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16 RIKUO KOTSU CO. LTD.

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA

18 IN AND FOR THE COUNTY OF LOS ANGELES

19 RIKUO KOTSU CO., LTD., a Japanese  
20 corporation,

21 Plaintiff,

22 v.

23 RIKUO CORPORATION, a California  
24 corporation, PACIFIC KINGLAND CORP., a  
25 Hawaiian corporation, WHOE JOON HAN, an  
26 individual, NUNG JA HWANG, an individual,  
27 KWAN KOO LEE, an individual and DOES 1  
28 through 100, inclusive,

Defendants.

) Case No. BC 323747

) Assigned to Judge Robert L. Hess

) **[PROPOSED] INTERLOCUTORY  
JUDGMENT**

) Trial Date: October 2, 2007

) Tentative Ruling: April 9, 2008

) Department: 24

) Complaint Filed: October 29, 2004

) FSC Date: September 27, 2007

**"BY FAX"**

ORIGINAL FILED

6-10-08

LOS ANGELES  
SUPERIOR COURT

21 This action was tried before the Honorable Robert L. Hess in October and November,  
22 2007. Following the trial, the Court on April 9, 2008 made the findings of fact and law set forth  
23 in its "Tentative Decision After Bench Trial," as subsequently amended (the "Statement of  
24 Decision").  
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26 In accordance with the Court's Statement of Decision, judgment is hereby entered in  
27 favor of Plaintiff Rikuo Kotsu Co. Ltd. ("RK") against defendants Rikuo Corporation ("RC"),  
28

INTERLOCUTORY JUDGMENT

1 Pacific Kingland Corporation ("PK"), Whoo Joon Han ("Han"), Nung Ja Hwang ("Hwang"), and  
2 Kwan Koo Lee aka Peter Lee ("Lee") as follows:

- 3 (1) RK is the sole (100%) shareholder of RC.  
4 (2) RK is the sole (100%) shareholder of PK. *\$ 110,604,870.59 RK's*  
5 (3) As of April 25, 2008, RC owes RK the sum of ~~\$131,561,527.92~~ in unpaid principal  
6 and interest on the loans (the "Loans") and RK is entitled to judgment in that amount,  
7 including accrued interest.  
8 (4) The proceeds from the sale of real property located at 13999 South Western Avenue,  
9 Gardena, California on deposit in East West Bank joint account 8110389 are the  
10 property of RC, subject to the secured interest of RK for the remaining unpaid  
11 balances of the Loans.  
12 (5) Following the transfer of Han's shares in RK in April 2002, Han, Hwang, and Lee  
13 (collectively, the "Individual Defendants") were never validly elected officers or  
14 directors of either RC or PK, and all actions that they purportedly took on behalf of  
15 those corporations are void and of no legal effect.  
16 (6) Han, Hwang, and Lee have breached their fiduciary duties owed to RK, RC and PK,  
17 for the reasons set forth in the Statement of Decision. An accounting will be  
18 conducted to determine the amounts owed by Defendants to Plaintiff, and by the  
19 individual defendants to RC and PK. The accounting will examine the revenue,  
20 expenses, distributions, dividends, and sales and loan transactions of the Defendants  
21 from October 29, 2000 through the date of the final accounting (the "Accounting").

22 IT IS FURTHER ORDERED THAT, the Accounting shall be prepared as follows:

- 23 (A) Within 30 days from the date of entry of this interlocutory judgment, RK will retain a  
24 forensic accounting firm or accountant (the "Accountant") to prepare the final  
25 accounting of the revenue, expenses, distributions, dividends, and sales and loan  
26 transactions of the Defendants for the period of October 29, 2000 to present. RK  
27 shall file with this Court and serve notice upon the Individual Defendants of the name  
28

1 of the Accountant, a brief description of the Accountant's prior experience, and the  
2 agreement as to payment. RK may advance funds for the preparation of the  
3 accounting, but the final costs of the Accounting shall ultimately be borne by the  
4 Individual Defendants. Any objection to the Accountant selected or the fees provided  
5 for must be filed within 10 days of the date of service of the notice. The Individual  
6 Defendants shall cooperate with the Accountant in providing all information and  
7 documents necessary to complete the Accounting. The Accountant is authorized to  
8 engage private investigators to assist it in preparing the accounting.

9 (B) Every 30 days, the Accountant shall file and serve on all parties a brief status report  
10 directed to the Court regarding the Accountant's progress in preparing the  
11 Accounting and the fees incurred to date. The Accountant shall use best efforts to  
12 complete the Accounting within six months of the date of entry of this Interlocutory  
13 Judgment.

14 (C) If the Accountant determines that its fees to prepare the Accounting will exceed  
15 \$150,000, the Accountant shall apply to the Court for permission to incur fees in  
16 excess of that sum, with a full explanation of the reasons for the extra costs.  
17 Plaintiff's counsel may prepare and file any such application on the Accountant's  
18 behalf.

19 (D) After completion, the Accountant shall file the Accounting with the Court, and  
20 schedule a hearing for final approval of the Accounting. Any opposition to the  
21 Accounting shall be filed and personally served on the Accountant and on Plaintiff's  
22 counsel no later than ten court days prior to the date of the hearing on final approval  
23 of the Accounting. Any reply to the opposition shall be filed and served via mail and  
24 email no later than three court days before the hearing.

25 IT IS FURTHER ORDERED THAT, the defendants WHOE JOON HAN, NUNG JA  
26 HWANG and KWAN KOO LEE, and each of them, and their officers, agents, employees,  
27 representatives, affiliates, and all persons acting in concert or participating with them, are  
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1 ordered to immediately turn over to RK any and all assets taken or removed from RC or PK, or  
2 the rents, issues, profits and proceeds of such assets, and are further restrained and enjoined from  
3 engaging in or performing, directly or indirectly, any and all of the following acts:

4 a. Committing or permitting any waste with regard to any asset properly belonging to  
5 RK, RC, or PK, or removing, encumbering, or otherwise disposing of any of those assets.

6 b. Selling, transferring, disposing, encumbering, or concealing any property received as a  
7 result of Defendants' seizure of control of RC and PK and their assets, without a prior court  
8 order.

9 c. Doing any act that will impair the preservation of the assets, rents, issues and profits of  
10 RC or PK, or of RK's interest in that property.

11 d. Interfering in any manner with RK's attempts to recover the assets, rents, issues,  
12 profits and proceeds of RC and PK, or the books, records, documents, keys and other items  
13 belonging to RC or PK or evidencing acts or transactions that occurred from October 29, 2000 to  
14 date.

15 IT IS FURTHER ORDERED THAT the Individual Defendants Han, Hwang and Lee,  
16 and anyone acting on their behalf, are prohibited from transferring, destroying or hypothecating  
17 any assets of RC or PK, whether real or personal property, and may not take any actions to  
18 terminate, transfer or change the balances in any bank accounts of RC or PK. The "bank  
19 accounts of RC or PK" includes any accounts opened by those entities, or opened by any person  
20 where any portion of the name on the account included RC or PK, or which were opened by any  
21 person purporting to act by authority of or on behalf of RC or PK, or with funds of RC or PK,  
22 regardless of what names appears on the accounts. Those same persons are further ordered to  
23 preserve all books and records of RC and PK, and those books and records, any assets of those  
24 entities and any documents which refer or relate to those assets, which are within their  
25 possession, care, custody or control must be turned over to RK or its attorneys on demand.

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IT IS FURTHER ORDERED THAT, pending the completion of the final accounting and the entry of final judgment thereon, the above-named defendants, and each of them, are required and ordered to:

a. To comply in good faith with all requests for information or documents made by the Accountant, RK, and its attorneys, and to voluntarily turn over possession of such information and documents.

b. To truthfully answer all questions regarding the past operations and transactions of RC and PK, including, without limitation, questions regarding revenue collected, all expenses incurred, loan transactions, sales transactions, the transfer of assets, the transfer of loan and sales proceeds, bank accounts, wire transfers, and cash withdrawals.

DATED: 6-10-08



By ROBERT L. HESS

Hon. Robert L. Hess  
Superior Court Judge

**PROOF OF SERVICE**

*RIKUO KOTSU CO., LTD. v. RIKUO CORPORATION, ET AL.*

LASC Case No. BC 323 747

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF LOS ANGELES )

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Seyfarth Shaw LLP, 2029 Century Park East, Suite 3300, Los Angeles, California 90067-3063. On **April 29, 2008**, I served the within documents:

**[PROPOSED] INTERLOCUTORY JUDGMENT**

I sent such document from facsimile machine (310) 201-5219 on **April 29, 2008**. I certify that said transmission was completed and that all pages were received and that a report was generated by facsimile machine (310) 201-5219 which confirms said transmission and receipt.

by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California addressed as set forth below.

by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.

by transmitting the document(s) listed above, electronically, via the e-mail addresses set forth below.

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I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than on day after the date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on **April 29, 2008**, at Los Angeles, California.

  
\_\_\_\_\_  
Rebecca Weaver