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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

**STATE OF CALIFORNIA, ex rel. ROB
BONTA, in his official capacity as Attorney
General of the State of California,**

Plaintiff,

v.

**PHILLIP DEL ROSA, in his personal
capacity and official capacity as Chairman
of the Alturas Indian Rancheria; and
DAREN ROSE, in his personal capacity and
official capacities as Vice-chairman of the
Alturas Indian Rancheria and
President/Secretary of Azuma Corporation,**

Defendants.

2:23-cv-00743-KJM-SCR

NOTICE OF VIOLATION

Date: N/A
Time: N/A
Courtroom: 3, 15th Floor
Judge: Hon. Kimberly J. Mueller
Trial Date: N/A
Action Filed: April 19, 2023

TO THE PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that Defendant Darren Rose has violated the Court's preliminary injunction filed September 8, 2023, Order ("Preliminary Injunction"), ECF No. 43, and Plaintiff

1 files this notice of violation pursuant to the Court’s order filed November 18, 2023, Order
 2 (“Sanctions Order”), ECF No. 95, that imposed sanctions for Rose’s prior violations of the
 3 Preliminary Injunction.

4 The Preliminary Injunction enjoins Rose “in his official capacity as vice-chairman of the
 5 Alturas Indian Rancheria and as president/secretary of Azuma Corporation, and his employees
 6 and agents” from “completing or causing to be completed any delivery, or any portion of a
 7 delivery, of packages containing cigarettes on behalf of Azuma Corporation to anyone in
 8 California.” Prelim. Inj. 24. After Azuma Corporation continued to deliver cigarettes throughout
 9 the State following the filing of that injunction, the Court held Rose in contempt for a first time:
 10 “[B]y showing Azuma is continuing to deliver cigarettes to the same customers previously
 11 identified in the preliminary injunction record, California has shown Rose, in his official capacity
 12 as an officer of the Alturas Tribe, has violated the preliminary injunction by clear and convincing
 13 evidence.” Order (“Contempt Order”) 6, ECF No. 6.

14 Rose’s initial production of documents pursuant to the Sanctions Order on January 31,
 15 2025, revealed that despite the Preliminary Injunction, the Contempt Order, and the Sanctions
 16 Order, the distribution of Azuma cigarettes had continued. Accordingly, Plaintiff filed a Notice of
 17 Violation, ECF No. 108, and the Court once again held Rose in contempt, Order (“Second
 18 Contempt Order”), ECF No. 131. The Court subsequently held a hearing to determine appropriate
 19 sanctions. Mins. Scheduling Conf. & Sanctions Hr’g, ECF No. 144. In anticipation of that
 20 hearing, the parties provided copies of all Azuma purchase records, sales, and invoices through
 21 June 2025. *See* Pl.’s Suppl., ECF No. 139; Not. Correction & Clarification, ECF No. 141. For
 22 Rose’s contemptuous deliveries through June 2025, the Court ultimately imposed \$68,000 in
 23 fines pursuant to the Sanctions Order. Order 6, ECF No. 162.

24 On August 11, 2025, Rose provided additional documents pursuant to the Court’s Sanction
 25 Order. These demonstrated delivery of an additional 420,000 cigarettes to two of the same
 26 customers during the month of July 2025—the Desert Rose Casino and AIR Fuels.¹ Not.

27 ¹ Rose has claimed that “intratribal sales by Azuma to the Desert Rose Casino and AIR
 28 Fuels” are not “affected by the preliminary injunction.” Defs.’ Not. Correction & Clarification 2,
 (continued...)

1 Violation 2, ECF No. 164. Accordingly, Plaintiff provided a second Notice of Violation.
 2 Plaintiff's current request to hold Plaintiff in contempt a third time remains pending.

3 On September 10, 2025, Rose provided more documents, demonstrating delivery of an
 4 additional 372,000 cigarettes. Nascenzi Decl. Supp. Not. Violation ¶ 8 [filed under seal].²
 5 Including not only deliveries to AIR Fuels, those documents also demonstrate a delivery to the
 6 Rabbit Traxx store located on the Cedarville Rancheria.³ Accordingly, Plaintiff provides this third
 7 Notice of Violation and asks that the Court impose the sanctions requested in Plaintiff's Proposed
 8 Revised Prospective Sanctions Order, ECF No. 163.

9
 10 Dated: September 11, 2025

Respectfully submitted,

11 ROB BONTA
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 12 JAMES V. HART
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 13 DAVID C. GOODWIN
 14 BYRON M. MILLER
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15 /s/ Peter F. Nascenzi

16 PETER F. NASCENZI
 17 Deputy Attorney General
 Attorneys for Plaintiff
 18 State of California

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 20 39303312

21 ECF No. 141; *see also* Tr. Sanction Hr'g 10:20–23, ECF No. 149 (claiming a “defense . . . that
 22 the cigarettes that are then picked up by the casino or picked up by the gas stations . . . are not
 deliveries”). For the reasons stated in the State's Reply in Support of Notice of Violation and
 Opposition to Defendants' Motion to Clarify, ECF No. 178, Rose is incorrect.

23 ² Consistent with the Parties' prior practice, the State intends to meet and confer with
 24 Defendants to file redacted copies of these documents on the public docket.

25 ³ Though not originally included in his pending Motion to Clarify, ECF No. 170, Rose has
 now argued that sales to the Cedarville Rancheria where “Cedarville, through its employee,
 26 placed its order in person at the Azuma facility and collected the cigarettes in person at the
 Azuma facility” are not prohibited by the Court's Preliminary Injunction, Not. Errata 2, ECF
 27 No. 177; *see also* Tr. Sanction Hr'g 10:20–23, ECF No. 149 (claiming a “defense . . . that the
 cigarettes that are then . . . picked up by . . . Cedarville, are not deliveries”). For the reasons stated
 28 in the State's Reply in Support of Notice of Violation and Opposition to Defendants' Motion to
 Clarify, Rose is once again incorrect.