

CASE MANAGEMENT CONFERENCE

DEC 15 2014

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Date Dept 0 @ 8:30am

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Superior Court of California
County of Los Angeles

AUG 27 2014

Attorneys for Plaintiffs
PAUL ROCK and PAUL ROCK PRODUCED, LLC

Sherri R. Carter, Executive Officer/Clerk
By Darnetta Smith, Deputy

IN THE SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES - WEST DISTRICT

PAUL ROCK, an individual, and PAUL
ROCK PRODUCED, LLC, a Florida
limited liability company,

Plaintiff,

v.

EVERGREEN MEDIA HOLDINGS, LLC,
a Texas limited liability company, TONY
DEROSA-GRUND, an individual, and
Does 1-50, Inclusive,

Defendants.

Case No.:

SC123041

COMPLAINT FOR DAMAGES:

- (1) BREACH OF ORAL CONTRACT
- (2) BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING
- (3) FRAUD
- (4) NEGLIGENCE MISREPRESENTATION
- (5) NEGLIGENCE INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS
- (6) INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS
- (7) DEFAMATION
- (8) DECLARATORY RELIEF
- (9) VIOLATION OF BUSINESS AND PROFESSIONS CODE §17200

COMES NOW Plaintiffs PAUL ROCK and PAUL ROCK PRODUCED, LLC (collectively "PLAINTIFFS") hereby files their Complaint for Damages against Defendants EVERGREEN MEDIA HOLDINGS, LLC, and TONY DEROSA-GRUND (collectively "DEFENDANTS"), as follows:

GENERAL ALLEGATIONS

1. Plaintiff PAUL ROCK (hereinafter, "ROCK") is now, and was at the time of the filing of this Complaint and at all intervening times, a resident of the state of Florida.

2. Plaintiff PAUL ROCK PRODUCED, LLC (hereinafter, "PRP") is now, and was at the time of the filing of this Complaint and at all intervening times, a corporation organized under

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1 the laws of Florida, with its principal place of business in the state of Florida. PRP is authorized to
2 do business in the state of California.

3 3. PLAINTIFFS are informed and believe and, based thereon alleges that Defendant
4 EVERGREEN MEDIA HOLDINGS, LLC (hereinafter, "EVERGREEN") is now, and was at the
5 time of the filing of this Complaint and at all intervening times, a corporation organized under the
6 laws of Texas. Upon information and belief, EVERGREEN is authorized to do business in the
7 state of California, and, in fact, does business in the entertainment industry in Los Angeles County.
8 Moreover, upon information and belief, EVERGREEN has filed lawsuits in Los Angeles County,
9 and defended itself from lawsuits filed against it in the state of California. Thus, upon information
10 and belief, EVERGREEN availed itself of the privileges and protections of the laws of the state of
11 California.

12 4. PLAINTIFFS are informed and believe and, based thereon alleges that TONY
13 DEROSA-GRUND (hereinafter, "GRUND") is now, and was at the time of the filing of this
14 Complaint and at all intervening times, a resident of California. Indeed, upon information and
15 belief, the talent agency and lawyers representing GRUND are located in Los Angeles county.
16 Also, GRUND represented himself as a member of the Writers' Guild of America and the
17 entertainment trade journals have published several articles prominently showing GRUND as a
18 major player in the entertainment industry in Los Angeles county. Moreover, upon information
19 and belief, GRUND has filed legal proceedings in Los Angeles county, and defended himself from
20 legal proceedings filed against him in the state of California. Thus, GRUND availed himself of the
21 privileges and protections of the laws of the state of California.

22 5. PLAINTIFFS are informed and believe and, based thereon alleges that at all times
23 mentioned herein, each of the DEFENDANTS sued herein, including those sued as DOES 1
24 through 50, inclusive, were agents, servants, employees and/or alter egos of each of the other
25 remaining DEFENDANTS and in doing the things hereinafter alleged was acting within the full
26 scope and course of said agency, service and/or employment and with the full knowledge and
27 consent, express or implied, of each of the other DEFENDANTS.

28 6. PLAINTIFFS are informed and believe and, based thereon alleges that at all times

1 mentioned herein, all of the acts done by the DEFENDANTS, including those sued herein as
2 DOES 1 through 50, inclusive, were so done at the specific instance and request of the other
3 DEFENDANTS and each is responsible in some manner for the occurrences herein alleged.

4 JURISDICTIONAL ALLEGATIONS

5 7. This Court has jurisdiction over this matter by virtue of the fact that the amount in
6 controversy exceeds \$25,000.00, and a substantial part of the events or omissions giving rise to the
7 claim occurred in this judicial district.

8 8. Personal jurisdiction exists over DEFENDANTS because on information and belief,
9 DEFENDANTS conduct business in California and in this judicial district, or otherwise avail
10 themselves of the privileges and protections of the laws of the state of California, such that this
11 Court's assertion of jurisdiction over DEFENDANTS does not offend traditional notions of
12 fair play and due process.

13 INJURY TO PLAINTIFF

14 9. ROCK is a movie producer and the sole member of PRP.

15 10. GRUND is also a movie producer and, upon information and belief, is the
16 Executive Chairman of EVERGREEN.

17 11. On or around October 30, 2013, ROCK and DEFENDANTS entered into an oral
18 agreement in Beverly Hills, California concerning a movie script titled "The Demonist"
19 (hereinafter, "Demonist Agreement"). The terms of the Demonist Agreement are as follows: In
20 exchange for \$29,972, DEFENDANTS were to provide ROCK with a movie script titled "The
21 Demonist" (hereinafter the "Demonist Movie Script") by November 6, 2013, which was to be in
22 good condition and quality under industry standards and, according to DEFENDANTS, the
23 entertainment company Lionsgate Films ("Lionsgate") was to purchase the Demonist Movie Script
24 from ROCK for \$250,000 by November 30, 2013, as well as cause the production entity that
25 produces the Demonist movie to make ROCK an executive producer of the movie.

26 12. In fact, prior to October 30, 2013, and after DEFENDANTS represented to ROCK
27 that Lionsgate has already guaranteed DEFENDANTS and contracted with DEFENDANTS that it
28 would purchase the Demonist Movie Script from ROCK for \$250,000 by November 30, 2013.

1 Based on these explicit representations from DEFENDANTS, ROCK entered into the Demonist
2 Agreement and promptly paid DEFENDANTS \$29,972.

3 13. However, DEFENDANTS did not provide ROCK with a timely or sufficient
4 Demonist Movie Script, despite numerous demands by ROCK for DEFENDANTS to provide the
5 script. Further, upon information and belief, ROCK later learned that Lionsgate never guaranteed
6 DEFENDANTS nor contracted with DEFENDANTS that it would purchase the Demonist Movie
7 Script from ROCK, and DEFENDANTS made material misrepresentations to ROCK to induce
8 him into entering into the Demonist Agreement and paying DEFENDANTS \$29,972.

9 14. Though, prior to PLAINTIFFS discovering that DEFENDANTS would not be
10 providing ROCK with a timely or sufficient Demonist Movie Script, or discovering that, upon
11 information and belief, DEFENDANTS made material misrepresentations to ROCK to induce him
12 into entering into the Demonist Agreement and provide DEFENDANTS with \$29,972,
13 PLAINTIFFS entered into another agreement with DEFENDANTS.

14 15. Namely, on or around November 8, 2013, PRP and DEFENDANTS entered into an
15 Agreement concerning "The Demonologist" (hereinafter, "Demonologist Agreement"). See
16 Attachment "A", for a true and correct copy of the Demonologist Agreement.

17 16. In the Demonologist Agreement, DEFENDANTS provided PRP the movie rights to
18 "The Demonologist" case files, which DEFENDANTS represented that they obtained from other
19 individuals. In fact, upon information and belief, said case files were once owned by Lorraine and
20 Ed Warren (collectively the "Warrens"), and the case files are facts, notes, pictures and other
21 information concerning paranormal investigations performed by the Warrens. As DEFENDANTS
22 described to PLAINTIFFS prior to November 8, 2013 and after, "The Demonologist" case files
23 consist of, among others, the "Perron Farmhouse", "Annabelle" and "The Enfield Poltergesit" case
24 files. Therefore, the Demonologist Agreement sold to PRP the movie rights to the case files of,
25 among others, the "Perron Farmhouse", "Annabelle" and "The Enfield Poltergesit" case files.

26 17. Prior to the execution of the Demonologist Agreement, in order to induce
27 PLAINTIFFS' execution of the Demonologist Agreement and induce payments made by
28 PLAINTIFFS to DEFENDANTS, DEFENDANTS represented there were "a line of financiers"

1 ready to immediately finance movies stemming from "The Demonologist" case files and that said
2 movies were "fully financed." In fact, the Demonologist Agreement provides that PRP would
3 have the exclusive right to negotiate terms with said financiers. It was the representations by
4 DEFENDANTS that PRP would have "a line of financiers" ready to finance movies stemming
5 from "The Demonologist" case files that led PLAINTIFFS to pay DEFENDANTS far more money
6 than the fair market value under the Demonologist Agreement.

7 18. Further, the Demonologist Agreement also required ROCK's wife, Sameera Eligeti
8 ("Ms. Eligeti"), to have a named speaking role in the movies made stemming from "The
9 Demonologist" case files at a paid rate equivalent to Ms. Eligeti's established quote.

10 19. Despite this, and no longer having the ownership rights anymore, upon information
11 and belief, DEFENDANTS later attempted to sell the movie rights to "The Demonologist" case
12 files to other individuals and/or entities without PLAINTIFFS' knowledge or approval in order to
13 extort additional monies from other individuals/entities to the detriment of PLAINTIFFS.

14 20. Further, DEFENDANTS prevented PLAINTIFFS from obtaining investors to fund
15 movies stemming from "The Demonologist" case files, and threatened to materially breach the
16 Demonologist Agreement and the Demonist Agreement, as well as adversely interfere with
17 ROCK's other work, businesses and professional relationships, if ROCK sought to speak to the
18 alleged said "line of financiers". PLAINTIFFS later discovered that the "line of financiers" did not
19 ever come to an agreement with GRUND to fund the movies and that said movies were not "fully
20 financed."

21 21. PLAINTIFFS also later discovered that, upon information and belief,
22 DEFENDANTS were in a legal dispute with Warner Brothers over the rights to certain case files
23 of "The Demonologist," which was never disclosed by DEFENDANTS at any time during the
24 negotiations of the Demonologist Agreement, the execution of the Demonologist Agreement, or at
25 the time PLAINTIFFS made payments to DEFENDANTS pursuant to the Demonologist
26 Agreement.

27 22. Moreover, DEFENDANTS have engaged in other actions impeding on PRP and
28 ROCK's ability to make movies based on the "The Demonologist" case files or sell the movie

1 rights to the "The Demonologist" case files. Upon information and belief, DEFENDANTS
2 performed said acts to resell the movies stemming from "The Demonologist" case files in order to
3 extort additional monies from other individuals/entities to the detriment of PLAINTIFFS. In fact,
4 upon information and belief, DEFENDANTS were actively in negotiations to exploit the same
5 rights provided to PLAINTIFFS in the Demonologist Agreement with one or more third parties
6 before, during and after entering into the Demonologist Agreement.

7 23. In fact, upon information and belief, PLAINTIFFS later discovered that
8 DEFENDANTS have a history of selling the same rights to movies numerous times and to
9 numerous individuals/entities to the detriment of all buyers of said movie rights.

10 24. While PLAINTIFFS sought to seek investors to create movies based on the "The
11 Demonologist" case files, upon information and belief, DEFENDANTS intentionally and
12 wrongfully impeded on PRP and ROCK's ability to obtain investors.

13 25. Namely, upon information and belief, GRUND shockingly and falsely told potential
14 investors and industry colleagues that ROCK was a "terrorist" and that ROCK engaged in
15 "terroristic" activities. GRUND also, upon information and belief, told potential investors and
16 industry colleagues that ROCK did not own the movie rights to "The Demonologist" case files.
17 GRUND also threatened to materially breach the Demonologist Agreement and the Demonist
18 Agreement, as well as adversely interfere with ROCK's other work and businesses, if
19 PLAINTIFFS claimed to own the movie rights to "The Demonologist" case files. GRUND also
20 threatened to falsely inform the Sheriff's Department and the Federal Bureau of Investigation that
21 ROCK was a "terrorist" and that ROCK engaged in "terroristic" activities.

22 26. Moreover, in an effort to wrongly extort monies from PLAINTIFFS in addition to
23 the monies provided to DEFENDANTS by PLAINTIFFS under the Demonist Agreement and the
24 Demonologist Agreement, DEFENDANTS required PLAINTIFFS to provide DEFENDANTS
25 with another \$15,000 payment in order for DEFENDANTS to refrain from excluding Ms. Eligeti
26 from the movies made stemming from "The Demonologist" case files and to refrain from
27 otherwise wrongfully interfering with PLAINTIFFS' work and businesses, as well as
28 PLAINTIFFS' rights under the Demonologist Agreement and Demonist Agreement. The threats

1 from DEFENDANTS caused PLAINTIFFS to pay DEFENDANTS the \$15,000 payment under
2 duress, so as to save their investment, as well as their own careers.

3 27. After the extorted \$15,000 payment was made, in addition to all the other payments
4 made by PLAINTIFFS to DEFENDANTS under the Demonologist Agreement and Demonist
5 Agreement, GRUND refused to abide by any of the agreements with PLAINTIFFS or cease from
6 the wrongful acts described above. Instead, GRUND told ROCK that GRUND was making it his
7 "goal," and would "use all of [his] resources," to make sure PLAINTIFFS would never produce
8 again. Further, GRUND informed ROCK and Ms. Eligeti that he would "ruin" the acting career of
9 Ms. Eligeti.

10 28. GRUND later informed PLAINTIFFS that he was wrongly and unilaterally
11 terminating the Demonologist Agreement and the Demonist Agreement, and returning all of
12 PLAINTIFFS's payments. In fact, DEFENDANTS informed PLAINTIFFS that the returned funds
13 were "processed and forthcoming." However, DEFENDANTS never returned any of
14 PLAINTIFFS' payments despite representing numerous times that they would. Indeed, upon
15 information and belief, this appears to be a common tactic with DEFENDANTS, where
16 DEFENDANTS promise to pay back an investment, and, instead, fail and refuse to perform on
17 their promises, and, further, blindsides by filing lawsuits against those whom DEFENDANTS
18 promised to return their money.

19 29. Upon information and belief, GRUND also adversely interfered with other projects
20 that PLAINTIFFS were involved in. Namely, PLAINTIFFS had executive producing deals with a
21 production company over the film of an "Amityville horror prequel" and the "Demonist". Upon
22 information and belief, GRUND also had business and projects with said production company, and
23 GRUND demanded the production company remove PLAINTIFFS from the "Amityville horror
24 prequel" and "Demonist" projects, and terminate PLAINTIFFS' executive producing deal or else
25 DEFENDANTS would breach agreements they had with the production company.

26 30. When PLAINTIFFS threatened GRUND with litigation, DEFENDANTS promised
27 to provide PLAINTIFFS with the necessary investors to fund movies stemming from "The
28 Demonologist" case files or a refund of all monies provided by PLAINTIFFS to DEFENDANTS,

1 with interest, along with including PLAINTIFFS in the next "The Conjuring" film. However,
2 DEFENDANTS did none of this and, instead, made these claims to delay PLAINTIFFS from
3 pursuing this action in order for DEFENDANTS, as appears to be the common tactic of
4 DEFENDANTS, to commence a frivolous action in the state of Texas against PLAINTIFFS.

5 31. Indeed, upon information and belief, the actions of DEFENDANTS described
6 throughout this Complaint caused PLAINTIFFS millions of dollars in damages.

7 FIRST CAUSE OF ACTION

8 (Breach of Oral Contract)

9 As to DEFENDANTS and Does 1-50, Inclusive

10 32. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-31 as though set
11 forth hereto in full.

12 33. On or around October 30, 2013, ROCK and DEFENDANTS entered into the
13 Demonist Agreement. The terms of the Demonist Agreement are as follows: In exchange for
14 \$29,972, DEFENDANTS were to provide ROCK with the Demonist Movie Script by November 6,
15 2013 that was in good condition and quality under industry standards, and, according to
16 DEFENDANTS, Lionsgate was to purchase the Demonist Movie Script from ROCK for \$250,000
17 by November 30, 2013, as well as cause the production entity that produces the Demonist movie to
18 make ROCK an executive producer of the movie.

19 34. In fact, prior to October 30, 2013 and after, DEFENDANTS represented to ROCK
20 that Lionsgate has already contracted with DEFENDANTS that it would purchase the Demonist
21 Movie Script from ROCK for \$250,000 by November 30, 2013. Based on these explicit
22 representations from DEFENDANTS, ROCK entered into the Demonist Agreement and
23 promptly paid DEFENDANTS \$29,972.

24 35. At all times, PLAINTIFFS complied with the Demonist Agreement, yet
25 DEFENDANTS did not. Namely, DEFENDANTS did not provide ROCK with a timely or
26 sufficient Demonist Movie Script, despite numerous demands by ROCK for DEFENDANTS to
27 provide the script, and did not cause the production entity to make ROCK an executive producer of
28 the Demonist movie. Further, ROCK later learned that Lionsgate never guaranteed

1 DEFENDANTS nor contracted with DEFENDANTS that it would purchase the Demonist Movie
2 Script from ROCK, and DEFENDANTS, upon information and belief, made material
3 misrepresentations to ROCK to induce him into entering into the Demonist Agreement and paying
4 DEFENDANTS the amount of \$29,972.

5 36. As a result of DEFENDANTS' actions, PLAINTIFFS have suffered damages in an
6 amount not yet known, though not less than \$250,000 in damages, but to be determined according
7 to proof at trial, plus interest thereon at the maximum legal rate, which amount will be adjusted
8 and increased for interest not yet billed.

9 **SECOND CAUSE OF ACTION**

10 **(Breach Of Implied Covenant Of Good Faith And Fair Dealing)**

11 **As to DEFENDANTS and Does 1-50, Inclusive**

12 37. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-36 as though set
13 forth hereto in full.

14 38. Every contract contains an implied covenant of good faith and fair dealing that
15 neither party will do anything to interfere with the other party's right to receive the benefits of the
16 agreement.

17 39. At all times, PLAINTIFFS complied with the Demonist Agreement and the
18 Demonologist Agreement.

19 40. However, despite the Demonist Agreement, as stated above, DEFENDANTS did
20 not provide ROCK with a timely or sufficient Demonist Movie Script, despite numerous demands
21 by ROCK for DEFENDANTS to provide the script. Further, ROCK later learned that Lionsgate
22 never guaranteed DEFENDANTS nor contracted with DEFENDANTS that it would
23 purchase the Demonist Movie Script from ROCK.

24 41. Further, despite the Demonologist Agreement, as stated above, upon information
25 and belief, DEFENDANTS prevented PLAINTIFFS from obtaining investors to fund movies
26 stemming from "The Demonologist" case files, prevented PLAINTIFFS from making movies
27 stemming from "The Demonologist" case files, and otherwise interfered with PLAINTIFFS' rights
28 under the Demonologist Agreement.

1 42. As a direct and proximate result of DEFENDANTS' conduct as herein described,
2 PLAINTIFFS have suffered damages in an amount not yet known but to be determined according
3 to proof at trial, plus interest thereon at the maximum legal rate, which amount will be adjusted
4 and increased for interest not yet billed.

5 43. As a direct and proximate result of DEFENDANTS' actions, PLAINTIFFS have
6 suffered and will continue to suffer extensive, irreparable injury, loss of good will, loss of profits,
7 harm to business, and other injury damages as stated herein.

8 44. As a direct and proximate result of DEFENDANTS' conduct, PLAINTIFFS have
9 suffered and will continue to suffer additional damages in an amount to be proven in further
10 proceedings, including trial.

11 45. DEFENDANTS committed their actions knowingly, willfully, and in conscious
12 disregard to PLAINTIFFS' rights. Accordingly, PLAINTIFFS are entitled to recover actual and
13 exemplary damages against DEFENDANTS in an amount to be determined in further proceedings,
14 including trial.

THIRD CAUSE OF ACTION

(FRAUD)

As to DEFENDANTS and Does 1-50, Inclusive

15 46. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-45 as though set
16 forth hereto in full.

17 47. On or around October 30, 2013, through oral negotiations, GRUND, on behalf of
18 himself and EVERGREEN, represented to ROCK that, under the Demonist Agreement, in
19 exchange for \$29,972, DEFENDANTS were to provide ROCK with the Demonist Movie Script by
20 November 6, 2014 that was in good condition and quality under industry standards, and Lionsgate
21 was to purchase the Demonist Movie Script from ROCK for \$250,000 by November 30, 2013, as
22 well as cause the production entity that produces the Demonist movie to make ROCK an executive
23 producer of the movie.

24 48. In fact, prior to October 30, 2013 and after, DEFENDANTS assured ROCK that
25 Lionsgate has already guaranteed DEFENDANTS and contracted with DEFENDANTS that it
26
27
28

1 would purchase the Demonist Movie Script from ROCK for \$250,000 by November 30, 2013.
2 Based on these explicit representations from DEFENDANTS, ROCK entered into the Demonist
3 Agreement and promptly paid DEFENDANTS \$29,972.

4 49. In or around November 8, 2013, through oral and written negotiations of the
5 Demonologist Agreement, GRUND, on behalf of himself and EVERGREEN, represented to
6 PLAINTIFFS (this representation was specifically made to ROCK, an agent and representative of
7 PRP) that:

- 8 > DEFENDANTS owned the movie rights to "The Demonologist" case files, which
9 DEFENDANTS represented that they acquired from the Warrens, and, under the
10 Demonologist Agreement, were providing PLAINTIFFS with the movie rights to
11 "The Demonologist" case files;
- 12 > DEFENDANTS would ensure that Ms. Eligeti had a named speaking role in the
13 movies made stemming from "The Demonologist" case files;
- 14 > DEFENDANTS represented that there were "a line of financiers" ready to
15 immediately finance movies stemming from "The Demonologist" case files, and
16 that said movies were "fully financed";
- 17 > Under the Demonologist Agreement, that PLAINTIFFS would have the exclusive
18 right to negotiate terms with said financiers and other potential investors;
- 19 > That there were no disputes, legal or otherwise, about DEFENDANTS' ownership
20 of the movie rights to "The Demonologist" case files at the time of the execution of
21 the Demonologist Agreement or DEFENDANTS' rights to sell the movie rights to
22 "The Demonologist" case files to PLAINTIFFS; and

23 50. Based on these explicit representations from DEFENDANTS, PLAINTIFFS
24 entered into the Demonologist Agreement, and promptly paid DEFENDANTS approximately
25 \$65,001 under the Demonologist Agreement.

26 51. Upon information and belief, at all times relevant to this Complaint,
27 DEFENDANTS were fully aware that said representations regarding the Demonist and the
28 Demonologist Agreements were false, and merely intended to induce PLAINTIFFS to enter into

1 the Demonist and the Demonologist Agreements, and pay DEFENDANTS approximately
2 \$100,000 under said agreements.

3 52. Upon information and belief, other false representations made by DEFENDANTS
4 to induce PLAINTIFFS to enter into the Demonist and the Demonologist Agreements include:
5 DEFENDANTS were "very wealthy and successful" and "worth hundreds of millions," and
6 "guarantee[d] similar success in this vertical" while "tak[ing] [PLAINTIFFS] under their wing."
7 DEFENDANTS also guaranteed an immediate and safe return on PLAINTIFFS' investment.
8 Also, DEFENDANTS claim that GRUND was a member of the Writers' Guild of America.
9 DEFENDANTS further claimed that they would "include [PLAINTIFFS] in the largest horror
10 franchise in history," and DEFENDANTS claim that they "did not need [PLAINTIFFS'] money
11 and had multiple other investors lined up." Moreover, upon information and belief, at all times
12 relevant to this Complaint, DEFENDANTS never disclosed to PLAINTIFFS that GRUND filed
13 for bankruptcy, and, was in bankruptcy during all times relevant to this Complaint. Upon
14 information and belief, at all times relevant to this Complaint, DEFENDANTS were fully aware
15 that said representations were false. Indeed, had DEFENDANTS disclosed this material fact,
16 PLAINTIFFS would have not invested with DEFENDANTS, or certainly would have engaged in
17 more comprehensive due diligence.

18 53. In fact, upon information and belief, at all times relevant to this Complaint,
19 DEFENDANTS never intended to perform pursuant to the Demonist and Demonologist
20 Agreements at the time DEFENDANTS entered into said Agreements.

21 54. Namely, upon information and belief, under the Demonist Agreement,
22 DEFENDANTS never intended to provide PLAINTIFFS with a timely or sufficient Demonist
23 Movie Script, despite numerous demands by ROCK for DEFENDANTS to provide the script.

24 55. Also, upon information and belief, under the Demonologist Agreement,
25 DEFENDANTS never intended to:

- 26 ➤ Provide PLAINTIFFS with the movie rights to "The Demonologist" case files;
- 27 ➤ Ensure Ms. Eligeti had a named speaking role in the movies made stemming from
28 "The Demonologist" case files;

- 1 ➤ Obtain, provide or seek financiers or financing for the movies stemming from “The
- 2 Demonologist” case files;
- 3 ➤ Allow PLAINTIFFS to negotiate terms with potential financiers or investors;
- 4 ➤ Allow PLAINTIFFS to claim ownership of the movie rights to “The Demonologist”
- 5 case files, even after executing an Agreement providing ownership of said case
- 6 files, as well as payment for said rights; or
- 7 ➤ Disclose any and all disputes, legal or otherwise, about DEFENDANTS’ ownership
- 8 of the movie rights to “The Demonologist” case files at the time of the execution of
- 9 the Demonologist Agreement or DEFENDANTS’ rights to sell the movie rights to
- 10 “The Demonologist” case files to PLAINTIFFS.

11 56. Further, upon information and belief, at all times relevant to this Complaint,

12 Lionsgate never guaranteed DEFENDANTS nor contracted with DEFENDANTS that it would

13 purchase the Demonist Movie Script from ROCK for \$250,000 at any time.

14 57. Also, upon information and belief, at the time of the execution of the Demonologist

15 Agreement, DEFENDANTS were in a legal dispute with Warner Brothers over the rights to certain

16 case files of “The Demonologist,” which was never disclosed by DEFENDANTS at any time

17 during the negotiations of the Demonologist Agreement, the execution of the Demonologist

18 Agreement, or at the time PLAINTIFFS made payments to DEFENDANTS pursuant to the

19 Demonologist Agreement.

20 58. Further, upon information and belief, at all times relevant to this Complaint,

21 DEFENDANTS did not have "a line of financiers" ready to finance movies stemming from “The

22 Demonologist” case files and said movies were never partially or fully financed. In fact, upon

23 information and belief, at all times relevant to this Complaint, DEFENDANTS never had any

24 investors for the movies stemming from “The Demonologist” case files.

25 59. Indeed, upon information and belief, the above frivolous and fraudulent

26 misrepresentations were solely intended to induce PLAINTIFFS to agree to the Demonist and

27 Demonologist Agreements, and pay DEFENDANTS approximately \$100,000 under said

28 agreements. At all times during the negotiations and execution of the Demonist and Demonologist

1 Agreements, upon information and belief, DEFENDANTS never intended to abide by the terms of
2 said Agreements.

3 60. PLAINTIFFS justifiably relied on DEFENDANTS' representations since
4 DEFENDANTS had consistently contended that the above representations were true and ensured
5 PLAINTIFFS that the terms of the Demonist and Demonologist Agreements would be abided by
6 DEFENDANTS.

7 61. Relying on DEFENDANTS' representations, PLAINTIFFS agreed to the Demonist
8 and the Demonologist Agreements, and paid DEFENDANTS approximately \$100,000 pursuant to
9 said Agreements.

10 62. Under the Demonist Agreement, DEFENDANTS committed a fraud on
11 PLAINTIFFS when DEFENDANTS:

- 12 ➤ Misrepresented to PLAINTIFFS that DEFENDANTS would provide PLAINTIFFS
13 with the Demonist Movie Script by November 6, 2013 in good condition and
14 quality under industry standards;
- 15 ➤ DEFENDANTS refused to provide PLAINTIFFS with the Demonist Movie Script
16 by November 6, 2013 in good condition and quality under industry standards;
- 17 ➤ Misrepresented to PLAINTIFFS that Lionsgate would purchase the Demonist
18 Movie Script from ROCK for \$250,000 by November 30, 2013;
- 19 ➤ Misrepresented to PLAINTIFFS that Lionsgate guaranteed DEFENDANTS and
20 contracted with DEFENDANTS that it would purchase the Demonist Movie Script
21 from ROCK for \$250,000 by November 30, 2013; and
- 22 ➤ DEFENDANTS took \$29,972 from PLAINTIFFS pursuant to the Demonist
23 Agreement and represented to return the funds with no intent to do so.

24 63. Upon information and belief, under the Demonologist Agreement, DEFENDANTS
25 committed a fraud on PLAINTIFFS when DEFENDANTS:

- 26 ➤ Misrepresented to PLAINTIFFS that DEFENDANTS would ensure that Ms. Eligeti
27 had a named speaking role in the movies made stemming from "The
28 Demonologist";

 21333 Oxnard Street, 2nd Floor
Woodland Hills, California 91367
Tel. (818) 456-0970
Fax (818) 456-0980

- 1 ➤ Misrepresented to PLAINTIFFS that there were financiers and investors ready to
- 2 immediately finance movies stemming from “The Demonologist” case files and
- 3 that said movies were financed;
- 4 ➤ Misrepresented to PLAINTIFFS that that PLAINTIFFS would have the exclusive
- 5 right to negotiate terms with financiers and investors;
- 6 ➤ Misrepresented to PLAINTIFFS that that there were no disputes about
- 7 DEFENDANTS’ abilities to sell the movie rights to “The Demonologist” case files
- 8 to PLAINTIFFS; and
- 9 ➤ DEFENDANTS took \$65,001 from PLAINTIFFS pursuant to the Demonologist
- 10 Agreement and represented to return the funds with no intent to do so.

11 64. As a result of DEFENDANTS’ fraudulent acts, and as a direct and proximate result
12 of DEFENDANTS’ conduct as herein described, PLAINTIFFS have suffered damages in an
13 amount not yet known but to be determined according to proof at trial, plus interest thereon at the
14 maximum legal rate, which amount will be adjusted and increased for interest not yet billed.

15 65. As a direct and proximate result of DEFENDANTS’ actions, PLAINTIFFS have
16 suffered and will continue to suffer extensive, irreparable injury, loss of good will, loss of profits,
17 harm to business, and other injury damages as stated herein.

18 66. As a direct and proximate result of DEFENDANTS’ conduct, PLAINTIFFS have
19 suffered and will continue to suffer additional damages in an amount to be proven in further
20 proceedings, including trial.

21 67. DEFENDANTS committed their actions knowingly, willfully, and in conscious
22 disregard to PLAINTIFFS’ rights. Accordingly, PLAINTIFFS are entitled to recover actual and
23 exemplary damages against DEFENDANTS in an amount to be determined in further proceedings,
24 including trial.

FOURTH CAUSE OF ACTION
(NEGLIGENT MISREPRESENTATION)

As to DEFENDANTS and Does 1-50, Inclusive

28 68. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-67 as though set

1 forth hereto in full.

2 69. On or around October 30, 2013, through oral negotiations, GRUND, on behalf of
3 himself and EVERGREEN, represented to ROCK that, under the Demonist Agreement, in
4 exchange for \$29,972, DEFENDANTS were to provide ROCK with the Demonist Movie Script by
5 November 6, 2013 that was in good condition and quality under industry standards and Lionsgate
6 was to purchase the Demonist Movie Script from ROCK for \$250,000 by November 30, 2013 as
7 well as cause the production entity that produces the Demonist movie to make ROCK an executive
8 producer of the movie.

9 70. In fact, prior to October 30, 2013 and after, DEFENDANTS assured ROCK that
10 Lionsgate has already guaranteed DEFENDANTS and contracted with DEFENDANTS that
11 Lionsgate would purchase the Demonist Movie Script from ROCK for \$250,000 by November 30,
12 2013. Based on these explicit representations from DEFENDANTS, ROCK entered into the
13 Demonist Agreement and promptly paid DEFENDANTS \$29,972.

14 71. On or around November 8, 2013, through oral and written negotiations of the
15 Demonologist Agreement, GRUND, on behalf of himself and EVERGREEN, represented to
16 PLAINTIFFS (this representation was specifically made to ROCK, an agent and representative of
17 PRP) that:

- 18 ➤ DEFENDANTS owned the movie rights to "The Demonologist" case files, which
19 DEFENDANTS represented that they acquired from the Warrens, and, under the
20 Demonologist Agreement, were providing PLAINTIFFS with the movie rights to
21 "The Demonologist" case files;
- 22 ➤ DEFENDANTS would ensure that Ms. Eligeti had a named speaking role in the
23 movies made stemming from "The Demonologist" case files;
- 24 ➤ DEFENDANTS represented that there were "a line of financiers" ready to
25 immediately finance movies stemming from "The Demonologist" case files, and
26 that said movies were "fully financed";
- 27 ➤ Under the Demonologist Agreement, that PLAINTIFFS would have the exclusive
28 right to negotiate terms with said financiers and other potential investors;

1 ➤ That there were no disputes, legal or otherwise, about DEFENDANTS' ownership
2 of the movie rights to "The Demonologist" case files at the time of the execution of
3 the Demonologist Agreement or DEFENDANTS' rights to sell the movie rights to
4 "The Demonologist" case files to PLAINTIFFS; and

5 72. Based on these explicit representations from DEFENDANTS, PLAINTIFFS
6 entered into the Demonologist Agreement and promptly paid DEFENDANTS about \$65,001.

7 73. Upon information and belief, at all times relevant to this Complaint,
8 DEFENDANTS were fully aware that said representations regarding the Demonist and the
9 Demonologist Agreements were false and merely intended to induce PLAINTIFFS to enter into
10 the Demonist and the Demonologist Agreements, and pay DEFENDANTS approximately
11 \$100,000 under said agreements .

12 74. Upon information and belief, other false representations made by DEFENDANTS
13 to induce PLAINTIFFS to enter into the Demonist and the Demonologist Agreements include:
14 DEFENDANTS were "very wealthy and successful" and "worth hundreds of millions," and
15 "guarantee[d] similar success in this vertical" while "tak[ing] [PLAINTIFFS] under their wing."
16 DEFENDANTS also guaranteed an immediate and safe return on PLAINTIFFS' investment.
17 Also, DEFENDANTS claim that GRUND was a member of the Writers' Guild of America.
18 DEFENDANTS further claimed that they would "include [PLAINTIFFS] in the largest horror
19 franchise in history," and DEFENDANTS claim that they "did not need [PLAINTIFFS'] money
20 and had multiple other investors lined up." Moreover, upon information and belief, at all times
21 relevant to this Complaint, DEFENDANTS never disclosed to PLAINTIFFS that GRUND filed
22 for bankruptcy, and, was in bankruptcy during all times relevant to this Complaint. Upon
23 information and belief, at all times relevant to this Complaint, DEFENDANTS were fully aware
24 that said representations were false. Indeed, had DEFENDANTS disclosed this material fact,
25 PLAINTIFFS would have not invested with DEFENDANTS, or certainly would have engaged in
26 more comprehensive due diligence.

27 75. In fact, upon information and belief, at all times relevant to this Complaint,
28 DEFENDANTS never intended to perform pursuant to the Demonist and Demonologist

1 Agreements at the time DEFENDANTS entered into said Agreements.

2 76. Namely, upon information and belief, under the Demonist Agreement,
3 DEFENDANTS never intended to provide PLAINTIFFS with a timely or sufficient Demonist
4 Movie Script, despite numerous demands by ROCK for DEFENDANTS to provide the script.

5 77. Also, upon information and belief, under the Demonologist Agreement,
6 DEFENDANTS never intended to:

- 7 ➤ Provide PLAINTIFFS with the movie rights to “The Demonologist” case files;
- 8 ➤ Ensure Ms. Eligeti had a named speaking role in the movies made stemming from
9 “The Demonologist” case files;
- 10 ➤ Obtain, provide or seek financiers or financing for the movies stemming from “The
11 Demonologist” case files;
- 12 ➤ Allow PLAINTIFFS to negotiate terms with potential financiers or investors;
- 13 ➤ Allow PLAINTIFFS to claim ownership of the movie rights to “The Demonologist”
14 case files, even after executing an Agreement providing ownership of said case
15 files, as well as payment for said rights; or
- 16 ➤ Disclose any and all disputes, legal or otherwise, about DEFENDANTS’ ownership
17 of the movie rights to “The Demonologist” case files at the time of the execution of
18 the Demonologist Agreement or DEFENDANTS’ rights to sell the movie rights to
19 “The Demonologist” case files to PLAINTIFFS.

20 78. Further, upon information and belief, at all times relevant to this Complaint,
21 Lionsgate never guaranteed DEFENDANTS nor contracted with DEFENDANTS that it would
22 purchase the Demonist Movie Script from ROCK for \$250,000 at any time.

23 79. Also, upon information and belief, at the time of the execution of the Demonologist
24 Agreement, DEFENDANTS were in a legal dispute with Warner Brothers over the rights to certain
25 case files of “The Demonologist,” which was never disclosed by DEFENDANTS at any time
26 during the negotiations of the Demonologist Agreement, the execution of the Demonologist
27 Agreement, or at the time PLAINTIFFS made payments to DEFENDANTS pursuant to the
28 Demonologist Agreement.

1 80. Further, upon information and belief, at all times relevant to this Complaint,
2 DEFENDANTS did not have "a line of financiers" ready to finance movies stemming from "The
3 Demonologist" case files and said movies were never partially or fully financed. In fact, upon
4 information and belief, at all times relevant to this Complaint, DEFENDANTS never had any
5 investors for the movies stemming from "The Demonologist" case files.

6 81. Upon information and belief, the above frivolous and fraudulent misrepresentations
7 were intended to induce PLAINTIFFS to agree to the Demonist and Demonologist Agreements,
8 and pay DEFENDANTS approximately \$100,000 under said Agreements.

9 82. At all times during the negotiations and execution of the Demonist and
10 Demonologist Agreements, upon information and belief, DEFENDANTS never intended to abide
11 by the terms of the Demonist and Demonologist Agreements.

12 83. PLAINTIFFS justifiably relied on DEFENDANTS' representations since
13 DEFENDANTS had consistently contended that the above representations were true and ensured
14 PLAINTIFFS that the terms of the Demonist and Demonologist Agreements would be abided by
15 DEFENDANTS.

16 84. Relying on DEFENDANTS' representations, PLAINTIFFS agreed to the Demonist
17 and Demonologist Agreements, and paid DEFENDANTS approximately \$100,000 pursuant to
18 said agreements.

19 85. Upon information and belief, under the Demonist Agreement, DEFENDANTS
20 committed a fraud on PLAINTIFFS when DEFENDANTS:

- 21 ➤ Misrepresented to PLAINTIFFS that DEFENDANTS would provide PLAINTIFFS
22 with the Demonist Movie Script by November 6, 2013 in good condition and
23 quality under industry standards;
- 24 ➤ Refused to provide PLAINTIFFS with the Demonist Movie Script in good
25 condition and quality under industry standards by November 6, 2013;
- 26 ➤ Upon information and belief, misrepresented to PLAINTIFFS that Lionsgate would
27 purchase the Demonist Movie Script from ROCK for \$250,000 by November 30,
28 2013;

GLG
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- Upon information and belief, misrepresented to PLAINTIFFS that Lionsgate assured DEFENDANTS and contracted with DEFENDANTS that it would purchase the Demonist Movie Script from ROCK for \$250,000 by November 30, 2013; and
- DEFENDANTS took \$29,972 from PLAINTIFFS pursuant to the Demonist Agreement and represented to return the funds with no intent to do so.

86. Upon information and belief, under the Demonologist Agreement, DEFENDANTS committed a fraud on PLAINTIFFS when DEFENDANTS:

- Misrepresented to PLAINTIFFS that DEFENDANTS would ensure that Ms. Eligeti had a named speaking role in the movies made stemming from "The Demonologist";
- Misrepresented to PLAINTIFFS that there were financiers and investors ready to immediately finance movies stemming from "The Demonologist" case files and that said movies were financed;
- Misrepresented to PLAINTIFFS that that PLAINTIFFS would have the exclusive right to negotiate terms with financiers and investors;
- Misrepresented to PLAINTIFFS that that there were no disputes about DEFENDANTS' abilities to sell the movie rights to "The Demonologist" case files to PLAINTIFFS; and
- DEFENDANTS took \$65,001 from PLAINTIFFS pursuant to the Demonologist Agreement and represented to return the funds with no intent to do so.

87. As a result of DEFENDANTS' fraudulent acts, and as a direct and proximate result of DEFENDANTS' conduct as herein described, PLAINTIFFS have suffered damages in an amount not yet known but to be determined according to proof at trial, plus interest thereon at the maximum legal rate, which amount will be adjusted and increased for interest not yet billed.

88. As a direct and proximate result of DEFENDANTS' actions, PLAINTIFFS have suffered and will continue to suffer extensive, irreparable injury, loss of good will, loss of profits, harm to business, and other injury damages as stated herein.

1 89. As a direct and proximate result of DEFENDANTS' conduct, PLAINTIFFS have
2 suffered and will continue to suffer additional damages in an amount to be proven in further
3 proceedings, including trial.

4 **FIFTH CAUSE OF ACTION**

5 **(Negligent Interference With Prospective Economic Relations)**

6 **As to DEFENDANTS and Does 1-50, Inclusive**

7 90. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-89 as though set
8 forth hereto in full.

9 91. DEFENDANTS owed PLAINTIFFS a duty to, among other things, not interfere
10 with PLAINTIFFS' prospective economic relations.

11 92. DEFENDANTS breached this duty to PLAINTIFFS.

12 93. Despite the execution of the Demonologist Agreement and no longer possessing the
13 ownership of the movie rights to "The Demonologist" case files, following the execution of the
14 Demonologist Agreement, DEFENDANTS, upon information and belief, attempted to sell the
15 movie rights to "The Demonologist" case files to other individuals and entities and represented to
16 other individuals and entities that DEFENDANTS are the owners of the movie rights to "The
17 Demonologist" case files..

18 94. Further, upon information and belief, DEFENDANTS prevented PLAINTIFFS
19 from obtaining investors to fund movies stemming from "The Demonologist" case files by, upon
20 other things, representing to potential investors that PLAINTIFFS do not own the movie rights to
21 "The Demonologist" and that ROCK is a "terrorist" and that ROCK engaged in "terroristic"
22 activities.

23 95. Moreover, upon information and belief, DEFENDANTS have engaged in other
24 actions impeding on PLAINTIFFS' ability to make movies based on the "The Demonologist" case
25 files or sell the movie rights to the "The Demonologist" case files.

26 96. Due to the actions of DEFENDANTS, PLAINTIFFS have not been able to obtain
27 investors to fund movies stemming from "The Demonologist" or sell the movie rights to the "The
28 Demonologist" case files despite expending large sums of money to obtain said investors and

1 buyers.

2 97. As a direct and proximate result of DEFENDANTS' negligent conduct as herein
3 described, PLAINTIFFS have suffered damages in an amount not yet known but to be determined
4 according to proof at trial, plus interest thereon at the maximum legal rate, which amount will be
5 adjusted and increased for interest not yet billed.

6 98. As a direct and proximate result of DEFENDANTS' actions, PLAINTIFFS have
7 suffered and will continue to suffer extensive, irreparable injury, loss of good will, loss of profits,
8 harm to business, and other injury damages as stated herein.

9 99. As a direct and proximate result of DEFENDANTS' conduct, PLAINTIFFS have
10 suffered and will continue to suffer additional damages in an amount to be proven in further
11 proceedings, including trial.

12 **SIXTH CAUSE OF ACTION**

13 **(Intentional Interference With Prospective Economic Relations)**

14 **As to DEFENDANTS and Does 1-50, Inclusive**

15 100. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-99 as though set
16 forth hereto in full.

17 101. DEFENDANTS owed PLAINTIFFS a duty to, among other things, not interfere
18 with PLAINTIFFS' prospective economic relations.

19 102. DEFENDANTS breached this duty to PLAINTIFFS.

20 103. Despite the execution of the Demonologist Agreement and no longer possessing the
21 ownership of the movie rights to "The Demonologist" case files, following the execution of the
22 Demonologist Agreement, DEFENDANTS, upon information and belief, attempted to sell the
23 movie rights to "The Demonologist" case files to other individuals and entities and represented to
24 other individuals and entities that DEFENDANTS are the owners of the movie rights to "The
25 Demonologist" case files.

26 104. Further, upon information and belief, DEFENDANTS prevented PLAINTIFFS
27 from obtaining investors to fund movies stemming from "The Demonologist" case files by, upon
28 other things, representing to potential investors that PLAINTIFFS do not own the movie rights to

1 "The Demonologist" and that ROCK is a "terrorist" and that ROCK engaged in "terroristic"
2 activities.

3 105. Moreover, upon information and belief, DEFENDANTS have engaged in other
4 actions impeding on PLAINTIFFS' ability to make movies based on the "The Demonologist" case
5 files or sell the movie rights to the "The Demonologist" case files.

6 106. Due to the actions of DEFENDANTS, PLAINTIFFS have not been able to obtain
7 investors to fund movies stemming from "The Demonologist" or sell the movie rights to the "The
8 Demonologist" case files despite expending large sums of money to obtain said investors and
9 buyers.

10 107. As a direct and proximate result of DEFENDANTS' intentional conduct as herein
11 described, PLAINTIFFS have suffered damages in an amount not yet known but to be determined
12 according to proof at trial, plus interest thereon at the maximum legal rate, which amount will be
13 adjusted and increased for interest not yet billed.

14 108. As a direct and proximate result of DEFENDANTS' actions, PLAINTIFFS have
15 suffered and will continue to suffer extensive, irreparable injury, loss of good will, loss of profits,
16 harm to business, and other injury damages as stated herein.

17 109. As a direct and proximate result of DEFENDANTS' conduct, PLAINTIFFS have
18 suffered and will continue to suffer additional damages in an amount to be proven in further
19 proceedings, including trial.

20 110. DEFENDANTS committed their actions knowingly, willfully, and in conscious
21 disregard to PLAINTIFFS' rights. Accordingly, PLAINTIFFS are entitled to recover actual and
22 exemplary damages against DEFENDANTS in an amount to be determined in further proceedings,
23 including trial.

24 **SEVENTH CAUSE OF ACTION**

25 **(Defamation)**

26 **As to GRUND and Does 1-50, Inclusive**

27 111. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-110 as though
28 set forth hereto in full.

1 112. As stated above, GRUND shockingly, and falsely, informed potential investors that
2 ROCK was a “terrorist” and that ROCK engaged in “terroristic” activities.

3 113. At all times relevant to this Complaint and at the time GRUND informed potential
4 investors that ROCK was a “terrorist” and that ROCK engaged in “terroristic” activities, GRUND,
5 upon information and brief, knew that ROCK was not a “terrorist” and that ROCK did not engage
6 in “terroristic” activities.

7 114. In fact, upon information and belief, GRUND made these defamatory statements to
8 cause PLAINTIFFS’ damage and stress. Also, GRUND made such statements to adversely affect
9 PLAINTIFFS’ business relations and ability to do business.

10 115. Indeed, such statements amount to slander per se as GRUND is accusing ROCK of,
11 among other things, being a criminal and engaging in criminal activity, as well as affecting his
12 personal and professional reputation.

13 116. Due to the actions of GRUND, PLAINTIFFS have not been able to obtain investors
14 to fund movies stemming from “The Demonologist” or sell the movie rights to the “The
15 Demonologist” case files despite expending large sums of money to obtain said investors and
16 buyers.

17 117. Further, due to the actions of GRUND, PLAINTIFFS have lost other business
18 opportunities and their reputation has been greatly damaged.

19 118. As a direct and proximate result of GRUND’s conduct as herein described,
20 PLAINTIFFS have suffered damages in an amount not yet known but to be determined according
21 to proof at trial, plus interest thereon at the maximum legal rate, which amount will be adjusted
22 and increased for interest not yet billed.

23 119. As a direct and proximate result of DEFENDANTS’ actions, PLAINTIFFS have
24 suffered and will continue to suffer extensive, irreparable injury, loss of good will, loss of profits,
25 harm to business, and other injury damages as stated herein.

26 120. As a direct and proximate result of DEFENDANTS’ conduct, PLAINTIFFS have
27 suffered and will continue to suffer additional damages in an amount to be proven in further
28 proceedings, including trial.

1 121. DEFENDANTS committed their actions knowingly, willfully, and in conscious
2 disregard to PLAINTIFFS' rights. Accordingly, PLAINTIFFS are entitled to recover actual and
3 exemplary damages against DEFENDANTS in an amount to be determined in further
4 proceedings, including trial.

5 **EIGHTH CAUSE OF ACTION**

6 **(Declaratory Relief)**

7 **As to DEFENDANTS and Does 1-50, Inclusive**

8 122. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-121 as though
9 set forth hereto in full.

10 123. There is a present and actual controversy between PLAINTIFFS and
11 DEFENDANTS as to the Demonologist Agreement.

12 124. Despite the Demonologist Agreement, DEFENDANTS are claiming that they own
13 the movie rights to "The Demonologist" case files, which contain, among others, the "Perron
14 Farmhouse", "Annabelle" and "The Enfield Poltergesit" case files.

15 125. Though, under the Demonologist Agreement, DEFENDANTS sold PRP the movie
16 rights to the case files of, among others, the "Perron Farmhouse", "Annabelle" and "The Enfield
17 Poltergesit" case files. In fact, upon information and belief, DEFENDANTS, at the time of this
18 Complaint and before, seek to attempt to sell the movie rights to "The Demonologist" case files or
19 otherwise profit from them to the detriment of PLAINTIFFS.

20 126. However, it is clear that the movie rights to "The Demonologist" case files belong
21 to PLAINTIFFS.

22 127. Therefore, an actual, present controversy exists as to whether DEFENDANTS or
23 PLAINTIFFS own the movie right to "The Demonologist" case files.

24 128. As such, PLAINTIFFS are entitled to declaratory relief that PLAINTIFFS own the
25 movie rights to the "The Demonologist" case files and DEFENDANTS have no rights to
26 distribute, sell and/or transfer the movie rights to the "The Demonologist" without PLAINTIFFS'
27 consent.

28 129. Also, PLAINTIFFS are entitled to injunctive relief against DEFENDANTS to

1 prevent them from continuing to, or seeking to, distribute, sell and/or transfer the movie rights to
2 the "The Demonologist" without PLAINTIFFS' consent.

3 **NINTH CAUSE OF ACTION**

4 **(Violation of California Business and Professions Code §17200)**

5 **As to DEFENDANTS and Does 1-50, Inclusive**

6 130. PLAINTIFFS re-allege and incorporate by reference Paragraphs 1-129 as though
7 set forth hereto in full.

8 131. Pursuant to California Business and Professions Code §17200, fraudulent, unlawful
9 and unfair business acts or practices are prohibited.

10 132. DEFENDANTS have engaged in, and continue to engage in unlawful, unfair and/or
11 fraudulent business practices in violation of California Business and Professions Code §17200.

12 133. The actions by DEFENDANTS stated above amount to negligence and breach of
13 contract, and have harmed PLAINTIFFS for the reasons stated above.

14 134. Accordingly, PLAINTIFFS are entitled to injunctive relief against DEFENDANTS
15 to prevent them from continuing to engage in future unlawful and improper business practices.

16 135. Further, PLAINTIFFS are entitled to an order providing restitution to PLAINTIFFS
17 for the injuries they suffered as a result of DEFENDANTS unlawful and improper business
18 practices.

19 **PRAYER FOR RELIEF**

20 WHEREFORE, Plaintiffs PAUL ROCK and PAUL ROCK PRODUCED, LLC pray for
21 judgment against Defendants EVERGREEN MEDIA HOLDINGS, LLC and TONY DEROSA-
22 GRUND as follows:

23 **FIRST CAUSE OF ACTION**

- 24 1. For compensatory damages in an amount to be determined at trial;
25 2. For incidental and consequential damages to be determined at trial;
26 3. For prejudgment interest at the maximum rate permitted by law;
27 4. For the costs of suit incurred herein; and
28 5. For such other and further relief as the Court deems just, equitable and proper.

1 **SECOND CAUSE OF ACTION**

- 2 1. For compensatory damages in an amount to be determined at trial;
3 2. For incidental and consequential damages to be determined at trial;
4 3. For prejudgment interest at the maximum rate permitted by law;
5 4. For the costs of suit incurred herein; and
6 5. For such other and further relief as the Court deems just, equitable and proper.

7 **THIRD CAUSE OF ACTION**

- 8 1. For compensatory damages in an amount to be determined at trial;
9 2. For incidental and consequential damages to be determined at trial;
10 3. For prejudgment interest at the maximum rate permitted by law;
11 4. For punitive damages;
12 5. For the costs of suit incurred herein; and
13 6. For such other and further relief as the Court deems just, equitable and proper.

14 **FOURTH CAUSE OF ACTION**

- 15 1. For compensatory damages in an amount to be determined at trial;
16 2. For incidental and consequential damages to be determined at trial;
17 3. For prejudgment interest at the maximum rate permitted by law;
18 4. For the costs of suit incurred herein; and
19 5. For such other and further relief as the Court deems just, equitable and proper.

20 **FIFTH CAUSE OF ACTION**

- 21 1. For compensatory damages in an amount to be determined at trial;
22 2. For incidental and consequential damages to be determined at trial;
23 3. For prejudgment interest at the maximum rate permitted by law;
24 4. For the costs of suit incurred herein; and
25 5. For such other and further relief as the Court deems just, equitable and proper.

26 **SIXTH CAUSE OF ACTION**

- 27 1. For compensatory damages in an amount to be determined at trial;
28 2. For incidental and consequential damages to be determined at trial;

- 1 3. For prejudgment interest at the maximum rate permitted by law;
- 2 4. For punitive damages;
- 3 5. For the costs of suit incurred herein; and
- 4 6. For such other and further relief as the Court deems just, equitable and proper.

SEVENTH CAUSE OF ACTION

- 6 1. For compensatory damages in an amount to be determined at trial;
- 7 2. For incidental and consequential damages to be determined at trial;
- 8 3. For prejudgment interest at the maximum rate permitted by law;
- 9 4. For punitive damages;
- 10 5. For the costs of suit incurred herein; and
- 11 6. For such other and further relief as the Court deems just, equitable and proper.

EIGHTH CAUSE OF ACTION

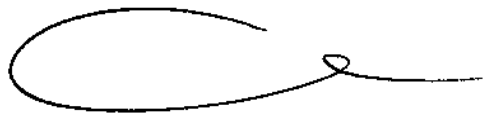
- 13 1. For declaratory relief to be determined at trial;
- 14 2. For injunctive relief to be determined at trial;
- 15 3. For the costs of suit incurred herein; and
- 16 4. For such other and further relief as the Court deems just, equitable and proper.

NINTH CAUSE OF ACTION

- 18 1. For restitution to be determined at trial;
- 19 2. For injunctive relief to be determined at trial;
- 20 3. For the costs of suit incurred herein; and
- 21 4. For such other and further relief as the Court deems just, equitable and proper.

Dated: August 25, 2014

GAREEB LAW GROUP APC


By: _____
ALEXANDER S. GAREEB, ESQ.
FADI K. RASHEED, ESQ.
Attorneys for Plaintiffs
PAUL ROCK and PAUL ROCK PRODUCED, LLC

DEADLINE.COM

ATTACHMENT “A”

EXECUTION COPY

November 1, 2013

Mr. Paul Rock
CEO Paul Rock Produced LLC
345 N Maple Dr.
Suite 222
Beverly Hills, CA 90210

Re: "THE DEMONOLOGIST" Deal Memo

This deal memorandum ("Deal Memo"), dated as Wednesday, July 30, 2013, hereby sets forth certain financial and material terms between Evergreen Media Holdings, LLC ("EMH"), Tony DeRosa-Grund ("DG", and EMH, the "Producers") and Paul Rock Produced, LLC ("PRPRP ") in connection with that certain film project currently entitled "THE DEMONOLOGIST" (the "Picture").

I. CONDITION PRECEDENT

- A. Delivery of all chain-of-title documentation for the Work and clearance of such chain-of-title documentation to Purchaser's reasonable satisfaction.

I. UNDERLYING RIGHTS.

- A. Option. \$50,000 to commence upon execution of this agreement and payment of the fee and shall then run to, and inclusive of, January 31, 2015. The option fee is payable upon execution of this deal memo, applicable against the Purchase Price.
- B. Option Extension. \$1.00 for an additional 6 months, payable before the expiration of the Option, non-applicable against the Purchase Price, and then for the second extension it shall cost \$25,000 for an additional 12 months from the expiration of the additional Six Month Extension, payable before the expiration of the Option, non-applicable against the Purchase Price
- C. Purchase Price. 5% of the direct, "all-in" ingoing budget of the Picture less the first option payment, subject to a floor of \$350,000 and a ceiling of \$500,000 based on a \$10,000,000 ingoing budget. If ingoing budget is more than \$10,000,000 ceiling will be raised on a pro-rata basis. EMH shall bear the cost of

any payments to any third parties for any and all underlying rights it holds for the Picture.

- D. **Box Office Bonuses.** \$75,000, at each respective time, if ever, when the domestic (US and Canada) theatrical box office receipts for the Picture as reported in Daily Variety ("DBO") equals or exceeds 2.5 times, 3.25 times and 4.0 times the cost of production. Box Office bonus shall be the ultimate obligation, of and payable to EMH by the distributor/financier of the picture.
- E. **Sequels, Prequels and Remakes.** 100% of the Purchase Price; provided if a prior picture does \$50,000,000 or more in DBO, the next produced sequel's purchase price will be increased by 15%, on a rolling basis, subject to a ceiling of \$1,000,000.
- F. **Credit.** EMH shall receive a corporate credit, in the Picture as well as all paid and customary advertising, second to PRP substantially in the for, "A PAUL ROCK PRODUCED / EVERGREEN MEDIA GROUP PRODUCTION."
- G. **Trademarks.** EMH shall file the appropriate trademarks, in any and all appropriate classes and MPPA registrations for "THE DEMONOLOGIST" and shall maintain ownership of same. For the sum of \$1.00 EMH shall license to PRP the trademark to THE DEMONOLOGIST specifically and solely for use in connection with the above referenced Picture. To clarify the aforementioned license to PRP will be exclusive for the category of motion picture and EMH shall reserve the trademark and the ability to license it for all categories other than motion picture (i.e., television series, book , graphic novels, etc.),. Said license accorded PRP will be for perpetuity, so long as the agreement between the parties is in full force and effect. Except as set forth in this paragraph, producers are not transferring any trademarks related to the Picture.
- H. **EMG shall grant to PRP the right to make a theatrical motion picture based on its rights to THE DEMONOLOGIST.** Those rights shall encompass all pay and free television and VOD rights for PRP in turn take said completed theatrical motion picture and distribute in said mediums. EMG acknowledges that THE DEMONOLOGIST can be made as a stand-alone motion picture film, or series of films, or may be used as a sequel for the FilmEngine/K5 Amityville motion picture if a deal can be negotiated with those parties. The Amityville rights are not or cannot be carried over into this film unless such a deal is made with FilmEngine/K5.
- I. **Reversion.** PRP shall, after completing production on the original Picture, have a period of four years to commence principal photography on any sequel, prequel or remake. If PRP does not, then all underlying rights to the property revert to EMH free and clear. This right of reversion shall be a rolling right.

II. PRODUCER FEES.

- A. Development Fee. \$25,000 against fixed compensation payable immediately upon PRP securing and receiving funding for the picture.
- B. Fixed and Contingent Compensation. \$300,000 as fixed compensation, payable on commencement of Principal Photography, plus 50% of PRP's and any affiliate thereof backend. In any and all events, EMH's aforementioned 50% shall not be less than 2.5% of 100% of receipts of the Picture provided that if Producer's secure the financing for the Picture they shall be entitled to 55% of PRP's backend. DG shall be "locked for life" as producer for the Picture as well as any sequel, prequel or remake produced under the agreement. In any and all events this shall be construed as EMG and PRP shall equally share any and all net profits not accorded to studio or financier.
- C. Box Office Bonuses. \$75,000 at each respective time, if ever, when the domestic (US and Canada) theatrical box office receipts for the Picture as reported in Daily Variety ("DBO") equals or exceeds 2.5 times, 3.25 times and 4.0 times the cost of production (interest and overhead included onetime only).
- D. Credit. DG shall receive a personal credit, in the Picture as well as all paid and customary advertising, in first position, on a single card, substantially in the form, "Produced by Tony DeRosa-Grund". PRP shall be free to negotiate whatever credits it deems appropriate for itself and principals with the financier, and or distributor of the Picture, so long as they do not contravene the credits accorded to EMH and DG as delineated herein.

III. WRITING SERVICES

- A. DG shall be accorded WGA guild minimum, based on the Picture's "all-in" ingoing budget for the story and script for THE DEMONOLOGIST.
- B. DG shall receive in the Picture as well as all paid and customary advertising, in first position, which may be shared with other writers on the same card, substantially in the form "Story by Tony DeRosa-Grund" and "Written by Tony DeRosa-Grund", subject to WGA rules.
- C. DG shall be "locked for life" as writer for the Picture as well as any sequel, prequel or remake produced under the agreement.

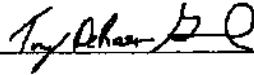
IV. GENERAL

- A. Both parties have the right to enter into this agreement. It is the intent of the parties to execute more formal Option Quit Claim, Producer and Writer agreements within the next thirty days.

- B. No party may release any publicity without the prior approval of the other which shall not unreasonably be withheld.
- C. PRP shall consult with EMG on all third party agreements for the exploitation of the Picture as well as any ancillary rights related thereto.
- D. For avoidance of doubt, this agreement between the parties is for the Rights as defined by Paragraph I. H of this Deal Memo solely and exclusively for a theatrical motion picture (the Picture). This does not include the transfer of any title trademarks or titles to the underlying property which EMG may use in connection with any of its reserved rights to the property outside of motion picture film not specifically granted to PRP hereunder.
- E. PRP shall be responsible for securing production funding equal the budget of the Picture and P&A financing for the Picture. In addition, PRP shall be responsible for securing worldwide distribution for the Picture. Producers, or their designee, shall perform services as the on-set producer of the Picture on a non-exclusive basis.
- F. Approvals: PRP and DG shall have mutual approval over all decisions related to the Picture; DG shall accord PRP meaningful consultation/involvement on all productions matters inclusive but not limited to casting decisions, production, and negotiations. It is understood and provided that (a) in the case of a deadlock, PRP's decision shall control with respect to all financial and distribution matters and (b) DG's decision shall control with regard to all creative matters, excluding provision III. H. below referencing Sameera Eligeti. (EMG shall be the entity in charge of the physical production of the movie.)
- G. PRP and Producers agree to first approach Lionsgate with the opportunity to distribute the Picture before making the Picture available to any third-party distributors. If any agreement cannot be reached with Lionsgate within a reasonable period of time then the Picture may be offered to any distributor.
- H. Actress Sameera Eligeti shall have a named speaking role in the Picture which shall not be removed in post editing or cut from the theatrical version of the film.
- I. All agreements shall be controlled by the law of the State of California.

AGREED TO AND ACCEPTED THIS 6TH DAY OF NOVEMBER 2013

EVERGREEN MEDIA HOLDINGS, LLC

by: 

Its: Executive Chairman 11/01/2013

PAUL ROCK PRODUCTIONS, LLC

by: 

Its: 11/01/13

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