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9 SUN MIU, INC., a California Corporation

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

12 In Re:

13 MURAD SHUQOM,
14 Debtors.

15 _____
16 SUN MIU, INC., a California Corporation
17 Plaintiff,

18 vs.

19 MURAD SHUQOM, an individual; RBS
20 ROYALTY MOTORSPORTS, INC., a
21 California Corporation,

22 Defendants.

CASE NO. 8:14-bk-14461-es

CHAPTER 7

ADV. NO.: _____

**COMPLAINT TO DETERMINE
DISCHARGEABILITY OF DEBT
PURSUANT TO 11 U.S.C. Section 523
(a)(2), (a)(4), AND (a)(6)**

Action:

1 Plaintiff, Sun Miu, Inc. (“Plaintiff”), by and through its attorneys, states the following
2 Complaint against Defendants Murad Shuqom (“Shuqom”) and RBS Royalty Motorsports, Inc.
3 (“RBS”), both of whom may be referred to jointly as “Defendants”:

4 **I.**

5 **JURISDICTION AND VENUE**

6 1. This adversary proceeding arises out of the Chapter 7 bankruptcy petition filed by
7 Murad Shuqom, case no. 8:14-bk-14461-EF, United States Bankruptcy Court for the Central
8 District of California, Santa Ana Division.

9 2. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C.
10 §§ 157 and 1334, and 11 U.S.C. § 544, 547, 548, 550, and 551. This is a core proceeding under
11 28 U.S.C. §§ 157(b)(2)(B), (J) and (O).

12 3. Defendants Murad Shuqom is an individual and RBS Royalty Motorsports, Inc. is
13 a corporation who, on information and belief, now resides/conducts business at Los Angeles
14 County.

15 4. Defendants filed for Chapter 7 bankruptcy protection on July 21, 2014.

16 **II.**

17 **PRELIMINARY STATEMENT OF FACTS**

18 5. On September 27, 2013, Plaintiff negotiated to purchase from Defendants two
19 vehicles, a 2013 Raptor Truck, vehicle identification number 1FTFW1R6XDFD41527 (“First
20 Vehicle”) and a second 2013 Raptor Truck, (“Second Vehicle”) for the sum of \$52,835.
21 Thereafter, on or about October 15, 2013, Plaintiff purchased three additional vehicles, all of
22 which were 2013 Raptors wherein their vehicle identification numbers were
23 1FTFW1R61DFD18332 (“Third Vehicle”), 1FTFW1R67DFD18254 (“Fourth Vehicle”) and
24 1FTFW163DFD84722 (“Fifth Vehicle”), respectively. Hereinafter, all these purchases shall
25 collectively be referred to as the “Subject Vehicles”.

26 6. In connection with the purchase of the Subject Vehicles, Plaintiff made wire
27 transfers for the full obligation owed. Said wire transfers were paid directly to RBS, as directed
28 by Shuqom, who received the benefit of said funds concurrent with the time of purchase.

1 7. Additionally, in connection with said purchases, RBS, as seller, and Plaintiff, as
2 buyer, executed documents entitled "Vehicle Purchase Agreement" for each of the Subject
3 Vehicles. As set forth therein, seller acknowledges that the vehicles were fully paid either
4 directly to seller or to the Dealership by Plaintiff such that the ownership of any and all such
5 vehicles was transferred to Plaintiff in connection with each transaction.

6 8. In or about early 2014, the Subject Vehicles were to be delivered to Plaintiff. Said
7 delivery did not occur. Plaintiff made demand for said vehicles, but to no avail. As a result,
8 Defendants breached the written agreements pursuant to which they were to deliver the Subject
9 Vehicles to Plaintiff by failing both to deliver the Subject Vehicles and/or to reimburse the
10 monies received.

11 9. Plaintiff has performed all terms and conditions required of it in connection with
12 the subject transactions and pursuant to the individual purchase agreements for the Subject
13 Vehicles.

14 10. Plaintiff Vicente Quinones is an individual whose address is 3146 W. Merganser
15 Lane, Grand Junction, Colorado 81504, in Mesa County, Colorado.

16 11. Plaintiff Norma Quinonez is an individual whose address is 3146 W. Merganser
17 Lane, Grand Junction, Colorado 81504, in Mesa County, Colorado.

18 **III.**

19 **CAUSES OF ACTION**

20 **FIRST CLAIM FOR RELIEF**

21 **OBJECTING TO DISCHARGEABILITY OF**

22 **PLAINTIFFS' CLAIM PURSUANT TO**

23 **11 U.S.C. § 523(a)(2) AGAINST ALL DEFENDANTS**

24 12. The allegations contained in paragraphs 1 through 11 are incorporated by
25 reference as fully set forth herein.

26 13. In or about May 2013, Shuqom notified Plaintiff that he would provide the
27 vehicles purchased, pursuant to which negotiations occurred and the contracts to purchase the
28 Subject Vehicles were consummated. When Defendants failed to deliver any of the Subject

1 Vehicles to Plaintiff, Plaintiff made demand to receive same. At that time, Shuqom stated that
2 he did not have and could not reclaim possession of the vehicles for which Defendants had
3 received payment. Instead, Shuqom promised that he would reimburse the monies without
4 delay to Plaintiff, returning funds received in connection with said transactions, which funds
5 totaled in excess of \$150,000.00. Said funds were to be repaid immediately to Plaintiff to
6 resolve the situation and unwind the transactions.

7 14. When the monies were not returned, Plaintiff made further demand upon
8 Defendant, pursuant to which Shuqom promised that the monies would be paid within the week.
9 In response, Plaintiff agreed to wait for said duration of time, only to realize that no payment
10 was forthcoming.

11 15. Thereafter, Plaintiff and Shuqom spoke on a regular basis, during which time
12 Shuqom continued to promise that reimbursement of the monies was forthcoming. At one time,
13 Shuqom provided a check for the full amount of the obligation to Plaintiff, which was presented
14 to a bank shortly thereafter, and it was dishonored. In response thereto, Plaintiff made inquiry
15 as to why the check had been dishonored and learned that Shuqom had put a "stop payment" on
16 said instrument.

17 16. During the next several weeks, Defendants ultimately paid \$65,000 to Plaintiff.
18 Further, they provided to Plaintiff a vehicle which they requested be credited against the
19 obligation owed. When Plaintiff discovered that said vehicle did not have a title such that it
20 could not be sold, he again made demand for payment, which Defendants promised to make,
21 which promise was thereafter dishonored.

22 17. At the time Defendants received the monies from Plaintiff and learned that the
23 vehicle could not be procured or delivered, pursuant to which they promised to reimburse all
24 payments made, said promises of repayment and of providing replacement vehicles were made
25 by Shuqom, individually and on behalf of his company, at that time he had no intention of
26 performing them.

27 18. Shuqom made these promises with the intention to defraud and deceive Plaintiff
28 and with the intention of inducing Plaintiff to make the payment specified above and, thereafter,

1 to delay in seeking collection, to the detriment of his own rights.

2 19. More specifically, Shuqom's promises arose from a scheme whereby he intended
3 to use Plaintiff's funds to satisfy their obligation, without repaying said monies to Plaintiff. At
4 no time did Shuqom intend to pay the obligation incurred with Plaintiff after making said
5 promises.

6 20. At the time Shuqom made these promises and at the time Plaintiff took the actions
7 herein alleged, Plaintiff was ignorant of Defendants' secret intentions not to perform, and
8 believed the representations to be true. In reasonable reliance on said promises, and with no
9 means of discovering Defendants' secret intentions, Plaintiff was induced to make the payments
10 specified herein and delay enforcement of his rights to recover the monies owed.

11 21. Had Plaintiff known of Defendants' actual intentions, Plaintiff would not have
12 wire transferred the subject funds to Defendants herein totaling in excess of \$150,000.

13 22. Defendants, and each of their, conduct was fraudulent, oppressive, malicious,
14 willful, knowing, intentional and despicable, subjecting Plaintiff to unjust hardship in
15 conscientious disregard of Plaintiff's rights. Plaintiff is therefore entitled to punitive and
16 exemplary damages.

17 **SECOND CLAIM FOR RELIEF**

18 **OBJECTING TO DISCHARGEABILITY**

19 **OF PLAINTIFFS' CLAIM PURSUANT TO**

20 **11 U.S.C. §523(a)(4) AGAINST ALL DEFENDANTS**

21 23. The allegations contained in paragraphs 1 through 22 are incorporated by
22 reference as fully set forth herein.

23 24. Plaintiff is informed and believes, and thereon alleges, that at all times herein
24 defendants, by and through Shuqom, engaged in fraudulent conduct for purposes of receiving
25 vehicles from Plaintiff without paying for same. In connection therewith, said defendants
26 engaged in fraudulent conduct, to the detriment of Plaintiffs.

1 25. As a direct and proximate result of the foregoing, Plaintiff has been damaged in
2 the sum of One Hundred Fifty Thousand Dollars (\$150,000.00), plus interest thereon at the rate
3 of 18% per annum from January 1, 2014.

4 26. Defendants, and each of their, conduct was fraudulent, oppressive, malicious,
5 willful, knowing, intentional and despicable, subjecting Plaintiff to unjust hardship in
6 conscientious disregard of Plaintiff's rights. Plaintiff is therefore entitled to punitive and
7 exemplary damages.

8 **THIRD CLAIM FOR RELIEF**
9 **OBJECTING TO DISCHARGEABILITY OF**
10 **PLAINTIFFS' CLAIM PURSUANT TO**
11 **11 U.S.C. §523(a)(6)**
12 **AGAINST ALL DEFENDANTS**

13 27. The allegations contained in paragraphs 1 through 127 are incorporated by
14 reference as fully set forth herein.

15 28. Plaintiff is informed and believes and thereon alleges, that in connection with the
16 fraud perpetrated by Defendants herein, by and through Shuqom, by virtue of explicit
17 misrepresentations, failure to make required disclosures and other wrongdoing as identified
18 herein, said Defendants have imposed willful and malicious injury upon Plaintiff herein, thereby
19 depriving Plaintiff of monies to be received, anticipated returns and consideration paid, all to the
20 detriment of Plaintiff.

21 29. As a direct and proximate result of the foregoing, Plaintiff has been damaged in
22 the principal sum of One Hundred Fifty Thousand dollars (\$150,000.00) and interest at the
23 maximum legal rate of eighteen percent (18%) and from January 1, 2014.

24 30. Defendants' conduct was fraudulent, oppressive, malicious, willful, knowing,
25 intentional and despicable, subjecting Plaintiff to unjust hardship in conscious disregard of
26 Plaintiff's rights. Plaintiff is therefore entitled to punitive and exemplary damages.

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IV.

PRAYER

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment against Defendants, as follows:

1. Declaring that the indebtedness of Defendants to Plaintiff in an amount to be determined at trial, according to proof, including, without limitations, damages suffered, pre-judgment interest as authorized by law, reasonable attorney fees, treble damages, costs and expenses, be non-dischargeable debt;

2. Declaring that Defendants be denied a discharge of their debts to Plaintiff;

3. For costs of suit incurred herein; and

4. For such other and further relief and the court deems just and proper.

DATED: September 14, 2014

HALLSTROM, KLEIN & WARD, LLP



By: _____

DAVID T. WARD
PAUL J. KURTZHALL
Attorneys for Plaintiff,
Sun Miu, Inc., a California Corporation