

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

APR 15 2016

ALAN CARLSON, Clerk of the Court

J. Frausto
BY J FRAUSTO

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5

6 Attorneys for Plaintiff FARMERS & MERCHANTS TRUST COMPANY, a California
corporation, as administrator and trustee of the Elliott Broidy SEP IRA
7

8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF ORANGE**
10 **CENTRAL JUSTICE CENTER**

11 FARMERS & MERCHANTS TRUST
COMPANY, a California corporation, as
12 administrator and trustee of the Elliott Broidy
SEP IRA,
13

Plaintiff,

v.

15 TERRA RESOURCES PLC; ENERGY TODAY
16 INC., a Texas corporation; KLEL FUNDS, LLC,
a Nevada limited liability company; WEED &
17 CO. LLP, a California limited liability company;
WEED & CO. L.C.; RICHARD WEED, an
18 individual; APRIL FRISBY, an individual;
YURI VANETIK, an individual; ANATOLY
19 VANETIK

Defendants.

22 And Related Cross-Action

CASE NO.: 30-2013-00688150-CU-BC-CJC
Hon. Ronald Bauer
Dept.: CX103

~~PROPOSED~~ JUDGMENT

Trial Date: October 19, 2015
Time: 8:30 a.m.
Dept: CX103
Complaint: 11/15/2013

24 This action came on regularly for jury trial on or about October 19, 2015, in Department
25 CX-103 of the Superior Court of the State of California, County of Orange, the Honorable
26 Ronald Bauer. Plaintiff FARMERS & MERCHANTS TRUST ("Plaintiff" or "FARMERS")
27 appeared at Trial by its counsel Jeffrey D. Farrow, Esq. and Eric Rans of Michelman &
28 Robinson, LLP. Defendants ANATOLY VANETIK and YURI VANETIK ("VANETIK

1 Defendants”), appeared at Trial by their counsel John M. Hamilton, Esq. of the Hamilton Law
2 Offices, and Defendants WEED & CO. LLP, WEED & CO. L.C. and RICHARD WEED
3 (“WEED Defendants”) appeared at Trial by their counsel Michael R. White, Esq. of White &
4 Reed, LLP.

5 Witnesses were sworn and testified and documents were entered in evidence. After
6 hearing the evidence and arguments of counsel, the case was submitted to the jury on November
7 10, 2015.

8 On November 10, 2015, the jury reached its verdict on the relevant causes of action on
9 Plaintiff’s Complaint, and found as follows.

10 TITLE OF COURT AND CAUSE

11 **WE THE JURY ANSWER THE QUESTIONS SUBMITTED TO US AS**
12 **FOLLOWS:**

13 **Breach of Contract**

14 1. Did Plaintiff and any of the following defendants enter into the written Securities
15 Purchase Agreement?

16 Yuri Vanetik Yes [or] No

17 Anatoly Vanetik Yes [or] No

18 If you answered yes for any defendant in question 1, then answer question 2 for that
19 defendant. If you answered no for any defendant in question 1, make an “x” on the line for “Not
20 Applicable” next to that defendant’s name in question 2. If you answered no for all defendants in
21 question 1, please proceed to Question 5.

22
23
24 2. Did all the conditions that were required for Defendants performance occur?

25 Yuri Vanetik Yes [or] No [or] Not Applicable

26 Anatoly Vanetik Yes [or] No [or] Not Applicable

27 If you answered yes for any defendant in question 2, then answer question 3 for that
28 defendant. If you answered no for any defendant in question 2, make an “x” on the line for “Not

1 Applicable" next to that defendant's name in question 3. If you answered no for all defendants in
2 question 2, please proceed to Question 5.

3 3. Did any of the following Defendants fail to do something that the written Securities
4 Purchase Agreement required him to do and/or do something that the contract prohibited him
5 from doing?

6 Yuri Vanetik Yes [or] No [or] Not Applicable

7 Anatoly Vanetik Yes [or] No [or] Not Applicable

8
9 If you answered yes for any defendant in question 3, then answer question 4 for that
10 defendant. If you answered no for any defendant in question 3, make an "x" on the line for "Not
11 Applicable" next to that defendant's name in question 4. If you answered no for all defendants in
12 question 3, please proceed to Question 5.

13
14 4. Was Plaintiff harmed by any of the Defendants' breach of the written Securities Purchase
15 Agreement?

16 Yuri Vanetik Yes [or] No [or] Not Applicable

17 Anatoly Vanetik Yes [or] No [or] Not Applicable

18
19 Please proceed to Question 5.

20
21 **Breach of Oral Contract**

22 5. Did Plaintiff and any of the following defendants enter into the oral agreement to repay
23 Plaintiff?

24 Yuri Vanetik Yes [or] No

25 Anatoly Vanetik Yes [or] No

26
27 If you answered yes for any defendant in question 5, then answer question 6 for that
28 defendant. If you answered no for any defendant in question 5, make an "x" on the line for "Not

1 Applicable" next to that defendant's name in question 6. If you answered no for all defendants in
2 question 1, please proceed to Question 9.

3 6. Did all the conditions that were required for Defendants performance occur?

4 Yuri Vanetik Yes [or] No [or] Not Applicable

5 Anatoly Vanetik Yes [or] No [or] Not Applicable

6
7 If you answered yes for any defendant in question 6, then answer question 7 for that
8 defendant. If you answered no for any defendant in question 6, make an "x" on the line for "Not
9 Applicable" next to that defendant's name in question 7. If you answered no for all defendants in
10 question 6, please proceed to Question 9.

11
12 7. Did any of the following Defendants fail to do something that the oral agreement for
13 repayment to Plaintiff required him to do and/or do something that the contract prohibited him
14 from doing?

15 Yuri Vanetik Yes [or] No [or] Not Applicable

16 Anatoly Vanetik Yes [or] No [or] Not Applicable

17
18 If you answered yes for any defendant in question 7, then answer question 8 for that
19 defendant. If you answered no for any defendant in question 7, make an "x" on the line for "Not
20 Applicable" next to that defendant's name in question 8. If you answered no for all defendants in
21 question 7, please proceed to Question 9.

22
23 8. Was Plaintiff harmed by any of the Defendants' breach of the oral agreement to repay
24 Plaintiff?

25 Yuri Vanetik Yes [or] No [or] Not Applicable

26 Anatoly Vanetik Yes [or] No [or] Not Applicable

27
28 Please proceed to Question 9.

1 **Negligent Misrepresentation**

2 9. Did Defendants make a false representation to Plaintiff?

3 Yuri Vanetik Yes [or] No

4 Anatoly Vanetik Yes [or] No

5 Richard Weed Yes [or] No

6 Weed & Co., LLP Yes [or] No

7 Weed & Co., L.C. Yes [or] No

8
9 If you answered yes for any defendant in question 9, then answer question 10 for that
10 defendant. If you answered no for any defendant in question 9, make an "x" on the line for "Not
11 Applicable" next to that defendant's name in question 10. If you answered no for all defendants
12 in question 9, please proceed to Question 15.

13
14 10. Did Defendants honestly believe that the representation was true when he/it made it?

15 Yuri Vanetik Yes [or] No [or] Not Applicable

16 Anatoly Vanetik Yes [or] No [or] Not Applicable

17 Richard Weed Yes [or] No [or] Not Applicable

18 Weed & Co., LLP Yes [or] No [or] Not Applicable

19 Weed & Co., L.C. Yes [or] No [or] Not Applicable

20 If you answered yes for any defendant in question 10, then answer question 11 for that
21 defendant. If you answered no for any defendant in question 10, make an "x" on the line for
22 "Not Applicable" next to that defendant's name in question 11. If you answered no for all
23 defendants in question 10, please proceed to Question 15.

24 11. Did Defendants have reasonable grounds for believing the representation was true
25 when he/it made it?

26 Yuri Vanetik Yes [or] No [or] Not Applicable

27 Anatoly Vanetik Yes [or] No [or] Not Applicable

28 Richard Weed Yes [or] No [or] Not Applicable

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Weed & Co., LLP ___ Yes [or] ___ No [or] ___ Not Applicable

Weed & Co., L.C. ___ Yes [or] ___ No [or] ___ Not Applicable

If you answered no for any defendant in question 11, then answer question 12 for that defendant. If you answered yes for any defendant in question 11, make an "x" on the line for "Not Applicable" next to that defendant's name in question 12. If you answered yes for all defendants in question 11, please proceed to Question 15.

12. Did Defendants intend that Plaintiff rely on the representation?

Yuri Vanetik ___ Yes [or] ___ No [or] ___ Not Applicable

Anatoly Vanetik ___ Yes [or] ___ No [or] ___ Not Applicable

Richard Weed ___ Yes [or] ___ No [or] ___ Not Applicable

Weed & Co., LLP ___ Yes [or] ___ No [or] ___ Not Applicable

Weed & Co., L.C. ___ Yes [or] ___ No [or] ___ Not Applicable

If you answered yes for any defendant in question 12, then answer question 13 for that defendant. If you answered no for any defendant in question 12, make an "x" on the line for "Not Applicable" next to that defendant's name in question 13. If you answered no for all defendants in question 12, please proceed to Question 15.

13. Did Plaintiff reasonably rely on the representation?

Yuri Vanetik ___ Yes [or] ___ No [or] ___ Not Applicable

Anatoly Vanetik ___ Yes [or] ___ No [or] ___ Not Applicable

Richard Weed ___ Yes [or] ___ No [or] ___ Not Applicable

Weed & Co., LLP ___ Yes [or] ___ No [or] ___ Not Applicable

Weed & Co., L.C. ___ Yes [or] ___ No [or] ___ Not Applicable

If you answered yes for any defendant in question 13, then answer question 14 for that defendant. If you answered no for any defendant in question 13, make an "x" on the line for

1 "Not Applicable" next to that defendant's name in question 14. If you answered no for all
2 defendants in question 13, please proceed to Question 15.

3
4 14. Was Plaintiff's reliance on the following Defendants representation a substantial factor in
5 causing harm to Plaintiff?

6 Yuri Vanetik ___ Yes [or] ___ No [or] ___ Not Applicable
7 Anatoly Vanetik ___ Yes [or] ___ No [or] ___ Not Applicable
8 Richard Weed ___ Yes [or] ___ No [or] ___ Not Applicable
9 Weed & Co., LLP ___ Yes [or] ___ No [or] ___ Not Applicable
10 Weed & Co., L.C. ___ Yes [or] ___ No [or] ___ Not Applicable
11

12 Please proceed to Question 15.

13
14
15 **Intentional Misrepresentation**

16
17 15. Did Defendants make a false representation to Plaintiff?

18 Yuri Vanetik X Yes [or] ___ No
19 Anatoly Vanetik X Yes [or] ___ No
20 Richard Weed X Yes [or] ___ No
21 Weed & Co., LLP X Yes [or] ___ No
22 Weed & Co., L.C. X Yes [or] ___ No

23 If you answered yes for any defendant in question 15, then answer question 16 for that
24 defendant. If you answered no for any defendant in question 15, make an "x" on the line for
25 "Not Applicable" next to that defendant's name in question 16. If you answered no for all
26 defendants in question 15, please proceed to Question 20
27
28

1 16. Did the following Defendants know that the representation was false, or did he/it make
2 the representation recklessly and without regard for its truth?

- 3 Yuri Vanetik Yes [or] No [or] Not Applicable
- 4 Anatoly Vanetik Yes [or] No [or] Not Applicable
- 5 Richard Weed Yes [or] No [or] Not Applicable
- 6 Weed & Co., LLP Yes [or] No [or] Not Applicable
- 7 Weed & Co., L.C. Yes [or] No [or] Not Applicable

8 If you answered yes for any defendant in question 16, then answer question 17 for that
9 defendant. If you answered no for any defendant in question 16, make an "x" on the line for
10 "Not Applicable" next to that defendant's name in question 17. If you answered no for all
11 defendants in question 16, please proceed to Question 20.

12
13
14 17. Did the following Defendants intend that Plaintiff rely on the representation?

- 15 Yuri Vanetik Yes [or] No [or] Not Applicable e
- 16 Anatoly Vanetik Yes [or] No [or] Not Applicable
- 17 Richard Weed Yes [or] No [or] Not Applicable le
- 18 Weed & Co., LLP Yes [or] No [or] Not Applicable
- 19 Weed & Co., L.C. Yes [or] No [or] Not Applicable

20 If you answered yes for any defendant in question 17, then answer question 18 for that
21 defendant. If you answered no for any defendant in question 17, make an "x" on the line for
22 "Not Applicable" next to that defendant's name in question 18. If you answered no for all
23 defendants in question 17, please proceed to Question 20.

24
25 18. Did Plaintiff reasonably rely on the representation?

- 26 Yuri Vanetik Yes [or] No [or] Not Applicable
- 27 Anatoly Vanetik Yes [or] No [or] Not Applicable
- 28 Richard Weed Yes [or] No [or] Not Applicable

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Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable
Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

If you answered yes for any defendant in question 18, then answer question 19 for that defendant. If you answered no for any defendant in question 18, make an "x" on the line for "Not Applicable" next to that defendant's name in question 19. If you answered no for all defendants in question 18, please proceed to Question 20

19. Was Plaintiff's reliance on the following Defendants representation a substantial factor in causing harm to Plaintiff?

Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable
Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable
Richard Weed Yes [or] ___ No [or] ___ Not Applicable
Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable
Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

Please proceed to Question 20.

Concealment

20. Did any of the following Defendants intentionally fail to disclose a fact that Plaintiff did not know and could not reasonably have discovered?

Yuri Vanetik Yes [or] ___ No
Anatoly Vanetik Yes [or] ___ No
Richard Weed Yes [or] ___ No
Weed & Co., LLP Yes [or] ___ No
Weed & Co., L.C. Yes [or] ___ No

If you answered yes for any defendant in question 20, then answer question 21 for that defendant. If you answered no for any defendant in question 20, make an "x" on the line for

1 "Not Applicable" next to that defendant's name in question 21. If you answered no for all
2 defendants in question 20, please proceed to Question 24.

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4
5 21. Did any of the following Defendants intend to deceive Plaintiff by concealing the fact?

6 Yuri Vanetik Yes [or] No [or] Not Applicable

7 Anatoly Vanetik Yes [or] No [or] Not Applicable

8 Richard Weed Yes [or] No [or] Not Applicable

9 Weed & Co., LLP Yes [or] No [or] Not Applicable

10 Weed & Co., L.C. Yes [or] No [or] Not Applicable

11
12 If you answered yes for any defendant in question 21, then answer question 22 for that
13 defendant. If you answered no for any defendant in question 21, make an "x" on the line for
14 "Not Applicable" next to that defendant's name in question 22. If you answered no for all
15 defendants in question 21, please proceed to Question 24.

16
17 22. Had the omitted information been disclosed, would Plaintiff reasonably have behaved
18 differently?

19 Yuri Vanetik Yes [or] No [or] Not Applicable

20 Anatoly Vanetik Yes [or] No [or] Not Applicable

21 Richard Weed Yes [or] No [or] Not Applicable

22 Weed & Co., LLP Yes [or] No [or] Not Applicable

23 Weed & Co., L.C. Yes [or] No [or] Not Applicable

24
25 If you answered yes for any defendant in question 22, then answer question 23 for that
26 defendant. If you answered no for any defendant in question 22, make an "x" on the line for
27 "Not Applicable" next to that defendant's name in question 23. If you answered no for all
28 defendants in question 22, please proceed to Question 24.

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23. Was Defendants' concealment a substantial factor in causing harm to Plaintiff?

- Yuri Vanetik Yes [or] No [or] Not Applicable
- Anatoly Vanetik Yes [or] No [or] Not Applicable
- Richard Weed Yes [or] No [or] Not Applicable
- Weed & Co., LLP Yes [or] No [or] Not Applicable
- Weed & Co., L.C. Yes [or] No [or] Not Applicable

Please proceed to Question 24.

False Promise

24. Did Defendants make a promise to Plaintiff?

- Yuri Vanetik Yes [or] No
- Anatoly Vanetik Yes [or] No
- Richard Weed Yes [or] No
- Weed & Co., LLP Yes [or] No
- Weed & Co., L.C. Yes [or] No

If you answered yes for any defendant in question 24, then answer question 25 for that defendant. If you answered no for any defendant in question 24, make an "x" on the line for "Not Applicable" next to that defendant's name in question 25. If you answered no for all defendants in question 24, please proceed to Question 30.

25. Did Defendants intend to perform this promise when he/it made it?

- Yuri Vanetik Yes [or] No [or] Not Applicable
- Anatoly Vanetik Yes [or] No [or] Not Applicable
- Richard Weed Yes [or] No [or] Not Applicable

1 Weed & Co., LLP Yes [or] No [or] Not Applicable

2 Weed & Co., L.C. Yes [or] No [or] Not Applicable

3

4 If you answered no for any defendant in question 25, then answer question 26 for that
5 defendant. If you answered yes for any defendant in question 25, make an "x" on the line for
6 "Not Applicable" next to that defendant's name in question 26. If you answered yes for all
7 defendants in question 25, please proceed to Question 30.

8

9

10 26. Did Defendants intend that Plaintiff rely on this promise?

11 Yuri Vanetik Yes [or] No [or] Not Applicable

12 Anatoly Vanetik Yes [or] No [or] Not Applicable

13 Richard Weed Yes [or] No [or] Not Applicable

14 Weed & Co., LLP Yes [or] No [or] Not Applicable

15 Weed & Co., L.C. Yes [or] No [or] Not Applicable

16

17 If you answered yes for any defendant in question 26, then answer question 27 for that
18 defendant. If you answered no for any defendant in question 26, make an "x" on the line for
19 "Not Applicable" next to that defendant's name in question 27. If you answered no for all
20 defendants in question 26, please proceed to Question 30.

21

22

23 27. Did Plaintiff reasonably rely on this promise?

24 Yuri Vanetik Yes [or] No [or] Not Applicable

25 Anatoly Vanetik Yes [or] No [or] Not Applicable

26 Richard Weed Yes [or] No [or] Not Applicable

27 Weed & Co., LLP Yes [or] No [or] Not Applicable

28 Weed & Co., L.C. Yes [or] No [or] Not Applicable

1 If you answered yes for any defendant in question 27, then answer question 28 for that
2 defendant. If you answered no for any defendant in question 27, make an "x" on the line for
3 "Not Applicable" next to that defendant's name in question 28. If you answered no for all
4 defendants in question 27, please proceed to Question 30.

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6
7 28. Did Defendants perform the promised act?

8 Yuri Vanetik ___ Yes [or] X No [or] ___ Not Applicable
9 Anatoly Vanetik ___ Yes [or] X No [or] ___ Not Applicable
10 Richard Weed ___ Yes [or] X No [or] ___ Not Applicable
11 Weed & Co., LLP ___ Yes [or] X No [or] ___ Not Applicable
12 Weed & Co., L.C. ___ Yes [or] X No [or] ___ Not Applicable

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14 If you answered no for any defendant in question 28, then answer question 29 for that
15 defendant. If you answered yes for any defendant in question 28, make an "x" on the line for
16 "Not Applicable" next to that defendant's name in question 29. If you answered yes for all
17 defendants in question 28, please proceed to Question 30.

18
19 29. Was Plaintiff's reliance on Defendants promise a substantial factor in causing harm to
20 Plaintiff?

21 Yuri Vanetik X Yes [or] ___ No [or] ___ Not Applicable
22 Anatoly Vanetik X Yes [or] ___ No [or] ___ Not Applicable
23 Richard Weed X Yes [or] ___ No [or] ___ Not Applicable
24 Weed & Co., LLP X Yes [or] ___ No [or] ___ Not Applicable
25 Weed & Co., L.C. X Yes [or] ___ No [or] ___ Not Applicable

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27 Please proceed to Question 30.
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Violation of Business and Professions Code § 17200

30. Did any of the following Defendants:
- a. Commit an unlawful business activity?
 - b. Commit an Unfair practice?
 - c. Act fraudulently when conducting their business?

Yuri Vanetik X Yes [or] ___ No
 Anatoly Vanetik X Yes [or] ___ No
 Richard Weed X Yes [or] ___ No
 Weed & Co., LLP X Yes [or] ___ No
 Weed & Co., L.C. X Yes [or] ___ No

Please proceed to Question 31.

Damages on Multiple Legal Theories

31. What are Plaintiffs damages? Enter the amount below if you find that the Defendants are liable to Plaintiff under any or all of the causes of action.

TOTAL \$ _____

Please proceed to question 32.

Intentional and Willful Misconduct

32. Did any of the following Defendants engage in the conduct with malice, oppression, or fraud?

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Yuri Vanetik X Yes [or] ___ No
Anatoly Vanetik X Yes [or] ___ No
Richard Weed X Yes [or] ___ No
Weed & Co., LLP X Yes [or] ___ No
Weed & Co., L.C. X Yes [or] ___ No

Stop here, answer no further questions, and have the presiding juror sign and date this form.

Dated: _____

Signed by: _____

Presiding Juror

After this verdict form has been signed, notify the bailiff that you are ready to present your verdict in the courtroom.

Attached as Exhibit A is a true and correct copy of the Verdict Form.

A summary of the Jury Verdict is as follows:

1. Against Defendants ANATOLY VANETIK and YURI VANETIK and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Breach of Contract;
2. Against Defendants ANATOLY VANETIK and YURI VANETIK and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Breach of Oral Contract;
3. Against Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Intentional Misrepresentation;

- 1 4. Against Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP,
2 WEED & CO. L.C., and RICHARD WEED and in favor of Plaintiff FARMERS &
3 MERCHANTS TRUST on the cause of action for Concealment;
- 4 5. Against Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP,
5 WEED & CO. L.C., and RICHARD WEED and in favor of Plaintiff FARMERS &
6 MERCHANTS TRUST on the cause of action for False Promise; and
- 7 6. In favor of Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO.
8 LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for
9 Negligent Misrepresentation.
- 10 7. On the causes of action on which the jury found in favor of Plaintiff FARMERS &
11 MERCHANTS TRUST, the jury awarded damages, joint and severally, against each
12 of the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP,
13 WEED & CO. L.C., and RICHARD WEED in the amount of \$750,000.00.
- 14 8. The jury also found that each of the Defendants ANATOLY VANETIK, YURI
15 VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED had
16 acted with malice, oppression or fraud and on November 13, 2015 ordered punitive
17 damages in favor of Plaintiff FARMERS & MERCHANTS TRUST, in the following
18 amounts:
- 19 a. ANATOLY VANETIK - \$1,250,000.00;
 - 20 b. YURI VANETIK - \$2,000,000.00;
 - 21 c. WEED & CO. LLP - \$1.00;
 - 22 d. WEED & CO. L.C. - \$1.00; and
 - 23 e. RICHARD WEED - \$110,000.00.

24 On December 7, 2015, this action came on regularly for closing arguments in Department
25 CX-103 of the Superior Court of the State of California, County of Orange, the Honorable
26 Ronald Bauer, on the remaining issues to be decided by Court trial. The matter was taken under
27 submission by the Court on December 7, 2015.

28 On March 4, 2016, the Court came back with its verdict on the causes of action that were
relevant to a bench trial and found as follows:

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- 9. In favor of Defendants WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Breach of Contract;
- 10. In favor of Defendants WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Breach of Fiduciary Duty;
- 11. In favor of Defendants WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Constructive Fraud; and
- 12. The Court dismissed the cause of action for breach of Business and Professions Code §17200.

Attached hereto as Exhibit B is a true and correct copy of the Court's Minute Order.

Based on the foregoing jury verdict and Court Minute Order, the Court now orders, adjudges, decrees, and enters judgment as follows:

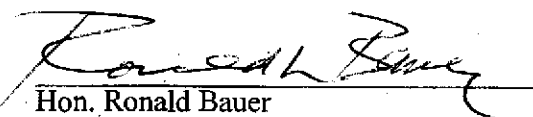
- 1. Judgment against each of the Defendants ANATOLY VANETIK and YURI VANETIK and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Breach of Contract;
- 2. Judgment against each of the Defendants ANATOLY VANETIK and YURI VANETIK and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Breach of Oral Contract;
- 3. Judgment against each of the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Intentional Misrepresentation;
- 4. Judgment in favor of the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Negligent Misrepresentation;
- 5. Judgment against each of the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for Concealment;

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6. Judgment against each of the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED and in favor of Plaintiff FARMERS & MERCHANTS TRUST on the cause of action for False Promise;
7. Judgment in favor of Defendants WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Breach of Contract;
8. Judgment in favor of Defendants WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Breach of Fiduciary Duty;
9. Judgment in favor of Defendants WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED on the cause of action for Constructive Fraud;
10. Judgment and damages in favor of Plaintiff FARMERS & MERCHANTS TRUST, joint and severally, against each of the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED in the amount of \$750,000.00; and
11. Judgment ordering punitive damages against the Defendants ANATOLY VANETIK, YURI VANETIK, WEED & CO. LLP, WEED & CO. L.C., and RICHARD WEED in favor of Plaintiff FARMERS & MERCHANTS TRUST, in the following amounts:
 - a. ANATOLY VANETIK - \$1,250,000.00;
 - b. YURI VANETIK - \$2,000,000.00;
 - c. WEED & CO. LLP - \$1.00;
 - d. WEED & CO. L.C. - \$1.00; and
 - e. RICHARD WEED - \$110,000.00.

IT IS SO ORDERED.

Dated: April 15, 2016


Hon. Ronald Bauer
Judge of the Superior Court of California, County
of Orange

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APPROVED AS TO FORM.

MICHELMAN & ROBINSON, LLP

Dated: March __, 2016

By:

Jeffrey D. Farrow, Esq.
Eric J. Rans, Esq.
Attorneys for Plaintiff FARMERS &
MERCHANTS TRUST COMPANY

WHITE & REED LLP

Dated: March __, 2016

By:

Michael R. White, Esq.
Attorneys for Defendants WEED & CO. LLP,
WEED & CO. L.C., and RICHARD WEED

HAMILTON LAW OFFICES

Dated: March __, 2016

By:

John M. Hamilton, Esq.
Attorneys for Defendants YURI VANETIK and
ANATOLY VANETIK

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EXHIBIT A

ORIGINAL

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

NOV 10 2015

ALAN CARLSON, Clerk of the Court

J. Frausto
BY J. FRAUSTO

SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

FARMERS & MERCHANTS TRUST
COMPANY, a California corporation, as
administrator and trustee of the Elliott Broidy
SEP IRA,

Plaintiff,

v.

WEED & CO. LLP; WEED & CO. L.C.;
RICHARD WEED; YURI VANETIK;
ANATOLY VANETIK.

Defendants.

CASE NO.: 30-2013-00688150-CU-BC-CJC

VERDICT FORM

WE THE JURY ANSWER THE QUESTIONS SUBMITTED TO US AS

FOLLOWS:

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Breach of Contract

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1. Did Plaintiff and any of the following defendants enter into the written Securities Purchase Agreement?

Yuri Vanetik Yes [or] No

Anatoly Vanetik Yes [or] No

If you answered yes for any defendant in question 1, then answer question 2 for that defendant. If you answered no for any defendant in question 1, make an "x" on the line for "Not Applicable" next to that defendant's name in question 2. If you answered no for all defendants in question 1, please proceed to Question 5.

2. Did all the conditions that were required for Defendants performance occur?

Yuri Vanetik Yes [or] No [or] Not Applicable

Anatoly Vanetik Yes [or] No [or] Not Applicable

If you answered yes for any defendant in question 2, then answer question 3 for that defendant. If you answered no for any defendant in question 2, make an "x" on the line for "Not Applicable" next to that defendant's name in question 3. If you answered no for all defendants in question 2, please proceed to Question 5.

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1 3. Did any of the following Defendants fail to do something that the written Securities
2 Purchase Agreement required him to do and/or do something that the contract prohibited him
3 from doing?

4 Yuri Vanetik Yes [or] ___ No [or] ___ Not-Applicable
5 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

6 If you answered yes for any defendant in question 3, then answer question 4 for that
7 defendant. If you answered no for any defendant in question 3, make an "x" on the line for "Not
8 Applicable" next to that defendant's name in question 4. If you answered no for all defendants in
9 question 3, please proceed to Question 5.

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11
12 4. Was Plaintiff harmed by any of the Defendants' breach of the written Securities Purchase
13 Agreement?

14 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable
15 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

16
17 Please proceed to Question 5.

18
19
20 **Breach of Oral Contract**

21 5. Did Plaintiff and any of the following defendants enter into the oral agreement to repay
22 Plaintiff?

23 Yuri Vanetik Yes [or] ___ No
24 Anatoly Vanetik Yes [or] ___ No

25 If you answered yes for any defendant in question 5, then answer question 6 for that
26 defendant. If you answered no for any defendant in question 5, make an "x" on the line for "Not
27 Applicable" next to that defendant's name in question 6. If you answered no for all defendants in
28 question 1, please proceed to Question 9.

1 6. Did all the conditions that were required for Defendants performance occur?

2 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

3 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

4 If you answered yes for any defendant in question 6, then answer question 7 for that
5 defendant. If you answered no for any defendant in question 6, make an "x" on the line for "Not
6 Applicable" next to that defendant's name in question 7. If you answered no for all defendants in
7 question 6, please proceed to Question 9.

10 7. Did any of the following Defendants fail to do something that the oral agreement for
11 repayment to Plaintiff required him to do and/or do something that the contract prohibited him
12 from doing?

13 Yuri Vanetik Yes [or] No [or] ___ Not Applicable

14 Anatoly Vanetik Yes [or] No [or] ___ Not Applicable

15 If you answered yes for any defendant in question 7, then answer question 8 for that
16 defendant. If you answered no for any defendant in question 7, make an "x" on the line for "Not
17 Applicable" next to that defendant's name in question 8. If you answered no for all defendants in
18 question 7, please proceed to Question 9.

20 8. Was Plaintiff harmed by any of the Defendants' breach of the oral agreement to repay
21 Plaintiff?

22 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

23 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

25 Please proceed to Question 9.

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Negligent Misrepresentation

9. Did Defendants make a false representation to Plaintiff?

Yuri Vanetik Yes [or] No

Anatoly Vanetik Yes [or] No

Richard Weed Yes [or] No

Weed & Co., LLP Yes [or] No

Weed & Co., L.C. Yes [or] No

If you answered yes for any defendant in question 9, then answer question 10 for that defendant. If you answered no for any defendant in question 9, make an "x" on the line for "Not Applicable" next to that defendant's name in question 10. If you answered no for all defendants in question 9, please proceed to Question 15.

10. Did Defendants honestly believe that the representation was true when he/it made it?

Yuri Vanetik Yes [or] No [or] Not Applicable

Anatoly Vanetik Yes [or] No [or] Not Applicable

Richard Weed Yes [or] No [or] Not Applicable

Weed & Co., LLP Yes [or] No [or] Not Applicable

Weed & Co., L.C. Yes [or] No [or] Not Applicable

If you answered yes for any defendant in question 10, then answer question 11 for that defendant. If you answered no for any defendant in question 10, make an "x" on the line for "Not Applicable" next to that defendant's name in question 11. If you answered no for all defendants in question 10, please proceed to Question 15.

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1 11. Did Defendants have reasonable grounds for believing the representation was true when
2 he/it made it?

3 Yuri Vanetik Yes [or] No [or] Not Applicable

4 Anatoly Vanetik Yes [or] No [or] Not Applicable

5 Richard Weed Yes [or] No [or] Not Applicable

6 Weed & Co., LLP Yes [or] No [or] Not Applicable

7 Weed & Co., L.C. Yes [or] No [or] Not Applicable

8 If you answered no for any defendant in question 11, then answer question 12 for that
9 defendant. If you answered yes for any defendant in question 11, make an "x" on the line for
10 "Not Applicable" next to that defendant's name in question 12. If you answered yes for all
11 defendants in question 11, please proceed to Question 15.

12
13 12. Did Defendants intend that Plaintiff rely on the representation?

14 Yuri Vanetik Yes [or] No [or] Not Applicable

15 Anatoly Vanetik Yes [or] No [or] Not Applicable

16 Richard Weed Yes [or] No [or] Not Applicable

17 Weed & Co., LLP Yes [or] No [or] Not Applicable

18 Weed & Co., L.C. Yes [or] No [or] Not Applicable

19 If you answered yes for any defendant in question 12, then answer question 13 for that
20 defendant. If you answered no for any defendant in question 12, make an "x" on the line for
21 "Not Applicable" next to that defendant's name in question 13. If you answered no for all
22 defendants in question 12, please proceed to Question 15.

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1 13. Did Plaintiff reasonably rely on the representation?

2 Yuri Vanetik Yes [or] No [or] Not Applicable

3 Anatoly Vanetik Yes [or] No [or] Not Applicable

4 Richard Weed Yes [or] No [or] Not Applicable

5 Weed & Co., LLP Yes [or] No [or] Not Applicable

6 Weed & Co., L.C. Yes [or] No [or] Not Applicable

7 If you answered yes for any defendant in question 13, then answer question 14 for that
8 defendant. If you answered no for any defendant in question 13, make an "x" on the line for
9 "Not Applicable" next to that defendant's name in question 14. If you answered no for all
10 defendants in question 13, please proceed to Question 15.

11
12 14. Was Plaintiff's reliance on the following Defendants representation a substantial factor in
13 causing harm to Plaintiff?

14 Yuri Vanetik Yes [or] No [or] Not Applicable

15 Anatoly Vanetik Yes [or] No [or] Not Applicable

16 Richard Weed Yes [or] No [or] Not Applicable

17 Weed & Co., LLP Yes [or] No [or] Not Applicable

18 Weed & Co., L.C. Yes [or] No [or] Not Applicable

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21 Please proceed to Question 15.

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1 Intentional Misrepresentation

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3 15. Did Defendants make a false representation to Plaintiff?

4 Yuri Vanetik Yes [or] ___ No

5 Anatoly Vanetik Yes [or] ___ No

6 Richard Weed Yes [or] ___ No

7 Weed & Co., LLP Yes [or] ___ No

8 Weed & Co., L.C. Yes [or] ___ No

9 If you answered yes for any defendant in question 15, then answer question 16 for that
10 defendant. If you answered no for any defendant in question 15, make an "x" on the line for
11 "Not Applicable" next to that defendant's name in question 16. If you answered no for all
12 defendants in question 15, please proceed to Question 20

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15 16. Did the following Defendants know that the representation was false, or did he/it make
16 the representation recklessly and without regard for its truth?

17 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

18 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

19 Richard Weed Yes [or] ___ No [or] ___ Not Applicable

20 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable

21 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

22 If you answered yes for any defendant in question 16, then answer question 17 for that
23 defendant. If you answered no for any defendant in question 16, make an "x" on the line for
24 "Not Applicable" next to that defendant's name in question 17. If you answered no for all
25 defendants in question 16, please proceed to Question 20.

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1 17. Did the following Defendants intend that Plaintiff rely on the representation?

2 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

3 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

4 Richard Weed Yes [or] ___ No [or] ___ Not Applicable

5 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable

6 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

7 If you answered yes for any defendant in question 17, then answer question 18 for that
8 defendant. If you answered no for any defendant in question 17, make an "x" on the line for
9 "Not Applicable" next to that defendant's name in question 18. If you answered no for all
10 defendants in question 17, please proceed to Question 20.

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12 18. Did Plaintiff reasonably rely on the representation?

13 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

14 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

15 Richard Weed Yes [or] ___ No [or] ___ Not Applicable

16 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable

17 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

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19 If you answered yes for any defendant in question 18, then answer question 19 for that
20 defendant. If you answered no for any defendant in question 18, make an "x" on the line for "Not
21 Applicable" next to that defendant's name in question 19. If you answered no for all defendants
22 in question 18, please proceed to Question 20

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1 19. Was Plaintiff's reliance on the following Defendants representation a substantial factor in
2 causing harm to Plaintiff?

3 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

4 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

5 Richard Weed Yes [or] ___ No [or] ___ Not Applicable

6 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable

7 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

8
9 Please proceed to Question 20.

10 **Concealment**

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13 20. Did any of the following Defendants intentionally fail to disclose a fact that Plaintiff did
14 not know and could not reasonably have discovered?

15 Yuri Vanetik Yes [or] ___ No

16 Anatoly Vanetik Yes [or] ___ No

17 Richard Weed Yes [or] ___ No

18 Weed & Co., LLP Yes [or] ___ No

19 Weed & Co., L.C. Yes [or] ___ No

20 If you answered yes for any defendant in question 20, then answer question 21 for that
21 defendant. If you answered no for any defendant in question 20, make an "x" on the line for
22 "Not Applicable" next to that defendant's name in question 21. If you answered no for all
23 defendants in question 20, please proceed to Question 24.

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1 21. Did any of the following Defendants intend to deceive Plaintiff by concealing the fact?

2 Yuri Vanetik Yes [or] No [or] Not Applicable

3 Anatoly Vanetik Yes [or] No [or] Not Applicable

4 Richard Weed Yes [or] No [or] Not Applicable

5 Weed & Co., LLP Yes [or] No [or] Not Applicable

6 Weed & Co., L.C. Yes [or] No [or] Not Applicable

7 If you answered yes for any defendant in question 21, then answer question 22 for that
8 defendant. If you answered no for any defendant in question 21, make an "x" on the line for
9 "Not Applicable" next to that defendant's name in question 22. If you answered no for all
10 defendants in question 21, please proceed to Question 24.

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13 22. Had the omitted information been disclosed, would Plaintiff reasonably have behaved
14 differently?

15 Yuri Vanetik Yes [or] No [or] Not Applicable

16 Anatoly Vanetik Yes [or] No [or] Not Applicable

17 Richard Weed Yes [or] No [or] Not Applicable

18 Weed & Co., LLP Yes [or] No [or] Not Applicable

19 Weed & Co., L.C. Yes [or] No [or] Not Applicable

20 If you answered yes for any defendant in question 22, then answer question 23 for that
21 defendant. If you answered no for any defendant in question 22, make an "x" on the line for
22 "Not Applicable" next to that defendant's name in question 23. If you answered no for all
23 defendants in question 22, please proceed to Question 24.

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1 23. Was Defendants' concealment a substantial factor in causing harm to Plaintiff?

2 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable

3 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable

4 Richard Weed Yes [or] ___ No [or] ___ Not Applicable

5 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable

6 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

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8 Please proceed to Question 24.

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11 False Promise

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13 24. Did Defendants make a promise to Plaintiff?

14 Yuri Vanetik Yes [or] ___ No

15 Anatoly Vanetik Yes [or] ___ No

16 Richard Weed Yes [or] ___ No

17 Weed & Co., LLP Yes [or] ___ No

18 Weed & Co., L.C. Yes [or] ___ No

19

20 If you answered yes for any defendant in question 24, then answer question 25 for that
21 defendant. If you answered no for any defendant in question 24, make an "x" on the line for
22 "Not Applicable" next to that defendant's name in question 25. If you answered no for all
23 defendants in question 24, please proceed to Question 30.

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1 25. Did Defendants intend to perform this promise when he/it made it?

- 2 Yuri Vanetik ___ Yes [or] No [or] ___ Not Applicable
- 3 Anatoly Vanetik ___ Yes [or] No [or] ___ Not Applicable
- 4 Richard Weed ___ Yes [or] No [or] ___ Not Applicable
- 5 Weed & Co., LLP ___ Yes [or] No [or] ___ Not Applicable
- 6 Weed & Co., L.C. ___ Yes [or] No [or] ___ Not Applicable

7 If you answered no for any defendant in question 25, then answer question 26 for that
8 defendant. If you answered yes for any defendant in question 25, make an "x" on the line for
9 "Not Applicable" next to that defendant's name in question 26. If you answered yes for all
10 defendants in question 25, please proceed to Question 30.

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13 26. Did Defendants intend that Plaintiff rely on this promise?

- 14 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable
- 15 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable
- 16 Richard Weed Yes [or] ___ No [or] ___ Not Applicable
- 17 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable
- 18 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

19 If you answered yes for any defendant in question 26, then answer question 27 for that
20 defendant. If you answered no for any defendant in question 26, make an "x" on the line for
21 "Not Applicable" next to that defendant's name in question 27. If you answered no for all
22 defendants in question 26, please proceed to Question 30.

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1 27. Did Plaintiff reasonably rely on this promise?

- 2 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable
3 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable
4 Richard Weed Yes [or] ___ No [or] ___ Not Applicable
5 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable
6 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable

7 If you answered yes for any defendant in question 27, then answer question 28 for that
8 defendant. If you answered no for any defendant in question 27, make an "x" on the line for
9 "Not Applicable" next to that defendant's name in question 28. If you answered no for all
10 defendants in question 27, please proceed to Question 30.

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13 28. Did Defendants perform the promised act?

- 14 Yuri Vanetik ___ Yes [or] No [or] ___ Not Applicable
15 Anatoly Vanetik ___ Yes [or] No [or] ___ Not Applicable
16 Richard Weed ___ Yes [or] No [or] ___ Not Applicable
17 Weed & Co., LLP ___ Yes [or] No [or] ___ Not Applicable
18 Weed & Co., L.C. ___ Yes [or] No [or] ___ Not Applicable

19 If you answered no for any defendant in question 28, then answer question 29 for that
20 defendant. If you answered yes for any defendant in question 28, make an "x" on the line for
21 "Not Applicable" next to that defendant's name in question 29. If you answered yes for all
22 defendants in question 28, please proceed to Question 30.

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1 29. Was Plaintiff's reliance on Defendants promise a substantial factor in causing harm to
2 Plaintiff?

3 Yuri Vanetik Yes [or] ___ No [or] ___ Not Applicable
4 Anatoly Vanetik Yes [or] ___ No [or] ___ Not Applicable
5 Richard Weed Yes [or] ___ No [or] ___ Not Applicable
6 Weed & Co., LLP Yes [or] ___ No [or] ___ Not Applicable
7 Weed & Co., L.C. Yes [or] ___ No [or] ___ Not Applicable
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9 Please proceed to Question 30.
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12 **Violation of Business and Professions Code § 17200**

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14 30. Did any of the following Defendants:

- 15 a. Commit an unlawful business activity?
16 b. Commit an Unfair practice?
17 c. Act fraudulently when conducting their business?
18

19 Yuri Vanetik Yes [or] ___ No
20 Anatoly Vanetik Yes [or] ___ No
21 Richard Weed Yes [or] ___ No
22 Weed & Co., LLP Yes [or] ___ No
23 Weed & Co., L.C. Yes [or] ___ No
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25 Please proceed to Question 31.
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Damages on Multiple Legal Theories

31. What are Plaintiffs damages? Enter the amount below if you find that the Defendants are liable to Plaintiff under any or all of the causes of action.

TOTAL \$ 750,000

Please proceed to question 32.

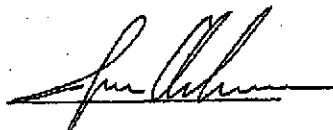
Intentional and Willful Misconduct

32. If Plaintiff has proven any of its claims for Intentional Misrepresentation, Concealment or False Promise, do you find by clear and convincing evidence that any of the following Defendants engaged in such conduct with malice, oppression, or fraud?

- Yuri Vanetik Yes [or] No
- Anatoly Vanetik Yes [or] No
- Richard Weed Yes [or] No
- Weed & Co., LLP Yes [or] No
- Weed & Co., L.C. Yes [or] No

Stop here, answer no further questions, and have the presiding juror sign and date this form.

Dated: 11/10/15

Signed by: 
Presiding Juror

After this verdict form has been signed, notify the bailiff that you are ready to present your verdict in the courtroom.

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EXHIBIT B

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF ORANGE
CIVIL COMPLEX CENTER**

MINUTE ORDER

DATE: 03/04/2016

TIME: 01:43:00 PM

DEPT: CX103

JUDICIAL OFFICER PRESIDING: Ronald L. Bauer

CLERK: Janet E Frausto

REPORTER/ERM: None

BAILIFF/COURT ATTENDANT: Cecilia Pedraza

CASE NO: 30-2013-00688150-CU-BC-CJC CASE INIT.DATE: 11/15/2013

CASE TITLE: **Farmers & Merchants Trust Company, a California corporation, as administrator and trustee of the Elliott Broidy SEP IRA vs. Terra Resources PLC**

CASE CATEGORY: Civil - Unlimited CASE TYPE: Breach of Contract/Warranty

EVENT ID/DOCUMENT ID: 72332806

EVENT TYPE: Chambers Work

APPEARANCES

30 2013 00688150 FARMERS & MERCHANTS VS TERRA RESOURCES

No appearances.

The court having taken this matter under submission on 12-7-2015 now rules as follows:

Issues not resolved at an earlier jury trial in this case are now presented for decision by the court. Plaintiff Farmers & Merchants Trust Company ("plaintiff") presents claims against defendants Weed & Co. LLP, Weed & Co L.C., and Richard Weed (collectively "the Weed defendants") for breach of contract, breach of fiduciary duty, constructive fraud, and violation of Business & Professions Code section 17200.

The heart of these claims is an Escrow Agreement established for the handling and transfer of \$750,000 which plaintiff invested in a plan for the re-drilling of dormant oil wells in Russia. The escrow agent named in that Agreement (Exhibit 401) is Weed & Co. LLP. The money was lost, with no return on the plaintiff's investment. In fact, there was no evidence at this trial of any drilling or other active work on these oil wells. The recipients of this money testified about spending it in world-wide travels that were apparently designed to hook other investors or perhaps just to entertain the other defendants in this case who were promoting the drilling scheme (as well as to buy, in St. Petersburg, a very expensive and never-seen set of maps for the drilling site thousands of miles away).

Exhibit 401 is not a particularly unusual Escrow Agreement. As escrowee, Weed had the task of holding money and following instructions. Plaintiff has cited no provision of that contract that was breached by

DATE: 03/04/2016

MINUTE ORDER

Page 1

DEPT: CX103

Calendar No.

CASE TITLE: Farmers & Merchants Trust Company, a
California corporation, as administrator and trustee of

CASE NO: 30-2013-00688150-CU-BC-CJC

Weed. To argue that Weed was "intimately involved" in the scam of the Vanetik defendants is not the equivalent of showing a breach of the Escrow Agreement. Nor can the court take the leap suggested by the plaintiff in order to find that Weed violated the Securities Purchase Agreement (Exhibit 400), to which it was not a party. At page 2, lines 8-11 of the plaintiff's Brief, it is written that Weed was required to "release Funds and securities in accordance with the terms and conditions of [the Securities Purchase Agreement]." The court can find no such obligation in either of these documents. The closest might be the requirement on page 1 of the Escrow Agreement that the escrowee "release funds and securities in accordance with the terms and conditions of **this Agreement.**" (Emphasis added.) Slipping a reference to the Securities Purchase Agreement into that sentence is not a fair reading of these contracts. This sleight of hand is repeated when plaintiff writes that Weed must act "subject to the terms and conditions of [the Securities Purchase Agreement]. Once again the Escrow Agreement requires that Weed perform "subject to the terms and conditions of **this Agreement.**" (Emphasis added.) The argument in the Weed Brief - based upon the actual terms of the Escrow Agreement - is more compelling than the plaintiff construct.

Other claims arising from the Escrow Agreement also fail. Within the terms of that contact are explicit limitations on the duties of the escrow agent. The claims now being presented for decision by the court are here because Exhibit 401 states in Article I: "Each of the parties executing this Agreement agree to submit to the jurisdiction of such courts and waive trial by jury." Other causes of action have been tried to a jury, which has rendered its verdict. To be sure, the evidence received in that trial could be pertinent to the claims under the Escrow Agreement, but no evidence can erase the terms of this contract. Rather than needlessly repeating it, the court now adopts and incorporates the analysis set forth from page 5, line 1 through page 6, line 10 of Weed's Brief for this hearing.

The Weed defendant and the Vanetik defendants all urge that the court reject the plaintiff's claim under Business & Professions Code section 17200. They argue that that statute "does not apply to securities transactions," citing *Bowen v. Ziasun Technologies, inc.* (2004) 116 Cal. App. 4th 777, 786-90. A review of the plaintiff's Twelfth Cause of Action, which is based upon section 17200, leads to the conclusion that it alleges misdeeds in a "securities transaction." That pleading references the parties' Securities Purchase Agreement and alleges a series of fraudulent acts in the sale of the stock that was exchanged for the plaintiff's \$750,000 purchase price. The court must therefore dismiss that claim. This makes no difference in the jury's award of \$750,000 damages, since that sum was universally understood to be the damages incurred by the plaintiff in each of several other causes of action.

Counsel for the plaintiff is directed to prepare and submit a judgment reflecting the jury's verdict and the court's rulings set forth above.

Clerk to give notice.

CLERK'S CERTIFICATE OF MAILING: I certify I am not a party to this cause, over age 18, and a copy of this document was mailed first class postage, prepaid in a sealed envelope addressed as shown, on , at Santa Ana, California.

ALAN CARLSON/Executive Officer & Clerk Of The Superior Court, by: Janet Frausto deputy.

MICHELMAN ROBINSON LLP
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CASE TITLE: Farmers & Merchants Trust Company, a
California corporation, as administrator and trustee of
Irvine, CA 92614

CASE NO: 30-2013-00688150-CU-BC-CJC

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