

Amy A. Mousavi, Esq., SBN 228388
MOUSAVI LAW, PC
4343 Von Karman Avenue, Suite 250-J
Newport Beach, California 92660
Tel: (949) 864-9667
Email: amy@mousavilawpc.com

Thomas A. Pistone, Esq., SBN 77774
PISTONE LAW GROUP
4343 Von Karman Avenue, Suite 250-J
Newport Beach, California 92660
Tel: (949) 864-9660
Email: tpistone@pistonelawgroup.com

FILED & ENTERED

APR 23 2025

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY evangeli DEPUTY CLERK

CHANGES MADE BY COURT

Attorneys for Defendants Deco Enterprises, Inc.;
and Cross Complainants;
Deco Enterprises, Inc.; ABS Capitol, LLC; and Babak Sinai

**UNITED STATES BANKRUPTCY COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re Deco Enterprises, Inc.

Debtor.

Case No.: 2:20-bk-11846-BB

Adv. No.: 2:20-ap-01126

(Chapter 7)

Benjamin Pouladian,

Plaintiff,

vs.

Deco Enterprises, Inc.; Craig Allen; and Does
1 through 10, inclusive,

Defendants.

Honorable Sheri Bluebond
Courtroom 1539 – Roybal Building

**FINDING OF FACT AND
CONCLUSIONS OF LAW
AFTER TRIAL**

Date: March 18, 2025

Time: 10:00 a.m.

Place: Courtroom 1539
Roybal Federal Building
255 E. Temple St.
Los Angeles, CA 90012

And Related Cross-Actions.

1 The Court, having conducted a bench trial in the above adversary proceeding
2 (the “Action”), and having reviewed the proposed findings of fact and conclusions
3 of law submitted by Defendants and Cross-Complainants Deco Enterprises, Inc.,
4 ABS Capitol, LLC and Cross-Defendant Babak Sinai (collectively, the “ABS
5 Parties”), the objection of Benjamin Pouladian (“Pouladian”) thereto and the reply
6 of the ABS Parties to the foregoing objection, hereby makes the following Findings
7 of Fact and Conclusions of Law of the Court:

8 **I. FINDINGS AND CONCLUSIONS ON ALL OF BENJAMIN**
9 **POULADIAN’S CLAIMS (COMPLAINT AGAINST DECO AND**
10 **BENJAMIN POULADIAN’S CROSS-COMPLAINT AGAINST**
11 **BABAK SINAI, SIAMAK SINAI AND SAMAN SINAI)**

12 **1. Jurisdiction.** The Court has jurisdiction over the Action pursuant to
13 28 U.S.C. §§ 1334 and 1367.

14 **2. Pouladian Is Not Entitled to Recovery on The Claims In His**
15 **Complaint Against Deco.** On the complaint of Pouladian against Deco
16 Enterprises, Inc. (“Deco”) for damages for non-payment of certain credit
17 card debt and for non-payment of an alleged loan from Pouladian to Deco,
18 the Court finds, based on the evidence submitted, that Pouladian has failed
19 to prove a right to recovery with regard to either claim and has failed to
20 provide sufficient evidence of any obligation by Deco or any of the ABS
21 Parties for either claim.

22 **3. Pouladian is not entitled to recovery on his Cross-Complaint for**
23 **Equitable Indemnity Against Babak Sinai, Siamak Sinai, and Saman**
24 **Sinai, for the following reasons:**

25 a) **Based on Evidence:** Pouladian is not entitled to Equitable Indemnity
26 Against Babak Sinai or Siamak Sinai and failed to prove up any claim for
27 equitable indemnification, either in whole or in part, as against Saman Sinai;
28

b) Based on Agreement/Stipulation of the Parties: On February 12, 2025, the Parties sent a stipulation to the Court, as follows:

“The only claim(s) that Benjamin Pouladian is pursuing are for recovery of or setoff of the substantial credit card debt that Deco refused to pay and for which Pouladian is obligated. Additionally, Mr. Pouladian is pursuing his claim for breach by Deco of California Labor Code §2802 for failure to pay the credit card charges incurred;”

c) Based on California Law:

(i) Pouladian, as an intentional tortfeasor, is not entitled to contribution from any other alleged tortfeasor [Cal. Civ. Proc. Code § 875(d)]; and

(ii) Any right to contribution may be enforced only after one tortfeasor has, by payment, discharged the joint judgment or has paid more than his pro rata share thereof, and Pouladian has not paid any portion of the judgment against him [Cal. Civ. Proc. Code § 875(c)].

II. FINDINGS AND CONCLUSIONS ON THE CROSS-COMPLAINT FILED BY DECO AGAINST BENJAMIN POULADIAN:

1. Jurisdiction. The Court has jurisdiction over all of the claims of Deco against Pouladian pursuant to 28 U.S.C. § 1334.¹

2. Breach of Fiduciary Duty Claims against Pouladian.

a) Pouladian, as President and Director of Deco, and Saman Sinai, as CEO and Director of Deco, jointly operated and controlled the operations of Deco, and owed fiduciary duties to Deco;

b) Pouladian breached his fiduciary duties to Deco by the following conduct, which severely damaged Deco:

¹Even though these claims were sold to nondebtor ABS Capitol, LLC, as part of this sale, Deco retained a right to recover a portion of the proceeds generated by this litigation.

- i. Unlawfully taking, for his own benefit and use, proceeds of the sale of \$519,000 of credit card points that belonged to Deco;²
- ii. Unlawfully causing Deco to pay \$816,901 in personal expenses that Pouladian and Saman Sinai charged to Deco credit cards; and
- iii. Unlawfully taking, and diverting, \$2,395,216 from Deco for the benefit of another company in which Pouladian and Saman Sinai owned a majority interest.

3. Breach of Contract Claims Against Pouladian. Pouladian breached the terms of the Shareholder and Buy-Sell Agreement among the Deco shareholders (the “Agreement”) by taking salary in excess of what was allowed under the terms of the Agreement, without notice to or approval of the Deco Board of Directors or shareholders as required by the terms of the Agreement, resulting in damages to Deco for breach of contract in the amount of \$1,177,350.

4. Interference and Remaining Claims against Pouladian. With respect to the claims against Pouladian for Abuse of Control and Corporate Waste and Intentional Interference with Prospective Economic Advantage, the Court finds that the ABS Parties failed to establish at trial the elements necessary to support such claims.

² The Court finds further that Pouladian is not entitled to a credit against this amounts or a reduction in the amount of his liability to Deco for repayment of these proceeds based on his decision to share with Saman Sinai a portion of the funds he received in exchange for a sale of these points.

1 **III. FINDINGS AND CONCLUSIONS ON THE CROSS-COMPLAINT**
2 **FILED BY ABS CAPITOL, LLC AGAINST BENJAMIN**
3 **POULADIAN:**

4 **1. Jurisdiction.** The Court has supplemental jurisdiction over the claims
5 of ABS Capitol, LLC (“ABS”) against Pouladian under 28 U.S.C. § 1367 in
6 that these claims are so related to claims in the Action over which the Court
7 has jurisdiction under 28 U.S.C. § 1334 that they form part of the same case
8 or controversy under Article III of the United States Constitution. The Ninth
9 Circuit has held that bankruptcy courts may exercise supplemental
10 jurisdiction under this section even when exercising “related-to” jurisdiction.
11 See Montana v. Goldin (In re Pegasus Gold Corp.), 394 F.3d 1189 (9th Cir.
12 2005). The Court’s supplemental jurisdiction under section 1367 includes
13 claims that involve the joinder or intervention of additional parties.

14 Although ABS seeks recovery for damages attributable to Pouladian's
15 wrongfully encumbering ABS’s real property, the Court is of the view that
16 these claims fall within the bankruptcy court’s supplemental jurisdiction
17 under section 1367. As the Ninth Circuit explained in Pegasus Gold, *supra*,
18 when claims share a “common nucleus of operative facts” with an action
19 that falls within the scope of the bankruptcy court's jurisdiction under section
20 1334 and would “ordinarily be expected to be resolved in one judicial
21 proceeding,” the bankruptcy court may exercise supplemental jurisdiction
22 over such claims. The Court finds that ABS’s claims against Pouladian
23 satisfy this standard because both Deco’s claims and ABS’s claims arise out
24 of Pouladian’s failure to obtain shareholder approval in the manner required
25 by the Agreement before diverting funds from Deco for their own personal
26 use and borrowing money on its behalf.
27
28

1 **2. Pouladian’s Post-Trial Claim of Release.** The Court rejects the
2 post-trial assertion by Pouladian that ABS’ claims against him were released
3 pursuant to a settlement agreement in a separate action in Los Angeles
4 Superior Court, Case No.: 20STCV06123 (the “Trust Lis Pendens Action”)
5 for two reasons:

- 6 a) any such claim was waived by the pretrial order in the Action and by
7 the failure of Pouladian to raise the claim prior to the conclusion of
8 trial; and
9 b) the Release contained in the settlement agreement executed in
10 connection with the Trust Lis Pendens Action was a limited release
11 and only released the Amended and Restated Abraham and Delara
12 Pouladian 1997 Family Trust (hereafter the “Trust”), Benjamin
13 Pouladian and Donna Ahdoot, as Trustees and individually, *from all*
14 *claims asserted in the ABS’ cross-complaint* in the Trust Lis Pendens
15 Action. ABS’ cross-complaint in the Trust Lis Pendens Action
16 contained a single cause of action for clouding title due to the improper
17 recordation of a notice of lis pendens and did not allege any claims
18 beyond that, including any claims asserted in the present trial.

19 **3. Finding of Fraud by Pouladian.** The Court finds that Pouladian
20 committed actual fraud against the ABS Parties by falsely representing
21 and/or concealing loans, terms of loans and other financing obtained by
22 Pouladian for Deco’s use, by forging the signatures of ABS’s manager and
23 members, Siamak Sinai and Babak Sinai, on loan documents, and thereby
24 fraudulently encumbering property owned by ABS. As a result, ABS
25 suffered damages in the amount of \$5,533,200 incurred to protect its
26 property against from adverse consequences proximately caused by the fraud
27 committed by Pouladian.
28

1 **4. Mitigation Argument Raised for the First Time After Trial.** The
2 Court rejects the argument that Pouladian advanced for the first time in his
3 objections to the form of these findings that ABS's damages should be
4 reduced because it failed to mitigate its damages by selling the Vail
5 Property. This argument was not raised as an affirmative defense in
6 Pouladian's answer to the Fourth Amended Cross-Complaint and was not
7 preserved in the parties' joint pretrial order. Moreover, no mention was ever
8 made of this argument at trial or in Pouladian's trial brief or post-trial briefs.
9 This argument has been waived, and no factual or legal support for this
10 argument was offered at trial.

11 **IV. Attorneys' Fees and Costs.** The Court determines that the ABS Parties are
12 the prevailing parties in the Action. Accordingly, pursuant to section 16.04 of the
13 Agreement, Babak Sinai, Siamak Sinai and Saman Sinai (who are parties to the
14 Agreement) are entitled to recover the reasonable attorneys' fees that they incurred
15 in connection with litigating claims against Pouladian arising under the Agreement.
16 Under the circumstances of this case and in light of the complexities that
17 calculation of such an award would create, the Court exercises its discretion to
18 decline to award prejudgment interest in the Action.

19 **IV. CONCLUSION:**

20 Any conclusion of law erroneously labeled herein as a finding of fact shall
21 be deemed a conclusion of law. Any finding of facts erroneously labeled herein as
22 a conclusion of law shall be deemed a finding of fact.

23 The Court finds and concludes that Deco Enterprises, Inc. is entitled to
24 Judgment against Benjamin Pouladian, for Breach of Contract, in the amount of
25 \$1,177,350.65.
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1 The Court finds and concludes that Deco Enterprises, Inc. is entitled to
2 Judgment against Benjamin Pouladian for Breach of Fiduciary Duty, in the amount
3 of \$3,731,117.00.

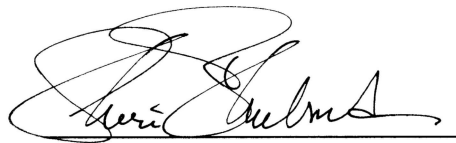
4 The Court finds and concludes that ABS is entitled to Judgment against
5 Benjamin Pouladian, for fraud, in the amount of \$5,533,200.67.

6 Babak Sinai, Siamak Sinai and Saman Sinai may apply to the Court for an
7 award of costs and attorneys' fees as the prevailing parties in the Action.
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9 **IT IS SO ORDERED.**
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24 Date: April 23, 2025

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26 Sheri Bluebond
27 United States Bankruptcy Judge
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