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*James P. Welsh*  
JAMES P. WELSH, Clerk

CASPER W. WEINBERGER  
M. LAURENCE POPOFSKY  
HELLER, EHRMAN, WHITE & MCAULIFFE  
14 Montgomery Street  
San Francisco, California  
Telephone: YU 1-5000  
Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

JOHN P. MAGUIRE & CO., INC.,  
a corporation,  
Plaintiff,

vs.

CONTINENTAL TV, INC., a corpor-  
ation; A & G SALES, INC., a  
corporation; SYL-PAC, INC., a  
corporation; JOHN DOE CO.;  
GEORGE N. SHAHOOD and MARGARITHA  
H. SHAHOOD,  
Defendants.

Civil No.

44251

COMPLAINT FOR DEBT AND  
POSSESSION OF PERSONAL  
PROPERTY

COMES NOW plaintiff JOHN P. MAGUIRE & CO., INC., a corpor-  
ation, complaining of defendants, and for causes of action alleges  
as follows:

FIRST CAUSE

I.

Plaintiff JOHN P. MAGUIRE & CO., INC., is a corporation  
organized and existing under and pursuant to the laws of the State  
of Delaware, and maintains its principal place of business in New  
York, New York. Defendant CONTINENTAL TV, INC. is a corporation  
organized and existing under and pursuant to the laws of the State  
of California, and maintains its principal place of business at  
3585 Stevens Creek Boulevard, Santa Clara County, California. De-



1 fendant A & G SALES, INC. is a corporation organized and existing  
2 under and pursuant to the laws of the State of California and  
3 maintains its principal place of business in San Francisco and  
4 Oakland, California. Defendant SYL-PAC, INC. is a corporation  
5 organized and existing under and pursuant to the laws of the State  
6 of California with its principal place of business in Salinas,  
7 California. Defendant JOHN DOE CO. is believed to be a corporation  
8 organized and existing under and pursuant to the laws of the State  
9 of California, with its principal place of business in Sacramento,  
10 California. Defendants A & G SALES, INC., SYL-PAC, INC. and JOHN  
11 DOE CO. are subsidiaries or affiliates of defendant CONTINENTAL TV,  
12 INC. The amount in controversy exceeds, exclusive of interest and  
13 costs, the sum of Ten Thousand Dollars (\$10,000).

14 II.

15 Commencing in or about July, 1964, plaintiff has financed  
16 defendants' inventory acquisitions by loaning defendants monies  
17 used to purchase television receivers, radios, high-fidelity re-  
18 producers and accessories, supplies, replacement parts and related  
19 products from Sylvania Electric Products, Inc. In connection with  
20 said financing, plaintiff entered into an underlying loan agreement  
21 with defendants, whereby defendants agreed to repay the principal  
22 amount of any sums loaned to finance the inventory acquisitions when  
23 said merchandise was sold or in the event said merchandise was not  
24 sold within six (6) months of acquisition, defendants were accorded  
25 four (4) months free of interest with an option to extend the  
26 maturity date for repayment of the principal an additional sixty (60)  
27 days with appropriate interest charges. Upon acquiring inventory  
28 merchandise from Sylvania Electric Products, Inc., defendant  
29 CONTINENTAL TV, INC. executed a series of security agreements and  
30 promissory notes in the manner and form of that certain Trust Receipt



1 (Security Agreement) and related promissory note appended hereto  
2 as Exhibit A and incorporated herein by reference.

3 III.

4 A statement of trust receipt financing relating to de-  
5 fendants' inventory in products manufactured or sold by Sylvania  
6 Electric Products, Inc. was duly filed in the office of the Secretary  
7 of State of California on August 3, 1964. Additional financing  
8 statements pursuant to the California Uniform Commercial Code cover-  
9 ing both inventory and proceeds of collateral were filed in the  
10 office of the Secretary of State of California on January 15, 1965  
11 and August 5, 1965. By way of confirmation of plaintiff's security  
12 interest in both inventory and proceeds in connection with the  
13 aforesaid financing arrangements, defendants and all of them agreed  
14 that any and all inventory subject to the security agreements des-  
15 cribed above and transferred by defendant CONTINENTAL TV, INC. to  
16 the premises of the other defendants would remain subject to plain-  
17 tiff's security interest therein. A copy of the agreement entitled  
18 "Confirmation of Security Interest" is appended hereto as Exhibit B  
19 incorporated herein by reference.

20 IV.

21 Defendants have defaulted in the performance of their  
22 obligations under the security agreements described above in at least  
23 the following particulars:

24 1. Defendant CONTINENTAL TV, INC. has failed to  
25 pay sums owing to plaintiff when due and when demand  
26 therefor has been made under the terms of the underlying  
27 agreement; as a result the principal amount of all  
28 monies loaned defendant CONTINENTAL TV, INC. by  
29 plaintiff is now due and owing and demand therefor  
30 has been made.



(b) Defendants have failed to keep the Trust Merchandise fully insured at its own cost and expense in an insurance company acceptable to plaintiff, against loss or damage by fire, theft and other perils covered by standard form of extended coverage, in such amount as fully protect plaintiff's interest therein.

As a result of said defaults by defendants, plaintiff has cancelled the trusts and all of them in accordance with the terms of the underlying loan agreement and the security agreements described above and is entitled to take immediate possession of all Trust Merchandise in the possession of defendants wheresoever located. Plaintiff has made demand upon defendants for possession of said merchandise, but defendants have refused and still refuse to turn possession over to plaintiff, and instead have continued to sell said merchandise in the ordinary course of defendants' business. As of October 7, 1965 defendants had in their possession Trust Merchandise subject to Trust Receipts (security agreements) and promissory notes in the total amount of Seventy-seven Thousand



1 Sixty-eight Dollars and thirty-three cents (\$77,068.33). Appended  
2 hereto marked Exhibit C and incorporated herein by reference is  
3 a schedule of the Trust Merchandise subject to said Trust Receipts  
4 (security agreements) and promissory notes at defendants' various  
5 locations on October 7, 1965. Said Trust Merchandise has not been  
6 taken for a tax, assessment or fine pursuant to statute or seized  
7 under an execution or an attachment against property of plaintiff.

8 VI.

9 Plaintiff has performed all of the duties and obligations  
10 on its part to be performed under the terms of the underlying loan  
11 agreement and the Trust Receipts (security agreements) described  
12 above.

13 VII.

14 There is now due and owing plaintiff from defendants  
15 the total sum of \$169,186.79, representing the principal, interest  
16 and past due renewal charges unpaid by defendants under the terms  
17 of the underlying loan agreement and the promissory notes described  
18 above.

19 SECOND CAUSE

20 I.

21 Plaintiff realleges as though set forth in full, paragraphs  
22 I, II and III of its First Cause.

23 II.

24 On October 1, 1965 there was an account stated between  
25 plaintiff and defendants in the total amount of \$169,186.79, which  
26 said amount on said date was and remains due and owing from defen-  
27 dants to plaintiff.

28 THIRD CAUSE

29 Plaintiff JOHN P. MAGUIRE & CO., INC. is a corporation  
30 organized and existing under and pursuant to the laws of the State  
of Delaware, and maintains its principal place of business in New



1 York, New York. Defendants GEORGE N. SHAHOOD and MARGARITHA H.  
2 SHAHOOD are husband and wife, citizens of the State of California,  
3 and residents of Santa Clara County, California. The amount in  
4 controversy, exclusive of interest and costs, exceeds the sum of  
5 Ten Thousand Dollars (\$10,000).

6 II.

7 Plaintiff realleges as though set forth in full, paragraphs  
8 II through VII of its First Cause.

9 III.

10 On July 14, 1964 and on a date subsequent thereto defendants  
11 GEORGE N. SHAHOOD and MARGARITHA H. SHAHOOD entered into written  
12 contracts of Guaranty of past and future indebtedness with plaintiff  
13 in the total amount of \$130,000. Appended hereto marked Exhibit D  
14 and incorporated herein are true and correct copies of said contracts.  
15 Plaintiff has performed all of the duties and obligations on its  
16 part to be performed under the terms of said written contracts. De-  
17 fendants GEORGE N. SHAHOOD and MARGARITHA H. SHAHOOD have not paid  
18 plaintiff the sum of \$130,000 or any other sum under the terms of  
19 said contracts, and said amount is now due and owing plaintiff from  
20 said defendants.

21 WHEREFORE, plaintiff prays for judgment as follows:

22 1. For possession of all Trust Merchandise in the possession  
23 of defendants pursuant to plaintiff's security interest in said  
24 merchandise, and for a decree foreclosing defendants' interest  
25 therein or, in the alternative, for damages equal to the value of  
26 said personal property.

27 2. For damages in the total sum of \$169,186.79 or such  
28 lesser sum as appears after reduction by the amount of personal  
29 property possessed through the procedures of this Court in accordance  
30 with paragraph 1 of this prayer, with interest thereon from October

1 1, 1965 at the rate of six per cent (6%) as against defendants  
2 CONTINENTAL TV, INC., A & G SALES, INC. and SYL-PAC, INC.

3 3. For damages in the sum of \$130,000 with interest  
4 thereon from October 1, 1965 at the rate of six per cent (6%)  
5 as against defendants GOERGE N. SHAHOOD and MARGARITHA H. SHAHOOD.

6 4. For plaintiff's reasonable attorney's fees in connection  
7 with these proceedings, its costs of suit incurred and for such  
8 other and further relief as to the Court appears just.

9 Dated: October 12, 1965.

10  
11 HELLER, EHRMAN, WHITE & McAULIFFE

12  
13 By M. Deane Rogoffsky  
14 Attorneys for Plaintiff