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U.S. DISTRICT COURT FOR THE DISTRICT OF CALIFORNIA
 SOUTHERN DISTRICT, WESTERN DIVISION

STEPHEN J. BARRETT, M.D.,)	
))	
Case No.)	
))	
Plaintiff,)	COMPLAINT FOR DAMAGES
))	(Malicious Prosecution
))	and Abuse of Process)
))	
v.)	(Demand for jury trial)
))	
))	
CARLOS F. NEGRETE, HULDA CLARK,)	
DBA NEW CENTURY PRESS, AND)	
DOES 1-10,)	
))	
Defendants.)	
))	

Plaintiff alleges:

1. This Court has original jurisdiction under 28 USC § 1332, in that it is a civil action between citizens of different states in which the matter in controversy exceeds, exclusive of costs and interest, seventy-five thousand dollars.

2. Plaintiff STEPHEN J. BARRETT, M.D. ("Plaintiff") is a retired psychiatrist, a medical editor, and a consultant who resides in Allentown, Pennsylvania. He operates the Quackwatch

1 website located at quackwatch.org, which contains articles that
2 criticize many types of dubious health claims, products and
3 practices.

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5 3. Defendant CARLOS F. NEGRETE ("Mr. Negrete") is an
6 attorney practicing in San Juan Capistrano, California. He does
7 business under the fictitious name Health Freedom Legal Defense
8 Council and operates the Health Freedom Law website located at
9 healthfreedomlaw.com.

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11 4. Defendant HULDA CLARK ("Ms. Clark") is a resident of
12 Chula Vista, California, and does business under the fictitious
13 business name New Century Press ("NCP").

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15 5. Plaintiff is ignorant of the true names and capacities
16 of defendants sued herein as DOES 1-10, inclusive, and therefore
17 sues these defendants by such fictitious names. Plaintiff will
18 amend this complaint to allege their true names and capacities
19 when ascertained.

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21 6. On July 23, 2001, Ms. Clark, represented by Mr. Negrete
22 (together, "Defendants"), filed a cross-complaint against
23 Plaintiff and served it with a summons upon Plaintiff.

24
25 7. The cross-complaint referred to Plaintiff as a "de-
26 licensed psychiatrist" and alleged unfounded and false causes of
27 action against Plaintiff for violation of the Civil Racketeer
28 Influenced and Corrupt Organizations (RICO) Act and Malicious

1 Prosecution, and also included the following unfounded and false
2 allegations against Plaintiff:

- 3 • Terrorist threats;
- 4 • Assault;
- 5 • Trespass;
- 6 • Illegal influence of foreign government officials
- 7 and/or agencies;
- 8 • Filing false police reports;
- 9 • Stalking;
- 10 • Mail Fraud;
- 11 • Wire Fraud;
- 12 • Perjury;
- 13 • Subornation of Perjury;
- 14 • Extortion;
- 15 • Illegal lobbying;
- 16 • Invasion of Privacy;
- 17 • Web site tampering;
- 18 • Investigation without license;
- 19 • Violation of Civil Rights and Free Speech;
- 20 • Interference with Right of Free Speech and
- 21 Association;
- 22 • Making false claims about NCP;
- 23 • Trade Libel;
- 24 • False advertising;
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- 1 • Predatory Tactics;
- 2 • Harassment;
- 3 • Interference with Prospective Advantage;
- 4 • Filing frivolous lawsuits;
- 5 • Interception of confidential communication;
- 6 • Industrial espionage;
- 7 • Vexatious litigation;
- 8 • Fraud;
- 9 • Business Sabotage;
- 10 • Engaging in a campaign to financially ruin its
- 11 (NCP's) main author;
- 12 • Engaging in a smear campaign in the country of
- 13 Mexico;
- 14 • Disseminating false information to the Mexican
- 15 government;
- 16 • Disseminating false and fraudulent information and
- 17 documents to agencies of the United States.

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21 8. The cross-complaint provided no support or explanation
22 for any of the allegations and Defendants had no basis on
23 which to believe the allegations were true.
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25 9. On July 23, 2001, the day Defendants filed the cross-
26 complaint, Mr. Negrete's Health Freedom Law website displayed an
27 announcement of the lawsuit and displayed the entire cross-
28 complaint for public viewing.

1 10. That same day, a news release was displayed on a
2 website located at treatmentchoice.com naming Plaintiff,
3 describing the lawsuit, and stating, "For full details of the
4 legal action see <http://www.healthfreedomlaw.com>."
5

6 11. On July 24, 2001, one day after filing the cross-
7 complaint, Mr. Negrete distributed an email message to various
8 recipients including a Tim Bolen. The message was titled,
9 "QUACKBUSTERS charged with Racketeering." It described the
10 lawsuit and referred to healthfreedomlaw.com "For more
11 information on the lawsuit."
12

13 12. On July 25, 2001, two days after Mr. Negrete filed
14 the cross-complaint, Namaste Publishing (apparently a source
15 from the United Kingdom) distributed an email message titled,
16 "WHAT EVER WE GIVE OUT - COMES BACK - PLEASE SEE CASE IN POINT
17 BELOW. PLEASE NETWORK THIS DELIGHTFUL INFORMATION." It
18 referred to "De-licensed MD Stephen Barrett - who makes
19 questionable claims of being a retired psychiatrist," described
20 the allegations, and stated, "It gives me enormous pleasure and
21 satisfaction to forward an email received from Ray McGinty with
22 news which will delight groups and individuals everywhere. I am
23 sure that recipients of my Email List around the world will join
24 us in wishing all power to Mr. Negrete and his colleagues in
25 busting the arch 'quackbuster' himself - together with his
26 associates."
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1 13. On July 26, 2001, three days after Mr. Negrete filed
2 the cross-complaint, Tim Bolen (a recipient of Mr. Negrete's
3 July 24 message) distributed an email message that was also
4 displayed at treatmentchoice.com, titled, "Stephen Barrett, M.D.
5 Charged with Racketeering, and Civil rights Violations, in
6 California." It stated, "De-licensed MD Stephen Barrett (and
7 several of his henchmen) got sued last Monday," and, "The
8 lawsuit described at . . . www.healthfreedomlaw.com, is going to
9 be VERY EXPENSIVE for them - all of a sudden. I'm not an
10 attorney, but still I'm going to estimate that their case will
11 cost them somewhere around \$750,000 to \$2,000,000 in legal
12 fees."

15 14. Around October 2001, a website operated by Global
16 Light Network displayed a notice describing the allegations
17 against Plaintiff and stating, "For detailed information, go to
18 the web site of Dr. Clark's attorney, Carlos Negrete:
19 <http://www.healthfreedomlaw.com>."

21 15. The false allegations ended up being publicized on
22 more than 40 web pages, in 100 news group messages, and in
23 numerous publications, including: The Chiropractic Journal
24 ("Quackwatch 'Quack Pot' Busted! What goes around comes
25 around"); World Chiropractic Alliance website (with Plaintiff's
26 photo, stating, "Stephen Barrett, M.D., who now faces a lawsuit
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1 for racketeering"); Dynamic Chiropractic (which has about 70,000
2 recipients); and more.

3 16. Plaintiff received numerous inquiries and negative
4 comments from people who believed that the allegations were
5 meritorious. He spent a great deal of time answering inquiries
6 and attempting to prevent further damage to his reputation
7 caused by the false allegations.
8

9 17. On October 9, 2001, Defendants filed a first amended
10 cross-complaint that left intact the above-cited causes of
11 action and allegations against Plaintiff.
12

13 18. On May 3, 2002, Plaintiff propounded discovery upon
14 Defendants requesting evidence to support the allegations.
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16 19. On June 3, 2002, without having responded to any of
17 Plaintiff's discovery requests, Defendants voluntarily dismissed
18 the entire action altogether.

19 20. To this date, the entire original cross-complaint
20 remains posted on Mr. Negrete's website.
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22 21. The publicizing of the action has caused and continues
23 to cause damage to Plaintiff personally and professionally.
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27 **FIRST CLAIM FOR MALICIOUS PROSECUTION**
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1 22. Plaintiff re-alleges and incorporates by reference
2 each and every allegation contained hereinabove as though set
3 forth in full herein.

4 23. Defendants had no probable cause to file the cross-
5 complaint or to make the allegations in that they did not
6 honestly, reasonably, and in good faith believe the allegations
7 to be true.

8 24. Defendants acted with malice in that they brought the
9 action with the improper motive of publicizing the cross-
10 complaint and thereby damaging Plaintiff's reputation.

11 25. Defendants acted with actual malice in that, knowing
12 Plaintiff was a retired psychiatrist, a medical editor and a
13 consultant, Defendants publicized the false allegations knowing
14 the allegations were of such serious nature that they would
15 inevitably damage Plaintiff's professional reputation, and
16 Defendants acted solely on that improper purpose with conscious
17 disregard for the rights of Plaintiff. Defendants' intent was
18 to make Plaintiff an object of ridicule and hatred, to portray
19 him as unethical and criminal, to bring him public and personal
20 humiliation, to inflict financial damage on him, and to damage
21 his reputation by ascribing conduct and character that would
22 adversely reflect on his practice and profession.

23 26. Defendants' voluntary dismissal of the cross-complaint
24 amounted to favorable termination for Plaintiff in that, by
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1 pursuing the action only until they were forced to produce
2 evidence supporting the allegations, and then dismissing the
3 entire action, Defendants demonstrated that they had no evidence
4 supporting their allegations and that the action had no merit.
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6 27. As a proximate result of Defendants' actions described
7 hereinabove, Plaintiff suffered damages to himself and his
8 reputation.

9 **SECOND CLAIM FOR ABUSE OF PROCESS**

10 28. Plaintiff re-alleges and incorporates by reference
11 each and every allegation contained hereinabove as though set
12 forth in full herein.
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14 29. Defendants misused the legal process by filing and
15 serving a cross-complaint and summons upon Plaintiff with no
16 intention of pursuing the action to its end but solely for the
17 purpose of publicizing the action and damaging Plaintiff's
18 reputation, only to then dismiss the action in its entirety.
19

20 30. Defendants acted with malice and conscious disregard
21 for the rights of Plaintiff in that their ulterior purpose in
22 misusing the legal process was to damage Plaintiff's
23 professional reputation by publicizing serious and unfounded
24 allegations against him.
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26 31. As a proximate result of Defendants' misuse of
27 the legal process, Plaintiff suffered damage generally.
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