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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

ARTIST HOUSE HOLDINGS, INC.,

Plaintiff,

vs.

Case No: 2:06-CV-893-RLH-LRL

DAVI SKIN, INC., a Nevada Corporation; TIM
MONDAVI, an individual; JOSEPH
SPELLMAN, an individual; CARLO
MONDAVI, an individual; JOSHUA LEVINE,
an individual; DOES I through X, inclusive and
ROE Corporations I through X, inclusive,

Defendants.

FIRST AMENDED COMPLAINT

Plaintiff, Artist House Holdings, Inc. (hereinafter "Artist House"), by and through its
counsel of record, Marquis & Aurbach, hereby complains and alleges against Defendants, and
each of them, as follows:

THE PARTIES

1. Artist House is and was at all times relevant hereto a Japanese corporation
incorporated under the laws of Japan with its principal place of business located at 3P Aoyama
Building, 1-1-8 Shibuya, Shibuya-ku, Tokyo, Japan.

2. Defendant, Davi Skin, Inc. (hereinafter "Davi") is and was at all times relevant
hereto a Nevada corporation conducting business within the State of Nevada.

3. Defendant, Tim Mondavi is and was at all times relevant hereto, upon information
and belief, a resident of California.

4. Defendant, Joseph Spellman (hereinafter "Spellman") is and was at all times

1 relevant hereto a resident of New York and an officer of Davi.

2 5. Defendant, Carlo Mondavi is and was at all times relevant hereto, upon
3 information and belief, a resident of California and an officer of Davi.

4 6. Defendant, Joshua LeVine (hereinafter "LeVine") is and was at all times relevant
5 hereto a resident of California and an officer or director of Davi.

6 7. The true names and capacities, whether individual, corporate, associate, or
7 otherwise of the Defendants named herein as Does I through X, inclusive, and Roe Corporations
8 I through X, are unknown to Plaintiff at this time, who therefore sues said Defendants by
9 fictitious names and will ask leave of the Court to amend this Complaint to show the true names
10 and capacities of Defendants when the same are ascertained; same Defendants are sued as
11 principals and/or agents, servants, attorneys, and employees of said principals, and all the acts
12 performed by them were within the course and scope of their authority and employment; Plaintiff
13 is informed and believes and thereupon alleges that each of the said Defendants is legally
14 responsible in some manner for the events and happenings referred to herein, and directly and
15 proximately caused the damages and injuries to Plaintiff as hereinafter alleged.

16 **JURISDICTION AND VENUE**

17 8. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a) and
18 15 U.S.C. § 77v.

19 9. Venue is proper in the United States District Court for the District of Nevada
20 under 28 U.S.C. § 1391(a).

21 10. Defendants Spellman, Carlo Mondavi, Joshua LeVine, and Tim Mondavi,
22 consented to the personal jurisdiction of the Federal and State courts in the State of Nevada in
23 connection with any action arising out of or brought with respect to the March 27, 2006 Stock
24 Purchase Agreement.

25 **STOCK PURCHASE AGREEMENT**

26 11. On March 27, 2006, Artist House and Davi entered into a Stock Purchase
27 Agreement (hereinafter the "Agreement") whereby Artist House conditionally purchased shares
28 of stock in Davi (the "Davi Shares") for an aggregate purchase price of \$1,700,000 U.S. Dollars.

1 12. The Agreement was executed by Spellman on behalf of Davi, and by Carlo
2 Mondavi, LeVine, Spellman, and Tim Mondavi, each individually.

3 13. The Davi Shares sold to Artist House by Davi pursuant to the Agreement are
4 securities.

5 14. Davi transferred the Davi Shares to Artist House in exchange for money,
6 constituting the sale of a security or securities.

7 15. The purchase of the Davi shares by Artist House under the Agreement was
8 subject to certain conditions subsequent which Davi was required to meet on or before April 29,
9 2006 (hereinafter the "Conditions Deadline").

10 16. Davi was required to perform the following conditions on or before the
11 Conditions Deadline:

- 12 a. LeVine, "shall vacate his office and this office shall be sublet";
- 13 b. Spellman's Stock Option Agreement with Davi must be modified so that
14 any voluntary resignation within the first two years of service by Spellman shall immediately
15 terminate Spellman's right to exercise those options;
- 16 c. Expand Davi's Board of Directors to seven individuals;
- 17 d. Appoint Tim Mondavi to the Board of Directors;
- 18 e. Discontinue use of and close its credit cards and not open any new credit
19 card accounts without unanimous Board approval;
- 20 f. Grant Artist House a Licensing Agreement as Davi's licensing agent in
21 Japan; and
- 22 g. Obtain Board of Directors and Officers Insurance for all Board members.

23 17. Artist House's purchase of the Davi Shares pursuant to the Agreement was
24 subject to the condition subsequent that Davi would hire a "new experienced person,
25 knowledgeable in the operations of a small cosmetic company".

26 18. Artist House's purchase of the Davi Shares pursuant to the Agreement was
27 subject to the condition subsequent that no Davi officer would receive a raise within 12 months
28 of the execution of the Agreement, and that no officers would receive raises without Board

1 approval.

2 19. Artist House's purchase of the Davi Shares pursuant to the Agreement was
3 subject to the condition subsequent that within four months of receipt of funds from Artist
4 House, Davi must hold a Shareholder meeting.

5 20. At the time Defendants and each of them entered into the Agreement, they knew
6 or should have known they could not complete the conditions subsequent, or some of the
7 conditions subsequent within the time frame required by the Agreement.

8 21. At the time Defendants and each of them entered into the agreement, they had the
9 then-present intention of failing and refusing, and continuing to fail and refuse to perform the
10 conditions subsequent to the Agreement.

11 22. Defendants and each of them, when entering into the Agreement, had the
12 intention of luring Artist House into signing the Agreement with the promise of complying with
13 the conditions subsequent but having no intention to do so.

14 23. Defendants failed to meet one or more of the conditions subsequent required by
15 the Agreement.

16 24. Defendants warranted in the Agreement that no Davi officers' salaries had
17 increased since January 1, 2006.

18 **ACTIONS AFTER EXECUTION OF THE AGREEMENT**

19 25. On May 4, 2006, Artist House notified Davi that the Agreement was terminated
20 for Davi's breach of the terms of the Agreement and demanded return of the entirety of the
21 contingent payment together with accrued interest. (hereinafter the "Termination Notice")

22 **DAVI'S OFFICERS INCREASED THEIR SALARIES AFTER JANUARY 1, 2006**

23 26. Davi's Form 10KSB filed with the Securities and Exchange Commission ("SEC")
24 on April 17, 2006 states that as of January 1, 2006, Carlo Mondavi's salary was \$96,000.00 per
25 year.

26 27. By a document dated March 1, 2006 entitled "Employment Agreement"
27 (hereinafter referred to as "Carlo Mondavi's Employment Agreement"), Carlo Mondavi's salary
28 was raised to \$120,000.00 per year.

1 28. Davi's Form 10KSB filed with the SEC on April 17, 2006 states that as of
2 January 1, 2006, LeVine's salary was \$66,000.00 per year.

3 29. By a document dated March 1, 2006 entitled Employment Agreement (hereinafter
4 referred to as "Joshua LeVine's Employment Agreement"), LeVine's salary was raised to
5 \$96,000.00 per year.

6 30. Upon information and belief, Carlo Mondavi's Employment Agreement was
7 executed by Carlo Mondavi and Joseph Spellman, as President of Davi, after March 27, 2006.

8 31. Upon information and belief, Joshua LeVine's Employment Agreement was
9 executed by Joshua LeVine and Joseph Spellman, as President of Davi, after March 27, 2006.

10 32. Upon information and belief, after the execution of the Agreement, Spellman
11 received a \$1,000.00 per month "cost of living" increase from Davi.

12 **DAVI FAILED TO EXPAND ITS BOARD OF DIRECTORS**

13 33. On April 27, 2006, Davi held a Board of Directors meeting.

14 34. At the April 27, 2006 Davi Board of Directors meeting, the Board of Directors
15 allowed Artist House, Taro Yamakawa, Takashi Kusube, and Yuzuru Kawabata to attend by
16 teleconference.

17 35. The April 27, 2006 Davi Board of Directors meeting was scheduled in order to
18 appoint Taro Yamakawa, Takashi Kusube, Yuzuru Kawabata, and Tim Mondavi to Davi's Board
19 of Directors.

20 36. During the April 27, 2006 Davi Board of Directors meeting, Artist House was
21 informed that Taro Yamakawa, Takashi Kusube, Yuzuru Kawabata, and Tim Mondavi would
22 not be appointed to the Board of Directors because of a potential lawsuit against Davi, Carlo
23 Mondavi, and Tim Mondavi individually.

24 37. On May 11, 2006, after Davi received the Termination Notice, Davi filed a Form
25 SB-2 registration statement with the SEC for Artist House's investment.

26 38. While the May 11, 2006 SB-2 registration statement failed to mention Davi's
27 Termination Notice, Davi confirmed that Taro Yamakawa, Takashi Kusube, Yuzuru Kawabata,
28 and Tim Mondavi had not yet been appointed to Davi's Board of Directors.

1 39. Although Davi's by-laws require an annual shareholder's meeting, upon
2 information and belief, to date no shareholder's meeting has been held by Davi.

3 40. Spellman's appointment to the Board of Directors as CEO of Davi by the Board
4 of Directors was never approved by shareholders of Davi as required by Nevada law.

5 **DAVI FAILED TO DESIGNATE ARTIST HOUSE AS LICENSING AGENT FOR DAVI**
6 **IN JAPAN**

7 41. Davi failed to designate Artist House as licensing agent for Davi in Japan before
8 expiration of the Conditions Deadline.

9 42. After the Conditions Deadline had passed and Termination Notice was provided
10 to Davi, on May 5, 2006, Carlo Mondavi informed Artist House that Davi was preparing a
11 licensing agreement that would be available for Artist House to review approximately two weeks
12 hence.

13 43. To date, no licensing agreement has been sent to Artist House for review, nor has
14 Artist House been provided with the terms and conditions of any such licensing agreement.

15 **DAVI FAILED TO MODIFY JOSEPH SPELLMAN'S STOCK OPTION AGREEMENT**

16 44. Spellman's employment agreement with Davi specifically states that it may be
17 modified by written instrument executed by Spellman and Davi.

18 45. Davi did not modify Spellman's stock option agreement within thirty (30) days of
19 the execution of the Agreement.

20 46. After the Conditions Deadline had passed and Termination Notice was provided
21 to Davi, on May 5, 2006, Carlo Mondavi informed Artist House that Davi's attorneys are
22 modifying Spellman's employment agreement and would confirm following Spellman's
23 execution of further documentation.

24 47. To date, Artist House has not received any confirmation or documentation
25 evidencing any written changes to Spellman's employment agreement.

26 **DAVI FAILED TO DISCONTINUE AND CLOSE ITS CREDIT CARD**

27 48. Upon information and belief, Davi did not discontinue and/or close its credit cards
28 before the Conditions Deadline.

DAVI FAILED TO HOLD \$1,700,000 IN A SEPARATE ACCOUNT

49. The Agreement provided that Artist House's \$1.7 million would be held in a separate interest bearing account until the conditions subsequent were met.

50. Davi failed to hold the full \$1.7 million in a separate account as required by the Agreement.

BREACH BY FAILING TO OBTAIN BOARD OF DIRECTORS AND OFFICERS INSURANCE

51. Upon information and belief, Davi failed to obtain board of directors and officers insurance prior to the Conditions Deadline.

SHAREHOLDERS CARLO MONDAVI AND JOSH LEVINE FAILED TO ENTER INTO A FORMAL SHAREHOLDER AGREEMENT

52. The Agreement required shareholders Carlo Mondavi and LeVine to enter into a formal shareholder agreement with Davi within forty-five (45) days after the execution of the Agreement.

53. Davi failed to enter into a formal shareholder agreement with Carlo Mondavi and Joshua LeVine within forty-five (45) days of the execution of the Agreement.

DAVI USED AN UNLICENSED BROKER TO SELL DAVI'S SECURITIES TO ARTIST HOUSE

54. The Agreement was a private offering for the sale of securities to Artist House by Davi.

55. On January 21, 2005, Davi entered into a finders fee Agreement with Taro Yamakawa (hereinafter the "Unlicensed Broker Agreement").

56. The Unlicensed Broker Agreement provided that Yamakawa would be given a transaction fee equal to ten percent (10%) of the amount tendered and accepted by any entity, to Davi.

57. Yamakawa is not registered with the Securities and Exchange Commission nor the State of Nevada as a broker/dealer or licensed salesman.

58. Yamakawa recommended Davi and the purchase of its securities to Artist House.

59. Yamakawa negotiated the terms of the securities offering and agreement between

1 Davi and Artist House.

2 60. Yamakawa attended meetings and presentations between Davi and Artist House
3 in Napa, California and Los Angeles, California.

4 61. Yamakawa performed and accommodated due diligence efforts between Davi and
5 Artist House in Los Angeles.

6 62. Yamakawa received a transaction-based compensation or commission and
7 otherwise engaged in the business of effecting and facilitating the sale of the Davi Shares
8 between Davi and Artist House.

9 63. Davi and Yamakawa utilized instrumentalities of interstate commerce including,
10 upon information and belief, U.S. Mail, telephone, facsimile, and email while negotiating and
11 executing the Agreement.

12 64. On or about March 29, 2006, Carlo Mondavi on behalf of Davi directed Evan
13 Zimmermann, the transactional escrow agent, to wire \$204,000.00 from Davi's \$1.7 million
14 investment to Yamakawa, constituting a twelve percent (12%) "brokers fee".

15 65. Based in part upon Davi's use of an unregistered broker/dealer, Artist House
16 declared its right to rescind the Agreement, and demanded the same from Davi.

17 66. Despite Artist House's requests for rescission of the Agreement and immediate
18 return of its \$1.7 million investment, Davi has refused the same.

19 **DAVI BREACHED THE TERMS OF ITS SALARY DEFERRAL AGREEMENT**

20 67. In the January 23, 2006 meeting of the Board of Directors of Davi, the Board
21 agreed to a deferral of salaries of Spellman, Carlo Mondavi, and LeVine until such time as the
22 company had a minimum of \$2 million net in cash, at which time salaries would begin to be paid
23 again. Further, the Board agreed that at such time that the company had \$3 million net in cash,
24 the deferred salaries would be paid.

25 68. The January 23, 2006 decision by the Board of Directors was confirmed in a
26 January 24, 2006 letter to Artist House from Spellman.

27 69. On May 22, 2006, Davi filed a Form 10-QSB with the SEC stating that its total
28 assets as of March 31, 2006 were \$2,897,554.00. Davi further disclosed that its largest asset

1 consisted of cash in the amount of \$102,576.00 and a Certificate of Deposit in the amount
2 \$2,705,352.00.

3 70. Although Davi did not have \$3 million net in cash as of the date of the
4 Agreement, once the Agreement was signed, deferred salary amounts were paid to Spellman,
5 Carlo Mondavi, and LeVine.

6 **FIRST CAUSE OF ACTION**

7 (Violation of Federal Securities Laws—Against Defendants Davi, Spellman, Carlo
8 Mondavi, and LeVine)

9 71. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though
10 fully set forth herein, and incorporates the same by this reference.

11 72. Defendants Davi, Spellman, Carlo Mondavi, and LeVine misstated or omitted
12 material facts in connection with the sale of the Davi Shares to Artist House.

13 73. The misstatements and/or omissions of material fact were made with scienter.

14 74. Artist House reasonably and justifiably relied upon the misstatements and/or
15 omissions of material fact by Defendants.

16 75. As a direct and proximate cause of Defendants' breach, Plaintiff has been
17 damaged in excess of \$75,000.

18 76. As a direct and proximate result of the aforesaid acts, it has become necessary
19 for Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
20 incurred herein as damages.

21 **SECOND CAUSE OF ACTION**

22 (Violating 15 U.S.C. § 78o(a) —Against Defendant Davi)

23 77. Plaintiff repeats and realleges its allegations hereinabove inclusively, as though
24 fully set forth herein, and incorporates the same by this reference.

25 78. Pursuant to 15 U.S.C. 78o(a), (1), it is unlawful for any broker or dealer unless
26 such broker or dealer is registered in accordance with subsection b of the same section, to
27 participate in the purchase or sale of securities through the use of mail or any means or
28 instrumentality of an interstate commerce.

79. Davi engaged the services of Yamakawa, an unlicensed broker/dealer or salesman.

1 80. As a direct and proximate cause of Defendants' breach, Plaintiff has been
2 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

3 81. As a direct and proximate result of the aforesaid acts, it has become necessary for
4 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
5 incurred herein as damages.

6 **THIRD CAUSE OF ACTION**

7 (Violation of Nevada State Securities Laws—Against Defendants Davi, Spellman, Carlo
8 Mondavi, LeVine)

9 82. Plaintiff repeats and realleges its allegations hereinabove inclusively, as though
10 fully set forth herein, and incorporates the same by this reference.

11 83. Defendant Davi paid Yamakawa an illegal commission.

12 84. Davi violated NRS 90.460.

13 85. As a direct and proximate cause of Defendants' breach, Plaintiff has been
14 damaged in excess of \$75,000, plus interest thereon at the legal rate from March 27, 2006,
15 pursuant to NRS 90.660, in an amount to be determined at trial.

16 86. As a direct and proximate result of the aforesaid acts, it has become necessary for
17 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
18 incurred herein as damages, pursuant to NRS 90.660.

19 **FOURTH CAUSE OF ACTION**

20 (Violation of Nevada State Securities Laws—Against Defendants Davi, Spellman, Carlo
21 Mondavi, LeVine)

22 87. Plaintiff repeats and realleges its allegations hereinabove inclusively, as though
23 fully set forth herein, and incorporates the same by this reference.

24 88. Davi purposely omitted disclosing to Artist House that it paid a commission to
25 Yamakawa in connection with the sale of the Davi Shares to Artist House

26 89. Davi, Spellman, Carlo Mondavi, and LeVine violated NRS 90.570.

27 90. As a direct and proximate cause of Defendants' breach, Plaintiff has been
28 damaged in excess of \$75,000, plus interest thereon at the legal rate from March 27, 2006,
pursuant to NRS 90.660, in an amount to be determined at trial.

1 91. As a direct and proximate result of the aforesaid acts, it has become necessary for
2 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
3 incurred herein as damages, pursuant to NRS 90.660.

4 **FIFTH CAUSE OF ACTION**

5 (Violation of Nevada State Securities Laws—Against Defendants Davi, Spellman, Carlo
6 Mondavi, LeVine)

7 92. Plaintiff repeats and realleges its allegations hereinabove inclusively, as though
8 fully set forth herein, and incorporates the same by this reference.

9 93. Defendants Davi, Spellman, Carlo Mondavi, and LeVine failed to disclose to
10 Artist House at the time of the execution of the Agreement, their intent to increase salaries for
11 Spellman, Carlo Mondavi, and LeVine.

12 94. Davi, Spellman, Carlo Mondavi, and LeVine violated NRS 90.570.

13 95. As a direct and proximate cause of Defendants' breach, Plaintiff has been
14 damaged in excess of \$75,000, plus interest thereon at the legal rate from March 27, 2006,
15 pursuant to NRS 90.660, in an amount to be determined at trial.

16 96. As a direct and proximate result of the aforesaid acts, it has become necessary for
17 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
18 incurred herein as damages, pursuant to NRS 90.660.

19 **SIXTH CAUSE OF ACTION**

20 (Breach of Contract--Against All Defendants)

21 97. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though
22 fully set forth herein, and incorporates the same by this reference.

23 98. Artist House satisfied all conditions required of it under the Agreement.

24 99. Defendants failed to substantially perform and materially breached the
25 Agreement.

26 100. Defendants failed to satisfy one or more of the conditions subsequent from the
27 Agreement, within the time period allowed.

28 101. As a direct and proximate result of the aforesaid acts, it has become necessary for
Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs

1 incurred herein as damages.

2 102. As a direct and proximate cause of Defendants' breach, Plaintiff has been
3 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

4 **SEVENTH CAUSE OF ACTION**

5 (Breach of Covenant of Good Faith and Fair Dealing—Tort – Against Davi)

6 103. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though
7 fully set forth herein, and incorporates the same by this reference.

8 104. Every contract in the State of Nevada contains an implied covenant of good faith
9 and fair dealing.

10 105. Davi held itself out as a "partner" with Artist House.

11 106. Artist House and Davi maintained a special relationship of trust.

12 107. Davi breached the covenant of good faith and fair dealing.

13 108. As a direct and proximate result of the aforesaid acts, it has become necessary for
14 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
15 incurred herein as damages.

16 109. As a direct and proximate cause of Defendants' breach, Plaintiff has been
17 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

18 110. Defendants' actions were committed with malice and oppression, entitling
19 Plaintiff to punitive damages in an amount in excess of \$75,000.00, the exact amount of which
20 will be determined at the time of the trial in this matter.

21 **EIGHTH CAUSE OF ACTION**

22 (Breach of Covenant of Good Faith and Fair Dealing—Contract –
Against All Defendants)

23 111. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though
24 fully set forth herein, and incorporates the same by this reference.

25 112. Every contract in the State of Nevada contains an implied covenant of good faith
26 and fair dealing.

27 113. Davi breached the covenant of good faith and fair dealing.

28 114. As a direct and proximate result of the aforesaid acts, it has become necessary for

1 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
2 incurred herein as damages.

3 115. As a direct and proximate cause of Defendants' breach, Plaintiff has been
4 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

5 **NINTH CAUSE OF ACTION**

6 (Fraud—Against Defendants Davi, Spellman, LeVine, and Carlo Mondavi)

7 116. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though
8 fully set forth herein, and incorporates the same by this reference.

9 117. By executing the Agreement, Davi, Spellman, LeVine, and Carlo Mondavi
10 (hereinafter the "Fraud Defendants") made fraudulent misrepresentations to Artist House as
11 contained hereinabove.

12 118. The Fraud Defendants knew, or should have known that Artist House
13 representations were false.

14 119. The Fraud Defendants intended to defraud Artist House through its
15 misrepresentations.

16 120. Artist House was unaware that the Fraud Defendants' representations were false
17 and reasonable and justifiably relied upon said false statements.

18 121. As a direct and proximate result of the aforesaid acts, it has become necessary for
19 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
20 incurred herein as damages.

21 122. As a direct and proximate cause of Defendants' breach, Plaintiff has been
22 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

23 123. Defendants' actions were committed with malice and oppression, entitling
24 Plaintiff to punitive damages in an amount in excess of \$75,000.00, the exact amount of which
25 will be determined at the time of the trial in this matter.

26 **TENTH CAUSE OF ACTION**

27 (Negligent Misrepresentation—Plead in the Alternative Against Defendants Davi,
28 Spellman, LeVine, and Carlo Mondavi)

124. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though

1 fully set forth herein, and incorporates the same by this reference.

2 125. The Fraud Defendants supplied false information in the execution of the
3 Agreement to Artist House.

4 126. The Fraud Defendants failed to exercise reasonable care and competence in
5 obtaining or communicating said false information to Artist House.

6 127. Artist House reasonably and justifiably relied upon the Fraud Defendants'
7 representations to its detriment.

8 128. As a direct and proximate result of the aforesaid acts, it has become necessary for
9 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
10 incurred herein as damages.

11 129. As a direct and proximate cause of Defendants' breach, Plaintiff has been
12 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

13 **ELEVENTH CAUSE OF ACTION**

14 (Unjust Enrichment—Plead in the Alternative Against Defendant Davi)

15 130. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though
16 fully set forth herein, and incorporates the same by this reference.

17 131. Artist House conferred a benefit upon Davi.

18 132. Davi appreciated the benefit conferred upon it by Artist House.

19 133. Davi accepted and retained the benefit conferred upon it by Artist House under
20 circumstances where it would be inequitable to retain the benefit without payment of the value
21 thereof.

22 134. As a direct and proximate result of the aforesaid acts, it has become necessary for
23 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
24 incurred herein as damages.

25 135. As a direct and proximate cause of Defendants' breach, Plaintiff has been
26 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

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TWELFTH CAUSE OF ACTION

(Conversion—Plead in the Alternative Against Defendant Davi)

136. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though fully set forth herein, and incorporates the same by this reference.

137. Davi wrongfully converted property belonging to Artist House for Davi's own benefit and gain.

138. As a direct and proximate result of the aforesaid acts, it has become necessary for Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs incurred herein as damages.

139. As a direct and proximate cause of Defendants' breach, Plaintiff has been damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

140. Defendant's actions were committed with malice and oppression, entitling Plaintiff to punitive damages in an amount in excess of \$75,000.00, the exact amount of which will be determined at the time of the trial in this matter.

THIRTEENTH CAUSE OF ACTION

(Rescission—Against Defendant Davi)

141. Plaintiff repeats and realleges his allegations hereinabove inclusively, as though fully set forth herein, and incorporates the same by this reference.

142. Davi breached the Agreement.

143. Davi sold securities to Artist House through the use of Yamakawa, an unregistered broker or dealer.

144. A broker is any person engaged in the business of effecting transactions and securities for the account of others.

145. Artist House is therefore entitled to rescission of the Agreement.

146. Artist House is entitled to an order from the court rescinding the Agreement.

147. Artist House is entitled to an order from the Court granting restitution to Artist House of the \$1,700,000 which Artist House paid to consummate the Agreement.

148. As a direct and proximate cause of Defendants' breach, Plaintiff has been

1 damaged in excess of \$75,000, plus interest thereon, in an amount to be determined at trial.

2 149. As a direct and proximate result of the aforesaid acts, it has become necessary for
3 Plaintiff to secure the services of an attorney, and Plaintiff is entitled to recover fees and costs
4 incurred herein as damages.

5 WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as
6 follows:

7 1. For an Order of this Court awarding damages against Defendants Davi, Spellman,
8 Carlo Mondavi, and LeVine in an amount in excess of \$75,000.00 for violation of Federal
9 securities laws;

10 2. For an Order of this Court awarding damages against Defendants Davi, Spellman,
11 Carlo Mondavi, and LeVine in an amount in excess of \$75,000.00 against Defendants for
12 violation of Nevada State securities laws;

13 3. For an Order of this Court awarding damages against all Defendants in an amount
14 in excess of \$75,000.00 for breach of contract;

15 4. For an Order of this Court awarding damages against Defendant Davi in an
16 amount in excess of \$75,000.00 for breach of covenant of good faith and fair dealing -- tort;

17 5. For an Order of this Court awarding damages against all Defendants in an amount
18 in excess of \$75,000.00 for breach of covenant of good faith and fair dealing – contract;

19 6. For an Order of this Court awarding damages against Defendants Davi, Spellman,
20 LeVine, and Carlo Mondavi, in an amount in excess of \$75,000.00 for fraud;

21 7. For an Order of this Court awarding damages against Defendants Davi, Spellman,
22 LeVine, and Carlo Mondavi, in an amount in excess of \$75,000.00 for negligent
23 misrepresentation;

24 8. For an Order of this Court awarding damages against Defendant Davi in an
25 amount in excess of \$75,000.00 for unjust enrichment;

26 9. For an Order of this Court awarding damages against Defendant Davi in an
27 amount in excess of \$75,000.00 for conversion;

28 10. For rescission as requested herein and restitution to Artist House's former

1 position.

2 11. For and award of punitive damages in an amount to be determined at the time of
3 trial;

4 12. For attorneys fees, costs, and interest incurred as damages as a result of having to
5 bring this action; and

6 13. For such further relief as the Court deems just and necessary in the premises.

7 DATED this 31st day of July, 2006.

8 MARQUIS & AURBACH

9
10 By 
11 Jay Young, Esq.
12 Nevada Bar No. 5562
13 10001 Park Run Drive
14 Las Vegas, Nevada 89145
15 Attorney(s) for Plaintiff
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