

A6017

**FILED**  
Superior Court of California  
County of Los Angeles

FEB 02 2012

John A. Clarke, Executive Officer/ Clerk  
By M. Soto, Deputy  
MOSES SOTO

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9 INTERNATIONAL, LTD. and PRECASH, INC.

D-61 DAVID L. MANNING

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **FOR THE COUNTY OF LOS ANGELES**

12 PRECASH INTERNATIONAL, LTD., and  
13 PRECASH, INC.,  
14 Plaintiffs,  
15 vs.  
16 VINSON & ELKINS, a partnership; DAVID M.  
17 BLUMENTAL, BOYD G. CARANO,  
18 QIANQIAN WANG, MARGARET J.  
19 SAMPSON, CHUCK P. EBERTIN, MATT  
20 JACOBS and DOES 1 through 100, Inclusive,  
21 Defendants.

22 CASE NO. **05478335**  
23  
24 **COMPLAINT FOR LEGAL**  
25 **MALPRACTICE**

26 Plaintiffs PRECASH INTERNATIONAL, LTD. and PRECASH, INC. allege as follows:

27 **FIRST CAUSE OF ACTION**  
28 [Legal Malpractice – By All Plaintiffs Against All Defendants]

1. Plaintiff PRECASH INTERNATIONAL, LTD. is and at all times mentioned was a limited liability company. Plaintiff PRECASH, INC. is a Corporation. Plaintiffs are hereafter jointly referred to as "PRECASH."
2. Defendant VINSON & ELKINS is and at all times herein relevant was a partnership and professional law corporation doing business and engaged in the practice of law

CIT/CASE: RC478335 LEA/DEF#:  
RECEIPT #: CCH524989866  
DATE PAID: 02/02/12 03:45:10 PM  
PAYMENT: \$395.00  
RECEIVED:  
CHECK# 395.00  
CASH:  
CHANGE:  
CARD:



02/02/12

1 and holding itself out as having expertise in corporate business matters and international business  
2 transactions, and having 15 offices throughout the world, including California.

3 3. Plaintiffs are informed and believe that defendants DAVID M. BLUMENTAL,  
4 QIANQIAN WANG, BOYD G. CARANO, MARGARET J. SAMPSON, CHUCK P. EBERTIN  
5 and MATT JACOBS are and at all relevant times were partners in VINSON & ELKINS.

6 Plaintiffs are informed and believe that Defendants BOYD G. CARANO, MARGARET J.  
7 SAMPSON, CHUCK P. EBERTIN and MATT JACOBS are residents of the State of California.

8 4. The true names and capacities, whether individual, corporate, associate or  
9 otherwise, of defendants named herein as DOES 1 through 100 are unknown to Plaintiffs who  
10 therefore sue said defendants by such fictitious names. Plaintiffs will seek leave to amend this  
11 Complaint to show the DOES true names and capacities when the same have been ascertained.  
12 Plaintiffs are informed and believe and thereon allege that each of the defendants designated  
13 herein as a DOE has participated in some manner with one or more of the other defendants named  
14 herein to commit the acts herein alleged. Plaintiffs are informed and believe and thereon allege  
15 that the named defendants herein and the DOE defendants are the agents, servants and employees  
16 of some or all of the other defendants, and in doing the things herein alleged, each acted within  
17 the course and scope of said agency and employment with full knowledge and consent of some or  
18 all of the remaining defendants, and that each defendant approved, authorized and/or ratified the  
19 acts of the other defendants.

20 5. Defendants sued herein as DOES 1 through 100, are principals, partners,  
21 associates, employees and/or agents of the defendant law firm VINSON & ELKINS and in some  
22 manner or capacity performed legal services on behalf of Plaintiffs, and were acting in the course  
23 and scope of their responsibilities for the defendant law firm at all times mentioned herein. The  
24 defendants sued herein as DOE defendants are jointly and severally responsible for all of the other  
25 defendants for the negligence and misconduct and breach of fiduciary duty alleged herein.

26 6. Plaintiffs are informed and believe and thereon allege that at all times relevant each  
27 defendant, when acting as a principal or partner in defendant law firm, was negligent in the  
28 selection and/or hiring of each other defendant as an agent, employee, assistant and/or consultant

1 and that at all times relevant, each defendant has permitted, consented to, ratified and/or approved  
2 the acts, omissions and representations of each and every other defendant.

3 7. Plaintiffs are and at all times herein mentioned were engaged in electronic payment  
4 processing and related services. In or about March 2005, Plaintiffs entered into discussions with  
5 China eLotto, a company located in the People's Republic of China, and entities related to China  
6 eLotto, regarding the prospect of joint business operations in the People's Republic of China.  
7 Defendant VINSON & ELKINS was retained almost immediately to advise and represent  
8 Plaintiffs in structuring the transaction, in protecting Plaintiffs' interests in regard to the  
9 investment and enterprise, and in advising Plaintiffs with regard to the conduct of business in  
10 China.

11 8. Plaintiffs' officers, directors and representatives met with VINSON & ELKINS'  
12 attorneys, and were advised and counseled regarding the proposed transaction, in Los Angeles,  
13 California, where the terms of the transaction were discussed and where the structure of Plaintiffs'  
14 investment was formulated. VINSON & ELKINS also met in Los Angeles with Plaintiffs'  
15 officers, directors and representatives and with the Chinese joint venturers to negotiate the  
16 investment. VINSON & ELKINS led Plaintiffs to believe at the Los Angeles meetings that the  
17 enterprise would be the chinese equivalent of a "C corporation." VINSON & ELKINS attorneys  
18 DAVID BLUMENTHAL and QIANQUIAN WANG later met with Plaintiffs' officers, directors  
19 and representatives and with China eLotto and its related entities in Beijing, China where  
20 contracts and documents were finalized and executed and the first meeting of the board of  
21 directors of the enterprise was held.

22 9. Among other acts and services provided by defendants to Plaintiffs during the  
23 course of said representation, defendants counseled, represented, negotiated, drafted, advised and  
24 prepared documentation for the transaction; conferred with and advised Plaintiffs regarding the  
25 structure of the transaction and terms of the agreements and documentation; and counseled and  
26 advised Plaintiffs as to how to protect Plaintiff's funds and assure that their investment was used  
27 only as contemplated by the parties' agreements.

28 10. In or about July 2005, Plaintiffs, acting in consultation and in reliance upon the

1 advice and counsel of VINSON & ELKINS, reached an agreement with China eLotto and its  
2 related entities whereby they would form a business under the laws of the People's Republic of  
3 China in which Plaintiffs would own a 45% interest and the principals of China eLotto and its  
4 related entities would own a 55% interest. Further acting pursuant to and in reliance upon the  
5 advice, counsel and expertise of defendants, a memorandum of understanding was executed in  
6 August 2005 and a formal agreement was entered into in November 2005.

7 11. Following receipt of required business licenses and approvals from the applicable  
8 Chinese governmental agencies, Plaintiffs and China eLotto and its related entities entered into a  
9 series of additional contracts necessary for the conduct of the business, which was to be known as  
10 "China eCash."

11 12. The principal agreements governing Plaintiffs' investment in the business enterprise  
12 were a *Joint Venture Agreement* executed in November 2005 and an *Asset Transfer and Put*  
13 *Option Agreement* executed on or about March 14, 2006 in the presence and under the advice and  
14 counsel of VINSON & ELKINS. Pursuant to these agreements, Plaintiffs were to ultimately  
15 invest a total of approximately \$3.1 million in China eCash. Pursuant to the parties' agreement,  
16 Plaintiffs were to provide an initial investment of \$1 million, and additional sums were to be  
17 disbursed for use by the business in \$100,000 increments as the venture acquired new contracts  
18 and rights. All said disbursements were to occur only with the approval of Plaintiffs and only as  
19 authorized by the signatures of either Precash CFO Richard Dietz or Precash CEO John Chaney.  
20 Pursuant to the agreement as explained and structured by VINSON & ELKINS, Plaintiffs' \$3.1  
21 million investment could not be disbursed or transferred to the joint venture operating accounts or  
22 to other accounts except with the express consent and approval of Plaintiffs and with the  
23 signature of Plaintiffs' officers, thereby protecting Plaintiffs' investment against misuse, assuring  
24 that their contribution would not be disbursed until the Chinese joint venturers had satisfied their  
25 own obligation to make financial contributions to the joint venture, and assuring that Plaintiffs  
26 would be able to recover their contribution in the event the Chinese joint venturers did not  
27 perform their obligations under the agreements.

28 13. The *Asset Transfer and Put Option Agreement* was further intended to provide

1 Plaintiffs with a mechanism to assure that Plaintiffs would have a “fail safe” remedy in the event  
2 China eLotto failed to perform its obligations under the agreements by giving Plaintiffs a “put  
3 option” or right to compel the China eLotto principals and related entities to purchase 100% of  
4 Plaintiffs’ interest in the joint venture in the event of specified conditions of default. Plaintiffs  
5 relied upon defendants’ advice, counsel and expertise in structuring and entering into the *Asset  
6 Transfer and Put Option Agreement*.

7 14. The *Joint Venture Agreement* and *Asset Transfer and Put Option Agreement* both  
8 provided that any dispute arising out of or in connection with the agreements would be settled  
9 through consultations, and if such consultations failed would be submitted to the Chinese  
10 International Economic Trade Arbitration Committee (“CIETAC”).

11 15. In rendering legal services to Plaintiffs, defendants acted negligently and failed to  
12 exercise reasonable care and skill, including but not limited to the following:

13 A. Defendants negligently drafted, negotiated, advised, counseled, investigated and  
14 represented Plaintiffs in regard to the *Asset Transfer and Put Option Agreement*, in failing  
15 to know and advise Plaintiffs that the put option was either unenforceable or of doubtful  
16 enforceability under the laws of the People’s Republic of China, and that the put option  
17 could not be relied upon as a means of protecting Plaintiffs’ investment.

18 B. Defendants negligently drafted, negotiated, advised, counseled, investigated and  
19 represented Plaintiffs in regard to control over joint venture funds and accounts, failed to  
20 advise or counsel Plaintiffs with regard to the means for preventing the Chinese joint  
21 venturers from misappropriating or misapplying funds invested by Plaintiffs, and failed to  
22 advise or counsel Plaintiffs with regard to the vulnerability of Plaintiffs’ investment to loss  
23 in the event there were inadequate financial controls over joint venture funds and accounts  
24 so as to prevent misappropriation of Plaintiffs’ contribution and unauthorized transfer or  
25 disbursement of Plaintiffs’ contribution without Plaintiffs’ knowledge and consent, and to  
26 assure that Plaintiffs could recover their contribution in the event the Chinese joint  
27 venturers did not perform their obligations under the agreements.

28 C. Defendants further failed to advise or warn Plaintiffs that the Chinese joint

1 venturers retained possession and control of the “chop” or seal used to authorize bank  
2 transactions, and that by retaining possession and control of the chop, the Chinese joint  
3 venturers could independently authorize the transfer of joint venture funds so as to  
4 override all other financial and account controls, leaving Plaintiffs unprotected against  
5 unauthorized disbursement, misappropriation and misuse of joint venture funds, including  
6 the \$3.1 million invested by Plaintiffs in the business.

7 D. Defendants negligently drafted, negotiated, advised, counseled, investigated and  
8 represented Plaintiffs in regard to the assignment and transferability of contracts subject to  
9 the *Asset Transfer and Put Option Agreement*, and whose transfer was essential to the  
10 operation and success of the business.

11 E. Defendants negligently drafted, negotiated, advised, counseled, investigated and  
12 represented Plaintiffs in regard to the structure of the Chinese business entity and form of  
13 their investment therein, and failed to competently advise and counsel Plaintiffs as to the  
14 availability of corporate or other limited liability business entity forms available under  
15 Chinese law which could have better protected Plaintiffs’ investment. Defendants led  
16 Plaintiffs to believe that the investment would be structured as the chinese equivalent of a  
17 “C corporation,” but then told Plaintiffs on the day of signing the contracts in Beijing, as a  
18 *fait accompli*, that the structure of the investment was being changed from a corporate to  
19 joint venture form, without previously advising or counseling Plaintiffs as to the increased  
20 risks and legal problems associated with joint venture as compared with a corporate form,  
21 or as to the options and advisability of insisting on a corporate form.

22 F. Defendants negligently drafted, negotiated, advised, counseled, investigated and  
23 represented Plaintiffs in regard to the terms and duration of contracts which were subject  
24 to the *Asset Transfer and Put Option Agreement*, and whose transfer was essential to the  
25 operation and success of the business, and failed to discover, advise and inform Plaintiffs  
26 that a crucial contract had a remaining term of up to five (5) years, rather than a one (1)  
27 year term as Plaintiffs were led to believe, and therefore was significantly more costly to  
28 acquire and/or transfer.

1 G. Defendants negligently drafted, negotiated, advised, counseled, investigated and  
2 represented Plaintiffs in regard to the timing of Plaintiffs' investment in and contributions  
3 to the business, and failed to advise Plaintiffs that the accelerated contributions which the  
4 Chinese joint venturers urged on the grounds that accelerated contributions would  
5 accelerate the joint venture's qualification to conduct business throughout the People's  
6 Republic of China would not in fact assure such qualification but would instead allow the  
7 Chinese joint venturers to withdraw their own investment or contribution, leaving the  
8 business undercapitalized, leaving the business incapable of getting national approval, and  
9 subjecting Plaintiffs to loss of their investment and contribution, as in fact occurred.

10 H. Defendants negligently failed to advise Plaintiffs to secure their investment with a  
11 lien on assets of the Chinese joint venturers located outside of China, including real  
12 property and/or other assets owned in the United States and State of California by Chinese  
13 joint venturer Richard Wang.

14 I. Defendants negligently failed to confirm that one of the significant contracts to be  
15 assigned to China eCash by the Chinese joint venturers was an exclusive national contract,  
16 which in fact it was not.

17 16. In reliance upon the advice, counsel, investigation and work of defendants,  
18 Plaintiffs entered into the joint enterprise and executed the *Joint Venture Agreement, Asset*  
19 *Transfer and Put Option Agreement*, and other agreements. In further reliance upon the advice,  
20 counsel, investigation and work of defendants, Plaintiffs agreed to accelerate payment of their  
21 phased contributions under the terms of the *Joint Venture Agreement* and *Asset Transfer and Put*  
22 *Option Agreement*, and accelerated transfer of approximately \$3.1 million to China eCash instead  
23 of the previously agreed \$1 million initial transfer, in the belief and based on the representation  
24 that the accelerated payment would facilitate obtaining approval from the Chinese government for  
25 China eCash operations throughout China; in reliance upon the representation of defendants that  
26 Plaintiffs retained control over disbursement of that investment and that the funds which they had  
27 provided to the joint venture could not be transferred from China eCash accounts without the  
28 signature of either Richard Dietz or John Chaney; and in the belief and based on the

1 representation that Plaintiffs retained the ability under the *Asset Transfer and Put Option*  
2 *Agreement* to recover their investment in the event the Chinese joint venturers did not perform  
3 their obligations under the agreements.

4 17. Subsequent to the investment of approximately \$3.1 million in China eCash, the  
5 Chinese joint venturers withdrew Plaintiffs' contributions without Plaintiffs' authorization by  
6 using the "chop" which remained in their possession and control, and without making their own  
7 contributions, and further misappropriated joint venture funds, leaving the business severely  
8 under-capitalized. The joint venture failed to qualify to conduct business throughout the People's  
9 Republic of China because of the undercapitalization resulting from failure of the Chinese joint  
10 venturers to make their own capital contributions and the unauthorized withdrawal of Plaintiffs'  
11 investment. Further, contracts which were subject to the *Asset Transfer and Put Option*  
12 *Agreement*, and whose transfer was essential to the operation and success of the business, proved  
13 not to be assignable or transferable, and/or proved to be far more costly to acquire than had been  
14 anticipated when the joint venture was formed, and/or were not exclusive national contracts as  
15 represented. These events led to the failure of the joint venture and the loss of Plaintiffs'  
16 investment therein.

17 18. Subsequent to the investment of approximately \$3.1 million in China eCash, the  
18 conditions of default specified in the *Asset Transfer and Put Option Agreement* occurred and  
19 Plaintiffs exercised the put option according to the provisions of the Agreement by requesting  
20 specified other parties to that Agreement to purchase 100% of Plaintiffs' interest in China eCash  
21 for the amount of Plaintiffs' investment. The parties subject to the put option obligation failed  
22 and refused to purchase Plaintiffs' interest or to perform under the put option provision.

23 19. Pursuant to the arbitration provision of the above agreements, Plaintiffs' claim to  
24 enforce the *Asset Transfer and Put Option Agreement* was submitted to arbitration before  
25 CIETAC in August 2007, and on or about December 30, 2009, CIETAC issued an award. That  
26 Award proved not to be enforceable in the courts of the People's Republic of China, and Plaintiffs  
27 were unable to recover their investment.

28 20. As a direct and proximate cause of the neglect of defendants and each of them,



1 Plaintiffs have lost their investment in and contribution to the joint venture of approximately \$3.1  
2 million, and have lost profits, earnings, income and business opportunities which they would  
3 otherwise have had. Plaintiffs have further incurred legal and other expenses in an effort to  
4 recover their investment through arbitration and otherwise.

5 21. As a further direct and proximate result of the acts of defendants, Plaintiffs have  
6 been deprived of the use of money and property which would otherwise rightfully be theirs, and  
7 are therefore entitled to prejudgment interest and/or to the value of the lost use of such funds and  
8 property at the maximum legal rate.

9 22. Defendants have stipulated that the period of limitations for this action is tolled  
10 until February 10, 1012.


11 **WHEREFORE**, Plaintiffs pray for judgment as follows:

- 12 1. For damages in an amount to be proven at trial;
- 13 2. For an award of pre-judgment interest on compensatory damages pursuant to Civil  
14 Code §3287 and §3288 in accordance with proof;
- 15 3. For damages according to proof including legal fees and costs incurred by  
16 Plaintiffs to mitigate losses caused by defendants' breach of duty;
- 17 4. For costs of suit herein incurred;
- 18 5. For such other and further relief as the court deems just and appropriate.

19  
20 Respectfully Submitted,

21 Dated: February 2, 2012

LAW OFFICES OF IAN HERZOG  
A Professional Corporation

22  
23  
24 By:  \_\_\_\_\_  
25 IAN HERZOG  
26 Attorneys for Plaintiffs PRECASH  
27 INTERNATIONAL, LTD. and PRECASH, INC.  
28

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, Street number, and address):

Ian Herzog [SBN 41396]
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233 Wilshire Boulevard, Suite 550

Santa Monica, CA 90401
TELEPHONE NO.: (310) 458-6660 FAX NO.:

ATTORNEY FOR (Name): Plaintiffs PRECASH

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
STREET ADDRESS: 111 North Hill Street
MAILING ADDRESS:
CITY AND ZIP CODE: Los Angeles, CA 90012
BRANCH NAME: CENTRAL

CASE NAME: Precash v. Vinson & Elkins, et al.

FOR COURT USE ONLY

FILED
Superior Court of California
County of Los Angeles

FEB 02 2012

John A. Clarke, Executive Officer/ Clerk
By M. Soto, Deputy
MOSES SOTO

CIVIL CASE COVER SHEET
[X] Unlimited (Amount demanded exceeds \$25,000)
[ ] Limited (Amount demanded is \$25,000 or less)

Complex Case Designation
[ ] Counter [ ] Joinder
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

CASE NUMBER: 00478335

JUDGE:
DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort

- [ ] Auto (22)
[ ] Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- [ ] Asbestos (04)
[ ] Product liability (24)
[ ] Medical malpractice (45)
[ ] Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort

- [ ] Business tort/unfair business practice (07)
[ ] Civil rights (08)
[ ] Defamation (13)
[ ] Fraud (16)
[ ] Intellectual property (19)

- [X] Professional negligence (25)
[ ] Other non-PI/PD/WD tort (35)

Employment

- [ ] Wrongful termination (36)
[ ] Other employment (15)

Contract

- [ ] Breach of contract/warranty (06)
[ ] Rule 3.740 collections (09)
[ ] Other collections (09)
[ ] Insurance coverage (18)
[ ] Other contract (37)

Real Property

- [ ] Eminent domain/Inverse condemnation (14)
[ ] Wrongful eviction (33)
[ ] Other real property (26)

Unlawful Detainer

- [ ] Commercial (31)
[ ] Residential (32)
[ ] Drugs (38)

Judicial Review

- [ ] Asset forfeiture (05)
[ ] Petition re: arbitration award (11)
[ ] Writ of mandate (02)
[ ] Other judicial review (39)

Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)

- [ ] Antitrust/Trade regulation (03)
[ ] Construction defect (10)
[ ] Mass tort (40)
[ ] Securities litigation (28)
[ ] Environmental/Toxic tort (30)
[ ] Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment

- [ ] Enforcement of judgment (20)

Miscellaneous Civil Complaint

- [ ] RICO (27)
[ ] Other complaint (not specified above) (42)

Miscellaneous Civil Petition

- [ ] Partnership and corporate governance (21)
[ ] Other petition (not specified above) (43)

2. This case [ ] is [X] is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

- a. [ ] Large number of separately represented parties d. [ ] Large number of witnesses
b. [ ] Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. [ ] Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. [ ] Substantial amount of documentary evidence f. [ ] Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. [X] monetary b. [ ] nonmonetary; declaratory or injunctive relief c. [ ] punitive

4. Number of causes of action (specify): One; Legal Malpractice

5. This case [ ] is [X] is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: February 2, 2012

Ian Herzog [SBN 41396]
(TYPE OR PRINT NAME)

[Signature]
(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
• File this cover sheet in addition to any cover sheet required by local court rule.
• If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
• Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties in Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages; (2) punitive damages; (3) recovery of real property; (4) recovery of personal property; or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties in Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Contract

Breach of Contract/Warranty (06)

Breach of Rental/Lease

Contract (not unlawful detainer or wrongful eviction)

Contract/Warranty Breach—Seller

Plaintiff (not fraud or negligence)

Negligent Breach of Contract

Warranty

Other Breach of Contract/Warranty

Collections (e.g., money owed, open book accounts) (09)

Collection Case—Seller Plaintiff

Other Promissory Note/Collections Case

Insurance Coverage (not provisionally complex) (18)

Auto Subrogation

Other Coverage

Other Contract (37)

Contractual Fraud

Other Contract Dispute

Eminent Domain/Inverse Condemnation (14)

Wrongful Eviction (33)

Other Real Property (e.g., quiet title) (26)

Writ of Possession of Real Property

Mortgage Foreclosure

Quiet Title

Other Real Property (not eminent domain, landlord/tenant, or foreclosure)

Unlawful Detainer

Commercial (31)

Residential (32)

Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)

Judicial Review

Asset Forfeiture (05)

Petition Re: Arbitration Award (11)

Writ of Mandate (02)

Writ—Administrative Mandamus

Writ—Mandamus on Limited Court Case Matter

Writ—Other Limited Court Case Review

Other Judicial Review (39)

Review of Health Officer Order

Notice of Appeal—Labor Commissioner Appeals

Other Employment (15)

Wrongful Termination (36)

Other Non-PI/PD/WD Tort (35)

(not medical or legal)

Other Professional Malpractice

Legal Malpractice

Professional Negligence (25)

Intellectual Property (19)

Fraud (16)

(13)

Defamation (e.g., slander, libel) harassment) (08)

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death

Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death)

Asbestos (04)

Asbestos Property Damage

Asbestos Personal Injury/Wrongful Death

Product Liability (not asbestos or toxic/environmental) (24)

Medical Malpractice—Physicians & Surgeons

Other Professional Health Care Malpractice

Other PI/PD/WD (23)

Premises Liability (e.g., slip and fall)

Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)

Intentional Infliction of Emotional Distress

Negligent Infliction of Emotional Distress

Other PI/PD/WD

Business Tort/Unfair Business Practice (07)

Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)

Defamation (e.g., slander, libel) (13)

Fraud (16)

Intellectual Property (19)

Professional Negligence (25)

Legal Malpractice

Other Professional Malpractice (not medical or legal)

Other Non-PI/PD/WD Tort (35)

Wrongful Termination (36)

Other Employment (15)

CASE TYPES AND EXAMPLES

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)

Construction Defect (10)

Claims Involving Mass Tort (40)

Securities Litigation (28)

Environmental/Toxic Tort (30)

Insurance Coverage Claims

(arising from provisionally complex case type listed above) (41)

Enforcement of Judgment

Enforcement of Judgment (20)

Abstract of Judgment (Out of County)

Confession of Judgment (non-domestic relations)

Sister State Judgment

Administrative Agency Award

(not unpaid taxes)

Petition/Certification of Entry of Judgment on Unpaid Taxes

Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)

Other Complaint (not specified above) (42)

Declaratory Relief Only

Injunctive Relief Only (non-harassment)

Mechanics Lien

Other Commercial Complaint

Case (non-tort/non-complex)

Other Civil Complaint

Miscellaneous Civil Complaint

Partnership and Corporate Governance (21)

Other Petition (not specified above) (43)

Civil Harassment

Workplace Violence

Elder/Dependent Adult Abuse

Election Contest

Petition for Name Change

Petition for Relief from Late Claim

Other Civil Petition

**CIVIL CASE COVER SHEET ADDENDUM AND  
STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

**This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.**

**Item I.** Check the types of hearing and fill in the estimated length of hearing expected for this case:  
 JURY TRIAL?  YES CLASS ACTION?  YES LIMITED CASE?  YES TIME ESTIMATED FOR TRIAL \_\_\_\_\_  HOURS/  5  DAYS

**Item II.** Indicate the correct district and courthouse location (4 steps – If you checked “Limited Case”, skip to Item III, Pg. 4):

**Step 1:** After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column **A**, the Civil Case Cover Sheet case type you selected.

**Step 2:** Check one Superior Court type of action in Column **B** below which best describes the nature of this case.

**Step 3:** In Column **C**, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

**Applicable Reasons for Choosing Courthouse Location (see Column C below)**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Class actions must be filed in the Stanley Mosk Courthouse, central district.</li> <li>2. May be filed in central (other county, or no bodily injury/property damage).</li> <li>3. Location where cause of action arose.</li> <li>4. Location where bodily injury, death or damage occurred.</li> <li>5. Location where performance required or defendant resides.</li> </ol> | <ol style="list-style-type: none"> <li>6. Location of property or permanently garaged vehicle.</li> <li>7. Location where petitioner resides.</li> <li>8. Location wherein defendant/respondent functions wholly.</li> <li>9. Location where one or more of the parties reside.</li> <li>10. Location of Labor Commissioner Office</li> </ol> |
|---|---|

**Step 4:** Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	<b>A</b> Civil Case Cover Sheet Category No	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons (See Step 3 Above)
<b>Auto Tort</b>	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.
<b>Other Personal Injury/ Property Damage/ Wrongful Death Tort</b>	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4. 1., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 4.
	<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1., 3.	
	<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 4.	

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CASE NUMBER

	A Civil Case Cover Sheet Category No	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Non-Personal Injury/Property Damage/ Wrongful Death Tort	Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 3.
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
	Professional Negligence (25)	<input checked="" type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3.
	Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Employment	Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
	Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Contract	Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
	Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
	Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
	Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
	Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Real Property	Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
	Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
	Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer	Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
	Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
	Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

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A Civil Case Cover Sheet Category/No	B Type of Action (Check only one)	C Applicable Reasons - See Step 3/Above
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

Judicial Review

Provisionally Complex Litigation

Enforcement of Judgment

Miscellaneous Civil Complaints

Miscellaneous Civil Petitions

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CASE NUMBER

**Item III. Statement of Location:** Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

<b>REASON:</b> Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case.  <input type="checkbox"/> 1. <input checked="" type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.	ADDRESS: None of the parties reside in Los Angeles and damage did not occur here but in China.	
	CITY: N/A	STATE: ZIP CODE: ✓

**Item IV. Declaration of Assignment:** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Superior courthouse in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subds. (b), (c) and (d)].

Dated: 02/02/2012

  
(SIGNATURE OF ATTORNEY/FILING PARTY)  
Ian Herzog

**PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:**

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.