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9 Attorney for Plaintiff  
10 H&H64, Inc.

11 CENTRAL DISTRICT OF CALIFORNIA  
12 U.S. BANKRUPTCY COURT  
13 SANTA ANA DIVISION

14 In re

15 MURAD SHUQOM,

16 Debtor.

17 H&H64, INC., a Hawaii Corporation,

18 Plaintiff,

19 v.

20 MURAD SHUQOM, an Individual; RBS  
21 ROYALTY MOTORSPORTS, INC., a California  
22 Corporation; MOTORSPORTS STANDARD,  
23 INC., a California; and DOES 1-100, Inclusive,

24 Defendants.  
25  
26  
27

Adversary Proceeding Case No. 8:14-ap-  
01269

Bankruptcy Case No. 8:14-bk-14461-ES

DECLARATION OF HIROMASA  
HORIKAWA IN SUPPORT OF HIS  
MOTION FOR SUMMARY JUDGMENT

Date of Hearing: July 9, 2015  
Time: 2:00 PM

Courtroom 5

Hon. Erithe Smith

Location: Ronald Reagan Courthouse  
411 West Fourth Street  
Santa Ana, CA 92701

28 ///

**Declaration of Hiromasa Horikawa**

- 1
- 2 1. My name is Hiromasa Horikawa. I am the agent and owner of H&H64, Inc., the
- 3 plaintiff in this adversary proceeding, 14-01269. I have personal knowledge of the
- 4 matters set forth in this declaration. If called upon to testify as to the matters stated
- 5 herein, I could and would competently testify thereto.
- 6
- 7 2. This declaration is submitted in support of H&H64, Inc.'s motion for summary
- 8 judgment.
- 9 3. At all relevant times, my company was in the business of purchasing and exporting
- 10 automobiles to the Japanese market.
- 11 4. Export companies for luxury automobiles are required to wire deposit funds in advance
- 12 for full payment of each ordered automobile.
- 13 5. The buyer takes delivery in four to twelve weeks.
- 14 6. H&H64, Inc., is 100% owned and operated by me.
- 15 7. On or about May 24, 2014, defendant Murad Shuqom contacted me through the website
- 16 Alibaba.com.
- 17 8. Shuqom represented to me that he was actively in the business of selling luxury
- 18 automobiles to companies who desired to export such vehicles to Japan and China.
- 19 9. I said I wanted to buy a Mercedes-Benz SUV, and Shuqom said he could obtain one for
- 20 me.
- 21 10. I would never have transacted business with Shuqom if I had known that Shuqom's credit
- 22 lines were cancelled and that Shuqom intended to use the money for purposes other than
- 23 purchasing the vehicles that I paid him to secure.
- 24 11. I would never have transacted business with Shuqom if I had known that his
- 25 representations to me as set forth below were false.
- 26
- 27
- 28

Declaration of Hiromasa Horikawa

- 1 12. Shuqom represented that he had expertise and experience as a broker for such  
2 automobiles, and that he conducted his business through MSI and RBS.  
3  
4 13. Shuqom told me that he could secure certain vehicles for me.  
5  
6 14. Shuqom he assured me that he had in fact secured the vehicles I wanted.  
7  
8 15. I and Shuqom entered into three separate purchase agreements in which I bought three  
9 vehicles from Shuqom. The terms of each purchase was set forth in invoices,  
10 specifications, and wiring instructions sent by Shuqom to me. Each of the copies of those  
11 documents attached to this motion are true and correct copies.  
12  
13 16. Each document was materially false with respect to Shuqom's financial condition and was  
14 provided to me in order to deceive me into relying on the statements.  
15  
16 17. Shuqom intentionally made false representations to me for the express purpose of  
17 obtaining my money with no intent to use it to purchase any of the vehicles ordered by  
18 me.  
19  
20 18. As part of his scheme to defraud me, Shuqom required me to make advance payment in  
21 full for each vehicle prior to delivery. After receiving the funds, Shuqom falsely  
22 represented that he would deliver the vehicles with a few weeks even though he knew at  
23 the time that such delivery was impossible because he lacked either credit or cash to pay  
24 for the vehicles on my behalf. Delivery was impossible because his lines of credit for  
25 purchase of Mercedes-Benz vehicles had been canceled and he was using the cash  
26 received from me to pay other creditors and business expenses.  
27  
28 19. On June 11, 2014, Shuqom offered to sell to me Mercedes-Benz 350 GL, VIN  
4JGDF2EEXEA395818, hereinafter referred to as "Vehicle 1," that he falsely claimed to  
have secured.

- 1 20. Shuqom concealed from me that if he paid him for Vehicle 1, Shuqom would use the  
2 money for purposes other than the purchase of Vehicle 1, which is exactly what he did.  
3 Shuqom further concealed that all of his lines of credit had been cancelled.
- 4 21. I accepted the offer pursuant to the terms of the invoice submitted to me by Shuqom based  
5 on Shuqom's false representations that he had secured the vehicle and could purchase and  
6 deliver the vehicle to me.
- 7 22. A true and correct copy of the wire transfer confirmation for each vehicle purchased by  
8 me is attached to this motion as *Exhibits 1 and 3*.
- 9 23. I relied on the offer for Vehicle 1, and my reliance was justified because Shuqom had a  
10 gold star rating on Alibaba.com, leading me to conclude that Shuqom was able to deliver  
11 on such purchases.
- 12 24. My reliance was also justified because I requested a copy of Shuqom's driver license,  
13 articles of incorporation, sales tax permit from the state's Franchise Tax Board, and a  
14 printout from the Secretary of State website to confirm that Shuqom's business was a  
15 going concern. True and correct copies of each of those documents are included in this  
16 motion as *Exhibit 2, Documents Submitted by Shuqom to Horikawa*.
- 17 25. Shuqom provided me these documents showing his financial condition with intent to  
18 deceive me into paying him money for cars he did not intend to deliver.
- 19 26. I wired \$89,460.00 to Motorsports Standard, Inc., a corporation wholly owned and  
20 controlled by Shuqom, as advance payment in full for Vehicle 1 on June 11, 2014.
- 21 27. On June 11, 2014 Shuqom falsely represented in an email that he would deliver Vehicle 1  
22 to my warehouse in Long Beach, after photographing the vehicle. Shuqom knew this  
23 representation was false. Shuqom had never secured, paid for, or taken delivery of the  
24 vehicle.  
25  
26  
27  
28

1 28. Shuqom falsely represented to me in an email dated June 19, 2014 that Vehicle 1 would  
2 be delivered on Wednesday, June 25, 2014. Shuqom confirmed in a subsequent email that  
3 the vehicle would arrive on the afternoon of June 25, 2014. Shuqom knew this  
4 representation was false, as he had never purchased Vehicle 1 and had no intention of  
5 doing so. Each of Shuqom's emails to me, and each email of mine to him that is included  
6 in this motion is a true and correct copy of the emails that were written and received by  
7 me.  
8

9 29. On June 22, Shuqom, knowing that his business lacked the credit or cash to do so, falsely  
10 represented that he had secured a second car for sale to me, but that I should pay quickly  
11 in order not to lose the car. Shuqom said that he had arranged to pay for the car on  
12 Tuesday, June 24, 2014 in order to keep the car for me.  
13

14 30. Shuqom knew when he made this offer that it was false because he had not located or  
15 secured Vehicle 2, and because he would not be able to deliver it to me due to his lack of  
16 purchasing credit or cash.

17 31. At the time he made the offer, Shuqom's business was collapsing and he already owed  
18 money to other purchasers to whom he had failed to deliver vehicles. Shuqom knew that if  
19 I paid him for Vehicle 2, he would use the money for purposes other than the purchase of  
20 Vehicle 2, and he did so.  
21

22 32. Shuqom concealed the facts of his collapsing business from me, because he knew that if I  
23 was aware of the business's collapse, I would not wire Shuqom the money for Vehicle 2.

24 33. I accepted the offer of sale for the second car from Shuqom, relying on his false  
25 statements, Mercedes-Benz 350 GL, VIN 4JGDF2EEXEA430695, hereinafter referred to  
26 as "Vehicle 2," and wired advance payment in full the amount of \$88,670.00 to MSI on  
27 June 23, 2014.  
28

1 34. I accepted Shuqom's offer pursuant to the terms of the invoice submitted to me by  
2 Shuqom.

3 35. I relied on the offer for Vehicle 2, and my reliance was justified because Shuqom had a  
4 reputation in the export community as someone who was able to deliver on such  
5 purchases.  
6

7 36. Shuqom falsely represented that he had secured a third car for sale to me. I relied on this  
8 false representation and I accepted the third and final offer of sale from Shuqom for  
9 Mercedes-Benz 350 GL, VIN 4JGDF2EE0EA432603, hereinafter referred to as "Vehicle  
10 3," and wired advance payment in full in the amount of \$67,300.00 to MSI on June 26,  
11 2014.

12 37. I accepted the offer pursuant to the terms of the invoice submitted to me by Shuqom.

13 38. Shuqom knew when he made this offer that it was false because he had not located or  
14 secured Vehicle 3, and because he would not be able to deliver it to me due to his absence  
15 of purchasing credit or cash.  
16

17 39. I relied on the offer for Vehicle 3, and my reliance was justified because Shuqom had a  
18 reputation in the export community as someone who was able to deliver on such  
19 purchases.  
20

21 40. Shuqom concealed the facts of his collapsing business from me, because he knew that if I  
22 was aware of the business's collapse or that I knew of his false statements that he had  
23 secured this vehicle, I would not wire Shuqom the money for Vehicle 3.

24 41. On June 27, 2014, Shuqom continued the fraud when he told me that he would get  
25 photographs of Vehicle 1 for me, which he said was in Shuqom's warehouse. This was  
26 untrue, as Shuqom had never purchased or taken possession of Vehicle 1, and he actively  
27 concealed this fact from me.  
28

1 42. On June 30, Shuqom told me in an email that he would send the photographs of Vehicle 1  
2 that day. This was untrue, as Shuqom had never taken possession of Vehicle 1. A true and  
3 correct copy of that email is attached to this motion as *Exhibit 4, Email from Shuqom to*  
4 *Horikawa re: Photos of Vehicle 1.*

5  
6 43. On July 1, 2014, Shuqom promised to deliver photos and titles to the purchased vehicles  
7 to me. This was untrue, as Shuqom had never taken possession of Vehicle 1, 2, or 3. A  
8 true and correct copy of that email is attached to this motion as *Exhibit 5, Email from*  
9 *Shuqom to Horikawa re: Photos and Titles of Purchased Vehicles.*

10 44. On July 10, 2014, Shuqom promised to deliver photos of the purchased vehicles, which he  
11 claimed in an email were in his warehouse. This was untrue, as Shuqom had never taken  
12 possession of Vehicles 1, 2, or 3. A true and correct copy of that email is attached to this  
13 motion as *Exhibit 6, Email from Shuqom to Horikawa re: Photos of Vehicle 1.*

14  
15 45. On July 11, 2014, Shuqom said in an email that he needed documentation for Vehicles 1  
16 and 2, implying that he was already in possession of them. This was untrue, as Shuqom  
17 had never taken possession of the vehicles. A true and correct copy of that email is  
18 attached to this motion as *Exhibit 7, Email from Shuqom to Horikawa re: Documentation*  
19 *of Purchased Vehicles.*

20  
21 46. On July 18, Shuqom broke off all communications with me regarding the status of the  
22 vehicles, filed bankruptcy, and advised me to direct all communications to Shuqom's  
23 attorneys. A true and correct copy of that email is attached to this motion as *Exhibit 8,*  
24 *Email from Shuqom to Horikawa re: Bankruptcy.*

25 47. Throughout the course of dealing, I repeatedly requested updates on all three vehicles.  
26 Shuqom never advised that he had not in fact purchased the vehicles or that there would  
27 be any problems delivering the vehicles to me.  
28

1 48. To the contrary, he continued his fraudulent scheme when he concealed the material facts  
2 by falsely assuring me that the vehicles were in his possession and concealed the material  
3 facts that he lacked credit or cash to buy the vehicles, that he never intended to purchase  
4 them, and that he had never taken delivery for them on my behalf.

5  
6 49. At all times Shuqom concealed the fact that his business had no more lines of credit for  
7 vehicle purchases. Shuqom concealed the fact that he intended to use my money for other  
8 purposes than buying the vehicles specified in the invoices.

9 50. I justifiably relied on each of Shuqom's false representations as Shuqom had provided me  
10 with business documents showing that his business was a going concern, and Shuqom had  
11 an excellent business rating on Alibaba.com.

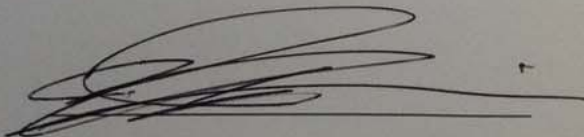
12 51. I performed all that I was obligated to do under the terms of the three purchase agreements  
13 as memorialized in the wire payments to Shuqom.

14 52. To date Shuqom has not refunded my money or delivered the vehicles, and I have been  
15 damaged in an amount to be proved at trial.

16 53. Shuqom intentionally defrauded me with intent to oppress and he acted with malice

17 54. Shuqom also owes me costs, interest, and reasonable attorney fees.

18 55. Executed under penalty of perjury on May 20, 2015 at Honolulu, Hawai'i.

19  
20  
21 

22  
23 Hiromasa Horikawa

24 Agent and Owner of Plaintiff H&H64, Inc.