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Los Angeles Superior Court

JAN 22 2008

John A. Clarke, Executive Officer/Clerk

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10 Attorneys for Plaintiff THE VILLAGE RECORDER

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF LOS ANGELES

13 THE VILLAGE RECORDER, a
14 California corporation,
15 Plaintiff,
16 vs.
17 TROY D. STRATOS a/k/a TROY D.
18 STAFFORD, an individual; [REDACTED]
19 [REDACTED], an individual; RICHARD
20 HACK, an individual; DOES 1-25,
21 Inclusive,
22 Defendants.

Case Number SC095362
CASE ASSIGNED TO THE HON. JOHN A.
KRONSTADT, DEPT. N
COMPLAINT FILED SEPTEMBER 20, 2007
FIRST AMENDED COMPLAINT FOR:
1. FRAUD
2. BREACH OF CONTRACT
3. OPEN BOOK ACCOUNT
4. MONEY PAID
5. UNJUST ENRICHMENT

23 Plaintiff The Village Recorder alleges as follows:

24 Statement of the Case

25 1. In late 2006, Defendant [REDACTED], the former wife of celebrated
26 entertainer [REDACTED], decided to embark on a singing career. Unfortunately for
27 [REDACTED], the individuals she chose to manage her newfound career and produce her album
28 proved to be charlatans and con-artists, the sort of individuals who are often found on the
fringes of the entertainment industry, and thus and her singing career has gone nowhere.
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1 capacities, whether individual, corporate, associate or otherwise, of defendants herein
2 named as Does 1 through 25, inclusive, are unknown to Plaintiff, who therefore sues said
3 Defendants by such fictitious names. Plaintiff will seek to amend this complaint to state the
4 true names and capacities of these Doe defendants when they have been ascertained. For
5 convenience, any reference throughout this Complaint to a named Defendant shall also
6 refer to a Doe defendant.

7 9. At all times herein mentioned each Defendant was the agent, servant and
8 representative of the other Defendants and was acting within the course and scope of such
9 agency.

10 Facts in Common to All Causes of Action

11 10. Sometime in June or July of 2007, Stratos and/or his assistant contacted the
12 Village to reserve two of the studios for a recording project featuring ██████████ (i.e., Co-
13 Defendant ██████████). On several occasions, Stratos stated that he was ██████████'s manager.

14 11. When Stratos made the reservations for ██████████, the Village believed that he
15 was doing so on ██████████'s behalf and that ██████████ would be responsible for payment. It
16 is the custom and practice in the entertainment industry to hold the artist who actually uses
17 the studio as the individual primarily responsible for payment. The Village would not have
18 permitted ██████████ to use its studios but for its understanding that ██████████ would be
19 responsible for payment. If Stratos, an unknown figure, had wished to reserve the studios
20 for his own use, the Village would have demanded payment in advance.

21 12. In June, July, and August of 2007, ██████████ used the Village's recording
22 studios to record a record album.

23 13. The Village rented its studios to ██████████ on a per-session, hourly basis, as
24 is its custom and practice. The Village has made a very substantial capital investment in
25 state-of-the-art recording equipment, and ██████████ used the equipment to record her album.
26 An even more valuable resource that the Village made available to ██████████ was its
27 employees. Several Village personnel, including celebrated recording engineer Noel
28 Zancanella, spent many hours working in the studio and operating the state-of-the-art

1 recording equipment used to record ██████'s album. The Village also paid for the
2 overhead associated with operating a recording studio, such as electricity, and furnished
3 the materials, such as tapes, necessary to record the album.

4 14. ██████ was present at, and personally participated in, several of the
5 recording sessions held at the Village. At all times during the recording sessions, ██████
6 acted as the artist in charge. She directed the entire enterprise, supervised the members
7 of her entourage, and occasionally asked for advice on whether particular takes needed
8 to be re-recorded. ██████ brought a number of individuals with her to the studio to work
9 on her album, including legendary jazz singer Nancy Wilson.

10 15. Stratos accompanied ██████ to the recording sessions. While Stratos was
11 present in the studio, at all times ██████ acted as if she were in the artist in charge of the
12 project. On several occasions Stratos gave instructions to the Village's staff, including
13 Noel Zancanella, the recording engineer, in ██████'s presence. ██████ by her conduct,
14 indicated that Stratos had the authority to deal with the Village on her behalf.

15 16. In July of 2007 Village personnel asked Stratos, as ██████'s manager, when
16 payment for ██████'s studio charges would be forthcoming. In July and again in August
17 of 2007, Co-Defendants Stratos and Hack stated that they would be personally responsible
18 for all charges incurred at the Village in connection with the ██████ project and promised
19 to remit payment immediately.

20 17. Although Stratos and Hack had promised to assume personal responsibility
21 for all charges, at all times the Village believed that ██████ herself remained individually
22 responsible for the charges. The Village was aware that Stratos was ██████'s manager,
23 but aside from that did not know the nature and extent of the relationship between ██████,
24 Stratos, and Hack. When Stratos and Hack said that they would be personally responsible
25 for ██████'s studio charges, the Village regarded them as guarantors of ██████'s debt and
26 gave no indication that it was releasing ██████ from her obligation to pay for the studio
27 time.

28 //

1 18. Despite an outstanding balance in excess of \$50,000, Defendants only paid
2 a total of \$5,000 towards their outstanding obligation on August 10, 2007. Attached hereto
3 as Exhibit A and incorporated herein is a true and correct copy of the account balance
4 showing the charges incurred and the outstanding balance.

5 19. On or about August 2, 2007, Stratos once again personally agreed to pay
6 \$43,975.88 via wire transfer on August 3, 2007. Attached hereto as Exhibit B and
7 incorporated herein by this reference is a true and correct copy of the agreement executed
8 by Stratos.

9 20. The outstanding balance was never paid, and at present there is an
10 outstanding balance in the amount of \$46,755.13. This entire balance remains unpaid as
11 of the date of this First Amended Complaint.

12 **FIRST CAUSE OF ACTION**

13 **FRAUD**

14 **AGAINST ALL DEFENDANTS**

15 21. Plaintiff incorporates by reference the allegations contained in paragraphs
16 1 through 20 as though said allegations were set forth herein.

17 22. Defendants Stratos and Hack each separately represented that the amounts
18 incurred for the use of studio time by ██████ would be paid. Those representations were
19 made to various individuals employed by the Village in June, July and August, 2007.

20 23. In June and July of 2007, Stratos and Hack made these false representations
21 to the Village in their capacity as ██████'s managers and in the course and scope of their
22 employment as ██████'s managers. Stratos and Hack had actual authority to make these
23 representations on ██████'s behalf and made them for her benefit.

24 24. At the times that Stratos and Hack represented that the amounts would be
25 paid, ██████, Stratos, and Hack each knew that those representations were false.

26 25. In July and August of 2007, Stratos and Hack made the additional
27 representation that they would be personally responsible for the amounts for incurred for
28 the use of studio time. Those representations were made to various individuals employed

1 by the Village in June, July and August, 2007.

2 26. At the times that Stratos and Hack represented they would individually pay
3 for ██████'s studio charges, they each knew that those representations were false. The
4 truth was that Stratos and Hack are pathological deadbeats and that they never had any
5 intention of paying for the use of the recording studios.

6 27. Finally, on or about August 2, 2007, Stratos personally agreed to pay
7 \$43,975.88 via wire transfer the next day, on August 3, 2007.

8 28. When Stratos made this representation, he knew that it was false and had
9 no intention of remitting payment.

10 29. At all times mentioned above, Defendants Hack and ██████ were aware that
11 Stratos intended to defraud the Village as alleged hereinabove. Hack and ██████ agreed
12 with Stratos and intended that the fraud be committed.

13 30. At the time that the fraudulent misrepresentations were made by Defendants
14 Stratos and Hack, Plaintiff had no reason to doubt their veracity. Plaintiff was justified in
15 relying on those representations based on the claims of Defendants Stratos and Hack that
16 they were ██████'s managers and that they were bona fide professionals in the
17 entertainment industry.

18 31. As the direct and legal result of the fraudulent misrepresentations by
19 Defendants Stratos and Hack, Plaintiff has incurred damages of not less than \$46,755.13,
20 plus interest, costs and attorney's fees.

21 32. The conduct of Defendants Stratos, Hack, and ██████ was fraudulent and
22 done with the intent to defraud and without any legal justification whatsoever, and punitive
23 damages should be assessed against Defendants Stratos and Hack to punish their
24 conduct and deter them and others from committing similar acts.

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**SECOND CAUSE OF ACTION
BREACH OF CONTRACT
AGAINST ALL DEFENDANTS**

33. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 20 as though said allegations were set forth herein.

34. Defendant Stratos, both individually and in his capacity as [REDACTED]'s manager, expressly agreed in writing to pay the amounts incurred for studio time. See Exhibit B attached hereto and incorporated herein by reference.

35. Defendant Hack, both individually and in his capacity as [REDACTED]'s manager, expressly agreed orally to pay the amounts incurred for studio time.

36. Defendant [REDACTED] also impliedly agreed to pay the amounts incurred for studio time. [REDACTED] was present at the Village's studios and utilized them for an extended period of time. The Village never gave [REDACTED] any indication that it was permitting [REDACTED] to use its facilities and employees for free.

37. Each of the named Defendants breached their respective agreements to pay for the studio time incurred at the Village.

38. As a direct and legal result of the breaches of the agreement(s) by Defendants and each of them, Plaintiff has been damaged in the amount of \$46,755.13, plus interest, costs and attorney's fees.

**THIRD CAUSE OF ACTION
OPEN BOOK ACCOUNT
AGAINST ALL DEFENDANTS**

39. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 20 as though said allegations were set forth herein.

40. Defendants are indebted to Plaintiff in the amount of \$46,755.13 on an open book account for goods and services sold and delivered to Defendants at Defendants' request on various dates between June and August of 2007.

41. Plaintiff has demanded payment of the amount owing by Defendants, but

1 Defendants have not paid this amount, or any part of it, and the whole amount is due and
2 payable from Defendants to Plaintiff.

3 **FOURTH CAUSE OF ACTION**

4 **MONEY PAID**

5 **AGAINST ALL DEFENDANTS**

6 42. Plaintiff incorporates by reference the allegations contained in paragraphs
7 1 through 20 as though said allegations were set forth herein.

8 43. On or about July and August of 2007, Defendants and each of them became
9 indebted to Plaintiff in the amount of \$46,755.13 for money paid, laid out, and expended
10 for Defendants at their instance and request.

11 44. No part of this amount has been paid though demand for payment in full has
12 been made, and there is now due, owing and unpaid from Defendants to Plaintiff the
13 amount of \$46,755.13, with interest on that amount at the legal rate.

14 **FIFTH CAUSE OF ACTION**

15 **UNJUST ENRICHMENT**

16 **AGAINST ALL DEFENDANTS**

17 45. Plaintiff incorporates by reference the allegations contained in paragraphs
18 1 through 20 as though said allegations were set forth herein.

19 46. Defendants and each of them have been unjustly enriched by availing
20 themselves of the use of the recording studio without paying for the use of the facility.

21 47. Plaintiff is entitled to an award of damages in the amount of \$46,755.13 plus
22 interest, costs and attorney's fees to ensure that the Defendants and each of them are not
23 unjustly enriched by using the recordings without paying for them.

24
25 WHEREFORE, Plaintiff prays for the following relief:

26 ON THE FIRST CAUSE OF ACTION

- 27 1. For compensatory damages of \$46,755.13;
28 2. For punitive damages in an amount to be determined at the time of trial;

1 ON THE SECOND CAUSE OF ACTION

2 3. For compensatory damages of \$46,755.13;

3 ON THE THIRD CAUSE OF ACTION

4 4. For compensatory damages of \$46,755.13;

5 ON THE FOURTH CAUSE OF ACTION

6 5. For compensatory damages of \$46,755.13;

7 ON THE FIFTH CAUSE OF ACTION

8 6. For compensatory damages of \$46,755.13;

9 ON ALL CAUSES OF ACTION

10 7. For costs of suit;

11 8. For interest on all outstanding amounts owed;

12 9. For attorney's fees; and,

13 10. For such other and further relief as the Court may deem just and proper.

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15 Dated: January 22, 2008

LAW OFFICES OF ALAN S. GUTMAN

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By: 

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Alan S. Gutman
Attorneys for Plaintiff

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THE VILLAGE RECORDER

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not party to the within action; my business address is 9401 WILSHIRE BLVD., SUITE 575, BEVERLY HILLS, CA 90212-2918.

On **January 22, 2008** I served the foregoing document described as **FIRST AMENDED COMPLAINT** on all interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

Mark B. Chassman, Esq.
Rhonda E. Kaley, Esq.
CHASSMAN & SEELIG, LLP
350 South Figueroa Street, Suite 580
Los Angeles, CA 90071-1102
Telephone: 213-626-6700
Facsimile: 213-626-5111

Troy D. Stratos a/k/a Troy D. Stafford
1521 Alton Road, #816
Miami Beach, FL 33139

Richard Hack
1324 N. Andrews Avenue
Fort Lauderdale, FL 33311-6064

BY MAIL: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Beverly Hills, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

BY PERSONAL SERVICE: I caused the envelope to be delivered by hand to the offices of the addressee.


BY FACSIMILE TRANSMITTAL: I sent by facsimile the above document on at .m. to the facsimile machine number identified above.

BY FEDERAL EXPRESS OVERNIGHT DELIVERY: I caused the above document to be sent by Federal Express overnight delivery, fully prepaid, in accordance with Code of Civil Procedure § 1013©.

Executed on **January 22, 2008** at Beverly Hills, California.

(FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction this service was made.

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



Cecibel Escobar