

JUN 15 2010

John A. Clarke, Executive Officer/Clerk

By A. WILLIAMS
DEPUTY

CASE MANAGEMENT CONFERENCE

OCT 04 2010

1 **JEFFREY W. COWAN, ESQ., SBN 157474**
2 The Cowan Law Firm
3 1541 Ocean Avenue, Suite 200
4 Santa Monica, California 90401
5 Tel: (310) 394-1420
6 Fax: (310) 394-1430

Attorneys for **Plaintiff Alan Harvey**

Date

Norman P. Tarle Dept. B 830am

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

10 Alan C. Harvey, an individual,

11 Plaintiff,

12 vs.

13 Jerrold S. Pressman, an individual; EDP
14 Investment Company, LLC, a California limited
15 liability corporation, Broadway Entertainment,
16 Inc., a California corporation, and Does 1
through 100,

Defendants.

Case No.

SC108418

Plaintiff Alan C. Harvey's Complaint
for

(1) Fraud

(2) Breach of Contract

(3) Common Counts

(4) Unfair Competition (B&P § 17200 et
seq)

General Allegations

1. Plaintiff Alan C. "Scotty" Harvey ("Mr. Harvey" or "Plaintiff") is a Southern California
businessman who was induced through lies to invest more than \$500,000 with
Defendant Jerrold S. Pressman and two entities through which Pressman conducts
business. Pressman is a Santa Monica con artist who appears to have fleeced millions of
dollars from innocent investors throughout the United States. Pressman may end up
being known as the Bernie Madoff of Santa Monica.

2. Mr. Harvey is an individual who at all relevant times was living in San Bernardino
County, California.

- 1 3. Defendant Jerrold S. Pressman (“Defendant” or “Pressman”) at all relevant times was an
2 individual doing business in the County of Los Angeles and in the city of Santa Monica,
3 California.
- 4 4. Defendant EPD Investment Company, LLC (“EPD”) is a California limited liability
5 corporation that at all relevant times was purporting to do business in Santa Monica,
6 California. At all relevant times, Pressman was an officer, director, member or
7 managing agent of EDP.
- 8 5. Broadway Entertainment, Inc., is a California corporation that at all relevant times was
9 purporting to do business in Santa Monica, California. At all relevant times, Pressman
10 was an officer, director, shareholder or managing agent of EDP.
- 11 6. The true names and capacities, whether individual, corporate, associate, or otherwise, of
12 defendants Does 1 through 100, inclusive, are unknown to Plaintiff, who therefore sues
13 these defendants by such fictitious names. Plaintiff will ask leave of court to amend this
14 complaint and insert the true names and capacities of said defendants when it has
15 ascertained them.
- 16 7. Each of the DOE defendants was the alter ego, agent, servant, employee, bailee,
17 licensee, assignee, successor in interest, conspirator, or partner of each of the other
18 defendants and was acting within the course and scope of said agency, service,
19 employment, bailment, lease, license, assignment, successor in interest, or partnership
20 with the knowledge, permission and consent of each of the other named defendants.
21 Each of the defendants ratified or approved the acts of the other defendants.
- 22 8. Mr. Harvey is an entrepreneur who has built successful businesses in several industries.
- 23 9. In 2001, Mr. Harvey was looking to invest the proceeds from the sale of a business. Mr.
24 Harvey was introduced to Pressman by Mr. Harvey’s accountant Ted Jonavich, who
25 years earlier had been employed by an entity Pressman controlled or owned.
- 26 10. In the fall of 2001, Mr. Harvey met with Defendant Pressman, who offered to let Mr.
27 Harvey invest in his company EPD. In face to face meetings in Pressman’s Santa
28 Monica office in October 2001 and November 2001, Pressman told Mr. Harvey that his

1 invested capital would be used to buy industrial capital equipment, which in turn would
2 be leased on a long-term basis to third parties. Pressman further claimed that the
3 combination of the nature of the income generated and the ability to depreciate the
4 subject capital equipment would confer substantial tax benefits while generating annual
5 income of at least 10%. Pressman also verbally told Mr. Harvey on multiple occasions
6 that he (Harvey) could withdraw his investment at any time and that Pressman would
7 personally guarantee whatever investment(s) Mr. Harvey made. Pressman also
8 purported to disclose to Mr. Harvey some of his assets, which evidenced a claimed net
9 worth of more than \$20 million.

- 10 11. Because Defendant Pressman had come recommended from Mr. Harvey's trusted CPA,
11 spoke in a convincing way and had an impressive office in an established Santa Monica
12 office building, in December 2001 Mr. Harvey invested \$409,027 with Pressman and
13 EPD via three checks, true and correct copies of which are attached hereto as Exhibit 1.
- 14 12. In return for Mr. Harvey's investment, Defendants issued a "temporary" promissory note
15 that Defendant Pressman told him in a December 21, 2001 letter was temporary "proof"
16 of his investment until "we are able to formalize the paperwork" regarding his
17 investment and further confirmed that all invested money could be withdrawn "upon
18 notice." A true copy of that December 21, 2001 letter is attached hereto as Exhibit 2.
19 No such paperwork was ever provided.
- 20 13. Thereafter, Pressman and EPD annually sent Mr. Harvey via email a simple spreadsheet
21 purporting to show how much income Mr. Harvey's investment had earned and how
22 much money it was worth from having the income reinvested. Defendants never issued
23 any Form 1099s to Mr. Harvey.
- 24 14. Attached hereto as Exhibit 3 is a true copy of a spreadsheet from Defendants purporting
25 to show Mr. Harvey's investment as of January 1, 2008. It evidenced that Mr. Harvey's
26 investment purportedly had grown to \$944,913.50.
- 27 15. As part of his fraudulent scheme, at some point Defendants sent Mr. Harvey a memo on
28 EPD letterhead entitled "Tax Memo" purporting to explain how certain recently passed

- 1 federal legislation would confer new tax benefits to Mr. Harvey and the other EPD
2 investors. A true and correct copy of this “tax memo” is attached hereto as Exhibit 4.
- 3 16. In May of 2009, Mr. Harvey told Pressman he wanted to withdraw some of his invested
4 capital. Pressman then said that Mr. Harvey would suffer certain unspecified tax
5 penalties if he withdrew his money then and that the only way to access his capital
6 without incurring such penalties was to invest another \$100,000 and have the money
7 used to fund another lease with a third party. By doing so, Pressman said, Mr. Harvey
8 could start taking draws against the principal investment amount and accrued interest
9 from the new \$100,000 investment, totaling about \$8,000 per month and once the
10 interest on the new loan was repaid, Mr. Harvey could continue drawing an equivalent
11 monthly amount from his original investment account balance. Defendant Pressman
12 further represented that the new \$100,000 principal investment could be removed from
13 the account at any time Mr. Harvey needed it, but Pressman recommended waiting at
14 least one or two months at minimum to make the transaction “legitimate” for tax
15 purposes.
- 16 17. Mr. Harvey consulted with his accountant, who said that he did not fully understand this
17 tax structure but endorsed Pressman as being knowledgeable, having significant
18 expertise in these kinds of transactions and being very well capitalized.
- 19 18. In reliance on Pressman’s purported expertise and the fact that Pressman continued to be
20 recommended by Mr. Harvey’s trusted accountant, on or about May 6, 2009 Mr. Harvey
21 invested another \$100,000 with Pressman and EPD via two checks issued by companies
22 that Mr. Harvey owned (one for \$80,000 and one for \$20,000). True copies of those
23 checks are attached hereto as Exhibit 5. In return, Mr. Harvey received new receipts that
24 were to serve as “temporary proof” of his investment until “formal” paperwork could be
25 provided. True and correct copies of the two “Deposit Acknowledgment” documents
26 and a May 6, 2009 EPD transmittal letter regarding the “temporary Notes” being
27 provided “until you and Jerry formalize the agreements you are currently discussing” are
28 attached hereto as Exhibit 6.

- 1 19. No “formal” documents were later provided to Mr. Harvey.
- 2 20. In July 2009, Mr. Harvey needed capital for one of his businesses and tried to reach
3 Pressman to arrange for a withdrawal. Mr. Harvey’s multiple telephone calls went
4 unreturned for three weeks until Pressman finally called him on or about August 3,
5 2009. Mr. Harvey then met with Pressman in the EPD office on August 4 – only to have
6 Pressman tell him that he did not have any available money to fund the requested
7 withdrawal.
- 8 21. Defendant Pressman later sent Mr. Harvey a letter – a true copy of which is attached
9 hereto as Exhibit 7 – explaining the purported reasons Defendants were then unable to
10 fund a return of Mr. Harvey’s capital.
- 11 22. In about August of 2009, Defendants made a \$11,600 payment to Mr. Harvey and
12 claimed further that they would repay Mr. Harvey as soon as their cash flow permitted.
13 Defendant Pressman further claimed that he had a \$50 million net worth and that the
14 problem was only a temporary liquidity crises. Defendant Pressman also admitted then
15 that he had used Mr. Harvey’s recent \$100,000 investment to fund his company’s
16 operations and had not invested it in equipment that was to be leased to a third party. As
17 a result of this admission and Defendants’ actions in July 2009, Mr. Harvey began to
18 suspect that he had been the victim of a fraud.
- 19 23. Because the subject proceeds were procured by fraud, Mr. Harvey is entitled to a
20 constructive trust over any assets that Defendants acquired with his money.

21
22 **FIRST CAUSE OF ACTION – FRAUD**

23 (Against all Defendants)

- 24 24. Mr. Harvey incorporates the allegations in ¶¶ 1 through 23 herein.
- 25 25. When Defendants made the foregoing representations to Mr. Harvey about what would
26 be done with his money or how he would realize purported tax benefits, they knew they
27 were false. Similarly, Defendants’ representations about why Mr. Harvey needed to
28 invest another \$100,000 also were false and Defendants knew they were false when they

1 made them. Defendants made these representations for the purposes of deceiving Mr.
2 Harvey and inducing him to give them money.

3 26. Mr. Harvey relied on these representations, and his reliance was reasonable.

4 27. As a proximate result of Defendants' actions, Mr. Harvey is has suffered damages in an
5 amount to be proved at trial but believed to exceed \$1,000,000. In the alternative, Mr.
6 Harvey is entitled to rescind the subject "transactions" and recover the \$509,027 he
7 invested.

8 28. As a proximate result of Defendants' actions, Mr. Harvey has suffered emotional
9 distress in an amount to be proved at trial but believed to exceed \$100,000.

10 29. Mr. Harvey also is entitled to recover pre-judgment interest pursuant to Article XV, § 1
11 of the California Constitution at a 7% rate because this is a non-contractual obligation.
12 Such interest is in a sum to be proved at trial but exceeds \$229,040.

13 30. Defendants' actions constituted fraud, and also were committed with malice or
14 oppression towards Mr. Harvey. As a result, Mr. Harvey is entitled to an award of
15 punitive damages in a sum sufficient to punish Defendants and make an example of
16 them, which would be at least \$2,500,000.

17
18 **SECOND CAUSE OF ACTION – Breach of Contract**

19 (Against all Defendants)

20 31. Mr. Harvey incorporates the allegations in ¶¶ 1 through 23 herein.

21 32. The foregoing actions by Defendants constituted an oral contract, which Defendants
22 materially breached in June of 2009 when they failed to return Mr. Harvey's invested
23 capital (and purportedly accrued interest) upon request.

24 33. As a result, Mr. Harvey has been damaged in an amount to be proved at trial but
25 believed to exceed \$1,000,000.

26 34. Mr. Harvey also is entitled to pre-judgment interest in an amount to be proved at trial but
27 believed to exceed \$350,000.
28

1 **THIRD CAUSE OF ACTION – COMMON COUNTS**

2 (Against all Defendants)

- 3 35. Mr. Harvey incorporates the allegations in ¶¶ 1 through 23 herein.
- 4 36. Mr. Harvey provided the foregoing \$509,027 to Defendants and is entitled to its return.
- 5 37. Mr. Harvey also is entitled to recover pre-judgment interest in a sum to be proved at trial
- 6 but which exceeds \$229,040.

7
8
9 **FOURTH CAUSE OF ACTION – BUSINESS & PROFESSIONS CODE § 17200 ET**

10 **SEQ**

11 (Against all Defendants)

- 12 38. Mr. Harvey incorporates the allegations in ¶¶ 1 through 23, 25 through 30, 32 through
- 13 24, and 36-37 herein.
- 14 39. The foregoing conduct constituted either fraud or breach of contract or other unlawful
- 15 conduct, and so violated B&P § 17200. As a result, Mr. Harvey is entitled to restitution
- 16 of his \$509,027.

17
18 WHEREFORE, Plaintiff Alan C. Harvey prays as follows:

19 On The First Cause of Action:

- 20 1. For compensatory damages in an amount to be proved at trial but at least
- 21 \$1,000,000; or, in the alternative, for rescission of the transactions and the return
- 22 of his \$509,027;
- 23 2. For general damages in an amount to be proved at trial but at least \$100,000;
- 24 3. For punitive damages in an amount to be proved at trial but at least \$2,500,00;
- 25 4. For pre-judgment interest in an amount to be proved at trial but at least \$229,040.

26 On the Second Cause of Action

- 27 5. For compensatory damages in an amount to be proved at trial but at least
- 28 \$1,000,000;

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6. For pre-judgment interest in an amount to be proved at trial but at least \$350,000.

On the Third Cause of Action

7. For an award of at least \$509,027;

8. For pre-judgment interest in an amount to be proved at trial but at least \$229,040.

On the Fourth Cause of Action

9. For restitution of at least \$509,027;

10. For pre-judgment interest in an amount to be proved at trial but at least \$229,040.

On All Costs of Action

11. For costs of suit;

12. For a constructive trust;

13. For such other and further relief as the Court deems just or proper.

DATED: June 15, 2010

THE COWAN LAW FIRM

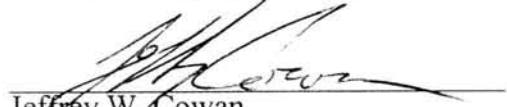
By: 
Jeffrey W. Cowan
Attorneys for **Plaintiff Alan C. Harvey**

EXHIBIT 1

ALAN C. HARVEY 11-86
JOYCE A. HARVEY
8229 THOROUGHBRED ST. 909-989-7348
ALTA LOMA, CA 91701

3473

90-3861/1222

DATE 12/13/01

PAY TO THE ORDER OF

BEM

\$ 106,000⁰⁰

ONE HUNDRED SIX THOUSAND ⁰⁰ 00

DOLLARS Security Features Included Data on Back

Network Bank USA
845 NORTH EUCLID AVENUE
ONTARIO, CALIFORNIA 91762
PHONE 909-863-4600

FOR



⑆ 1 222386 1 1 ⑆ 3473 00 ⑆ 11 4 21192 ⑆

ALAN C. HARVEY 11-86
JOYCE A. HARVEY
8229 THOROUGHBRED ST. 909-989-7348
ALTA LOMA, CA 91701

3474

90-3861/1222

DATE 12/13/01

PAY TO THE
ORDER OF

EPD

\$ 217,500.⁰⁰

TWO HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED

⁰⁰/₁₀₀ DOLLARS

Network Bank USA
845 NORTH EUCLID AVENUE
ONTARIO, CALIFORNIA 91762
PHONE 909-983-4600

FOR

⑆ 12223861⑆ 3474 00⑆ 421492⑆

© HARLAND

ALAN C. HARVEY 11-86
JOYCE A. HARVEY
8229 THOROUGHbred ST. 909-989-7348
ALTA LOMA, CA 91701

3475


90-3861/1222

DATE 12/13/01

PAY TO THE ORDER OF

EPD

\$ 8,552.00

Eighty Five Thousand Five Hundred Twenty Seven ⁰⁰ DOLLARS 

Network Bank USA
845 NORTH ELDRED AVENUE
ONTARIO, CALIFORNIA 91762
PHONE 909-983-4600

FOR



⑆ 1222386111 3475 001042149211 ⑈

EXHIBIT 2

EPD INVESTMENT COMPANY

December 21, 2001

Alan C. Harvey
8229 Thoroughbred Street
Alta Loma, CA 91701

Dear Scotty:

Enclosed is a temporary note to cover your deposits received by us on December 14th until we are able to formalize the paperwork.


All amounts are subject to a return of 12% interest per year or 12.8% interest accrued when interest is not withdrawn. Monies not withdrawn are also tax deferred. In order to meet the spirit of our conversation, we will allocate \$100,000 towards a consulting fee, \$200,000 towards 2001 leases, and hopefully carry forward the \$109,000 difference to combine an additional payment in January so that we can create an additional \$200,000 in leases for the year 2002 thereby maximizing the tax benefits we projected.

I would also prefer to set up a system to receive consulting fees for the year 2002 over a 12 month period rather than just in December of next year, all of which will be secured by a similar promissory note upon their receipt. Any additional funds you choose to deposit will also continue to draw the above interest and all funds are available without penalty to be withdrawn upon notice.

If you would like a further explanation, Ted can interject. Otherwise I remain available at any time to support your tax benefit strategy.

Sincerely yours,

EPD INVESTMENT COMPANY


Jerrold S. Pressman
Chairman

JSP/cb

Enclosures

EPD INVESTMENT COMPANY

(TEMPORARY NOTE)

\$409,027.00

Santa Monica, California
December 14, 2001
Check Nos. 3473,
3474 & 3475

For value received, EPD Investment Company promises to pay to the order of Alan C. Harvey, at Santa Monica, California, Four Hundred Nine Thousand Twenty-Seven Dollars (\$409,027.00) in lawful money of the United States of America, bearing an interest rate of twelve (12.0%) percent per annum.

Additional deposits submitted by the bearer will be acknowledged in writing and such documents will serve as an addendum to the note, adjusting the amount herewith. Withdrawals requested by the bearer effecting the principal amount of the note will be acknowledged by an account schedule and will decrease accordingly, without revision and re-issue of the original note.

Should collection commence to enforce payment of this Note, EPD Investment Company promises to pay such additional sum, as the Court may adjudge reasonable as attorneys' fees.



EPD INVESTMENT COMPANY

NO. 011214-ACH
Alan C. Harvey

DUE: **On Thirty (30) Days Demand**

EXHIBIT 3

Exhibit B – 2008 Account Balance Summary:

This is the latest account balance information received by Alan Harvey from Jerry Pressman. The data below was copied from the PDF document received Jan. 19, 2009 as an email attachment from Ruben Moreno, an employee of Jerrold Pressman.

Relevant Data:

Account No.: 011214-AJH
 Beginning Balance: \$798,826.14
 Ending Balance: \$944,913.50
 Beginning Principal: \$463,226.60
 Interest Rate: 12%

BEGINNING BALANCE AS OF 1/01/2008				DEPOSITS		WITHDRAWALS			ENDING BALANCES			YTD PAID INTEREST (1/09)		
NAME	INTEREST RATE	BEGINNING PRINCIPAL	PREVIOUS INTEREST	BEGINNING BALANCE	DATE	DEPOSITS	MONTHLY INTEREST	DATE	WITHDRAWAL FROM PRINCIPAL	WITHDRAWAL FROM INTEREST	TOTAL WITHDRAWALS		PRINCIPAL BALANCE	TO DATE ACCRD INT
ACCOUNT NO 011214-AJH				798,826.14										
Alan & Joyce Harvey	12.00%	463,226.60	335,589.54		1/05/2008	3,530.55	7,988.28	1/20/2008				463,226.60	335,589.54	798,826.14
8229 Thoroughbred St					2/05/2008	3,530.55	8,163.45	2/20/2008				470,287.70	351,691.25	821,678.96
Alta Loma, CA 91701					3/05/2008	3,530.55	8,218.79	3/20/2008				473,818.25	359,911.04	933,729.29
					4/05/2008	3,530.55	8,331.29	4/20/2008				477,348.80	368,248.33	845,597.13
					5/05/2008	3,530.55	8,455.92	5/20/2008				480,879.35	376,704.30	857,393.85
					6/05/2008	3,530.55	8,575.84	6/20/2008				484,409.90	385,280.14	869,650.01
					7/05/2008	3,530.55	8,695.60	7/20/2008				487,940.45	393,877.04	881,917.49
					8/05/2008	3,530.55	8,819.17	8/20/2008				491,471.00	402,756.21	954,267.21
					9/05/2008	3,530.55	8,944.67	9/20/2008				495,001.55	411,738.86	908,140.43
					10/05/2008	3,530.55	9,067.40	10/20/2008				498,532.10	420,806.28	919,328.55
					11/05/2008	3,530.55	9,193.38	11/20/2008				502,062.65	429,969.67	932,062.31
					12/05/2008	3,530.55	9,320.63	12/20/2008				505,593.20	439,325.50	944,913.50
						42,366.60	103,720.78					505,593.20	439,325.50	944,913.50

THE INTEREST RATE ON YOUR INVESTMENT IS PRESENTLY 12%, COMPOUNDED MONTHLY. INTEREST MAY BE TAX DEFERRED AT YOUR REQUEST. ALL NEW INVESTMENTS ARE AT A "FLOATING" INTEREST RATE, ADJUSTED PERIODICALLY. THANK YOU FOR YOUR CONTINUED PARTICIPATION IN OUR COMPANY. AS ALWAYS, YOU WILL CONTINUE TO EARN THE HIGHEST INTEREST RATE CONSISTENT WITH PRUDENT BUSINESS PRACTICES.

BEGINNING BALANCE AS OF 01/01/2008

LEASE PAYMENTS

NAME	EQUIPMENT COST	LEASE Total Value	DATE	LEASE PAYMENTS	LEASE BALANCE
ACCOUNT # L011214-ACH					
ACH Leasing	200,000.00	296,566.20			45,897.15
c/o Alan & Joyce Harvey	Transfer to 011214-AJH		1/20/2008	3,530.55	42,366.60
8229 Thoroughbred St	Transfer to 011214-AJH		2/20/2008	3,530.55	38,836.05
Alta Loma, CA 91701	Transfer to 011214-AJH		3/20/2008	3,530.55	35,305.50
	Transfer to 011214-AJH		4/20/2008	3,530.55	31,774.95
	Transfer to 011214-AJH		5/20/2008	3,530.55	28,244.40
	Transfer to 011214-AJH		6/20/2008	3,530.55	24,713.85
	Transfer to 011214-AJH		7/20/2008	3,530.55	21,183.30
	Transfer to 011214-AJH		8/20/2008	3,530.55	17,652.75
	Transfer to 011214-AJH		9/20/2008	3,530.55	14,122.20
	Transfer to 011214-AJH		10/20/2008	3,530.55	10,591.65
	Transfer to 011214-AJH		11/20/2008	3,530.55	7,061.10
	Transfer to 011214-AJH		12/20/2008	3,530.55	3,530.55
				42,366.60	3,530.55

Equipment Leased
 Haas Vertical VF-6 16020
 Fadal Vertical #2 VMC4020 HT 9004127

THE INFORMATION CONTAINED IN THIS SCHEDULE IS BASED ON THE LEASE AGREEMENT DATED DECEMBER 14, 2001 WITH TPT AND IS FOR REFERENCE ONLY.

EXHIBIT 4

EPD INVESTMENT COMPANY

TAX MEMO

Under the recent Economic Growth and Tax Relief Bill connected to the Job Creation and Worker's Assistance Act just passed by Congress, a new addendum has been added that will greatly enhance the tax advantages available to your leasing entity. The new tax extends the annual Section 179 deduction from \$25,000 per year to \$100,000 per year and increases the first year depreciation on the adjusted balance from (30%) to (50%) plus the accelerated MACRS depreciation which will generate enormous tax benefits on all new leased equipment purchased between May 5, 2003 and December 2004. The \$200,000 limitation per year has also been increased without penalty to \$400,000. As an example, on a \$100,000 investment, (100%) of the investment is deductible in the first year. On a \$200,000 investment, the deductible is approximately \$157,000 as follows:

	179	\$100,000	
(50%)	First Year	50,000	(on adjusted balance)
	MACRS	<u>7,000</u>	
		\$157,000	First year deduction

If you have any interest in further investing in (10%) and (12%) leases this year to take advantage of these new benefits remembering that the tax loss generated can be used to carryover deductions against your other business and ordinary income, I suggest you contact us.

With these new tax advantages available, it may become difficult to find new leases in the last quarter of the year as we have always been able to do in the past, and therefore will need time to locate both the equipment and the customers before October of this year.

If you or your accountant have any questions regarding this recently passed tax bill, please feel free to call.

- Garry - 310 451 7111

EXHIBIT 5

NATIONAL DIGITAL INC.
140 SOUTH CYPRESS AVE.
ONTARIO, CA 91762

5003

90-3861/1222
01

DATE

4/30/09

PAY TO THE
ORDER OF

EPD INVESTMENTS.

\$ 20,000

Twenty Thousand Dollars

DOLLARS

Security Pacific Bank

 SECURITY PACIFIC BANK

845 N. Euclid Avenue • Ontario, CA 91762 • 909-983-4600

FOR



MP

⑆005003⑆ ⑆1223861⑆ ⑆000407435⑆

CONTRACT COMMUNICATIONS, INC.
140 S. CYPRESS AVE
ONTARIO, CA 91762

SECURITY PACIFIC BANK
845 NORTH EUCLID AVENUE
ONTARIO, CALIFORNIA 91762
PHONE 909-983-4600

14732
90-3861-1222

4/30/09

PAY TO THE ORDER OF EPD INVESTMENTS \$80,000

Eighty THOUSAND DOLLARS DOLLARS

MEMO



⑈0⑈1⑈4⑈7⑈3⑈2⑈ ⑆⑆⑆⑆2⑆2⑆3⑆8⑆6⑆1⑆1⑆⑆ 00⑆1⑆0⑆3⑆6⑆1⑆4⑆1⑆⑈

Security Features Included

Details on back

EXHIBIT 6

EPD INVESTMENT COMPANY, LLC

May 6, 2009

Alan & Joyce Harvey
140 South Cypress Ave.
Ontario, CA 91762

Re: EPD Investment Company, LLC Account No. 011214-AJH


Dear Alan and Joyce,

Enclosed are temporary Notes to cover your deposits until you and Jerry formalize the agreements you are currently discussing.

If you have any questions, please do not hesitate to call.

Sincerely yours,

EPD INVESTMENT COMPANY, LLC


Rebecca Johnson
Accounting Department

/rj

Enclosure

EPD INVESTMENT COMPANY, LLC
Deposit Acknowledgement

\$80,000.00

Via Check No. 14732
Deposit Date: 05/06/09

A principal deposit in the amount of Eighty Thousand Dollars and No/100 (\$80,000.00) in lawful money of the United States of America was credited to your EPD Investment Company, LLC account number listed below. Interest on this deposit will begin accumulating on the deposit date noted above at the current interest rate for this account.

This signed deposit acknowledgement serves as an addendum to your original note from EPD Investment Company, LLC. Please keep this with your records for future reference.



EPD INVESTMENT COMPANY, LLC

Acct No. 011214-AJH
Alan & Joyce Harvey

Note Addendum


EPD INVESTMENT COMPANY, LLC
Deposit Acknowledgement

\$20,000.00

Via Check No. 5003
Deposit Date: 05/06/09

A principal deposit in the amount of Twenty Thousand Dollars and No/100 (\$20,000.00) in lawful money of the United States of America was credited to your EPD Investment Company, LLC account number listed below. Interest on this deposit will begin accumulating on the deposit date noted above at the current interest rate for this account.

This signed deposit acknowledgement serves as an addendum to your original note from EPD Investment Company, LLC. Please keep this with your records for future reference.



EPD INVESTMENT COMPANY, LLC

Acct No. 011214-AJH
Alan & Joyce Harvey

Note Addendum

EXHIBIT 7

Dear Scottie:

In response to our conversation today and beyond my personal problems with my granddaughter, I want to give you an objective overview relating to the problems we are facing, along with some encouraging news about my plans. The current economic conditions have been overwhelming and, in spite of our efforts to out race the heat of this recession, we have been caught in what could be considered the perfect storm.

I believed that prudent investments and conservative financing should withstand the onslaught, but to my dismay a number of unrelated events have impacted our ability to avoid being swept away in the mess. In spite of the fact that we are less than 40% loan to value financed in most of our properties, (essentially giving us large cushions of available credit to carry us through the business downturn), and the fact that we have available New York stock exchange contractors and builders ready and able to purchase lots on our properties, for no reason our bank of many years temporarily froze our credit line of 4 million dollars along with those of their customers utilizing real estate as collateral, under the guise of needing to reappraise the properties to meet their TARP requirements. After waiting six months and receiving our appraisal indicating a higher value than before, the bank is still stalling and we have been unable to transfer the presold property and reestablish our credit line. Our strategy was to earn returns from sales, appreciation, and increased equity, and I was fortunate to place the funds in extremely long term profitable investments.

As a further complication, any payment to you must be structured to be consistent with your existing tax position with the IRS and comply with the new regulations set forward in February of this year.

We have additionally been impacted by the late payments of our accounts receivables and our inability to timely close almost any type of transactions because of the general negative financial whirlwind we are surrounded by--all of which impacts our cash flow. Adding insult to injury our current credit card processor has threatened bankruptcy over the last month, and while we hear they are receiving refinancing to the tune of 1.8 billion dollars, we have not received any information related to the funds generated with credit cards.

We have arranged for a major recapitalization for early September that should generate a substantial amount of liquidity offering a bridge until we can reestablish our credit line.

Overall our assets greatly exceed our liabilities, and your funds are well protected. I am committed to continue to protect these funds, and I believe that we will come out of these miserable times stronger but, for the first time in 30 years, I'm having difficulty honoring requests for funds. I am asking that you be patient because I know you rely on these funds for your well being and want to reassure you that I am doing everything in my power including using my own personal assets to buffer us through this economic storm.

This is temporary, and I'm hoping and praying it will correct itself in the next quarter. While I may not have anticipated the enormity of this financial recession, I want to assure you that I have made no critical errors in judgment. None of our investments have lost value even in these turbulent times due to the conservative nature of our strategy.

We are faced with a world financial crisis, and I appreciate your long term confidence in me and my judgment. I work diligently to arrange for funding your requests. I understand this is a lot to ask, and I'm distressed and embarrassed about having to write this letter, but I feel I need to be honest so that we can temporarily adjust our lifestyle to meet this crisis.

Jerry