

AUG 12 2009

JOHN A. CLARKE, CLERK
[Signature]
BY AMBER LA FLEUR-CLAYTON, DEPUTY

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5 Attorneys for Plaintiff, Euroconcepts, Inc.

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

10
11 EUROCONCEPTS, INC., a California
corporation,

12 Plaintiff,

13 vs.

14 ZALFA HALABY; OVED ANTER; JOANNE
15 BLUM; DAVID CHARVET; BROOKE
BURKE; DAVID DEBASC; DUAL
16 PARTNERS, LLC, a California Limited
Liability Company; OFER HAYON; LYNNE
17 HAYON; ELITE MASTER BUILDERS, INC.,
a California corporation; ELITE MASTER
18 CONSTRUCTION; BRENDA RECHNITZER;
GERARD RECHNITZER; PATRICIA
19 MARQUIS; NAFTALI AMIEL dba EYE
DESIGN; TODD DUBESTER; ERIN
20 DUBESTER; ANTHONY CHARGIN;
DANIEL GUEZ; MMOR CABINET
21 DEZIGNS, INC.; DANI GHODSI; GUSTAVO
RODRIGUEZ; TIMOTHY TORRANCE;
22 YEARA DEBASC dba YEARA DEBASC
INTERIOR DESIGN; YACOV DEBASC,
23 SHARON GABAY; DANIEL KESSOUSS;
DEBORAH HADDAD-KESSOUSS; DAVID
24 MASTER; JORDAN METZ and DOES 1
through 50, inclusive,

25 Defendants.

CASE NO. BC418816

D-26

FIRST AMENDED COMPLAINT FOR:

- 1. FORECLOSURE ON MECHANIC'S LIEN
- 2. ACCOUNT STATED;
- 3. CONVERSION;
- 4. UNJUST ENRICHMENT;
- 5. FRAUD; AND
- 6. CIVIL CONSPIRACY

1 COMES NOW PLAINTIFF, EUROCONCEPTS, INC., A CALIFORNIA CORPORATION,
2 WHO COMPLAINS AND ALLEGES AGAINST THE DEFENDANTS, AND EACH OF THEM,
3 AS FOLLOWS:

4 GENERAL ALLEGATIONS

5 1. The true names and capacities, whether individual, corporate, associate or otherwise, of
6 Defendants 1 through 50, inclusive, are unknown to Plaintiff who therefore sues said Defendants by
7 such fictitious name. Plaintiff is informed and believes and thereon alleges that each of the
8 Defendants designated herein as a fictitiously named Doe Defendant, is in some manner responsible
9 for the events and happenings herein referred to either contractually or tortiously, and caused the
10 damage to Plaintiff as herein alleged. When Plaintiff ascertains the true names and capacities of
11 Does 1 through 50, we will ask leave of this Court to amend this complaint by setting forth the same.

12 2. At all times herein mentioned, the Plaintiff, Euroconcepts, Inc. ("Plaintiff" and/or "Euro")
13 was, and now is, a corporation organized under the laws of the State of California.

14 3. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned,
15 Zalfa Halaby, Oved Anter, Joanne Blum, David Charvet, Brooke Burke, David Debas, Ofer Hayon,
16 Lynne Hayon, Brenda Rechnitzer, Gerard Rechnitzer, Patricia Marquis, Naftali Amiel, Todd
17 Dubester, Erin Dubester, Anthony Chargin, Daniel Guez, Dani Ghodsi, Gustavo Rodriguez, Timothy
18 Torrance, Yeara Debas, Yacov Debas, Sharon Gabay, Daniel Kessouss, David Master, Jordan
19 Metz and Deborah Haddad-Kessouss (hereinafter "Defendant" and/or "Defendants") were
20 individuals residing in the County of Los Angeles, State of California.

21 4. Plaintiff is informed and believes and thereon alleges that Dual Partners, LLC; Elite
22 Master Builders, Inc.; Eye Design; and Mmor Cabinet Dezigns were entities whose principal place of
23 business was the City and County of Los Angeles, State of California.

24 5. Plaintiff is informed and believes and thereon alleges that all defendants were and are the
25 principals and/or agents of the remaining Defendants and of each other, and that in doing the things
26 herein alleged, each of the Defendants was acting within the course and scope of the agency

1 relationship with the other named Defendants, and with the permission and consent of the other
2 named Defendants. As used hereinafter, the term "Defendants" refers to each and all of the
3 Defendants named in this action whether by their known name or fictitious name.

4 6. Commencing approximately two and one half years ago, Defendant Zalfa Halaby
5 ("Halaby") was employed by the Plaintiff, Euro as a sales person in the showroom of the Plaintiff,
6 located at the Pacific Design Center, in the City of West Hollywood. Halaby, without either the
7 consent or knowledge of Euro, engaged in a course of conduct wherein merchandise belonging to the
8 Plaintiff was "sold" by Halaby to the within named Defendants. The protocol utilized by Halaby was
9 to provide merchandise belonging to Euro, directly to the within named Defendants, in return for
10 which Defendants paid cash to Halaby and, in some instances, checks made payable to Halaby.
11 Plaintiff is informed and believes that the named Defendants, other than Halaby, knew that the
12 merchandise they received was either stolen, hypothecated and/or transferred without the knowledge
13 of Euro, and received said merchandise as a result of an agreement between said Defendants and
14 Halaby.

15 7. None of the consideration for the merchandise received by the Defendants was ever
16 tendered to Euro. Plaintiff alleges on information and belief that at all times relevant herein the
17 Defendants knowingly and volitionally entered into the course of conduct described herein with the
18 intent to deprive Euro of payment for the merchandise received by the Defendants.

19 8. To the date of this Complaint, Euro has not received payment for the merchandise
20 received by the Defendants, nor have said Defendants returned any of the merchandise they received
21 by way of their relationship with Zalfa Halaby and/or other individuals acting in concert with
22 Halaby.

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1 FIRST CAUSE OF ACTION

2 (Foreclosure on Mechanic's Lien as against Defendants

3 Oved Anter, David Charvet, David Debas, Brenda Rechnitzer,
4 Gerard Rechnitzer, Patricia Marquis, Daniel Guez, Timothy Torrance, Yacov Debas,
5 Yeara Debas, Daniel Kessouss, Deborah Haddad-Kessouss, David Master and Jordan Metz)

6 9.. Plaintiff incorporates herein the allegations contained in paragraphs 1 through 8 as though
7 fully stated herein.

8 10. Plaintiff having previously filed mechanic's liens on certain real properties, title for
9 which is held in the names of the Defendants identified herein, now seeks to foreclose on said
10 mechanic's liens and alleges that Defendants are indebted to the Plaintiff by virtue of merchandise
11 received by them, which merchandise belongs to the Plaintiff, and for which payment has not been
12 made by Defendants to Plaintiff.

13 11. Plaintiff having duly recorded verified Mechanic's Lien claims which described the
14 services, equipment or materials furnished on the work of improvement at Defendants' properties
15 located in the County of Los Angeles, State of California as described in Exhibit "1" attached hereto,
16 all in accordance with the provisions of Civil Code §3084. Each Defendant claims some right, title,
17 or interest in or to the property, each of which claim is junior and inferior to Plaintiff's claim.

18 12. The amount of debt of each Defendant is as follows:

19 Oved Anter \$30,827.12; David Charvet \$65,245.72; David Debas \$46,225.75; Gerard and
20 Brenda Rechnitzer \$27,439.45; Daniel Kessouss, Deborah Haddad-Kessouss and David Master
21 \$50,475.91; Patricia Marquis \$20,082.25; Daniel Guez \$12,109.26; Timothy Torrance \$9,987.42;
22 Yacov and Yeara Debas \$17,218.83; Jordan Metz \$29,140.43;

23 13. Plaintiff is entitled to a mechanic's lien as it supplied merchandise to Defendants as a
24 material man, and that said mechanic's lien has priority over other encumbrances and liens on the
25 property.

26 14. Plaintiff alleges that it has complied with the statutory requirements, including

1 satisfaction of all applicable deadlines.

2 SECOND CAUSE OF ACTION

3 (Account Stated as Against All Named Defendants and Does 1 through 50, inclusive)

4 15. Plaintiff incorporates herein the allegations contained in paragraphs 1 through 8 and 10
5 through 14 as though fully stated herein.

6 16. Within the past two and one half years, an account was stated in writing by and between
7 Plaintiff and Defendants, as follows:

8 Oved Anter \$30,827.12; David Charvet \$65,245.72; David Debaso \$46,225.75; Gerard and
9 Brenda Rechnitzer \$27,439.45; Patricia Marquis \$20,082.25; Daniel Guez \$12,109.26; Timothy
10 Torrance \$9,987.42; Yacov and Yeara Debaso \$17,218.83; Joanne Blum \$13,309.89; Dual
11 Investments and Dual Partners, LLC and Ofer and Lynne Hayon \$27,525.16; Elite Master Builders
12 and Sharon Gabay \$50,589.57; Eye Design, Naftali Amiel, David Master, Daniel Kessouss, Deborah
13 Haddad-Kessouss and David Master \$50,475.91; Naftali Amiel, Todd and Erin Dubester \$6,675.06;
14 Naftali Amiel and Anthony Chargin \$4,839.50; Mmor Cabinet Dezigns, Dani Ghodsi and Gustavo
15 Rodriguez \$25,004.87; Jordan Metz \$29,140.43 the aggregate equaling \$436,696.19.

16 THIRD CAUSE OF ACTION

17 (Conversion as Against All Named Defendants and Does 1 through 50, inclusive)

18 17. Plaintiff incorporates herein the allegations contained in paragraphs 1 through 8, 10
19 through 14 and 16 as though fully stated herein.

20 18. Plaintiff is informed and believes and based thereon alleges that Defendants, prior to the
21 commencement of this action, wrongfully converted the property belonging to Plaintiff herein for
22 their own or another's personal use.

23 19. Plaintiff is entitled to recover from said Defendants the value of the converted
24 merchandise at the time of conversion, plus interest, from the date of the conversion, or an amount
25 sufficient to indemnify Plaintiff for all loss naturally, reasonably and proximately resulting from the
26 conversion, plus compensation for the time and money expended by Plaintiff in pursuit of the

1 converted merchandise, all according to proof at the time of trial or judgment.

2 20. The acts and omissions of Defendants were done with a conscious disregard of Plaintiff's
3 rights and with the specific intent to defraud and injure Plaintiff so as to constitute fraud, oppression
4 and malice under California Civil Code §3294. By virtue of Defendants' willful and wrongful
5 conduct, Plaintiff is entitled to punitive and exemplary damages as determined at trial

6 FOURTH CAUSE OF ACTION

7 (Restitution Based Upon Unjust Enrichment as Against All

8 Named Defendants and Does 1 through 50, inclusive)

9 21. Plaintiff incorporates herein the allegations contained in paragraphs 1 through 8, 10
10 through 14, 16 and 18 through 20 as though fully stated herein.

11 22. Defendants and Does 1 through 50, inclusive, have been unjustly enriched by their
12 conversion of the Plaintiff's merchandise, for which Plaintiff did not receive consideration.

13 23. As a result, Plaintiff is entitled to restitution for the merchandise converted by
14 Defendants or the value thereof at the time of said conversion according to proof at trial.

15 FIFTH CAUSE OF ACTION

16 (Fraud as Against All Named Defendants and Does 1 through 50, inclusive)

17 24. Plaintiff incorporates herein the allegations contained in paragraphs 1 through 8, 10
18 through 14, 16, 18 through 20 and 22 through 23 as though fully stated herein.

19 25. As stated above, Plaintiff is informed and believes that commencing approximately two
20 and one half years ago, Defendants and each of them, conducted themselves in a fashion designed to
21 defraud the Plaintiff herein.

22 26. Plaintiff was ignorant of the conduct and, as a result of the fraudulent conduct, the
23 concealment thereof, and conspiracy of the Defendants and each of them, Plaintiff suffered financial
24 loss in an amount to be proven at trial.

25 27. The fraud perpetrated by the Defendants was discovered by Plaintiff within the last year
26 and could not have reasonably been discovered sooner because of the web of deception and the

1 complicated scheme organized and executed by the Defendants.

2 28. As a direct and legal cause of the acts and conduct of the Defendants and each of them,
3 Plaintiff has been damaged in excess of \$400,000.00, the actual amount to be proven at trial.

4 29. The acts and omissions of Defendants were done with a conscious disregard of Plaintiff's
5 rights and with the specific intent to defraud and injure Plaintiff so as to constitute fraud, oppression
6 and malice under California Civil Code §3294. By virtue of Defendants' willful and wrongful
7 conduct, Plaintiff is entitled to punitive and exemplary damages as determined at trial.

8 SIXTH CAUSE OF ACTION

9 (Civil Conspiracy as Against All Named Defendants and Does 1 through 50, inclusive)

10 30. Plaintiff incorporates herein the allegations contained in paragraphs 1 through 8, 10
11 through 14, 16, 18 through 20, 22 through 23 and 25 through 29 as though fully stated herein

12 31. On information and belief, Plaintiff alleges that on or about January 1, 2007, a
13 conspiracy was formed by and between Zalfa Halaby, Naftali Amiel and all other named Defendants
14 and Does 1 through 50, inclusive, for the purpose of fraudulently obtaining and converting valuable
15 merchandise of the Plaintiff. Among the agreements made in this conspiracy was that Zalfa Halaby
16 would provide merchandise to the co-conspirators, for which co-conspirators would pay Halaby
17 directly in an amount bearing no relationship to the actual value of the merchandise. The co-
18 conspirators further agreed that Halaby would manufacture fraudulent documentation to support the
19 fraudulent conduct of the co-conspirators. At the time the agreement was made between the
20 respective co-conspirators, Defendants and each of them were aware that the Plaintiff herein would
21 be deprived of both the merchandise hypothecated by the co-conspirators as well as the full market
22 consideration thereof.

23 32. As a proximate result of the acts of the Defendants, and each of them, as set forth above,
24 Plaintiff has incurred costs and attorneys fees in excess of \$400,000.00.

25 33. The above described acts of the Defendants, and each of them, as set forth above, were
26 committed with malice and/or oppression and/or fraud in that their actions were based upon a civil

1 conspiracy wherein the Defendants and each of them participated in the fraudulent conduct
2 articulated herein. The acts and omissions of Defendants were done with a conscious disregard of
3 Plaintiff's rights and with the specific intent to defraud and injure Plaintiff so as to constitute fraud,
4 oppression and malice under California Civil Code §3294. By virtue of Defendants' willful and
5 wrongful conduct, Plaintiff is entitled to punitive and exemplary damages as determined at trial.

6 WHEREFORE, Plaintiff prays for judgment as follows:

7 FIRST CAUSE OF ACTION FOR FORECLOSURE ON MECHANIC'S LIEN

8 1. As against Oved Anter the sum of \$30,827.12, together with attorneys fees and interest, be
9 ordered as a lien against the building parcel, senior and superior to any claim of right, title or interest
10 in or to the real property of any defendant, and that the real property be ordered sold by the Sheriff of
11 Los Angeles County, California, according to law, and that all proceeds of sale be applied to
12 Plaintiff's claim and to the cost of these proceedings and the sale of the property;

13 2. As against David Charvet the sum of \$65,245.72, together with attorneys fees and interest,
14 be ordered as a lien against the building parcel, senior and superior to any claim of right, title or
15 interest in or to the real property of any defendant, and that the real property be ordered sold by the
16 Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be applied
17 to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

18 3. As against David Debasco the sum of \$46,225.75, together with attorneys fees and interest,
19 be ordered as a lien against the building parcel, senior and superior to any claim of right, title or
20 interest in or to the real property of any defendant, and that the real property be ordered sold by the
21 Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be applied
22 to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

23 4. As against Gerard and Brenda Rechnitzer the sum of \$27,439.45, together with attorneys
24 fees and interest, be ordered as a lien against the building parcel, senior and superior to any claim of
25 right, title or interest in or to the real property of any defendant, and that the real property be ordered
26 sold by the Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale

1 be applied to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

2 5. As against Daniel Kessous, Deborah Haddad-Kessous and David Master the sum of
3 \$50,475.91, together with attorneys fees and interest, be ordered as a lien against the building parcel,
4 senior and superior to any claim of right, title or interest in or to the real property of any defendant,
5 and that the real property be ordered sold by the Sheriff of Los Angeles County, California,
6 according to law, and that all proceeds of sale be applied to Plaintiff's claim and to the cost of these
7 proceedings and the sale of the property;

8 6. As against Patricia Marquis the sum of \$20,082.25, together with attorneys fees and
9 interest, be ordered as a lien against the building parcel, senior and superior to any claim of right,
10 title or interest in or to the real property of any defendant, and that the real property be ordered sold
11 by the Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be
12 applied to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

13 7. As against Daniel Guez the sum of \$12,109.26, together with attorneys fees and interest,
14 be ordered as a lien against the building parcel, senior and superior to any claim of right, title or
15 interest in or to the real property of any defendant, and that the real property be ordered sold by the
16 Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be applied
17 to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

18 8. As against Timothy Torrance the sum of \$9,987.42, together with attorneys fees and
19 interest, be ordered as a lien against the building parcel, senior and superior to any claim of right,
20 title or interest in or to the real property of any defendant, and that the real property be ordered sold
21 by the Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be
22 applied to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

23 9. As against Yacov and Yeara Debas the sum of \$17,218.83, together with attorneys fees
24 and interest, be ordered as a lien against the building parcel, senior and superior to any claim of right,
25 title or interest in or to the real property of any defendant, and that the real property be ordered sold
26 by the Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be

1 applied to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

2 10. As against Jordan Metz, the sum of \$29, 140.43, together with attorneys fees and
3 interest, be ordered as a lien against the building parcel, senior and superior to any claim of right,
4 title or interest in or to the real property of any defendant, and that the real property be ordered sold
5 by the Sheriff of Los Angeles County, California, according to law, and that all proceeds of sale be
6 applied to Plaintiff's claim and to the cost of these proceedings and the sale of the property;

7 11. For reasonable attorneys fees and costs as allowed under Civil Code Section 3138;

8 12. For such other and further relief as the Court may deem just and proper.

9 SECOND CAUSE OF ACTION FOR ACCOUNT STATED:

10 1. For compensatory damages in an amount to be proven at trial but in any event not less
11 than \$400,000.00;

12 2. For pre-judgment interest from the date of filing of this Complaint;

13 3. For attorneys fees according to proof;

14 4. For costs of suit incurred herein; and

15 5. For such other relief as the Court deems just and proper.

16 THIRD CAUSE OF ACTION FOR CONVERSION:

17 1. For the value of the merchandise converted with interest at the legal rate from that time, or
18 in an amount sufficient to indemnify Plaintiff for all loss, naturally, reasonably and proximately
19 resulting from the conversion, all according to proof at the time of trial or time of judgment;

20 2. For attorneys fees according to proof;

21 3. For exemplary and punitive damages in a sum according to proof;

22 4. For costs of suit incurred herein; and

23 5. For such other and further relief as the Court may deem just and proper.

24 FOURTH CAUSE OF ACTION FOR UNJUST ENRICHMENT

25 1. For general and consequential damages according to proof at trial;

26 2. For the value of the merchandise converted by the Defendants from the time of the

1 conversion with interest at the legal rate from that time, or an amount sufficient to indemnify
2 Plaintiff for all loss naturally, reasonably and proximately resulting from the conversion;

- 3 3. For attorneys fees according to proof;
- 4 4. For exemplary and punitive damages in a sum according to proof;
- 5 5. For costs of suit incurred herein; and
- 6 6. For such other and further relief as the Court may deem just and proper.

7 FIFTH CAUSE OF ACTION FOR FRAUD

8 1. For the value of the merchandise fraudulently converted by the Defendants with interest at
9 the legal rate from that time, or an amount sufficient to indemnify Plaintiff for all loss naturally,
10 reasonably and proximately resulting from the fraud;

- 11 2. For attorneys fees according to proof;
- 12 4. For exemplary and punitive damages in a sum according to proof;
- 13 5. For costs of suit incurred herein; and
- 14 6. For such other and further relief as the Court may deem just and proper.

15 SIXTH CAUSE OF ACTION FOR CIVIL CONSPIRACY

- 16 1. For general damages in an amount to be proven at trial but in any event not less than
17 \$400,000.00;
- 18 2. For exemplary and punitive damages in a sum according to proof;
- 19 3. For costs of suit incurred herein; and
- 20 4. For such other and further relief as the Court may deem just and proper.

21 LAW OFFICES OF SANFORD M. PASSMAN

23 DATED: August 11, 2009

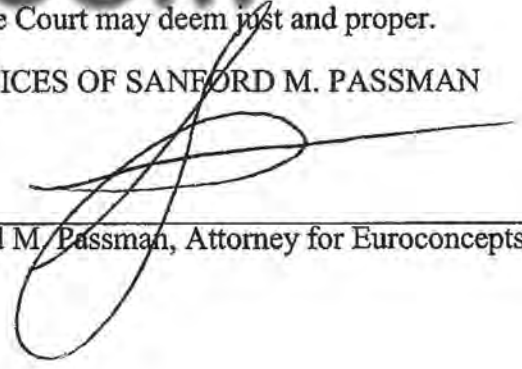
22
24 By: 
25 Sanford M. Passman, Attorney for Euroconcepts, Inc.

EXHIBIT "1"

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LIENS RECORDED MAY 4, 2009:

Yacov and Yeara Debas

Gerard and Brenda Rechnitzer

Timothy Torrance

Daniel Guez

David Debas

Oved Anter

David Charvet

Jordan Metz

LIENS RECORDED MAY 15, 2009

Patricia Marquis

Daniel Kessous and Deborah Haddad-Kessous and David Master

Gerard and Brenda Rechnitzer