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**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

JUL 13 2010

ALAN CARLSON, Clerk of the Court  
R. Lucey  
BY R. LUCEY ✓

Attorneys for Plaintiff Palm Gardens Community Association

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE COUNTY

30-2010

11 PALM GARDENS COMMUNITY  
12 ASSOCIATION, a California nonprofit  
13 mutual benefit corporation,

Case No. 00389177

Assigned for all purposes to:

Plaintiff,

Judge: JUDGE JAMOA A. MOBERLY  
Dept: DEPT. C12

Vs.

- COMPLAINT FOR**
1. **CONVERSION;**
  2. **BREACH OF CONTRACT;**
  3. **FRAUD;**
  4. **CONSTRUCTIVE FRAUD AND BREACH OF FIDUCIARY DUTY;**
  5. **NEGLIGENT MISREPRESENTATION; AND**
  6. **BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**

16 NORTHWOOD ASSOCIATIONS  
17 MANAGEMENT COMPANY, INC., a  
18 California corporation; E. JOHN  
19 THEMIOS, an individual; ZAF  
20 TSIMAHIDES, an individual; RICHARD  
21 HARRIS, an individual; and DOES 1  
22 through 50, inclusive

Defendants.

Plaintiff Palm Gardens Community Association alleges as follows:

**PARTIES**

1. Plaintiff Palm Gardens Community Association (hereinafter "Palm Gardens" or "HOA") is a California nonprofit mutual benefit corporation, responsible for the management of three hundred thirty four homes and common areas within a common interest

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SANTA ANA, CALIFORNIA 92707

1 development in Mission Viejo, California. Responsibility for operation of the HOA is vested  
2 in a board of directors (hereinafter "Board of Directors") comprised of volunteers living  
3 within Palm Gardens.

4 2. Defendant Northwood Associations Management Company, Inc. (hereinafter  
5 "NAMCO"), a California Corporation, is a property management company doing business in  
6 Orange County, California.

7 3. Defendant E. John Themios (hereinafter "Themios"), is an individual residing  
8 in Orange County, California.

9 4. Defendant, Zaf Tsimahides (hereinafter "Tsimahides"), is an individual  
10 residing in Los Angeles County, California.

11 5. Defendant Richard Harris (hereinafter "Harris"), is an individual residing in  
12 Orange County, California.

13 6. The true names and capacities of Doe Defendants 1 through 10, inclusive,  
14 whether individual, corporate, associate or otherwise, are unknown to Plaintiff, who  
15 therefore sues these Defendants by such fictitious names. Plaintiff will seek leave of this  
16 Court to amend this Complaint to show their true names and capacities when such true  
17 names have been ascertained.

18 7. Plaintiff is informed and believes, and thereon alleges, that each of the  
19 Defendants named herein as Does 1 through 10, inclusive, were and are in some manner  
20 responsible for the acts, omissions and actions as hereafter alleged and for the harm or  
21 damage caused by Defendants to Plaintiff and are, therefore, jointly and severally liable for  
22 all damages or harm caused to Plaintiff.

23 8. Plaintiff is informed and believes, and thereon alleges, that at all times herein  
24 mentioned the Defendants, and each of them, including the fictitiously named Defendants,  
25 were the agents, employees or officers of each of the remaining Defendants, and, in doing  
26 the things hereafter alleged, were acting within the scope, course and purpose of said agency  
27 or employment, and were acting within the apparent scope of said agency, employment and  
28 position and acted with the permission and consent of each of the remaining defendants.

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ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

1  
2 9. The HOA hired NAMCO as a property management company on or about  
3 January 1, 1998. NAMCO provided property management services to the HOA from  
4 January 1, 1998 through March 10, 2010. NAMCO's duties as the property management  
5 company for the HOA included collecting homeowners dues, paying vendors, managing the  
6 common areas of the association, performing accounting and financial record keeping,  
7 advising the association on compliance with California homeowner association law, and  
8 other property management functions.

9 10. The HOA is informed and believes, and thereon alleges, that Themios is the  
10 owner of NAMCO. The HOA is informed and believes, and thereon alleges, that  
11 Tsimahides, is an employee of NAMCO, and was one of the property managers assigned by  
12 NAMCO to handle the day to day responsibilities of the HOA.

13 11. Harris was the president of the Board of Directors during the period 2008  
14 through January 4, 2010. On January 4, 2010, Harris resigned his position as president of the  
15 Board of Directors and immediately was hired by NAMCO to work as a property manager.

16 12. During the period 2006 through 2008, the HOA retained a contractor to  
17 perform extensive renovation on common area walls, fences, and patios. Through its agent  
18 NAMCO, the HOA hired Heritage Construction Company to perform renovation work at a  
19 cost of approximately \$4.2 million. The HOA obtained a construction loan from Sunwest  
20 Bank to pay for the renovation. In addition to its property management functions, NAMCO  
21 was paid a construction management fee of 8.5% of the construction costs to oversee and  
22 manage Heritage Construction Company's renovation work and to oversee repayment of the  
23 Sunwest Bank loan. As part of its duties, NAMCO had access to and control over the  
24 HOA's bank accounts, including savings and checking accounts.

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1 13. During the construction renovation, the HOA, through its agent NAMCO,  
2 hired Advanced Painting to perform painting services. As the HOA's property manager and  
3 agent, NAMCO was responsible for paying Advanced Painting's invoices. NAMCO failed to  
4 pay Advanced Painting's invoices, and Advanced Painting sued NAMCO and the HOA for  
5 breach of contract (See Exhibit 1).

6 14. Themios and NAMCO failed to inform the HOA of the lawsuit filed by  
7 Advanced Painting. Themios and NAMCO failed to respond to the lawsuit, and a default  
8 was entered against NAMCO and the HOA (See Exhibit 2). Themios and NAMCO failed to  
9 inform the HOA of the default. Following entry of default, and without the knowledge or  
10 consent of the HOA, Themios and NAMCO stipulated to entry of judgment against the HOA  
11 in the amount of \$112,149.49 (See Exhibit 3).

12 15. Following the stipulation to judgment and without the knowledge or consent  
13 of the HOA, Themios and NAMCO promised to pay the judgment against the HOA, only if  
14 counsel for Advanced Painting would not contact the HOA directly (See Exhibit 4).  
15 Without the knowledge or consent of the HOA, and to secure the agreement of Advanced  
16 Painting's counsel to not contact the HOA, Themios and NAMCO provided bank account  
17 and other confidential financial information to Advanced Painting (See Exhibit 4).

18 16. Themios and NAMCO have failed to pay Advance Painting the entire  
19 judgment, and the HOA remains indebted to Advanced Painting in an amount of at least  
20 \$37,874 (See Exhibit 5).

21 17. In addition to failing to inform the HOA of the lawsuit filed by Advanced  
22 Painting, Themios and NAMCO also failed to inform the HOA of a lawsuit filed in  
23 December 2007 by Chasteen Construction against the HOA relating to the renovation work  
24 done by Heritage Construction. The HOA is informed and believes, and thereon alleges, that  
25 Themios and NAMCO used HOA funds to resolve the Chasteen Construction lawsuit in June  
26 2008 without knowledge or authority of the Board of Directors or the HOA.

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1 18. Prior to January 2010, the Board of Directors had concerns regarding the  
2 financial condition of the HOA and whether the HOA had sufficient funds to pay its  
3 operating expenses and the Sunwest Bank Loan. These concerns were expressed to  
4 Tsimahides, who was unable to respond to any financial inquiry. Based on these concerns  
5 and the inability of Tsimahides to respond to any financial inquiry, the Board of Directors  
6 requested a meeting with Themios to explain the financial condition of the HOA, and  
7 whether it had sufficient funds to meet its obligations. Themios never met with the Board of  
8 Directors to answer these questions.

9 19. In January 2010, Sunwest Bank notified the Board of Directors that Sunwest  
10 Bank increased the interest rate on its loan because it had not been receiving timely  
11 payments from the HOA and that the Board of Directors had not provided financial  
12 statements requested by Sunwest Bank. The Board of Directors was further informed that  
13 Sunwest Bank had previously sent letters of default and requests for information to Richard  
14 Harris as President of the Board of Directors and NAMCO, but neither Richard Harris nor  
15 Themios nor NAMCO informed the Board of Directors of these communications.

16 20. On or about February 23, 2010, the Board of Directors learned of Advanced  
17 Painting's lawsuit and judgment against the HOA. The Board of Directors realized, for the  
18 first time, that Themios and NAMCO had failed to inform the Board of Directors or the  
19 HOA of the lawsuit, the default, the stipulated judgment, and the secret agreement to repay  
20 Advanced Painting (See Exhibit 6).

21 21. On March 10, 2010, the Board of Directors terminated Themios and NAMCO  
22 as the HOA's property management company.

23 22. Following the termination of NAMCO as the HOA's property management  
24 company, the Board of Directors retained a certified public accountant to audit the HOA's  
25 financial statements, bank statements, and accounting transactions for the period 2006  
26 through March 10, 2010.

27 23. The audit revealed that Themios and NAMCO paid themselves monies over  
28 and above the amounts they were entitled to in an amount of at least \$851,680. This

1 included unauthorized payments by Themios to himself directly, payments by Themios  
2 payable to "cash" and negotiated by Themios, and payments made by Themios with HOA  
3 funds to other homeowner association clients of NAMCO.

4 24. The audit further revealed that Themios and NAMCO did not follow generally  
5 accepted accounting principles regarding internal controls, did not prepare bank  
6 reconciliations, and did not properly and timely record HOA transactions. Because of the  
7 misleading and incorrect financial reporting by Themios and NAMCO, the Board of  
8 Directors did not have sufficient financial information to budget properly, causing numerous  
9 returned check fees, and an adjustment to the Sunwest Bank loan terms resulting in  
10 additional loan costs of at least \$237,215.

11 **FIRST CAUSE OF ACTION**

12 **(Conversion against Themios and NAMCO)**

13 25. Plaintiff realleges and incorporates herein paragraphs 1 through 24.

14 26. At all times herein mentioned, the HOA was, and still is, the owner of  
15 checking, savings, and other bank accounts, and the funds therein, and was, and still is,  
16 entitled to the possession of the checking, savings, and other bank accounts and the funds  
17 therein.

18 27. Between January 1, 2006 and March 10, 2010, at Irvine, California, the  
19 property described above had a value of \$851,680.

20 28. Between January 1, 2006 and March 10, 2010, Themios and NAMCO took the  
21 property described above from the HOA's possession and control converted the same to their  
22 own use.

23 29. As a proximate result of defendant's conversion, the HOA lost use of those  
24 funds and in addition incurred numerous returned check fees, and was charged an adjustment  
25 to the Sunwest Bank loan terms resulting in additional borrowing and loan costs of at least  
26 \$237,215.

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1 30. Between the time of defendant's conversion of the above-mentioned property  
2 to their own use and the filing of this action, the HOA has incurred time and costs expended  
3 in pursuit of the converted property, all to the HOA's further damage in an amount to be  
4 proven at trial.

5 31. The defendant's acts alleged above were willful, wanton, malicious, and  
6 oppressive, were undertaken with the intent to defraud, and justify the awarding of  
7 exemplary and punitive damages.

## 8 SECOND CAUSE OF ACTION

### 9 (Breach of Contract against Themios and NAMCO)

10 32. Plaintiff realleges and incorporates herein paragraphs 1 through 31 above.

11 33. On or about January 1, 1998 and through March 10, 2010, at Irvine, California,  
12 the HOA and Themios and NAMCO entered into a written property management agreement  
13 the terms of which required Themios and NAMCO to manage the Palm Gardens Community  
14 Association. The duties included collecting homeowners dues, paying vendors, managing  
15 the common areas of the association, performing accounting and financial record keeping,  
16 and advising the HOA on compliance with California homeowner association law. NAMCO  
17 was to be paid a fixed monthly fee by the HOA for these services.

18 34. On or about January 1, 2006, the HOA contracted with Themios and NAMCO  
19 to provide construction management services to oversee and manage Heritage Construction  
20 Company's renovation work and to oversee repayment of the Sunwest Bank loan. NAMCO  
21 was to be paid a construction management fee of 8.5% of the construction costs.

22 35. The HOA has performed all conditions, covenants, and promises required on  
23 its part to be performed in accordance with the terms and conditions of the contracts.

24 36. Starting on or about January 1, 2007, defendants breached the contract by  
25 paying themselves monies over and above the amounts they were entitled to in an amount of  
26 at least \$851,680. This included unauthorized payments by Themios to himself directly,  
27 payments by Themios payable to "cash" and negotiated by Themios, and payments made by  
28 Themios with HOA funds to other homeowner association clients of NAMCO. Defendants

1 further breached the contract by not following generally accepted accounting principles  
2 regarding internal controls, failing to provide proper bank reconciliations, failing to provide  
3 proper and timely recording of transactions to the HOA, and failing to notify the HOA of  
4 lawsuits against it. Defendants further breached the contract by failing to make timely  
5 payment to Sunwest Bank resulting in additional loan charges of at least \$237,215, and by  
6 stipulating to a judgment in favor of Advanced Painting with a remaining balance of  
7 \$37,874.

8 37. As a result of defendants' breach of the contract, the HOA has been damaged  
9 in an amount of at least \$1,126,769.

10 **THIRD CAUSE OF ACTION**

11 **(Fraud against Themios, NAMCO, Tsimahides and Harris)**

12 38. Plaintiff realleges and incorporates herein paragraphs 1 through 37 above.

13 39. Beginning in or about January 1, 2006, and through March 10, 2010,  
14 defendants and their authorized agents, misrepresented certain facts to the HOA and/or  
15 concealed material facts from the HOA, including but not limited to the financial condition  
16 of the HOA, that all vendors were being paid timely and properly, that the Sunwest Bank  
17 loan was being repaid per the terms of the loan and without any delinquencies, and that HOA  
18 funds were being properly accounted for. Defendants, as authorized agents of the HOA,  
19 were acting within the scope of their agency at the time of the misrepresentations or  
20 concealment of facts. Said representations were false, known to be false when made, and/or  
21 made without a reasonable basis for believing them to be true.

22 40. At the time of making the statements, defendants knew they were mismanaging  
23 the HOA, were making payments to themselves, were using HOA funds to pay other clients  
24 of defendants, were paying themselves over and above the amounts they had contracted for,  
25 and were not properly accounting for HOA funds.

26 41. Defendants' misrepresentations and/or concealments were made with the intent  
27 to defraud and induce the HOA to rely upon the misrepresentations and/or concealments and  
28 further for the purpose of inducing the HOA not to take any action. In justifiable reliance

1 upon defendants' conduct, the HOA's actions included the following: (a) allowing  
2 defendants access to HOA bank accounts and other funds; and (b) allowing defendants to  
3 manage and make payments to Sunwest Bank.

4 42. As a direct and proximate result of Plaintiff's reliance upon defendant's  
5 conduct, Plaintiff has been damaged in an amount of at least \$1,126,769, pursuant to Cal.  
6 C.C. § 3294, exclusive of interest, late fees, penalties and attorneys' fees.

7 43. The actions alleged and described above were done by defendants with malice,  
8 oppression or willful disregard for the rights of the HOA, were fraudulent, and were  
9 undertaken by defendants with an intent to injure the HOA, and for defendants' own gain,  
10 and such actions constitute despicable conduct that entitles the HOA to punitive and  
11 exemplary damages in a sum to be set by this Court.

#### 12 **FOURTH CAUSE OF ACTION**

#### 13 **(Constructive Fraud and Breach of Fiduciary Duty against** 14 **Themios, NAMCO, Tsimahides and Harris)**

15 44. Plaintiff realleges and incorporates herein paragraphs 1 through 43.

16 45. By virtue of the relationship between the HOA and defendants, and each of  
17 them, a fiduciary duty existed relating to the professional management and course of dealing  
18 with the HOA. Pursuant to this duty, Themios, NAMCO, Tsimahides and Harris, owed the  
19 utmost good faith and fairness to the HOA in all matters pertaining to the management of the  
20 HOA.

21 46. Themios, NAMCO, Tsimahides and Harris breached the aforesaid duty, as  
22 alleged, and in so doing controlled the HOA. In particular and without limiting the  
23 generality of the foregoing, in breaching their duty as alleged, Themios, NAMCO,  
24 Tsimahides and Harris misrepresented certain facts to the HOA and/or concealed material  
25 facts from the HOA, including but not limited to the financial condition of the HOA, that all  
26 vendors were being paid timely and properly, that the Sunwest Bank loan was being repaid  
27 per the terms of the loan and without any delinquencies, and that the HOA funds were being  
28 properly accounted for. Defendants failed to inform the HOA of the lawsuit, default, and

1 judgment against it by Advanced Painting, and the lawsuit filed against the HOA by  
2 Chasteen Construction. Defendants stipulated to judgment against the HOA, and provided  
3 confidential financial information to Advanced Painting without the knowledge or consent of  
4 the HOA, and Defendants resolved the Chasteen Construction lawsuit without knowledge or  
5 consent of the HOA.

6 47. The HOA is informed and believes and thereon alleges that Themios,  
7 NAMCO, Tsimahides and Harris, and each of them realized a profit from the commission of  
8 fraud as alleged and, accordingly, they are required to disgorge their profits, and the HOA is  
9 entitled to an award in the amount of these profits and interest on all such sums from the date  
10 of injury.

11 48. The acts of Themios, NAMCO, Tsimahides and Harris towards the HOA as  
12 hereinabove described, caused damage to the HOA in an amount of at least \$1,126,769 and  
13 were willful, malicious, oppressive and were conducted with an evil motive, in reckless  
14 indifference to, and in wanton and conscious disregard for, the rights of the HOA, and justify  
15 the awarding of exemplary and punitive damages, in an amount to be determined at trial,  
16 pursuant to Cal. C.C. § 3294. Indeed, defendants were fully aware of the adverse  
17 consequences of their conduct towards the HOA, and said conduct was despicable in that it  
18 was so vile, contemptible and loathsome that it would certainly be looked down upon and  
19 despised by ordinary decent people in the community.

20 **FIFTH CAUSE OF ACTION**

21 **(Negligent Misrepresentation Themios, NAMCO, Tsimahides and Harris)**

22 49. Plaintiff realleges and incorporates herein paragraphs 1 through 48.

23 50. Beginning in or about January 1, 2006, and through March 10, 2010,  
24 defendants and their authorized agents, made untrue representations of existing material facts  
25 to the HOA, including but not limited to the healthy financial condition of the HOA, that all  
26 vendors were being paid timely and properly, the existence of the lawsuit, default, and  
27 judgment by Advanced Painting and the lawsuit by Chasteen Construction, that the Sunwest  
28 Bank loan was being repaid per the terms of the loan and without any delinquencies, and that

1 HOA funds were being properly accounted for. Said representations were made with out any  
2 reasonable grounds for defendants believing them to be true.

3 51. Defendants' representations were made with the intent to induce the HOA to  
4 rely upon the representations. In justifiable reliance upon defendants' conduct, the HOA (a)  
5 allowed defendants to collect payments made by homeowners to the HOA; (b) allowed  
6 defendants access to HOA bank accounts and other funds; (c) allowed defendants to manage  
7 and make payments to Sunwest Bank; (d) allowed the defendants to pay vendors to perform  
8 maintenance on HOA property, and (e) did not raise homeowners dues, impose assessments  
9 to homeowners, or otherwise seek additional sources of income.

10 52. As a direct and proximate result of Plaintiff's reliance upon defendant's  
11 conduct, Plaintiff has been damaged in an amount of at least \$1,126,769, pursuant to Cal.  
12 C.C. § 3294, exclusive of interest, late fees, penalties and attorneys' fees.

### 13 SIXTH CAUSE OF ACTION

#### 14 (Breach of the Implied Covenant of Good Faith and Fair Dealing against all 15 Defendants)

16 53. Plaintiff realleges and incorporates herein paragraphs 1 through 52 above.

17 54. There is implied in every contract a covenant by each party not to do anything  
18 which will deprive the other party thereto of the benefits of the contract. This covenant not  
19 only imposes upon each party the duty to refrain from doing anything that would render  
20 performance of the contract impossible by any act of his own, but also to do everything that  
21 the contract presupposes will be done to accomplish the purpose of the contract.

22 55. The above-described actions, including, but not limited to defendants' failure  
23 to manage the HOA, the making of payments by Themios to himself, the payments made by  
24 Themios with HOA funds to other homeowner association clients of NAMCO, failure to  
25 notify the HOA of lawsuits against it, failure to follow generally accepted accounting  
26 principles regarding internal controls, lack of bank reconciliations, and lack of proper and  
27 timely recording of transactions pursuant to the agreement constitute a breach of the implied  
28 covenant of good faith and fair dealing implied in the agreement. By acting in the manner

1 herein alleged defendants breached the implied covenant of good faith and fair dealing.

2 56. As a direct and proximate result, Plaintiff has been damaged in an amount to  
3 be proven at time of trial, but in an amount of no less than \$1,126,769 exclusive of interest,  
4 late fees, penalties and attorneys' fees.

5 WHEREFORE, Plaintiffs pray for judgment as follows:

6 AS TO THE FIRST CAUSE OF ACTION FOR CONVERSION:

- 7 1. For the value of the property converted in an amount of \$851,680;
- 8 2. For interest at the legal rate on the foregoing sum pursuant to Section 3336 of  
9 the Civil Code, from and after January 1, 2006;
- 10 3. For damages for the proximate and foreseeable loss resulting from defendant's  
11 conversion in the sum of \$237,215;
- 12 4. For interest at the legal rate on the foregoing sum pursuant to Section 3287(a)  
13 of the Civil Code;
- 14 5. For damages for time and money properly expended in pursuit of the converted  
15 property;
- 16 6. For punitive and exemplary damages;
- 17 7. For costs of suit herein incurred; and
- 18 8. For such other and further relief as the court may deem proper.

19 AS TO THE SECOND CAUSE OF ACTION FOR BREACH OF CONTRACT:

- 20 1. For compensatory damages in the sum of \$1,126,769;
- 21 2. For interest;
- 22 3. For reasonable attorney's fees according to proof;
- 23 4. For costs of suit; and
- 24 5. For such other and further relief as the court may deem proper.

25 AS TO THE THIRD CAUSE OF ACTION FOR FRAUD:

- 26 1. For compensatory damages in an amount of \$1,126,769;
- 27 2. For punitive and exemplary damages in an amount to be established according  
28 to proof at trial;

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3. For costs of suit; and
4. For such other and further relief as the court may deem proper.

AS TO THE FOURTH CAUSE OF ACTION FOR CONSTRUCTIVE FRAUD AND  
BREACH OF FIDUCIARY DUTY:

1. For compensatory damages in an amount of \$1,126,769;
2. For punitive and exemplary damages in an amount to be established according to proof at trial;
3. For costs of suit; and
4. For such other and further relief as the court may deem proper.

AS TO THE FIFTH CAUSE OF ACTION FOR NEGLIGENT  
MISREPRESENTATION:

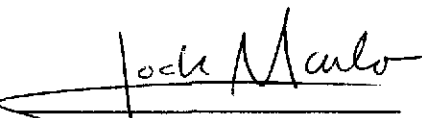
1. For compensatory damages in an amount of \$1,126,769;
2. For costs of suit; and
3. For such other and further relief as the court may deem proper.

AS TO THE SIXTH CAUSE OF ACTION FOR BREACH OF THE IMPLIED  
COVENANT OF GOOD FAITH AND FAIR DEALING:

1. For compensatory damages in the sum of \$1,126,769;
2. For interest;
3. For reasonable attorney's fees according to proof;
4. For costs of suit; and
5. For such other and further relief as the court may deem proper.

Dated: July 9, 2010

HART, KING & COLDREN

By:   
William R. Hart  
Jock Marlo  
Attorneys for Plaintiff Palm Gardens  
Community Association

EXHIBIT

1

EXHIBIT "1"

1 BURGE & STRID  
LAWRENCE A. STRID, SBN 83014  
2 23193 La Cadena, Suite 101  
Laguna Hills, California 92653  
3 PH: (949) 699-4160  
FAX: (949) 699-4161  
4

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

JAN 08 2008

ALAN SLATER, Clerk of the Court

BY: P. LUCEY, DEPUTY

Attorneys for Plaintiff ADVANCED DECORATING CO., INC.  
5 dba ADVANCED PAINTING & CONSTRUCTION

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF ORANGE  
10 CENTRAL JUSTICE CENTER

30-2008

11 ADVANCED DECORATING CO., INC. )  
dba ADVANCED PAINTING & )  
12 CONSTRUCTION; )  
13 Plaintiff, )  
14 vs. )  
15 CORAL GARDENS HOMEOWNERS' )  
ASSOCIATION; NORTHWOOD )  
16 ASSOCIATIONS MANAGEMENT )  
COMPANY, INC., and DOES 1 through )  
17 50, inclusive; )  
Defendants. )  
18

CASE NO. 00101094  
ASSIGNED TO:  
DEPT: JUDGE W. J. - A - 4VE  
DEPT 020  
COMPLAINT FOR DAMAGES  
1. BREACH OF WRITTEN  
CONTRACT  
2. OPEN BOOK ACCOUNT  
3. QUANTUM MERUIT  
JUDGE W. J. - A - 4VE  
DEPT 020

19 Plaintiff alleges:

20 FIRST CAUSE OF ACTION

21 (BREACH OF WRITTEN CONTRACT)

- 22 1. Defendant, CORAL GARDENS HOMEOWNERS' ASSOCIATION (hereinafter referred  
23 to as "CGHOA"), was a California corporation duly licensed and doing business in the County of Orange,  
24 State of California.
- 25 2. Defendant, NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC.  
26 (hereinafter referred to as "NAMCO" was a California corporation duly licensed and doing business in the  
27 County Orange, State of California.
- 28 3. Plaintiff is ignorant of the true names of Defendant DOES 1 to 50, but Plaintiff will amend

1 this Complaint to allege their proper names when same are identified.

2 4. At all times herein mentioned, each Defendant was the agent or employee of every other  
3 Defendant, and was acting within the course and scope of said agency and employment while doing the acts  
4 and omissions alleged herein.

5 5. At all times herein, Plaintiff, ADVANCED DECORATING CO., INC. dba ADVANCED  
6 PAINTING & CONSTRUCTION, was a California corporation doing business as a painting contractor.

7 6. On or about January 25, 2006, Defendants, and each of them, entered into a written contract  
8 with Plaintiff whereby the latter was to paint a homeowner's association complex known as the Coral  
9 Gardens, in the City of Mission Viejo, County of Orange, State of California. At all times herein mentioned,  
10 Defendant CGHOA was the owner and controller of said property, while Defendant NAMCO was the duly  
11 authorized property management representative and agent for CGHOA, in regard to the performance called  
12 for under the terms and conditions of the aforesaid contract. A true copy of this written agreement is  
13 attached hereto as Exhibit "I", and made a part hereof.

14 7. Plaintiff has performed all conditions, covenants, and promises by it on its part to be  
15 performed in accordance with the terms and conditions of the contract.

16 8. On or about July 17, 2007, Defendants, and each of them, breached the contract by failing  
17 to pay the regularly billed payment installments to Plaintiff, as provided for under the contract.

18 9. As a result of Defendants' breach of the contract, and each of them, Plaintiff has suffered  
19 damages in the amount of or in excess of \$112,940.00, the exact amount according to proof, plus interest  
20 thereon.

21 10. Plaintiff further alleges that it has had to employ attorneys in this matter and expend costs  
22 attendant thereto, and is therefore entitled to attorney fees and costs against all Defendants, per the terms  
23 of Paragraph 17 of the aforesaid written agreement.

24 **SECOND CAUSE OF ACTION**

25 **(OPEN BOOK ACCOUNT)**

26 11. Plaintiff incorporates herein Paragraphs 1 through 10 of this Complaint as though fully set  
27 forth herein.

28 12. Plaintiff alleges that within the last two years, Defendants, and each of them became indebted

1 to the Plaintiff on an open book account for money due in the sum of \$112,940.00, or more according to  
2 proof, for monies due for the providing of painting contracting services at a homeowners' complex, as  
3 further alleged herein.

4 13. Plaintiff alleges that Defendants, and each of them, have failed and refused to pay this sum  
5 to Plaintiff, despite the fact that a demand has been made, and there is now due, owing, and unpaid the sum  
6 of \$112,940.00, or more according to proof, plus interest thereon.

7 14. Plaintiff further alleges that it has had to employ attorneys in this matter and expend costs  
8 attendant thereto, and is entitled to attorney fees and costs as provided for under California Civil Code  
9 Section 1717.5.

10 **THIRD CAUSE OF ACTION**

11 **(QUANTUM MERUIT - GOODS HAD AND RECEIVED)**

12 15. Plaintiff incorporates herein Paragraphs 1 through 14 of this Complaint as though fully set  
13 forth herein.

14 16. Plaintiff alleges that within the past two years, in California, Plaintiff provided certain goods  
15 and services to the Defendants; to wit: paint and painting contracting services, at the Defendants' special  
16 request, the reasonable value of which the Defendant then and there agreed to pay to the Plaintiff.

17 17. Notwithstanding that Plaintiff has demanded payment therefor, and there is now due, owing,  
18 and unpaid from the Defendants to the Plaintiff the sum of \$112,940.00, or more according to proof, plus  
19 interest thereon.

20 WHEREFORE, Plaintiff prays for:

21 **FIRST CAUSE OF ACTION**

- 22 1. Damages as determined a trial;  
23 2. Costs of suit;  
24 3. Attorney fees and costs;  
25 4. Pre-judgment interest on all sums due; and  
26 5. Such other relief as the Court deems just.

27 **SECOND CAUSE OF ACTION**

- 28 1. Damages as determined at trial;

- 1 2. Costs of suit;
- 2 3. Attorney fees, pursuant to Civil Code Section 1717.5;
- 3 4. Pre-judgment interest on all sums due; and
- 4 5. Such other relief as the Court deems just.

5 THIRD CAUSE OF ACTION

- 6 1. Damages as determined at trial;
- 7 2. Costs of suit;
- 8 3. Pre-judgment interest on all sums due; and
- 9 4. Such other relief as deemed just by the Court.

10  
11 BURGE & STRID

12  
13 Dated: January 7, 2008

14 By: 

15 LAWRENCE A. STRID  
16 Attorneys for Plaintiff ADVANCED DECORATING  
17 CO., INC. dba ADVANCED PAINTING &  
18 CONSTRUCTION  
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EXHIBIT "1"



\$ 418,600

# COMMUNITY ASSOCIATION PAINTING & MAINTENANCE CONTRACT

This Agreement is by and between **Advanced Painting & Construction Company**, hereinafter referred to as "Advanced" and "Coral Gardens Homeowners Association", hereinafter referred to as "Association."

### RECITALS

- ADVANCED LICENSES:** Advanced is a State of California licensed General Contractor, Contractor License No.B393506, and a State of California licensed Painting Contractor, License C-33. A California corporation **ADVANCED DECORATING CO.,INC.** dba **ADVANCED PAINTING & CONSTRUCTION.**
  - ADVANCED ADDRESS:** 27075 Cabot Rd., Suite 105  
Laguna Hills, CA 92653
  - ASSOCIATION ADDRESS:** Association is California Corporation whose address is  
Coral Gardens HOA  
Marguerite Pkwy & Coral Gardens  
Mission Viejo  
*Meet Ed*  
*12:00*
- c/o NAMCO  
4848 Irvine Blvd., Suite 208  
Irvine, CA 92620  
PHONE# 714-573-0505 Cell# 714-401-4093 FAX# 714-573-2992
- ASSOCIATION REPRESENTATIVE:** Association hereby authorizes Advanced to coordinate with Zaf, Managing Agent, as the Association's authorized representative.
  - SCOPE OF AGREEMENT:** Advanced proposes to furnish all services, including labor, equipment, and materials to perform the work as specified herein.
  - AGREEMENT DATE:** This Agreement has been prepared on January 25, 2006.

**"ONE CALL.....DOES IT ALL"**

TEL: (800) 651-6516

FAX: (800) 651-6521

Visit our Website at [www.advpaintconst.com](http://www.advpaintconst.com)



## DESCRIPTION OF WORK

### 7. Paint exterior 48 buildings, 322 units, stucco wood and metal. Paint carports.

**Surface Preparation:** Wash, clean or wire brush areas to be painted as necessary. If mildew or alkalai is present, use bleach to clean, then rinse with water.

Remove dirt and chalk, without damaging the substrates or adjacent areas. Washed surfaces must be dry before painting.

After preparing the surfaces, building will be checked for blistering, peeling or flaking of the existing paint. Stucco patch to match existing texture as closely as practicable, then spot prime patched areas with an appropriate sealer.

**Special Instructions and Finish Coats:** Add **OKON** paint booster to paint to seal areas watertight.

- a) Minor stucco repair is to be patched as necessary, then finish with two coats **Dunn-Edwards** paint cross hatch pattern wet. Trench below dirt level where accessible.
- b) Wood is to be scraped, wire brushed of loose and peeling paint, spot prime wood as necessary then finish with two coats **Dunn-Edwards** paint cross hatch pattern wet.
- c) Metal work is to be scraped, wire brushed or sanded of rust, loose and peeling paint spot prime rust areas finish with one coat **Dunn-Edwards Syn-Lustro** Industrial Enamel.
- d) Colors to be used on all surfaces to be repainted shall match as near as possible to the original colors from **STOCK** colors from the manufactures color charts.
- e) Items not to be painted will be protected from paint drippings or overspray.
- f) Equipment to be removed at the end of each day so as to maintain a neat area.
- g) Touch up paint to be left at completion of job.
- h) Residents to be notified 72 hours in advance of painting so they will have ample time to remove any hanging or potted plants, patio furniture, BBQ's pets etc.
- i) Stucco, wood **SIX** year warranty on labor and materials, except ferrous metals **THREE** years.
- j) Maintenance inspection period **ONE** year, whereby **ADVANCED PAINTING'S** Customer Service Department will make regular inspections do necessary touch-up of warranty work. Any graffiti will be touched up within 48 hours of graffiti report ( 3 trip maximum).

**8. OTHER TERMS AND CONDITIONS:**

- A. Association is responsible to pick colors prior to commencement of work or Contractor will match existing colors as closely as possible.
- B. Association representative is responsible to sign color selection approval form or Contractor will match existing colors as closely as possible.
- C. Advanced will provide Association with one gallon of each color used upon completion of work.
- D. Any structural modifications to the Association common areas installed by individual property owners are not covered by this Agreement.
- E. Entry door painting - If someone cannot be home, we will make one more attempt to paint the door at a later time. This applies only if the doors are included in contract.
- F. Windows may be water spotted after wash down.

**PERFORMANCE OF WORK**

**9. OWNERSHIP OF MATERIALS:** Title and ownership of all materials shall remain with Advanced until paid for in full by the Association.

**10. CHANGES:** Any changes from or additions to the work covered in this Agreement shall be set forth in writing signed by both parties, before the changed or additional work is required to be performed. In the absence of a written change order contract, Advanced will have no cause of action against Association for failure to compensate Advanced for work deviating from the terms of this Agreement on the basis of an alleged oral contract. If the parties execute a written change order contract, its terms will govern over those of any other prior contract in this transaction. Otherwise, it will be automatically incorporated with all prior change order contracts to this initial Agreement.

**11. SAFETY MEASURES:** Advanced will take all necessary and customary precautions in introducing and maintaining safety measures against all hazards connected with the work under this Agreement. Advanced will make protective arrangements so as to prevent work operations from damaging the premises, or other work or operations.

**12. ON-SITE STORAGE:** Advanced will keep all materials, equipment, or goods involved in Advanced's services stored in appropriate containers or at adequately marked and secured stations, for which Association will provide sufficient space on the premises with reasonable access to Advanced's work areas. Space as designated by Association.

13. **CLEAN-UP:** Advanced will perform all work as tidily and as consistent with correct performance in Advanced's specialty and will keep the premises clean from all work-related trash, rubble, clutter and refuse on a daily basis. Advanced will promptly remove all equipment and materials upon completion of the work and payment, and will leave the premises free from all refuse in a manner consistent with correct completion of Advanced's operations.

14. **LICENSES AND PERMITS:** Advanced will obtain all necessary licenses and permits required for all or any portion of the work to be performed under this Agreement. Advanced will furnish to Association, at Association's request, copies of any certificates or other documents evidencing compliance with applicable laws, ordinances, or other regulations of the various agencies or departments involved.

15. **WARRANTY OF LICENSES:** Advanced warrants that it presently holds a valid California contractor's license.

16. **INSURANCE:** While work is being performed under this Agreement, Advanced shall continually provide entirely at Advanced's sole expense, appropriate workers compensation coverage and liability insurance to protect against any results of Advanced's own negligence. Advanced warrants that the Association will be named an additional insured under its Commercial General Liability Insurance.

17. **LITIGATION:** In any litigation or arbitration the parties regarding the terms of performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees incurred in prosecuting or defending the proceeding.

18. **VALIDITY OF AGREEMENT:** This writing is intended by a the parties as a full expression of their Agreement, all negotiations and representations between the parties having been incorporated herein. No variation, modification or changes of the Agreement shall be binding unless it is made in writing and executed by both parties.

19. **LEGAL VENUE:** This Agreement shall be construed in accordance with agreed the laws of the State of California.

20. **COMPLETION DELAY:** It is understood and that Advanced shall not be held liable for any loss, damage or delay occasioned by fire, strikes, lockouts, acts of God or the public enemy; accidents, boycotts, material shortages, or disturbed labor conditions; delayed delivery of materials from Advanced suppliers; inclement weather; or other causes beyond the reasonable control of Advanced.

21. **COMPLETION OF WORK:** Advanced estimates that it will take approximately agreed days from the commencement of work specified in this Agreement for completion. Advanced agrees to diligently work day to day, excluding weekends and holidays, until the work is completed. Invoices will be paid within 30 calander days of billing or a 5% late fee will be charged.

**22. WARRANTY:** All paint and labor is warranted against peeling, flaking or blistering. This warranty does not cover conditions over which Advanced has no control such as, but not limited to, those conditions caused by excessive moisture from the sprinkler system, cracked, warped, rotten or damaged wood, stucco without weep screen, underground alkaline and walkway surfaces or back filled walls. Does not include failure of previous coatings. This is an express warranty and no other warranty exists either expressed or implied.

The warranty period extends from the Agreement date as listed herein:  
STUCCO SIX years WOOD SIX years METAL THREE years

**23. COST PROTECTION PERIOD:**

Advanced will only be able to protect the below-stated Total Cost for 45 days from the date of this Agreement, through March 11, 2006.

**24. TERMS OF PAYMENT:**

Advanced will submit invoices with supporting documentation. Association shall pay invoices upon presentation.

**Checks shall be made payable to: Advanced Painting**

**25. COST:** The cost for the supplying of services and materials to this Agreement is:

As outlined on page 2 - Description of Work

**TOTAL COST: Buildings, per UNIT...\$1,300.00 Carports, per stall...\$95.00**

**Payment to be determined upon award of contract.**

**AGREED AND ACCEPTED**

CORAL GARDENS HOMEOWNERS  
ASSOCIATION

ADVANCED PAINTING &  
CONSTRUCTION

By: \_\_\_\_\_

By: Allen Moser

Allen Moser

Its:

Its: President

State of California Painting &  
General Contractor

License: B393506

Date: \_\_\_\_\_

Date: January 25, 2006

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address) Durge & Strid SBN 83014 23193 La Cadena Dr Ste 101  Laguna Hills CA 92653		TELEPHONE NO (949) 699-4160	FOR COURT USE ONLY  MAR 20 2008 ALAN SLATER, CLERK of Court F. IBARRA Deputy	
ATTORNEY FOR (Name) Plaintiff				
Insert of Court Name of Judicial District and Branch Court if any ORANGE COUNTY SUPERIOR COURT, CENTRAL JUSTICE CENTER				
SHORT TITLE OF CASE ADVANCED V. CORAL GARDENS				
1313429	(HEARING) Date	Time	Dept	Case Number: 30200800101094
			C29	REFERENCE NO. 7783

**PROOF OF SERVICE OF SUMMONS**

1. AT THE TIME OF SERVICE I WAS AT LEAST 18 YEARS OF AGE AND NOT A PARTY TO THIS ACTION

2. I SERVED COPIES OF THE:

- SUMMONS & COMPLAINT
- CIVIL DEPARTMENT CALENDAR SCHEDULING CHART
- ADR INFORMATION PACKAGE WITH BLANK STIPULATION

3. A PARTY SERVED: Coral Gardens Homeowners' Association

B PERSON SERVED :

4. ADDRESS: 4840 Irvine Blvd Ste 208  
Irvine CA 92620

5. I SERVED THE PARTY IN 3A BY SUBSTITUTED SERVICE

ON 2/15/2008 AT 12:35:00 PM

(b) BY LEAVING THE DOCUMENTS LISTED IN 2 WITH OR IN THE PRESENCE OF:

JOHN THEMIUS, PERSON AUTHORIZED TO RECEIVE  
CAUCASIAN MALE 62YRS 5'8" 180LBS. GRAY HAIR

- (1) (BUSINESS) A PERSON AT LEAST 18 YEARS OF AGE APPARENTLY IN CHARGE AT THE OFFICE OR USUAL PLACE OF BUSINESS OF THE PERSON TO BE SERVED. I INFORMED HIM OR HER OF THE GENERAL NATURE OF THE PAPERS
- (4) A DECLARATION OF MAILING IS ATTACHED IF REQUIRED
- (5) A DECLARATION OF DILIGENCE IS ATTACHED IF REQUIRED

6. THE "NOTICE TO PERSON SERVED" WAS COMPLETED AS FOLLOWS:

D. ON BEHALF OF: Coral Gardens Homeowners' Association

UNDER THE FOLLOWING CODE OF CIVIL PROCEDURE SECTION : 416.10 (CORPORATION)

7a. Person Serving: David R. Miller

d. The fee for service was \$41.38

e. I am:

b. DDS Legal Support  
2900 Bristol St  
Costa Mesa, Ca 92626

- (1) not a registered California process server:
- (3) X registered California process server:

c. (714) 662-5555

(i) Independent Contractor

(i) Registration No: 434/362

(i) County: oc/la

3. I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

X   
SIGNATURE

3/19/2008 David R. Miller

**PROOF OF SERVICE**

EXHIBIT

2

EXHIBIT "2"

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State, Number, and address):  
LAWRENCE A. STRID SBN: 83014  
BURGE & STRID  
23193 La Cadena  
Suite 101  
Laguna Hills, CA 92653  
TELEPHONE NO.: (949) 699-4160 FAX NO. (Optional): (949) 699-4161  
E-MAIL ADDRESS (Optional): bsdlaw@aol.com  
ATTORNEY FOR (Name): Plaintiff ADVANCED DECORATING CO., INC

FOR COURT USE ONLY

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

APR 02 2008

ALAN SLATER, Clerk of the Court

BY: A. VAN ARKEL DEPUTY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE  
STREET ADDRESS: 700 Civic Center Drive West  
MAILING ADDRESS:  
CITY AND ZIP CODE: Santa Ana, CA 92701  
BRANCH NAME: CENTRAL JUSTICE CENTER

PLAINTIFF/PETITIONER: ADVANCED DECORATING CO., INC. dba  
ADVANCED PAINTING & CONSTRUCTION

DEFENDANT/RESPONDENT: CORAL GARDENS HOMEOWNERS'  
ASSOCIATION; NORTHWOOD ASSOCIATIONS MANAGEMENT  
COMPANY,

REQUEST FOR  Entry of Default  Clerk's Judgment  
(Application)  Court Judgment

CASE NUMBER:  
3-2008 00101094

- 1. TO THE CLERK: On the complaint or cross-complaint filed
a. on (date): January 8, 2008
b. by (name): ADVANCED DECORATING CO., INC. dba ADVANCED PAINTING & CONSTRUCTION
c.  Enter default of defendant (names): CORAL GARDENS HOMEOWNERS' ASSOCIATION
d.  I request a court judgment under Code of Civil Procedure sections 585(b), 585(c), 989, etc., against defendant (names):

(Testimony required. Apply to the clerk for a hearing date, unless the court will enter a judgment on an affidavit under Code Civ. Proc., § 585(d).)

- e.  Enter clerk's judgment
(1)  for restitution of the premises only and issue a writ of execution on the judgment. Code of Civil Procedure section 1174(c) does not apply. (Code Civ. Proc., § 1169.)
 Include in the judgment all tenants, subtenants, named claimants, and other occupants of the premises. The Prejudgment Claim of Right to Possession was served in compliance with Code of Civil Procedure section 415.46.
(2)  under Code of Civil Procedure section 585(a). (Complete the declaration under Code Civ. Proc., § 585.5 on the reverse (item 5).)
(3)  for default previously entered on (date):

2. Judgment to be entered. Table with columns: Amount, Credits acknowledged, Balance. Rows include Demand of complaint, Statement of damages (Special, General), Interest, Costs, Attorney fees, and TOTALS.

g. Daily damages were demanded in complaint at the rate of: \$ per day beginning (date):

3.  (Check if filed in an unlawful detainer case) Legal document assistant or unlawful detainer assistant information is on the reverse (complete item 4).

Date: April 1, 2008  
Lawrence A. Strid (TYPE OR PRINT NAME)

(SIGNATURE OF PLAINTIFF OR ATTORNEY FOR PLAINTIFF)

FOR COURT USE ONLY (1)  Default entered as requested on (date): APR 02 2008  
(2)  Default NOT entered as requested (state reason):  
Clerk, by: Deputy

PLAINTIFF/PETITIONER: ADVANCED DECORATING CO., INC. dba ADVANCED PAINTING & CONSTRUCTION	CASE NUMBER: 3-2008 00101094
DEFENDANT/RESPONDENT: CORAL GARDENS HOMEOWNERS' ASSOCIATION; NORTHWOOD ASSOCIATIONS' MANAGEMENT COMPANY,	

4. **Legal document assistant or unlawful detainer assistant (Bus. & Prof. Code, § 6400 et seq.).** A legal document assistant or unlawful detainer assistant  did  did not for compensation give advice or assistance with this form. (If declarant has received any help or advice for pay from a legal document assistant or unlawful detainer assistant, state):

- a. Assistant's name:
- b. Street address, city, and zip code:
- c. Telephone no.:
- d. County of registration:
- e. Registration no.:
- f. Expires on (date):

5.  **Declaration under Code of Civil Procedure Section 585.5 (required for entry of default under Code Civ. Proc., § 585(a)).**  
This action

- a.  is  is not on a contract or installment sale for goods or services subject to Civ. Code, § 1801 et seq. (Unruh Act).
- b.  is  is not on a conditional sales contract subject to Civ. Code, § 2981 et seq. (Rees-Levering Motor Vehicle Sales and Finance Act).
- c.  is  is not on an obligation for goods, services, loans, or extensions of credit subject to Code Civ. Proc., § 395(b).

6. **Declaration of mailing (Code Civ. Proc., § 587).** A copy of this Request for Entry of Default was

- a.  not mailed to the following defendants, whose addresses are unknown to plaintiff or plaintiff's attorney (names):
- b.  mailed first-class, postage prepaid, in a sealed envelope addressed to each defendant's attorney of record or, if none, to each defendant's last known address as follows:

(1) Mailed on (date): April 1, 2008

(2) To (specify names and addresses shown on the envelopes):

Coral Gardens Homeowners' Association  
c/o Northwood Associations Mgt. Co.  
4840 Irvine Blvd., Ste. 208  
Irvine, CA 92620

I declare under penalty of perjury under the laws of the State of California that the foregoing items 4, 5, and 6 are true and correct.

Date: April 2, 2008

Lawrence A. Strid

(TYPE OR PRINT NAME)



(SIGNATURE OF DECLARANT)

7. **Memorandum of costs (required if money judgment requested).** Costs and disbursements are as follows (Code Civ. Proc., § 1033.5):

- a. Clerk's filing fees ..... \$320.00
- b. Process server's fees ..... \$122.66
- c. Other (specify): Attorney's Fees ..... \$1237.50
- d. .... \$
- e. **TOTAL** ..... \$1680.16

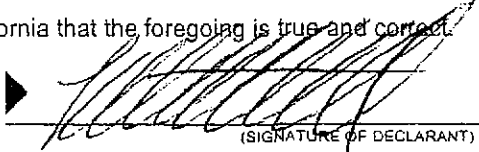
- f.  Costs and disbursements are waived.
- g. I am the attorney, agent, or party who claims these costs. To the best of my knowledge and belief this memorandum of costs is correct and these costs were necessarily incurred in this case.

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

Date: April 1, 2008

Lawrence A. Strid

(TYPE OR PRINT NAME)



(SIGNATURE OF DECLARANT)

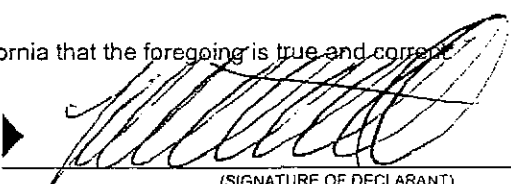
8.  **Declaration of nonmilitary status (required for a judgment).** No defendant named in item 1c of the application is in the military service so as to be entitled to the benefits of the Servicemembers Civil Relief Act (50 U.S.C. App. § 501 et seq.).

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

Date: April 1, 2008

Lawrence A. Strid

(TYPE OR PRINT NAME)



(SIGNATURE OF DECLARANT)

EXHIBIT

3

EXHIBIT "3"

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER  
SEP 23 2008  
COURT CLERK  
P. L. HUBBARD

1 **BURGE & STRID**  
2 **LAWRENCE A. STRID, SBN 83014**  
3 **23193 La Cadena, Suite 101**  
4 **Laguna Hills, California 92653**  
5 **PH: (949) 699-4160**  
6 **FAX: (949) 699-4161**

7  
8 **Attorneys for Plaintiff ADVANCED DECORATING CO., INC.**  
9 **dba ADVANCED PAINTING & CONSTRUCTION**

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF ORANGE**  
**CENTRAL JUSTICE CENTER**

11 **ADVANCED DECORATING CO., INC.** )  
12 **dba ADVANCED PAINTING &** )  
13 **CONSTRUCTION;** )  
14 **Plaintiff,** )  
15 **vs.** )  
16 **CORAL GARDENS HOMEOWNERS'** )  
17 **ASSOCIATION; NORTHWOOD** )  
18 **ASSOCIATIONS MANAGEMENT** )  
19 **COMPANY, INC., and DOES 1 through** )  
20 **50, inclusive;** )  
21 **Defendants.** )

**CASE NO.: 30-2008 00101094**  
**ASSIGNED TO: JUDGE PETER**  
**POLOS**  
**DEPT.: C27**  
**NOTICE OF ENTRY OF FIRST**  
**AMENDED JUDGMENT**  
**Entry of Amended Judgment:**  
**September , 2008**  
**Complaint Filed: January 8, 2008**

19 **TO: ALL DEFENDANTS:**

20 **NOTICE IS HEREBY GIVEN** that the First Amended Judgment in the above matter was entered  
21 **on September 23, 2008, in the amount of \$122,149.49, in favor of Plaintiff ADVANCED DECORATING**  
22 **CO., INC. dba ADVANCED PAINTING & CONSTRUCTIONS as against Defendants PALM GARDENS**  
23 **COMMUNITY ASSOCIATION dba CORAL GARDENS HOMEOWNERS' ASSOCIATION and**  
24 **NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC., both jointly and severally.**

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1 A true copy of the First Amended Judgment and Stipulation and Order thereon is attached hereto and made  
2 a part of this Notice.

3 BURGE & STRID

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5 Dated: September 26, 2008  
6 By   
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LAWRENCE A. STRID

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

LAWRENCE A. STRID 83014

BURGE & STRID  
23193 La Cadena  
Suite 101  
Laguna Hills, CA 92653

FOR COURT USE ONLY

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

SEP 23 2008

ALAN CARLSON, Clerk of the Court  
*D. Macias-Moskus*  
BY D. MACIAS-MOSKUS

TELEPHONE NO.: (949) 699-4160 FAX NO. (Optional): (949) 699-4161

E-MAIL ADDRESS (Optional): bsdlaw@aol.com

ATTORNEY FOR (Name): Plaintiff ADVANCED DECORATING CO., INC.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

STREET ADDRESS: 700 Civic Center Drive West

MAILING ADDRESS:

CITY AND ZIP CODE: Santa Ana, CA 92701

BRANCH NAME: CENTRAL JUSTICE CENTER

PLAINTIFF: ADVANCED DECORATING CO., INC. dba  
ADVANCED PAINTING & CONSTRUCTION  
DEFENDANT: CORAL GARDENS HOMEOWNERS' ASSOCIATION; et

FIRST AMENDED

JUDGMENT

By Clerk  
 By Court

By Default  
 On Stipulation

After Court Trial  
 Defendant Did Not Appear at Trial

CASE NUMBER:

30-2008 00101094

1.  BY DEFAULT

FIRST AMENDED

JUDGMENT

- a. Defendant was properly served with a copy of the summons and complaint.
- b. Defendant failed to answer the complaint or appear and defend the action within the time allowed by law.
- c. Defendant's default was entered by the clerk upon plaintiff's application.
- d.  Clerk's Judgment (Code Civ. Proc., § 585(a)). Defendant was sued only on a contract or judgment of a court of this state for the recovery of money.
- e.  Court Judgment (Code Civ. Proc., § 585(b)). The court considered
  - (1)  plaintiff's testimony and other evidence.
  - (2)  plaintiff's written declaration (Code Civ. Proc., § 585(d)).

2. ON STIPULATION

- a. Plaintiff and defendant agreed (stipulated) that a judgment be entered in this case. The court approved the stipulated judgment and
- b.  the signed written stipulation was filed in the case.
- c.  the stipulation was stated in open court  the stipulation was stated on the record.

3.  AFTER COURT TRIAL. The jury was waived. The court considered the evidence.

- a. The case was tried on (date and time):  
before (name of judicial officer): JUDGE OF SUPERIOR COURT
- b. Appearances by:
 

<input type="checkbox"/> Plaintiff (name each):	<input type="checkbox"/> Plaintiff's attorney (name each):
(1)	(1)
(2)	(2)
<input type="checkbox"/> Continued on Attachment 3b.	
<input type="checkbox"/> Defendant (name each):	<input type="checkbox"/> Defendant's attorney (name each):
(1)	(1)
(2)	(2)
<input type="checkbox"/> Continued on Attachment 3b.	
- c.  Defendant did not appear at trial. Defendant was properly served with notice of trial.
- d.  A statement of decision (Code Civ. Proc., § 632) was not requested.

FIRST AMENDED JUDGMENT IS ENTERED AS FOLLOWS BY:  THE COURT  THE CLERK

4.  Stipulated Judgment. Judgment is entered according to the stipulation of the parties.

5. Parties. Judgment is

a.  for plaintiff (name each): ADVANCED DECORATING CO., INC. dba ADVANCED PAINTING & CONSTRUCTION and against defendant (names): PALM GARDENS COMMUNITY ASSOCIATION dba CORAL GARDENS HOMEOWNERS' ASSOCIATION,  Continued on Attachment 5a.

c.  for cross-complainant (name each): and against cross-defendant (name each):

Continued on Attachment 5c.

b.  for defendant (name each):

d.  for cross-defendant (name each):

6. Amount.

a.  Defendant named in item 5a above must pay plaintiff on the complaint:

c.  Cross-defendant named in item 5c above must pay cross-complainant on the cross-complaint:

(1)	<input checked="" type="checkbox"/> Damages	\$ 112,940.00
(2)	<input checked="" type="checkbox"/> Prejudgment interest at the annual rate of .10 %	\$ 7,529.33
(3)	<input checked="" type="checkbox"/> Attorney fees	\$ 1,237.50
(4)	<input checked="" type="checkbox"/> Costs	\$ 442.66
(5)	<input type="checkbox"/> Other (specify):	\$ 0.00
(6)	<b>TOTAL</b>	<b>\$122,149.49</b>

(1)	<input type="checkbox"/> Damages	\$ 0.00
(2)	<input type="checkbox"/> Prejudgment interest at the annual rate of %	\$ 0.00
(3)	<input type="checkbox"/> Attorney fees	\$ 0.00
(4)	<input type="checkbox"/> Costs	\$ 0.00
(5)	<input type="checkbox"/> Other (specify):	\$ 0.00
(6)	<b>TOTAL</b>	<b>\$ 0.00</b>

b.  Plaintiff to receive nothing from defendant named in item 5b.  
 Defendant named in item 5b to recover costs \$ 0.00 and attorney fees \$ 0.00

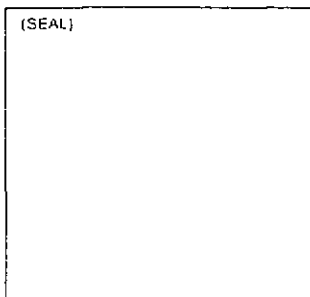
d.  Cross-complainant to receive nothing from cross-defendant named in item 5d.  
 Cross-defendant named in item 5d to recover costs \$ 0.00 and attorney fees \$ 0.00

7.  Other (specify): The Judgment is joint and several as to all Defendants.

Date: 9/23/2008

PETER J. POLOS  
 JUDICIAL OFFICER  
 JUDGE OF SUPERIOR COURT

Date:  Clerk, by \_\_\_\_\_, Deputy



CLERK'S CERTIFICATE (Optional)

I certify that this is a true copy of the original judgment on file in the court.

Date:

Clerk, by \_\_\_\_\_, Deputy

ATTACHMENT (Number): 5a

Page 3 of 3

(This Attachment may be used with any Judicial Council form.)

(Add pages as required)

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Continuation of Paragraph 5a re additional Defendants: NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC.

*(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)*

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address):  
LAWRENCE A. STRID SBN: 83014  
BURGE & STRID  
23193 La Cadena  
Suite 101  
Laguna Hills, CA 92653  
TELEPHONE NO.: (949) 699-4160 FAX NO.: (949) 699-4161  
ATTORNEY FOR (Name): Plaintiff ADVANCED DECORATING CO., IN

FOR COURT USE ONLY  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER  
2008 SEP 26 10:00 AM  
CLERK CARLSON  
BY: S. HERRERA-WILSON

INSERT NAME OF COURT, JUDICIAL DISTRICT, AND BRANCH COURT, IF ANY:  
SUPERIOR COURT OF THE STATE OF CALIFORNIA  
CENTRAL JUSTICE CENTER

PLAINTIFF: ADVANCED DECORATING CO., INC. dba ADVANCED PAINTING & CONSTRUCTION  
DEFENDANT: CORAL GARDENS HOMEOWNERS' ASSOCIATION; NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC.

MEMORANDUM OF COSTS (SUMMARY) ON FIRST AM. JUDGMENT

CASE NUMBER:  
30-2008-00101094

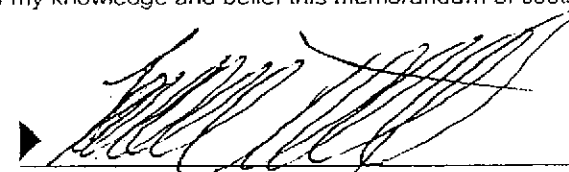
The following costs are requested:

	TOTALS
1. Filing and motion fees Appearance Fee for Palm Gardens Community Association	1. \$ 320.00
2. Jury fees	2. \$
3. Jury food and lodging	3. \$
4. Deposition costs	4. \$
5. Service of process	5. \$
6. Attachment expenses	6. \$
7. Surety bond premiums	7. \$
8. Witness fees	8. \$
9. Court-ordered transcripts	9. \$
10. Attorney fees (enter here if contractual or statutory fees are fixed without necessity of a court determination; otherwise a noticed motion is required)	10. \$
11. Models, blowups, and photocopies of exhibits	11. \$
12. Court reporter fees as established by statute	12. \$
13. Other Filing Fee for Stipulation and Order re First Amended Judgment	13. \$ 20.00
<b>TOTAL COSTS</b>	<b>\$ 340.00</b>

I am the attorney, agent, or party who claims these costs. To the best of my knowledge and belief this memorandum of costs is correct and these costs were necessarily incurred in this case.

Date: September 26, 2008

Lawrence A. Strid  
(TYPE OR PRINT NAME)

  
(SIGNATURE)

(Proof of service on reverse)

PROOF OF  MAILING  PERSONAL DELIVERY


1. At the time of mailing or personal delivery, I was at least 18 years of age and not a party to this legal action.
2. My residence or business address is (specify): BURGE & STRID, 23193 La Cadena #101, Laguna Hills, CA 92653
3. I mailed or personally delivered a copy of the *Memorandum of Costs (Summary)* as follows (complete either a or b):
  - a.  **Mail.** I am a resident of or employed in the county where the mailing occurred.
    - (1) I enclosed a copy in an envelope AND
      - (a) **deposited** the sealed envelope with the United States Postal Service with the postage fully prepaid.
      - (b)  **placed** the envelope for collection and mailing on the date and at the place shown in items below following our ordinary business practices. I am readily familiar with this business' practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.
    - (2) The envelope was addressed and mailed as follows:
      - (a) Name of person served: Northwood Associations Management Co, Inc.
      - (b) Address on envelope: Attn.: John Themios, 4840 Irvine Blvd., Ste. 208, Irvine, CA 92620-1962
    - (c) Date of mailing: September 26, 2008
    - (d) Place of mailing (city and state): Laguna Hills, CA 92653
  - b. **Personal delivery.** I personally delivered a copy as follows:
    - (1) Name of person served:
    - (2) Address where delivered:
    - (3) Date delivered:
    - (4) Time delivered:

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

Date: September 26, 2008

Lawrence A. Strid

(TYPE OR PRINT NAME)



(SIGNATURE OF DECLARANT)

COPY

FILED

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

SEP 23 2008

ALAN CARLSON, Clerk of the Court

*D. Macias-Moskuj*  
D. MACIAS-MOSKUS

1 BURGE & STRID  
2 LAWRENCE A. STRID, SBN 83014  
3 23193 La Cadena, Suite 101  
4 Laguna Hills, California 92653  
5 PH: (949) 699-4160  
6 FAX: (949) 699-4161

Attorneys for Plaintiff ADVANCED DECORATING CO., INC.  
dba ADVANCED PAINTING & CONSTRUCTION

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF ORANGE  
10 CENTRAL JUSTICE CENTER

11 ADVANCED DECORATING CO., INC. )  
12 dba ADVANCED PAINTING & )  
13 CONSTRUCTION; )  
14 Plaintiff, )  
15 vs. )  
16 CORAL GARDENS HOMEOWNERS' )  
17 ASSOCIATION; NORTHWOOD )  
18 ASSOCIATIONS MANAGEMENT )  
19 COMPANY, INC., and DOES 1 through )  
20 50, inclusive; )  
21 Defendants. )

CASE NO.: 30-2008 00101094  
ASSIGNED TO: JUDGE PETER  
POLOS  
DEPT.: C27

STIPULATION AND ORDER RE  
FIRST AMENDED JUDGMENT

Entry of Judgment: May 28, 2008  
Complaint Filed: January 8, 2008

IT IS HEREBY STIPULATED:

Plaintiff originally filed suit herein, amongst other defendants, as against a homeowner's association that was designated as "Coral Gardens Homeowners' Association". This was the generic name of the condominium project wherein the Plaintiff rendered painting contracting services, that were the subject of the legal action.

Since obtaining judgment against all designated defendants on May 28, 2008, Plaintiff has since learned that the correct name of this entity should be "Palm Gardens Community Association, dba Coral Garden Homeowners' Association". Accordingly, Plaintiff, with the written consent of E. John Themio as the designated agent for service of process of said entity and on behalf of Northwood Association Management Company, Inc., as the property management company for said entity, desires to file a First

1 Amended Judgment, which is proposed and attached hereto.

2 No other particulars of the original Judgment are being changed in the First Amended Judgment,  
3 other than the correct name of this defendant entity.

4 IT IS SO STIPULATED:

BURGE & STRID

7 Dated: September 3, 2008  
8 By: 

LAWRENCE A. STRID, Attorneys for Judgment  
Creditor ADVANCED DECORATING CO., INC.  
dba ADVANCED PAINTING & CONSTRUCTION

10 Dated: September 11, 2008

11 By: 

E. JOHN THEMIOS as President of NORTHWOODS  
ASSOCIATIONS MANAGEMENT COMPANY,  
INC. As the property management company for  
PALM GARDENS COMMUNITY ASSOCIATION  
And as the corporate Agent for Service of Process  
Of PALM GARDENS COMMUNITY  
ASSOCIATION

15 ORDER

16 Good cause appearing, Plaintiff is allowed to file a First Amended Judgment to reflect the terms of  
17 this Stipulation.

18 IT IS SO ORDERED:

PETER J. POLOS

20 Dated: September 23, 2008

19 By: \_\_\_\_\_

JUDGE OF SUPERIOR COURT

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF ORANGE:

3 I am employed in the county aforesaid; I am over the age of eighteen years and not a party to the  
4 within action; my business address is 23193 La Cadena Drive, Suite 101, Laguna Hills, California 92653.

5 On September 26, 2008, I served the within documents: **NOTICE OF ENTRY OF FIRST  
6 AMENDED JUDGMENT; FIRST AMENDED JUDGMENT AS ENTERED ON SEPTEMBER 23,  
7 2008; and STIPULATION AND ORDER RE FIRST AMENDED JUDGMENT;** on the interested  
8 parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

7 Palm Gardens Community Association  
8 dba Coral Gardens Homeowners' Association  
9 c/o Northwoods Associations Mgt. Co., Inc.  
10 Attn.: John Themios  
11 4840 Irvine Blvd., Ste. 208  
12 Irvine, CA 92620  
13 *Defendant/Judgment Debtor*

Northwoods Associations Management Company,  
Inc.  
Attn.: John Themios  
4840 Irvine Blvd., Ste. 208  
Irvine, CA 92620  
*Defendant/Judgment Debtor*

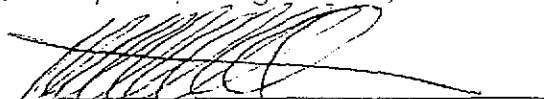
14  **BY MAIL (C.C.P. §1013a(3)):** I am readily familiar with this office's practice of collection  
15 and processing correspondence for mailing. Under that practice it would be deposited with  
16 the U.S. Postal Service on the same day with postage thereon fully prepaid at Laguna Hills,  
17 California, in the ordinary course of business. I am aware that on motion of the party served,  
18 service is presumed invalid if postal cancellation date or postage meter date is more than one  
19 day after date of deposit for mailing in affidavit.

20  **BY EXPRESS MAIL (C.C.P. §1013(e)):** On April 20, 2001, I deposited in a post office,  
21 mailbox, subpost office, substation, mail chute or other like facility regularly maintained by  
22 the United States Postal Service for receipt of Express Mail, together with an unsigned copy  
23 of this declaration, in a sealed envelope, with Express Mail postage fully prepaid, addressed  
24 to the above recipients.

25  **BY FACSIMILE:** On , I caused all of the pages (consisting of \_\_\_ pages) of the above-  
26 entitled document to be sent to the recipient(s) noted above via facsimile, to the respective  
27 facsimile numbers indicated above, pursuant to California Rule of Court 2009. The facsimile  
28 machine I used complied with rule 2003(3) and no error was reported by the machine.  
Pursuant to rule 2005(I), I caused the machine to print a transmission record of the  
transmission, a copy of which is attached to this declaration.

**PERSONAL SERVICE:** On July 23, 2001, I caused such envelope to be personally  
delivered to the offices of the addressee(s) via DDS Legal Support System.

**(STATE)** I declare under penalty of perjury under the laws of the State of California that the  
forgoing is true and correct. Executed on September 26, 2008, at Laguna Hills, California.

  
Lawrence A. Stid

EXHIBIT

4

EXHIBIT "4"

Subj: **ADVANCE DECORATING ACCOUNT**  
Date: 9/2/2008 7:20:57 P.M. Pacific Daylight Time  
From: [John@namcoinc.com](mailto:John@namcoinc.com)  
To: [BSDLAW@AOL.COM](mailto:BSDLAW@AOL.COM)

Hi Larry,

Thank you for working with me on this matter. I appreciate that you will not contact the current Board, the banks or the Associations listed as long as the payments are made on time. The current Board is new and would probably not understand what is happening.

1. Washington Mutual Bank, 3973 Irvine Blvd., Irvine, CA 92602.
2. Their legal name is "Palm Gardens Community Association".
3. Richard Harris, 28073 Georgetown, Mission Viejo, CA 92692. 949-587-1811
4. On this one you asked for the corporate agent. We are the agent but here is a list of the Associations.
  1. Classics-Northwood Homeowners Association
  2. Mission Ridge Homeowners Community Association
  3. Palm Gardens Community Association
  4. Northwood Courtside Community Association
  5. Newport Homeowners Association
  6. Garden Creek Owners Association
  7. The Orchards Community Association
  8. Irvine Orange Tree Villas Homeowners Association
  9. La Casa Real Owners Association
  10. Riviera Homeowners Association
  11. Lido Life Condominium Association
  12. Fullerton Fountains Homeowners Association
  13. Northwood Horizon Homeowners Association
  14. Newport North Townhomes Community Association

I will only be here for about an hour tomorrow morning and I will then return on Friday.

E. John Themios

**NAMCO**

714-573-0505

FAX 714-573-2992

[john@namcoinc.com](mailto:john@namcoinc.com)

Subj: Re: **FINANCIAL INFO REQUEST**  
Date: 9/1/2008 9:13:19 A.M. Pacific Daylight Time  
From: Bsdlaw  
To: [John@namcoinc.com](mailto:John@namcoinc.com)

John: I thank you for the financial information.

Here is what else I need to finalize the payback proposal on the judgment:

1. Which WAMU branch is the NAMCO account located at? Again, I will NOT levy on it so long as the payment schedule is adhered to.
2. Is the correct legal name of Coral Gardens Homeowners' Association really Palm Gardens Community Association? Please spell out the correct name of this entity.
3. I want the name, address, and telephone number of the President of the Coral Gardens HOA. I will NOT contact him unless the payment schedule isn't adhered to.
4. I want the name and address of the corporate agent of at least ten (if you have that many) other homeowner or community associations that NAMCO has as its clients. I will NOT contact them or initiate a levy against them for monies which they may owe NAMCO, unless the payment schedule is not adhered to.

I would be entitled to all of the information at the judgment debtor examination hearing, as is currently scheduled for Thursday, September 4, 2008. I know that you have a medical procedure scheduled for that date and you wanted to continue it.

I will take the judgment debtor exam hearing off calendar if I can be supplied the above information by e-mail or fax by noon on Wednesday, September 3, 2008.

Again, the proposal on the payment schedule is \$5K a month, starting 10/15/08 and continuing on the 15th of each month thereafter, when it goes to \$7K a month starting 1/15/09 and then \$10K a month starting 7/15/09. All payments get sent to my offices, payable to "Advanced Decorating Co., Inc.", and by check or money order, only. Interest at the legal rate of .10% will be charged and we will provide a monthly billing statement for you once payments commence.

I look forward to hearing back from you.

Regards,

BURGE & STRID  
Lawrence A. Strid  
23193 La Cadena #101  
Laguna Hills, CA 92653  
PH: (949) 699-4160 FAX: (949) 699-4161

In a message dated 8/29/2008 3:55:49 P.M. Pacific Daylight Time, [John@namcoinc.com](mailto:John@namcoinc.com) writes:

Larry,

Sorry to give you this in pieces but here is some of the info.

E. John Themios

Monday, September 01, 2008 AOL: Bsdlaw

# NAMCO

714-573-0505

FAX 714-573-2992

[john@namcoinc.com](mailto:john@namcoinc.com)

---

It's only a deal if it's where *you* want to go. Find your travel deal [here](#).

Subj: **FINANCIAL INFO REQUEST**  
Date: 8/29/2008 3:55:49 P.M. Pacific Daylight Time  
From: [John@namcoinc.com](mailto:John@namcoinc.com)  
To: [BSDLAW@AOL.COM](mailto:BSDLAW@AOL.COM)

Larry,

Sorry to give you this in pieces but here is some of the info.

E. John Themios

**NAMCO**

714-573-0505

FAX 714-573-2992

[john@namcoinc.com](mailto:john@namcoinc.com)

**NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC.**

**Profit and Loss**

January through December 2008

08/29/08

	<u>Jan - Dec '08</u>
Ordinary Income/Expense	
Income	
PROJECT MANAGEMENT	0.00
MNGMNT. SERV.	287,935.00
SUPPLY CHARGES	88,763.88
OTHER CHARGES	113,429.52
OTHER MEETINGS	1,500.00
SERVICES	13,112.80
INTEREST EARNED	5.06
<b>Total Income</b>	<u>504,746.26</u>
<b>Gross Profit</b>	<u>504,746.26</u>
Expense	
Security System	180.00
Uncategorized Expenses	21.00
Employee Expense	94.31
Advertising	30,856.77
Automobile Expense	9,862.58
Bank Charges	1,104.00
Custodial Cleaning	1,190.00
Equipment Leases	13,017.30
Filing Fees	25.00
Health Insurance	20,782.25
Insurance	10,311.14
Interest Expense	1,009.71
Medical	316.00
Memberships & Subscriptions	744.95
Payroll Expenses	220,497.33
Payroll Tax Expense	19,772.64
Postage and Delivery	21,204.56
Professional Development	60.00
Professional Fees	14,530.00
Recording Fees	1,238.50
Reimbursable Expense	40,907.19
Rent	39,196.00
Repairs	3,142.43
Subcontractor	21,727.00
Office	17,849.92
Taxes	4,916.93
Telephone	3,776.98
Travel & Ent	1,691.67
Utilities	3,807.02
<b>Total Expense</b>	<u>503,833.18</u>
<b>Net Ordinary Income</b>	913.08
Other Income/Expense	
Other Expense	
Other Expenses	<u>-3,000.00</u>
<b>Total Other Expense</b>	<u>-3,000.00</u>
<b>Net Other Income</b>	<u>3,000.00</u>
<b>Net Income</b>	<u><u>3,913.08</u></u>

08/29/08

**NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC.**  
**Profit and Loss**  
 January through December 2007

	<u>Jan - Dec '07</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
PROJECT MANAGEMENT	178,761.61
MNGMNT. SERV.	347,300.00
SUPPLY CHARGES	76,704.35
OTHER CHARGES	141,833.57
OTHER MEETINGS	400.00
SERVICES	68,613.25
INTEREST EARNED	10.86
<b>Total Income</b>	<u>813,623.64</u>
<b>Gross Profit</b>	<b>813,623.64</b>
<b>Expense</b>	
Security System	450.00
Uncategorized Expenses	0.00
Employee Expense	570.97
Advertising	26,283.34
Automobile Expense	17,125.22
Bank Charges	4,073.00
Contributions	5.00
Custodial Cleaning	2,170.77
Equipment Leases	33,275.55
Filing Fees	25.00
Health Insurance	46,192.79
Insurance	27,406.29
Interest Expense	5,885.32
Licenses and Permits	50.00
Medical	540.00
Memberships & Subscriptions	1,462.45
Payroll Expenses	344,122.68
Payroll Tax Expense	28,807.41
Postage and Delivery	22,567.96
Professional Development	105.00
Professional Fees	4,400.00
Recording Fees	210.00
Reimbursable Expense	77,310.59
Rent	68,504.00
Repairs	2,845.95
Subcontractor	31,041.78
Office	44,152.16
Taxes	8,471.05
Telephone	6,479.57
Travel & Ent	7,670.93
Utilities	6,321.74
<b>Total Expense</b>	<u>818,526.52</u>
<b>Net Ordinary Income</b>	<b>-4,902.88</b>
<b>Other Income/Expense</b>	
<b>Other Expense</b>	
James Luongo - Loan	14,000.00
Other Expenses	7,196.00
<b>Total Other Expense</b>	<u>21,196.00</u>
<b>Net Other Income</b>	<b>-21,196.00</b>
<b>Net Income</b>	<u><b>-26,098.88</b></u>

P.O. BOX 2395  
 CHATSWORTH, CA 91313-2395

**This Statement Covers**

From: 07/01/08  
 Through: 07/31/08

NORTHWOOD ASSOCIATIONS MANAGEMENT  
 COMPANY, INC.  
 4840 IRVINE BLVD STE 208  
 IRVINE CA 92620-1962



*Need assistance?*  
 To reach us anytime  
 call 1-800-788-7000  
 or visit us at wamu.com

**Free Business Checking Detail Information**

**NORTHWOOD ASSOCIATIONS MANAGEMENT COMPANY, INC.** Account Number: 934-453397-5  
 Washington Mutual Bank, FA

**Account Summary**

<b>Beginning Balance</b>	<b>\$2,839.83</b>
Deposits	+80,079.94
Electronic & Misc. Deposits	+1,300.00
Card Purchases/ATM Withdrawals	0.00
Electronic & Misc. Withdrawals	-31,941.00
Checks Paid	-51,499.93
Service Fees	0.00
<b>Ending Balance</b>	<b>\$778.84</b>

**Deposits**

Date	Amount	Description
07/01	17,465.00	Customer Deposit
07/03	6,099.86	Customer Deposit
07/07	5,195.00	Customer Deposit
07/08	5,645.00	Customer Deposit
07/09	7,669.32	Customer Deposit
07/17	11,218.54	Customer Deposit
07/22	<del>22,000.00</del>	Customer Deposit
07/25	1,170.00	Customer Deposit
07/25	3,617.22	Customer Deposit
<b>9 Items</b>	<b>\$80,079.94</b>	

**Electronic & Miscellaneous Deposits**

Date	Amount	Description	Card Number
07/14	1,300.00	OLB TRANSFER FROM 093400004533967	
<b>1 Item</b>	<b>\$1,300.00</b>		



Electronic & Miscellaneous Withdrawals		
Date	Amount	Description
07/01	10,000.00	OLB TRANSFER TO 093400004533967
07/02	2,775.00	Customer Withdrawal
07/03	4,800.00	OLB TRANSFER TO 093400004533967
07/10	1,300.00	OLB TRANSFER TO 093400004533967
07/15	33.00	Non Sufficient Funds Charge
07/17	10,000.00	Transfer Withdrawal
07/21	3,000.00	OLB TRANSFER TO 093400004533967
07/24	33.00	Non Sufficient Funds Charge
<b>8 Items</b>	<b>\$31,941.00</b>	

Checks Paid					
Check Number	Amount	Date	Check Number	Amount	Date
1077	170.00	07/07	1099	149.49	07/08
1089*	261.00	07/02	1100	207.39	07/08
1090	3,000.00	07/03	1101	5,082.00	07/08
1091	500.00	07/08	1102	1,398.00	07/10
1092	2,875.51	07/09	1103	1,677.00	07/10
1093	1,000.00	07/09	1104	170.00	07/10
1094	90.00	07/09	1105	2,400.00	07/09
1095	631.00	07/09	1106	3,600.00	07/09
1096	544.68	07/11	1107	6,000.00	07/22
1097	1,094.60	07/14	1108	20,203.00	07/29
1098	446.26	07/11			
<b>21 Items</b>	<b>\$51,499.93</b>				

\*Indicates check out of sequence

Account Activity Summary			
Average Collected Balance	\$3,955.33	Minimum Daily Ending Balance	\$227.62
Checks Deposited	63	Cash Deposited	\$0.00
Number of Deposits	10	Cash Purchased	\$0.00
Checks/Debits	23		

Calendar Year-To-Date Overdraft/Non-Sufficient Funds Charges (excluding any charges which have been waived or refunded):

Overdraft charges	\$66.00
Non-Sufficient Funds charges	\$495.00

Overdraft/Non-Sufficient Funds Charges-this statement period:

Overdraft charges	\$0.00
Non-Sufficient Funds charges	\$66.00

Your Overdraft Limit as of the statement end date: \$500.00

Please note that this may be changed at any time without notice. (View back of statement for more information.)

As of the statement end date, the fee for any Non-Sufficient Funds transaction, whether paid or returned, was \$33.00 per transaction.

Switch to online statements; it's an easy, reliable way to organize and store account records and help save the environment. We'll store your official statements for 7 years and you can also save them to your computer or print them as needed. Simply log on to wamu.com and go to statement delivery options to switch to FREE online statements.



BALANCE SHEET - PALM GARDENS COMM. ASSOC.  
August, 2008

08/29/08

PREPARED FOR :  
A-PALM GARDENS C.A.  
c/o NAMCO  
4840 Irvine Blvd., Suite 208  
Irvine, CA 92620-1962

PREPARED BY :  
Northwood Associations  
Management Company, Inc.  
4840 Irvine Blvd., Suite 208  
Irvine, CA 92620-1962

-----  
ASSETS

OPERATING

1010 DS #3162119574	- .00
1011 SW#0101217183 A. D.	2,674.49
1014 WF#2222960219	18,786.80

-----  
TOTAL OPERATING ASSETS 21,461.29

RESERVES

2011 SB#647-29662-14 023	3,085.33
2015 SW#0101217663 LOAN	

-----  
TOTAL RESERVE ASSETS 3,085.33

TOTAL ASSETS 24,546.62  
=====

EQUITY

RESERVES

3020 IP Frt Arb & Fences	
3920 Sunwest Loan	3,824,335.64
3950 Contingency Reserve	-19,350.00

-----  
TOTAL RESERVES 3,804,985.64

OPERATING FUND

Sunwest Loan Offset	-3,871,231.94
3965 Prior Year Fund Bal	-463,610.81
3970 Current Gain or Loss	554,403.73

-----  
TOTAL OPERATING FUND -3,780,439.02

TOTAL EQUITY 24,546.62  
=====



PALM GARDENS COMMUNITY ASSN  
 C/O NORTHWOOD ASSOCIATION  
 MANAGEMENT CO., INC.  
 4840 IRVINE BLVD., STE. 208  
 IRVINE CA 92620-1962

30  
 0  
 85

SUNWEST BANK - HOA DIVISION  
 17542 EAST 17TH STREET STE 200  
 TUSTIN CA 92780

TELEPHONE: 714-730-4444

HOA CHECKING ACCOUNT 101217183

MINIMUM BALANCE	2,852.25	LAST STATEMENT 06/30/08	27,111.75
AVERAGE BALANCE	21,776.38	28 CREDITS	101,656.29
		85 DEBITS	122,330.86
		THIS STATEMENT 07/31/08	6,437.18

DEPOSITS					
REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	07/02	6,933.00		07/09	1,872.00
	07/02	7,364.00		07/09	3,744.00
	07/03	10.00		07/09	4,368.00
	07/03	885.00		07/15	312.00
	07/03	3,120.00		07/15	312.00
	07/03	4,368.00		07/15	4,056.00
	07/03	4,584.29		07/15	8,120.00
	07/07	8,424.00		07/15	8,120.00
	07/09	312.00		07/18	10.00

OTHER CREDITS		
DESCRIPTION	DATE	AMOUNT
NAMCO DEBITS BATCH OFFSET	07/01	9,984.00
NAMCO DEBITS BATCH OFFSET	07/02	8,424.00

CHECKS					
CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
1173	07/01	266.33	1177	07/01	242.18
1174	07/01	194.70	1178	07/01	8.55
1175	07/01	67.98	1179	07/01	350.42
1176	07/01	418.91	1180*	07/01	217.51
			1183	07/02	798.00
			1184	07/15	798.00
			1185	07/21	95.00
			1186	07/02	400.00

\*\*\* CONTINUED \*\*\*



PALM GARDENS COMMUNITY ASSN

HOA CHECKING ACCOUNT 101217183

CHECKS

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
1187	07/02	400.00	1222	07/21	748.05	1247	07/24	798.00
1188	07/02	400.00	1223	07/21	281.24	1248	07/28	390.00
1189	07/02	400.00	1224	07/21	85.09	1249	07/24	925.00
1190*	07/02	456.98	1225	07/21	550.38	1250	07/24	9.76
1192	07/02	687.00	1226	07/21	315.04	1251	07/29	706.02
1193	07/01	4,899.67	1227	07/21	266.33	1252	07/29	540.63
1194	07/07	591.32	1228	07/21	321.16	1253	07/29	278.50
1195	07/07	552.56	1229	07/21	239.05	1254	07/29	245.73
1196	07/16	460.00	1230	07/21	490.87	1255	07/24	382.50
1197	07/21	395.00	1231	07/21	246.64	1256	07/24	375.00
1198	07/21	445.00	1232	07/21	142.32	1257	07/24	798.00
1199*	07/02	391.80	1233	07/21	90.02	1258	07/24	522.00
1207	07/02	1,673.83	1234	07/21	306.44	1259	07/21	4,350.00
1208	07/02	534.19	1235	07/21	472.60	1260	07/21	310.00
1209	07/21	159.27	1236	07/21	478.87	1261	07/29	91.89
1210*	07/02	391.80	1237	07/21	100.07	1262	07/30	227.65
1213	07/01	11,500.00	1238	07/21	372.26	1263	07/31	747.42
1214	07/07	550.00	1239	07/21	4,899.67	1264	07/24	5,000.00
1215	07/21	400.00	1240	07/22	144.00	1265	07/25	5,000.00
1216	07/07	46,896.30	1241	07/22	96.02	1266*	07/24	5,000.00
1217	07/11	2,975.00	1242	07/21	167.57	1270	07/28	310.00
1218	07/11	2,294.32	1243	07/21	240.09	1271*	07/28	1,170.00
1219	07/21	19.69	1244	07/21	195.13	121718	07/28	445.00
1220	07/21	19.69	1245	07/21	192.50			
1221	07/21	483.64	1246	07/18	431.71			

(\* ) INDICATES A GAP IN CHECK NUMBER SEQUENCE

DAILY BALANCE

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
07/01	18,929.50	07/15	33,066.69	07/25	7,030.02
07/02	35,116.90	07/16	32,606.69	07/28	4,715.02
07/03	48,084.19	07/18	38,455.98	07/29	2,852.25
07/07	7,918.01	07/21	20,577.30	07/30	7,184.60
07/09	18,214.01	07/22	20,649.28	07/31	6,437.18
07/11	12,944.69	07/24	6,839.02		

Subj: **Re: ADVANCE DECORATING**  
Date: 8/29/2008 7:49:22 A.M. Pacific Daylight Time  
From: Bsdlaw  
To: John@namcoinc.com

That is fine. I also want to know where Coral Gardens and NAMCO maintain their corporate bank accounts, by the name of the bank, its address and account nos. I will NOT levy on these accounts if you make good on the proposal to pay off the judgment, but we would be entitled to this information at the debtor examination anyway. I have canceled the levy on Newport Homeowners Association that we talked about the other day. Thank you, Larry Strid

In a message dated 8/28/2008 5:33:16 P.M. Pacific Daylight Time, John@namcoinc.com writes:

Larry,

If I may call you that.

I apologize but I have a Board Meeting at 6:00 and I was unable to get the info to you. I will do so first thing tomorrow morning.

Thank you.

**E. John Themios**

**NAMCO**

714-573-0505

FAX 714-573-2992

[john@namcoinc.com](mailto:john@namcoinc.com)

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It's only a deal if it's where *you* want to go. Find your travel deal [here](#).

Subj: **Advanced Decorating Judgment for \$122K**  
Date: 8/28/2008 10:43:48 A.M. Pacific Daylight Time  
From: **Bsdlaw**  
To: [John@namcoinc.com](mailto:John@namcoinc.com)

John: Thank you for contacting me with your offer to pay off the judgment at the rate of \$5K a month, starting 10/15/08, and then increasing to \$7K a month starting 1/15/09, and then increasing to \$10K a month, starting 7/15/09.

I have run this by my client, and he is amenable to same, so long as we can first receive the balance sheets for Coral Gardens and NAMCO that you promised. I would also like to see profit loss statements for both entities going back six months, and as mentioned I would also like information on the name and address of the President and/or Board of Directors of Coral Gardens.

If my client takes payments, he would still want interest, at the legal rate of .10% per annum. All payments will first be applied to the interest accrued on the principal sum of the judgment to date, per law. My client is also entitled by law to certain costs post-judgment for issuance of a writ of execution or other legal documents related to enforcement of the judgment, but these are not large amounts and we can prepare a monthly tally on the payments and accruing interest to provide all parties with. The payments would be paid to my offices, by check or money order only, and payable to my client, only.

I must in good faith advise that I had already set into motion another judgment collection procedure, prior to your contacting me, involving service of a writ of execution on yourself as agent for NEWPORT HOMEOWNERS ASSOCIATION for monies owed by this HOA to NAMCO.

If we finalize this deal, I will cancel that instruction to the O.C. Sheriff's Offices, and we won't have to appear in court on 9/4/08 for the judgment debtor exam of yourself as the president of NAMCO.

I look forward to hearing back from you shortly.

Lawrence A. Strid  
LAW OFFICES OF BURGE & STRID  
23193 La Cadena, Suite 101  
Laguna Hills, CA 92653  
PH: (949) 699-4160  
FAX: (949) 699-4161  
e-mail: [bsdlaw@aol.com](mailto:bsdlaw@aol.com)  
website: [www.bsdlegal.com](http://www.bsdlegal.com)

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Subj: RE: CLIENT - ADVANCE DECORATING  
Date: 8/27/2008 4:54:41 P.M. Pacific Daylight Time  
From: John@namcoinc.com  
To: Bsdlaw@aol.com

Dear Mr. Strid,

I'm not sure what you would consider productive. The association has about \$3,000.00 in reserves. We have just about enough money from month to month.

If a payment plan would be acceptable to your client then a conversation would be productive.

E. John Themios

**NAMCO**

714-573-0505

FAX 714-573-2992

john@namcoinc.com

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**From:** Bsdlaw@aol.com [mailto:Bsdlaw@aol.com]  
**Sent:** Wednesday, August 27, 2008 2:41 PM  
**To:** John  
**Subject:** Re: CLIENT - ADVANCE DECORATING

Dear Mr. Themios:

Your disbelief comes a little late when you were served with a summons and complaint, and then allowed a default judgment to be entered against you and Coral Gardens for over \$100,000.00.

If a judgment is an injury, then your company has been injured.

Your company was the agent for Coral Gardens and was sued in that capacity. My client never dealt with a representative of Coral Gardens, only with you and NAMCO.

We don't care who pays the judgment. Coral Gardens has never responded to the complaint either, and the judgment is joint and several as against it and NAMCO.

Any information that you want to give me on Coral Gardens would be appreciated, and I trust that you have made them aware of this matter. What do they intend to do to pay the judgment? If they can't or won't pay on it, then we will be looking to NAMCO for satisfaction of the judgment.

I would be glad to talk to you anytime, in person or on the phone, but the judgment debtor exam is going to go forward on 9/4/08, and at this juncture the only thing that will make it go away is money.

Thanks for e-mailing me, and give me a call if you think it would be productive.

Wednesday, August 27, 2008 AOL: Bsdlaw

Regards,

Lawrence A. Strid (949) 699-4160

In a message dated 8/27/2008 1:28:52 P.M. Pacific Daylight Time, John@namcoinc.com writes:

Dear Lawrence A. Strid,

It's not that I am indifferent to this matter but in total disbelief that your client named us when the contract was signed by the Association for the Association. I guess when my company actually suffers an injury due to this lawsuit we will be able to do something about it.

With that said I would be very happy to meet with you AND your client in the next few days. We can meet here, your office or your client's office.

Please reply or send any e-mails directly to me.

Thank you.

E. John Themios

**NAMCO**

714-573-0505

FAX 714-573-2992

john@namcoinc.com

**From:** Bsdlaw@aol.com [mailto:Bsdlaw@aol.com]

**Sent:** Wednesday, August 20, 2008 11:26 AM

**To:** Info

**Subject:** Judgment Against NAMCO

My offices represent Advanced Decorating Co., Inc., on whose behalf we obtained a judgment for \$122K + on May 28, 2008, against NAMCO and its customer Coral Gardens Homeowners Association. Mr. Themios has been served with a Judgment Debtor Examination Order to appear in court on 9/4/08 and to produce financial data on both entities.

NAMCO is aware of the judgment, and which is accruing interest at .10% per annum, but appears to be indifferent to the matter.

Please contact the undersigned if you want to avoid further legal execution and expenses by resolving payment of the judgment.

Lawrence A. Strid  
LAW OFFICES OF BURGE & STRID  
23193 La Cadena, Suite 101  
Laguna Hills, CA 92653  
PH: (949) 699-4160

Wednesday, August 27, 2008 AOL: Bsdlaw

FAX: (949) 699-4161  
e-mail: [bsdlaw@aol.com](mailto:bsdlaw@aol.com)  
website: [www.bsdlegal.com](http://www.bsdlegal.com)

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EXHIBIT

5

EXHIBIT "5"

Lawrence A. Strid

-LAW OFFICES-

16430 Bake Parkway, Suite 103  
Irvine, CA 92618  
Telephone: (949) 861-3660  
Facsimile: (949) 861-8674  
E-mail: stridlaw@aol.com

February 8, 2010

Northwoods Associations Management Company  
Attn.: E. John Themios  
4840 Irvine Blvd., Ste. 208  
Irvine, CA 92620

**RE: Case: *Advanced Painting & Construction vs. NAMCO, Coral Gardens HOA***  
**Our File No.:7783**  
**Subject: Judgment For \$122,149.49 and First Amended Judgment**

Dear Mr. Themios:

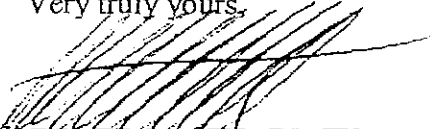
*Please note my change in firm name, change in address, change in phone and fax numbers, and change in e-mail address as noted hereinabove in my letterhead. Send all future correspondence to these new offices, only.*

As promised, I owed you an accounting on the total due of the judgment to date, after consideration of post-judgment costs allowed by law, post-judgment interest at .10% per annum, and the payments as made to date. Under the law, all payments are first credited toward interest, and then the principal.

A spread-sheet calculation is enclosed herein, showing that as of 1/20/10 the total balance due was \$37,874.26. As of 2/15/10, the next installment payment due will be \$10,000.00, and which must be forwarded to my Irvine address per my letterhead hereinabove.

Thank you for your attention to the above, and call me if you have any questions or concerns.

Very truly yours,



LAWRENCE A. STRID

cc: client

Date of Judgment - 5/28/08  
 Amount of Judgment - \$122,000.49  
 Cost in July - \$442.66

05/28/08 thru 05/31/08 = 3 Days  
 06/01/08 thru 06/30/08 = 30 Days  
 07/01/08 thru 07/31/08 = 31 Days  
 08/01/08 thru 08/31/08 = 31 Days

30 Days

10/01/08 thru 10/16/08 = 16 Days

141 Days

\$122,149.49 10% = \$12,214.95 : 363 Days = 33.47 = \$4,719.27  
\$4,719.27 Interest 5/28/08 thru 10/16/08

\$126,868.76

- \$5,000.00

\$121,868.76

Payment 10/16/08

10% = \$12,186.88 : 365 Days = 33.39

10/17/08 thru 10/31/08 = 14 Days

11/01/08 thru 11/17/08 = 17 Days

31 Days x 32.31 = \$1,035.09

\$121,868.76

\$1,035.09

\$122,903.85

- \$5,000.00

\$117,903.85

Interest 10/17/08 - 11/17/08

Payment 11/17/08

10% = \$11,790.39 : 365 Days = 32.31

11/18/08 thru 11/30/08 = 12 Days

12/01/08 thru 12/16/08 = 16 Days

28 Days x 32.31 = \$904.68

\$117,903.85

\$904.68

\$118,808.53

- \$5,000.00

\$113,808.53

Payment 12/16/08

10% = \$11,380.86 : 365 Days = 31.18

12/17/08 thru 12/31/08 = 14 Days

01/01/09 thru 01/16/09 = 16 Days

30 Days x 31.18 = \$935.40

\$113,808.53

\$935.40

\$114,743.93

- \$7,000.00

\$107,743.93

Payment 12/16/08

10% = \$10,774.40 : 365 Days = 29.52

01/17/09 thru 02/17/09 = 30 Days x 29.52 = \$885.60

\$107,743.93

\$885.60

\$108,629.53

- \$7,000.00

\$101,629.53

Payment 2/17/09

10% = \$10,162.96 : 365 Days = 27.85

02/18/09 thru 02/28/09 = 10 Days

03/01/09 thru 03/16/09 = 16 Days

26 Days x 27.85 = \$724.10

\$101,629.53  
    \$724.10  
\$102,353.63  
-\$7,000.00  
\$95,353.63

Payment 3/16/09  
10% = \$9,538.15 : 365 Days = 26.14

03/17/09 thru 03/31/09 = 14 Days  
04/01/09 thru 04/15/09 = 15 Days  
                                  29 Days x 26.14 = \$758.06

\$95,381.48  
    \$758.06  
\$96,139.54  
-\$7,000.00  
\$89,139.54

Interest  
Payment 4/15/09  
10% = \$8,913.96 : 365 Days = 24.13

04/16/09 thru 04/30/09 = 14 Days  
05/01/09 thru 05/15/09 = 15 Days  
                                  29 Days x 24.43 = \$708.47

\$89,139.54  
    \$708.47  
\$89,848.01  
-\$7,000.00  
\$82,848.01

Interest  
Payment 5/15/09  
10% = \$8,284.81 : 365 Days = 26.70

05/16/09 thru 05/31/09 = 15 Days  
06/01/09 thru 06/15/09 = 15 Days  
                                  30 Days x 22.70 = \$681.00

\$82,848.01  
    \$681.00  
\$83,529.01  
-\$7,000.00  
\$76,529.01

Interest  
Payment 6/15/09  
10% = \$7,652.90 : 365 Days = 20.97

06/16/09 thru 06/30/09 = 14 Days  
07/01/09 thru 07/15/09 = 15 Days  
                                  29 Days x 20.97 = \$608.13

\$76,529.01  
    \$608.13  
\$77,137.14  
-\$7,000.00  
\$70,137.14

Interest  
Payment 7/15/09  
10% = \$7,013.72 : 365 Days = 19.22

07/16/09 thru 07/31/09 = 15 Days  
08/01/09 thru 08/17/09 = 17 Days  
                                  32 Days x 19.22 = \$615.04

\$70,137.14  
    \$615.04  
\$70,752.18

Interest

-\$7,000.00  
\$63,752.18

Payment 8/17/09  
10% = \$6,375.22 : 365 Days = 17.47

08/18/09 thru 08/31/09 = 13 Days  
09/01/09 thru 09/24/09 = 24 Days  
37 Days x 17.47 = \$346.39

\$63,752.18  
\$646.39 Interest

\$64,398.57  
-\$7,000.00  
\$57,398.57

Payment 9/24/09  
10% = \$5,739.86 : 365 Days = 15.73

09/25/09 thru 09/30/09 = 5 Days  
10/01/09 thru 10/22/09 = 22 Days  
27 Days x 15.73 = \$424.71

\$57,398.57  
\$424.71 Interest

\$57,823.28  
-\$7,000.00  
\$50,823.28

Payment 10/22/09  
10% = \$5,082.32 : 365 Days = 13.93

10/23/09 thru 10/31/09 = 8 Days  
11/01/09 thru 11/17/09 = 17 Days  
25 Days x 13.93 = \$348.25

\$50,823.14  
\$348.25 Interest

\$51,171.39  
-\$7,000.00  
\$44,171.39

Payment 11/17/09  
10% = \$4,417.14 : 365 Days = 12.11

11/18/09 thru 11/30/09 = 12 Days  
12/01/09 thru 12/17/09 = 17 Days  
29 Days x 12.11 = \$356.19

\$44,171.39  
\$351.19 Interest

\$44,522.58  
-\$7,000.00  
\$37,522.58

Payment 12/17/09  
10% = \$3,753.47 : 365 Days = 10.29

12/18/09 thru 12/31/09 = 13 Days  
01/01/10 thru 01/20/10 = 20 Days  
33 Days x 10.29 = \$339.57

\$37,534.69  
\$339.57 Interest  
\$37,874.26

Balance as of 1/20/10

EXHIBIT

6

EXHIBIT "6"

*Laurence A. Strid*

-LAW OFFICES-

16430 Bake Parkway, Suite 103  
Irvine, CA 92618  
Telephone: (949) 861-3660  
Facsimile: (949) 861-8674  
E-mail: stridlaw@aol.com

February 24, 2010

Alison Reid  
28048 Cayman  
Mission Viejo, CA 92692

**RE: Case: *Advanced Painting & Construction vs. NAMCO, Coral Gardens HOA***  
**Our File No.: 7783**  
**Subject: Judgment For \$122,149.49**

Dear Ms. Reid:

Thank you for calling me today, in your role as a volunteer homeowner for the Coral Gardens HOA. This will further confirm that you advised me that the Board and yourself only found out about the lawsuit a few days ago, and that NAMCO had been keeping you in the dark about it.

Per your request, I am enclosing various documents herein so that you will have more information regarding the matter. These documents include the following:

1. Letter of 2/8/10 to John Themios at NAMCO, accounting for the payments received to date and identifying the balance yet due on the judgment of \$37,874.26 (through December 2009).
2. Notice of Entry of First Amended Judgment as filed on 9/29/08, and to which is attached a copy of the Stipulation and Order allowing a First Amended Judgment, and the First Amended Judgment itself, as filed on 9/23/08. The First Amended Judgment was sought and filed in order to correctly state the name of the Coral Gardens HOA as a judgment debtor.
3. Memorandum of Costs for \$340.00 on First Amended Judgment, as filed on 9/29/08.
4. Proof of Service of summons and complaint on Coral Gardens, as originally served on John Themios on 2/15/08.
5. Entry of Default on Coral Gardens (because no response was filed to the complaint) of 4/2/08. NAMCO as a party defendant was similarly defaulted on 2/13/08.
6. Complaint for Damages, as filed on 1/8/08.

I am sorry if NAMCO kept your HOA ignorant about this, but that omission doesn't effect the validity or enforcement of the judgment.

I will not be taking steps to execute on the judgment (the last installment was to be for \$10,000.00 and was due and payable on 2/15/10, per my arrangement with Mr. Themios, but he hasn't responded to my phone calls or e-mails wherein I have requested payment of the installment – other than this omission, he has been essentially faithful in honoring our agreement to pay the judgment off in installments due the 15<sup>th</sup> of each month. The initial installments were for \$5000.00 starting 10/15/08

Page Two  
February 24, 2010

through the end of that year, increasing to \$7000.00 a month on January 2009, and then were to go to \$10,000.00 a month starting July 2009, although the first \$10,000.00 payment wasn't actually made until January of 2009.

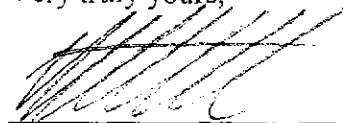
The judgment accrues post-judgment interest at .10% per annum, and partial payments are credited toward accrued interest first under the judgment enforcement laws.

Considering the payment made for \$10,000.00 in January 2010, the actual amount now due on the judgment is approximately \$27,874.00, and I can provide an exact payoff figure upon request.

As also mentioned, although a judgment debtor examination hearing was scheduled, no such exam was ever actually carried out, due to the installment agreement that I had with Mr. Themios.

Thank you for your attention to the above, and please get back to me with what the Board intends to do with the remaining balance due on the judgment within the next ten (10) days.

Very truly yours,



LAWRENCE A. STRID

cc: client