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2 [attorney name redacted], Esq. (CSBN ///////////////)
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8 Attorneys for Defendants the DIXON FURNITURE, INC,
9 NANCY DIXON, and MATT DIXON
10 **Note: all names have been changed.**

11 **SUPERIOR COURT OF CALIFORNIA**
12 **COUNTY OF LOS ANGELES**

13 TOM BROWN,
14 Plaintiff,
15 vs.
16 DIXON FURNITURE, INC.;
17 NANCY DIXON;
18 MATT DIXON; and
19 DOES 1 through 100, Inclusive

20 Defendants

Case Number: [redacted]
Action Filed: [redacted]
Trial Date: _____

**DECLARATION OF NANCY DIXON IN
SUPPORT OF DEFENDANTS NANCY
DIXON AND MATT DIXON'S MOTION
FOR SUMMARY JUDGMENT, OR
ALTERNATIVELY, FOR SUMMARY
ADJUDICATION**

Filed concurrently with Defendants Nancy
Dixon and Matt Dixon's Motion for Summary
Judgment, or Alternatively, for Summary
Adjudication; Separate Statement; and
Declarations of Attorney [redacted], Matt Dixon
and Linda Mason.

Hearing date: _____
Hearing time: _____
Hearing Dept: [redacted]

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22
23 I, Nancy Dixon, declare:

- 24 1. I have personal knowledge of the facts stated herein, and, if called upon to testify thereto,
25 I could and would competently do so.
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3 2. I am a Defendant in the above-entitled action by Plaintiff TOM BROWN (hereinafter
4 “**BROWN**”). My co-defendants are DIXON FURNITURE, INC. (hereinafter the
5 “**CORPORATION**”) and MATT DIXON (hereinafter “**MATT**”).

6 3. MATT and I have been married for more than 32 years.

7
8 4. At all relevant times, the CORPORATION has had exactly one shareholder—the DIXON
9 Family Trust of 1988.

10 5. At all relevant times, the CORPORATION has had exactly two directors—MATT and
11 myself.

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13 6. At all relevant times, the CORPORATION has had exactly two officers—I am both
14 President and Chief Financial Officer, and MATT is both Vice-President and
15 Secretary.

16 7. As the shareholders, directors and officers of the CORPORATION, MATT and I have
17 faithfully and consistently observed all the formalities required of any corporation.
18 The corporate records for the CORPORATION are in proper order, in compliance
19 with both California law and the Bylaws of the CORPORATION. The
20 CORPORATION has maintained an “active” status with the California Secretary of
21 State in each calendar year since its incorporation. Annual shareholder meetings have
22 been timely held (or shareholder actions without a meeting have been timely taken) in
23 each calendar year, with shareholder minutes properly recorded and kept in the
24 corporate records. The shareholders have annually elected the board of directors.
25 Likewise, Board of Directors meetings have been timely held (or board of directors
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2 actions without a meeting have been timely taken) in each calendar year and as
3 otherwise necessary, with board minutes properly recorded and kept in the corporate
4 records. The board has elected the officers. Everything is in proper, formal order.
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6 8. Starting in 1974 I operated a furniture manufacturing business (hereinafter the
7 “**FURNITURE BUSINESS**”) in Pasadena, California. In 1976, I incorporated the
8 business as the CORPORATION. Over the past thirty years, the CORPORATION
9 manufactured thousands of items of furniture and shipped them to customers all over
10 the United States. It operated furniture showrooms in California and in Colorado.
11

12 9. “[redacted]” is a brand name the used by the FURNITURE BUSINESS.

13 10. The real property on which the CORPORATION operated its FURNITURE BUSINESS
14 (hereinafter the “**PROPERTY**”) is located at [redacted], Pasadena, California.
15

16 11. At all relevant times, the PROPERTY has been owned by the Dixon Family Trust of
17 1985 (hereinafter the “**TRUST**”).

18 12. Due to the seasonal nature of the FURNITURE BUSINESS, each summer the
19 CORPORATION augmented its regular year-round staff with temporary workers
20 who were subsequently let go in the fall.
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22 13. From approximately 1998 until the present, the CORPORATION failed to make any
23 profits.
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3 14. Beginning in the last quarter of 2006, the CORPORATION experienced a major
4 downturn in its business (hereinafter the “**DOWNTURN**”) that greatly exceeded the
5 usual seasonal decline in the fall.

6 15. On December 14, 2007, the CORPORATION sold all its FURNITURE BUSINESS
7 assets, including its machinery, equipment, inventory, accounts receivable, work in
8 progress, intellectual property (including the “[redacted]” trademark), permits, vendor
9 list and customer list, to XYZ Manufacturing, Inc. (hereinafter “**XYZ**”).

10
11 16. Before the DOWNTURN, the CORPORATION had approximately 50 regular
12 employees.

13 17. At the time the CORPORATION sold its FURNITURE BUSINESS to XYZ on
14 December 14, 2007, the CORPORATION had 27 employees.

15
16 18. Because of the DOWNTURN, the CORPORATION’S staff fell from about 50 regular
17 employees to 27 employees. Most of the lost employees were laid off, but some quit.

18 19. Because of the DOWNTURN, the CORPORATION had to close its showrooms.

19
20 20. The CORPORATION sold its FURNITURE BUSINESS to XYZ because (a) the
21 CORPORATION had not made a profit for nine years, (b) the DOWNTURN had
22 forced the CORPORATION to lay off approximately 46% of its regular employees,
23 and (c) the CORPORATION could no longer afford to operate the business.

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3 21. Neither MATT nor I nor the CORPORATION sought a buyer for the CORPORATION'S
4 FURNITURE BUSINESS. Instead, we were approached in April 2007 by [redacted],
5 who initiated discussions for XYZ purchasing the FURNITURE BUSINESS.

6 22. The filing of the Complaint by BROWN was unrelated to [redacted] initiating discussions
7 for XYZ purchasing the FURNITURE BUSINESS. The filing of the Complaint by
8 BROWN was also unrelated to the CORPORATION selling its FURNITURE
9 BUSINESS to XYZ.

10
11 23. BROWN was employed by the CORPORATION from 1994 to 1999 (hereinafter the
12 "FIRST STINT").

13 24. BROWN was again employed by the CORPORATION from 2003 to 2006 (hereinafter
14 the "SECOND STINT").

15 25. BROWN was a good employee at the CORPORATION.

16
17 26. The FIRST STINT ended when BROWN voluntarily quit his employment at the
18 CORPORATION.

19
20 27. The SECOND STINT ended when BROWN was laid off by the CORPORATION on
21 November 21, 2006.

22 28. In July 2006 BROWN had difficulty breathing while at work. The CORPORATION sent
23 him to its clinic and the doctor diagnosed that symptoms of a longstanding asthma
24 condition had just surfaced.
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3 29. Immediately after BROWN had difficulty breathing, BROWN went on a leave of
4 absence from work for about six weeks (hereinafter the “PAID LEAVE”) because he
5 was suffering from asthma.

6 30. While BROWN was absent from work during the PAID LEAVE, the CORPORATION
7 kept his job position open for him.

8
9 31. BROWN had no medical insurance, no money beyond his paycheck, and no relatives in
10 the United States, and, although the CORPORATION had no obligation to do so, out
11 of compassion for BROWN and because he was a long-term employee, the
12 CORPORATION paid a portion, but not all, of his medical expenses in connection
13 with the asthma.

14 32. Additionally, and without any obligation to do so, the CORPORATION continued to pay
15 BROWN his full pay while he was absent from work during the PAID LEAVE.

16
17 33. Wood dust (hereinafter “DUST”) is a normal condition in any woodshop.

18 34. The FURNITURE BUSINESS operates a wood shop with woodworking machinery,
19 including table saws, band saws, lathes, miter saws, drill presses, belt sanders, brush
20 sanders, carving machines, joiners, planers, a jigsaw and a radial arm saw, all of
21 which generate a large volume of DUST, but most of the DUST is absorbed by a
22 professionally installed dust collection system.

23
24 35. At all relevant times, the CORPORATION employed a full-time sweeper, who did
25 sweeping, dusting and clean up all day long, five days a week, and did nothing else.

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2 36. One day a stray, starved cat (hereinafter the “CAT”) was discovered on the PROPERTY.

3 Out of compassion for animals, MATT and I adopted the CAT and kept it in OUR
4 executive offices.
5

6 37. BROWN had very little contact with the CAT, because the executive offices where the
7 CAT was kept were in a different building from where BROWN worked.
8

9 38. On or about October 2006, someone dumped four live chickens and one live duck on the
10 PROPERTY (hereinafter the “FOWL”). Out of compassion for animals, MATT and
11 I let the FOWL remain on the PROPERTY.

12 39. The FOWL were kept in the back area of the yard on the PROPERTY approximately 300
13 feet away from anywhere that BROWN was required to work. BROWN never ate in
14 any “outside eating area” near the FOWL.
15

16 40. For the entire time that the FOWL were on the PROPERTY, a maintenance employee
17 cleaned up the feces from the FOWL every day.

18 41. If BROWN felt he had been harassed or discriminated against or retaliated against at
19 work, he was required to report it to the CORPORATION, as set forth in the
20 Employee Handbook. BROWN was also supposed to report any other complaints to
21 the CORPORATION.
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23 42. To my knowledge, BROWN made no complaints to anyone at the CORPORATION
24 about any act of harassment, retaliation, discrimination, physical disability
25 discrimination, perceived physical disability discrimination, intimidation,
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2 ostracization, name-calling, slander, insult, humiliation, revenge, and/or other abuse
3 against him.
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5 43. To my knowledge, BROWN made no complaints to anyone at the CORPORATION
6 about any unlawful conduct by me, MATT, or the CORPORATION.

7
8 44. Neither MATT, myself, the CORPORATION nor the TRUST knew about BROWN'S
9 complaint to DHS until MATT received the DHS LETTER. The DHS LETTER is
10 dated November 21, 2006, which is the same date on which BROWN was laid off by
11 the CORPORATION. MATT received the DHS LETTER via mail after November
12 21, 2006. BROWN cannot have been laid off in retaliation for the DHS LETTER
13 because the layoff occurred before MATT received the DHS LETTER.

14 45. Beginning in September 2006, after letting go all of its temporary summer workers, the
15 DOWNTURN forced the CORPORATION to begin laying off some of its regular
16 year-round staff.
17

18 46. In September 2006, the CORPORATION laid off approximately four of its regular
19 employees, all of whom were factory workers.

20 47. In October 2006, the CORPORATION laid off approximately five of its regular
21 employees, and, in addition to factory workers, this layoff included an office worker.
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23 48. In November 2006, the CORPORATION laid off approximately three of its regular
24 employees, one of whom was BROWN.

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2 49. On November 21, 2006, BROWN was laid off and on that same date was personally
3 handed his layoff letter while he was at work on the PROPERTY.
4

5 50. BROWN was laid off because of the DOWNTURN and the consequent lack of work for
6 him to do. At the time, he was the “logical next person” to be let go.
7

8 51. BROWN was not laid off because of his being negative, sarcastic, complaining about his
9 asthma, and/or complaining that MATT and I were responsible for his illness.
10

11 52. In December 2006, the CORPORATION laid off approximately four of its regular
12 employees.
13

14 53. During most of the SECOND STINT—up until he took his PAID LEAVE—BROWN
15 was the Warehouse/Shipping Manager at the CORPORATION.
16

17 54. When BROWN was absent from work on PAID LEAVE during the summer of 2006, the
18 CORPORATION really needed him, and made weekly calls to him to see if he was
19 ready to come back to work.
20

21 55. When BROWN was absent from work on PAID LEAVE during the summer of 2006, the
22 CORPORATION advertised on craigslist and hired a temporary worker to replace
23 him as Warehouse Manager. Charles Cliff was hired in that capacity.
24

25 56. As Warehouse Manager, heavy lifting was a part of BROWN’S job. When BROWN
26 returned from his PAID LEAVE, he was offered the help of an assistant to do the
27 heavy lifting in his capacity as Warehouse Manager, but he refused to resume the
28 duties of Warehouse Manager because he did not want to lift furniture anymore.

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2 Then, BROWN was offered a position in the Production Department at the same rate
3 of pay, which he accepted.
4

5 57. Since BROWN refused to resume the duties of Warehouse Manager when he returned
6 from his PAID LEAVE, Charles Smith, who had been hired as a temporary worker to
7 replace BROWN as Warehouse Manager, was made into a regular employee.
8

9 58. At the time he was laid off, BROWN was working as a Production Assistant in the
10 Production Department, which had two other employees.
11

12 59. At the time he was laid off, there were no other job opportunities for BROWN within the
13 CORPORATION.
14

15 60. After BROWN was laid off, nobody was hired to replace him.
16

17 61. The CORPORATION hired no new employees from the time BROWN was laid off on
18 November 21, 2006 through the time of sale to XYZ on December 14, 2007.
19

20 62. At the time BROWN was laid off, he was doing UPS packaging and UPS online, which
21 by that time had dwindled to shipping just two or three items per day. He was also
22 doing labeling of fabric shipments received, but by that time fabric shipments had
23 dwindled to about two or three rolls per day.
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25 63. At the time BROWN was laid off, he and two other employees were in the Production
26 Department, but there was not even a full workload for two of the three employees.
27 Each of the three was carrying approximately a two-thirds workload with nothing to
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2 do in the remaining one-third of their time. After BROWN was laid off, the other two
3 employees each had full workloads.
4

5 64. At the time BROWN was laid off, the CORPORATION did not consider putting him
6 back into his former warehouse position because BROWN refused to take back his
7 job in the warehouse. In or about the second week of November 2006, just before the
8 decision was finalized to lay BROWN off, MATT AND questioned the bookkeeper
9 Linda Mason about whether BROWN would take back his prior position in the
10 warehouse, and she informed us that BROWN absolutely, unequivocally did not want
11 it back.
12

13 65. MATT and I have never comingled our personal funds with the funds of the
14 CORPORATION. We have always taken care to see that financial transactions
15 between us, on the one hand, and the CORPORATION, on the other hand, were done
16 properly. Whenever we put money into the CORPORATION, such funds were either
17 (a) for the purchase of the corporation's stock, (b) proceeds of a loan we were making
18 to the CORPORATION, or (c) repayment of a loan the CORPORATION had made to
19 us. Whenever we received money from of the CORPORATION, such funds were
20 either (d) compensation to us as employees, officers and directors, including our
21 salaries and bonuses which were processed through the CORPORATION'S employee
22 payroll accounting process, (e) proceeds of a loan the CORPORATION was making
23 to us, (f) repayment of a loan we had made to the CORPORATION, or (g) dividends.
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66. Neither MATT nor I have ever directly employed 50 or more persons to perform services for a wage or salary.

67. At all times relevant to BROWN'S employment by the CORPORATION, neither MATT nor I had any natural person in service other than domestic workers in our home.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration has been executed on _____, 2008 at Los Angeles, California.

Nancy Dixon