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FILED
MAY 17 2011
CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY: Deputy Clerk

ORIGINAL

Attorney for Plaintiff,
YU CHUNG KOO

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RIVERSIDE DIVISION

In re XI FAN HONG, Debtor.	Bankr. Case No.: 6:10-bk-45949-DS Assigned to Hon. Deborah Saltzman Chapter 7
YU CHUNG KOO, an individual, Plaintiff, vs. XI FAN HONG, an individual, also known as FRED HONG Defendant.	Adv. No.: **COMPLAINT TO DETERMINE DISCHARGEABILITY OF DEBTS** 11 U.S.C. §§ 523(a)(2)(A), 523(a)(4), and 523(a)(6)

Plaintiff YU CHUNG KOO, an individual, by and through his counsel Robin Mashal, Peter Y. Hong, and the law firm of Hong & Mashal, LLP, for plaintiff's complaint against the defendant, on information and belief, alleges:

1. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1334 and 157. This is an action to declare the Debtor's debt to Creditor nondischargeable under the applicable Subparagraphs of 11 U.S.C. § 523(a), and as such is a core proceeding.

2. Venue is appropriate in this Court pursuant to 28 U.S.C. § 1409(a).

3. This is an adversary proceeding as defined by Fed. R. Bankr. P. 7001(6).

4. Defendant XI FAN HONG, an individual, also known as Fred Hong ("Fred") filed a voluntary petition under Chapter 7 of the *Bankruptcy Code* on November 4, 2010, in *In re Xi Fan Hong*, in the United States Bankruptcy Court for the Central District of California, Riverside Division, Case Number 6:10-bk-45949-DS.

5. Plaintiff is a creditor of Fred by virtue of a fraud judgment entered on August 30, 2010, against Fred (and remaining Judgment Debtors), in a case entitled *Yu Chung Koo vs. Huang Cho Hong, et. al.*, in the Superior Court of the State of California, for the County of Los Angeles, Central Judicial District, Case number BC 414375 (the "Superior Court Case"). A certified copy of the Judgment on Verdict in Jury Trial is attached hereto as "**Exhibit 1**" and incorporated herein by this reference. The jury in the Superior Court Case returned a verdict in favor of Plaintiff and against each of Fred and the remaining Judgment Debtors for compensatory damages of $1,500,000. As well the Jury found in favor of Plaintiff and against Fred for causes of action of Fraud in Inducement and Breach of Directors' Fiduciary Duties, and therefore awarded Plaintiff $25,000 in punitive damages against Fred personally.

6. Plaintiff incorporated Hystone Depot, Inc. ("Hystone") under California law in February 2007. Since Hystone's incorporation, Plaintiff was the sole shareholder, officer and director of Hystone. Hystone was in the business of stone and marble supply and installation. Plaintiff opened Hystone's business account with Bank of America, where Plaintiff was the sole signatory.

7. At all relevant times mentioned herein, Plaintiff was the lawful tenant of the real property located at 3268 Rosemead Boulevard, El Monte, California (the

"Warehouse"). Since Hystone's incorporation, Hystone occupied the Warehouse and conducted business therein.

8. On or about June 2007, Siu Ling Li ("Siu"), Huang Cho Hong ("Joe"), and Yan Nan Hong ("Yan") approached Plaintiff with a proposition to "invest" in Hystone and become co-shareholders of Hystone. Siu proposed that Siu will invest $75,000 in cash as consideration for receiving Hystone's shares. Joe and Yan indicated that they are the owners of Hongye Stone, Inc. ("Hongye"), a competitor of Hystone. Joe and Yan proposed to merge Hongye into Hystone as consideration for receiving Hystone's shares. They proposed that after these contributions, Plaintiff would hold one-quarter (25%) of the Hystone's shares, and each of Siu, Joe and Yan would hold one-quarter (25%) of Hystone's shares. Joe prepared a "shareholder agreement" to this effect which the parties signed on or about June 29, 2007.

9. Fred is Joe's son. On information and belief, Joe, Fred, Siu and Yan (collectively, "Judgment Debtors") conspired to commit the acts alleged herein.

10. On or about the June 19, 2007, Plaintiff, Joe, Fred, Siu, and Yan were present at the offices of Kit Leung, CPA, Hytone's accountant. That day, Joe started a verbal argument with Plaintiff, and while this argument was taking place, someone removed from the accountant's office Hystone's corporate minute book, containing Hystone's Articles of Incorporation, the bylaws, the minutes of corporate meetings, the stock certificates and the corporate seal. Kit Leung, CPA later stated that Fred had taken the corporate minute book. Plaintiff inquired Fred about this and Fred stated that Fred had turned the corporate minute book over to Joe. Plaintiff demanded Joe to return the minute book, to no avail.

11. Soon after removing the corporate minute book, Judgment Debtors filed a with the California Secretary of State, a Statement of Information dated June 19, 2007, purporting to strip Plaintiff's of ownership, officership and directorship in Hystone.

12. On or about June 19, 2007, prior to signing of the "shareholder agreement", without Plaintiff's knowledge and consent, Judgment Debtors opened a bank account for

Hystone with Washington Mutual Bank. Plaintiff was not given signatory power on this Washington Mutual bank account, nor was Plaintiff aware of the existence of this bank account. Judgment Debtors took control of Hystone's sales, and took all proceeds of sale for themselves or deposit them into the Washington Mutual bank account.

13. Hystone's account with Bank of America became depleted as Judgment Debtors forced Plaintiff to pay all Hystone expenses from this Bank of America account, but refused to deposit any of Hystone's income into that bank account.

14. Judgment Debtors did not provide their promised investments into Hystone. Yet, Judgment Debtors usurped control of Hystone, ousted Plaintiff from Hystone, and subsequently merged the assets of Hystone into Hongye. This is the exact opposite of the transaction Judgment Debtors had promised to Plaintiff.

15. Soon after Judgment Debtors approached Plaintiff about investing into Hystone, they also approached another business owner with a similar proposal. To wit, on or about January 2008, Siu, Joe and Yan approached Jason Tsao, the owner of Rock Castle Enterprises ("R.C.E."), and offered to merge Hongye into R.C.E. as consideration for receiving R.C.E.'s shares. Judgment Debtors prepared and signed another "shareholder agreement" with the owner of R.C.E., which shareholder agreement is nearly identical to the shareholder agreement defendants signed with Plaintiff.

16. On or about August 7, 2007 at approximately 8:00 O'clock in the evening, at the Warehouse, while Plaintiff was present at the Warehouse, Joe closed and locked the doors of office and the Warehouse, so Plaintiff could not exit. Joe seized Plaintiff and forcibly, against Plaintiff's will, and without his consent and over his protest, and caused Plaintiff by force and threats of physical violence to remain in the office within the Warehouse for a period approximately an hour (60 minutes). Joe violently took away all cash and checks received and taking away all books and receipts. Starting from this date, all revenues, whether cash, checks or credit cards are taken away by JOE, and any checks made payable to the business were likely deposited into the Washington Mutual account

under JOE's control.

17. On or about October 8, 2007, at approximately 11:30 O'clock in the morning, at the office and the Warehouse, Joe approached Plaintiff in a menacing manner, with closed fists, and stated Joe's intention of striking plaintiff with his hands, fist and elbow. Joe violently assaulted Plaintiff causing injuries to Plaintiff's left eye and lips.

18. In accordance with Section 523(c), Plaintiff requests a hearing be held before the Court, upon notice, to determine the dischargeability of the indebtedness of Fred to Plaintiff as hereinafter set forth, and that this Court determine that said indebtedness is not dischargeable and that all remaining issues be determined and that the Court render Judgment in favor of the Plaintiff and against Fred.

FIRST CAUSE OF ACTION:

PROPERTY OBTAINED BY FALSE PRETENSES AND FRAUD

(11 U.S.C. § 523(a)(2)(A))

19. Plaintiff incorporates by this reference all allegations in Paragraphs 1 through 18 above.

20. Probable grounds exist for the denial of discharge of Defendant's obligation to Plaintiff pursuant to 11 U.S.C. § 523(a)(2)(A), as follows.

21. Fred and the remaining Judgment Debtors took Plaintiff's money and property, including Plaintiff's shares of stock of Hystone, under false pretenses, false representations or actual fraud, by representing to Plaintiff they intend to give money and inventory for the shares of stock they will receive.

22. The true intention of Fred and the remaining Judgment Debtors was to take over Plaintiff's money and property without paying any considerations to Plaintiff;

23. Fred converted the corporate minute book of Hystone, after which Fred and the remaining Judgment Debtors filed statement of information with the California Secretary of State purporting to strip Plaintiff of his positions as officer and director of Hystone.

24. After Fred took Hystone's corporate minute book, Fred and the remaining Judgment Debtor issued shares of Hystone's stock in their own name, without paying consideration for such shares and without the consent of Plaintiff.

25. Judgment Debtors forced Plaintiff out of Hystone, and from the possession of the Warehouse, by use of physical force, assault and battery.

26. At the time Judgment Debtors approached Plaintiff with the proposal to "invest" in Hystone, Plaintiff reasonably and justifiably relied upon Judgment Debtors' representations as they represented to Plaintiff they are in a similar line of business and Judgment Debtors offered to signed a written agreement confirming their intentions.

27. That as a proximate consequence of Fred and the remaining Judgment Debtors' representations, Plaintiff sustained damages in losing his investments in Hystone, losing Hystone's profits, losing possession of the Warehouse, losing Plaintiff's good credit, and such damage has caused willful and malicious injury to Plaintiff and Plaintiff's property in such amount, or in such additional amounts as may be proved at trial.

SECOND CAUSE OF ACTION:

FRAUD OR DEFALCATION IN A FIDUCIARY CAPACITY

(11 U.S.C. § 523(a)(4))

28. Plaintiff incorporates by this reference all allegations in Paragraphs 1 through 27 above.

29. Probable grounds exist for the denial of discharge of Defendant's obligation to Plaintiff pursuant to 11 U.S.C. §523(a)(4), as follows.

30. Fred and the remaining Judgment Debtors made themselves the officers and directors of Hystone. As such, they owed a duty of care to Plaintiff and were acting as fiduciaries of Plaintiff. After taking possession of Plaintiff's converted money and property, Fred and the remaining Judgment Debtors are to be held as constructive trustees of such money and property, for the benefit of Plaintiff.

31. Fred and the remaining Judgment Debtors breached their fiduciary duties to

Plaintiff by using their self-appointed powers to issue shares of stock of Hystone to themselves without consideration.

32. Fred and the remaining Judgment Debtors breached their fiduciary duties to Plaintiff by committing fraud on Plaintiff as alleged above.

33. Fred and the remaining Judgment Debtors breached their fiduciary duties to Plaintiff by committing defalcation of Hystone's assets, inventory and profits. Such defalcation included fraudulent transfer of Hystone's assets, inventory and profits to other business entities under Judgment Debtors' control and ownership. Plaintiff's expert witness at the Superior Court trial testified that Hystone's business made profits of approximately $7.1 million dollars from the time Judgment Debtors usurped the business to the date of the Superior Court Case trial. Judgment Debtors never shared any portion of these profits with Plaintiff.

34. That as a proximate consequence of Fred and the remaining Judgment Debtors' representations, Plaintiff sustained damages in losing his investments in Hystone, losing Hystone's profits, losing possession of the Warehouse, losing Plaintiff's good credit, and such damage has caused willful and malicious injury to Plaintiff and Plaintiff's property in such amount, or in such additional amounts as may be proved at trial.

THIRD CAUSE OF ACTION:

WILLFUL AND MALICIOUS INDJURY

(11 U.S.C. § 523(a)(6))

35. Plaintiff incorporates by this reference all allegations in Paragraphs 1 through 34 above.

36. Probable grounds exist for the denial of discharge of Defendant's obligation to Plaintiff pursuant to 11 U.S.C. § 523(a)(4), as follows.

37. As alleged above, Fred and the remaining Judgment Debtors have willfully and maliciously caused injuries to Plaintiff's properties. To wit, Fred and the remaining Judgment Debtors have taken over control of Hystone, have improperly appointed

themselves as the officer and directors of Hystone, have improperly issued shares of stock of Hystone to themselves without paying any consideration, have taken away all income of Hystone, have transferred away Hystone's assets and inventory, have transferred away Hystone's business contacts (inclusive of customer list and supplier list) to other competing businesses, have forcibly removed Plaintiff from possession of the Warehouse, and have dissolved Hystone without Plaintiff's consent.

38. That as a proximate consequence of Fred and the remaining Judgment Debtors' representations, Plaintiff sustained damages in losing his investments in Hystone, losing Hystone's profits, losing possession of the Warehouse, losing Plaintiff's good credit, and such damage has caused willful and malicious injury to Plaintiff and Plaintiff's property in such amount, or in such additional amounts as may be proved at trial.

PRAYER

WHEREFORE, Plaintiff respectfully prays as follows:

(a) That the Court enters a judgment in favor of Plaintiff and against Fred based on the judgment entered in the case of *Yu Chung Koo vs. Huang Cho Hong, et. al.*, in the Superior Court of the State of California, for the County of Los Angeles, Central Judicial District, Case number BC 414375 (the "Superior Court Case"), for compensatory damages of $1,500,000, for punitive damages of $25,000, and for interest and costs from and after August 30, 2010, the date of entry of Judgment in the Superior Court Case;

(b) That the Court declares the Judgment against Fred entered in the Superior Court Case nondischargeable pursuant to Subparagraphs (a)(2)(A), (a)(4) and (a)(6) of the Section 523 of the *Bankruptcy Code*;

(c) That if the Court is unwilling to summarily enter a judgment in favor of Plaintiff and against Fred based on the Judgment of the Superior Court Case, that the Court allows Plaintiff to conduct a trial before this Court and prove Fred's liabilities nondischargeable pursuant to Subparagraphs (a)(2)(A), (a)(4) and (a)(6) of the Section 523 of the *Bankruptcy Code*;

(d) That the Court grants Plaintiff his reasonable costs and disbursements, including attorney's fees in this action; and

(e) That this Court grants Plaintiff such other and further relief and remedies as the Court deems just and proper under the circumstances.

Dated: May 16, 2011

HONG & MASHAL, LLP

By: ______________________

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Clerk's Office (951) 774-1000

Exhibit 1

JUDGMENT ON VERDICT IN JURY TRIAL

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Attorneys for Plaintiff and Cross-Defendant,
YU CHUNG KOO

FILED
LOS ANGELES SUPERIOR COURT
AUG 30 2010
JOHN A. CLARKE, CLERK
BY ANITA WILLIAMS, DEPUTY

ORIGINAL

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

YU CHUNG KOO, an individual, Plaintiff, vs. HUANG CHO HONG, an individual a/k/a Zhao Huang Hong a/k/a Zhao Joe Hong a/k/a Joe Hong; XI FAN HONG, an individual a/k/a Fred Hong; SIU LING LI, an individual a/k/a Salina Li; YAN NAN HONG, an individual; HONGYE STONE, INC., a California corporation; HY STYLE STONE DEPOT, INC., a California corporation, Defendants.	Case No.: BC 414375 Assigned to Hon. Mark V. Mooney Dept. 68 **[~~PROPOSED~~] JUDGMENT ON VERDICT IN JURY TRIAL**
SIU LING LI, HUANG CHO HONG, and HY STONE DEPOT, INC., Cross-Complainants,	

EXHIBIT 1

vs.

YU CHUNG KOO, and DOES 1 through 10,

Cross-Defendants.

This action came regularly for trial on August 2, 2010, in Department 68 of the Superior Court, the Honorable Judge Mark V. Mooney Presiding. Carlos A. Lloreda, Jr., Robin Mashal, and Peter Y. Hong appeared as attorneys for plaintiff YU CHUNG KOO. Lawrence Hoodack for the Law Offices of Dale C. Frailey & Associates appeared as attorney for defendants/cross-complainants HUANG CHO HONG, an individual a/k/a Zhao Huang Hong a/k/a Zhao Joe Hong a/k/a Joe Hong, XI FAN HONG, an individual a/k/a Fred Hong, SIU LING LI, an individual a/k/a Salina Li, YAN NAN HONG, an individual, HONGYE STONE, INC., a California corporation, and HYSTONE DEPOT, INC., a California corporation.

A jury of 12 persons was impaneled and sworn. Witnesses were sworn and testified. After hearing the evidence and the arguments of attorneys, the jury was instructed by the Court and retired to consider its verdict.

After returning into court and being called, the jurors answered their names and rendered their verdict in writing in words and figures as follows:

"For each claim, select one of the two options listed.

"On Yu Chung Koo's claim for Fraud in Inducement
__X__ we find in favor of Yu Chung Koo and against Huang Cho Hong (Joe Hong), Xi Fan Hong (Fred Hong), Yan Nan Hong, and Siu Ling Li.
______ we find in favor of Huang Cho Hong (Joe Hong), Xi Fan Hong (Fred Hong), Yan Nan Hong, and Siu Ling Li and against Yu Chung Koo.

"On Yu Chung Koo's claim for Breach of Contract,
__X__ we find in favor of Yu Chung Koo and against Huang Cho Hong (Joe Hong), Xi Fan Hong (Fred Hong), Yan Nan Hong, and Siu Ling Li.
______ we find in favor of Huang Cho Hong (Joe Hong), Xi Fan Hong (Fred Hong), Yan Nan Hong, and Siu Ling Li and against Yu Chung Koo.

"On Yu Chung Koo's claim for Breach of Fiduciary Duties,
__X__ we find in favor of Yu Chung Koo and against Huang Cho Hong (Joe Hong), Xi Fan Hong (Fred Hong), Yan Nan Hong, and Siu Ling Li.

______ we find in favor of Huang Cho Hong (Joe Hong), Xi Fan Hong (Fred Hong), Yan Nan Hong, and Siu Ling Li and against Yu Chung Koo.

"Complete this section below only if you find in favor of Yu Chung Koo on at least one of his claims.

We award Yu Chung Koo the following damages: $1,500,000 .

"If you found in favor of Yu Chung Koo on either his cause of action for Fraud in Inducement or his cause of action for Breach of Directors' Fiduciary Duties, do you find that plaintiff has proved by clear and convincing evidence the defendants engaged in that conduct with malice, oppression, or fraud?

X Yes ______ No

"Complete the section below only if you answered the previous question yes.

"We award Yu Chung Koo punitive damages, if any, as against the following defendants:

$ 35,000 Huang Cho Hong (Joe Hong)
$ 25,000 Xi Fan Hong (Fred Hong)
$ 15,000 Yan Nan Hong
$ 15,000 Siu Ling Li."

IT IS ADJUDGED that:

1. Plaintiff, YU CHUNG KOO, recover judgment on the merits against defendants HUANG CHO HONG, an individual a/k/a Zhao Huang Hong a/k/a Zhao Joe Hong a/k/a Joe Hong, XI FAN HONG, an individual a/k/a Fred Hong, SIU LING LI, an individual a/k/a Salina Li, YAN NAN HONG, an individual, and against each of them, jointly and severally, in the amount of One Million Five Hundred Thousand Dollars ($1,500,000), in compensatory damages, with interest at an annual rate of Ten Percent (10%) from the date of entry of this Judgment until paid;

2. Plaintiff, YU CHUNG KOO, recover judgment on the merits against defendant HUANG CHO HONG, an individual a/k/a Zhao Huang Hong a/k/a Zhao Joe Hong a/k/a Joe Hong, in the amount of Thirty Five Thousand Dollars ($35,000), in punitive damages, with interest at an annual rate of Ten Percent (10%) from the date of entry of this Judgment until paid;

3. Plaintiff, YU CHUNG KOO, recover judgment on the merits against defendant XI FAN HONG, an individual a/k/a Fred Hong, in the amount of Twenty Five Thousand Dollars

($25,000), in punitive damages, with interest at an annual rate of Ten Percent (10%) from the date of entry of this Judgment until paid;

4. Plaintiff, YU CHUNG KOO, recover judgment on the merits against defendant YAN NAN HONG, an individual, in the amount of Fifteen Thousand Dollars ($15,000), in punitive damages, with interest at an annual rate of Ten Percent (10%) from the date of entry of this Judgment until paid;

5. Plaintiff, YU CHUNG KOO, recover judgment on the merits against defendant SIU LING LI, an individual a/k/a Salina Li, in the amount of Fifteen Thousand Dollars ($15,000), in punitive damages, with interest at an annual rate of Ten Percent (10%) from the date of entry of this Judgment until paid;

6. Plaintiff, YU CHUNG KOO, recover against the Defendants, and against each of them, jointly and severally, costs in the amount of $ ______________________.

Dated: 8-30-10

Hon. Mark V. Mooney
Judge of the Superior Court

SUPERIOR COURT, LOS ANGELES COUNTY, CALIFORNIA

I certify that this is a true and correct copy of the original Judgment on file in this office consisting of 6 pages. JOHN A. CLARKE, Executive Officer/Clerk of the Superior Court of California, County of Los Angeles.

Date: AUG 3 1 2010 By: __________ Deputy

D. WADE

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 1875 Century Park East, Suite 600, Los Angeles, California 90067-2507.

On August 18, 2010, I served on the interested parties in this action ☒ a true and correct copy of OR ☐ the original of the foregoing document(s) described as: **[PROPOSED] JUDGMENT ON VERDICT IN JURY TRIAL.**

☐ **(BY MAIL)** By placing said documents in postage pre-paid envelope(s), sealed and addressed as shown on the attached service list, and depositing the same with the United States Postal Service the same day. I am readily familiar with this firm's business practice for collection and processing of correspondence by U.S. Mail. I am aware that on motion of party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date stated in this proof of service.

☒ **(BY OVERNIGHT DELIVERY)** By placing said documents in Overnite Express™ envelope(s), sealed and addressed as shown on the attached service list, and depositing the same with in the Overnite Express™ deposit box at Los Angeles, California, before the scheduled pickup time, to be delivered to the parties the next day.

☐ **(BY FACSIMILE)** By causing the said document(s) to be transmitted by electronic facsimile machine to the facsimile number(s) of those parties specifically indicated on the attached service list, in compliance with the California Rules of Court, with no error reported by the machine.

☐ **(BY PERSONAL SERVICE)** I hand delivered said documents to the address(es) indicated on the attached service list.

☒ **(STATE)** I declare under penalty of perjury under the laws of the State of California, that the above is true and correct.

☐ **(FEDERAL)** I declare that ☐ I am a member of the bar of this court OR ☐ I am employed in the office of a member of the bar of this court at whose direction this service was made, and that the above is true and correct.

Executed on August 18, 2010, at Los Angeles, California.

SERVICE LIST

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ADVERSARY PROCEEDING COVER SHEET (Instructions on Page 2)	ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS YU CHUNG KOO, an individual	**DEFENDANTS** XI FAN HONG, an individual a/k/a Fred Hong
ATTORNEYS (Firm Name, Address, and Telephone No.) Robin Mashal, Esq. - Hong & Mashal, LLP 1875 Century Park East, Sixth Fl., Los Angeles, CA 90067-2507 Telephone: (310) 286-2000, FAX: (310) 286-2525	**ATTORNEYS** (If Known) Michael Y. Lo, Esq. - Law Offices of Michael Y. Lo 506 N. Garfield Avenue, Suite 280, Alhambra, CA 91801 Telephone: (626) 289-8838, FAX: (626) 380-3333
PARTY (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☑ Creditor ☐ Other ☐ Trustee	**PARTY** (Check One Box Only) ☑ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☐ Creditor ☐ Other ☐ Trustee

CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)
Causes of action for nondischargeabilty due to fraud 11 U.S.C. 523(a)(2)(A), fraud or defalcation in fiduciary capacity 11 U.S.C. 523 (a)(4), and willful and malicious injury 11 U.S.C. 523(a)(6)

NATURE OF SUIT

(Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)

FRBP 7001(1) – Recovery of Money/Property

☐ 11-Recovery of money/property - §542 turnover of property
☐ 12-Recovery of money/property - §547 preference
☐ 13-Recovery of money/property - §548 fraudulent transfer
☐ 14-Recovery of money/property - other

FRBP 7001(2) – Validity, Priority or Extent of Lien

☐ 21-Validity, priority or extent of lien or other interest in property

FRBP 7001(3) – Approval of Sale of Property

☐ 31-Approval of sale of property of estate and of a co-owner - §363(h)

FRBP 7001(4) – Objection/Revocation of Discharge

☐ 41-Objection / revocation of discharge - §727(c),(d),(e)

FRBP 7001(5) – Revocation of Confirmation

☐ 51-Revocation of confirmation

FRBP 7001(6) – Dischargeability

☐ 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims
☒ 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud
☒ 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny

(continued next column)

FRBP 7001(6) – Dischargeability (continued)

☐ 61-Dischargeability - §523(a)(5), domestic support
☒ 68-Dischargeability - §523(a)(6), willful and malicious injury
☐ 63-Dischargeability - §523(a)(8), student loan
☐ 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support)
☐ 65-Dischargeability - other

FRBP 7001(7) – Injunctive Relief

☐ 71-Injunctive relief – imposition of stay
☐ 72-Injunctive relief – other

FRBP 7001(8) Subordination of Claim or Interest

☐ 81-Subordination of claim or interest

FRBP 7001(9) Declaratory Judgment

☐ 91-Declaratory judgment

FRBP 7001(10) Determination of Removed Action

☐ 01-Determination of removed claim or cause

Other

☐ SS-SIPA Case – 15 U.S.C. §§78aaa *et.seq.*
☐ 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

ORIGINAL

☑ Check if this case involves a substantive issue of state law	☐ Check if this is asserted to be a class action under FRCP 23
☑ Check if a jury trial is demanded in complaint	Demand $ 1,800,000.00

Other Relief Sought
Entry of summary judgment on judgment entered in the Superior Court of California for the County of Los Angeles, Case number BC 414375.

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR Xi Fan Hong		BANKRUPTCY CASE NO. 6:10-bk-45949
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISIONAL OFFICE Riverside	NAME OF JUDGE Hon. Deborah Saltzman
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF)		
DATE 5/16/11	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Robin Mashal (California State Bar No. 205003)	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and **Defendents.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not presented by an attorney, the plaintiff must sign.