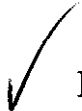


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APN # \_\_\_\_\_

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Address **Trust Office Of  
Craig J. Ihara**

City/State/Zip **777 Sinclair St., Suite 206  
Reno, Nevada 89501**

REQUESTED BY  
Craig J Ihara Esq  
IN OFFICIAL RECORDS OF  
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WERNER CHRISTEN  
RECORDER

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( for Recorder's use only )

default judgment  
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.  
(Additional recording fee applies)

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1 1880  
2 Craig I. Ihara  
3 Nevada State Bar No. 259  
4 777 Sinclair St., Ste. 206  
5 Reno, NV 89501  
6 (775) 786-7799  
7 Attorney for Plaintiff

**ORIGINAL**

**FILED**  
OCT 01 2002  
RONALD A. LONGTIN, JR., CLERK  
By: RCS  
DEPUTY

6 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
7 IN AND FOR THE COUNTY OF WASHOE

8 CHRISTOPHER EDWARDS, KANDIA  
9 SWEET, JEFFREY FULLER

10 Plaintiff,

11 vs.

11 WILLIAM BARTLEY, DARREN  
12 SPRINGER, LAKE TAHOE RECORD  
13 CO., INC., a Nevada Corporation, ED  
14 GHANDOUR, MOUNTAIN LAKE  
15 DEVELOPMENT CORPORATION,  
16 THOMAS MEHESAN, and DOES 1  
17 through 10,

Case No. CV98-06623  
Dept. No. 4

15 Defendants.

16 **DEFAULT JUDGMENT**

17 The Summons and Complaint in this action having been regularly served on the  
18 Defendant, WILLIAM BARTLEY, hereinafter "BARTLEY", proof of service having been  
19 filed with the Clerk of the Court, the Defendant having failed to appear and answer Plaintiff's  
20 Complaint within the time allowed by law, upon application of Plaintiff to the Court, and the  
21 Court having considered the testimony of Plaintiff EDWARDS, evidence presented and  
22 arguments at hearing on the 5th day of September, 2002;

23 And upon consideration of same the Court ordered the following findings of fact,  
24 conclusions of law and be prepared.

25 **FINDINGS OF FACT**

26 1. Chris Edwards, Kandia Sweet, and Jeffrey Fuller did business in Nevada as KJC  
27 Partnership, hereinafter "KJC".  
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1           2.     BARTLEY was the president of Lake Tahoe Record Co., a Nevada corporation  
2 dba Legends Nightclub.

3           3.     Legends Nightclub consisted of a bar and restaurant.

4           4.     Legends Nightclub paid the approximate sum of \$9,000.00 per month lease rent.

5           5.     Legends Nightclub subleased the restaurant portion of the business for the  
6 approximate sum of \$2,000.00 per month.

7           6.     The subleased restaurant at Legends Nightclub was grossing at the most  
8 approximately \$4,000.00 to \$6,000.00 per month.

9           7.     Bartley had debts owed to the IRS, State of Nevada for taxes and to a private  
10 financier that totaled more than \$300,000.00.

11          8.     The furniture, fixtures, bar supplies and equipment at Legends subleased  
12 restaurant were subject to a security interest held by the private financier.

13          9.     The subleased restaurant was in need of cleaning.

14          10.    BARTLEY approached plaintiffs with a business proposal wherein KJC would  
15 take over operation and ownership of the restaurant portion of Legends Nightclub.

16          11.    KJC was to sublease the restaurant portion of the premises for the sum of  
17 \$4,500.00 per month.

18          12.    KJC was prohibited from acquiring a liquor license.

19          13.    KJC's employees were to serve liquor at the restaurant under the license of  
20 Legends Nightclub.

21          14.    Legends Nightclub was to pay to KJC forty percent of the total food sales at the  
22 restaurant as compensation monthly in return for serving liquor at the restaurant under the  
23 license of Legends Nightclub.

24          15.    Legends Nightclub and the restaurant subleased by KJC were to be merged after  
25 KJC commenced operation of the restaurant.

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1           16.    BARTLEY made false representations to the plaintiffs including but not limited  
2 to the following:

- 3           a.       That the restaurant was subleased for the sum of \$4,500.00 per month.
- 4           b.       That the subleased restaurant was profitable
- 5           c.       That BARTLEY was debt-free
- 6           d.       That Legends Nightclub would merge with KJC sometime soon after the  
7 restaurant operations were begun by KJC
- 8           e.       That the restaurant's furniture, fixtures, bar supplies and equipment were  
9 free and clear and owned by Legends Nightclub
- 10          f.       That the restaurant would be cleaned before KJC took over operation
- 11          g.       That forty percent of gross sales at the restaurant operated by KJC would  
12 be paid to KJC by Legends Nightclub on a monthly basis as additional compensation

13           17.    The false representations made by BARTLEY were material and formed the  
14 basis for the decision of the Plaintiffs to enter into the sublease and restaurant business at the  
15 Legends Nightclub premises.

16           18.    The Plaintiffs justifiably relied on the false representations made by BARTLEY.

17           19.    The Plaintiffs sustained significant losses as a result of the false representations  
18 as follows:

19           a.       \$98,748.00 for monies lost in the restaurant for the period January 1,  
20 1998 through October 22, 1998

21           b.       \$29,076.00 for monies lost in the restaurant for the period October 23,  
22 1998 to the date of this judgment

23           20.    Service on BARTLEY was effective on February 16, 2002.

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CONCLUSIONS OF LAW

The Court has jurisdiction over the defendant Bartley as set forth in the complaint.

The Plaintiff has shown by clear and convincing evidence that:

1. Misrepresentations of material facts were made by BARTLEY to the Plaintiffs
2. Plaintiffs justifiably relied on the misrepresentations
3. BARTLEY knew the misrepresentations were false when made
4. Plaintiffs sustained damages based upon their reliance on the misrepresentations

Plaintiff is entitled to punitive damages.

NOW THEREFORE IT IS HEREBY ADJUDGED that the Plaintiff have and recover from the Defendant BARTLEY, the principal sum of \$98,748.00, prejudgment interest thereon from and after October 26, 1998 in the amount of \$40,536.73, the additional principal sum of \$29,076.00, costs and disbursements in the amount of \$857.40, punitive damages in the amount of \$15,000.00 together with interest thereon at the rate of TEN AND 50/100 PERCENT (10.50%) per annum or the highest rate allowed by law, whichever is greater from the date of judgment until paid in full.

DATED this 30 day of September, 2002.

Connie J. Steinheimer  
DISTRICT JUDGE

CERTIFIED COPY  
 The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.  
 DATE: AUG 18 2003  
 RONALD A. LONG JR., Clerk of the Second Judicial District Court, in and for the County of Washoe, State of Nevada.  
 By [Signature] Deputy  
**SEAL**

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DOCKET  
10-01-2002  
DATE  
INITIALS [Signature]