

1 LAW OFFICES OF
2 GARY S. PERRICONE (SB# 120690)
3 7167 Magnolia Avenue
4 Second Floor
5 Riverside, California 92504

6 909/684-9550; Fax 909/684-4123

7 Attorney for Plaintiff,
8 Walnut Investment Corp. dba
9 Acoustical Material Services

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

OCT 05 1999

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF RIVERSIDE
12 LIMITED - CIVIL, MT. SAN JACINTO JUDICIAL DISTRICT

13 WALNUT INVESTMENT CORPORATION
14 ACOUSTICAL MATERIAL SERVICES,

15 Plaintiff,

16 vs.

17 CHURCH OF SCIENTOLOGY
18 INTERNATIONAL dba GOLDEN ERA
19 PRODUCTIONS; GLADYS HEMPHILL,
20 individually, and DOES 1 through 100,
21 inclusive,

22 Defendants.

CASE NO. *Nec 005745*

- COMPLAINT FOR:
1. BREACH OF CONTRACT;
2. QUANTUM VALEBANT;
3. FORECLOSURE OF MECHANIC'S LIEN;
4. OPEN BOOK ACCOUNT;
5. MONEY DUE ON CONTINUING GUARANTEE.

sc 4 4/13/00
8:30 HS

23 Plaintiff alleges:

24 GENERAL ALLEGATIONS

- 25 1. Plaintiff, WALNUT INVESTMENT CORPORATION dba ACOUSTICAL
26 MATERIAL SERVICES, ("AMS"), is now and at all times herein mentioned, was a corporation in
27 good standing and authorized to do business in the State of California.
28 2. Plaintiff is informed, believes and thereon alleges that Defendant, CHURCH OF
SCIENTOLOGY INTERNATIONAL is now and at all times herein mentioned, was a corporation
doing business as GOLDEN ERA PRODUCTIONS (herein collectively referred to as "CHURCH") in
the State of California.

1 3. Plaintiff is informed, believes and thereon alleges that Defendant, GLADYS
2 HEMPHILL, ("HEMPHILL") is now and at all times herein mentioned was an individual residing in
3 the County of Riverside, State of California.

4 4. The true names and capacities, whether individual, corporate, associate, governmental,
5 or otherwise, of Defendants DOES 1 through 100, inclusive, are unknown to Plaintiff at the present
6 time, and Plaintiff therefore sues said Defendants by such fictitious names. When the true names and
7 capacities of each DOE Defendant have been ascertained, Plaintiff will seek leave of this court to
8 amend this complaint accordingly.

9 5. Plaintiff is informed, believes and thereon alleges that Defendants, and each of them,
10 designated herein as DOES 1 through 100, inclusive, are responsible in some manner for the
11 occurrence and happenings alleged herein, and that Plaintiff's damages as alleged herein were and are
12 the direct proximate result of the actions of said Defendants and each of them.

13 6. Plaintiff is informed, believes and thereon alleges that at all times herein mentioned,
14 Defendants, and each of them, were the agents, employees, and partners of each of the remaining
15 Defendants, and were acting within the scope and authority of such agency, employment and
16 partnership, and with the knowledge, consent, approval and ratification of the remaining Defendants
17 and each of them.

18 7. The property which is the subject matter of this action is 19625 Highway 79, Gilman
19 Hot Springs, California.

20 **FIRST CAUSE OF ACTION**

21 Breach of Contract

22 (Against Defendant, CHURCH, and DOES 1 through 20)

23 8. Plaintiff realleges and incorporates by reference paragraphs 1 through 7, inclusive, as
24 though fully and completely set forth herein.

25 9. Beginning in or about November, 1991 Defendants, and each of them, purchased
26 acoustical tile, drywall, doors and other related building materials from Plaintiff by terms in which
27 Defendants agreed to deliver payment in full for all goods purchased for each and every given month.
28 Attached hereto marked as Exhibit "A" and incorporated herein by this reference is a copy of the credit

1 application with continuing guarantee executed by Defendants concerning the payment terms and
2 conditions for all supplies purchased on account.

3 10. Beginning in or about August, 1999 Defendants breached the agreement by failing to
4 make payment for supplies delivered in accordance with the contract.

5 11. Although Plaintiff has repeatedly requested Defendants to deliver payment in
6 accordance with the contract, Defendants, and each of them, have refused to do so, leaving a balance
7 now due, owing and unpaid from Defendants to Plaintiff in the amount of \$6,450.52, plus reasonable
8 attorneys according to proof as authorized by the agreement, service charges, and interest at the rate
9 of 18% per annum commencing August 1, 1999.

10 **SECOND CAUSE OF ACTION**

11 Reasonable Value of Goods Sold and Delivered

12 (Against Defendant CHURCH and DOES 1 through 20)

13 12. Plaintiff realleges and incorporates by reference paragraphs 1 through 11, inclusive, as
14 though fully and completely set forth herein.

15 13. Within the last year, Plaintiff sold and delivered to Defendants, and each of them, certain
16 goods at Defendants' special request, the reasonable value of which Defendant agreed to pay Plaintiff.

17 14. At the time of the sale and delivery of the goods, the reasonable value of the goods
18 were the sum of \$6,450.52.

19 15. Neither the whole nor any part of the sum has been paid, although demand therefore
20 has been made, and there is now due, owing and unpaid from Defendants to Plaintiff the sum of
21 \$6,450.52, together with interest thereon at the maximum rate allowed by law.

22 **THIRD CAUSE OF ACTION**

23 Foreclosure of Mechanic's Lien

24 (Against Defendant CHURCH and DOES 1 through 25)

25 16. Plaintiff realleges and incorporates by reference paragraphs 1 through 15, inclusive, as
26 though fully and completely set forth herein.

27 17. Plaintiff is informed, believes and thereon alleges that Defendant CHURCH and DOES
28 21 through 25, are the owners and/or reputed owners of certain interests in the subject real property

located in the City of Riverside, County of Riverside, State of California, and more particularly described as follows:

Golden Era Productions
19625 Highway 79
Gilman Hot Springs

18. Beginning in or about August, 1998 Plaintiff furnished certain materials used and intended to be used in a work of improvement on the real property identified above. There remains a balance due and owing for services and materials performed in the amount of \$6,450.52.

19. Neither the whole nor any part of the above-referenced sum has been paid, although demand has been made, and there is now due and owing to Plaintiff, on account thereof, the sum of \$6,450.52, with interest thereon at the maximum rate allowed by law.

20. Plaintiff duly served the required parties, a written preliminary notice as prescribed by and in accordance with §3097 of the Civil Code of the State of California.

21. On or about January 25, 1999, Plaintiff duly filed and recorded a verified claim of lien in the Office of the County Recorder of the County of Riverside, State of California, as Document No. 1999-303504. A copy of said claim of lien is attached hereto, marked as Exhibit "B" and incorporated herein by this reference.

22. At time of filing of Plaintiff's notice and claim of lien as aforesaid, thirty (30) days had not elapsed or expired since the recordation of any valid notice of completion of said work of improvement and/or any cessation of labor thereon, and ninety (90) days had not elapsed or expired since the completion of said work of improvement and/or any cessation of any labor thereon.

23. In Plaintiff's claim of lien, it claimed a mechanic's lien on the work of improvement of the real property for the sum of \$6,450.52, which sum is the reasonable value of the materials and services Plaintiff furnished for said property. Plaintiff has paid the necessary charge and expense of \$6.00 for verifying, acknowledging and recording said claim of lien.

24. The whole of the above-described real property upon which the improvements are located is necessary and required for the convenient use and occupation of the property and improvements thereon.

25. Defendant, and DOES 21 through 25, and each of them, have or claim to have some

estate, lien, right, title or interest in and upon said premises or some part thereof, which said claim and claims and all such claims or liens are subject, subsequent and subordinate to the lien of Plaintiff herein.

FOURTH CAUSE OF ACTION

Open Book Account

(Against Defendant CHURCH and DOES 1 through 20)

26. Plaintiff realleges and incorporates by reference paragraphs 1 through 25, inclusive, as though fully and completely set forth herein.

27. Within the last year Defendants, and each of them, became indebted to Plaintiff on an open book account for money due in the sum of \$6,450.52 for materials and supplies furnished to Defendants at their special instance and request and on their promise to pay the above sum.

28. Defendants, and each of them, have failed and neglected to pay said sum or any part thereof, and the whole thereof is now due, owing and unpaid together with attorney fees in accordance with Civil Code §1717.5.

FIFTH CAUSE OF ACTION

Money Due on Written Continuing Guaranty

(Against Defendant HEMPHILL, and DOES 1 through 20)

29. Plaintiff realleges and incorporates by reference paragraphs 1 through 28, inclusive, as though fully and completely set forth herein.

30. On or about April 30, 1998, individual Defendant HEMPHILL made, executed and delivered to Plaintiff, a continuing personal guaranty. A copy of said guaranty is attached hereto marked as Exhibit "A" and incorporated herein by this reference.

31. In the guaranty, Defendant unconditionally guaranteed all present and future obligations of Defendant CHURCH incurred by said company by way of purchase of supplies and materials from Plaintiff.

32. The purpose of the guaranty was to induce Plaintiff to extend credit to the corporate Defendant CHURCH.

33. Plaintiff acted in reliance on the guaranty and HEMPHILL is now indebted to Plaintiff in the sum of \$6,450.52. This sum is now due, owing and unpaid.

1 34. No part of the aforementioned sum has been paid by CHURCH. Defendant HEMPHILL
2 has not paid any of the sum due under the provisions of the guaranty. There is now due, owing and
3 unpaid from Defendant the principal sum of \$6,450.52, plus interest thereon at the rate of 18% per
4 annum from August 1, 1999. It is further provided in the guaranty that should any action be brought
5 to enforce the guaranty, Defendant shall pay additional sums for costs of suit and reasonable attorney's
6 fees. Plaintiff has been obligated to institute and prosecute this action to enforce the guaranty.

7 WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as follows:

8 1. For damages in the sum of \$6,450.52 plus interest thereon from January 1, 1999 at the
9 maximum rate allowed by law;

10 2. On the Third cause of action:

11 (a) For the sum of \$6,450.52 with interest thereon at the maximum amount allowed
12 by law;

13 (b) That said amounts be adjudged a lien on the real property and improvements
14 located on the land described in this complaint, and that said land upon which the same is located, and
15 herein before particularly described, be adjudged and decreed to be sold by the Marshal of this court,
16 or the Sheriff of the County of Riverside, California, according to the law and practice of this court,
17 and that the proceeds of the sale be applied to satisfy the costs of sale and the costs of these
18 proceedings and Plaintiff's claims; and that each of the Defendants and all persons claiming under any
19 of them subsequent to the mechanic's lien of Plaintiff, whether as lien claimants, judgment creditors,
20 purchasers, encumbrances, or otherwise, be forever barred and foreclosed from all rights, claims,
21 interest or equity of redemption in the property and every part of the property;

22 (c) That the interest, estate, claim, liens, titles and demands of Defendants, and each
23 of them, in, to or upon all of the above-described real property and improvements be adjudged and
24 decreed to be subsequent and subject to Plaintiff's lien;

25 (d) That if the proceeds of the sale be insufficient to satisfy the aforesaid sum due
26 to Plaintiff, that Plaintiff have judgment and execution against Defendants, and each of them, for any
27 deficiency which may arise after the application of proceeds of sale to said judgment;

28 (e) That Plaintiff may become a purchaser at said foreclosure sale;

3. For reasonable attorney's fees;
4. For costs of suit incurred; and
5. For such other and further relief as the court deems just and proper.

DATED: 10-1-99

LAW OFFICES OF GARY S. PERRICONE



GARY S. PERRICONE
Attorney for Plaintiff,
WALNUT INVESTMENT CORPORATION
dba ACOUSTICAL MATERIAL SERVICES

Also REF. call
list 1/14

ACOUSTICAL MATERIAL SERVICES

P.O. BOX 91-1185
6340 BANDINI BLVD.
COMMERCE, CA 90091



MIKA WASH
SBO 11/21/91
1/17/92 5,000
Cindy
chud

CREDIT APPLICATION

LGLDNE 1/22/92

Name of Business Golden Era Productions

P.O. Box _____ Street Number 19625 Hwy 79

City Colton Hot Springs County RIVERSIDE State CA Zip 92583

Phone # 714-654-5770 Contractor's License _____ Month & Year Issued _____

We are a: Contractor () Subcontractor () Subsubcontractor ()
Individual () Partnership () Corporation ()

Principal owners or stockholders are:

1st Principal _____ 2nd Principal _____ 3rd Principal _____

S.S.# _____ S.S.# _____ S.S.# _____

Street _____ Street _____ Street _____

City _____ City _____ City _____

Phone # _____ Title _____ Phone # _____ Title _____ Phone # _____ Title _____

Bank References: Permission to furnish Bank References given by _____ Title _____

Account No. _____ Account No. _____

Bank 1 _____ Bank 2 _____

Street _____ Street _____

City _____ City _____

Person at bank to contact _____

PLEASE LIST AT LEAST 3 TRADE REFERENCES

Name	Address	City, State, Zip Code	Telephone
			()
			()
			()
			()
			()
			()

We understand that your terms of sale will be 2% discount on current accounts paid on the 10th of the following month, and net 25th following month. Any amount exceeding net terms will be charged 1-1/2% per month, or 18% per year service charge on the part of existing balance past due.

If the customer is not a corporation, the principal owners will remain personally liable for any indebtedness incurred on the aforesaid account even if they later incorporate, unless the customer serves a written notice of said incorporation by certified mail, return receipt requested, upon Walnut Investment Corporation dba Acoustical Material Services at the above-indicated address. Personal liability shall continue for the account balance incurred before said notice is received.

(OVER)

GUARANTEE

The undersigned for consideration do hereby personally guarantee collectively and individually the full and immediate prompt payment to Walnut Investment Corporation dba Acoustical Material Services, including any assumed name or fictitious name or trade name under which it trades or does business, of all indebtedness heretofore or hereafter incurred for the purchase of materials supplied to _____ This guarantee shall not be affected by the amount of credit extended or any change in the form of said indebtedness. Notice of extension of credit and any right to demand that Walnut Investment Corporation dba Acoustical Material Services proceed against the principal debtor is hereby waived. This guarantee may only be revoked by written notice to Walnut Investment Corporation dba Acoustical Material Services. Any revocation does not revoke the obligation of the guarantors to provide for prompt payments for indebtedness incurred prior to the revocation, including the principal amount, interest, costs and such reasonable attorneys' fees as shall be incurred under this contract of guaranty and under any contract evidencing the indebtedness guaranteed herein. The undersigned does hereby agree to the terms of credit, finance charges, and further hereby guarantees all indebtedness. The undersigned does hereby state that the information in this application and guarantee is true and correct, and can be relied on by Walnut Investment Corporation dba Acoustical Material Services.

Adjo Hempell
 Date: 18 Dec 91

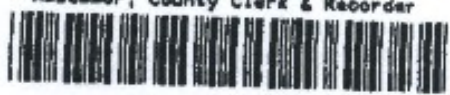
 Date: _____

Accepted: Walnut Investment Corporation dba Acoustical Material Services

By _____
 Date: _____

RECORDING REQUESTED BY
WHEN RECORDED MAIL TO

DOC # 1999-303504
07/08/1999 08:00A Fee:6.00
Page 1 of 1
Recorded in Official Records
County of Riverside
Gary L. Orso
Assessor, County Clerk & Recorder



ACOUSTICAL MATERIAL SERVICES
1620 S. MAPLE AVE.
MONTEBELLO, CA 90640

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Mechanics' Lien (Claim of Lien)

C
SC

(To be recorded in the county recorder's office in the county in which the property is located.)

NOTICE IS HEREBY GIVEN: That WALNUT INVESTMENT CORP DBA ACOUSTICAL MATERIAL SERVICES as claimant claims a lien for labor, service, equipment, or materials under Section 3082 et Seq. of the Civil Code of the State of California, upon the premises hereinafter described, and upon every estate or interest in such structures, improvements and premises held by any party holding any estate therein.

Said labor, service, equipment or materials, were furnished for the construction of those certain buildings, improvements, or structures, now upon that certain parcel of land situated in the County of RIVERSIDE State of California, said land described as follows:

STREET ADDRESS: GOLDEN ERA PRODUCTIONS
19625 HIGHWAY 79, GILMAN HOT SPRINGS

LEGAL DESCRIPTION:

Said lien is claimed for the following labor, services, equipment or materials: (describe labor, services, equipment, or materials in detail) CEILING TILE, DRYWALL, DOORS & RELATED PRODUCTS

Amount due after deducting all just credits and offsets...\$ 6,450.52

The name of the person or company by whom claimant was employed or to whom claimant furnished labor, services, equipment, or materials is GOLDEN ERA PRODUCTIONS

CHURCH OF SCIENTOLOGY INTERNATIONAL DBA GOLDEN ERA PRODUCTIONS

That CHURCH OF SCIENTOLOGY INTERNATIONAL DBA GOLDEN ERA PRODUCTIONS

19625 HIGHWAY 79, GILMAN HOT SPRINGS, CA 92583

is/are the reputed owner(s) of said building and/or premises, or some interest therein.

WALNUT INVESTMENT CORP DBA

Date JULY 7, 1999

Name of Claimant: ACOUSTICAL MATERIAL SERVICES

By: Cathie Lockstedt

CATHIE LOCKSTEDT, CREDIT REPRESENTATIVE

VERIFICATION

I, the undersigned, state: I am the CREDIT REPRESENTATIVE (Agent of, President of, a Partner of, Owner of, etc.) the claimant named in the foregoing mechanics' lien; I have read said claim of mechanics' lien and know the contents thereof, and I certify that the same is true of my own knowledge.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on JULY 7, 1999, at SAN BERNARDINO
State of CALIFORNIA

Cathie Lockstedt
(Signature of Claimant or Authorized Agent)

<p>ORIGINAL</p> <p>ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address): GARY S. PERRICONE (SB #120690) LAW OFFICES OF GARY S. PERRICONE 7167 MAGNOLIA AVENUE, SECOND FLOOR RIVERSIDE, CA 92504</p> <p>TELEPHONE: 909/684-9550</p> <p>FOR COURT USE ONLY</p> <p>ATTORNEY FOR (Name): PLAINTIFF</p> <p>INSERT NAME OF COURT, JUDICIAL DISTRICT, AND BRANCH COURT, IF ANY: RIVERSIDE COUNTY MUNICIPAL COURT 880 NORTH STATE STREET</p> <p>HEMET, CA 92543 MT. SAN JACINTO JUDICIAL DIST.</p> <p>CASE NAME: WALNUT v. CHURCH OF SCIENTOLOGY</p>	<p style="text-align: center;">CIVIL CASE COVER SHEET (Case Cover Sheets)</p> <p>CASE NUMBER: Hec 005745</p>
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1. 06 Case category (Insert code from list below for the ONE case type that best describes the case):
- | | |
|---|--|
| <ul style="list-style-type: none"> 01 Abuse of Process 02 Administrative Agency Review 03 Antitrust/Unfair Business Practices 04 Asbestos 05 Asset Forfeiture 06 Breach of Contract/Warranty 07 Business Tort 08 Civil Rights (Discrimination, False Arrest) 09 Collections (Money Owed, Open Book Accounts) 10 Construction Defect 11 Contractual Arbitration 12 Declaratory Relief 13 Defamation (Slender, Libel) 14 Eminent Domain/Inverse Condemnation 15 Employment (Labor Commissioner Appeals, EDD Actions, Wrongful Termination) 16 Fraud 17 Injunctive Relief | <ul style="list-style-type: none"> 18 Insurance Coverage/Subrogation 19 Intellectual Property 20 Enforcement of Judgment (Sister State, Foreign, Out-of-Country Abstracts) 21 Partnership and Corporate Governance 22 P/DPDWD-Auto (Personal Injury/Property Damage/Wrongful Death) 23 P/DPDWD-Nonauto 24 Product Liability 25 Professional Negligence (Medical or Legal Malpractice, etc.) 26 Real Property (Quiet Title) 27 RICO 28 Securities Litigation 29 Tax Judgment 30 Toxic Tort/Environmental 31 Unlawful Detainer-Commercial 32 Unlawful Detainer-Residential 33 Wrongful Eviction 34 Other: _____ |
|---|--|

2. Type of remedies sought (check all that apply): a. Monetary b. Nonmonetary c. Punitive
3. Number of causes of action: **FIVE (5)**
4. Is this a class action suit? Yes No

Date: **OCTOBER 4**, 1999

GARY S. PERRICONE
(TYPE OR PRINT NAME)


(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTE TO PLAINTIFF

- This cover sheet shall accompany each civil action or proceeding, except those filed in small claims court or filed under the Probate Code, Family Law Code, or Welfare and Institutions Code.
- File this cover sheet in addition to any cover sheet required by local court rule.
- Do not serve this cover sheet with the complaint.
- This cover sheet shall be used for statistical purposes only and shall have no effect on the assignment of the case.