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#### INSTRUCTIONS ON HOW TO COMPLETE THE COVEN THEET

To Plaintiffs and Others Filing First, Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

Contract

#### Auto Tort

Auto (22)-Personal Injury/Property Damage/Wrongful Death Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto) Other PI/PD/WD (Personal Injury/ Property Damage/Wrongful Death) Tort Asbestos (04) Aspestos Propeny Damage Asbestos Personal Injury/ Wrongful Death Product Liability (not asbestos or toxic/environmental) (24) Medical Malpractice (45) Medical Malpractice-Physicians & Surgeons Other Professional Health Care Malpractice Other PI/PD/WD (23) Premises Liability (e.g., slip and fall) Intentional Bodily Injury/PD/WD (e.g., assault, vandalism) Intentional Infliction of **Emotional Distress** Negligent Infliction of **Emotional Distress** Other PI/PD/WD Non-PI/PD/WD (Other) Tort **Business Tort/Unfair Business** Practice (07) Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08) Defamation (e.g., slander, libel) (13)Fraud (16) Intellectual Property (19) Professional Negligence (25) Legal Malpractice Other Professional Malpractice (not medical or legal) Other Non-PI/PD/WD Tort (35) Employment Wrongful Termination (36) Other Employment (15)

Breach of Contract/Warranty (06) Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) Contract/Warranty Breach-Seller Plaintiff (not fraud or negligence) Negligent Breach of Contract/ Warranty Other Breach of Contract/Warranty Collections (e.g., money owed, open book accounts) (09) Collection Case-Seller Plaintiff Other Promissory Note/Collections Case Insurance Coverage (not provisionally complex) (18) Auto Subrogation Other Coverage Other Contract (37) **Contractual Fraud** Other Contract Dispute **Real Property** Eminent Domain/Inverse Condemnation (14) Wrongful Eviction (33) Other Real Property (e.g., quiet title) (26) Writ of Possession of Real Property Mortgage Foreclosure Quiet Title Other Real Property (not eminent domain, landlord/tenant, or foreclosure) **Unlawful Detainer** Commercial (31) Residential (32) Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential) **Judicial Review** Asset Forfeiture (05) Petition Re: Arbitration Award (11) Writ of Mandate (02) Writ-Administrative Mandamus Writ-Mandamus on Limited Court **Case Matter** Writ-Other Limited Court Case Review Other Judicial Review (39) Review of Health Officer Order Notice of Appeal-Labor **Commissioner Appeals** 

**CIVIL CASE COVER SHEET** 

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400-3.403) Antitrust/Trade Regulation (03) Construction Defect (10) Claims Involving Mass Tort (40) Securities Litigation (28) Environmental/Toxic Tort (30) Insurance Coverage Claims (arising from provisionally complex case type listed above) (41) **Enforcement of Judgment** Enforcement of Judgment (201, Abstract of Judgment (Out of County) Confession of Judgment (nondomestic relations) Sister State Judgment Administrative Agency Award (not unpaid taxes) Petition/Certification of Entry of Judgment on Unpaid Taxes Other Enforcement of Judgment Case **Miscellaneous Civil Complaint RICO (27)** Other Complaint (not specified above) (42) **Declaratory Relief Only** Injunctive Relief Only (nonharassment) Mechanics Lien Other Commercial Complaint Case (non-tort/non-complex) Other Civil Complaint (non-tort/non-complex) **Miscellaneous Civil Petition** Partnership and Corporate Governance (21) Other Petition (not specified above) (43) **Civil Harassment** Workplace Violence Elder/Dependent Adult Abuse Election Contest Petition for Name Change Petition for Relief from Late Claim Other Civil Petition

CM-010 [Rev July 1, 2007]

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4 7 8		COPY ·	
1 2 3 4 5 6 7 8	3080 Bristol Street, Suite 540 Costa Mesa, California 92626 Tel.: (714) 513-1122 Fax: (714) 513-1123 Attorneys for Plaintiff GATEWAY INSULATION, INC.	HE STATE OF CALIFORNIA	
9	FOR THE COUNTY OF RIVERSIDE		
10			
11	GATEWAY INSULATION, INC., a California corporation,	CASE NO .: Ric 492903	
12	Plaintiff,	(Assigned for All Purposes to)	
13	vs.	COMPLAINT OF PLAINTIFF GATEWAY	
14 15 16 17 18 19	G COMPANIES CONSTRUCTION, INC., a California corporation; MURRIETA VILLAGE WALK, LP, an entity, form unknown; JAMES CHRIS GIANULIAS, an individual; DAVID D. GIANULIAS, an individual; DAVID LETTERIE MAFFEI, an individual; BANK OF THE WEST, a California corporation; and DOES 1 through 40, Inclusive,	<ol> <li>INSULATION, INC. FOR:</li> <li>Breach of Written Contract;</li> <li>Quantum Merit;</li> <li>Account Stated;</li> <li>Open Book Account;</li> <li>Foreclosure of Mechanic's Lien;</li> <li>Enforcement of Bonded Stop Notice;</li> <li>Conversion; and</li> <li>Misappropriation of Construction Funds</li> </ol>	
20		ACTION FILED:	
21 22	Defendants.	DISCOVERY CUT-OFF: NONE MOTION CUT-OFF: NONE TRIAL DATE: NONE	
23	Plaintiff, GATEWAY INSULATION, INC., a California corporation (hereinafter		
24	"Plaintiff") alleges the following against Defendants, G COMPANIES CONSTRUCTION, INC.,		
25	a California corporation ("G COMPANIES"); MURRIETA VILLAGE WALK, LP, an entity,		
26	form unknown ("MURRIETA"); JAMES CHRIS GIANULIAS, an individual ("JAMES		
27	GIANULIAS"); DAVID D. GIANULIAS, an individual ("DAVID GIANULIAS"); DAVID		
28			
	I COMPLAINT OF GATEWAY INSULATION, INC.		

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LETTERIE MAFFEI, an individual ("MAFFEI"); BANK OF THE WEST, a California corporation ("BANK OF THE WEST"); and Does 1 through 40, inclusive, and each of them:

## PARTIES AND VENUE

Plaintiff is a California corporation engaged, generally, as a subcontractor in the 1. trade of insulation at residential construction within the State of California, and at the time of entering into the subcontract agreement with Defendant BARRATT, which is the subject of this Complaint, and at all relevant times, was properly registered with and performing business in the State of California, with a principle place of business located at 1341 W. Arrow Highway, San Dimas, California. At all relevant times, Plaintiff was also properly licensed by the California State Contractor's Board and possessed the requisite classifications to engage in the insulation trade.

12 2. Plaintiff is informed and believes, and based thereon alleges, that Defendant G COMPANIES is, and at all times mentioned herein was, a California corporation, conducting business within the County of Riverside, State of California, with a principal address at 1105 14 15 Quail Street, Newport Beach, California 92660, and is engaged, generally, in the business of 16 acting as a general contractor or builder on residential construction projects located within the 17 State of California.

Plaintiff is informed and believes, and based thereon alleges, that Defendant 3. MURRIETA is, and at all times mentioned herein was, an entity, form unknown, and conducting business within the County of Riverside, State of California, with a principal address at 1105 Quail Street, Newport Beach, California 92660.

4. 22 Plaintiff is informed and believes, and based thereon alleges, that Defendant 23 JAMES GIANULIAS, an individual, is, and at all times mentioned herein was, a controlling 24 shareholder of Defendant G COMPANIES, responsible in some manner for the control of its business operations and decisions. 25

5. Plaintiff is informed and believes, and based thereon alleges, that Defendant DAVID GIANULIAS, an individual, is, and at all times mentioned herein was, a controlling

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shareholder of Defendant G COMPANIES, responsible in some manner for the control of its business operations and decisions.

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6. Plaintiff is informed and believes, and based thereon alleges, that Defendant MAFFEI, an individual, is, and at all times mentioned herein was, a controlling shareholder of Defendant G COMPANIES, responsible in some manner for the control of its business operations and decisions.

7 7. Plaintiff is informed and believes, and based thereon alleges, that Defendant
8 BANK OF THE WEST is, and at all times mentioned herein was, a California corporation,
9 conducting business within the County of Riverside, State of California, with a principal address
10 at 3000 Oak Road, Suite 400, Walnut Creek, California 94597.

8. Venue for this matter is proper in the above-entitled County and Court because
 the real properties which are the subject of this action are located in the City of Murrieta, County
 of Riverside, for a project known as the Murrieta 453/Village Walk.

Plaintiff is ignorant of the true names, capacities and basis for liability of 14 9. Defendants DOES 1 through 40, inclusive, whether individual, corporate, associate, member or 15 otherwise and therefore sues said defendants by their fictitious names. Plaintiff is informed and 16 believes and based thereon alleges that DOES 1 through 40, and each of them, are in some 17 18 manner liable to Plaintiff, were and are legally responsible for the damages or losses suffered by Plaintiff, or have, or claim to have, some right, title or interest in the money Plaintiff alleges is 19 20 due Plaintiff, the exact nature of which claims is unknown to Plaintiff, but which claims are subject and subordinate to the claim of Plaintiff. Plaintiff will amend this Complaint to allege 21 22 their true names, capacities and basis for liability when the same has been ascertained.

10. Plaintiff alleges on information and belief that, at all times mentioned herein,
Defendants, and each of them, including those fictitiously named, were acting on their own
behalf and also as the agent, servant, employee, representative, partner, member or joint
venturer, of each other and in doing the things alleged herein, acted within the purpose, scope
and authority of said agency, employment, representation, partnership, membership or venture,

#### COMPLAINT OF GATEWAY INSULATION, INC.

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with the advance knowledge, consent, approval and ratification of the remaining defendants, and each of them.

**GENERAL ALLEGATIONS** 

11. Plaintiff is informed and believes, and thereupon alleges, that Defendants G COMPANIES and DOES 1 through 10 acted as the general contractor/builder of a project known as Murrieta 453/Village Walk, located in the City of Murrieta, County of Riverside, specifically for Buildings 1(B), 2(D), 3(E), 4(F) 5(G), 7(C) and 8(A) (hereinafter as "Subject Work of Improvement"), which is the subject of the within Action.

Plaintiff is informed and believes, and thereupon alleges, that on or about May 23, 12. 2006, Plaintiff entered into a contract with Defendant G COMPANIES (hereinafter as "Subject Subcontract"), whereby Plaintiff agreed to perform construction improvements at certain portions of the Subject Work of Improvement, including supply and installation of insulation, and to furnish and provide all of the labor and materials therefor, including tools, implements and appliances to be used in said Subject Work of Improvement, in accordance with certain plans and specifications, for Defendant G COMPANIES and, in exchange, Defendant G COMPANIES agreed to pay Plaintiff \$344,938.00, plus approved extras. A true and correct copy of the Subject Subcontract is attached hereto as Exhibit "A", and is incorporated herein by this reference as though fully set forth at length.

Plaintiff is informed and believes, and thereupon alleges, that Defendants JAMES 13. GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 20 through 30, Inclusive, are, and at all relevant times were, the controlling shareholder(s) and/or owner(s) of Defendant G COMPANIES, responsible for its business operations and decisions, including disbursement of 23 funds obtained via the construction loan for the Subject Work of Improvement and payment of the subcontractors providing labor, materials and services to the Subject Work of Improvement. 24

Plaintiff is informed and believes, and thereupon alleges, that Defendant 25 14. 26 MURRIETA and/or Defendants DOES 31 through DOE 40, Inclusive, are, and at all relevant 27 times were, the owner(s) or reputed owner(s) of the Subject Work of Improvement and/or of an interest in the subject real properties on which the Subject Work of Improvement was

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15. Plaintiff is informed and believes, and thereupon alleges, that Defendant BANK OF THE WEST was the construction lender on the Subject Work of Improvement and, on or about January 30, 2008, was holding or controlling funds from which to pay costs due or to become due to Defendant G COMPANIES and/or DOES 1 through 30 on the Subject Work of Improvement in a sum unknown to Plaintiff but known to Defendants.

16. Beginning on or about May 23, 2006, pursuant to the Subject Subcontract and at the instance and request of Defendants and/or their agents, and each of them, Plaintiff furnished supervision, labor, materials, services, tools and equipment, or a combination thereof, that were used at the Subject Work of Improvement and performed all work required of it under the Subject Subcontract for which Plaintiff was subsequently paid a portion of those sums due it under the Subcontract by Defendant G COMPANIES.

17. Plaintiff performed all things necessary and required of it under the Subject
14 Subcontract, except to the extent that Plaintiff was prevented or excused from such performance
15 by the breaches of Defendants, and each of them, as alleged below.

16 18. Plaintiff is informed and believes, and based thereon alleges, that Defendant G 17 COMPANIES was defectively formed, improperly operated, and/or inadequately capitalized for 18 the business purpose for which it was created, including, without limitation, construction of the 19 Subject Work of Improvement and for the liabilities it expected to incur during construction of the Subject Work of Improvement, including, without limitation, payment of its subcontractors 20 21 for work performed. Plaintiff is further informed and believes, and based thereon alleges, that 22 Defendants JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, inclusive, failed to respect the separate nature and form of the corporation, failed to comply with 23 24 corporate formalities, failed to adequately capitalize the business, misappropriated and or 25 converted assets of the corporation, including funds from the construction loan for the Work of Improvement, diverted construction funds to unauthorized and improper uses, and so dominated 26 27 and controlled the business, operations and affairs of Defendant G COMPANIES that the 28 separate identities between the entity and these Defendants ceased to exist and the company

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became and was utilized as the alter ego and personal instrumentality of said Defendants.

19. Plaintiff is informed and believes, and based thereon alleges, that Defendants JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, inclusive, managed and manipulated Defendant G COMPANIES for the sole purpose of raising capital to convert to their personal use and benefit or to other unauthorized and improper uses other than the Subject Work of Improvement. If this Court were to continue to respect the separate and distinct identity Defendant G COMPANIES, it would result in a fraud as to Plaintiff and to the other subcontractors to whom money is owed by Defendant G COMPANIES for work performed at the Subject Work of Improvement, and a severe inequity and injustice would result. Rather Defendants JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, inclusive, should each, individually, be held liable and accountable for the debts, liabilities, damages and obligations of Defendant G COMPANIES resulting from their continued mismanagement and manipulation of the entity.

20. Specifically, Plaintiff entered into the Subject Subcontract to provide services, 15 labor, supervision, equipment, permits, licenses, insurance, transportation, supplies, and materials at the Subject Work of Improvement in reliance upon and in exchange for payment by 16 Defendant G COMPANIES. Plaintiff is informed and believes, and based thereon alleges, that a 17 construction loan was issued to Defendant G COMPANIES for the purpose of financing the 18 construction of the Subject Work of Improvement, including, without limitation, payment of 19 subcontractors performing work on behalf of G COMPANIES at the Subject Work of 20 Improvement. Plaintiff is informed and believes, and based thereon alleges, that Plaintiff was to 21 22 be paid out of the construction loan obtained by Defendants.

23 21. However, Plaintiff is informed and believes, and based thereon alleges, that Defendants G COMPANIES, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and 24 25 DOES 1 through 40, and each of them, diverted and used the construction funds for purposes 26 other than payment of the outstanding amount owed to Plaintiff for the services, labor, 27 supervision, equipment, permits, licenses, insurance, transportation, supplies, and materials 28 Plaintiff provided at the Subject Work of Improvement and to other unauthorized and improper

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purposes.

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22. The interference by Defendants G COMPANIES, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40 of Plaintiff's right to possession of its portion of the construction funds for payment for work performed by it was done knowingly, intentionally, maliciously and/or oppressively, with the intent to cause harm and which did cause Plaintiff harm in that Plaintiff has yet to be paid in full for the value of the services, labor, supervision, equipment, permits, licenses, insurance, transportation, supplies, and materials furnished and performed by Plaintiff at the Subject Work of Improvement.

## FIRST CAUSE OF ACTION

(For Damages for Breach of Contract Against Defendants G COMPANIES, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, Inclusive)

23. Plaintiff realleges and incorporates herein by reference each and every allegation contained in the above paragraphs as though fully set forth herein.

14 24. Plaintiff is informed and believes, and thereupon alleges, that Defendants, and 15 each of them, materially breached the terms of the Subject Subcontract by failing to pay Plaintiff for its performance under the Subject Subcontract and any addenda thereto. As of the date of the 16 filing of the within Action, Plaintiff was owed an unpaid balance of \$194,963.30 for its 17 18 performance under the Subject Subcontract, which performance was at the request and on behalf 19 of Defendants, and each of them.

20 25. Plaintiff has performed all terms, covenants and conditions required by and on its part to be performed under the terms of the Subject Subcontract, except to the extent that 22 Plaintiff was prevented or excused from such performance by the breach of Defendants, and each 23 of them, as alleged herein.

24 26. Plaintiff has made numerous demands upon Defendants, and each of them, for 25 payment of the sum due it but Defendants, and each of them, have refused to honor said 26 demands.

27 27. As a direct and proximate result of the material breach of the Subject Subcontract 28 by Defendants, and each of them, Plaintiff has been damaged in the sum of \$194,963.30

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outstanding on the Subject Subcontract and any addenda thereto, plus interest at the legal rate

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and in such additional sums as will be proven at trial.

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SECOND CAUSE OF ACTION (For Quantum Merit Against Defendants G COMPANIES, MURRIETA, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, Inclusive) 28. Plaintiff realleges and incorporates herein by reference each and every allegation contained in the above paragraphs as though fully set forth herein. Plaintiff is informed and believes, and thereupon alleges, that within the past year, 29. Defendants, and each of them, became indebted to Plaintiff in the sum of \$194,963.30, for labor and materials provided by Plaintiff at their special insistence and request and for which they agreed to pay Plaintiff. As of the date of the filing of this Complaint, there is an unpaid balance due and owing Plaintiff in the amount of \$194,963.30 by Defendants, and each of them. THIRD CAUSE OF ACTION (For Account Stated Against Defendants G COMPANIES, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, Inclusive) 30. Plaintiff realleges and incorporates herein by reference each and every allegation contained in the above paragraphs as though fully set forth herein. 31. Plaintiff is informed and believes, and thereupon alleges, that within the past year, an account was stated in writing by and between Plaintiff and Defendants, and each of them, wherein Defendants, and each of them, became indebted to Plaintiff in the sum of \$194,963.30, for labor and materials provided to Defendants, and each of them, at their special insistence and request at the Subject Work of Improvement. 32. As of the date of the filing of this Complaint, there is an unpaid balance due and owing from Defendants, and each of them, to Plaintiff in the principal sum of \$194,963.30. FOURTH CAUSE OF ACTION (For Open Book Account Against Defendants G COMPANIES, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, Inclusive) 33. Plaintiff realleges and incorporates herein by reference each and every allegation 8

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contained in the above paragraphs as though fully set forth herein.

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34. Plaintiff is informed and believes, and thereupon alleges, that within the past year, Defendants, and each of them, became indebted to Plaintiff on an open book account for money due in the sum of \$194,963.30, for labor and materials provided by Plaintiff to Defendants, and each of them, at their special insistence and request, at the Subject Work of Improvement, and for which Defendants, and each of them, agreed to pay.

35. As of the date of the filing of this Complaint, there is an unpaid balance due and owing from Defendants, and each of them, to Plaintiff in the sum of \$194,963.30.

36. Plaintiff is informed and believes, and thereupon alleges, that Plaintiff has been required to retain counsel to prosecute this action and is therefore entitled to attorneys' fees and costs pursuant to Cal. Civ. Code Section 1717.5.

# FIFTH CAUSE OF ACTION

(For Foreclosure of Mechanic's Lien Against Defendants G COMPANIES, MURRIETA, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and DOES 1 through 40, Inclusive)

Plaintiff realleges and incorporates herein by reference each and every allegation 37. contained in the above paragraphs as though fully set forth herein.

38. Beginning on or about May 23, 2006, Plaintiff furnished and delivered to Defendants at their special insistence and request, certain labor and materials, to wit, installation of insulation work at the Subject Work of Improvement, and, specifically, at Buildings A, B, C, D, E, F and G of the Murrieta 453/Village Walk Project; the agreed price and reasonable value of said labor and materials performed to date was and is the sum of \$344,938.00, plus approved extras; and, there is now due and owing to Plaintiff, for or on account thereof, the sum of \$194,963.30, in lawful money of the United States.

24 39. Plaintiff is informed and believes, and thereupon alleges, that Plaintiff's Scope of 25 Work is necessary and required for the convenient use and occupation of the whole of the land 26 defined above as the Subject Work of Improvement.

Plaintiff is informed and believes, and thereupon alleges, that Defendants G 40. COMPANIES, MURRIETA, JAMES GIANULIAS, DAVID GIANULIAS, MAFFEI and 28