

SUMMONS Cross-Complaint

(CITACION JUDICIAL-CONTRADEMANDA)

NOTICE TO CROSS-DEFENDANT:
(AVISO AL CONTRA-DEMANDADO):

SEE ATTACHMENT 1

YOU ARE BEING SUED BY CROSS-COMPLAINANT:
(LO ESTÁ DEMANDANDO EL CONTRADEMANDANTE):

ERAN GURION, an individual

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

CONFORMED COPY
ORIGINAL FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

JUN 16 2016

Sherri R. Carter, Executive Officer/Clerk
BY Heidi Hankins, Deputy

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the cross-complainant. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al contrademandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), o uniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es): LOS ANGELES SUPERIOR CT
BURBANK DIVISION
300 E. OLIVE, BURBANK CA 91502

SHORT NAME OF CASE (from Complaint) (Nombre de Caso)

CHAMBERLAIN et al v. GURION

CASE NUMBER: (Número del Caso)

EC065373

FILED BY FAX

The name, address, and telephone number of cross-complainant's attorney, or cross-complainant without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del contrademandante, o del contrademandante que no tiene abogado, es):

Elliott H. Stone, Esq., 6601 Center Drive, Ste 500, Los Angeles CA 90045, 310-348-7000

DATE: JUN 16 2016
(Fecha)

SHERRI R. CARTER Clerk, by
EXECUTIVE OFFICER/CLERK (Secretario)

H. HANKINS Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons (POS-010).)

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual cross-defendant.
2. ☐ as the person sued under the fictitious name of (specify):

3. ☐ on behalf of (specify):

- | | |
|--|---|
| under: ☐ CCP 416.10 (corporation) | ☐ CCP 416.60 (minor) |
| ☐ CCP 416.20 (defunct corporation) | ☐ CCP 416.70 (conservatee) |
| ☐ CCP 416.40 (association or partnership) | ☐ CCP 416.90 (authorized person) |

☐ other (specify):

4. ☐ by personal delivery on (date):

[SEAL]

SHORT TITLE: CHAMBERLAIN et al. v. GURION	CASE NUMBER: EC065373
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ATTACHMENT (Number): 1

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

CONTINUATION FROM SUMMONS:

NOTICE TO CROSS-DEFENDANT:

LEIF L. ROGERS, an individual; LEIF L. ROGERS, MD, PROFESSIONAL CORPORATION, a California corporation; GARY CHAMBERLAIN, an individual; ROBIN CHAMBERLAIN, an individual; LRMD HOLDINGS, LLC, a California limited liability company; CRAIG STRONG, an individual; JOHN AAROE GROUP, INC., a California corporation; SAMUEL H. KRAEMER, an individual; JT HOMES, LLC, a California limited liability company; JAMES M RICHARDS MD, INC., a California corporation; ROES 1 to 100, inclusive; and all persons unknown claiming any interest in the properties, inclusive.

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

Page 2 of 2

(Add pages as required)

1 Elliott H. Stone, Esq. (SBN 264569)

ehstone@stonelawpc.com

2 **STONE LAW FIRM**

6601 Center Drive – Suite 500

3 Los Angeles California 90045

Telephone: (310) 348-7000

4 Facsimile: (844) 329-9100

5 Attorney for Defendant and Cross-Complainant
ERAN GURION

**CONFORMED COPY
ORIGINAL FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES**

JUN 14 2016

Sherri R. Carter, Executive Officer/Clerk

BY Heidi Hanbire, Deputy

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES – NORTH CENTRAL DISTRICT (BURBANK)**
10 **UNLIMITED CIVIL JURISDICTION**

11 GARY CHAMBERLAIN and LEIF ROGERS,

12 Plaintiff,

13 v.

14 ERAN GURION and DOES 1 to 50, inclusive,

15 Defendants.

16
17 ERAN GURION, an individual,

18 Cross-Complainant,

19 LEIF L. ROGERS, an individual; LEIF L.
20 ROGERS, MD, PROFESSIONAL
21 CORPORATION, a California corporation;
22 GARY CHAMBERLAIN, an individual;
23 ROBIN CHAMBERLAIN, an individual;
24 LRMD HOLDINGS, LLC, a California limited
25 liability company; CRAIG STRONG, an
26 individual; JOHN AAROE GROUP, INC., a
California corporation; SAMUEL H.
KRAEMER, an individual; JT HOMES, LLC,
a California limited liability company; JAMES
M RICHARDS MD, INC., a California
corporation; ROES 1 to 100, inclusive; and all
persons unknown claiming any interest in the
properties, inclusive,

27 Cross-Defendants.
28

Case No.: EC065373

VERIFIED CROSS-COMPLAINT FOR:

- 1) **BREACH OF PARTNERSHIP AGREEMENT;**
- 2) **PARTITION OF REAL PROPERTY;**
- 3) **CONVERSION OF PARTNERSHIP ASSETS;**
- 4) **INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS;**
- 5) **BREACH OF FIDUCIARY DUTY;**
- 6) **CONSTRUCTIVE FRAUD;**
- 7) **QUIET TITLE;**
- 8) **CIVIL CONSPIRACY; AND**
- 9) **DECLARATORY RELIEF.**

JURY TRIAL DEMANDED

1 Cross-Complainant ERAN GURION, alleges against Cross-Defendants of them as follows:

2
3 **THE PARTIES**

4 1. Cross-Complainant ERAN GURION (“Gurion”) is, and at all times material hereto
5 was, an individual residing in Los Angeles County, California, and a business partner of Cross-
6 Defendant LEIF L. ROGERS.

7 2. Cross-Defendant LEIF L. ROGERS, (“Rogers”) is, and at all and at all times material
8 hereto was, an individual residing in Los Angeles County, California, and a business partner of
9 Cross-Complainant Gurion.

10 3. Cross-Defendant LEIF L. ROGERS, MD, PROFESSIONAL CORPORATION (the
11 “Rogers Medical Corporation”) is, and at all and at all times material hereto was, a California
12 professional corporation with its principal place of business in Los Angeles County, California.

13 4. Cross-Defendant GARY CHAMBERLAIN, (“Chamberlain”) is, and at all and at all
14 times material hereto was, an individual residing in Los Angeles County, California, and the father
15 of Cross-Defendant ROBIN CHAMBERLAIN.

16 5. Cross-Defendant ROBIN CHAMBERLAIN, (“Ms. Chamberlain”) is, and at all and at
17 all times material hereto was, an individual residing in Los Angeles County, California, the
18 common-law wife and/or domestic partner of Rogers, and the daughter of Cross-Defendant GARY
19 CHAMBERLAIN.

20 6. Cross-Defendant LRMD HOLDINGS, LLC, (“LRMD”) is, and at all and at all times
21 material hereto was, a California limited liability company with its principal place of business in Los
22 Angeles County. Based on information and belief, and on that basis it is alleged, LRMD is an alter
23 ego “shell” entity used by one or more of the herein named Cross-Defendants for the purposes of
24 carrying on investment activities.

25 7. Cross-Defendant CRAIG STRONG (“Strong”) is, and at all and at all times material
26 hereto was, an individual residing in Los Angeles County, California, and a co-conspirator in the
27 wrongful conduct complained of herein. Strong is a California licensed real estate agent holding
28

1 California Bureau of Real Estate license number 01450987.

2 8. Cross-Defendant SAMUEL H. KRAEMER, (“Kraemer”) is, and at all and at all times
3 material hereto was, an individual residing in Los Angeles County, California, and a co-conspirator
4 in the wrongful conduct complained of herein. Strong is a California licensed real estate agent
5 holding California Bureau of Real Estate license number 01396547, and, according to records of the
6 California Bureau of Real Estate, is Strong’s supervising broker.

7 9. Cross-Defendant JOHN AAROE GROUP, INC., (“Employing Broker”) is, and at all
8 and at all times material hereto was, a California limited liability company with its principal place of
9 business in Los Angeles County. Cross-Defendants Strong and Kraemer are employed by Broker.

10 10. Cross-Defendant JT HOMES, LLC., (“JTH”) is, and at all and at all times material
11 hereto was, a California limited liability company with its principal place of business in Los Angeles
12 County. According to public records, and on that basis it is alleged, JTH holds a lien on one or more
13 parcels of real property which are the subject matter of this litigation and are named herein pursuant
14 to Civ. Proc. §872.510.

15 11. Cross-Defendant JAMES M. RICHARDS MD, INC., (“JMRMD”) is, and at all and
16 at all times material hereto was, a California limited liability company with its principal place of
17 business in Los Angeles County. According to public records, and on that basis it is alleged,
18 JMRMD holds a lien on one or more parcels of real property which are the subject matter of this
19 litigation and are named herein pursuant to Civ. Proc. §872.510.

20 12. Cross-Defendants Dr. Rogers and Chamberlain’s claims and defenses may be adverse
21 and conflicting as to Cross-Defendants JTH and JMRMD, which Gurion denies liability as to each
22 and every one of them. As such, Gurion sues them as known and/or unknown parties that may claim
23 an interest in the herein described real property so that all claims can be heard in one action to
24 prevent a multiplicity of lawsuits.

25 13. Based upon information and belief, and on that basis it is alleged, each Cross-
26 Defendant sued herein is and at all times was the principal, agent, or employee of the other, and is
27 and at all times was acting within the course and scope of such principal relationship, agency, or
28

1 employment. Further, each Cross-Defendant sued herein received money and/or property without
2 consideration as a result of the unlawful conduct described herein and with full knowledge of the
3 resulting damage and harm to Cross-Complainant and with full knowledge that the money and/or
4 property was obtained as a result of the fraud, misrepresentation, and other wrongful and illegal
5 conduct described herein. Each Cross-Defendant sued herein is a shell organization and is actually
6 the alter ego of the other Defendants sued herein.

7 14. Upon information and belief, and on that basis it is alleged, that through their actions,
8 words, and representations to the public, Cross-Complainant Gurion and Cross-Defendant Rogers,
9 by and through their collective conduct and by carrying on the commercial activity which is the
10 subject of this action, demonstrated a community of interests existed and continues to exist between
11 them, operated as an ostensible partnership as that term is defined in Ca. Corps. Code section 16308.
12 Accordingly, Cross-Defendant Rogers is estopped from claiming that he and Gurion are separate
13 entities and, as such, Rogers, and those acting in concert with Rogers, are liable, jointly and
14 severally, for Cross-Complainants damages as alleged herein.

15 15. Cross-Complainant is unaware of the true names and capacities of the Cross-
16 Defendants sued herein under fictitious names ROES 1-100. They are sued herein pursuant to
17 C.C.P. Section 474. When Cross-Complainant becomes aware of the true names and capacities of
18 Cross-Defendants ROES 1-100, Cross-Complainant will amend to state their true names and
19 capacities.

20 **GENERAL ALLEGATIONS**

21 16. Cross-Complainant Gurion is a real estate developer who specializes in what are
22 known as “tear-down flips.” For Gurion, his tear-down flips typically involve the purchase of a 50+
23 year-old single family residence that is functionally obsolete, but located in a well-established and
24 moderately-affluent neighborhood, he then tears down the home and builds in its place a new,
25 modern, upscale home with high-end details, finishes and amenities. Gurion, who holds a general
26 contractors license from the California Contractors State License Board does tear-down flips for
27 properties he owns himself and does not provide “general contractor” services to others looking to
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1 do similar tear-down flips— Gurion’s only client is himself.

2 17. Since 2007, Gurion has done over 30 flips in Studio City, —24 of which have been
3 done in the last 3 years. Gurion focuses the majority of his projects to the Studio City area and has
4 developed notoriety as one of the leading builders for tear-down flips in the community. Gurion’s
5 work has resulted in an economic contribution to the community of more than \$55,000,000 (fifty-
6 five million dollars).

7 18. Cross-Defendant Rogers is a well-known Beverly Hills plastic surgeon and resident
8 of Studio City who also flips homes as a sideline.

9 19. In early 2015, Cross-Defendant Rogers, as resident of Studio City, was very familiar
10 with the popularity of Gurion’s unique high-end Studio City homes in his neighborhood. Rogers
11 approached Gurion, accompanied by Ms. Chamberlain, at one of Gurion’s Studio City project-sites
12 and inquired about partnering with Gurion to build homes together. Rogers, praising Gurion’s
13 highly recognizable signature home designs, explained to Gurion that he had several million dollars
14 to invest and wanted to partner with Gurion. Rogers boasted to Gurion he wanted to do no less than
15 10 tear-down flips over the next year.

16 20. Rogers explained to Gurion that he desperately needed a partner like Gurion because
17 one of Rogers’s current flip projects in Toluca Lake was quickly becoming a disaster and that
18 Rogers was unsure how to proceed in taking corrective action and was concerned he was going to
19 lose his entire investment.

20 21. Gurion explained to Rogers his proprietary system for buying, building and selling
21 his flip homes. Gurion explained that he had an institutional credit facility that Gurion used to
22 finance the acquisition and re-development of his tear-down flips. Gurion further explained to
23 Rogers that he typically purchases his tear-down flip homes with discounted realtor commissions
24 because Gurion uses the same realtor to purchase and later sell the re-built home all with the same
25 realtor. This realtor arrangement was Gurion’s competitive advantage since it provided Gurion a
26 good flow of candidate properties and gave those realtors working with Gurion a valuable book of
27 continuous business from Gurion. Based on this, Rogers understood and agreed that all Partnership
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1 Projects would be purchased and sold using Gurion's network of realtors and to operate under the
2 same financial arrangement.

3 22. In furtherance of their partnership, it was agreed that Rogers would put up the money
4 and financing as a mostly passive partner, while Gurion, on the other hand, would identify
5 economically viable properties, prepare budgets and estimates, handle entitlement and permits,
6 handle design and architectural, as well as all construction work from demolition to re-building and
7 generally make available to Rogers all of Gurion's "cream-of-the-crop" vendors, subcontractors and
8 realtors. For their part, it was agreed that Rogers and Gurion would split the profit equally 50%-50%
9 as each Partnership Project home was sold. As such, Gurion and Rogers formed a partnership as
10 between the two of them, as that term is defined under Ca. Corps. Code section 16202(a), to identify,
11 purchase, tear-down, re-build, and then re-sell for profit, homes in the greater Studio City / Toluca
12 Lake area (hereinafter the "Partnership").

13 **The First Partnership Project: 10331 Valley Spring**

14 23. The first Partnership project was Dr. Rogers's troubled Toluca Lake project located at
15 10331 Valley Spring, Toluca Lake, California (the "Valley Spring"). Rogers bought the Toluca Lake
16 Project before partnering with Gurion and tried, unsuccessfully, to rehabilitate the property.
17 However, before partnering with Gurion, Rogers ran into countless problems with the Toluca Lake
18 Project rendering it value-less without Gurion's assistance. Now part of their partnership, Rogers
19 and Gurion agreed to tear down the existing Valley Spring home and build in its place a new,
20 profitable, Gurion-designed residence and to split the profits 50%-50%, between them.

21 **The Second Partnership Project: 4121 Laurelgrove Avenue**

22 24. The second Partnership project was 4121 Laurelgrove Avenue, in Studio City
23 ("Laurelgrove I"). Gurion found the Laurelgrove I property through his realtor network and
24 immediately contacted Dr. Rogers instructing him and Ms. Chamberlain to go view the property and
25 make an offer. Gurion explained to Dr. Rogers that this particular property could be purchased at or
26 below \$910,000, construction costs would be approximately \$675,000, and the property could then
27
28

1 be sold for approximately \$2,200,000, resulting in a potential profit of approximately \$525,000,
2 without finance costs. To this, Dr. Rogers responded he was ok with the numbers and then
3 proceeded to purchase the property. Shortly thereafter, the purchase was completed and Gurion
4 began the process of tearing down and rebuilding the property pursuant to the terms of the
5 Partnership agreement.

6 **The Third Partnership Project: 4053 Laurelgrove Avenue**

7
8 25. The third Partnership property, 4053 Laurelgrove Avenue, in Studio City
9 (“Laurelgrove II”), was a few doors down from Lauregrove I. Gurion found the Laurelgrove II
10 property, again through his realtor network, and contacted Rogers to provide the details. Not hearing
11 back soon enough from Rogers, Gurion submitted an offer to purchase under his own name.¹ Gurion
12 explained to Rogers that due to Rogers delay in responding, he submitted an offer in his own name.
13 Gurion explained to Rogers that Laurelgrove II should be a Partnership property, or alternatively,
14 Gurion was fine developing it on his own. Rogers responded he wanted Laurelgrove to be part of
15 the Partnership too. Gurion again ran the numbers and presented Dr. Rogers with a proforma costs
16 analysis. Just like Lauregrove I, the Laurelgrove II project would have a target acquisition of
17 approximately \$900,000, a construction budget of \$675,000, and was planned to be sold for
18 \$2,200,000.

19 26. After agreeing on the numbers, Laurelgrove II was purchased with title vesting in the
20 name of both Gurion and Rogers. Shortly thereafter, Gurion began the process of tearing down and
21 rebuilding the property pursuant to the terms of the Partnership agreement.

22 **Cross-Defendants Breach The Partnership Agreement**

23 27. Several months into the development of the Partnership properties, the relationship
24 between Gurion and Rogers began to deteriorate. Specifically, Cross-Defendant Gary Chamberlain,
25 who is Ms. Chamberlain’s father, self-nominated himself to be the project manager, and did so over
26

27
28 ¹ It is common for homes in Studio City to go on the market and sell the same day with multiple completing overbid offers.

1 the objections of Gurion and in violation of the original agreement between Gurion and Rogers.

2 28. Encouraged, aided and abetted by Chamberlain and Ms. Chamberlain, Dr. Rogers
3 breached the Partnership agreement by, *inter alia*, demanding the Partnership's profits now be split
4 between Chamberlain, Rogers and Gurion, 1/3 each respectively, as where before it was to be 50%-
5 50%, between Gurion and Dr. Rogers; borrowing money at excessive "hard-money" interest rates
6 even though Rogers told Gurion his investment would be "all cash;" stripping over \$3,200,000
7 (Three-Million Two-Hundred-Thousand Dollars) in equity out of the Partnership properties using a
8 cash-out refinance without notice to Gurion; filing the underlying Complaint in an attempt to remove
9 Gurion from title and denying the existence of the Partnership; repudiating the listing agreement
10 with the Gurion network realtors; listing the Partnership Properties for sale with a discount-realtor
11 outside the Gurion realtor network; and changing the locks on the Partnership properties to prevent
12 Gurion's access thereto (collectively, the "Breach of the Partnership Agreement").

13 29. Cross-Defendants Chamberlain, Ms. Chamberlain, Strong, Kraemer, Employing
14 Broker, Rogers Medical Corporation, and LRMD, were participants in and/or complicit in aiding and
15 abetting the Breach of the Partnership Agreement and in so doing, received, or will receive, a
16 material benefit therefrom.

17 30. As a direct and proximate cause of the Breach of the Partnership Agreement, Gurion
18 has sustained expectation damages as well as damages in the form of lost economic opportunities.

19 31. Further, based upon information and belief, and on that basis it is alleged, one or
20 more Cross-Defendants have and/or has dissipated some or all of the \$3,200,000 in cash-out
21 refinance proceeds from the Partnership Properties to pay for, *inter alia*: personal living expenses,
22 mortgage and/or property tax payments on non-partnership real property; expenses related to the
23 Rogers Medical Corporation and/or deposited into bank accounts owned and/or controlled by Cross-
24 Defendant LRMD.

25 ///

26 ///

27 ///

1 **FIRST CAUSE OF ACTION**

2 **BREACH OF PARTNERSHIP AGREEMENT**

3 (By Cross-Complainant ERAN GURION Against Cross-Defendant LEIF L. ROGERS
4 and ROES 1-10, inclusive)

5 32. Cross-Complainant re-alleges and incorporates by reference herein each and every
6 allegation contained in paragraphs 1 through 31 above.

7 33. Cross-Complainant Gurion and Cross-Defendant Dr. Rogers are partners in the
8 Partnership, as explained above.

9 34. Cross-Complainant Gurion has performed all terms and conditions required by the
10 herein described partnership agreement.

11 35. Cross-Defendant Dr. Rogers breached the partnership agreement, *inter alia*, by
12 intentionally carrying out the Breach of the Partnership Agreement, as explained above.

13 36. As a direct and proximate result of Cross-Defendant Dr. Rogers's Breach of the
14 Partnership Agreement, Gurion has suffered expectation and special damages in an amount to be
15 proven at trial.

16 37. WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants, as
17 more fully set forth below.

18 **SECOND CAUSE OF ACTION**

19 **PARTITION AND SALE OF REAL PROPERTY**

20 (By Cross-Complainant ERAN GURION Against Cross-Defendant LEIF L. ROGERS
21 and ROES 11-20, inclusive)

22 38. Cross-Complainant re-alleges and incorporates by reference herein each and every
23 allegation contained in paragraphs 1 through 37 above.

24 39. This action seeks the partition and sale of three (3) parcels of real property, all of
25 which are located in Los Angeles County, California, commonly known as:

26 Valley Spring: 10331 Valley Spring, Toluca Lake, California, described as: Parcel B
27 of Parcel Map No. A.A. 3452, as per map recorded in Book 83, Page 48 of Maps, in
28 the office of the County Recorder of said County, and bearing Los Angeles County

1 Assessor's Parcel Number ("APN") 2424-020-020 (hereinafter "Valley Spring");
2 Laurelgrove I: 4121 Laurelgrove Avenue, Studio City, California 91604, described
3 as: Lot 32, Block "E" of Tract 6891, in the City of Los Angeles, County of Los
4 Angeles, State of California, as per map recorded in Book 75, Page 61 and 62 of
5 Maps, in the office of the County Recorder of said County, and bearing Los Angeles
6 County Assessor's Parcel Number ("APN") 2367-012-028; and
7 Laurelgrove II: 4053 Laurelgrove Avenue, Studio City, California 91604, described
8 as: Lot 24, Block "E" of Tract No. 6891, in the City of Los Angeles, County of Los
9 Angeles, State of California, as per map recorded in Book 75, Pages 61 and 62 of
10 Maps, in the office of the County Recorder of said County, and bearing Los Angeles
11 County Assessor's Parcel Number ("APN") 2367-012-020.

12 Hereinafter the "Partnership Properties.)

13 40. By virtue of Gurion's fifty-percent (50%) interest in the Partnership between him and
14 Rogers, Gurion holds one or more of the following on all three Partnership Properties: an undivided
15 one-half (1/2) interest as a tenant-in-common; an equitable lien of fifty-percent (50%); and/or is the
16 beneficiary of a constructive trust of fifty-percent (50%) of the interest therein.

17 41. Cross-Defendant Rogers, by virtue of his fifty-percent (50%) interest in the
18 Partnership between him and Gurion, holds one or more of the following on all three Partnership
19 Properties: an undivided one-half (1/2) interest as a tenant-in-common and/or a fee interest subject to
20 Gurion's equitable lien and/or constructive trust of fifty-percent (50%) therein.

21 42. Cross-Complainant is informed and believes and on that basis alleges that the
22 interests of record or actually known to Cross-Complainant that other have, or claim, in the
23 Partnership Properties that Cross-Complainant reasonably believes will be materially affected by this
24 partition action are interests of the other herein named Cross-Defendants.

25 43. The estate on which partition is sought is the estate constituting the entire fee title to
26 each of the three above described Partnership Properties.

27 44. Cross-Complainant requests that the each of the three Partnership Properties be
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1 partitioned by sale. Such mode of partition is more equitable under the circumstances than division
2 since it was the original undisputed intent of the Gurion-Rogers Partnership to sell these properties.

3 45. WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants,
4 as more fully set forth below.

5 6 **THIRD CAUSE OF ACTION**

7 **CONVERSION OF PARTNERSHIP ASSETS**

8 (By ERAN GURION Against Cross-Defendants LEIF L. ROGERS; LEIF L. ROGERS, MD;
9 PROFESSIONAL CORPORATION; GARY CHAMBERLAIN; ROBIN CHAMBERLAIN; LRMD
HOLDINGS, LLC; and ROES 21-30, inclusive,

10 46. Cross-Complainant re-alleges and incorporates by reference herein each and every
11 allegation contained in paragraphs 1 through 45 above.

12 47. On or about March 18, 2016, Cross-Defendant Dr. Rogers, acting in concert with the
13 other herein named Cross-Defendants, converted, stole, embezzled, and/or substantially interfered
14 with \$3,200,000 in Partnership cash by completing an unauthorized and improper cash-out refinance
15 on the Valley Spring and Laurelgrove I Partnership Properties, thereby converting the same to
16 Rogers, Chamberlain, Ms. Chamberlain, the Rogers Medical Corporation, and/or LRMD's personal
17 use, and did so without the permission of Cross-Complainant.

18 48. As a direct and proximate cause of this conversion, Cross-Complainant has suffered
19 damages in an amount to be proven at trial.

20 49. WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants, as
21 more fully set forth below.

22 **FOURTH CAUSE OF ACTION**

23 **INTENTIONAL INTERFERENCE 24 WITH PROSPECTIVE ECONOMIC RELATIONS**

25 (By ERAN GURION Against Cross-Defendants GARY CHAMBERLAIN; ROBIN
26 CHAMBERLAIN; CRAIG STRONG; JOHN AAROE GROUP, INC.; SAMUEL H. KRAEMER;
27 JT HOMES, LLC; and ROES 31-40, inclusive)

28 50. Cross-Complainant re-alleges and incorporates by reference herein each and every
allegation contained in paragraphs 1 through 49 above.

1 51. Cross-Complainant Gurion and Cross-Defendant Rogers were in an economic
2 relationship that would have resulted in an economic benefit to Gurion. Cross Defendants
3 Chamberlain, Ms. Chamberlain, Strong, Kraemer, Employing Broker, and JTH (the “Interfering
4 Cross-Defendants”) knew, or should have known, of the Gurion-Rogers Partnership. The Interfering
5 Cross-Defendants, and each of them, intended to disrupt the Partnership. The Interfering Cross-
6 Defendants engaged in wrongful conduct through their misrepresentation, fraud, and other wrongful
7 conduct, including but not limited to, *inter alia*, encouraging, aiding and abetting Dr. Rogers to
8 repudiate the terms and/or the existence of the Partnership with Gurion; conspiring to strip the equity
9 out of the Partnership Properties; and listing the Partnership Properties for sale in violation of the
10 terms of the Partnership Agreement. As a result, the Gurion-Rogers Partnership was disrupted. The
11 conduct of the Cross-Defendants named in this cause of action was and/or were a substantial factor
12 in causing Cross-Complainant Gurion’s harm. As a direct and proximate cause thereof, Cross-
13 Complainant has been harmed.

14 52. WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants, as
15 more fully set forth below.

16
17 **FIFTH CAUSE OF ACTION**

18 **BREACH OF FIDUCIARY DUTY**

19 (By ERAN GURION Against LEIF L. ROGERS, and ROES 41-50, inclusive)

20 53. Cross-Complainant re-alleges and incorporates by reference herein each and every
21 allegation contained in paragraphs 1 through 52 above.

22 54. Cross-Defendant Dr. Rogers owed a fiduciary duty to Cross-Complainant Gurion
23 pursuant to California Corporations Code section 16404 *et seq.*, which included a duty of loyalty and
24 a duty of care which made Rogers a trustee of the property and funds entrusted to him by the
25 Partnership and by Gurion, as well as the proceeds from the \$3,200,000 cash-out refinance drained
26 from the Partnership Properties.

27 55. Cross-Defendant Dr. Rogers breached this duty by undertaking the above-described
28

1 cash-out refinance of then converting the \$3,200,000 in loan proceeds to his personal use.

2 56. As a direct and proximate cause of the herein described breach of duty, Cross-
3 Complainant has suffered damages in an amount to be proven at trial of not less than \$3,200,000.

4 57. WHEREFORE, Cross-Complainant prays for judgment against Defendants, as more
5 fully set forth below.

6 **SIXTH CAUSE OF ACTION**

7 **CONSTRUCTIVE FRAUD**
8 **[CIV. CODE §1573]**

9 (By ERAN GURION Against Cross-Defendant LEIF ROGERS and ROES 51-60, inclusive)

10 58. Cross-Complainant re-alleges and incorporates by reference herein each and every
11 allegation contained in paragraphs 1 through 57 above.

12 59. As explained above, a fiduciary and/or confidential relationship exists between Cross-
13 Complainant Gurion and Cross-Defendant Dr. Rogers. As explained above, Cross-Defendant Dr.
14 Rogers breached his duty to Cross-Complainant by:

- 15 • Repudiating the Partnership agreement with Gurion;
- 16 • Converting \$3,200,000 in cash-out refinance loan proceeds from Partnership Properties;
- 17 • By draining all equity out of the Partnership Properties before they could be sold as
18 agreed to under the Partnership agreement; and
- 19 • By refusing, and continuing to refuse, to return the cash-out refinance proceeds to
20 Gurion.

21 60. As a direct and proximate cause of the foregoing, Cross-Defendant Dr. Rogers has
22 gained an unfair and unjust advantage over Cross-Complainant Gurion.

23 61. WHEREFORE, Cross-Complainant prays for judgment against Defendants, as more
24 fully set forth below.

25 ///

26 ///

27 ///

1 **SEVENTH CAUSE OF ACTION**

2 **QUIET TITLE**

3 (By ERAN GURION Against All Cross-Defendants and ROES 61-70, inclusive)

4 62. Cross-Complainant re-alleges and incorporates by reference herein each and every
5 allegation contained in paragraphs 1 through 61 above.

6 63. Cross-Complainant Gurion is informed and believes and on that bases alleges that one
7 or more of the herein named Cross-Defendants claims and interest adverse Gurion in the Partnership
8 Properties. These claims are without any legal right, title, stake, lien, or interests in the Partnership
9 Properties. The basis of Gurion's title in the Partnership Properties is by operation of the Gurion-
10 Rogers Partnership. Specifically, Cross-Defendant JTH's claimed interest is either void and/or
11 inferior to, the interests of Gurion since JTH had actual notice that Gurion Rogers's partner and half-
12 owner of the Partnership Properties. In addition, the claimed interest, if any, of Chamberlain and/or
13 Ms. Chamberlain, is void and/or inferior to the interests of Gurion since both Chamberlain and Ms.
14 Chamberlain acknowledged at the outset of the Partnership that said Partnership was between
15 Gurion and Rogers, only.

16 64. Cross-Complainant Gurion seeks a determination of his right to title of the Subject
17 Property as of February 2015.

18 65. WHEREFORE, Cross-Complainant prays for Judgment against Defendants, and each
19 of them as more fully set forth below.

20 **EIGHTH CAUSE OF ACTION**

21 **CIVIL CONSPIRACY**

22 (By ERAN GURION Against All Cross-Defendants and ROES 71-80, inclusive)

23 66. Cross-Complainant re-alleges and incorporates by reference herein each and every
24 allegation contained in paragraphs 1 through 63 above.

25 67. Beginning on or about February 1, 2015, and continuing to the present, Cross-
26 Defendants, and each of them, knowingly and willfully conspired and agreed among themselves to
27 frustrate the objective of the Gurion-Rogers Partnership and to deprive Cross-Complainant Gurion of
28

1 his rights and economic benefits flowing from the Gurion-Rogers Partnership.

2 68. Cross-Defendants, and each of them, did the acts and things herein alleged pursuant
3 to, and in furtherance of, the conspiracy and further carried out the object of the conspiracy thereby
4 damaging Cross-Complainant Gurion including, *inter alia*, aiding and abetting Rogers to repudiate
5 the Gurion-Rogers Partnership and fraudulently draining the equity out of the Partnership Properties,

6 69. Each of the herein named Cross-Defendants furthered the conspiracy by cooperation
7 with, and/or lent aid and encouragement to, and/or ratified and adopted the acts of each other Cross-
8 Defendant to carry out the objective of the conspiracy.

9 70. As a direct and proximate cause of the foregoing Cross-Complainant was damaged in
10 an amount to be proven at trial. Further, Cross-Defendants, and each of them, did the things herein
11 alleged maliciously and to oppress Cross-Complainant Gurion. As such, Cross-Complainant is
12 therefore entitled to exemplary or punitive damages in an amount to be proven at trial.

13 71. WHEREFORE, Cross-Complainant prays for Judgment against Defendants, and each
14 of them as more fully set forth below.

15
16 **NINTH CAUSE OF ACTION**

17 **DECLARATORY RELIEF**

18 (By ERAN GURION Against All Cross-Defendants and ROES 81-100, inclusive)

19 72. Cross-Complainant re-alleges and incorporates by reference herein each and every
20 allegation contained in paragraphs 1 through 71 above.

21 73. An actual controversy has arisen and now exists between Cross-Complainant and
22 each of the Cross-Defendants concerning their rights and duties in the Partnership and the
23 Partnership Properties.

24 74. Cross-Complainant Gurion contends he and Rogers are 50-50 partners in the
25 Partnership and in the Partnership Properties. Rogers, who changed his mind under the improper
26 influence of Chamberlain and Ms. Chamberlain, repudiated the existence of the Partnership and
27 contends Gurion is a mere-contractor hired at Rogers's request.
28

75. Cross-Complaint Gurion desires a judicial determination of his rights, duties and interests in the Partnership and in the Partnership Properties. A judicial declaration is necessary and appropriate at this time under the circumstances so that the Parties to this action may determine their rights and duties with respect to the property in question.

76. WHEREFORE, Cross-Complainant prays for Judgment against Defendants, and each of them as more fully set forth below.

PRA YER

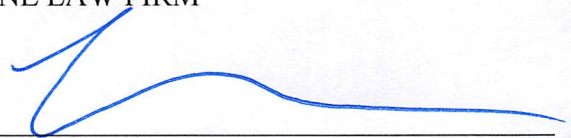
WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants as follows:

1. The Court decree a constructive trust as to the Partnership Properties and that Cross-Defendant Rogers as the constructive trustee thereof;
2. The Court decree Cross-Defendant Rogers breached his fiduciary duty to Cross-Complainant Gurion;
3. For an award of damages for Cross-Defendants' interference with Cross-Complainant's prospective economic relations in the Rogers and the Partnership;
4. For an award of damages for Cross-Defendants' civil conspiracy to deprive Cross-Complainant Gurion of his his economic interests in the Partnership;
5. The Court compel Cross-Defendant Rogers to account for all proceeds of the cash-out refinance taken without Gurion's permission;
6. The Court order the Partnership Properties sold and the proceeds therefrom them split, 50-50, as to Gurion and Rogers, only, and pursuant to the terms of the Partnership Agreement;
7. The Court award Cross-Complainant's expectation damages in an amount to be proven at trial;
8. For an order quieting title in all Cross-Defendants who hold an interest adverse to Cross-Complainant Gurion; or alternatively ruling any such interest is junior to Gurion's interest'

9. For a judicial determination of the respective rights of Gurion and Rogers in the Partnership and Partnership Properties;
10. For an preliminary injunction enjoining the use, sale, dissipation, transfer, and encumbering of any Partnership Property and/or cash proceeds taken from Partnership Property;
11. For punitive damages in an amount to be proven at trial;
12. For attorneys fees and costs of suit herein incurred where provided by law; and
13. For such other relief as the Court may deem just and proper.

Dated: June 14, 2016

STONE LAW FIRM

By: 

Elliott H. Stone, Esq.
Attorney for Cross-Complainant ERAN
GURION

VERIFICATION

I, cross-complainant Eran Gurion, certify and declare that I have read the foregoing cross-complaint, and know its contents. The matters stated herein are true of my own knowledge and belief except as to those matters stated on information and belief and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Eran Gurion

ATTORNEY OR PARTY WITHOUT AN ATTORNEY (Name and Address): Elliott H. Stone, Esq. (SBN 264569) STONE LAW FIRM 6601 Center Drive, Suite 500 Los Angeles CA 90045 Tel: (310) 348-7000 • Fax: (844) 329-9100		For Court Use Only
SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES		
PLAINTIFF: GARY CHAMBERLAIN and LEIF ROGERS et al.		
DEFENDANT: ERAN GURION et al.		
PROOF OF SERVICE CCP § 1013a(3)		Case No. EC065373

I am over the age of 18, and not a party to this action. I am employed in the county of Los Angeles, State of California, within which county the subject mailing occurred. My business address is shown in the header above. On the date stated below, I caused service of true and correct copies of the following document(s):

Document(s) Served:	VERIFIED CROSS-COMPLAINT		
Interested parties in this action upon which I served these documents:	Harris L. Cohen, Esq. Harris L. Cohen, A Prof. Corp. 5305 Andasol Avenue Encino CA 91316 <i>Co-Counsel for Plaintiffs' Gary Chamberlain and Leif Rogers</i>	Elkanah J. Burns, Esq. Law Offices of Elkanah J. Burns 847 N. Hollywood Way, Suite 201 Burbank CA 91505 <i>Co-Counsel for Plaintiffs' Gary Chamberlain and Leif Rogers</i>	

- ☒ **BY US MAIL** I placed true copies of the documents described below in sealed envelopes postage fully prepaid, for each addressee named above for collection and mailing by leaving the envelopes in the area designated for my firm's outgoing mail. I am readily familiar with my firm's practice of collection and processing correspondence for mailing with the United States Postal Service on the same day this declaration was executed in the ordinary course of business. I am aware that, on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date of deposit for mailing.
- ☐ **BY FAX** Based upon an agreement of the parties to accept service by fax, I faxed the documents to the persons at the fax numbers listed above. The fax machine I used complied with California Rules of Court, Rule 2003 and no error was reported by the machine. Pursuant to California Rules of Court, Rule 2006(d), I caused the machine to print a transmission record of the transmission, a copy of which is attached. If no agreement of the parties to accept service by fax exists, I have also caused a copy of the documents to be mailed via first class mail, postage fully prepaid.
- ☐ **BY E-MAIL** Based upon a court order or an agreement of the parties to accept service by email, I caused the documents to be sent to the person at the email address listed above. If no such agreement of the parties is in place, service by email is strictly for courtesy purposes only. I did not receive, within a reasonable time after the transmission, any error message or other indication that the transmission was unsuccessful.
- ☐ **BY PERSONAL SERVICE** I delivered the envelope(s) by hand to the office(s) or home(s) of the addressee.

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

Executed on June 14, 2016 at Los Angeles, California.


 Leonard J. Scheiner