

**SUMMONS
(CITACION JUDICIAL)**

**NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):**

OLEG KAPANETS, an individual; SU-XX, INC., a California Corporation d/b/a KREMLIN FILMS; SEVEN ARTS PICTURES, INC., a Nevada corporation; and DOES 1 through 50, inclusive

**YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

MOST V AMERIKU, a limited liability company

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

MAR 23 2007

John A. Clarke, Executive Officer/Clerk

By S. Funk, Deputy

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.courtinfo.ca.gov/selfhelp/espanol/), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.courtinfo.ca.gov/selfhelp/espanol/) o poniéndose en contacto con la corte o el colegio de abogados locales.

The name and address of the court is:
(El nombre y dirección de la corte es):

Los Angeles Superior Court-West Judicial District
1725 Main Street
Santa Monica, CA 90401

CASE NUMBER:
(Número del Caso):

SC093297

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Ronald Richards, Esq. #176246 Tel: 310-556-1001 Fax: 310-277-3325 email: ron@ronaldrichards.com
9255 Doheny Rd., Suite 1204, West Hollywood, 90069 Mailing: P.O. Box 11480, Beverly Hills, CA 90213

DATE:
(Fecha)

MAR 23 2007

JOHNA CLARKE, CLERK

S. Funk

Clerk, by _____, Deputy
(Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para probar la entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

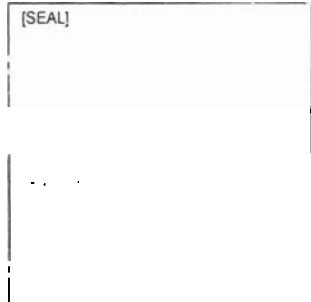
NOTICE TO THE PERSON SERVED: You are served

- 1. as an individual defendant.
- 2. as the person sued under the fictitious name of (specify):

3. on behalf of (specify):

- under: CCP 416.10 (corporation) CCP 416.60 (minor)
- CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
- CCP 416.40 (association or partnership) CCP 416.9C (authorized person)
- other (specify):

4. by personal delivery on (date):



Ronald Richards, Esq. (SBN 176246)
THE LAW OFFICES OF RONALD RICHARDS & ASSOCIATES
P.O. Box 11480
Beverly Hills, CA 90213
Telephone (310) 556-1001
Facsimile (310) 277-3325

MAR 23 2007

John A. Clarke, Executive Officer/Clerk

By S. Funk, Deputy

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES**

MOST V AMERIKU, a limited liability
company,

CASE NO. SC090097

Plaintiff,

**COMPLAINT FOR DAMAGES FOR
(1) DEFAULT ON PROMISSORY NOTE;
(2) COMMON COUNTS;
(3) DECLARATORY RELIEF**

vs.

OLEG KAPANETS, an individual; SU-XX,
INC., a California Corporation d/b/a
KREMLIN FILMS; SEVEN ARTS
PICTURES, INC., a Nevada corporation and
DOES 1 through 50, inclusive,

DEMAND FOR JURY TRIAL

Defendants.

**INITIAL CASE MANAGEMENT REVIEW
AND CONFERENCE**
JUL 11 2007
Judge Joe Hilberman

*Dead P
8:30 AM*

Plaintiff MOST V AMERIKU complains and alleges as follows:

1. Plaintiff MOST V AMERIKU is a limited liability company formed and operating under the laws of the Republic of Cyprus.
2. Plaintiff is informed and believes, and thereon alleges, that defendant OLEG KAPANETS ("defendant KAPANETS") is an individual and is now and at all times mentioned in this complaint was, a resident in the County of Los Angeles and a citizen of the Russian Federation. He conducts extensive business in the County of Los Angeles.
3. Plaintiff is informed and believes, and thereon alleges, that defendant SU-XX, INC. ("defendant SU-XX") is, and at all times mentioned in this complaint was, a corporation

1 incorporated in the State of California doing business as KREMLIN FILMS.

2 4. Plaintiff is informed and believes, and thereon alleges, that defendant SEVEN ARTS
3 PICTURES INC. (“defendant SEVEN ARTS”) is, and at all times mentioned in this
4 complaint was, a corporation incorporated in the State of Nevada conducting business in
5 the State of California.

6 5. Plaintiff is ignorant of the true names and capacities of the Defendants sued herein as
7 Does 1 through 50, inclusive, and therefore sues these defendants by such fictitious
8 names. Plaintiff will amend this Complaint to allege their true names and capacities
9 when the same have been ascertained. Plaintiff is informed and believes and on that basis
10 alleges that Does 1 through 50, inclusive, are responsible in some manner for the
11 damages suffered by plaintiff alleged herein

12 6. At all times mentioned herein, in doing the things complained of herein, each of the
13 Defendants was acting as the agent, employee, partner, joint venturer or co-conspirator of
14 each of the other Defendants.

15 7. Defendant KAPANETS and defendants Does 1 through 50, inclusive, are the only
16 shareholders and/or persons in control of defendant SU-XX. Defendant SU-XX and Does
17 1 through 50, inclusive, are liable for the acts of defendant KAPANETS alleged in this
18 complaint as the alter ego of defendant SU-XX. Recognition of the privilege of separate
19 existence would promote injustice because defendant KAPANETS and Does 1 through
20 50, inclusive, in bad faith dominated and controlled defendant SU-XX and hide behind
21 the corporation to do business in California as he is not a United States resident or citizen.

22 **FIRST CAUSE OF ACTION**

23 (Default on promissory note against defendants KAPANETS and SU-XX and
24 does 1 through 50 inclusive)

25 8. Plaintiff re-alleges and incorporates herein by reference the applicable allegations of
26 Paragraphs 1 through 7, inclusive, as though set forth in full.

27 9. On or about July 23, 2004, Defendant KAPANETS executed and delivered to Plaintiff a
28 written promissory note, a copy of which is attached hereto as Exhibit “A” and

1 incorporated by reference (the "Note"). Pursuant to the terms of the Note, plaintiff loaned
2 defendant KAPANETS one hundred thousand dollars (\$100,000.00). Defendant
3 KAPANETS promised to make monthly interest payments of 2.5% on the outstanding
4 balance of unpaid principal within thirty (30) days of July 23, 2004, and then every thirty
5 (30) days thereafter until the entire loan balance and interest is paid in full. Said monthly
6 interest payments shall be in the amount of two thousand five hundred U.S. dollars
7 (\$2,500.00).

8 10. Defendant KAPANETS has failed to repay the one hundred thousand dollars
9 (\$100,000.00) as agreed. Further, defendant KAPANETS has failed to make any interest
10 payments on the outstanding balance of one hundred thousand dollars (\$100,000.00)
11 since July 2005 though plaintiff has requested defendant KAPANETS do so. Defendant
12 KAPANETS has failed and refused, and continues to fail and refuse, to pay both the
13 principal and the interest. As of the date of this complaint, no interest has been paid since
14 July 2005 and the principal amount remains outstanding.

15 11. As a proximate result of the default on the Note, defendant KAPANETS owes plaintiff
16 not less than the sum of one hundred sixty-nine thousand six hundred fifty-seven and
17 fourteen cents (\$169,657.14), together with accrued and unpaid interest.

18 SECOND CAUSE OF ACTION

19 (Money lent against defendants KAPANETS and SU-XX and does 1 through 50 inclusive)

20 12. Plaintiff re-alleges and incorporates herein by reference the applicable allegations of
21 Paragraphs 1 through 11, inclusive, as though set forth in full.

22 13. Within the last four (4) years, defendants became indebted to plaintiff in the principal
23 sum of one hundred thousand (\$100,000.00) dollars for money lent by plaintiff to
24 defendants at their request.

25 14. Neither the whole nor part of the above sum has been paid, although demand therefore
26 had been made, leaving a balance due, owing, and unpaid to Plaintiff in the principal sum
27 of one hundred thousand (\$100,000.00) dollars, together with interest payments accrued
28 thereon for a total as of March 2007 of one hundred sixty-nine thousand six hundred fifty-

1 seven dollars and fourteen cents (\$169,657.14).

2 **THIRD CAUSE OF ACTION**

3 (Declaratory Relief against all defendants and does 1 through 50 inclusive)

4 15. Plaintiff re-alleges and incorporates herein by reference the applicable allegations of
5 Paragraphs 1 through 14, inclusive, as though set forth in full.

6 16. On or about July 23, 2004, Defendant KAPANETS executed and delivered to Plaintiff a
7 written promissory note, a copy of which is attached hereto as Exhibit "A" and
8 incorporated by reference (the "Note"). In addition to the interest terms of repayment,
9 defendant KAPANETS also agreed to provide Robert Conte with "Executive Producer"
10 credit on the film in production, and referenced in the promissory note, "Mirror Wars."

11 17. An actual controversy has arisen between the parties in relation to the executive producer
12 credit in that the parties are in dispute as to whether defendant KAPANETS and/ or
13 defendant SEVEN ARTS PICTURES must provide and continue to provide the executive
14 producer credit to Robert Conte.

15 18. Plaintiff contends that since SEVEN ARTS PICTURES is the distributor of the film for
16 KAPANETS, he has to divert the first revenue per the executive producer's instructions.
17 Plaintiff alleges that the executive producer has ordered that plaintiff be repaid first out of
18 the initial proceeds since it was plaintiff's funds that financed the film.

19 19. SEVEN ARTS PICTURES refuses to acknowledge that plaintiff is owed money on the
20 project and has refused to segregate \$200,000.00 of the first proceeds or provide any
21 assurances that they will hold these funds.

22 20. Plaintiff believes that SEVEN ARTS PICTURES is intimidated by KAPANETS because
23 it is refusing to follow California law and interplead these funds in the Court pending the
24 resolution of the litigation.

25 21. An actual dispute or controversy has arisen between SEVEN ARTS PICTURES and
26 plaintiff and plaintiff needs a declaration of rights and remedies instructing defendant
27 SEVEN ARTS PICTURES to pay the first \$200,000.00 plus attorneys' fees and costs
28 pursuant to the promissory note executed by KAPANETS.

1 **WHEREFORE**, plaintiff demands judgment against defendants for the following:

- 2 1. **Damages in a sum not less than one hundred thousand dollars (\$100,000.00);**
- 3 2. Accrued interest on the principal sum per the terms of the contract from August
- 4 2005 through March 2007 in the amount of sixty-nine thousand six hundred fifty-
- 5 seven dollars and fourteen cents (\$69,657.14) plus \$2,500.00 per month,
- 6 compounded, starting April 1, 2007;
- 7 3. Accrued interest on the principal sum plus interest per contract to the date of
- 8 judgment, and thereafter at the rate specified in the note;
- 9 4. A declaration of rights that Robert Conte is to receive credit as executive
- 10 producer;
- 11 5. A declaration of rights that SEVEN ARTS PICTURES is required to interplead
- 12 \$200,000.00 to the Clerk of the Court or segregate the first \$200,000.00 of
- 13 revenues in an account approved by the Court from the motion picture Mirror
- 14 Wars or any other KAPANET/KREMLIN project..
- 15 6. Attorneys fees per contract;
- 16 7. Costs incurred in this action; and
- 17 8. Such other and further relief that the court deems just and proper.

18 March 22, 2007

 Respectfully submitted,
 LAW OFFICES OF RONALD RICHARDS & ASSOCIATES

19
20 By: 

 RONALD RICHARDS, Esq.
 Attorneys for Plaintiff

LOAN AGREEMENT

Moscow, Russia

23 July 2004

THIS LOAN AGREEMENT ("Agreement") is herein entered into by and between:

NW Investment Group LLC (herein, "First Creditor"), a limited liability company incorporated in the State of Nevada of the United States, and doing business at 950 Nutmeg Place H-47, Reno, NV 89502 U.S.A., and represented by its principal, **Robert Conte**

Most V Ameriku (herein, "Second Creditor"), a limited liability company doing business at Fortuna Court, Block B, 284 Arch. Makarios III Ave., 2nd floor, P.O.Box 50132, Limassol 3105, Cyprus in accordance with its corporate charter and the laws of the Republic of Cyprus, and represented by **Vladimir Berezansky, Jr.**, its General Counsel

which parties may herein be referred to collectively as the "Creditors"

AND

Oleg Kapanets (herein, "Borrower"), a Russian citizen – Russian Passport No. 45 06 635596, issued on 12 January 2004 by the Department of Internal Affairs of the Meshanskii District, Moscow, Russia and valid until [expiration date], doing business as an unincorporated person (physical individual).

1. Loan Terms:

First Creditor (NW Investment Group LLC) has agreed to loan to Borrower **One hundred thousand U.S. dollars (US\$100,000.00)** for Borrower's use as working capital in Borrower's professional capacity as a film producer (herein, the "First Loan"). In addition to this principal amount Borrower has agreed to make monthly interest payments in the amount of 2.5% on the outstanding balance of unpaid principal within thirty (30) days of the above-indicated date, and then every thirty (30) days thereafter until the entire loan balance and interest is paid in full. Said monthly interest payments, in the amount of **Two thousand five hundred U.S. dollars \$2,500.00**, shall be transferred by bank telex (wire) each month to First Creditor's designated bank accounts per the transfer instructions as indicated below.

Each monthly interest payment shall be paid to First Creditor's account first, and then to Second Creditor's account second. This interest payment schedule shall remain consistent until all interest and principle has been repaid to First Creditor. Any and all payments of principle shall be made to First Creditor exclusively until the entire principle (U.S.\$100,000.00) plus interest shall have been repaid. In addition to these interest payment terms, Borrower agrees to provide Robert Conte with "Executive Producer" credit on Borrowers current film in production, which is currently titled "Mirror Wars". Said credit to be seen in all forms of print and media advertising for the purposes of showing and promoting the film.

O.K.
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Second Creditor has transferred to Borrower **One hundred thousand U.S. dollars (US\$100,000.00)** for Borrower's use as working capital in Borrower's professional capacity as a film producer (herein, the "Second Loan"). In addition to this principal amount, Borrower has agreed to make monthly interest payments in the amount of 2.5% on the outstanding balance of unpaid principal within thirty (30) days of the above-indicated date and then every thirty (30) days thereafter, until the entire loan balance and interest is paid in full. Said monthly interest payments, in the amount of **Two thousand five hundred U.S. dollars \$2,500.00**, shall be transferred by bank telex (wire) each month to Second Creditor's designated bank accounts per the transfer instructions as indicated hereinbelow. This shall occur immediately after the regular interest payment has been made to First Creditor each month per the terms of this Agreement. Borrower also agrees to provide First Creditor with "First Position Executive Producer" credit on Borrowers current film in production, which is currently entitled "Mirror Wars". Said credit to be seen in all forms of print and media advertising for the purposes of showing and promoting the film.

2. Repayment Terms:

Borrower agrees to repay the total Loan principal, as well as 2.5% monthly interest accruing thereon within **twelve (12) months** of the above-indicated date - i.e., the date on which this Agreement was entered into. Further, Borrower agrees to make Loan repayment in not more than one or two installments, meaning payments of principal in amounts of no less than **Fifty thousand U.S. dollars (US\$50,000.00)**.

Said principle loan repayments in the amount of \$50,000 or \$100,000 are to be repaid to First Creditor first and then once First Creditor has recovered his principle in full, Borrower shall then repay Second Creditor its principle amount. If Borrower requests and lender agrees in writing to grant an extension of the 12-month balloon payment, Borrower will continue to pay the 2.5 % monthly interest accruing thereon.

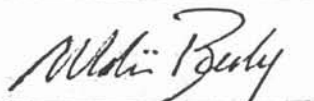
V.K.
VB
RC

3. Enforceability and Governing Law:

This Agreement shall be interpreted and enforceable in accordance with the substantive and procedural laws of the Republic of Cyprus. Borrower expressly accepts the jurisdiction of the courts of the Republic of Cyprus, and waives any procedural defenses that may be available to Borrower with regard to sufficiency of notice and/or service of process. For the avoidance of doubt, Borrower expressly acknowledges that service by a competent representative of any court of the Republic of Cyprus on Creditor and/or Creditor's Cypriot counsel of notice of any legal proceedings with regard to enforcement of this Agreement shall be deemed sufficient notice to Borrower for purposes of enforcement of the terms of this Agreement and any court judgment rendered thereon. Finally, Borrower agrees to bear all costs including any legal fees reasonably incurred by Creditor pursuant to seeking judgment and enforcement of this Agreement in Cyprus or anywhere else, including in the Russian Federation.

IN WITNESS WHEREOF, Creditor and Borrower have executed this Agreement as of the date set forth hereinabove.

FOR FIRST CREDITOR:

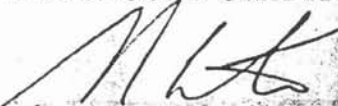

Vladimir Berezansky, Jr.
General Counsel MVA

BANKING DETAILS:
LAIKI BANK LIMITED
IBC Branch Limassol, Cyprus
SWIFT code - LIKICY2N
A/C NO.: 179-33-052566

FOR BORROWER:


Oleg Kapanets
Union Bank of California International
New York, NY, USA
Swift: BOFCUS33NYK
Account: 91-300699-1121
AVTOVAZBANK I.B.U., LIMASSOL, CYPRUS
SWIFT: AVBKCY2I
Beneficiary: 2021-10-0181-01-02
Kremlin Films Corporation

FOR SECOND CREDITOR:


Robert Conte

Payments to Second Creditor should be transferred to:
NW INVESTMENT GROUP LLC

Wire Funds to	Deutsche Bank Trust Company 60 Wall Street 28 th Floor New York, New York 10005
	FBO: National Investor Services Corp.
	A/C #: 00853820

Routing Number	ABA # 021001033
Your Name	NW INVESTMENT GROUP LLC
Social Security Number (EIN)	94-3310922
Your TD Waterhouse Acct. No.	586-15530-26