbia nonprofit organization that provided transitional housing and related support to LGBTQ+ youth. App. 002. Executive Director Ruby Corado was a "*recognized* leader in the District's trans community, having bult safe spaces for some of the District's residents who needed them most. She secured millions in grants, gifts, and loans from federal and District sources, as well as from private donors." App. 006–07 (emphasis added). According to the Amended Complaint in this case, Ms. Corado took actions to unlawfully enrich herself from the organization *without* the approval or authorization of the Board of Directors. See App. 005–12 (emphasis added). As a result of Ms. Corado's actions, the District alleges, Casa Ruby failed to pay employees, vendors, and rent at its properties. See App. 003; App. 017.

## ARGUMENT

Mr. Naveed files this brief in concurrence with the briefs of Appellees Zotlick, Harrison, and Rivera. With the exception of arguments that are factually specific to those Appellees, he adopts and incorporates by reference the entirety of those arguments herein.

This brief serves to emphasize a point made by Zotlick in her Reply to Casa Ruby's Opposition to her Motion to Dismiss to the court below: *Twombly* and *Iqbal* require a plausible claim to be stated before the Court will permit parties to engage in discovery. Zotlick Reply at pp. 5-6, citing *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A real question at issue here is not just the sufficiency of any factual matter asserted on Casa Ruby's part, but rather the existence of even one solitary fact asserted in support of its claims against Mr. Naveed. There are none made against Zotlick, Harrison, or Rivera, and there are none made, or existing, against Mr. Naveed. Casa Ruby has even engaged in discovery in the case below against remaining defendants (including a deposition of Mr. Naveed as a cooperating witness), and still offers nothing. Casa Ruby has not asserted any facts that even if true would give rise to a claim to relief against Mr. Naveed.

Casa Ruby failed to assert and cannot prove Mr. Naveed had constructive knowledge or actual knowledge. None of the Appellees did. This is a sad matter that, as alleged, depicts the District of Columbia, the public, the LGBTQAI+ community, and the Appellees duped by a fierce and successful advocate, who was also a sophisticated grifter. As alleged (and in fact) Mr. Naveed took no deliberate action to avoid learning the truth, nor did he subjectively believe there was a "high probability" that Ms. Corado intended to misappropriate and convert corporate assets. *See App. 037-43*. And as argued by the responding Appellees, even if "willful blindness" *was* the correct standard to apply to the "intentional infliction of harm" exception to D.C. Code §

29-406.31(d)'s general bar of individual liability – and it is not – that standard was not adequately pled in the Third-Party Complaint.

As such, Casa Ruby should not be entitled to prolong this witch hunt further. It has used precious remaining resources on this fishing expedition, prolonged through this appeal. As stated in Mr. Naveed's Motion to Dismiss and Memorandum in Support to the trial court (page 11): "Casa Ruby failed to state a claim upon which relief can be granted against him as a volunteer member of the Board of Directors for Casa Ruby. D.C. law clearly and specifically shields him from liability under the circumstances of this matter, and for good reason. The bar to overcome such liability should be upheld lest good citizens acting in good faith to care for their community are discouraged from participating as volunteer board members for fear of being subjected to costly litigation. Casa Ruby asserted no facts to overcome this bar to individual liability. Mr. Naveed therefore asks that this Court dismiss any and all claims against him at present with regard to the instant matter and that he be removed as a Party to this suit. He further asks that this Court grant the recovery of reasonable attorneys' fees from Defendant Casa Ruby for the preparation of this Motion." The trial court wisely dismissed Mr. Naveed.

### **CONCLUSION**

For the foregoing reasons, Mr. Naveed respectfully requests that the court affirm the trial judge's May 3, 2023 Order granting his Motion to Dismiss Third- Party Complaint and award him reasonable attorneys' fees.

Dated: April 10, 2024

Respectfully submitted,

/s/ Alison D. Rogers  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 10th day of April, 2024, a copy of the foregoing was served via electronic filing and email on all counsel of record.

/s/ Alison D. Rogers  
Alison D. Rogers, Esq.  
(DC Bar No.: 1046299)

# District of Columbia Court of Appeals

## REDACTION CERTIFICATE DISCLOSURE FORM

**Pursuant to Administrative Order No. M-274-21 (filed June 17, 2021), this certificate must be filed in conjunction with all briefs submitted in all cases designated with a “CV” docketing number to include Civil I, Collections, Contracts, General Civil, Landlord and Tenant, Liens, Malpractice, Merit Personnel, Other Civil, Property, Real Property, Torts and Vehicle Cases.**

I certify that I have reviewed the guidelines outlined in Administrative Order No. M-274-21 and Super. Ct. Civ. R. 5.2, and removed the following information from my brief:

1. All information listed in Super. Ct. Civ. R. 5.2(a); including:

- An individual’s social-security number
- Taxpayer-identification number
- Driver’s license or non-driver’s’ license identification card number
- Birth date
- The name of an individual known to be a minor
- Financial account numbers, except that a party or nonparty making the filing may include the following:

- (1) the acronym “SS#” where the individual’s social-security number would have been included;
- (2) the acronym “TID#” where the individual’s taxpayer-identification number would have been included;
- (3) the acronym “DL#” or “NDL#” where the individual’s driver’s license or non-driver’s license identification card number would have been included;
- (4) the year of the individual’s birth;
- (5) the minor’s initials; and
- (6) the last four digits of the financial-account number.

2. Any information revealing the identity of an individual receiving mental-health services.
3. Any information revealing the identity of an individual receiving or under evaluation for substance-use-disorder services.
4. Information about protection orders, restraining orders, and injunctions that “would be likely to publicly reveal the identity or location of the protected party,” 18 U.S.C. § 2265(d)(3) (prohibiting public disclosure on the internet of such information); *see also* 18 U.S.C. § 2266(5) (defining “protection order” to include, among other things, civil and criminal orders for the purpose of preventing violent or threatening acts, harassment, sexual violence, contact, communication, or proximity) (both provisions attached).
5. Any names of victims of sexual offenses except the brief may use initials when referring to victims of sexual offenses.
6. Any other information required by law to be kept confidential or protected from public disclosure.

/s/Alison D. Rogers

Signature

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No. 23-CV-0720

Case Number(s)

April 10, 2024

Date