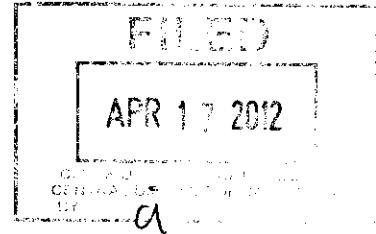


1 Robin Mashal (Calif. State Bar No. 205003)
2 **CENTURY CITY LAW GROUP,**
3 **A PROFESSIONAL CORPORATION**
4 1875 Century Park East, Suite 600
5 Los Angeles, CA 90067-2507
6 Telephone: (310) 286-2000
7 Facsimile: (310) 286-2525



8 Counsel for Plaintiff
9 DAVID A. GILL, Chapter 7 Trustee

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **LOS ANGELES DIVISION**

13 *In re*
14 SIU LING LI,
15 *Debtor.*

Bankr. Case No.: 2:10-bk-57975-BB

Chapter 7

Adv. No.: 2:11-ap-02670-BB

16 DAVID A. GILL, as Chapter 7 Trustee of
17 the Bankruptcy Estate of Siu Ling Li,

**SECOND AMENDED COMPLAINT
FOR:**

18 *Plaintiff,*

1. **TURNOVER OF ESTATE ASSETS;**
2. **AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFERS;**
3. **AVOIDANCE AND RECOVERY OF PREFERENTIAL TRANSFERS;**
4. **AVOIDANCE AND RECOVERY OF UNJUST ENRICHMENT;**
5. **RECOVERY OF PROCEEDS OF RESULTING TRUST;**
6. **RECOVERY OF PROCEEDS OF CONSTRUCTIVE TRUST;**
7. **DISALLOWANCE OF CLAIMS;**
8. **EQUITABLE RELIEF;**
9. **ATTORNEY'S FEES.**

19 vs.

20 VFLINE, INC., a California corporation,
21 and d/b/a Rosemead Stone & Cabinet Depot,
22 and d/b/a Hy Style Kitchen & Bath, and
23 d/b/a Hongye, and d/b/a Honye, and d/b/a
24 Hernye; FULLERTON STONE, INC., a
25 California corporation; HYSTONE DEPOT,
26 INC., a dissolved California corporation;
27 HY STYLE STONE DEPOT, INC., a
28 dissolved California corporation and d/b/a
Hy Style Kitchen & Bath, and d/b/a Hongye,
and d/b/a Honye, and d/b/a Hernye; HY
STYLE STONE & STORAGE, INC., a

CENTURY CITY LAW GROUP
A PROFESSIONAL CORPORATION

ORIGINAL

1 dissolved California corporation; HONGYE
2 STONE, INC., a suspended California
3 corporation f/k/a Fortune Rich, Inc., and
4 d/b/a Honye, and d/b/a Hernye; MINGJIN
5 WANG, an individual a/k/a Tony Wang;
6 BIN LI, an individual; XIAOWEI HONG,
7 an individual, a/k/a William Hong;
8 LANG ZHANG, an individual a/k/a
9 Anthony Zhang; YING XIA CAI, an
10 individual a/k/a Jessica Cai; SIU LING LI,
11 an individual, a/k/a Salina Li; WHITMAN
12 LAM, an individual; HUANG CHO HONG,
13 an individual, a/k/a Zhao Huang Hong, a/k/a
14 Zhao Joe Hong, a/k/a Joe Hong; XI FAN
15 HONG, an individual, a/k/a Fred Hong;
16 YAN NAN HONG, an individual; and
17 DOES 1 through 98, inclusive,

11 U.S.C. §§ 542, 544, 547, 548, 550
Cal. Civ. Code. §§ 3439.01, *et. seq.*

Defendants.

18 TO THE HONORABLE SHERI A. BLUEBOND, UNITED STATES BANKRUPTCY
19 JUDGE:

20 Comes now plaintiff David A. Gill, Chapter 7 Trustee for the bankruptcy estate of
21 Siu Ling Li, and on information and belief respectfully alleges as follows:

22 **JURISDICTIONAL ALLEGATIONS**

23 1. This Court has jurisdiction over this adversary proceeding by virtue of 28
24 U.S.C. §§ 151, 157(b)(1) and 1334(a); 11 U.S.C. §§ 105, 502, 542, 544, 547, 548 and
25 550, and the Local Rules of the United States Bankruptcy Court and the United States
26 District Court for the Central District of California.

27 2. Venue is proper in this Court under 28 U.S.C. § 1409(a) because this
28 adversary proceeding arises under and in connection with a case filed under Title 11
which is pending in this district.

3. This action is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (C), (E),
(F), (H) and (O).

PARTIES

1
2 4. David A. Gill (the “Trustee” or “Plaintiff”) is the duly-appointed, qualified
3 and acting Chapter 7 Trustee in this bankruptcy case, and brings this action solely in his
4 capacity as the Chapter 7 Trustee.

5 5. Trustee is informed and believes that defendant VFLINE, INC. a California
6 corporation (“V.F.L.”), at all relevant times has been doing business in Los Angeles
7 County, California, and under the fictitious business name Rosemead Stone & Cabinet
8 Depot, and doing business as Hy Style Kitchen & Bath, and doing business as Hongye,
9 and doing business as Honye, and doing business as Hernye.

10 6. Trustee is informed and believes that defendant FULLERTON STONE,
11 INC. a California corporation (“Fulletron”), at all relevant times has been doing business
12 in Los Angeles County, California.

13 7. Trustee is informed and believes that defendant HYSTONE DEPOT, INC.,
14 a California corporation, currently dissolved (“Hystone”), at all relevant times was doing
15 business in Los Angeles County, California.

16 8. Trustee is informed and believes that defendant HY STYLE STONE
17 DEPOT, INC., a California corporation, currently dissolved (“Hy Style”), at all relevant
18 times was doing business in Los Angeles County, California, and doing business as Hy
19 Style Kitchen & Bath, and doing business as Hongye, and doing business as Honye, and
20 doing business as Hernye.

21 9. Trustee is informed and believes that defendant HY STYLE STONE &
22 STORAGE, INC., a California corporation, currently dissolved (“H.Y.S.S.”), at all
23 relevant times was doing business in Los Angeles County, California.

24 10. Trustee is informed and believes that defendant HONGYE STONE, INC., a
25 California corporation, formerly known as Fortune Rich, Inc., currently suspended
26 (“Hongye”), at all relevant times was doing business in Los Angeles County, California,
27 and doing business as Honye, and doing business as Hernye.
28

1 11. Trustee is informed and believes that defendant MINGJIN WANG, an
2 individual, also known as Tony Wang (“Tony”), at all relevant times has been a resident
3 of and/or doing business in Los Angeles County, California.

4 12. Trustee is informed and believes that defendant BIN LI, an individual
5 (“Bin”), at all relevant times has been a resident of and/or doing business in Los Angeles
6 County, California.

7 13. Trustee is informed and believes that defendant XIAOWEI HONG, an
8 individual, also known as William Hong (“William”), at all relevant times has been a
9 resident of and/or doing business in Los Angeles County, California. On information and
10 belief, William is Joe’s brother.

11 14. Trustee is informed and believes that defendant LANG ZHANG, an
12 individual, also known as Anthony Zhang (“Anthony”), at all relevant times has been a
13 resident of and/or doing business in Los Angeles County, California.

14 15. Trustee is informed and believes that defendant YING XIA CAI, an
15 individual, also known as Jessica Cai (“Jessica”), at all relevant times has been a resident
16 of and/or doing business in Los Angeles County, California.

17 16. Trustee is informed and believes that defendant SIU LING LI, an
18 individual, also known as Salina Li (“Debtor”) filed a voluntary petition under Chapter 7
19 of the *Bankruptcy Code* on November 8, 2010, in *In re Siu Ling Li*, in the United States
20 Bankruptcy Court for the Central District of California, Los Angeles Division, Case
21 Number 2:10-bk-57975-BB.¹

22 17. Trustee is informed and believes that defendant WHITMAN LAM, an
23

24
25 ¹ On July 18, 2011, two adversary actions were filed: *Yu Chung Koo vs. Siu Ling*
26 *Li*, in the United States Bankruptcy Court, Central District of California, Los Angeles Division,
27 Case number 2:11-ap-02503-BB, and *David A. Gill vs. Siu Ling Li*, in the United States
28 Bankruptcy Court, Central District of California, Los Angeles Division, Case number 2:11-ap-
02503-BB. The default judgments in both of these two actions were entered on February 2,
2012.

1 individual (“Whitman”), is the Debtor’s son who received the preferential transfer.

2 18. Trustee is informed and believes that defendant HUANG CHO HONG, an
3 individual, also known as Zhao Huang Hong, also known as Zhao Joe Hong, also known
4 as Joe Hong (“Joe”), at all relevant times has been a resident of and/or doing business in
5 Los Angeles County, California. Joe filed a voluntary petition under Chapter 13 of the
6 *Bankruptcy Code* on November 4, 2010, in the United States Bankruptcy Court for the
7 Central District of California, Riverside Division, *In re Zhao Joe Hong*, Case Number
8 6:10-bk-45937-CB, which case was dismissed by that Bankruptcy Court’s order dated
9 December 21, 2010. Trustee is informed and believes that Joe is Fred’s father.

10 19. Trustee is informed and believes that defendant XI FAN HONG, an
11 individual, also known as Fred Hong (“Fred”), at all relevant times has been a resident of
12 and/or doing business in Los Angeles County, California. Fred filed a voluntary petition
13 under Chapter 7 of the *Bankruptcy Code* on November 4, 2010, in the United States
14 Bankruptcy Court for the Central District of California, Riverside Division, *In re Xi Fan*
15 *Hong*, Case Number 6:10-bk-45949-DS.² Trustee is informed and believes that Fred is
16 one of the sons of Joe, and that Fred acts as a proxy for Joe in many business transactions.

17 20. Trustee is informed and believes that defendant YAN NAN HONG, an
18 individual (“Yan”), at all relevant times was a resident of and/or doing business in Los
19 Angeles County, California.

20 21. Trustee is ignorant of the true names and capacities of defendants sued as
21 DOES 1 through 98, inclusive, and therefore sues these defendants by such fictitious
22

23
24 ² On May 17, 2011, Yu Chung Koo, a judgment creditor of Fred, filed an adversary
25 action against Fred, in the case of *Yu Chung Koo vs. Xi Fan Hong*, in the United States
26 Bankruptcy Court, Central District of California, Riverside Division, Case number 6:11-ap-
27 01704-DS. In that adversary action, default judgment against Fred was entered on January 20,
28 2012. Plaintiff’s counsel has made various communications with the counsel for trustee Carl
Anderson, the trustee in Fred’s bankruptcy case. Counsel for Trustee Anderson has indicated
that Trustee Anderson does not wish to pursue claims for fraudulent transfers, preferential
transfer, etc., and hence Plaintiff is now pursuing such claims herein.

1 names. Trustee believes that each fictitiously sued defendant was in some way
2 responsible for the acts alleged in the complaint. Trustee will amend this complaint to
3 allege their true names and capacities when ascertained.

4 22. Trustee is informed and believes and based thereon alleges that at all times
5 mentioned herein, V.F.L., Fullerton, Hystone, Hy Style, H.Y.S.S., Hongye, Tony, Bin,
6 William, Anthony, Jessica, Debtor, Whitman, Joe, Fred, Yan and DOES 1 through 98
7 were, each the agent, servant, employee, joint venturer, partner and/or co-conspirators of
8 one another, and to the extent of doing the acts alleged herein, each acted within the
9 course and scope of said agency, service, employment, joint venture, partnership and/or
10 conspiracy.

11 23. Trustee is informed and believes that the "corporate" form of corporate
12 defendants should be disregarded, and the remaining defendants, and each of them,
13 should be held liable for all obligations of the corporate defendants hereunder alleged,
14 due to fraud, defalcation, undercapitalization, lack of observance of corporate formalities,
15 unity of interest and ownership, abuse of corporate privilege, undercapitalization, transfer
16 of corporate assets without adequate consideration, domination, intermingling of assets,
17 use of corporation as mere shell and instrumentality, and/or improper distribution of
18 corporate assets.

19 **GENERAL ALLEGATIONS**

20 24. On or about August 30, 2011, in the case of *Yu Chung Koo vs. Huang Cho*
21 *Hong, et al.*, in the Superior Court of California, for the County of Los Angeles, Case
22 number BC 414375 (the "Superior Court Action"), the Honorable Judge Mark Mooney
23 entered judgment in favor of plaintiff Yu Chung Koo, and jointly and severally against
24 defendants Salina, Joe, Yan and Fred (collectively, "Judgment Debtors"), in the principal
25 amount of \$1,590,000.00, and the Superior Court Clerk entered costs in the sum of
26 \$27,683.95. A true and correct copy of the Superior Court Action judgment is attached
27 hereto as "**Exhibit 1**" and incorporated herein by this reference.
28

1 25. The Complaint of the Superior Court Action alleged that Yu Chung Koo
2 was the owner of Hystone, that Yu Chung Koo was the lessee of the premises located at
3 3268 Rosemead Boulevard, El Monte, California (“Premises”), that Yu Chung Koo was
4 using Hystone to operate a wholesale stone and marble business (the “Business”) located
5 at the Premises, and that Judgment Debtors had forced Yu Chung Koo out of possession
6 of Hystone and the Premises, and Judgment Debtors had usurped the business operations.

7 26. On or about November 8, 2010 (the “Petition Date”), the Debtor filed a
8 voluntary petition for relief under Chapter 7 of the *Bankruptcy Code*.

9 27. The Debtor’s Schedules of Assets and Liabilities state that the Debtor has a
10 50% interest in Hystone, and that Debtor received payroll checks from Hy Style. On
11 information and belief, including discovery conducted in the Superior Court Action,
12 Debtor is believed to have had interests in Hongye and related entities.

13 28. Trustee is informed and believes that from on or about September 1, 2009
14 through on or about November 4, 2010, Debtor and the remaining Judgment Debtors,
15 acting in concert with the remaining Defendants herein, engaged in a series of actions to
16 transfer and hide the Business and the Business’s approximately \$5 Million worth
17 inventory and assets, including but not limited to: Dissolving Hystone; Incorporating Hy
18 Style, and later dissolving this entity; Incorporating H.Y.S.S. and later dissolving this
19 entity; Incorporating Fullerton; Incorporating V.F.L.; Operating these businesses under
20 various fictitious business names; transferring the Business amongst these business
21 entities, etc. (collectively, “Transferred Assets”).

22 29. Trustee examined the Debtor at her initial Section 341(a) meeting of
23 creditors on December 15, 2010, in which session Debtor admitted to making a
24 \$20,000.00 payment to her son within 90 days prior to the Petition Date. Trustee
25 continued the Section 341(a) examination and requested Debtor to produce certain
26 documents, but Debtor never appeared in any of the continued hearings nor did Debtor
27 produce any of the requested documents.

28 30. Trustee is informed and believes, that the Business is valuable and that

1 Debtor and the remaining Defendants herein to date profitably operate the Business at the
2 Premises and at other locations, including 18311 Railroad Street, City of Industry,
3 California 91748. At the trial of the Superior Court Action, Yu Chung Koo's expert
4 witness testified that the Business showed net profits of \$7.2 Million from the time
5 Judgment Debtors ousted Yu Chung Koo to the time the trial of the Superior Court
6 Action took place. After the entry of Judgment in the Superior Court Action, defendants
7 have ran various public advertisements boasting they hold in excess of \$5 Million in
8 business inventory, which include Business inventory and proceeds thereof. On
9 information and belief, none of these businesses operate with valid business licenses, file
10 income tax returns, sales tax returns or payroll tax returns.

11 31. Trustee is informed and believes, that Debtor held large sums of cash under
12 various bank accounts, which bank accounts Debtor has closed and/or the funds contained
13 in such accounts Debtor has transferred away to the remaining defendants, and/or Debtor
14 is exempting the funds under 11 U.S.C. section 522 (collectively, "Transferred Funds").
15 Trustee is in formed and believes that such transfers took place from on or about
16 September 1, 2009 through on or about November 4, 2010.

17 32. Trustee is informed and believes, and based thereon alleges that there may
18 be other transfers from Debtor to Defendants.

19 33. A review of Schedule "F" attached to Debtor's bankruptcy petition herein
20 reveals there are a total of three unsecured creditors holding claims totaling
21 \$1,477,618.50. A true copy of said Schedule "F", filed November 8, 2010, is attached
22 hereto as "Exhibit 2" and incorporated herein by this reference.

23 **FIRST CLAIM FOR RELIEF**

24 **Turnover of Estate Assets**

25 **(11 U.S.C. § 542)**

26 **(Against All Defendants)**

27 34. Trustee refers to and by this reference incorporates and alleges herein each
28 of the allegations set forth in Paragraph 1 through 33, inclusive of this Complaint.

1 35. Trustee is informed and believes, and based thereon alleges, that defendants
2 hold or control property that the Trustee may use, sell, or lease under 11 U.S.C. section
3 363, or that the Debtor may exempt under 11 U.S.C. section 522, including but not
4 limited to Transferred Assets, Transferred Funds, and/or proceeds of the same.

5 36. Trustee is informed and believes and based thereon alleges that the
6 foregoing are the property of the Debtor's estate.

7 37. Trustee has made demands for the turnover of the foregoing, pursuant to 11
8 U.S.C. section 542, or could have made or will make such claims, which Defendants
9 rejected.

10 38. By reason of the foregoing, pursuant to 11 U.S.C. section 542, Trustee may
11 recover the foregoing held by Defendants, or the value of such items, plus applicable
12 interest thereon at the legal rate from the date Defendants refused to turn over such
13 property of the estate.

14 **SECOND CLAIM FOR RELIEF**

15 **Avoidance and Recovery of Fraudulent Transfer**

16 **(11 U.S.C. §§ 544(b) and 550, Cal. Civ. Code § 3439.04(a)(1))**

17 **(Against All Defendants)**

18 39. Trustee refers to and by this reference incorporates and alleges herein each
19 of the allegations set forth in Paragraph 1 through 38, inclusive of this Complaint.

20 40. Trustee is informed and believes and based thereon alleges that Judgment
21 Debtors conveyed Transferred Assets and Transferred Funds with the actual intent to
22 hinder, delay or defraud one or more of Judgment Debtors' creditors.

23 41. By reason of the foregoing, Trustee may avoid these transfers pursuant to
24 11 U.S.C. section 544(b), and pursuant to *California Civil Code* section 3439.04(a)(1).

25 42. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from
26 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part
27 thereof, plus interest thereon at the maximum legal rate from and after the date of the
28 transfer.

THIRD CLAIM FOR RELIEF

Avoidance and Recovery of Fraudulent Transfer

(11 U.S.C. §§ 544(b) and 550, Cal. Civ. Code § 3439.05)

(Against All Defendants)

43. Trustee refers to and by this reference incorporates and alleges herein each of the allegations set forth in Paragraph 1 through 42, inclusive of this Complaint.

44. Trustee is informed and believes and based thereon alleges that Judgment Debtors received less than reasonably equivalent value in exchange for the Transferred Assets and Transferred Funds.

45. Trustee is informed and believes and based thereon alleges that at the time of these transfers, Judgment Debtors were either insolvent or became insolvent as a result of the transfers.

46. Trustee is informed and believes that Judgment Debtors had creditors whose claims arose before these transfers.

47. By reason of the foregoing, Trustee may avoid the property transfers pursuant to 11 U.S.C. section 544(b), and *California Civil Code* section 3439.05.

48. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from Defendants the value of the Transferred Assets, Transferred Funds, and/or any part thereof, plus interest thereon at the maximum legal rate from and after the date of the transfer.

FOURTH CLAIM FOR RELIEF

Avoidance and Recovery of Fraudulent Transfer

(11 U.S.C. §§ 544(b) and 550, Cal. Civ. Code § 3439.04(a)(2)(A))

(Against All Defendants)

49. Trustee refers to and by this reference incorporates and alleges herein each of the allegations set forth in Paragraph 1 through 48, inclusive of this Complaint.

50. Trustee is informed and believes and based thereon alleges that Judgment Debtors received less than reasonably equivalent value in exchange for the Transferred

1 Assets and Transferred Funds.

2 51. Plaintiff is informed and believes and based thereon alleges that at the time
3 of property transfers, Judgment Debtors were engaged in business or transaction, or were
4 about to engage in business or transaction, for which their remaining property was an
5 unreasonably small capital.

6 52. By reason of the foregoing, Trustee may avoid the property transfers
7 pursuant to 11 U.S.C. section 544(b), and *California Civil Code* section 3439.04(a)(2)(A).

8 53. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from
9 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part
10 thereof, plus interest thereon at the maximum legal rate from and after the date of the
11 transfer.

12 **FIFTH CLAIM FOR RELIEF**

13 **Avoidance and Recovery of Fraudulent Transfer**

14 **(11 U.S.C. §§ 544(b) and 550, Cal. Civ. Code § 3439.04(a)(2)(B))**

15 **(Against All Defendants)**

16 54. Trustee refers to and by this reference incorporates and alleges herein each
17 of the allegations set forth in Paragraph 1 through 53, inclusive of this Complaint.

18 55. Trustee is informed and believes and based thereon alleges that Judgment
19 Debtors received less than reasonably equivalent value in exchange for the Transferred
20 Assets and Transferred Funds.

21 56. Plaintiff is informed and believes and based thereon alleges that at the time
22 of the property transfers, Judgment Debtors intended to incur, or believed or reasonably
23 should have believed that they would incur, debts beyond their ability to pay as such debts
24 matured.

25 57. By reason of the foregoing, Trustee may avoid the property transfers
26 pursuant to 11 U.S.C. section 544(b), and *California Civil Code* section 3439.04(a)(2)(B).

27 58. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from
28 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part

1 thereof, plus interest thereon at the maximum legal rate from and after the date of the
2 transfer.

3 **SIXTH CLAIM FOR RELIEF**

4 **Avoidance and Recovery of Fraudulent Transfer**

5 **(11 U.S.C. §§ 548(a)(1)(A) and 550)**

6 **(Against All Defendants)**

7 59. Trustee refers to and by this reference incorporates and alleges herein each
8 of the allegations set forth in Paragraph 1 through 58, inclusive of this Complaint.

9 60. Trustee is informed and believes and based thereon alleges Judgment
10 Debtors conveyed Transferred Assets and Transferred Funds with the actual intent to
11 hinder, delay or defraud one or more of Judgment Debtors' creditors.

12 61. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from
13 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part
14 thereof, plus interest thereon at the maximum legal rate from and after the date of the
15 transfer.

16 **SEVENTH CLAIM FOR RELIEF**

17 **Avoidance and Recovery of Fraudulent Transfer**

18 **(11 U.S.C. §§ 548(a)(1)(B)(i) and (ii)(I) and 550)**

19 **(Against All Defendants)**

20 62. Trustee refers to and by this reference incorporates and alleges herein each
21 of the allegations set forth in Paragraph 1 through 61, inclusive of this Complaint.

22 63. Trustee is informed and believes and based thereon alleges that Judgment
23 Debtors received less than reasonably equivalent value in exchange for the Transferred
24 Assets and Transferred Funds.

25 64. Trustee is informed and believes and based thereon alleges that at the time
26 of these transfers Judgment Debtors were either insolvent or became insolvent as a result
27 of the transfers.

28 65. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from

1 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part
2 thereof, plus interest thereon at the maximum legal rate from and after the date of the
3 transfer.

4 **EIGHTH CLAIM FOR RELIEF**

5 **Avoidance and Recovery of Fraudulent Transfer**

6 **(11 U.S.C. §§ 548(a)(1)(B)(i) and (ii)(II) and 550)**

7 **(Against All Defendants)**

8 66. Trustee refers to and by this reference incorporates and alleges herein each
9 of the allegations set forth in Paragraph 1 through 65, inclusive of this Complaint.

10 67. Trustee is informed and believes and based thereon alleges that Judgment
11 Debtors received less than reasonably equivalent value in exchange for the Transferred
12 Assets and Transferred Funds.

13 68. Plaintiff is informed and believes and based thereon alleges that at the time
14 of these transfers, Judgment Debtors were engaged in business or transaction, or were
15 about to engage in business or transaction, for which their remaining property was an
16 unreasonably small capital.

17 69. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from
18 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part
19 thereof, plus interest thereon at the maximum legal rate from and after the date of the
20 transfer.

21 **NINTH CLAIM FOR RELIEF**

22 **Avoidance and Recovery of Fraudulent Transfer**

23 **(11 U.S.C. §§ 548(a)(1)(B)(i) and (ii)(III) and 550)**

24 **(Against All Defendants)**

25 70. Trustee refers to and by this reference incorporates and alleges herein each
26 of the allegations set forth in Paragraph 1 through 69, inclusive of this Complaint.

27 71. Trustee is informed and believes and based thereon alleges that Judgment
28 Debtors received less than reasonably equivalent value in exchange for the Transferred

1 Assets and Transferred Funds.

2 72. Plaintiff is informed and believes and based thereon alleges that at the time
3 of these transfers, Judgment Debtors intended to incur, or believed or reasonably should
4 have believed that they would incur, debts beyond their ability to pay as such debts
5 matured.

6 73. Furthermore, pursuant to 11 U.S.C. section 550, Trustee may recover from
7 Defendants the value of the Transferred Assets, Transferred Funds, and/or any part
8 thereof, plus interest thereon at the maximum legal rate from and after the date of the
9 transfer.

10 **TENTH CLAIM FOR RELIEF**

11 **Avoidance and Recovery of Preferential Transfer**

12 **(11 U.S.C. §§ 547 and 550)**

13 **(Against Whitman and DOES 1 through 5)**

14 74. Trustee refers to and by this reference incorporates and alleges herein each
15 of the allegations set forth in Paragraph 1 through 73, inclusive of this Complaint.

16 75. Based on Debtor's responses to questioning during Debtor's initial Section
17 341(a) meeting of creditors, Debtor made a payment of at least \$20,000 to her son on
18 account of an antecedent debt, within 90 days prior to her Petition Date. Trustee is
19 informed and believes Whitman is the son of Debtor who received this payment. Trustee
20 reserve the right to amend this Complaint at such time as additional transfers or additional
21 defendants may be ascertained.

22 76. Trustee is informed and believes and based thereon alleges that Debtor's
23 payment of at least \$20,000 to Debtor's son constitutes a "transfer" within the meaning of
24 the term provided in 11 U.S.C. section 101(54).

25 77. Trustee is informed and believes and based thereon alleges that the payment
26 of at least \$20,000 to Debtor's son was made to or for the benefit of Debtor's son.

27 78. Trustee is informed and believes and based thereon alleges that the transfer
28 of at least \$20,000 to Debtor's son was made on account of an antecedent debt owed by

1 Debtor before such transfer was made.

2 79. Trustee is informed and believes and based thereon alleges that the Debtor
3 made a transfer of at least \$20,000 to her son at the time Debtor was insolvent.

4 80. Debtor's son is an "insider" of Debtor within the meanings of the term
5 provided in 11 U.S.C. sections 101(31)(A)(i) and 547(b)(4)(B).

6 81. Trustee is informed and believes and based thereon alleges that Debtor
7 made the cash transfer to Debtor's son within 90 days prior of the Petition Date.

8 82. Trustee is informed and believes and based thereon alleges that the above
9 cash transfer enabled Debtor's son, as a creditor, to receive more than he would have
10 received if the transfer had not been made and Debtor's son instead were to receive
11 payment on his claims only to the extent provided by Chapter 7 of the *Bankruptcy Code*.

12 83. By reason of the foregoing, pursuant to 11 U.S.C. section 547(b), Trustee
13 may avoid this transfer, or any part thereof, according to proof at trial.

14 84. Pursuant to 11 U.S.C. section 550, Trustee may recover from Debtor's son
15 the transferred payment, or any part thereof, plus applicable interest thereon as provided
16 by law.

17 **ELEVENTH CLAIM FOR RELIEF**

18 **Avoidance and Recovery of Unjust Enrichment**

19 **(Against All Defendants)**

20 85. Trustee refers to and by this reference incorporates and alleges herein each
21 of the allegations set forth in Paragraph 1 through 84, inclusive of this Complaint.

22 86. Trustee is informed and believes and based thereon alleges that as a result
23 of the above alleged fraudulent transfers and preferential payments, Defendants and each
24 of them have been unjustly enriched, so that Trustee is entitled to recover from
25 Defendants, and from each of them, in sums according to proof, plus interest thereon at
26 legal rate.

27 //

28 //

1 **TWELFTH CLAIM FOR RELIEF**

2 **Recovery of Proceeds of Resulting Trust**

3 **(Against All Defendants)**

4 87. Trustee refers to and by this reference incorporates and alleges herein each
5 of the allegations set forth in Paragraph 1 through 86, inclusive of this Complaint.

6 88. Trustee is informed and believes and based thereon alleges that at all times
7 mentioned herein, Judgment Debtors were the equitable owner, and the remaining
8 defendants were the title holders, of the Transferred Assets and Transferred Funds. At all
9 times mentioned herein, it was and is the intention of Judgment Debtors and the
10 remaining defendants that such defendants hold the Transferred Assets and Transferred
11 Funds in trust for Judgment Debtors until such times as Judgment Debtors demanded
12 transfer back of the Transferred Assets and Transferred Funds, or that such transferred
13 items be sold and Judgment Debtors would receive the net proceeds of the sale(s).

14 89. As a result of this agreement between Judgment Debtors and the remaining
15 defendants, such defendants hold and always have held legal title to the Transferred
16 Assets and Transferred Funds as trustees of a resulting trust for the benefit of Judgment
17 Debtors, and such defendants have no right, title or interest in any of the same.

18 **THIRTEENTH CLAIM FOR RELIEF**

19 **Recovery of Proceeds of Constructive Trust**

20 **(Against All Defendants)**

21 90. Trustee refers to and by this reference incorporates and alleges herein each
22 of the allegations set forth in Paragraph 1 through 89, inclusive of this Complaint.

23 91. As a result of Defendants' wrongful receipt and/or possession of
24 Transferred Assets and Transferred Funds, and Trustee's rights to such items, Defendants
25 hold Transferred Assets and Transferred Funds solely in Defendants' capacity as
26 constructive trustees for the benefit of Trustee.

27 //

28 //

1 **FOURTEENTH CLAIM FOR RELIEF**

2 **Disallowance of Claims**

3 **(Against All Defendants)**

4 92. Plaintiff refers to and by this reference incorporates and alleges herein each
5 of the allegations set forth in Paragraphs 1 through 91, inclusive, of this Complaint.

6 93. To the extent Defendants hold unsecured and/or administrative claims(s)
7 against the Debtor or Debtor's bankruptcy estate, such claims(s) should be disallowed,
8 pursuant to 11 U.S.C. section 502(a), to the extent the claim(s) are recoverable under 11
9 U.S.C. sections 542 and 550, or that the Defendants are the transferees under 11 U.S.C.
10 sections 544, 547, and 548, unless the Defendants have paid the amount, or turned over
11 such property, for which the Defendants are liable under 11 U.S.C. sections 542 or 550.

12 **FIFTEENTH CLAIM FOR RELIEF**

13 **For Equitable Relief**

14 **(Against All Defendants)**

15 94. Plaintiff refers to and by this reference incorporates and alleges herein each
16 of the allegations set forth in Paragraphs 1 through 93, inclusive, of this Complaint.

17 95. As alleged above, Judgment Debtors have engaged in a series of actions to
18 transfer, hide, and/or dispose of their assets, and the remaining defendants here have
19 participated by receiving, transferring, hiding and/or disposing of such assets. Such
20 actions have included setting up various corporations, dissolving such corporations,
21 transferring assets in and out of these corporations, transferring ownership and control of
22 corporations and assets under the names of various straw persons, etc.

23 96. Plaintiff has no speedy or adequate remedy at law and may suffer
24 irreparable damage, injury or harm unless the appropriate equitable relief is granted,
25 including without limitation, the imposition of temporary restraining order, preliminary
26 injunction, and/or permanent injunction to avoid further transferring, hiding and/or
27 disposition of the assets pending the final outcome of this adversary action.

28 //

1 **SIXTEENTH CLAIM FOR RELIEF**

2 **For Attorney's Fees**

3 **(Against All Defendants)**

4 97. Plaintiff refers to and by this reference incorporates and alleges herein each
5 of the allegations set forth in Paragraphs 1 through 96, inclusive, of this Complaint.

6 98. Pursuant to Rule 7008(b), Plaintiff states separately his request for
7 attorney's fees.

8 99. Plaintiff is entitled to recovery of attorney's fees under various authorities,
9 including Sections 105 and 362(h) of the *Bankruptcy Code*, and under the third party tort
10 doctrine.

11 **PRAYER**

12 **WHEREFORE**, Trustee prays Judgment against Defendants, and against each of
13 them, jointly and severally, as follows:

14 **As to First Claim for Relief for Turnover of Estate Assets:**

- 15 1. For a determination by the Court that Transferred Assets and Transferred
16 Funds belong to the Debtor's bankruptcy estate;
- 17 2. For a judgment against Defendants to turn over Transferred Assets and
18 Transferred Funds and/or proceeds thereof for the benefit of the Debtor's
19 bankruptcy estate;
- 20 3. For a judgment against Defendants to turn over the Premises for the
21 benefit of the Debtor's bankruptcy estate;
- 22 4. For a judgment against Defendants to turn over shares of stocks of
23 corporations that have come to hold the preceding, for the benefit of the
24 Debtor's bankruptcy estate;

25 **As to Second through Ninths Claims for Relief for Avoidance and Recovery of**
26 **Fraudulent Transfers:**

- 27 5. For a determination by the Court that the transfers were fraudulent
28

1 transfers;

2 6. For a judgment against Defendants avoiding the transfers and recovering
3 the Transferred Assets and Transferred Funds for the benefit of Debtor's
4 bankruptcy estate;

5 7. For a judgment against Defendants for the value of the Transferred Assets
6 and Transferred Funds according to proof at trial, in no event less than Two
7 and Half Million Dollars (\$2,500,000);

8 **As to Tenth Claim for Relief for Avoidance and Recovery of Preferential**
9 **Transfers:**

10 8. For a determination by the Court that the transfers were preferential
11 transfers;

12 9. For a judgment against Defendants avoiding the transfers and recovering
13 the transferred property for the benefit of Debtor's bankruptcy estate;

14 10. For a judgment against Defendants for the value of the transferred property
15 according to proof at trial, in no event less than Twenty Thousand Dollars
16 (\$20,000);

17 **As to Eleventh Claim for Relief for Avoidance and Recovery of Unjust**
18 **Enrichment:**

19 11. For a judgment allowing Trustee to recover the amounts of unjust
20 enrichment received by Defendants as a result of Defendants' receipt of
21 Transferred Assets and Transferred Funds;

22 **As to Twelfth Claim for Relief for Recovery of Proceeds of Resulting Trust:**

23 12. For a finding that Debtor is the owner of the Transferred Assets and
24 Transferred Funds, and that the remaining defendants have no interest in the
25 Transferred Assets and Transferred Funds which is adverse or otherwise
26 to the Debtor and/or Debtor's bankruptcy estate;

27 13. For a declaration that Defendants hold title to the Transferred Assets and
28 Transferred Funds solely as the trustees of the resulting trust for the benefit

1 of the Debtor's bankruptcy estate, and that Defendants have no right, title,
2 or interest in the Transferred Assets and Transferred Funds;

3 14. For a declaration that if the Debtor's interests in the Transferred Assets and
4 Transferred Funds are disposed of before this judgment becomes final, the
5 Trustee is deemed the owner of the proceeds of the sale;

6 15. For an order compelling Defendants to forthwith convey to Trustee all of
7 Defendants' right, title and interest in the Transferred Assets and
8 Transferred Funds, or to pay the Trustee the proceeds of the sale of the
9 same.

10 16. For an order that if Defendants dispose of the Transferred Assets and
11 Transferred Funds and/or their proceeds before the judgment in this action
12 becomes final, the Trustee have and recover a judgment against Defendants
13 for an amount based on the estimated value of the Transferred Assets and
14 Transferred Funds to be determined at trial, in no event less than Two
15 and Half Million Dollars (\$2,500,000);

16 **As to Thirteenth Claim for Relief for Recovery of Proceeds of Constructive**
17 **Trust:**

18 17. For a declaration that Defendants hold title to the Transferred Assets and
19 Transferred Funds as trustees of a constructive trust for the benefit of the
20 Debtor's bankruptcy estate;

21 18. For an order compelling Defendants to turn over the Transferred Assets and
22 Transferred Funds to the Debtor's bankruptcy estate;

23 **As to Fourteenth Claim for Relief for Disallowance of Claims:**

24 19. For an order disallowing Defendants' unsecured and administrative claim(s)
25 against the Debtor's bankruptcy estate;

26 **As to Fifteenth Claim for Relief for Equitable Relief:**

27 20. For such temporary restraining order as may be necessary to prevent
28 Defendants, and each of them from making further transfers during the

1 pendency of this action, and to preserve the possibility of effective final
2 relief;

3 21. For such preliminary injunctive as may be necessary to prevent Defendants,
4 and each of them from making further transfers during the pendency of
5 this action, and to preserve the possibility of effective final relief;

6 22. For such permanent injunction as may be necessary to prevent Defendants,
7 and each of them from making further transfers during the pendency of this
8 action, and to preserve the possibility of effective final relief;

9 **As to Sixteenth Claim for Relief for Attorney's Fees:**

10 23. For reasonable attorney's fees and costs incurred by the Trustee in this
11 litigation, including but not limited to, all fees and expenses incurred in pre-
12 litigation work and all fees and expenses of prosecuting this adversary
13 proceeding, to the extent permitted by law;

14 **As to All Claim for Relief:**

15 24. For pre-judgment and post-judgment interest;

16 25. For costs of suit incurred herein; and

17 26. For such other and further relief as the Court deems just and proper.

18
19 Respectfully Submitted,

20 CENTURY CITY LAW GROUP, APC

21
22
23 By: 

24 Robin Mashal
25 Special Counsel for
26 David A. Gill, Chapter 7 Trustee
27
28

EXHIBIT 1

1 Robin Mashal (California State Bar No. 205003)
2 Peter Y. Hong (California State Bar No. 213620)
3 **HONG & MASHAL, LLP**
4 1875 Century Park East, Suite 600
5 Los Angeles, CA 90067-2507
6 Telephone: (310) 286-2000
7 Facsimile: (310) 286-2525

8 Carlos A. Lloreda, Jr. (SBN 86352)
9 LAW OFFICE OF CARLOS A. LLOREDA, JR.
10 4311 Wilshire Boulevard, Suite 403
11 Los Angeles, California 90010
12 Telephone: (323) 965-0365
13 Facsimile: (323) 965-0483

14 Attorneys for Plaintiff and Cross-Defendant,
15 YU CHUNG KOO

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

18 YU CHUNG KOO, an individual,

19 Plaintiff,

20 vs.

21 HUANG CHO HONG, an individual a/k/a Zhao
22 Huang Hong a/k/a Zhao Joe Hong a/k/a Joe
23 Hong; XI FAN HONG, an individual a/k/a Fred
24 Hong; SIU LING LI, an individual a/k/a Salina
25 Li; YAN NAN HONG, an individual; HONGYE
26 STONE, INC., a California corporation; HY
27 STYLE STONE DEPOT, INC., a California
28 corporation,

Defendants.

SIU LING LI, HUANG CHO HONG, and HY
STONE DEPOT, INC.,

Cross-Complainants,

FILED
LOS ANGELES SUPERIOR COURT

AUG 30 2010

JOHN A. CLARKE, CLERK
BY *Anita Williams*
ANITA WILLIAMS, DEPUTY

Case No.: BC 414375

Assigned to Hon. Mark V. Mooney
Dept. 68

~~PROPOSED~~ JUDGMENT ON
VERDICT IN JURY TRIAL

ORIGINAL

1 vs.
2 YU CHUNG KOO, and DOES 1 through 10,
3
4 Cross-Defendants.

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

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

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

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

19 "On Yu Chung Koo's claim for Fraud in Inducement
20 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.
21 _____ 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.

22 "On Yu Chung Koo's claim for Breach of Contract,
23 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.
24 _____ we find in favor of Huang Cho Hong (Joe Hong), Xi Fan Hong
25 (Fred Hong), Yan Nan Hong, and Siu Ling Li and against Yu Chung Koo.

26 "On Yu Chung Koo's claim for Breach of Fiduciary Duties,
27 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.
28

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

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

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

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

10 X Yes No

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

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

15 \$ 35,000 Huang Cho Hong (Joe Hong)

16 \$ 25,000 Xi Fan Hong (Fred Hong)

17 \$ 15,000 Yan Nan Hong

18 \$ 15,000 Siu Ling Li."

19 **IT IS ADJUDGED that:**

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

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

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

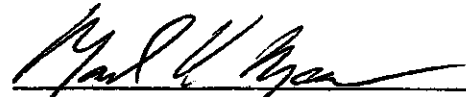
1 (\$25,000), in punitive damages, with interest at an annual rate of Ten Percent (10%) from the
2 date of entry of this Judgment until paid;

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

7 5. Plaintiff, YU CHUNG KOO, recover judgment on the merits against defendant
8 SIU LING LI, an individual a/k/a Salina Li, in the amount of Fifteen Thousand Dollars
9 (\$15,000), in punitive damages, with interest at an annual rate of Ten Percent (10%) from the
10 date of entry of this Judgment until paid;

11 6. Plaintiff, YU CHUNG KOO, recover against the Defendants, and against each of
12 them, jointly and severally, costs in the amount of \$ 27,683.95 . *SP*

13
14 Dated: 8-30-10

15 
16 _____
17 Hon. Mark V. Mooney
18 Judge of the Superior Court
19
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000172

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 Overnight Express™ envelope(s), sealed and addressed as shown on the attached service list, and depositing the same with in the Overnight Express™ deposit box at Los Angeles, California, before the scheduled pickup time, to be delivered to the parties the next day.

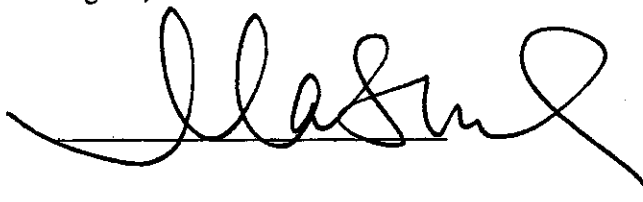
(BY FACSIMILE) By causing the said document(s) to be transmitted by electronic facsimile machine to the facsimile number(s) of those parties specifically indicated on the attached service list, in compliance with the California Rules of Court, with no error reported by the machine.

(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

1
2
3 Dale C. Frailey, Esq.
4 Lawrence Hoodack, Esq.
5 Law Offices of Frailey & Associates
6 8632 E. Valley Blvd., Suite "P"
7 P.O. Box 888
8 Rosemead, CA 91770

9
10 Phone: (626) 288-2545
11 Fax: (626) 288-1695

12
13 Carlos A. Lloreda, Jr.
14 LAW OFFICE OF CARLOS A. LLOREDA, JR.
15 4311 Wilshire Boulevard, Suite 403
16 Los Angeles, California 90010.

17
18 Phone: (323) 965-0365
19 Fax: (323) 965-0483

20
21
22
23
24
25
26
27 Dept. 68: (213) 974-5707
28

173A

EXHIBIT 2

86F (Official Form 6F) (12/07)

In re Siu Ling Li

Case No. _____

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	H W J C	Husband, Wife, Joint, or Community			CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.						
Account No. 183785 Allied Collection Svc 4230 LBJ Fwy Suite 407 Dallas, TX 75244-5806	-	Placed for collection 8/2006 Collection Account						183.00
Account No. Jason Tsao c/o Hong & Mashal, LLP 1875 Century Park East, Ste 600 Los Angeles, CA 90067-2507	-	Balance as of 10/2010 Lawsuit pending Case # BC 404245 Jason Tsao's cross-complaint against debtor.			X		X	Unknown
Account No. Yu Chung Koo c/o Law Offices Hong & Mashal LLP 1875 Century Park East 6th Floor Los Angeles, CA 90067	-	Judgment date: 08/30/2010 33600 Spring Brook Cir, Temecula, CA Judgment on verdict in jury trial for fraud, breach of contract, and breach of fiduciary duties plus punitive damage, reduced by amount levied. Subject to set off claim by debtor. Pending Appeal			X		X	1,477,435.50
Account No.								
Subtotal (Total of this page)								1,477,618.50
Total (Report on Summary of Schedules)								1,477,618.50

0 continuation sheets attached

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: Century City Law Group, APC, 1875 Century Park East, Sixth Floor, Los Angeles, CA 90067-2507.

A true and correct copy of the foregoing document described as **SECOND AMENDED COMPLAINT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On April 6, 2012 I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

By First Class U.S. Mail, as per the attached "Service List"

Service information continued on attached page

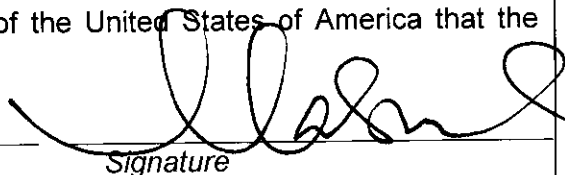
III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

April 6, 2012
Date

Robin Mashal
Type Name


Signature

CENTURY CITY LAW GROUP
A PROFESSIONAL CORPORATION

SERVICE LIST

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Siu Ling Li
Salina Li
4061 Jennings Drive
Los Angeles, CA 90032

Debtor

Michael Y. Lo, Esq.
Law Offices of Michael Y. Lo
506 N. Garfield Avenue, Suite 280
Alhambra, CA 91801

*Counsel for Debtor
Siu Ling Li*

Phone: (626) 289-8838
Fax: (626) 380-3333

Kenneth I. Gross, Esq.
Law Offices of Kenneth I. Gross
849 South Broadway, Suite 504
Los Angeles, CA 90014

*Counsel for Defendants
Xiaowei Hong,
Ying Xia Cai, and
Fullerton Stone, Inc.*

Phone: (213) 627-0218
Fax: (213) 623-4628

Rosendo Gonzalez, Esq.
Gonzalez & Associates, APLC
530 South Hewitt Street, Suite 148
Los Angeles, CA 90013

*Counsel for Defendants
Mingjin Wang,
Bin Li, and
VFLINE, Inc.*

Phone: (213) 452-0070
Fax: (213) 452-0080

Mark John Tundis, Esq.
Law Offices of Mark John Tundis
984 West Foothill Boulevard, Suite "A"
Upland, CA 91786

*Counsel for Defendant
Lang Zhang*

Phone: (909) 985-9643
Fax: (909) 985-3381

1 Peter Y. Hong, Esq.
2 Law Offices of Peter Y. Hong
3 200 S. Garfield Avenue, Ste. 101
4 Alhambra, CA 91801

5 Phone: (626) 614-9088
6 Fax: (626) 614-0818

7 David A. Gill
8 Chapter 7 Trustee
9 Danning, Gill, Diamond & Kollitz
10 1900 Avenue of the Stars, Eleventh Floor
11 Los Angeles CA 90067

12 Phone: (310) 277-0077
13 Fax: (310) 277-5735

14 Hon. Sheri A. Bluebond
15 United States Bankruptcy Court
16 255 East Temple Street, Room 1482
17 Los Angeles, CA 90012

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28 Clerk: (213) 894-3688