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**ELECTRONICALLY  
FILED**  
*Superior Court of California,  
County of San Francisco*  
**03/02/2015**  
**Clerk of the Court**  
BY:ANNA TORRES  
**Deputy Clerk**

Attorneys for C.B.F., Inc.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN FRANCISCO**

JESUS ZAPANTA

Plaintiff,

vs.

C. B. F., INC.,

Defendant(s).

Case No.: CGC 15-543476

**CROSSCOMPLAINT FOR  
DECLARATORY RELIEF AND TO  
COMPEL ARBITRATION**

Related Case: CCC 14- 542856

C. B. F., INC.

## Cross Complainant

5

JESUS ZAPANTA, JOHN WALSH,  
MICHELLE WALSH, LEANNE GOFF,  
DAVID SEFLARDS, NOVELYNN TEJADA  
and Does 1 through 100n inclusive;

## Cross Defendants

**Cross Complainant, C.B.F., Inc.** alleges as follows:

## FIRST CAUSE OF ACTION - DECLARATORY RELIEF

1. Cross Complainant C.B.F., Inc.. is a defendant in this matter and the related matter (**CGC 14-542856**). This action seeks involuntary dissolution of Cross Complaint by Cross Defendant Zapata who owns 1.9% of the outstanding shares of Cross Complaint (hereinafter “CBF”).

1 Cross complainant incorporates by reference the complaints of Plaintiff in this action and the  
2 related case for reference on, as if fully set forth at length.

- 3 2. The related matter (**CGC 14- 542856**) is a share holder derivative action by Zapanta, Cross  
4 Defendants JOHN WALSH, MICHELLE WALSH, LEANNE GOFF, DAVID SEFLARDS,  
5 NOVELYNN TEJADA are the remaining shareholders of CBF and joined herein as necessary  
6 parties.  
7
- 8 3. On December 21, 2006 the parties, and each of them, hereto entered into a Stock Purchase  
9 Agreement, which was ratified by all shareholders, concerning the sale of shares to John Walsh,  
10 this transaction is at the heart of both Plaintiff's allegations in this matter and the related case.  
11 The parties also directly executed a "First Amended and Restated Stock Buy/Sell Agreement for  
12 C.B.F., Inc" dated December 21, 2006 which enabled the Stock transfer to be completed. That  
13 agreement contains a Dispute resolution clause making resolution of any dispute among the  
14 shareholders the subject of mandatory, binding Arbitration.  
15
- 16 4. The existence of the two separate actions creates the risk of inconsistent and contradictory  
17 results, the decision in one matter would impact the rights and obligations of the shareholders  
18 which are not named by Plaintiff Zapanta.  
19
- 20 5. The shareholders not joined by Plaintiff Zapanta are LEANNE GOFF, DAVID SEFLARDS,  
21 NOVELYNN TEJADA and these shareholders, CBF and Defendant Walsh have Appraisal rights  
22 pursuant to Corporations Code 2000 which proceeding by Zapanta will not be addressed in this  
23 action.  
24
- 25 6. The allegations of this action and the related case create a situation where the normal and  
26 customary conduct of business by CBF is difficult as Plaintiff has alleged acts and omissions by  
27

1 the controlling shareholder and if that share holder is prevented from voting his shares the  
2 corporation is without a quorum for any action whatsoever.

- 3 7. CBF is informed and believes that the actions complained of by Plaintiff fall within the Business  
4 Judgment Rule and Corporations Code 309(a)(3) and that they were and are in the best interests  
5 of the corporation.  
6  
7 8. Without a determination by this court of the following there is a significant risk of damage to  
8 the corporation, the interests of all the share holders, inconsistent rulings and rendering the  
9 corporation unsaleable:  
10  
11 A. Loans by the corporation to John Walsh for completing the stock purchase agreement were  
12 sound and in the best interests of the corporation;  
13  
14 B. Transactions regarding the Corporations leveraged real property in Brisbane and the  
15 circumstances related to the transfer of title, assumption of liabilities, personal guarantees,  
16 and options to re-purchase were fair, equitable and in the best interests of the corporation  
17 and its shareholders;  
18  
19 C. Other loans to John Walsh were fair, equitable and in the best interest of the corporation and  
20 its shareholders;  
21  
22 D. None of the acts of the corporation alleged, or the acts of its controlling shareholder or  
23 directors rendered the corporation insolvent, unable to pay its creditors, or damaged the  
24 share value or future value of the corporation as a whole;  
25  
26 E. That the salary and other compensation paid to John Walsh and other employees of the  
27 corporation was fair and equitable at all times;  
28  
F. A determination of the number of shares entitled to vote concerning the approval of any  
settlement in this matter, the percentage ownership of Plaintiff and the other shareholders

1 and the ability of the Directors to function, or in the alternative, appointment by the court of  
2 interim directors capable of impartially protecting the corporation, and all of its  
3 shareholders;

- 4 G. the value of Plaintiff Zapanta's shares pursuant to Corporations Code 2000;  
5 H. The right of John Walsh and any other shareholder or director to reimbursement by the  
6 corporation for their costs of defense in this action and the related case, including attorneys  
7 fees;  
8 I. The standing of Plaintiff as holding only 1.9% of the shares to maintain this action;  
9 J. A determination of the fair and equitable actions require <sup>1</sup> to protect the corporation and all  
10 of its shareholders from abuse by any shareholder(s).

11 WHEREFORE Cross Complaint Prays for judgement as hereinafter set forth;

12 PETITION TO COMPEL ARBITRATION

- 13 9. Defendant C.B.F., Inc. INCORPORATES by reference paragraphs 1, 2, and 3 of this complaint  
14 as if herein after set forth.
- 15 10. This action should be stayed until contractual arbitration is had and completed, or dismissed  
16 pending arbitration.

17 WHEREFORE, Cross Complaint prays for judgement as follows:

- 18 1. For an order staying or dismissing this action pending Arbitration;
- 19 2. For a determination by this court that all loans by CBF to John Walsh were fair and equitable  
20 and shareholder approval of these loans was not required; or in the alternative a determination if  
21 any were appropriate and if not what John Walsh should do to make the corporation whole;
- 22 3. For a determination of the fairness of any and all real property transactions and forming a  
23 remedy if any be required;

- 1       4. Employee compensation has been fair and equitable or a determination of a remedy;
- 2       5. A determination that Plaintiff Zapanta owns 500 shares of common stock which represents
- 3       1.9% of the stock of the corporation;
- 4       6. A determination of the value of Plaintiff's shares;
- 5       7. and further determinations which the court deems just and proper to effectuate full and final
- 6       relief among the parties.
- 7
- 8       8. For Costs of suit.

9       DATED: February 26, 2015

10       Law Offices of Mark Haesloop

11       by: Mark Haesloop, Attorney for C.B.F., Inc.

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**CALIFORNIA STATE COURT PROOF OF SERVICE**

**Jesus Zapanta v. C.B.F., Inc.,**

San Francisco Superior Court # CGC 15-543476

STATE OF CALIFORNIA, COUNTY OF SAN MATEO

At the time of service, I was over 18 years of age and not a party to the action. My business address is 600 EL CAMINO REAL, BELMONT, CA 94002.,

On date below, I served the following document(s):

- Answer to Verified Complaint
  - Cross Complaint for Declaratory Relief and to Compel Arbitration

*The documents were served upon the known addresses of Persons Interested in this action as follows:*

*Gerald P. Burleson, Esq  
PO Box 927628  
San Diego, CA 92192  
jerry@jerryburleson.com*

*Paul J. Barulich, Esq.  
Alexandra Banis, Esq.  
Barulich & Dugoni  
400 S. El Camino Real, Suite 1000  
San Mateo, CA 94402  
paul@bdlawinc.com*

The documents were served by the following means:

By Personal Delivery to the Address indicated Above

[ X ] (BY U.S. MAIL) I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed herein and (specify one):

[ X ] Deposited the sealed envelope or package with the U.S. Postal Service, with the postage fully prepaid.

[ ] (BY U.S. Mail / Certified Return Receipt Requested) by depositing the above described envelopes with Certified, First Class Postage and Return Receipt Requested Cards, prepaid with the US Postal Service at San Carlos, CA 94070

[ ] (BY OVERNIGHT DELIVERY) I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

[ X ] By email addressed as indicated above.

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

Executed on February 27, 2015 at Belmont, California.

Mark Haesloop