

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO**

STREET ADDRESS: 330 West Broadway  
MAILING ADDRESS: 330 West Broadway  
CITY AND ZIP CODE: San Diego, CA 92101  
BRANCH NAME: Central  
TELEPHONE NUMBER: (619) 450-7068

PLAINTIFF(S) / PETITIONER(S): Rancho Esperanza LLC

DEFENDANT(S) / RESPONDENT(S): Dinesh D'Souza

RANCHO ESPERANZA LLC VS. D'SOUZA

**NOTICE OF CASE ASSIGNMENT**

CASE NUMBER:

37-2012-00083895-CU-BC-CTL

Judge: Judith F. Hayes

Department: C-68

COMPLAINT/PETITION FILED: 10/22/2012

**ALL CASES MUST COMPLY WITH THE CIVIL REQUIREMENTS LISTED BELOW,  
EXCEPT FOR PARKING CITATION APPEALS**

IT IS THE DUTY OF EACH PLAINTIFF (AND CROSS-COMPLAINANT) TO SERVE A COPY OF THIS NOTICE WITH THE COMPLAINT (AND CROSS-COMPLAINT), THE ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATION FORM (SDSC FORM #CIV-730), A STIPULATION TO USE ALTERNATIVE DISPUTE RESOLUTION (ADR) (SDSC FORM #CIV-359), AND OTHER DOCUMENTS AS SET OUT IN SDSC LOCAL RULE 2.1.5.

ALL COUNSEL WILL BE EXPECTED TO BE FAMILIAR WITH SUPERIOR COURT RULES WHICH HAVE BEEN PUBLISHED AS DIVISION II, AND WILL BE STRICTLY ENFORCED.

**TIME STANDARDS:** The following timeframes apply to general civil cases and must be adhered to unless you have requested and been granted an extension of time. General civil cases consist of all civil cases except: small claims proceedings, civil petitions, unlawful detainer proceedings, probate, guardianship, conservatorship, juvenile, and family law proceedings.

**COMPLAINTS:** Complaints and all other documents listed in SDSC Local Rule 2.1.5 must be served on all named defendants, and a Certificate of Service (SDSC form #CIV-345) filed within 60 days of filing.

**DEFENDANT'S APPEARANCE:** Defendant must generally appear within 30 days of service of the complaint. (Plaintiff may stipulate to no more than 15 day extension which must be in writing and filed with the Court.) (SDSC Local Rule 2.1.6)

**DEFAULT:** If the defendant has not generally appeared and no extension has been granted, the plaintiff must request default within 45 days of the filing of the Certificate of Service. (SDSC Local Rule 2.1.7)

**CASE MANAGEMENT CONFERENCE:** A Case Management Conference will be set within 150 days of filing the complaint.

**JURY FEES:** In order to preserve the right to a jury trial, one party for each side demanding a jury trial shall pay an advance jury fee in the amount of one hundred fifty dollars (\$150) on or before the date scheduled for the initial case management conference in the action.

**ALTERNATIVE DISPUTE RESOLUTION (ADR):** THE COURT ENCOURAGES YOU TO CONSIDER UTILIZING VARIOUS ALTERNATIVES TO TRIAL, INCLUDING MEDIATION AND ARBITRATION, PRIOR TO THE CASE MANAGEMENT CONFERENCE. PARTIES MAY FILE THE ATTACHED STIPULATION TO USE ALTERNATIVE DISPUTE RESOLUTION (SDSC FORM #CIV-359).

YOU MAY ALSO BE ORDERED TO PARTICIPATE IN ARBITRATION. IF THE CASE IS ORDERED TO ARBITRATION PURSUANT TO CODE CIV. PROC. 1411.11, THE COSTS OF ARBITRATION WILL BE PAID BY THE COURT PURSUANT TO CODE CIV. PROC. 1141.28.

FOR MORE INFORMATION, SEE THE ATTACHED ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATION FORM (SDSC FORM #CIV-730)



## SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO

### ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATION

CASE NUMBER: 37-2012-00083895-CU-BC-CTL

CASE TITLE: Rancho Esperanza LLC vs. D'Souza

**NOTICE:** All plaintiffs/cross-complainants in a general civil case are required to serve a copy of the following three forms on each defendant/cross-defendant, together with the complaint/cross-complaint:

- (1) this Alternative Dispute Resolution (ADR) Information form (SDSC form #CIV-730),
- (2) the Stipulation to Use Alternative Dispute Resolution (ADR) form (SDSC form #CIV-359), and
- (3) the Notice of Case Assignment form (SDSC form #CIV-721).

Most civil disputes are resolved without filing a lawsuit, and most civil lawsuits are resolved without a trial. The courts, community organizations, and private providers offer a variety of Alternative Dispute Resolution (ADR) processes to help people resolve disputes without a trial. The San Diego Superior Court expects that litigants will utilize some form of ADR as a mechanism for case settlement before trial, and it may be beneficial to do this early in the case.

Below is some information about the potential advantages and disadvantages of ADR, the most common types of ADR, and how to find a local ADR program or neutral. A form for agreeing to use ADR is attached (SDSC form #CIV-359).

#### **Potential Advantages and Disadvantages of ADR**

ADR may have a variety of advantages or disadvantages over a trial, depending on the type of ADR process used and the particular case:

##### **Potential Advantages**

- Saves time
- Saves money
- Gives parties more control over the dispute resolution process and outcome
- Preserves or improves relationships

##### **Potential Disadvantages**

- May take more time and money if ADR does not resolve the dispute
- Procedures to learn about the other side's case (discovery), jury trial, appeal, and other court protections may be limited or unavailable

#### **Most Common Types of ADR**

You can read more information about these ADR processes and watch videos that demonstrate them on the court's ADR webpage at <http://www.sdcourt.ca.gov/adr>.

**Mediation:** A neutral person called a "mediator" helps the parties communicate in an effective and constructive manner so they can try to settle their dispute. The mediator does not decide the outcome, but helps the parties to do so. Mediation is usually confidential, and may be particularly useful when parties want or need to have an ongoing relationship, such as in disputes between family members, neighbors, co-workers, or business partners, or when parties want to discuss non-legal concerns or creative resolutions that could not be ordered at a trial.

**Settlement Conference:** A judge or another neutral person called a "settlement officer" helps the parties to understand the strengths and weaknesses of their case and to discuss settlement. The judge or settlement officer does not make a decision in the case but helps the parties to negotiate a settlement. Settlement conferences may be particularly helpful when the parties have very different ideas about the likely outcome of a trial and would like an experienced neutral to help guide them toward a resolution.

**Arbitration:** A neutral person called an "arbitrator" considers arguments and evidence presented by each side and then decides the outcome of the dispute. Arbitration is less formal than a trial, and the rules of evidence are usually relaxed. If the parties agree to binding arbitration, they waive their right to a trial and agree to accept the arbitrator's decision as final. With nonbinding arbitration, any party may reject the arbitrator's decision and request a trial. Arbitration may be appropriate when the parties want another person to decide the outcome of their dispute but would like to avoid the formality, time, and expense of a trial.

**Other ADR Processes:** There are several other types of ADR which are not offered through the court but which may be obtained privately, including neutral evaluation, conciliation, fact finding, mini-trials, and summary jury trials. Sometimes parties will try a combination of ADR processes. The important thing is to try to find the type or types of ADR that are most likely to resolve your dispute. Be sure to learn about the rules of any ADR program and the qualifications of any neutral you are considering, and about their fees.

### **Local ADR Programs for Civil Cases**

**Mediation:** The San Diego Superior Court maintains a Civil Mediation Panel of approved mediators who have met certain minimum qualifications and have agreed to charge \$150 per hour for each of the first two (2) hours of mediation and their regular hourly rate thereafter in court-referred mediations.

**On-line mediator search and selection:** Go to the court's ADR webpage at [www.sdcourt.ca.gov/adr](http://www.sdcourt.ca.gov/adr) and click on the "Mediator Search" to review individual mediator profiles containing detailed information about each mediator including their dispute resolution training, relevant experience, ADR specialty, education and employment history, mediation style, and fees and to submit an on-line Mediator Selection Form (SDSC form #CIV-005). The Civil Mediation Panel List, the Available Mediator List, individual Mediator Profiles, and Mediator Selection Form (CIV-005) can also be printed from the court's ADR webpage and are available at the Mediation Program Office or Civil Business Office at each court location.

**Settlement Conference:** The judge may order your case to a mandatory settlement conference, or voluntary settlement conferences may be requested from the court if the parties certify that: (1) settlement negotiations between the parties have been pursued, demands and offers have been tendered in good faith, and resolution has failed; (2) a judicially supervised settlement conference presents a substantial opportunity for settlement; and (3) the case has developed to a point where all parties are legally and factually prepared to present the issues for settlement consideration and further discovery for settlement purposes is not required. Refer to SDSC Local Rule 2.2.1 for more information. To schedule a settlement conference, contact the department to which your case is assigned.

**Arbitration:** The San Diego Superior Court maintains a panel of approved judicial arbitrators who have practiced law for a minimum of five years and who have a certain amount of trial and/or arbitration experience. Refer to SDSC Local Rules Division II, Chapter III and Code Civ. Proc. § 1141.10 et seq or contact the Arbitration Program Office at (619) 450-7300 for more information.

**More information about court-connected ADR:** Visit the court's ADR webpage at [www.sdcourt.ca.gov/adr](http://www.sdcourt.ca.gov/adr) or contact the court's Mediation/Arbitration Office at (619) 450-7300.

**Dispute Resolution Programs Act (DRPA) funded ADR Programs:** The following community dispute resolution programs are funded under DRPA (Bus. and Prof. Code §§ 465 et seq.):

- In Central, East, and South San Diego County, contact the National Conflict Resolution Center (NCRC) at [www.ncrconline.com](http://www.ncrconline.com) or (619) 238-2400.
- In North San Diego County, contact North County Lifeline, Inc. at [www.nclifeline.org](http://www.nclifeline.org) or (760) 726-4900.

**Private ADR:** To find a private ADR program or neutral, search the Internet, your local telephone or business directory, or legal newspaper for dispute resolution, mediation, settlement, or arbitration services.

### **Legal Representation and Advice**

To participate effectively in ADR, it is generally important to understand your legal rights and responsibilities and the likely outcomes if you went to trial. ADR neutrals are not allowed to represent or to give legal advice to the participants in the ADR process. If you do not already have an attorney, the California State Bar or your local County Bar Association can assist you in finding an attorney. Information about obtaining free and low cost legal assistance is also available on the California courts website at [www.courtinfo.ca.gov/selfhelp/lowcost](http://www.courtinfo.ca.gov/selfhelp/lowcost).

<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO</b> STREET ADDRESS: 330 West Broadway MAILING ADDRESS: 330 West Broadway CITY, STATE, & ZIP CODE: San Diego, CA 92101-3827 BRANCH NAME: Central	<b>FOR COURT USE ONLY</b>
PLAINTIFF(S): Rancho Esperanza LLC	
DEFENDANT(S): Dinesh D'Souza	
SHORT TITLE: RANCHO ESPERANZA LLC VS. D'SOUZA	
<b>STIPULATION TO USE ALTERNATIVE DISPUTE RESOLUTION (ADR)</b>	CASE NUMBER: 37-2012-00083895-CU-BC-CTL

Judge: Judith F. Hayes

Department: C-68

The parties and their attorneys stipulate that the matter is at issue and the claims in this action shall be submitted to the following alternative dispute resolution (ADR) process. Selection of any of these options will not delay any case management timelines.

- |   |  |
|---|--|
| <input type="checkbox"/> Mediation (court-connected)  | <input type="checkbox"/> Non-binding private arbitration   |
| <input type="checkbox"/> Mediation (private)  | <input type="checkbox"/> Binding private arbitration   |
| <input type="checkbox"/> Voluntary settlement conference (private)                            | <input type="checkbox"/> Non-binding judicial arbitration (discovery until 15 days before trial) |
| <input type="checkbox"/> Neutral evaluation (private)   | <input type="checkbox"/> Non-binding judicial arbitration (discovery until 30 days before trial) |
| <input type="checkbox"/> Other (specify e.g., private mini-trial, private judge, etc.): _____ |  |

It is also stipulated that the following shall serve as arbitrator, mediator or other neutral: (Name) \_\_\_\_\_

Alternate neutral (for court Civil Mediation Program and arbitration only): \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Name of Plaintiff

\_\_\_\_\_  
Name of Defendant

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Plaintiff's Attorney

\_\_\_\_\_  
Name of Defendant's Attorney

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

If there are more parties and/or attorneys, please attach additional completed and fully executed sheets.

It is the duty of the parties to notify the court of any settlement pursuant to Cal. Rules of Court, rule 3.1385. Upon notification of the settlement, the court will place this matter on a 45-day dismissal calendar.

No new parties may be added without leave of court.

**IT IS SO ORDERED.**

Dated: 10/22/2012

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT



## Superior Court of California County of San Diego

### NOTICE OF ASSIGNMENT TO IMAGING DEPARTMENT

**This case has been assigned to an Imaging Department and original documents attached to pleadings filed with the court will be imaged and destroyed. Original documents should not be filed with pleadings. If necessary, they should be lodged with the court under California Rules of Court, rule 3.1302(b).**

On August 1, 2011 the San Diego Superior Court began the Electronic Filing and Imaging Pilot Program ("Program"). As of August 1, 2011 in all new cases assigned to an Imaging Department all filings will be imaged electronically and the electronic version of the document will be the official court file. The official court file will be electronic and accessible at one of the kiosks located in the Civil Business Office and on the Internet through the court's website. This Program will be expanding to other civil courtrooms over time.

You should be aware that the electronic copy of the filed document(s) will be the official court record pursuant to Government Code section 68150. The paper filing will be imaged and held for 90 days. After that time it will be destroyed and recycled. **Thus, you should not attach any original documents to pleadings filed with the San Diego Superior Court. Original documents filed with the court will be imaged and destroyed except those documents specified in California Rules of Court, rule 3.1806.** Any original documents necessary for a motion hearing or trial shall be lodged in advance of the hearing pursuant to California Rules of Court, rule 3.1302(b).

It is the duty of each plaintiff, cross-complainant or petitioner to serve a copy of this notice with the complaint, cross-complaint or petition on all parties in the action.

On all pleadings filed after the initial case originating filing, all parties must, to the extent it is feasible to do so, place the words **"IMAGED FILE"** in all caps immediately under the title of the pleading on all subsequent pleadings filed in the action.

**Please refer to the General Order - Imaging located on the San Diego Superior Court website at:**

<http://www.sdcourt.ca.gov/CivillmagingGeneralOrder>

# SUMMONS (CITACION JUDICIAL)

## NOTICE TO DEFENDANT: (AVISO AL DEMANDADO):

Dinesh D'Souza, DOES 1-25

## YOU ARE BEING SUED BY PLAINTIFF: (LO ESTÁ DEMANDANDO EL DEMANDANTE):

Rancho Esperanza LLC

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)  
**FILED**  
CIVIL BUSINESS OFFICE 13  
CENTRAL DIVISION

2012 OCT 22 A 8:52

CLERK SUPERIOR COURT  
SAN DIEGO COUNTY, CA

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:  
(El nombre y dirección de la corte es): Central Division  
330 West Broadway, San Diego, CA 92101

CASE NUMBER:  
(Número del Caso)  
**37-2012-00083895-CU-BC-CTL**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
Joseph S. Leventhal, The Leventhal Law Firm, APC, 600 West Broadway, Suite 700, San Diego, CA 92101

DATE:  
(Fecha) **OCT 22 2012**

Clerk, by  
(Secretario) **T. Perkins**

, Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)  
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]

### NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):  
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)  
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)  
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)  
☐ other (specify):
4. ☐ by personal delivery on (date):

MA  
FAX



ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Joseph S. Leventhal (221043) The Leventhal Law Firm, APC 600 West Broadway, Suite 700 San Diego, CA 92101 TELEPHONE NO.: (619) 356-3518 FAX NO.: (619) 615-2082 ATTORNEY FOR (Name): Rancho Esperanza LLC		FOR COURT USE ONLY FILED CIVIL BUSINESS OFFICE 13 CENTRAL DIVISION 2012 OCT 22 A 8:51 CLERK - SUPERIOR COURT SAN DIEGO COUNTY, CA
SUPERIOR COURT OF CALIFORNIA, COUNTY OF San Diego STREET ADDRESS 330 West Broadway MAILING ADDRESS CITY AND ZIP CODE San Diego, CA 92101 BRANCH NAME Central Division		
CASE NAME: Rancho Esperanza v. Dinesh D'Souza, DOES 1-25		
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000) <input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less) <b>Complex Case Designation</b> <input type="checkbox"/> <b>Counter</b> <input type="checkbox"/> <b>Joinder</b> Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)		CASE NUMBER <b>37-2012-00083895-CU-BC-CTL</b> JUDGE DEPT

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) <b>Non-PI/PD/WD (Other) Tort</b> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</b> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary, declaratory or injunctive relief c. ☒ punitive
4. Number of causes of action (specify): 6: Breach of K, good faith & fair dealing; tort, int. with K; spec. perf., acctg
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: October 22, 2012

Joseph S. Leventhal

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

## NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

VIA FAX

## INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties In Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties In Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

## CASE TYPES AND EXAMPLES

## Auto Tort

Auto (22)–Personal Injury/Property Damage/Wrongful Death  
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

## Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)  
Asbestos Property Damage  
Asbestos Personal Injury/Wrongful Death  
Product Liability (*not asbestos or toxic/environmental*) (24)  
Medical Malpractice (45)  
Medical Malpractice—Physicians & Surgeons  
Other Professional Health Care Malpractice  
Other PI/PD/WD (23)  
Premises Liability (e.g., slip and fall)  
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)  
Intentional Infliction of Emotional Distress  
Negligent Infliction of Emotional Distress  
Other PI/PD/WD

## Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)  
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)  
Defamation (e.g., slander, libel) (13)  
Fraud (16)  
Intellectual Property (19)  
Professional Negligence (25)  
Legal Malpractice  
Other Professional Malpractice (*not medical or legal*)  
Other Non-PI/PD/WD Tort (35)

## Employment

Wrongful Termination (36)  
Other Employment (15)

## Contract

Breach of Contract/Warranty (06)  
Breach of Rental/Lease  
Contract (*not unlawful detainer or wrongful eviction*)  
Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)  
Negligent Breach of Contract/Warranty  
Other Breach of Contract/Warranty  
Collections (e.g., money owed, open book accounts) (09)  
Collection Case—Seller Plaintiff  
Other Promissory Note/Collections Case  
Insurance Coverage (*not provisionally complex*) (18)  
Auto Subrogation  
Other Coverage  
Other Contract (37)  
Contractual Fraud  
Other Contract Dispute

## Real Property

Eminent Domain/Inverse Condemnation (14)  
Wrongful Eviction (33)  
Other Real Property (e.g., quiet title) (26)  
Writ of Possession of Real Property  
Mortgage Foreclosure  
Quiet Title  
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

## Unlawful Detainer

Commercial (31)  
Residential (32)  
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

## Judicial Review

Asset Forfeiture (05)  
Petition Re: Arbitration Award (11)  
Writ of Mandate (02)  
Writ—Administrative Mandamus  
Writ—Mandamus on Limited Court Case Matter  
Writ—Other Limited Court Case Review  
Other Judicial Review (39)  
Review of Health Officer Order  
Notice of Appeal—Labor Commissioner Appeals

## Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)  
Construction Defect (10)  
Claims Involving Mass Tort (40)  
Securities Litigation (28)  
Environmental/Toxic Tort (30)  
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

## Enforcement of Judgment

Enforcement of Judgment (20)  
Abstract of Judgment (Out of County)  
Confession of Judgment (*non-domestic relations*)  
Sister State Judgment  
Administrative Agency Award (*not unpaid taxes*)  
Petition/Certification of Entry of Judgment on Unpaid Taxes  
Other Enforcement of Judgment Case

## Miscellaneous Civil Complaint

RICO (27)  
Other Complaint (*not specified above*) (42)  
Declaratory Relief Only  
Injunctive Relief Only (*non-harassment*)  
Mechanics Lien  
Other Commercial Complaint Case (*non-tort/non-complex*)  
Other Civil Complaint (*non-tort/non-complex*)

## Miscellaneous Civil Petition

Partnership and Corporate Governance (21)  
Other Petition (*not specified above*) (43)  
Civil Harassment  
Workplace Violence  
Elder/Dependent Adult Abuse  
Election Contest  
Petition for Name Change  
Petition for Relief From Late Claim  
Other Civil Petition



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RANCHO ESPERANZA LLC

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF SAN DIEGO – CENTRAL DIVISION

11 RANCHO ESPERANZA LLC, a Nevada  
limited liability company,

12 Plaintiff,

13 v.

14 DINESH D'SOUZA, an individual, and  
15 DOES 1 through 25,

16 Defendants.

No. 37-2012-00083895-CU-BC-CTL

VERIFIED COMPLAINT FOR: (1) BREACH  
OF CONTRACT; (2) BREACH OF THE  
COVENANT OF GOOD FAITH AND FAIR  
DEALING; (3) TORTIOUS INTERFERENCE  
WITH CONTRACT AND PROSPECTIVE  
ECONOMIC ADVANTAGE; (4) SPECIFIC  
PERFORMANCE; (5) ACCOUNTING; AND,  
(6) DECLARATORY RELIEF

FILED  
CIVIL BUSINESS OFFICE 13  
CENTRAL DIVISION

2012 OCT 22 A 8:51

CLERK - SUPERIOR COURT  
SAN DIEGO COUNTY, CA

VIA FAX

1 Plaintiff Rancho Esperanza LLC ("Rancho Esperanza" or the "Company") hereby alleges  
2 as follows:

3 1. Rancho Esperanza brings this action against Dinesh D'Souza ("D'Souza") and  
4 DOES 1-25 in an effort to force D'Souza to comply with his contractual obligations to the benefit  
5 of Rancho Esperanza, to stop D'Souza from interfering with Rancho Esperanza's contracts and  
6 prospective economic interests, such as Rancho Esperanza's contractual relationship with  
7 Obama's America Foundation LLC ("OAF"), and to quantify improper self-dealing by D'Souza  
8 in the operation of OAF, of which D'Souza is a Managing Member, for which the total harm to  
9 Rancho Esperanza likely exceeds \$1 million.

10 2. This action seeks declaratory relief and an accounting, and brings claims for  
11 breach of contract, breach of the covenant of good faith and fair dealing, tortious interference  
12 with contract and prospective economic advantage, and specific performance.

#### 13 THE PARTIES

14 3. Rancho Esperanza is a Nevada limited liability company, with its principal place  
15 of business in Carson City, Nevada, and does not conduct intrastate business in the State of  
16 California.

17 4. D'Souza is an individual. On information and belief, D'Souza owns residences in  
18 San Diego County, California, and New York City, New York. On information and belief,  
19 D'Souza maintains bank accounts in California, New York, and India, where he was born and  
20 lived during his childhood.

21 5. Rancho Esperanza is unaware of the true names and capacities of Defendants sued  
22 herein as DOES 1-25, and therefore, sues these Defendants by such fictitious names. Rancho  
23 Esperanza will amend this Complaint to allege their true names and capacities when ascertained.  
24 Rancho Esperanza is informed and believes, and therefore alleges, that each of the fictitiously  
25 named Defendants is responsible in some manner for the allegations herein.

#### 26 RANCHO ESPERANZA IS FORMED TO COMMERCIALIZE 2016: OBAMA'S AMERICA.

27 6. Rancho Esperanza has as its members those who invested in the development,  
28 production, and distribution of the highly-successful motion picture, *2016: Obama's America*,

#### COMPLAINT

1 which was released on July 13, 2012 and which was based on the book, *The Roots of Obama's*  
2 *Rage*, which D'Souza authored.

3 7. According to Rancho Esperanza's Operating Agreement, the express purpose of  
4 the Company is for "[o]wning, developing, producing, distributing, exhibiting, transmitting,  
5 disseminating, performing and otherwise exploiting..." the movie and related intellectual  
6 property. (Rancho Esperanza Operating Agreement, ¶ 1.4(a).) A true and correct copy of the  
7 Rancho Esperanza Operating Agreement is attached hereto as Exhibit A. Rancho Esperanza is  
8 managed by OAF, which is entitled to appoint officers to run the day-to-day operations of the  
9 Company. (Rancho Esperanza Operating Agreement, ¶¶ 1.5, 5.1.) OAF appointed Douglas Sain  
10 ("Sain") as the President of Rancho Esperanza. (Rancho Esperanza Operating Agreement, ¶ 5.6.)  
11 The members of Rancho Esperanza, however, are expressly precluded from managing the  
12 Company except for limited decision-making. (Rancho Esperanza Operating Agreement, ¶ 1.5.)

13 8. OAF's successful management of Rancho Esperanza depends on the unique  
14 structure of OAF's Operating Agreement, which requires the three OAF managers – D'Souza,  
15 Sain Communications Incorporated ("SCI"), and Veterans Gateway Incorporated ("VGI") – to  
16 use their best efforts to act unanimously with respect to the production and distribution of the  
17 movie. (OAF Operating Agreement, ¶ 2.b.) A true and correct copy of the OAF Operating  
18 Agreement is attached hereto as Exhibit B.

19 9. The OAF Operating Agreement also recognized that unanimity may be elusive and  
20 provided that D'Souza would have final decision-making authority related to creative issues, and  
21 the remaining two Managing Members, including Sain through SCI, would have final decision-  
22 making authority related to the physical production of the movie. (OAF Operating Agreement, ¶  
23 2.b.) The OAF Operating Agreement further provides that, should the Managing Members of  
24 OAF disagree regarding the final disposition and exploitation of the movie, that dispute would be  
25 resolved by an arbitrator.

26 10. These divided rights and obligations of OAF's Managing Members were disclosed  
27 to Rancho Esperanza's members. For example, the confidential Private Placement Memorandum  
28 issued to prospective members represents that Sain was the Chief Executive Officer of OAF and

#### COMPLAINT

1 lists Sain as one of the "Key Personnel" of OAF, the loss of which may negatively affect the  
2 Company. The Private Placement Memorandum identifies the other managers of OAF, their roles  
3 and their backgrounds.

4 **RANCHO ESPERANZA OBTAINS ALL OF THE INTELLECTUAL PROPERTY RIGHTS AT ISSUE**  
5 **AND MEETS ITS FUNDRAISING OBJECTIVES.**

6 11. Pursuant to a separate contractual agreement between Rancho Esperanza and  
7 D'Souza known as the Option Agreement and dated June 18, 2011, D'Souza granted to Rancho  
8 Esperanza an option to purchase certain rights. The Option Agreement, itself confidential, was  
9 included as an exhibit to the confidential Private Placement Memorandum used to secure  
10 investors.

11 12. The option, once exercised, gave Rancho Esperanza significantly broad rights. As  
12 stated, upon exercise of the option, Rancho Esperanza will:

13 automatically and irrevocably own and be vested with, and [D'Souza]  
14 automatically and irrevocably shall be deemed to have assigned, granted,  
15 conveyed, transferred and set over to [Rancho Esperanza], solely and exclusively,  
16 throughout the universe in perpetuity, in any and all languages, all motion picture,  
17 television and allied, ancillary and subsidiary rights (including all sequel, remake,  
18 merchandising, commercial tie-in, music, music publishing, soundtrack,  
videogame, interactive media, multimedia, virtual reality and theme park and  
attraction rights), under copyright, trademark and otherwise ... in and to the  
[book, *The Roots of Obama's Rage*], including the themes, stories, incidents,  
plots, dialogue, characters, settings, action and titles forming a part thereof (the  
"Rights").

19 The Private Placement Memorandum confirms this, stating, "The Company [Rancho Esperanza]  
20 will own all of the rights to the Picture, including ancillary rights (if any) for other uses of the  
21 screenplay and the script ...."

22 13. The option under the June 18, 2011 Option Agreement was exercised by Rancho  
23 Esperanza when the Company closed on its "Minimum Offering."

24 14. Rancho Esperanza is funded by capital contributions by its members, which total  
25 approximately \$2.5 million, the target set by the Private Placement Memorandum. (Rancho  
26 Esperanza Operating Agreement, Art. 3.) Beginning after the release date of the movie, and on a  
27 quarterly basis, OAF is to distribute Rancho Esperanza's cash assets to the members according to  
28 a particular priority order identified in the Operating Agreement. (Rancho Esperanza Operating

**COMPLAINT**

1 Agreement, ¶ 4.2.) With some explicit exceptions, revenues from the exploitation of the movie  
2 are to flow to Rancho Esperanza and, ultimately, to its members.

3 **BECAUSE RANCHO ESPERANZA OWNS ALL RIGHTS TO THE INTELLECTUAL PROPERTY,**  
4 **OAF WAS HIRED TO EXPLOIT THOSE RIGHTS FOR RANCHO ESPERANZA'S BENEFIT.**

5 15. As outlined in the Private Placement Memorandum and Rancho Esperanza's  
6 Operating Agreement, OAF is the Managing Member of Rancho Esperanza. In addition to this  
7 relationship, Rancho Esperanza and OAF entered into a separate agreement known as the  
8 Production Services Agreement – Documentary, dated January 10, 2012 ("PSA"). A true and  
9 correct copy of the PSA is attached hereto as Exhibit C. The purpose of the PSA is to retain OAF  
10 to render services for the movie.

11 16. The PSA, consistent with the Company's Operating Agreement and the Option  
12 Agreement, confirms the broad ownership rights and interests of Rancho Esperanza in *The Roots*  
13 *of Obama's Rage*, the movie, and all related, ancillary products. For example, the PSA states:

14 The results and proceeds of Producer's services hereunder, and any and all  
15 contributions made in connection with the Documentary, in whatever stage of  
16 creation or completion (and the services of any of Producer's employees, agents,  
17 officers and directors who are involved in the Documentary) (the "Results and  
18 Proceeds"), including without limitation all themes, plots, characters, formats,  
19 ideas, stories, and all other material composed, submitted, added, created, or  
interpolated by Producer hereunder, ... shall be deemed a work-for-hire for  
Owner prepared within the scope of Producer's employment ... and therefore,  
Owner shall be the author and exclusive copyright owner thereof for all purposes  
throughout the universe. ...

20 (PSA, ¶ 8.a.) The PSA contains covenants by OAF that it would not take action to impede the  
21 ownership rights of Rancho Esperanza. (PSA, ¶ 11.)

22 17. Beyond reiterating the broad rights of Rancho Esperanza with respect to the book,  
23 the movie, and related intellectual property, the PSA gives near exclusive control to Rancho  
24 Esperanza with respect to the production and exploitation of the movie. For example, the PSA  
25 requires OAF to obtain Rancho Esperanza's approval prior to engaging any third party in  
26 connection with the movie and Rancho Esperanza is given the right, in its "sole and exclusive  
27 discretion," to "remove and replace" individuals or entities hired by OAF in connection with the  
28 movie. (PSA, ¶¶ 3, 7.b.) The PSA also gives Rancho Esperanza approval rights over creative

**COMPLAINT**

1 and financial elements of the movie, including audit rights. (PSA, ¶¶ 6, 10.) And importantly,  
2 the PSA prohibited OAF from interfering with the exploitation of the movie. (PSA, ¶ 18.a.)

3 **OAF RELEASES THE MOVIE, WHICH EXCEEDS EXPECTATIONS.**

4 18. *2016: Obama's America* was released on July 13, 2012. To date, the movie has  
5 earned more than \$33 million in North American receipts, making it the second-highest grossing  
6 political documentary ever behind *Fahrenheit 9/11*.

7 19. The movie is anticipated to earn millions of dollars in net revenue from home  
8 entertainment sales and is being distributed by Lionsgate Entertainment. During its first week of  
9 release, the movie was ranked the number one bestselling DVD on Amazon and number seven on  
10 iTunes.

11 20. The success of the movie surprised most in the industry, including those involved  
12 in the development of the movie, and significantly exceeded all revenue projections.

13 **D'SOUZA'S PLAN TO CAPITALIZE ON RANCHO ESPERANZA'S RIGHTS IS REVEALED.**

14 21. Due to the success of the movie, D'Souza's book, *The Roots of Obama's Rage*,  
15 quickly gained in popularity and made it on *The New York Times* Best Seller list. Despite the  
16 newfound success of his book, which was the direct result of the movie, and despite movie-  
17 related payments by OAF to D'Souza of nearly \$1 million – a sizeable amount for an independent  
18 documentary film – D'Souza was not satisfied.

19 22. On information and belief, D'Souza began writing a new book shortly after  
20 completing the screenplay for the movie with the intent to tie this second book to the movie and  
21 capitalize on the movie's release. D'Souza's plan, which illegally disregarded the ownership  
22 rights that were granted to Rancho Esperanza, was hidden from Rancho Esperanza and its  
23 members.

24 23. On August 13, 2012, only one month after the release of the movie, *2016:*  
25 *Obama's America*, and one week before the movie went from 167 theaters to a nationwide release  
26 of 1,100 theaters, D'Souza released a book entitled, "Obama's America." *Obama's America* is a  
27 literary work that blatantly relies on the intellectual property rights granted by D'Souza to Rancho  
28 Esperanza in the Option Agreement and recognized in the Private Placement Memorandum and

**COMPLAINT**



1 the PSA. For example, *Obama's America* is an ancillary or commercial tie-in subject to the grant  
2 in the Option Agreement. And Rancho Esperanza would be entitled to the "Results and  
3 Proceeds" of the book as a work-made-for-hire under paragraph 8 of the PSA since D'Souza is an  
4 "agent[], officer[ or] director[] ... involved in the Documentary." (PSA, ¶ 8.)

5 24. The connection of *Obama's America* to the movie is indisputable. The front cover  
6 of *Obama's America* states prominently at the top "Now a major film by Gerald R. Molen...,"  
7 which is a clear reference to *2016: Obama's America*. And the back cover of the new book  
8 contains an image of the movie's promotional graphic and states, "NOW IN THEATERS."  
9 D'Souza's own submission on his Amazon.com biography states, "In 2012, D'Souza published  
10 ... *Obama's America* ..., climbing to #1 on the *New York Times* bestseller list and *inspiring a*  
11 *documentary on the same topic*. The film, called '2016: Obama's America,' has risen to the  
12 second-highest all-time political documentary...." (Emphasis added.)

13 25. Despite the clear connection of *Obama's America* to *2016: Obama's America* and  
14 the broad grant of rights by D'Souza to Rancho Esperanza, D'Souza is shielding all revenues,  
15 profits, and other financial interest in *Obama's America* from Rancho Esperanza.

16 **D'SOUZA'S GREED BECOMES APPARENT WHEN HE TRIES TO DIVERT FUNDS FROM OAF'S**  
17 **ACCOUNTS AND CONTROL OAF FOR HIS OWN FINANCIAL AND PERSONAL GAIN.**

18 26. Once it became apparent that the movie's success was going to exceed financial  
19 expectations, D'Souza continued to act in his own interests to the detriment of Rancho Esperanza.

20 27. As one example, although OAF needed to raise only \$2 million after the theatrical  
21 release of the movie for expenses known as Prints and Advertising ("P&A"), D'Souza insisted on  
22 raising an additional \$1 million, which he brokered, and which provided him 5% if used by OAF.  
23 Because the Managing Members of OAF disputed the need to raise the additional \$1 million,  
24 D'Souza only earned his \$50,000 finder's fee if the original \$2 million were spent and OAF  
25 tapped into the \$1 million. As a result, D'Souza became financially interested in OAF spending  
26 the third \$1 million that he brokered.

27 28. Likely because of this financial interest, on at least two separate occasions, with no  
28 authority and without notice, D'Souza blocked the deposit of funds from a third party into OAF's

**COMPLAINT**

1 bank accounts.

2 29. On October 4, 2012, D'Souza, acting unilaterally and without explanation,  
3 contacted Rocky Mountain Pictures ("Rocky Mountain"), the movie's theatrical distributor, and  
4 instructed Rocky Mountain not to send OAF funds earned from the theatrical showing of the  
5 movie to OAF's accounts for Rancho Esperanza's benefit.

6 30. On October 16, 2012, D'Souza, again acting unilaterally and without authority,  
7 instructed an attorney, purportedly representing OAF, to contact Rocky Mountain and instruct  
8 Rocky Mountain not to send OAF funds to OAF's accounts. Specifically, D'Souza's agent stated  
9 to Rocky Mountain, "Rocky Mountain Pictures is hereby instructed by OAF not to disburse any  
10 further funds to the current OAF account at Wells Fargo.... Please hold all OAF funds pending  
11 further instructions from OAF."

12 31. D'Souza's actions forced OAF to tap into the \$1 million D'Souza sourced for  
13 P&A, creating a \$50,000 windfall for D'Souza. Had D'Souza not blocked funds to OAF's  
14 accounts, there would have been sufficient funds in OAF's accounts to avoid tapping into the \$1  
15 million D'Souza sourced. D'Souza's conduct in diverting funds intended for OAF's bank  
16 accounts, at best, was done for the purpose of necessitating the use of funds D'Souza brokered to  
17 trigger the finder's fee payment. At worst, D'Souza's diversion of funds from OAF's authorized  
18 bank accounts was much more malicious. D'Souza's interactions with Rocky Mountain were not  
19 the first evidence of D'Souza maneuvering funds for his own benefit and to harm third parties.  
20 On information and belief, in October 2011, D'Souza asked that a \$90,000 payment to him from  
21 OAF be transferred from OAF to an account in India to hide the funds from the IRS, his current  
22 wife, or others.

23 32. D'Souza has interfered further with OAF's receipt of revenues collected from  
24 online DVD sales and via OAF's PayPal accounts. Specifically, D'Souza instructed a marketing  
25 producer to not pay website revenues (DVD and merchandising) of \$120,000 to OAF.

26 33. As another example of D'Souza's self-dealing to the detriment of Rancho  
27 Esperanza, D'Souza is using revenues from the movie for projects unrelated to the movie. One  
28 such project is a movie about Ronald Reagan, which is currently being developed by D'Souza.

#### COMPLAINT

1 D'Souza is diverting personnel paid for by OAF to the Reagan movie project.

2 34. In an effort to eliminate the only check on his domination of OAF for his own  
3 financial interests, D'Souza recently attempted to force SCI, one of the three Managing Members  
4 of OAF, out of any active management role. D'Souza's efforts in this regard are against the  
5 representations made in the Private Placement Memorandum and breach Rancho Esperanza's  
6 rights under the PSA.

7 35. Specifically, D'Souza unilaterally purported to hire an attorney on behalf of OAF  
8 and instructed that attorney that D'Souza is the "majority owner" and "entitled to control" of  
9 OAF. D'Souza took this action even though the OAF Operating Agreement clearly states that  
10 SCI and VGI "on the one hand, and D'Souza, on the other hand, shall share *equally* in the  
11 economic interests in" OAF and that the OAF Operating Agreement cannot be modified without  
12 the written consent of all Managing Members. (OAF Operating Agreement, ¶¶ 4.b., 18 (emphasis  
13 added).) As noted above, these provisions were important considerations for Rancho Esperanza  
14 because it ensured that OAF was not controlled by a single individual or entity. In fact, the  
15 importance of avoiding monopoly power in OAF was so critical that paragraph 12 of the OAF  
16 Operating Agreement even prohibited the assignment or delegation of duties under the OAF  
17 Operating Agreement, making any such assignment "null and void."

18 36. Beyond merely stating his purported OAF authority publicly, D'Souza took his  
19 efforts to seize control even further. On or about October 15, 2012, D'Souza instructed counsel  
20 for OAF, which was improperly retained, to file an action in San Diego Superior Court against  
21 the Managing Members of OAF. D'Souza authorized and instructed that this legal action be filed  
22 without seeking consent from the Managing Members of OAF to have their dispute resolved by  
23 an arbitrator, as required by the OAF Operating Agreement. On information and belief, Rancho  
24 Esperanza believes that all Managing Members of OAF would have consented to the appointment  
25 of an arbitrator to resolve the "advertising" dispute, as called for in the OAF Operating  
26 Agreement, without filing a wasteful and needless court action.

27 37. Importantly, D'Souza does not have the authority under the OAF Operating  
28 Agreement to hire legal counsel or initiate a legal proceeding without consulting with the

#### COMPLAINT

1 Managing Members “in good faith” and using his “best efforts to resolve disagreements” so that  
2 all decisions of [OAF] will be unanimous.” (OAF Operating Agreement, ¶ 2.b.) And other than  
3 expenses explicitly identified, OAF was only permitted to spend, and be reimbursed for, expenses  
4 paid by OAF “on behalf of” Rancho Esperanza – not those spent only for the benefit of D’Souza  
5 or OAF. (Rancho Esperanza Operating Agreement, ¶ 5.5.)

6 38. Separately, D’Souza, in his individual capacity, filed a demand for arbitration with  
7 JAMS on October 16, 2012, seeking a determination that he is the controlling manager of OAF.  
8 Attached as Exhibit D is a true and correct copy of D’Souza’s arbitration demand. Notably,  
9 D’Souza retained the same counsel that represents Rancho Esperanza to prosecute his individual  
10 action even though that action is against Rancho Esperanza’s interests.

11 39. Acting in the name of OAF, D’Souza’s efforts to seize control are inconsistent  
12 with the PSA, which prohibits OAF from interfering with the exploitation of the movie. (PSA, ¶  
13 18.a.) D’Souza’s waste of OAF resources – resources that are critical for maximum distribution  
14 of the movie and revenues related thereto – for his own personal agenda is negatively affecting  
15 the movie’s financial exploitation to the detriment of Rancho Esperanza.

16 40. While waiting to resolve D’Souza’s claim of ownership and total control of OAF,  
17 on information and belief, Rancho Esperanza believes that D’Souza is extending loans to OAF,  
18 which are not being entered into at arm’s-length, and which have undefined repayment terms,  
19 potentially to the financial detriment of Rancho Esperanza.

20 41. Rancho Esperanza also believes that funds earned by OAF for the benefit of the  
21 Company were spent related to a personal relationship between D’Souza and a student at a  
22 college where D’Souza was formerly president. Specifically, it was reported the week of October  
23 15, 2012, that D’Souza had been having an extramarital affair with a married student named  
24 Denise Joseph from The King’s College in New York while he was still married to his wife.  
25 D’Souza denied the reports and claimed that he had “been separated” from his wife for two years.  
26 Ultimately, on October 18, 2012, D’Souza resigned from his role as President of The King’s  
27 College.

28 42. Contrary to D’Souza’s public accounts, his current wife was involved in various

#### COMPLAINT

1 aspects of the production of the movie at the same time as D'Souza involved Joseph in the  
2 production of the movie and introduced Joseph as his "assistant." D'Souza repeatedly involved  
3 his current wife throughout the production and distribution of the movie, at least as recently as  
4 February 2012. For example, D'Souza repeatedly attempted to include his wife in front of the  
5 camera when the movie was filming. On information and belief, D'Souza continued the ruse that  
6 Joseph was his "assistant" in order to justify spending funds on Joseph that were intended for the  
7 movie production and exploitation.

8 43. For example, even though D'Souza maintained that Joseph was his "assistant" at  
9 the Republican National Convention, on information and belief, D'Souza shared the same hotel  
10 room with Joseph and charged some or all of Joseph's travel costs to OAF to the detriment of  
11 Rancho Esperanza. D'Souza also demanded that OAF pay for security for Joseph while she  
12 attended the Democratic National Convention with him as his "assistant" and caused OAF to  
13 incur legal costs related to the same.

14 44. Joseph often traveled with D'Souza on trips related to the movie. D'Souza  
15 submitted invoices for expense reimbursements for this travel that obscures the nature of the  
16 expenses. On information and belief, D'Souza is seeking payment from OAF for the costs  
17 associated with his personal companion. These expenses were not legitimate expenses of the  
18 movie production and directly harm Rancho Esperanza, the beneficiary of the movie's profits.

19 45. The wave of detrimental national news coverage of D'Souza's personal  
20 relationship with Joseph, one that was at least partially funded with money owed to Rancho  
21 Esperanza, will continue to reduce future revenues from the picture and the second book both  
22 directly and indirectly. For example, now that the media is focused on D'Souza's personal  
23 relationship with Joseph, D'Souza is using OAF resources to defend his reputation publicly.  
24 These resources are intended for the benefit of Rancho Esperanza and its members. Many of  
25 these resources are being wasted at a critical time when they are needed, instead, for the movie's  
26 exploitation of home entertainment mediums and video devices during the peak demand for the  
27 movie.

28 46. D'Souza's selfish conduct, waste of OAF financial resources, and self-dealing are

#### COMPLAINT

1 inconsistent with the Option Agreement he entered into with Rancho Esperanza. It also  
2 constitutes breaches of contracts for which Rancho Esperanza is a third-party beneficiary.  
3 Rancho Esperanza brings this action to protect the interests of its members and to recoup  
4 D'Souza's ill-gotten gains.

5 **FIRST CAUSE OF ACTION**

6 **(FOR BREACH OF CONTRACT)**

7 47. Rancho Esperanza re-alleges and incorporates paragraphs 1 through 46 of this  
8 Complaint as though fully set forth herein.

9 48. As discussed above, Rancho Esperanza and D'Souza entered into a June 18, 2011  
10 Option Agreement.

11 49. Rancho Esperanza exercised the option contained in the June 18, 2011 Option  
12 Agreement, which granted to Rancho Esperanza sole and exclusive rights to "any and all  
13 languages, all motion picture, television and allied, ancillary and subsidiary rights (including all  
14 sequel, remake, merchandising, commercial tie-in, music, music publishing, soundtrack,  
15 videogame, interactive media, multimedia, virtual reality and theme park and attraction rights),  
16 under copyright, trademark and otherwise ... in and to the [book, *The Roots of Obama's Rage*],  
17 including the themes, stories, incidents, plots, dialogue, characters, settings, action and titles  
18 forming a part thereof...."

19 50. D'Souza materially breached and continues to breach the grant contained in the  
20 June 18, 2011 Option Agreement by, among other things:

- 21 a. shielding all revenues, profits, and other financial interest in the book, *Obama's*  
22 *America*, from Rancho Esperanza;  
23 b. preventing funds from third parties, intended for OAF's bank accounts, for the  
24 benefit of Rancho Esperanza, from being deposited in such accounts; and,  
25 c. utilizing proceeds from *2016: Obama's America*, which should be for the benefit  
26 of Rancho Esperanza, for his own individual benefit.

27 51. Rancho Esperanza has performed all of its obligations under the June 18, 2011  
28 Option Agreement and D'Souza's performance is not otherwise excused.

**COMPLAINT**



52. As a proximate result of D'Souza's material breach of the June 18, 2011 Option Agreement, Rancho Esperanza has been damaged in an amount subject to proof at trial.

## SECOND CAUSE OF ACTION

**(FOR BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING)**

53. Rancho Esperanza re-alleges and incorporates paragraphs 1 through 52 of this Complaint as though fully set forth herein.

54. There is implied into every contract in California a covenant of good faith and fair dealing, which requires at a minimum that the parties to the contract act in a manner of good faith and deal with one another fairly. The implied covenant of good faith and fair dealing required D'Souza, among other things, to honor his commitment to assign his rights in intellectual property related in any way to the movie to Rancho Esperanza.

55. D'Souza breached this implied covenant of good faith and fair dealing by the conduct alleged hereinabove. As a proximate result of D'Souza's conduct and breach, Rancho Esperanza has been damaged in an amount subject to proof at trial.

### THIRD CAUSE OF ACTION

**(FOR TORTIOUS INTERFERENCE WITH CONTRACT AND PROSPECTIVE ECONOMIC ADVANTAGE)**

56. Rancho Esperanza re-alleges and incorporates paragraphs 1 through 55 of this Complaint as though fully set forth herein.

57. Rancho Esperanza had economic relationships with third parties, either directly or as a third-party beneficiary, with the probability of future economic benefit to Rancho Esperanza.

58. D'Souza knew of these third-party relationships that Rancho Esperanza had either directly or as a third-party beneficiary.

59. D'Souza intentionally and willfully interfered with Rancho Esperanza's economic relationships with third parties and other financial opportunities.

60. For example, D'Souza, by preventing funds from third parties, intended for OAF's bank accounts, to the benefit of Rancho Esperanza, from being deposited in such accounts, is causing OAF to breach its contractual obligations to Rancho Esperanza. This conduct is also a tortious interference in the contracts between OAF and such third parties, such as Rocky

## COMPLAINT

1 Mountain Pictures, of which Rancho Esperanza is a third-party beneficiary.

2 61. By shielding all revenues, profits, and other financial interest in the book,  
3 *Obama's America*, from Rancho Esperanza, as explained more fully above, D'Souza is causing  
4 OAF to breach its contractual obligations to Rancho Esperanza. Specifically, D'Souza's conduct  
5 is a breach of the representations made in the Private Placement Memorandum and is a breach of  
6 the EPA between OAF and Rancho Esperanza. For example, the EPA expressly assigns to  
7 Rancho Esperanza the rights to the results and proceeds of the services of OAF's employees,  
8 agents, officers and directors, of which D'Souza is at least an agent and officer. D'Souza's  
9 conduct is also causing OAF to breach its covenant to Rancho Esperanza, which prohibits OAF  
10 from taking any action to impede Rancho Esperanza's ownership rights.

11 62. D'Souza, by utilizing proceeds from *2016: Obama's America*, which should be for  
12 the benefit of Rancho Esperanza, for his own individual benefit, as explained more fully above, is  
13 causing OAF to breach its obligations to Rancho Esperanza under Rancho Esperanza's Operating  
14 Agreement. Specifically, under that contract, OAF is supposed to distribute proceeds from *2016:*  
15 *Obama's America* to the members of Rancho Esperanza.

16 63. D'Souza, by wrongfully attempting to change the control structure of OAF, is  
17 causing OAF to breach the written agreements entered into between OAF and Rancho Esperanza,  
18 either directly or through its members. Specifically, D'Souza's ability to unilaterally control  
19 OAF, and his conduct consistent with such control, is a breach of the representations made in the  
20 Private Placement Memorandum and is a breach of Rancho Esperanza's Operating Agreement  
21 and the Shopping Agreements entered into between Rancho Esperanza and its members.

22 64. As a direct and proximate result of D'Souza's improper conduct, Rancho  
23 Esperanza has suffered substantial damages and is entitled to an amount to be determined at trial.

24 65. Rancho Esperanza is also informed and believes, and thereon alleges, that D'Souza  
25 performed the foregoing acts, conduct, and omissions intentionally, maliciously, and  
26 oppressively, with the intent and design to damage Rancho Esperanza. By reason of D'Souza's  
27 conduct, Rancho Esperanza is entitled to recover exemplary damages, according to proof at trial.

28 66. The exact amount of Rancho Esperanza's damages is not presently ascertainable,

#### COMPLAINT

1 but is believed to be in excess of the jurisdiction of this Court and is continuing to accrue.  
2 Rancho Esperanza will put forth evidence of the exact amount and nature of these damages at the  
3 time of trial.

4 **FOURTH CAUSE OF ACTION**  
5 **(FOR SPECIFIC PERFORMANCE)**

6 67. Rancho Esperanza re-alleges and incorporates paragraphs 1 through 66 of this  
7 Complaint as though fully set forth herein.

8 68. Rancho Esperanza and D'Souza entered into the June 18, 2011 Option Agreement,  
9 which is a specific, enforceable contract, sufficiently certain in its terms.

10 69. D'Souza received adequate consideration for his performance of the contract.

11 70. Rancho Esperanza exercised the option contained in the June 18, 2011 Option  
12 Agreement, which granted to Rancho Esperanza sole and exclusive rights to "any and all  
13 languages, all motion picture, television and allied, ancillary and subsidiary rights (including all  
14 sequel, remake, merchandising, commercial tie-in, music, music publishing, soundtrack,  
15 videogame, interactive media, multimedia, virtual reality and theme park and attraction rights),  
16 under copyright, trademark and otherwise ... in and to the [book, *The Roots of Obama's Rage*],  
17 including the themes, stories, incidents, plots, dialogue, characters, settings, action and titles  
18 forming a part thereof...."

19 71. D'Souza materially breached and continues to breach the grant contained in the  
20 June 18, 2011 Option Agreement by, among other things:

- 21 a. shielding all revenues, profits, and other financial interest in the book, *Obama's*  
22 *America*, from Rancho Esperanza;
- 23 b. preventing funds from third parties, intended for OAF's bank accounts, to the  
24 benefit of Rancho Esperanza, from being deposited in such accounts; and,
- 25 c. utilizing proceeds from *2016: Obama's America*, which should be for the benefit  
26 of Rancho Esperanza, for his own individual benefit.

27 72. Rancho Esperanza has performed all of its obligations under the June 18, 2011  
28 Option Agreement and D'Souza's performance is not otherwise excused.

**COMPLAINT**



1 which should be borne by D'Souza.

2 **SIXTH CAUSE OF ACTION**

3 **(DECLARATORY RELIEF)**

4 79. Rancho Esperanza re-alleges and incorporates paragraphs 1 through 78 of this  
5 Complaint as though fully set forth herein.

6 80. An actual and justiciable controversy exists between Rancho Esperanza and  
7 D'Souza.

8 81. Rancho Esperanza seeks a judicial determination of its rights and duties and  
9 specifically seeks a declaration that:

- 10 a. Rancho Esperanza is the sole owner of all of the intellectual property rights  
11 associated with the book, *Obama's America*, as provided for in the parties'  
12 contract and the contracts between Rancho Esperanza and OAF;  
13 b. Rancho Esperanza is entitled to all financial proceeds related to the book, *Obama's*  
14 *America*; and,  
15 c. Because of his wrongful conduct, D'Souza is obligated to incur the cost of an  
16 accounting of OAF's books and records and the books and records related to  
17 *Obama's America*.

18 82. The declaration referenced above is necessary and appropriate at this time so that  
19 all parties may determine their rights and obligations and to prevent D'Souza's continued  
20 wrongful profit from Rancho Esperanza's intellectual property.

21  
22 **JURY DEMAND**

23 Rancho Esperanza hereby demands a trial by jury of all issues so triable.  
24

25 **PRAYER FOR RELIEF**

26 WHEREFORE, Rancho Esperanza respectfully requests that D'Souza and DOES 1-25 be  
27 cited to appear and answer, and that upon final trial, the Court find judgment for Rancho  
28 Esperanza and against D'Souza and DOES 1-25 as follows:

**COMPLAINT**

1. As a result of the wrongful conduct of D'Souza and DOES 1-25, for Rancho Esperanza for actual damages of at least \$1,000,000, consequential damages, exemplary damages, restitution, disgorgement, pre- and post-judgment interest, penalties, costs, and reasonable attorneys' fees, to the extent awardable;
2. For specific performance by D'Souza of his obligations under the June 18, 2011 Option Agreement;
3. A declaration that Rancho Esperanza is the rightful owner of the intellectual property related to the book, *Obama's America*, and all financial proceeds related thereto;
4. For an accounting of the books and records of D'Souza and OAF, the costs of which should be borne by D'Souza; and,
5. For such other and further relief to which Rancho Esperanza may show itself justly entitled, in law or in equity.

Dated: October 22, 2012

THE LEVENTHAL LAW FIRM, APC  
JOSEPH S. LEVENTHAL (221043)

By: 

Joseph S. Leventhal

Attorneys for Plaintiff  
RANCHO ESPERANZA LLC



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**VERIFICATION**

I, Douglas Sain, declare and state as follows:

I am the President of Rancho Esperanza LLC, plaintiff in the above-entitled action. I have read the foregoing Complaint, know the contents thereof, and I certify that the same is true and correct of my own knowledge, except as to matters stated on information and belief, and as to those matters, I believe them to be true.

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

Executed this 21st day of October, 2012, at San Diego, California.

  
\_\_\_\_\_  
Douglas Sain

**COMPLAINT**

## **RANCHO ESPERANZA LLC**

### **OPERATING AGREEMENT**

THIS OPERATING AGREEMENT (the “**Agreement**”) of Rancho Esperanza LLC, a Nevada limited liability company (the “**Company**”), is made and entered into effective as of July 18, 2011, by and among Obama’s America Foundation LLC, a Nevada limited liability company (“**Obama’s America**”), and the other Persons listed on Exhibit C. Obama’s America and the other Persons listed on Exhibit C, together are referred herein below as the “**Members**.”

#### **ARTICLE 1. ORGANIZATION OF THE COMPANY**

**1.1 Name.** The Company was organized on July 18, 2011, under the laws of the State of Nevada under the name Rancho Esperanza LLC.

**1.2 Principal Place of Business.** The principal place of business of the Company will be located at 10170 West Tropicana Avenue, Suite 317, Las Vegas, NV 89147, or such other place as the Manager may designate from time to time.

**1.3 Term.** The Company’s existence commenced on the date of filing of the Articles of Organization of the Company (the “**Articles**”) with the Secretary of State of the State of Nevada, and will continue from that date for 99 years, unless sooner dissolved as provided herein.

**1.4 General Purpose.** The purpose of the Company is to engage in any lawful business, purpose or activity permitted under the Act. Notwithstanding the foregoing, without the consent of the Manager, the Company will not engage in any business other than the following:

(a) Owning, developing, producing, distributing, exhibiting, transmitting, disseminating, performing and otherwise exploiting (i) a motion picture which is currently expected to be entitled “Obama’s America” based upon the Screenplay (as defined below) (the “**Picture**”) and (ii) other similarly-themed entertainment properties. As used herein, the term “entertainment properties” shall include, without limitation, any and all intellectual property intended for exploitation via all forms of theatrical and video exhibition (including, but not limited to, videocassettes, video games, DVDs, video or laser discs and video on demand), television (including, without limitation, free, syndication, network, digital, basic and/or pay cable television exhibition), Internet/Worldwide Web (whether via phone line, cable delivery system, digital broadcast system, microwave transmission or otherwise) and any other so-called on-line or networked computer assisted media or similar or other medium now known or hereafter developed, by means of any and all languages, formats, media and manner, now known or hereafter devised;

(b) Providing services to any Person in connection with the subject matter described in Section 1.4(a), above; and

(c) Such other activities directly related to and in furtherance of the foregoing activities as may be necessary, advisable, or appropriate, in the reasonable opinion of the Manager.

**1.5 Management of the Company.** The Company will be managed by or under the authority of one manager (the “**Manager**”) appointed in accordance with Section 5 of this Agreement who shall be the manager of the Company within the meaning of the Act. The Manager will hold office until its death, disability, resignation or removal in accordance with Article 5. The Manager may appoint officers to run the day-to-day operations of the Company. The Members will have no power to participate in the management of the Company except as expressly required by the Act, Member Key Decisions or elsewhere under this Agreement. Unless authorized by the Manager or this Agreement, no Member will have any power or authority to bind, act or purport to act on behalf of the Company in any manner.

**1.6 Inconsistencies with Act; Reliance on this Agreement.** This Agreement will govern the relationship of the Members, except to the extent a provision of this Agreement is expressly prohibited or ineffective under the Act. If any provision of this Agreement is prohibited or ineffective under the Act, this Agreement will be considered amended to the minimum extent possible in order to make such provision effective under the Act.

**1.7 Option Agreement and Picture Rights.**

The Company will acquire certain exclusive and worldwide rights (the “**Picture Rights**”), in perpetuity, to develop, produce and exploit, in all media (whether currently in existence or hereafter devised) the Picture based on the book and screenplay entitled “The Roots of Obama’s Rage” (the “**Screenplay**”). The Picture Rights will be pursuant to a option agreement between Dinesh D’Souza and the Company, substantially in the form attached hereto as Exhibit A (the “**Option Agreement**”).

**ARTICLE 2. DEFINITIONS**

Capitalized terms used in this Agreement but not defined in this Agreement will have the meanings indicated on Exhibit B.

**ARTICLE 3. CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS**

**3.1 Initial Capital Contributions.** Each Member’s initial Capital Contribution to the Company is set forth opposite such Member’s name on Exhibit C and is made in exchange for the Economic Interest and Voting Interest set forth opposite such Member’s name on Exhibit C. Each Member making a Capital Contribution acknowledges and agrees that the Company will have the right to use the proceeds of such Capital Contribution whether or not the Company receives any further funds, and that the Company’s failure to receive further funds will materially adversely affect the Company’s purposes as set forth in Section 1.4.

**3.2 Additional Capital Contributions.** No Member shall be required to make any additional Capital Contributions. Upon a determination by the Manager that additional Capital Contributions are necessary or appropriate for the conduct of the Company’s business, the

Members shall have the opportunity, but not the obligation, to participate in such additional Capital Contributions on a pro rata basis in accordance with their respective Economic Interests.

**3.3 No Right to Return of Contribution; No Interest on Capital.** Except as provided in this Agreement, no Member will have the right to withdraw or receive any return of, or interest on, any Capital Contribution or on any balance in such Member's Capital Account. If the Company is required to return any Capital Contribution to a Member, such Member will not have the right to receive any property other than cash.

**3.4 Capital Accounts.** The Company will establish and maintain an individual Capital Account for each Economic Interest Holder.

#### **ARTICLE 4. TAXES, ALLOCATIONS AND DISTRIBUTIONS**

**4.1 Allocation and Tax Provisions.** Rules relating to allocations of income, gains, losses and deductions, certain tax matters and related items are set forth on Exhibit D attached hereto.

##### **4.2 Distributions.**

(a) **General.** The Manager, subject to applicable law and any limitations contained elsewhere in this Agreement, shall distribute the Company's cash assets to the Economic Interest Holders on a quarterly basis, during the first three (3) years after the release of the Picture, and semiannually thereafter. Subject to applicable law and any limitations contained elsewhere in this Agreement, the Manager may elect from time to time to distribute the other assets and properties of the Company (other than the Picture or the Picture Rights), to the Economic Interest Holders. Distributions shall be made in the following order of priority:

(i) First, to the Economic Interest Holders pro rata in accordance with their respective Preferred Returns in an amount equal to the excess of their respective Preferred Returns over sum of all prior distributions under this Section 4.2(a)(i);

(ii) Second, to the Economic Interest Holders pro rata in accordance with their respective Unreturned Capital Contributions until each Economic Interest Holder's aggregate Unreturned Capital Contributions are reduced to zero.

(iii) Thereafter, to the Economic Interest Holders, pro rata, in proportion to their respective Economic Interests.

(b) **Other Rules.** Neither the Company nor the Manager will incur any liability for making distributions in accordance with this Article IV. No distribution of assets will be made to the Economic Interest Holders if, after giving effect to the distribution, the Company would not be able to pay its debts as they become due in the usual course of business. Except for distributions made in violation of applicable law or this Agreement, no Economic Interest Holder will be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company to any creditor of the Company.

##### **4.3 Withholding.**

(a) The Company shall withhold taxes from distributions to, and allocations among, the Economic Interest Holders to the extent required by law. Except as otherwise provided in this Section 4.3, any amount so withheld by the Company with regard to an Economic Interest Holder shall be treated for purposes of this Agreement as an amount actually distributed to such Economic Interest Holder pursuant to Article 4. An amount shall be considered withheld by the Company if and at the time such amount is remitted to a governmental agency without regard to whether such remittance occurs at the same time as the distribution or allocation to which it relates; provided, however, that an amount actually withheld from a specific distribution or designated by the Manager as withheld from a specific allocation shall be treated as if distributed at the time such distribution or allocation occurs.

(b) In the event that the Manager determines in its reasonable discretion that the Company lacks sufficient cash available to pay withholding taxes in respect of an Economic Interest Holder, the Members (or either of them), upon the approval of the Manager may, but shall not be obligated to, make a loan or capital contribution to the Company to enable the Company to pay such taxes. Any such loan shall be full-recourse to the Company and shall bear interest at a floating rate equal to the prime rate as announced from time to time by Bank of America, N.A., compounded daily. Notwithstanding any provision of the Agreement to the contrary, any loan (including interest accrued thereon) or capital contribution made to the Company by the Members pursuant to this Section 4.3(b) shall be repaid or returned as promptly as is reasonably possible.

(c) Each Economic Interest Holder hereby agrees to indemnify the Company and the other Economic Interest Holders for any liability they may incur for any failure to properly withhold taxes in respect of such Economic Interest Holder. Moreover, each Economic Interest Holder hereby agrees that neither the Company nor any other Economic Interest Holder shall be liable for any excess taxes withheld in respect of such Economic Interest Holder's interest in the Company and that, in the event of over-withholding, an Economic Interest Holder's sole recourse shall be to apply for a refund from the appropriate governmental authority.

(d) If the Company is required to remit cash to a governmental agency in respect of a withholding obligation arising from an in-kind distribution by the Company or the Company's receipt of an in-kind payment, the Manager may cause the Company to sell an appropriate portion of such property and, to the extent permitted by applicable law (as determined by the Manager in its reasonable discretion) any resulting income or gain shall be allocated solely for income tax purposes entirely to the Economic Interest Holders in respect of whom such withholding obligation arises.

**4.4 Distributions with Respect to Transferred Economic Interest.** If an Economic Interest is transferred during any Fiscal Year in compliance with the terms of this Agreement, all distributions on or before the date of such transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such distributions, the Company shall recognize such transfer not later than the end of the calendar month during which it is given notice of such transfer, provided that if the Company does not receive a notice stating the date such Economic Interest was transferred and such other information as the Manager shall reasonably require within thirty (30) days after the end of the

Fiscal Year during which the transfer occurs, then all distributions shall be made, to the Person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the transfer occurs, was the owner of the Economic Interest. Neither the Company nor any Member shall incur any liability for making distributions in accordance with the provisions of this Section 4.4, whether or not any Member or Manager has knowledge of any transfer of ownership of any Economic Interest.

## **ARTICLE 5. MANAGEMENT AND CONTROL**

**5.1 Appointment; General Powers.** Obama's America shall be entitled to appoint the sole Manager of the Company, which shall initially be Obama's America. The Manager shall have the sole power and authority to manage the business, properties and affairs of the Company, except as otherwise provided under the Act in provisions which may not be altered by an operating agreement or as otherwise provided in this Agreement. In the event a Manager, becomes disabled, dies, resigns or is removed, Obama's America shall have the sole right to appoint his, her or its replacement. Such appointment shall be made by Obama's America providing written notice to the other Members. The Manager may be removed at any time by Obama's America, and only Obama's America may remove the Manager. Any removal of a Manager by Obama's America shall be made by providing written notice to the other Members. Except as otherwise provided in this Agreement, the Manager will have full and complete authority, power and discretion, in consultation with each other, to manage and control the business and affairs of the Company (including, without limitation, with respect to creative matters), to make all decisions regarding those matters and to perform any and all other acts customary or incident to the powers granted by law or under this Agreement. The Manager will have the right to delegate on a temporary basis all or some of their rights and/or duties to the officers of the Company, in accordance with paragraph 5.6 of this Agreement. Notwithstanding the foregoing or the provisions of Section 1.5 hereinabove, the Manager may not do any of the following without the vote of all of the Members (each, a "**Member Key Decision**"):

- (a) Cause or permit the Company to engage in any activity that is not consistent with the purposes of the Company as set forth in Section 1.4;
- (b) Knowingly do any act in contravention of the Articles or the Agreement;
- (c) Cause a significant change in the nature of the Company's business;
- (d) Cause the Company to guaranty any debt or other obligation of any third party or Member;
- (e) Cause the Company to voluntarily declare bankruptcy;
- (f) Dissolve the Company;
- (g) Cause the Company to commercially or legally, in whole or in part, dispose of the Picture or any of the Picture Rights; and
- (h) Effectuate the merger or conversion of the Company into some other company, partnership or corporation.



**5.2 Intentionally Omitted.**

**5.2 Manager Has No Exclusive Duty to Company.** The Manager will not be required to devote all of its time to the Company. The Manager may have other business interests and may engage in other activities in addition to those relating to the Company.

**5.3 Meetings.** No annual or regular meetings of the Manager are required to be held.

**5.4 Resignation.** The Manager may resign at any time by giving written notice to the Members. The resignation of the Manager will not affect the resigning Manager's rights as a Member.

**5.5 Reimbursement of Expenses.** The Manager will be reimbursed by the Company for any expenses paid by the Manager on behalf of the Company.

**5.6 Officers.** The Manager may appoint officers with such titles and authority as the Manager may determine. Each officer will serve until his/her death, resignation, or removal or replacement by the Manager. The initial officers of the Company are as follows: (a) Douglas Sain, President, (b) Dinesh D'Souza, Vice President – Creative, and (c) Christopher Williams, Vice President – Physical Production. The officers of the Company will have such responsibility and authority as may be established by the Manager from time to time.

**5.7 Limited Liability.** Except as expressly set forth in this Agreement or as required by law, the Manager will not be personally liable for any debt, obligation or liability of the Company whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being the Manager of the Company.

**ARTICLE 6. MEMBERS**

**6.1 Limited Liability.** Except as expressly set forth in this Agreement or required by law, no Member will (i) be personally liable for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being a Member of the Company, or (ii) have any obligation to restore any deficit balance in its Capital Account.

**6.2 Meetings.** No annual or regular meetings of the Members are required to be held.

**6.3 Voting Rights.** Except as provided in this Agreement (including with respect to Member Key Decisions) or required by law, Members will have no voting, approval or consent rights. However, any action required or permitted to be taken by the Members (i) will be taken only upon a Majority Vote of the Members, unless otherwise provided in this Agreement; and (ii) may be taken by the Members without a meeting if Members owning more than the requisite percentage of Voting Interests (that would be required to take such action at a meeting at which all Voting Interests were present) consent in writing to such action.

**6.4 Withdrawal.** No Member at any time will have the right to withdraw as a Member or withdraw any amounts from its Capital Account without the consent of the Manager.

Any such withdrawal will be on terms agreed to by such Member and the Manager. A withdrawal will not cause the dissolution of the Company.

**6.5 Representations and Warranties.** Each Member hereby represents and warrants to the Company and each other Member that such Member is duly organized, validly existing, and in good standing under the law of its state of organization and has full organizational power to execute and deliver this Agreement and to perform its obligations hereunder.

## **ARTICLE 7. INDEMNIFICATION**

### **7.1 Indemnification.**

(a) To the fullest extent permitted by law, and subject to and in accordance with the procedures set forth for indemnification and advancement of expenses under the Act, the Company will indemnify, hold harmless and defend each Member, Manager and officer of the Company (each, an “**Indemnitee**”) from and against any and all losses, claims, damages, liabilities, whether joint or several, expenses (including legal fees and expenses), judgments, fines and other amounts paid in settlement (collectively, “**Indemnified Losses**”), incurred or suffered by such Indemnitee, as a party or otherwise, in connection with any threatened, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, arising out of or in connection with the business or the operation of the Company, or by reason of the Indemnitee’s status as a Member, Manager or officer of the Company, regardless of whether the Indemnitee retains such status at the time any such Indemnified Loss, is paid or incurred, unless the Indemnified Losses were the result of fraud, deceit, gross negligence, reckless or intentional misconduct, or a knowing violation of law by such Indemnitee.

(b) No Indemnitee shall be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, reckless or intentional misconduct, or a knowing violation of law by such Indemnitee. No Indemnitee shall be liable to the Company or to any Member for any actions taken in good faith in a manner such Indemnitee reasonably believes to be in the best interests of the Company.

(c) To the fullest extent permitted by law, and subject to and in accordance with the procedures set forth for indemnification and advancement of expenses under the Act, expenses incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding subject to this Section will, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount unless it is determined that such Indemnitee is entitled to be indemnified therefor pursuant to this Section 7.1.

(d) The indemnification provided by this Section 7.1 will be in addition to any other rights to which any Indemnitee may be entitled under this Agreement, any other agreement, as a matter of law or otherwise, and will inure to the benefit of the heirs, legal representatives, successors, assigns and administrators of the Indemnitee.

### **7.2 Procedures; Survival.**

(a) If an Indemnitee wishes to make a claim under Section 7.1, the Indemnitee should notify the Company in writing within 30 days after receiving notice of the commencement of any action that may result in a right to be indemnified under Section 7.1; provided, however, that the failure to notify the Company will not relieve the Company of any liability for indemnification pursuant to Section 7.1 (except to the extent that the failure to give notice will have been materially prejudicial to the Company).

(b) An Indemnitee will have the right to employ separate legal counsel in any action pursuant to Section 7.1 and to participate in the defense of the action. The fees and expenses of such legal counsel will be at the expense of the Indemnitee unless (i) the Company has agreed in writing to pay such fees and expenses, (ii) the Company has failed to assume the defense of the action without reservation and employ counsel within a reasonable period of time after being given the notice required above, or (iii) the named parties to any such action (including any impleaded parties) include both the Indemnitee and the Company and the Indemnitee has been advised by its legal counsel that representation of the Indemnitee and the Company by the same counsel would be inappropriate under applicable standards of professional conduct because of actual or potential differing interests between them. It is understood, however, that the Company will, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having actual or potential differing interests with the Company.

(c) The Company will not be liable for any settlement of any action agreed to without the Company's written consent.

(d) The indemnification obligations set forth in this Article 7 hereof will survive the termination of this Agreement.

## **ARTICLE 8. ACCOUNTING AND RECORDS**

**8.1 Accounting Method.** The books, records and accounts of the Company, including for tax purposes, will be maintained in accordance with a method of accounting determined by the Manager.

**8.2 Maintenance of Records.** The Manager will maintain records and accounts of all operations and expenditures of the Company. The Company will keep copies of the following records at its principal place of business:

(a) A current list in alphabetical order of the full name and last known address of each Economic Interest Holder and the Capital Contributions and Economic Interest held by each Economic Interest Holder.

(b) A current list in alphabetical order of the full name and last known address of the Manager.

(c) The stamped Articles of the Company, any amendments to the Articles, and executed copies of any powers of attorney granted for the purpose of executing the Articles;

- (d) The Company's federal, state and local income tax returns and reports, if any, for the five (5) most recent years;
- (e) This Agreement and any amendments to this Agreement;
- (f) Financial statements of the Company for the five (5) most recent Fiscal Years; and
- (g) The minutes, if any, of each meeting of the Members and the Manager;
- (h) Any written consents obtained from Members or the Manager for actions taken without a meeting;
- (i) The writing required of an organizer under Subsection 401(2) of the Act;
- (j) This operating agreement and all amendments thereto; and
- (k) A written statement setting forth:
  - (i) the amount of cash and a description and statement of the agreed value of the other property or services contributed and agreed to be contributed by each member;
  - (ii) the times at which, or events on the happening of which, any additional contributions agreed to be made by each member are to be made;
  - (iii) any right of a member to receive distributions;
  - (iv) any date or event upon the happening of which a member is entitled to payment in redemption of the member's interest in the company; and
  - (v) any date or event upon the happening of which the company is to be dissolved and its affairs wound up.

## **ARTICLE 9. TRANSFER OF MEMBERS' INTERESTS**

**9.1 Restrictions on Transfer.** No Member may Transfer all or any portion of such Interest Holder's Interest unless and until the Manager has approved such Transfer.

(b) After the consummation of a Transfer of any part of a Person's Interest, the Interest so transferred shall continue to be subject to the terms and provisions of this Agreement and any further Transfers shall be required to comply with all terms and provisions of this Agreement.

**9.2 Transfers not in Compliance.** If a Transfer occurs in violation of this Article 9, the transferee will have no right to exercise any rights of a Member under this Agreement or the Act and the transfer will be null and void *ab initio*.

## **ARTICLE 10. ADMISSION OF ADDITIONAL MEMBERS**

**10.1 Admission of Additional Members.** The Manager may (i) admit, from time to time, Additional Members; (ii) determine the Capital Contributions required from Additional Members; and (iii) issue such Membership Interests with such rights and on such terms and conditions as the Manager deems necessary or advisable. MEMBERS DO NOT HAVE PREEMPTIVE RIGHTS TO PURCHASE ADDITIONAL MEMBERSHIP INTERESTS IN THE EVENT THE MANAGER CAUSES THE COMPANY TO ISSUE MEMBERSHIP INTERESTS IN ACCORDANCE WITH THIS SECTION 10.1. IF MANAGER CAUSES THE COMPANY TO ISSUE ADDITIONAL MEMBERSHIP INTERESTS, THE MEMBERSHIP INTERESTS HELD BY EXISTING MEMBERS MAY BE DILUTED. SUCH DILUTION WOULD HAVE THE EFFECT, AMONG OTHER THINGS, OF REDUCING THE ECONOMIC INTEREST AND VOTING INTEREST AS SET FORTH ON EXHIBIT C OF EACH EXISTING MEMBER.

### **10.2 Procedure for Admission.**

(a) No Person will be admitted as an Additional Member until such Person (i) executes and acknowledges documentation in a form and substance satisfactory to the Manager to effect such admission and to confirm the agreement of the Person being admitted to be bound by the terms and provisions of this Agreement; and (ii) makes such Capital Contribution as determined by the Manager.

(b) The Company will reflect the admission of a Member under this Article 10 in the records of the Company as soon as possible after satisfaction of the conditions set forth in this Agreement. No Person will be deemed a Member until such Person is reflected as a Member on records of the Company as provided for in this subsection (b).

## **ARTICLE 11. DISSOLUTION AND LIQUIDATION**

**11.1 Events Causing Dissolution.** The Company will be dissolved only upon the occurrence of any of the following events:

(a) The sale, exchange or other disposition or distribution of all or substantially all of the assets and properties of the Company;

(b) The consent of the Manager; or

(c) The final decree of a court that such dissolution is required under applicable law.

**11.2 Liquidation and Winding Up.** If dissolution of the Company is caused by reason of any of the events set forth in Section 11.1, the Company will be liquidated and the Manager (or other Person designated by a decree of court) will wind up the affairs of the Company. In such case, the Manager (or such other Person designated by a decree of court) will have the authority, in his or her sole and absolute discretion, to sell the Company's assets or distribute them in kind. The Manager or other Person winding up the affairs of the Company

will promptly proceed to the liquidation of the Company. In a liquidation, the assets and the property of the Company will be distributed in the following order of priority:

- (a) To the payment of all debts and liabilities of the Company in the order of priority as provided by law (other than outstanding loans from a Member);
- (b) To the establishment of any reserves deemed necessary by the Manager or the Person winding up the affairs of the Company, for any contingent liabilities or obligations of the Company (including those of the Person serving as the liquidator);
- (c) To the repayment of any outstanding loans from a Member or Economic Interest Holder to the Company; and
- (d) The balance, if any, to the Economic Interest Holders in accordance with Article 4.

**11.3 Limitations on Payments Made in Dissolution.** Excepts as otherwise provided in this Agreement, each Economic Interest Holder shall be entitled to look solely to the assets of the Company for return of his, her or its Capital Contribution and returns thereon, and, if such assets are insufficient to return such Economic Interest Holder's Capital Contributions or returns thereon, the Economic Interest Holder shall have no recourse against the Manager, other Members or officers of the Company.

## **ARTICLE 12. MISCELLANEOUS PROVISIONS**

**12.1 Interpretation.** All references in this Agreement to Articles and Sections refer to Articles and Sections of this Agreement. All Article and Section headings are for reference purposes only and will not affect the interpretation of this Agreement.

**12.2 Notice.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received (i) when delivered personally or by telecopy, (ii) one (1) day following the day when deposited with a reputable, established overnight courier service for delivery to the intended addressee, or (iii) three (3) days following the day when deposited with the United States Postal Service as first class, registered or certified mail, postage prepaid and addressed, if to the Company, to the principal office of the Company set forth in Section 1.2; and if to the Economic Interest Holders, to the addresses set forth on Exhibit C. Any party may alter its notice address by giving notice of such change of address to the other parties in conformity with the provisions of this section.

**12.3 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

**12.4 Governing Law.** Except as required by the Act, this Agreement will be governed by and interpreted in accordance with the laws of the State of Nevada (without regard to the law of conflicts of any jurisdiction).

**12.5 Severability.** If any provision of this Agreement is determined to be invalid, unlawful, void or unenforceable, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

**12.6 Partition.** The parties acknowledge that the assets and properties of the Company are not and will not be suitable for partition. Thus, each Member (on behalf of himself, herself or itself and his, her or its successors and assigns) hereby irrevocably waives any and all rights that such Member may have to maintain any action for partition of such assets and properties.

**12.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

**12.8 Entire Agreement.** This Agreement contains the complete and entire agreement between the parties relating to the subject matter hereof, and supersedes all prior negotiations, agreements, representations and understandings between the parties respecting such matters.

**12.9 No Third Party Beneficiary.** This Agreement is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and permitted assigns, and no other Person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

**12.10 Specific Performance.** Because of the unique character of the Membership Interests, the Members and the Company will be irreparably damaged if this Agreement is not specifically enforced. If any dispute arises concerning the Transfer of any Membership Interest or Economic Interest, or any portion thereof, in the Company, an injunction may be issued restraining any purported Transfer pending the determination of such controversy. If any dispute arises concerning the right or obligation to purchase or sell any such Membership Interests or Economic Interest, or any portion thereof, such right or obligation will be enforceable in a court of equity by a decree of specific performance. Such remedy will, however, be cumulative and not exclusive, and will be in addition to any other remedy which the Members or the Company may have.

**12.11 Preemptive Rights.** No Member will have any preemptive rights.

**12.12 Exhibits.** All Exhibits and Schedules attached hereto are hereby incorporated by reference into, and made a part of, this Agreement.

**12.13 Dispute Resolution.** The parties agree that no arbitration, litigation or some other formal dispute resolution procedure with respect to any Dispute may be commenced unless the parties have fully complied with the dispute resolution procedures set forth in this Section 12.13. In the event that a Dispute arises among the parties and the Dispute cannot be resolved by the personnel directly involved, the parties shall first attempt in good faith to resolve the Dispute promptly by negotiation between duly appointed executive officers or other representatives of such parties, with the full authority to negotiate and settle the Dispute. If a Dispute has not been resolved by negotiations as provided hereinabove, such Dispute shall be submitted to JAMS

(Judicial Arbitration and Mediation Services), or its successor (collectively, “JAMS”), for mediation as provided hereinbelow. Any party involved in the Dispute may commence mediation by providing to JAMS and each other party involved in the Dispute a written request for mediation, setting forth the subject of the Dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS’ panel of neutrals and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties; provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Any party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or 90 days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties so desire.

**12.14 Survival.** It is the express intention and agreement of the Members that all covenants, agreements, statement, representations, warranties and indemnities made in this Agreement will survive the execution and delivery of this Agreement and, where appropriate to facilitate the intent of this Agreement, the dissolution, liquidation and winding up of the Company.

**12.15 Amendments.** All amendments to this Agreement must be in writing and approved by the Manager and a Majority Vote of the Members.

*[The next page is the signature page]*



**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the date set forth in the first paragraph above.

**COMPANY:**

RANCHO ESPERANZA LLC

By: \_\_\_\_\_

  
Douglas Sain, for Obama's America Foundation LLC,  
the Company's Managing Member

**ACKNOWLEDED AND AGREED:**

The undersigned accepts its appointment as the sole Manager of the Company and agrees to be bound by the terms and conditions of this Agreement, as amended from time to time.

Obama's America Foundation LLC

By: \_\_\_\_\_

  
Douglas Sain, Vice President

## EXHIBIT A

### EXECUTIVE PRODUCERS AGREEMENT

This Agreement ("Agreement") is entered into as of this 16 day of June, 2011, by and among Dinesh D'Souza ("D'Souza"), Veterans Gateway Incorporated ("VGI") and Sain Communications Incorporated ("SCI") with respect to the follow facts. D'Souza, VGI and SCI are collectively referred to herein as "Executive Producers".

A. Executive Producers have entered into a Shopping Agreement dated June 15, 2011 (the "Shopping Agreement") pursuant to which (i) VGI and SCI have agreed to use their reasonable best efforts to procure financing ("Financing") for the development and production and distribution of a motion picture, television series, or cable syndicated movie or series, tentatively entitled OBAMA'S AMERICA ("Picture") based upon a book and screenplay entitled THE ROOTS OF OBAMA'S RAGE (together, the "Property") written by D'Souza; and (ii) the Executive Producers have agreed to work together to accomplish the development, production and distribution of the Picture.

B. Conditioned on the VGI's and SCI's procurement of Financing under the Shopping Agreement (the "Condition"), the Executive Producers desire to establish a special purpose vehicle (the "Production Company") and to cause the Production Company to enter into this Agreement as an additional party, subject to the terms and conditions hereof.

C. The Executive Producers desire to enter into this Agreement and to provide the services and rights described in this Agreement to the Production Company in connection with the development, production and distribution of the Picture.

WHEREFORE, for good and valuable consideration, the parties agree as follows:

1. SERVICES; TERM: The Term shall commence on the date hereof and continue through the initial release period of the first Picture. The Executive Producers acknowledge and agree that if the Condition fails to be satisfied, or upon the breach of any Financier resulting in the lack of funds to produce the Picture, this Agreement may be terminated by either the Production Company or Executive Producers, acting jointly, without liability to the non-terminating party.

#### 2. ESTABLISHMENT OF THE PRODUCTION COMPANY; CONSULTATION:

(a) Upon the fulfillment of the Condition to the satisfaction of the Executive Producers, the Executive Producers will establish the Production Company. Unless the Executive Producers agree otherwise, the Production Company will be established as a Nevada limited liability company with D'Souza, VGI and SCI as the sole members. The Production Company will be member managed. D'Souza will have an economic and voting interest of 50% of 100% of the voting interests of the Production Company. VGI and SCI will together have an economic and voting interest of 50% of 100% of the voting interests of the Production Company. The operating agreement for the Production Company will provide that certain actions will require a supermajority vote of 66.66% of 100% of the voting interests of the

Production Company ("Key Decisions"). For illustration purposes only, Key Decisions will include, among others that the Executive Producers unanimously approve, the issuance of membership interests to any third party; the performance of any business other than related to the development, production and exploitation of the Picture; the sale of the Production Company or substantially all of its assets to any third party other than to a distribution company in the ordinary course of business; the liquidation of the Production Company; and the voluntary bankruptcy of the Production Company or similar act.

b. Throughout the Term, Executive Producers will consult with each other in good faith with respect to the development of the Property and production and distribution of the Picture; provided, however, that, subject to the obligation of the Executive Producers to consult with each other in good faith and to use their reasonable best efforts to resolve disagreements so that all decisions of the Production Company will be unanimous: (i) VGI and SCI acknowledge and agree that D'Souza shall have final creative decision-making authority in good faith related to the Picture, including without limitation, related to Property, the selection of the cast, music and any other creative aspect of the Picture; and (ii) D'Souza acknowledges and agrees that VGI and SCI, acting together, will have final decision-making authority in good faith related to the physical production of the Picture; and provided, further, that if the Executive Producers are in disagreement related to the final disposition and exploitation of the Picture, the Executive Producers shall cause the Production Company to appoint a third-party arbitrator mutually agreeable to the Executive Producers to decide the issue.

3. RELATIONSHIP OF PARTIES: Executive Producers are independent contractors of each other and of the Production Company. Nothing herein contained shall be construed to place Executive Producers and Production Company in the relationship of principal and agent, master and servant, partners, joint venturers or employer and employee. None of D'Souza, VGI and SCI shall have, or expressly or by implication, represent themselves as having, any authority to make contracts in the name of or binding on the other, or to obligate or bind other in any manner whatsoever.

4. COMPENSATION: As full and complete compensation for Executive Producers' services hereunder:

a. Subject to the fulfillment of the Condition to the satisfaction of the Executive Producers, VGI and SCI shall jointly receive a commission (the "Commission") in an amount equal to ten percent (10%) of the amount (the "Amounts") of any funds, credits or any other consideration actually paid or loaned by Financiers to Production Company pursuant to the Production Company's operating agreement. The Commission shall be fully disclosed to the Financiers as a "Financing Fee" or other appropriate fee and shall be approved by the Financiers. The Commission shall be paid by Production Company out of the amounts when, if ever, the Production Company has the right under the operating agreement or other agreement with Financiers to use the Financing for the development, production or distribution of the Picture, as the case may be. VGI and SCI will be exclusively responsible to pay any

agents, representatives, finders or other third parties (other than D'Souza) who assisted them in raising Financing out of the Commission.

b. VGI and SCI, on the one hand, and D'Souza, on the other hand, shall share equally in the economic interests in the Production Company (collectively the "Economic Interests"). For the sake of clarity, the Executive Producers hereto agree that D'Souza will receive: (i) a fee and a participation as writer of the screenplay of the Picture that is separate from the D'Souza's economic interests in the Production Company; (ii) a fee for his role as narrator or commentator that is separate from D'Souza's economic interests in the Production Company; (iii) D'Souza's payments under the Option Agreement between the Production Company and D'Souza related to the rights to the Picture shall be separate from D'Souza's economic interests in the Production Company; and (iv) the Production Company's share of the Picture-related revenues may be diluted by the issuance of economic interests or profit participations to the Financiers or certain third-party participants (including, for example purposes only, the director) and, if so, the economic interests of Executive Producers will be diluted. If third-party participants (such as the director) receive backend participations that are not defined as economic interests in the Company, but are defined as financial participations in a contract, the dilution effect will be the same as if such third-party participants received economic interests in the Production Company.

5. NO OBLIGATION: Nothing in this Agreement shall obligate VGI or SCI to obtain or to attempt to obtain any Financiers, nor shall anything in this Agreement obligate Production Company to enter into an agreement with any Financiers; provided, however, that the parties hereby acknowledge and agree that if the Condition is not satisfied within a reasonable period of time, no later than December 31, 2011, this Agreement will terminate automatically without liability of any party to any other.

6. NO SALE OF SECURITIES: VGI and SCI agree not to sell or offer to sell securities related to investing in the development and/or production of the Picture. VGI and SCI agree to indemnify and hold D'Souza and Production Company harmless from any and all claims, losses, expenses or damage and expense (including reasonable attorney's fees) upon a breach or claim of breach of this provision.

7. NOTICES: All notices, reports, accountings, or other communications which either party may be required to or desires to send to the other party must be in writing and may be served by personal delivery, facsimile or by certified mail, return receipt requested, and shall be directed to the business address designated by each party below:

If to SCI: Sain Communications  
PO Box 910773  
San Diego, CA 92191

If to VGI: Veterans Gateway Incorporated  
P.O. Box 2510  
Del Mar, CA 92014

If to D'Souza: Dinesh D'Souza  
c/o The King's College  
350 Fifth Avenue, Suite 1500  
New York, NY 10118

With a courtesy copy to: Kelly C. Crabb, Esq.  
Sheppard Mullin Richter & Hampton LLP  
333 South Hope Street, 43<sup>rd</sup> Floor  
Los Angeles, California 90071

or to such other address or E-mail as may be designated in writing by either party from time to time. Notices shall be deemed received when personally delivered, or five days after mailing if sent by mail, or upon actual receipt by the designated receiving party of an E-mail or facsimile transmission from the other party.

8. JURISDICTION: This Agreement shall be governed and construed in accordance with the laws of the State of California. Should any part or parts of this Agreement be deemed void or invalid by a court of competent jurisdiction, such judgment shall not affect the validity of the balance of the terms of this Agreement which shall remain in full force and binding on the assigns, successors and representatives of the parties.

9. ARBITRATION: Any controversy or claim arising out of, or relating to, this Agreement or the breach thereof shall be settled by binding arbitration, in accordance with the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in San Diego, California before a single neutral arbitrator appointed in accordance with the Arbitration Rules. Any decision or judgment upon the award rendered may be entered into any court having jurisdiction of the controversy or claim.

10. INJUNCTIVE RELIEF: If either party breaches or threatens by words or acts a possible breach of the provisions in this Agreement, either party shall be entitled to an injunction restraining the other party from committing such breach. Nothing herein shall be construed as prohibiting the non-breaching party from pursuing any other remedies for such breach or threatened breach.

11. ATTORNEY'S FEES: In the event that any of the parties shall retain or engage an attorney or attorneys to collect, enforce, or protect its interests with respect to this Agreement or any instrument or document delivered pursuant to this Agreement, the non-prevailing party shall pay all of the costs and expenses of such collection, enforcement, or protection, including reasonable attorneys' fees, and the prevailing party may take judgment for all such amounts, in addition to any and all other remedies the prevailing party may be entitled to receive.

12. BINDING AGREEMENT; ASSIGNMENT: This Agreement shall be binding on, and shall insure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and assigns; provided however, the parties shall not assign any of their rights nor delegate any of their obligations under this Agreement without the prior written consent of the other party. Any purported assignment without such consent shall be null and void. The duties of the parties under this Agreement are personal and may not be delegated by either party without the prior written permission of the other party.

13. SEVERABILITY: If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14. CREDITS: Credit on the Picture shall be given to Executive Producers on all positive prints, and in all paid advertising and paid publicity issued by Production Company or under its control in connection therewith. With respect to the positive prints, such credit shall appear on a separate frame, reading substantially as follows:

Dinesh D'Souza  
Christopher S. Williams  
Douglas W. Sain  
Executive Producers

15. LANGUAGE: The language in all parts of this instrument shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties hereto.

16. WAIVER: No waiver by a party of any of the terms and conditions or provisions of this Agreement shall be deemed to have been made unless expressed in writing and signed by the party. No waiver by a party of any breach of any of the terms or conditions of this Agreement shall constitute a waiver of any succeeding or preceding breach of the same, or of any other term or condition herein contained.

17. NATURE AND SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS: All representations, warranties, covenants, and agreements of the parties contained in this Agreement, or in any instrument, certificate, opinion, or other writing provided for in it, shall survive the closing.

18. ENTIRE AGREEMENT/AMENDMENT: This Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter contained herein and supersedes all other agreements, oral or written, heretofore made between the parties relating to such subject matter. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not part of this Agreement. No amendment or variation of the terms of this Agreement will be binding unless in writing and signed by a duly authorized representative of the parties to this agreement. The failure of either party to exercise any right under this Agreement or to insist upon strict compliance by the other party with any

obligation or covenant contained in the Agreement shall not constitute a waiver of future enforcement of the Agreement or of the right to demand exact compliance with all terms of this Agreement. A waiver of any term or condition of this Agreement shall not be construed as a general waiver by either party and either party shall be free to reinstate any such term or condition with or without notice.

19. RIGHTS AND REMEDIES CUMULATIVE: No right or remedy herein conferred upon the Party is intended to be exclusive of any other right or remedy contained herein or in any instrument or document delivered in connection with or pursuant to the Agreement, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or equity or by statute or otherwise.

20. TIME FOR ACTION: No action, regardless of form, arising out of the Agreement may be brought by either party more than two years after the cause of action has arisen.

20. GENDER; NUMBER: All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be construed accordingly and deemed to include any other number or other gender as the context may require.

21. MODIFICATION: No modification, waiver or discharge of this Agreement will be valid unless it is in writing and signed by the Party against which the enforcement of the modification, waiver or discharge is or maybe sought.

23. CAPTIONS: Captions in this Agreement are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.


24. COUNTERPARTS: This Agreement may be executed in any number of counterparts, all of which together will constitute one instrument.

25. AUTHORITY TO EXECUTE AGREEMENT: Each of the parties represents and warrants to the others that it has the authority to enter into this Agreement.

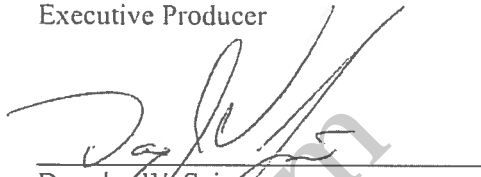
*The next page is the signature page.*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.


Dated: 6/16/11

  
Christopher S. Williams  
Executive Producer

Dated: 6/16/11


  
Douglas W. Sain  
Executive Producer

Dated: 6-16-11

  
Dinesh D'Souza  
Executive Producer

AGREED in accordance with ¶2(a)

PRODUCTION COMPANY

By   
Name: Douglas Sain  
Title: Managing Member  
Date: June 16, 2011



**RANCHO ESPERANZA LLC**

321 North Pass Ave #25

Burbank CA 91505

(818) 561-2016

January 10, 2012

Obama's America Foundation LLC

321 North Pass Ave #25

Burbank CA 91505

Attn: Mr. Douglas Sain

**Re: "OBAMA'S AMERICA": Production Services Agreement - Documentary**

This letter sets forth the agreement (the "**Agreement**") between RANCHO ESPERANZA LLC ("**Owner**") and OBAMA'S AMERICA FOUNDATION LLC ("**Producer**"), Fed Tax ID: 30-0693627, respecting Owner's engagement of Producer to render production services in connection with the documentary currently entitled "OBAMA'S AMERICA" (the "**Documentary**") based upon Dinesh D'Souza's "The Roots of Obama's Rage" (the "**Underlying Property**"). Producer and Owner are collectively referred to herein as the "**Parties**" and at times each is individually referred to herein as a "**Party**." For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Condition Precedent. All of Owner's obligations hereunder shall be subject to and conditioned upon Owner's receipt of a fully-executed copy of this Agreement.
2. Engagement. Producer shall render on an independent contractor basis all pre-production, production and post-production services in connection with production and delivery of the Documentary. Producer shall provide the "Services" (as defined herein) in accordance with the "Approved Schedule" (as defined herein).
3. Services. Except as otherwise set forth herein, Producer shall supervise or render all services customarily rendered by production service companies of first-class high-definition documentaries in the television and motion picture industries (the "**Services**"). Producer shall provide all necessary video and audio production services, personnel, material and equipment to render the Services as may be necessary for Owner to have and receive delivery of the Documentary suitable for commercial exploitation theatrically, on television, on DVD, and in any ancillary forms of distribution (e.g. online, PPV, etc.). Producer shall obtain Owner's approval prior to engaging any third party in connection with the Services. In the event Producer engages a third party in connection with the Services, Producer shall do so in its own name (and not as agent for Owner), and Producer shall oversee and monitor the Services provided by each such third party. Producer shall comply with any and all applicable laws, rules and regulations of all governmental agencies and shall duly and promptly apply for and obtain all necessary consents, licenses and permits that may be required from any such agency in connection with the production and delivery of the Documentary. In rendering the Services, Producer will comply with any and all terms and conditions of any agreements that Owner or Producer (in accordance with this Section 2) has entered or will enter into with performers, crew, directors, producers, or other third parties relating to the Documentary. All of Producer's Services and activities hereunder shall be subject to the supervision, direction and control of Owner, whether or not the same involve matters of artistic taste or judgment.

(a) Delivery. Producer shall deliver the Documentary (including all of the schedules, details and information required to be delivered pursuant to this Agreement, and all of the physical materials and items required by the licensee of the Documentary, but in any event the physical materials and items enumerated in the Minimum Deliverables and Technical Specifications attached hereto as Schedule "B" and incorporated herein by reference), to Owner free of all liens, claims, charges, limitations, restrictions and encumbrances of any kind, fully cut, edited, scored and ready for release in all respects, and complying with all of the terms and conditions hereof, at the address set forth above for Owner, on or before the dates applicable as set forth on the Approved Schedules, time being of the essence (the "**Delivery**").

(b) Production Requirements. Producer represents, warrants and agrees that, in addition to the other requirements of this Agreement, unless otherwise specified in writing by Owner:

(i.) The Documentary shall (x) conform to all broadcast standards and practices, policies and production requirements in effect throughout the United States, (y) in all other countries of the world, to the best of Producer's knowledge, conform to all broadcast standards and practices, policies and production requirements in effect throughout such country, and (z) not contain any content which Producer knows or should know would prevent the Documentary from being able to be broadcast on any television network or station throughout the world;

(ii.) The Documentary shall not, either in whole or in part (x) constitute, or contain any material which constitutes, a violation of any law or administrative regulation or rule, or an invasion, violation or infringement of any right or interest of any third party in the United States, and (y) in any other jurisdiction, to the best of Producer's knowledge, constitute, or contain any material which constitutes, a violation of any law or administrative regulation or rule, or an invasion, violation or infringement of any right or interest of any third party;

(iii.) Producer shall clear all archival or third-party material included in the Documentary (the "**Third Party Material**") for exhibition and distribution right by means of all forms of television throughout the world for at least the first ten (10) years after Delivery of the Documentary (the "**Minimum Rights**"). Notwithstanding anything contained herein, Producer acknowledges that Producer will use its best efforts to clear all Third Party Material for perpetual worldwide use by Owner by means of all forms of television.

(iv.) Producer shall deliver to Owner a full and complete written summary of the permitted use of any and all material (including, without limitation, archival footage, television footage, movie footage, photographs, illustrations and music) included in the Documentary (the "**Material**") (including, without limitation, all Third Party Material in the Documentary) and other material produced hereunder, and of all such Minimum Rights, pertaining to the Documentary together with copies of all agreements relating thereto (the "**Rights Bible**").

#### 4. Financing.

(a) Production Fee. Upon the condition that Producer fully performs all Services and is not in breach or default hereunder, Owner shall pay Producer a flat fee in the amount of \$50,000 (the "**Initial Production Fee**"), for the production period commencing on or about January 16, 2012 and concluding on or about March 1, 2012 ("**Initial Production Period**"), which Initial Production Fee

shall accrue and become payable in accordance with the approved cash flow schedule attached as Exhibit "CF" hereto and hereby incorporated herein by reference ("**Cash Flow Schedule**").

(b) Additional Fees. Owner shall have four (4) independent options (each an "**Option**") to extend production of the Documentary, and Producer's Services hereunder, for additional thirty (30) day periods (each an "**Additional Period**") following the Initial Production Period by providing written notice of such election to Producer. Upon the condition that Producer fully performs all Services and is not in breach or default hereunder, Owner will advance Producer the additional production fees set forth in the Cash Flow Schedule (the "**Additional Fees**") for such Additional Periods. The Production Fee and Additional Fees shall constitute Producer's full and complete compensation for all services rendered and all rights granted hereunder.

(c) Costs/Expenses. Producer shall be solely responsible for all costs, expenses, and charges incurred in connection with Producer's obligation to develop, produce, and deliver the Documentary in accordance with this Agreement. It is specifically understood and agreed that:

- (i) Owner shall not be responsible for furnishing any funds in excess of the Production Fee and Additional Fees, nor shall Owner be responsible for the procurement or payment of any costs of preparation, production or delivery or other costs with respect to the Documentary to be delivered to Owner hereunder beyond the costs set forth in the Approved Budget (such additional sums are hereinafter referred to as the "**Deficit**"). Any such Deficit shall be solely the responsibility of Producer and neither Owner's approval of the Approved Budget nor any other act or omission by Owner taken or contemplated hereunder shall be construed as constituting Owner's agreement to pay any such Deficit, except as may be mutually agreed by the parties in writing; and
- (ii) Owner shall have prior approval rights with respect to all agreements entered into by the Producer that would incur an obligation on the Producer's part to pay any contingent compensation of whatever nature (including, without limitation, any residual payments, participations, deferments, bonuses, reuse fees, licenses [including, without limitation, master use, reuse, performance or mechanical licenses], royalties, guild-required payments), including, without limitation, any agreement with a member of a guild or collective bargaining agreement (e.g., SAG, DGA, WGA, AFTRA or IATSE). If approved by Owner, Producer shall be responsible, as part of the Services hereunder, in full consultation with Producer, to comply with all obligations related to the hiring of any guild or union member.

(d) Distribution. Upon Owner's prior approval, Producer may enter into one or more distribution contracts (each, a "**Distribution Agreement**") for the distribution and exploitation of the Documentary. The proceeds of such Distribution Agreements will be paid to Owner, less only any amounts required to cover the costs (including, without limitation, legal fees, accounting fees, etc.) of entering into or administering the distribution of the Documentary, as well as any taxes or other governmental mandated payments in connection with any Distribution Agreement or the marketing of the Documentary. Upon Owner's prior approval, Producer may also procure financing from one or more third parties to support the manufacture of prints and

the advertising of the Documentary ("**P&A Financing**"). Owner acknowledges and agrees that Producer will have the right to make payments in connection with such P&A Financing from the proceeds derived from the Distribution Agreements or other exploitation of the Documentary in accordance with the applicable documentation for such P&A Financing.

5. Production and Delivery Schedule. Producer shall render the Services in accordance with the schedule attached hereto as Exhibit A and incorporated herein by reference (such schedule, the "**Approved Schedule**"), including completion of Delivery not later than the date provided therefor in the Approved Schedule, time being of the essence.

6. Approval Rights. As between Producer and Owner, Owner shall have the right to approve all creative and financial elements of the Documentary. Such approval right shall be exercised in a reasonable manner and not so as to frustrate Producer's ability to timely render the Services. Producer agrees to advise Owner as to the status of production and post-production, if applicable, of the Documentary from time to time, upon Owner's request. Without limiting the generality of the foregoing, Producer agrees to provide Owner with access to Producer's facilities that are used in rendering the Services hereunder.

7. Specifications. Producer acknowledges, represents and warrants the following:

(a) Production Materials. Producer shall complete and deliver to Owner (i) the Documentary, which shall be delivered in the format instructed by Owner and which shall be of first-class high-definition technical quality, and which shall comply with the schedule of technical specifications attached hereto as Exhibit "B" and incorporated herein by reference (such schedule, the "**Documentary Technical Specifications**"), time being of the essence.

(b) Production Crew / Credit. Owner shall have the right, in Owner's sole and exclusive discretion, to remove and replace any production crew member, actor, above-the-line or below-the-line participant, production services company, and/or other individual and/or entity hired by Producer or otherwise providing services in connection with the Documentary. Producer agrees that the form and substance of its agreements in connection the Documentary shall conform to standard industry practices (e.g. contain standard assignment provisions and not contain any approvals, unusual credit provisions or allow final cut of the Documentary or injunctive relief). Owner shall also have sole approval over all credit to be accorded to any person or entity. There shall be no deferment or contingent participation to be accorded to any person or entity.

(c) Producer Credit. Producer acknowledges and agrees that Producer's credit, if any, shall be in the sole and exclusive discretion of Owner. If a credit is granted, all aspects of Producer's credit shall be determined by Owner in its sole discretion. No casual or inadvertent failure to comply with the provisions of this Section or failure of any third party to comply with the provisions of this Section shall be a breach hereof.

(d) Budget/Negative Cost Statement. The Documentary shall be produced in strict accordance with the Approved Budget. The Documentary's aggregate, certifiable, final cash production cost ("**Actual Negative Cost**") shall be certified as to its accuracy by Producer, the director, the line producer and the production accountant. "**Actual Negative Cost**" shall mean the aggregate sum of all costs and expenses directly related to the Documentary actually paid in connection with the development, preparation, production completion and Delivery of the

Documentary, as set forth in the Approved Budget. No contingent compensation (whether in gross receipts or otherwise) and/or amounts contingent on the level of financial performance of the Documentary shall be included in or made part of the Actual Negative Cost. Producer shall, within thirty (30) days of Delivery, provide Owner with an "Actual Negative Cost Statement", certified as true and correct by the production accountant and by a duly-authorized officer of Producer.

(e) Cash Flow Schedule, Pre-Production Schedule, Production Schedule and Post-Production Schedule. The Cash Flow Schedule, the pre-production schedule, the Approved Schedule and post-production schedule for the Documentary shall be approved in writing by Owner, in its sole discretion, before commencement of principal photography of the Documentary.

(f) Hosts/Actors/Artists. Owner shall have sole approval over all hosts/actors/artists participating and/or appearing in the Documentary (and any replacements thereof as may become necessary) and the form and substance of all actor/artist agreements.

(g) Running Time. Unless Owner agrees otherwise in writing, the Documentary shall have a running time of not less than eighty-five (85) minutes (exclusive of main and end titles) and no more than one hundred (100) minutes.

(h) Title. The title of the Documentary shall be determined by Owner in its sole discretion. Producer shall provide Owner with a "Copyright Report and Opinion and Title Report" consistent with Producer's representations and warranties made hereunder as set forth in Section 11 below.

(i) Original; Synchronized. The Documentary shall be entirely new and original sound audio visual recordings with all necessary dialogue (which dialogue shall be originally recorded in the English language), music and lyrics, fully edited, titled, and assembled with the sound track fully synchronized with the photographic action thereof, but not containing, without Owner's consent in each instance, any stock footage or reused film or sound recordings; and shall be of first-class high definition technical quality, with a picture and soundtrack from which first-class high-definition copies suitable for exhibition theatrically, on television, and on DVD can be made.

(j) No Endorsement. The Documentary shall not depict, show or contain photography of any product, commodity or service (other than the Underlying Property) in such manner as to constitute express or implied advertising or the endorsement thereof, nor unduly emphasize same unless approved by Owner in advance in writing.

(k) Rating. The Documentary shall be able to qualify for a Motion Picture Association of America rating not more restrictive than "PG-13".

(l) No Violations. The Documentary shall not, either in whole or in part, constitute, or contain any material which constitutes, a violation of any law or administrative regulation or rule, or an invasion, violation or infringement of any right or interest of any third party, and shall be produced in accordance with all applicable laws, statutes, ordinances, rules, regulations and requirements of all governmental agencies and regulatory bodies, both domestic and foreign, having jurisdiction with respect to the production of the Documentary. To the extent required pursuant to any applicable law by reason of Producer's or any other entity's activities, Producer and/or such other entity or entities, as the case may be, shall have become signatory to all applicable collective bargaining agreements and Producer's activities and those of such other entity or entities in

connection with the Documentary have not, are not and will not be in violation of such collective bargaining agreements, to the extent the same are applicable thereto.

(m) Creative Elements / Music. Owner shall have the right to approve all key creative elements of the Documentary, including, without limitation, all music.

(n) Locations. Owner shall have approval over the locations for the production and post-production of the Documentary.

(o) Owner Approved Cuts. It is of the essence of this Agreement that Owner shall have the right to prepare notes and instructions for the first cut and each subsequent cut of the Documentary, including, without limitation, the final cut of the Documentary, and Producer shall cause and the approved director shall be contractually required by Producer to cause all such cuts to be prepared in strict conformity with Owner's notes and instructions, if any.

#### 8. Ownership.

(a) Results and Proceeds. The results and proceeds of Producer's services hereunder, and any and all contributions made in connection with the Documentary, in whatever stage of creation or completion (and the services of any of Producer's employees, agents, officers and directors who are involved in the Documentary) (the "**Results and Proceeds**"), including without limitation all themes, plots, characters, formats, ideas, stories, and all other material composed, submitted, added, created, or interpolated by Producer hereunder, which Producer acknowledges may have been or may be rendered in collaboration with others, shall be deemed a work-made-for-hire for Owner prepared within the scope of Producer's employment and/or as a work specifically ordered and/or commissioned by Owner for use in an audio-visual work, and therefore, Owner shall be the author and exclusive copyright owner thereof for all purposes throughout the universe. Owner shall solely and exclusively own throughout the universe, in perpetuity and in all languages all rights of every kind and nature whether now or hereafter known or created in and in connection with such Results and Proceeds including, without limitation, all copyrights (and renewals and extensions thereof), all forms of motion picture, television, digital television, video and computer games, videocassette, video or laser disc, computer-assisted media, character, sequel, remake, sound recording, theme park, stage play, merchandising and allied, ancillary and subsidiary rights therein. If under applicable law the foregoing is not effective to place authorship and ownership of the Results and Proceeds and all rights therein in Owner, then by way of assignment and transfer of present and future copyright and otherwise, Producer hereby irrevocably sells, transfers, grants, and assigns to Owner, all of its right, title and interest therein, whether now in existence or hereafter created, including, without limitation, all rights of ownership and authorship in and to the Results and Proceeds and all elements and versions thereof (including all physical elements in which any such Results and Proceeds may be embodied), throughout the universe and in perpetuity, and Producer acknowledges and agrees that it shall hold no right, title, or interest in or to any such items. Producer acknowledges the receipt of full and proper equitable remuneration in consideration of Producer's rental and lending rights, if any. All rights granted to Owner shall vest in Owner immediately upon creation without reservation, condition or limitation and shall remain vested whether or not this Agreement is terminated for any reason. No rights of any kind are reserved to or by Producer or shall vest in or revert to Producer. Producer waives Producer's so-called "moral rights", if any, and Owner shall have the right to add to, subtract from, rearrange, change the title of and edit the Documentary and dub or subtitle the Documentary as Owner may determine in its sole discretion. Producer agrees to execute such further

documents and to do such further acts as may be necessary to evidence, effect, perfect, register, or enforce Owner's ownership of such rights, in whole or in part. If Producer fails or refuses to execute any such documents, Producer hereby appoints Owner as his/her attorney-in-fact (this appointment to be irrevocable and a power coupled with an interest) to act on his/her behalf and to execute such documents.

(b) Physical Elements. Without limiting the generality of Section 8(a) above, as between Producer and Owner, Owner shall solely and exclusively own from their creation, all elements and other physical materials made or created in connection with the Services rendered hereunder (including, without limitation, all trailers, soundtracks, music and effects tracks, video masters, video and audio recordings, video materials, and all materials derived from the foregoing) (the "**Physical Elements**"). Producer shall at all times have the right to possession thereof and shall at all times have unrestricted access to the Physical Elements. Producer shall at all times cause custody of all Physical Elements to be maintained in laboratories and sound studios or other custodians reasonably satisfactory to Owner, with Owner shown on the records of each such laboratory, sound studio and other custodian as the owner of all such Physical Elements, and Producer shall have access to and possession of the Physical Elements as is reasonably necessary for the performance of its obligations hereunder.

9. Insurance: Producer shall procure and maintain in full force and effect standard producer's liability and errors and omissions insurance issued by a nationally recognized insurance carrier covering the Documentary with minimum limits of at least \$3,000,000 for any claim arising out of a single occurrence and \$5,000,000 for all claims in the aggregate. Such insurance:

(a) shall provide coverage for a period commencing on the date first set forth above and continuing for a period of not less than: (i) one (1) year from the date of Delivery for general liability coverage; and (ii) three (3) years from date of Delivery of the Documentary for errors and omissions coverage (each, as applicable, the "**Coverage Period**");

(b) shall carry a deductible to be determined, but no larger than \$50,000, for which Producer will be responsible (in addition to all other deductibles and retentions under Producer's policies);

(c) shall be endorsed to name "Rancho Esperanza LLC its parent(s), subsidiaries, licensees, successors, related and affiliated companies, and their officers, directors, agents, employees, representatives and assigns" as additional insureds (collectively & individually the "**Additional Insureds**")

(d) shall be endorsed by the insurance carrier to indicate coverage is primary and any insurance maintained by the Additional Insureds is non-contributory;

(e) shall provide coverage for any claims related to the Documentary, and advertising and promotion materials with respect thereto, during the Coverage Period;

(f) may not be cancelled without first providing the Additional Insureds with thirty (30) days written advance notice of cancellation or non-renewal.

10. Books and Records. Producer shall keep true, accurate and complete books of account, together with vouchers, receipts and other records, showing in detail all receipts and all expenses and charges

incurred in the production of the Documentary for a period of one (1) year after the completion of Services. Owner or its designated representative shall have the unrestricted right to review and audit such books and records.

11. Producer's Representations and Warranties. Producer represents, warrants, and covenants as follows:

(a) It has the right, power and authority to enter into this Agreement and to perform all of its obligations hereunder and to grant, sell, assign, transfer and convey to Owner all of the rights in and to the Documentary and the results and proceeds of Producer's Services granted or to be granted herein;

(b) It has not taken or authorized any action which might derogate from or otherwise impair any rights granted herein or which interferes with the full and complete performance of its obligations hereunder;

(c) No liens, encumbrances, attachments or other matters constituting or possibly constituting any impediment to the clear marketable title and unrestricted commercial exploitation or disposition of the Documentary or any rights therein or pertaining thereto shall be permitted to occur which shall or may arise by reason of any acts, omissions or activities of Producer in connection with the performance or enforcement of this Agreement.

(d) Producer is a corporation duly formed and validly existing in good standing under the laws of the State of Nevada and has the full right, power, legal capacity and authority to enter into and carry out the terms of this Agreement.

(e) Producer has no agreement with or obligations to any third party with respect to the Documentary which might conflict or interfere with or adversely affect any of the provisions of this Agreement. Producer has not sold, assigned, transferred or conveyed, and will not sell, assign, transfer or convey, to any party any right, title or interest in and to the Documentary or any part thereof.

(f) The Documentary as contemplated hereunder will not, and there has been no claim that the Documentary does, infringe upon, violate or conflict with any rights whatsoever of any person, corporation or other entity. There is not now outstanding any litigation or threatened litigation, or any claims, demands, investigations or threats of claims, with respect to the Documentary, the literary, dramatic or musical material upon which the Documentary is based, or which is used therein, or the physical properties thereof.

(g) Producer warrants and represents that there are not and will not be any payments of any kind required to be made by Owner in respect, or as a result, of any use of the Documentary.

(h) All obligations of Producer with respect to the Documentary and the production, distribution, and exploitation thereof, including, without limitation, all salaries, royalties, residuals, license fees, service charges, laboratory charges and the like, shall have been or shall be fully paid or discharged by Producer in a timely fashion, and any and all such obligations which are payable prior to the Delivery of the Documentary shall have theretofore been paid or discharged, but in no event later than Delivery of the Documentary. In this regard, Producer shall have paid all employer payroll



deductions required to have been made to any and all union or guild pension, health, or welfare plans (if and as applicable) and shall have prepared and submitted all reports and other information required in connection with the Documentary.

(i) The non-dramatic performing rights to all musical compositions contained in the Documentary are: (a) controlled by SACEM, ASCAP, BMI, SESAC, or other performing music rights society, or (b) in the public domain, or (c) controlled by Producer and granted to Owner herein.

The foregoing warranties, representations and covenants shall be deemed made on the date hereof, on the date of each payment by Owner hereunder and on the date of Delivery of the Documentary with the same full force and effect as if made on each such date and shall survive the expiration or earlier termination of this Agreement for any reason.

(j) Production Materials.

(i) Copyright. The Documentary (and any all protectable elements contained therein) has been duly and properly registered (and, if appropriate, renewed) for copyright in the United States in the name of Owner or can be so registered (and, if appropriate, renewed).

(ii) Compliance. The Documentary, and all elements contained therein, will be, or have been produced in compliance with any and all relevant laws, rules, regulations and guidelines, whether state, federal, international or local (i.e., those imposed by any union, guild or labor organization), applicable to the production and completion of similar documentaries and/or television programs.

(iii) Originality/Third Party Rights. Except to the extent based upon the Underlying Property, the Documentary is wholly original and not in the public domain. Neither the Documentary nor any part thereof, including without limitation its titles (except as such titles may be subsequently changed by Owner) and any literary or musical materials contained therein or synchronized therewith, nor the exercise of any rights granted to Owner under this Agreement, violates or will violate, or infringes or will infringe, any trademark, trade name, agreement, copyright, patent, literary or other property right, right of privacy, right of publicity or "moral rights of authors" or any other rights whatsoever of any third party, or unfairly competes with, or slanders or libels any person, firm, corporation or association whatsoever.

(iv) Names and Likenesses. Owner may use the names, photographs, likenesses, acts, poses, sound effects, voices and biographies of all individuals appearing in or connected with the production of the Documentary ("**Attributes**") in any and all advertising and publicity materials and Owner is not restricted in any way from using any of such Attributes in connection with such advertising materials.

(v) Accurate Delivery. All deliverables required to be delivered by Producer are or shall be complete and accurate and Owner will incur no liability to any third party from its reliance thereon and/or compliance therewith.

(vi) Music Rights. Producer has obtained or will obtain from the applicable artists, producers, record companies, songwriters, composers, and publishers: (A) all synchronization, master use, reuse and performing rights licenses necessary for the use of all pre-

existing music contained in the Documentary, (B) ownership of 100% of all rights, whether under copyright or otherwise, in and to both the musical compositions and the sound recordings comprising the underscore of the Documentary, (C) ownership of at least 50% of all rights, whether under copyright or otherwise, in musical compositions which are either newly written for or first exploited in connection with the Documentary, including all required waivers from applicable publishing companies, (D) all rights in connection with master recordings newly recorded for or first exploited in connection with the Documentary, including all required waivers from applicable record companies, and (E) the performing rights for the music contained in the Documentary (x) are controlled by ASCAP, BMI, or SESAC, (y) are controlled by Producer and no payment from Owner is due hereunder, or (z) are in the public domain.

## 12. Indemnification.

(a) Producer shall at all times indemnify and hold Owner and its successors, licensees and assigns and their respective parent, subsidiary and affiliated companies, members, shareholders, directors, officers, employees and agents, harmless from and against any and all claims, damages, losses, actions, causes of action, liabilities, costs and expenses, including attorneys' fees (collectively, "**Losses and Expenses**") (i) arising out of any breach by Producer of any representation, warranty, covenant or other provision hereof made by Producer, or (ii) asserted by or on behalf of any person or entity by reason of any breach of contract or tort committed by Producer, excepting any Losses and Expenses arising out of any breach by Owner of any representation, warranty, covenant or other provision hereof made by Owner. Owner shall promptly notify Producer in writing of each such claim.

(b) Except as to matters covered under Producer's indemnification obligations hereunder, Owner shall at all times indemnify and hold harmless Producer and its successors, assigns, licensees and distributors and their respective shareholders, directors, officers, employees and agents, from and against any and all Losses and Expenses, residuals, royalties, or participations (i) arising out of the marketing, promotion, sale, publicity or exploitation of the Documentary, (ii) arising out of any breach by Owner of any representation, warranty, covenant or other provision hereof made by Owner (including without limitation, the obligation to make payments in a timely manner hereunder), or (iii) asserted by or on behalf of any person or entity by reason of any breach of contract or tort committed by Owner. Producer shall promptly notify Owner in writing of any such claim.

13. Additional Documents. At Owner's request, Producer shall execute and deliver to Owner, such additional documents as Owner may from time to time deem reasonably necessary or desirable to evidence, establish, maintain, protect, enforce and/or defend any or all of Owner's rights under this Agreement. If Producer fails to execute and deliver any such instrument within a reasonable time following Owner's request therefor, Owner shall have the right to execute said instrument in Producer's name, place and stead, and Owner is hereby irrevocably appointed Producer's attorney-in-fact for such purposes, which power is coupled with an interest.

14. Notice. Any notice pertaining hereto shall be in writing. Any such notice and any payment due hereunder shall be served by delivering said notice or payment personally or by sending it by mail, cable, or confirmed facsimile addressed to the Owner's and Producer's addresses as follows (or as subsequently designated in writing):

To Producer: As first set forth above.

To Owner: RANCHO ESPERANZA LLC  
Obama's America Foundation LLC  
321 North Pass Ave #25  
Burbank CA 91505  
Attn: Mr. Doug Sain

With a copy to: Sheppard Mullin Richter & Hampton, LLP  
333 South Hope Street, 43<sup>rd</sup> Floor  
Los Angeles, CA 90071  
Attn: Kelly C. Crabb

The date of personal delivery, mailing, or confirmed facsimile of such notice or payment shall be deemed the date of service of such notice or payment, unless otherwise specified herein; provided that if Owner's notice to Producer is sent by regular mail (i.e., in a post-paid, certified or registered wrapper), the date of giving such notice to Producer shall be deemed to be the date two (2) days after such notice is so mailed; provided further that any notice from Producer which commences the running of any period of time for Owner's exercise of any option or Owner's performance of any other act shall be deemed to be served only when actually received by Owner.

15. No Joint Venture. Nothing contained herein shall constitute a partnership between or by the Parties hereto or constitute either Party the agent of the other. Neither Party shall hold itself contrary to the terms of this Section and neither Party shall become liable for any representation, act or omission of the other contrary to the provision hereof.

16. No Third Party Beneficiary. This Agreement is not for the benefit of any third party and shall not be deemed to give any right or remedy to any such party whether referred to herein or not.

17. No Obligation to Use. Producer acknowledges and agrees that Owner is not obligated to distribute, release or otherwise exploit the Documentary, or, if commenced, to continue the development, production, distribution, or exploitation of the Documentary in any territory or in any way, Owner's obligations being fully and completely satisfied by the payment of the Production Fee.

18. Remedies/Governing Law/Legal Proceedings:

(a) Waiver of Injunctive Relief. Producer's remedies for any breach of this Agreement are limited to an action at law for money damages, if any. Producer shall not be entitled to equitable relief, and under no circumstances shall Producer have the right to interfere with the ownership or exploitation by Owner of the Documentary.

(b) Governing Law. This Agreement, the rights and obligations of the Parties, and any claims or disputes relating in any way thereto shall be governed by and construed in accordance with the laws of the State of California, without regard to its choice of law principles which would require application of the laws of another jurisdiction. Each Party, by executing this Agreement, hereby irrevocably submits to the exclusive jurisdiction of any California court sitting in Los Angeles County in respect of any suit, action or proceeding arising out of or in any way relating to this Agreement.

(c) Arbitration. The Parties agree that any and all disputes or controversies of any nature between them arising at any time (whether or not relating to the Documentary), shall be determined by binding arbitration in accordance with the Commercial Arbitration Rules of JAMS (“JAMS”) before a single neutral arbitrator (“**Arbitrator**”). The Arbitrator shall be an attorney or retired judge with at least ten (10) years experience in the entertainment industry and shall be mutually agreed upon by Owner and Producer. If Owner and Producer are unable to agree on an Arbitrator, the Arbitrator shall be appointed by the JAMS. The fees of the Arbitrator shall be borne equally by Owner and Producer, provided that the Arbitrator may require that such fees be borne in such other manner as the Arbitrator determines is required in order for this arbitration clause to be enforceable under applicable law. The Parties shall be entitled to conduct discovery in accordance with Section 1283.05 of the California Code of Civil Procedure, provided that (a) the Arbitrator must authorize all discovery in advance based on findings that the material sought is relevant to the issues in dispute and that the nature and scope of such discovery is reasonable under the circumstances, and (b) discovery shall be limited to depositions and production of documents unless the Arbitrator finds that another method of discovery (e.g., interrogatories) is the most reasonable and cost efficient method of obtaining the information sought. There shall be a record of the proceedings at the arbitration hearing and the Arbitrator shall issue a “Statement of Decision” setting forth the factual and legal basis for the Arbitrator’s decision. If neither party gives written notice requesting an appeal within ten (10) business days after the issuance of the Statement of Decision, the Arbitrator’s decision shall be final and binding as to all matters of substance and procedure, and may be enforced by a petition to the Superior Court, which may be made *ex parte*, for confirmation and enforcement of the award. If either party gives written notice requesting an appeal within ten (10) business days after the issuance of the Statement of Decision, the award of the Arbitrator shall be appealed to three (3) neutral arbitrators (the “**Appellate Arbitrators**”), each of whom shall have the same qualifications and be selected through the same procedure as the Arbitrator. The appealing party shall file its appellate brief within thirty (30) days after its written notice requesting the appeal and the other party shall file its brief within thirty (30) days thereafter. The Appellate Arbitrators shall thereupon review the decision of the Arbitrator applying the same standards of review (and all of the same presumptions) as if the Appellate Arbitrators were a California Court of Appeals reviewing a judgment of the California Superior Court, except that the Appellate Arbitrators shall in all cases issue a final award and shall not remand the matter to the Arbitrator. The decision of the Appellate Arbitrators shall be final and binding as to all matters of substance and procedure, and may be enforced by a petition to the Superior Court, which may be made *ex parte*, for confirmation and enforcement of the award. The party appealing the decision of the Arbitrator shall pay all costs and expenses of the appeal, including the fees of the Appellate Arbitrators and the reasonable outside attorneys’ fees of the opposing party, unless the decision of the Arbitrator is reversed, in which event the expenses of the appeal shall be borne as determined by the Appellate Arbitrators. The Arbitrator shall have the power to enter temporary restraining orders, preliminary and permanent injunctions. Prior to the appointment of the Arbitrator or for remedies beyond the jurisdiction of an arbitrator, at any time, Owner may seek *pendente lite* relief in a court of competent jurisdiction in Los Angeles County, California without thereby waiving its right to arbitration of the dispute or controversy under this Section. All arbitration proceedings (including proceedings before the Appellate Arbitrators) shall be closed to the public and confidential and all records relating thereto shall be permanently sealed, except as necessary to obtain court confirmation of the arbitration award.

(d) Legal Proceedings. Owner, its successors and assigns, are hereby empowered to bring, prosecute, defend and appear in suits, actions and proceedings of any nature under or concerning infringement of or interference with any of the rights granted. Owner will notify Producer in writing

forty-five (45) days prior to commencement of any suit, action or proceedings. Producer may participate in any suit, action or proceeding using counsel of its choice. Producer's expenses will be reimbursed from any recovery in equal proportion with Owner's expenses. If Producer elects not to participate, all recoveries in connection therewith shall belong solely to Owner.

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19. Other Terms. This Agreement supersedes all prior negotiations, understandings and agreements between the Parties hereto with respect to the subject matter hereof, and the Parties each respectively acknowledge and agree that they have not relied on any representations or promises in connection with this Agreement not contained herein. Owner shall be free to assign this Agreement, or any part hereof, at any time, to any person or entity. Producer shall not have the right to assign its rights or delegate his obligations under this Agreement without Owner's prior written consent, and any attempted assignment without such consent shall be null and void ab initio. This Agreement cannot be modified or amended in any way except by a written instrument signed by the Parties. The waiver of any term, condition, or breach of this Agreement shall not be deemed to be a waiver of that breach or any other term or condition in the future. The headings of the Sections hereof are for convenience only and shall not be deemed to limit or in any way affect the scope, meaning or intent of this Agreement or any portion hereof. Should any Section or provision of this Agreement be held to be void, invalid or inoperative as a result of any judicial or administrative proceeding or decree, such decision shall not affect any other Section or provision hereof, and the remainder of this Agreement shall be effective as though such void, invalid or inoperative Section or provision had not been contained herein.

Please acknowledge your agreement to be bound by the terms and conditions of this Agreement by signing in the space provided below.

Yours truly,

RANCHO ESPERANZA LLC  
("Owner")

By: 

Title: Managing Member

**ACCEPTED AND AGREED:**

OBAMA'S AMERICA FOUNDATION LLC  
("Producer")

By: 

Title: Member

**EXHIBIT A**

**APPROVED SCHEDULE**

*[APPROVED PRODUCTION SCHEDULE TO BE ATTACHED]*

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**EXHIBIT B**

**MINIMUM DELIVERABLES AND TECHNICAL SPECIFICATIONS**

*[APPROVED DELIVERABLES AND TECHNICAL SPECS TO BE ATTACHED]*

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**EXHIBIT CF**

**APPROVED CASH FLOW SCHEDULE**

*[APPROVED CASH FLOW SCHEDULE TO BE ATTACHED]*

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# SheppardMullin

Sheppard Mullin Richter & Hampton LLP  
1901 Avenue of the Stars, Suite 1600  
Los Angeles, CA 90067-6055  
310.228.3700 main  
310.228.3701 main fax  
www.sheppardmullin.com

October 16, 2012

310.228.3722 direct  
jburgess@sheppardmullin.com

24LT-161944

## VIA E-MAIL AND HAND DELIVERY

JAMS  
c/o Ms. Jenny Truex  
401 B Street, Suite 2100  
San Diego, California 92101  
Fax: 619-236-9032  
E-Mail: [jtruex@jamsadr.com](mailto:jtruex@jamsadr.com)

Re: Notice of Commencement of Arbitration Dinesh D'Souza v. Sain Communications Incorporated, Veterans Gateway Incorporated and Obama's America Foundation LLC

Dear Ms. Truex:

Mr. Dinesh D'Souza hereby commences arbitration under Rule 5(a)(ii) of the JAMS Streamlined Rules pursuant to the written Executive Producer's Agreement ("EPA") which requires the Parties to arbitrate their disputes or claims. A copy of the EPA is attached hereto as Exhibit 1. Paragraph 9 of the EPA (on page A-4) specifies that JAMS Rules shall apply and that the arbitration shall be administered by JAMS. (Mr. D'Souza commences this arbitration under the JAMS Streamlined rules. However, Mr. D'Souza reserves the right to invoke the JAMS Comprehensive rules if it is determined that his claim is more than \$250,000.)

The parties to the arbitration are Dinesh D'Souza as the claimant, and respondents Sain Communications Incorporated ("SCI"), and Veterans Gateway Incorporated ("VGI"). Mr. D'Souza names Obama's America Foundation LLC ("OAF") as a nominal respondent. The Parties currently have a dispute concerning ownership and control of OAF, which was created pursuant to the EPA. Pursuant to Rule 7(b) of the JAMS Rules, within 7 calendar days of the JAMS Commencement Letter, Mr. D'Souza will serve a more detailed notice of his claims by using the JAMS Demand for Arbitration form. Mr. D'Souza hereby pays the JAMS case management fee of \$1,600 which represents the \$400 fee owed by each of the parties. Mr. D'Souza hereby requests that the other parties promptly reimburse him for their share of these fees. Mr. D'Souza requests that JAMS promptly issue its Commencement Letter.

On October 15, 2012, OAF filed a Petition to Compel Arbitration in the Superior Court for the County of San Diego. A true and correct copy of the Petition is attached hereto as Exhibit 2. Mr. D'Souza concurs that a dispute exists that requires prompt resolution and that arbitration and perhaps preliminary injunctive relief is appropriate.

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JAMS  
October 16, 2012  
Page 2

The contact information for the parties and their attorneys is as follows:

Dinesh D'Souza (Claimant)  
P.O. Box 3384  
Rancho Santa Fe, CA 92607  
Email: [dineshidsouza@aol.com](mailto:dineshidsouza@aol.com)

Jim Burgess, Esq. (Attorney for Mr. D'Souza)  
Sheppard Mullin Richter & Hampton LLP  
1901 Avenue of the Stars, 16th Floor  
Los Angeles, California 90067  
Phone: 310-228-3722  
Fax: 310-229-3922  
Email: [jburgess@sheppardmullin.com](mailto:jburgess@sheppardmullin.com)

Christopher Williams  
Veterans Gateway Incorporated (Respondent)  
2010 Jimmy Durante Blvd., Suite 220  
Del Mar, CA 92014  
Email: [cswilliams777@att.net](mailto:cswilliams777@att.net)

Robert Hicks, Esq. (Attorney for VGI and Mr. Williams)  
Robert W. Hicks & Associates  
501 West Broadway, Suite 800  
San Diego, CA 92101  
Phone: (619) 236-3403  
Fax: (619) 236-3413  
Email: [rhicks@rwhlaw.com](mailto:rhicks@rwhlaw.com)

Doug Sain  
Sain Communications Incorporated (Respondent)  
PO Box 910773  
San Diego, CA 92191  
Email: [doug@saincommunications.com](mailto:doug@saincommunications.com)

David King (Attorney for SCI and Mr. Sain)  
The King Law Firm  
707 Broadway, Suite 1240  
San Diego, CA 92101  
Phone: 619.702.2008  
Fax: 619.702.2009  
Email: [dking@thekinglawgroup.com](mailto:dking@thekinglawgroup.com)

# SheppardMullin

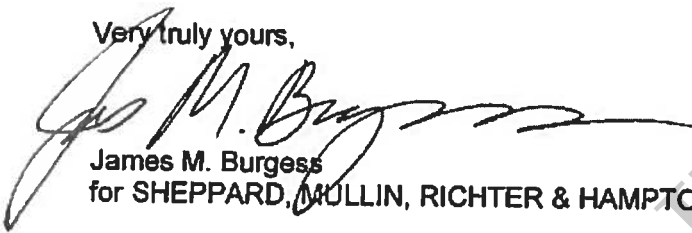
JAMS  
October 16, 2012  
Page 3

Obama's America Foundation, LLC  
c/o Robert Gipson, Esq. (Attorney for Obama's America Foundation, LLC)  
Gipson, Hoffman & Pancione  
1901 Avenue of the Stars - 11th Floor  
Los Angeles, California 90067  
Tel (310) 556-4660  
Fax (310) 556-8945  
Email: [rgipson@ghplaw.com](mailto:rgipson@ghplaw.com)

This letter is being served on the parties and their counsel by facsimile and email pursuant to the terms of the EPA. Proof of service of this letter by email and facsimile is attached as Exhibit 3.

Your prompt reply is requested. Please let me know immediately if you have any questions.

Very truly yours,



James M. Burgess  
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:407172852.1

Enclosures: Executive Producer's Agreement  
Petition to Compel Arbitration  
Proof of Service

cc: Dinesh D'Souza  
Doug Sain (for SCI) (by email and facsimile)  
David King, Esq. (for SCI) (by email and facsimile)  
Chris Williams (for VGI) (by email and facsimile)  
Robert Hicks, Esq. (for VGI) (by email and facsimile)  
Reg Gipson, Esq. (for OAF) (by email and facsimile)

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**Exhibit 1**

## EXHIBIT A

### EXECUTIVE PRODUCERS AGREEMENT

This Agreement ("Agreement") is entered into as of this 16 day of June, 2011, by and among Dinesh D'Souza ("D'Souza"), Veterans Gateway Incorporated ("VGI") and Sain Communications Incorporated ("SCI") with respect to the follow facts. D'Souza, VGI and SCI are collectively referred to herein as "Executive Producers".

A. Executive Producers have entered into a Shopping Agreement dated June 15, 2011 (the "Shopping Agreement") pursuant to which (i) VGI and SCI have agreed to use their reasonable best efforts to procure financing ("Financing") for the development and production and distribution of a motion picture, television series, or cable syndicated movie or series, tentatively entitled OBAMA'S AMERICA ("Picture") based upon a book and screenplay entitled THE ROOTS OF OBAMA'S RAGE (together, the "Property") written by D'Souza; and (ii) the Executive Producers have agreed to work together to accomplish the development, production and distribution of the Picture.

B. Conditioned on the VGI's and SCI's procurement of Financing under the Shopping Agreement (the "Condition"), the Executive Producers desire to establish a special purpose vehicle (the "Production Company") and to cause the Production Company to enter into this Agreement as an additional party, subject to the terms and conditions hereof.

C. The Executive Producers desire to enter into this Agreement and to provide the services and rights described in this Agreement to the Production Company in connection with the development, production and distribution of the Picture.

WHEREFORE, for good and valuable consideration, the parties agree as follows:

1. SERVICES; TERM: The Term shall commence on the date hereof and continue through the initial release period of the first Picture. The Executive Producers acknowledge and agree that if the Condition fails to be satisfied, or upon the breach of any Financier resulting in the lack of funds to produce the Picture, this Agreement may be terminated by either the Production Company or Executive Producers, acting jointly, without liability to the non-terminating party.

#### 2. ESTABLISHMENT OF THE PRODUCTION COMPANY; CONSULTATION:

(a) Upon the fulfillment of the Condition to the satisfaction of the Executive Producers, the Executive Producers will establish the Production Company. Unless the Executive Producers agree otherwise, the Production Company will be established as a Nevada limited liability company with D'Souza, VGI and SCI as the sole members. The Production Company will be member managed. D'Souza will have an economic and voting interest of 50% of 100% of the voting interests of the Production Company. VGI and SCI will together have an economic and voting interest of 50% of 100% of the voting interests of the Production Company. The operating agreement for the Production Company will provide that certain actions will required a supermajority vote of 66.66% of 100% of the voting interests of the

Production Company ("Key Decisions"). For illustration purposes only, Key Decisions will include, among others that the Executive Producers unanimously approve, the issuance of membership interests to any third party; the performance of any business other than related to the development, production and exploitation of the Picture; the sale of the Production Company or substantially all of its assets to any third party other than to a distribution company in the ordinary course of business; the liquidation of the Production Company; and the voluntary bankruptcy of the Production Company or similar act.

b. Throughout the Term, Executive Producers will consult with each other in good faith with respect to the development of the Property and production and distribution of the Picture; provided, however, that, subject to the obligation of the Executive Producers to consult with each other in good faith and to use their reasonable best efforts to resolve disagreements so that all decisions of the Production Company will be unanimous: (i) VGI and SCI acknowledge and agree that D'Souza shall have final creative decision-making authority in good faith related to the Picture, including without limitation, related to Property, the selection of the cast, music and any other creative aspect of the Picture; and (ii) D'Souza acknowledges and agrees that VGI and SCI, acting together, will have final decision-making authority in good faith related to the physical production of the Picture; and provided, further, that if the Executive Producers are in disagreement related to the final disposition and exploitation of the Picture, the Executive Producers shall cause the Production Company to appoint a third-party arbitrator mutually agreeable to the Executive Producers to decide the issue.

**3. RELATIONSHIP OF PARTIES:** Executive Producers are independent contractors of each other and of the Production Company. Nothing herein contained shall be construed to place Executive Producers and Production Company in the relationship of principal and agent, master and servant, partners, joint venturers or employer and employee. None of D'Souza, VGI and SCI shall have, or expressly or by implication, represent themselves as having, any authority to make contracts in the name of or binding on the other, or to obligate or bind other in any manner whatsoever.

**4. COMPENSATION:** As full and complete compensation for Executive Producers' services hereunder:

a. Subject to the fulfillment of the Condition to the satisfaction of the Executive Producers, VGI and SCI shall jointly receive a commission (the "Commission") in an amount equal to ten percent (10%) of the amount (the "Amounts") of any funds, credits or any other consideration actually paid or loaned by Financiers to Production Company pursuant to the Production Company's operating agreement. The Commission shall be fully disclosed to the Financiers as a "Financing Fee" or other appropriate fee and shall be approved by the Financiers. The Commission shall be paid by Production Company out of the amounts when, if ever, the Production Company has the right under the operating agreement or other agreement with Financiers to use the Financing for the development, production or distribution of the Picture, as the case may be. VGI and SCI will be exclusively responsible to pay any

agents, representatives, finders or other third parties (other than D'Souza) who assisted them in raising Financing out of the Commission.

b. VGI and SCI, on the one hand, and D'Souza, on the other hand, shall share equally in the economic interests in the Production Company (collectively the "Economic Interests"). For the sake of clarity, the Executive Producers hereto agree that D'Souza will receive: (i) a fee and a participation as writer of the screenplay of the Picture that is separate from the D'Souza's economic interests in the Production Company; (ii) a fee for his role as narrator or commentator that is separate from D'Souza's economic interests in the Production Company; (iii) D'Souza's payments under the Option Agreement between the Production Company and D'Souza related to the rights to the Picture shall be separate from D'Souza's economic interests in the Production Company; and (iv) the Production Company's share of the Picture-related revenues may be diluted by the issuance of economic interests or profit participations to the Financiers or certain third-party participants (including, for example purposes only, the director) and, if so, the economic interests of Executive Producers will be diluted. If third-party participants (such as the director) receive backend participations that are not defined as economic interests in the Company, but are defined as financial participations in a contract, the dilution effect will be the same as if such third-party participants received economic interests in the Production Company.

5. **NO OBLIGATION:** Nothing in this Agreement shall obligate VGI or SCI to obtain or to attempt to obtain any Financiers, nor shall anything in this Agreement obligate Production Company to enter into an agreement with any Financiers; provided, however, that the parties hereby acknowledge and agree that if the Condition is not satisfied within a reasonable period of time, no later than December 31, 2011, this Agreement will terminate automatically without liability of any party to any other.

6. **NO SALE OF SECURITIES:** VGI and SCI agree not to sell or offer to sell securities related to investing in the development and/or production of the Picture. VGI and SCI agree to indemnify and hold D'Souza and Production Company harmless from any and all claims, losses, expenses or damage and expense (including reasonable attorney's fees) upon a breach or claim of breach of this provision.

7. **NOTICES:** All notices, reports, accountings, or other communications which either party may be required to or desires to send to the other party must be in writing and may be served by personal delivery, facsimile or by certified mail, return receipt requested, and shall be directed to the business address designated by each party below:

If to SCI: Sain Communications  
PO Box 910773  
San Diego, CA 92191

If to VGI: Veterans Gateway Incorporated  
P.O. Box 2510  
Del Mar, CA 92014

CH MP JS.  
Initial



If to D'Souza: Dinesh D'Souza  
c/o The King's College  
350 Fifth Avenue, Suite 1500  
New York, NY 10118

With a courtesy copy to: Kelly C. Crabb, Esq.  
Sheppard Mullin Richter & Hampton LLP  
333 South Hope Street, 43<sup>rd</sup> Floor  
Los Angeles, California 90071

or to such other address or E-mail as may be designated in writing by either party from time to time. Notices shall be deemed received when personally delivered, or five days after mailing if sent by mail, or upon actual receipt by the designated receiving party of an E-mail or facsimile transmission from the other party

**8. JURISDICTION:** This Agreement shall be governed and construed in accordance with the laws of the State of California. Should any part or parts of this Agreement be deemed void or invalid by a court of competent jurisdiction, such judgment shall not affect the validity of the balance of the terms of this Agreement which shall remain in full force and binding on the assigns, successors and representatives of the parties.

**9. ARBITRATION:** Any controversy or claim arising out of, or relating to, this Agreement or the breach thereof shall be settled by binding arbitration, in accordance with the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in San Diego, California before a single neutral arbitrator appointed in accordance with the Arbitration Rules. Any decision or judgment upon the award rendered may be entered into any court having jurisdiction of the controversy or claim.

**10. INJUNCTIVE RELIEF:** If either party breaches or threatens by words or acts a possible breach of the provisions in this Agreement, either party shall be entitled to an injunction restraining the other party from committing such breach. Nothing herein shall be construed as prohibiting the non-breaching party from pursuing any other remedies for such breach or threatened breach.

**11. ATTORNEY'S FEES:** In the event that any of the parties shall retain or engage an attorney or attorneys to collect, enforce, or protect its interests with respect to this Agreement or any instrument or document delivered pursuant to this Agreement, the non-prevailing party shall pay all of the costs and expenses of such collection, enforcement, or protection, including reasonable attorneys' fees, and the prevailing party may take judgment for all such amounts, in addition to any and all other remedies the prevailing party may be entitled to receive.

12. BINDING AGREEMENT; ASSIGNMENT: This Agreement shall be binding on, and shall insure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and assigns; provided however, the parties shall not assign any of their rights nor delegate any of their obligations under this Agreement without the prior written consent of the other party. Any purported assignment without such consent shall be null and void. The duties of the parties under this Agreement are personal and may not be delegated by either party without the prior written permission of the other party.

13. SEVERABILITY: If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14. CREDITS: Credit on the Picture shall be given to Executive Producers on all positive prints, and in all paid advertising and paid publicity issued by Production Company or under its control in connection therewith. With respect to the positive prints, such credit shall appear on a separate frame, reading substantially as follows:

Dinesh D'Souza  
Christopher S. Williams  
Douglas W. Sain  
Executive Producers

15. LANGUAGE: The language in all parts of this instrument shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties hereto.

16. WAIVER: No waiver by a party of any of the terms and conditions or provisions of this Agreement shall be deemed to have been made unless expressed in writing and signed by the party. No waiver by a party of any breach of any of the terms or conditions of this Agreement shall constitute a waiver of any succeeding or preceding breach of the same, or of any other term or condition herein contained.

17. NATURE AND SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS: All representations, warranties, covenants, and agreements of the parties contained in this Agreement, or in any instrument, certificate, opinion, or other writing provided for in it, shall survive the closing.

18. ENTIRE AGREEMENT/AMENDMENT: This Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter contained herein and supersedes all other agreements, oral or written, heretofore made between the parties relating to such subject matter. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not part of this Agreement. No amendment or variation of the terms of this Agreement will be binding unless in writing and signed by a duly authorized representative of the parties to this agreement. The failure of either party to exercise any right under this Agreement or to insist upon strict compliance by the other party with any

obligation or covenant contained in the Agreement shall not constitute a waiver of future enforcement of the Agreement or of the right to demand exact compliance with all terms of this Agreement. A waiver of any term or condition of this Agreement shall not be construed as a general waiver by either party and either party shall be free to reinstate any such term or condition with or without notice.

19. RIGHTS AND REMEDIES CUMULATIVE: No right or remedy herein conferred upon the Party is intended to be exclusive of any other right or remedy contained herein or in any instrument or document delivered in connection with or pursuant to the Agreement, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or equity or by statute or otherwise.

20. TIME FOR ACTION: No action, regardless of form, arising out of the Agreement may be brought by either party more than two years after the cause of action has arisen.

20. GENDER; NUMBER: All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be construed accordingly and deemed to include any other number or other gender as the context may require.

21. MODIFICATION: No modification, waiver or discharge of this Agreement will be valid unless it is in writing and signed by the Party against which the enforcement of the modification, waiver or discharge is or maybe sought.

23. CAPTIONS: Captions in this Agreement are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

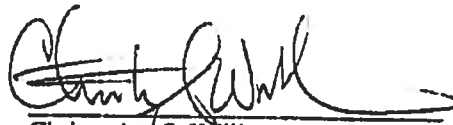
24. COUNTERPARTS: This Agreement may be executed in any number of counterparts, all of which together will constitute one instrument.

25. AUTHORITY TO EXECUTE AGREEMENT: Each of the parties represents and warrants to the others that it has the authority to enter into this Agreement.

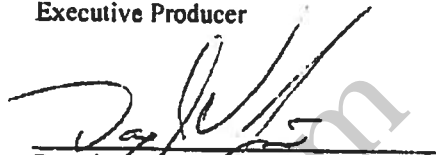
*The next page is the signature page.*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

Dated: 6/16/11

  
Christopher S. Williams  
Executive Producer

Dated: 6/16/11

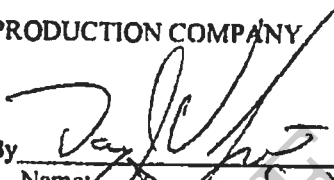
  
Douglas W. Sain  
Executive Producer

Dated: 6-16-11

  
Dinesh D'Souza  
Executive Producer

AGREED in accordance with ¶2(a)

PRODUCTION COMPANY

By   
Name: Douglas Sain  
Title: Managing Member  
Date: June 16, 2011

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## **Exhibit 2**

CONFIDENTIAL

GIPSON HOFFMAN & PANCIONE  
A PROFESSIONAL CORPORATION

GIPSON HOFFMAN & PANCIONE  
A Professional Corporation  
KENNETH I. SIDLE (State Bar No. 48671)  
KSidle@ghplaw.com  
ROBERT E. GIPSON (State Bar No. 57111)  
RGipson@ghplaw.com  
1901 Avenue of the Stars, Suite 1100  
Los Angeles, California 90067-6002  
Telephone: (310) 556-4660  
Facsimile: (310) 556-8945

Attorneys for Petitioner  
OBAMA'S AMERICA FOUNDATION, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

OBAMA'S AMERICA FOUNDATION, LLC,  
a Nevada limited liability company,

Petitioner,

v.

SAIN COMMUNICATIONS, INC., a  
California corporation; DOUG SAIN,  
VETERANS GATEWAY, INC., a Nevada  
corporation, CHRISTOPHER WILLIAMS,  
DINESH D'SOUZA, an individual and DOES  
1 through 50, inclusive,

Respondents.

Case No: 37-2012-00083566-CU-PT-CTL

PETITION TO COMPEL ARBITRATION  
[CCP § 1290]

Petitioner hereby alleges as follows:

1. Petitioner Obama's America Foundation, LLC is a Nevada limited liability company doing business in the State of California (sometimes referred to herein as the "Company").

2. Petitioner is informed and believes and based thereon alleges as follows:

(a) Respondent Sain Communications, Inc. ("SCI") is a California corporation and is one of the members of the Petitioner Company. Respondent Doug Sain owns and controls SCI.

PETITION TO COMPEL ARBITRATION

1 (b) Veterans Gateway, Inc. is a Nevada corporation ("VGI") and a member  
2 of the Petitioner Company. Respondent Christopher Williams owns and controls VGI.

3 (c) Respondent Dinesh D'Souza is an individual who resides in California  
4 and New York and is a member of the Petitioner Company.

5 3. The true names or capacities, whether individual, corporate, associate or  
6 otherwise, of the Respondents named herein as DOES 1 through 50 inclusive, are unknown to  
7 the Petitioner who therefore sues said Respondents by such fictitious names, and Petitioner will  
8 amend this Complaint to state such names and capacities when ascertained. Petitioner is  
9 informed and believes and thereon alleges that each of the Respondents designated herein is  
10 legally responsible in some manner for the events and happenings herein referred to and legally  
11 caused the injuries and damages to Petitioner as hereafter set forth.

12 4. The Respondent Members entered into an Executive Producers Agreement as of  
13 June 16, 2011 (the "EPA"), a true and correct copy of which is attached hereto as Exhibit A and  
14 incorporated herein by this reference as though set forth in full.

15 5. Among other things, the EPA provides that the Respondent Members will make  
16 efforts to secure financing for the development and production of a motion picture, etc.,  
17 tentatively entitled *Obama's America* based upon a book and screenplay entitled *The Roots of*  
18 *Obama's Rage* (the "Property") written by Respondent D'Souza. The Petitioner Company and  
19 Respondent D'Souza along with co-producer Gerald R. Molin, in fact, produced a film entitled  
20 *2016: Obama's America* (the "Movie"), a documentary film, based upon the Property.

21 6. The Petitioner Company entered into a distribution agreement for the theatrical  
22 distribution of the Movie with Rocky Mountain Pictures and pursuant thereto the Movie was  
23 theatrically released on July 13, 2012. As of October 7, 2012, the domestic gross theatrical  
24 revenues for the picture total \$33,349,941.00 making it the second most successful political  
25 documentary of all time (next to *Fahrenheit 9/11*.)

1           7.     The Petitioner Company has entered into agreements for the sale and distribution  
2 of DVD's containing the Movie and has entered into agreements to advertise the DVD sales of  
3 the motion picture. The DVD scheduled release date is Tuesday, October 16, 2012.

4           8.     Disputes have arisen among the Respondent Members regarding various matters  
5 particularly including the expressed desire of Respondents Sain and SGI to abrogate and change  
6 the existing arrangements and contracts for advertising and marketing the DVD release of the  
7 movie.

8           9.     The EPA provides that in the case of controversies or disputes arising out of the  
9 production and distribution of the Movie the Respondent Members shall resolve the dispute by  
10 arbitration in accordance with JAMS rules to be conducted in San Diego, California.

11          10.    The timing of advertising and marketing the DVD sales of a motion picture such  
12 as the Movie is extremely critical. The mood amongst the consuming public for the purchase of  
13 DVD's is at its height the closer in time to the theatrical release of the motion picture as  
14 possible. As the DVD distribution and marketing campaign is delayed the moment or  
15 opportunity to realize substantial sales from such a sale will be severely compromised or even  
16 lost. It is impossible to recreate at a later time the same favorable circumstances for the DVD  
17 distribution due to a delay in the marketing campaign. It would be difficult if not impossible to  
18 calculate with any precision what sales would be lost if the DVD distribution marketing  
19 campaign is not accomplished in a timely manner. Accordingly, the Petitioner Company will  
20 suffer irreparable harm if it is not able to proceed forthwith with the agreed upon DVD  
21 distribution and marketing campaign.

22           WHEREFORE, Petitioner prays for an order(s) as follows:

23           A.     Respondents and each of them be ordered to arbitrate all of their disputes  
24 pursuant to the EPA.

25           B.     Pending conclusion of such arbitration, Respondents and each of them is  
26 enjoined and restrained from taking any action to interfere with the DVD distribution and  
27 marketing campaign and from failing to do anything required of them to accomplish the same.

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C. For such other and further relief as the Court may deem just and proper.

Dated: October 15, 2012

GIPSON HOFFMAN PANCIONE  
A Professional Corporation  
KENNETH I. SIDLE  
ROBERT E. GIPSON



KENNETH I. SIDLE  
Attorneys for Petitioner  
OBAMA'S AMERICA FOUNDATION, LLC

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**EXHIBIT A**

## EXHIBIT A

### EXECUTIVE PRODUCERS AGREEMENT

This Agreement ("Agreement") is entered into as of this 16 day of June, 2011, by and among Dinesh D'Souza ("D'Souza"), Veterans Gateway Incorporated ("VGI") and Sain Communications Incorporated ("SCI") with respect to the follow facts. D'Souza, VGI and SCI are collectively referred to herein as "Executive Producers".

A. Executive Producers have entered into a Shopping Agreement dated June 15, 2011 (the "Shopping Agreement") pursuant to which (i) VGI and SCI have agreed to use their reasonable best efforts to procure financing ("Financing") for the development and production and distribution of a motion picture, television series, or cable syndicated movie or series, tentatively entitled OBAMA'S AMERICA ("Picture") based upon a book and screenplay entitled THE ROOTS OF OBAMA'S RAGE (together, the "Property") written by D'Souza; and (ii) the Executive Producers have agreed to work together to accomplish the development, production and distribution of the Picture.

B. Conditioned on the VGI's and SCI's procurement of Financing under the Shopping Agreement (the "Condition"), the Executive Producers desire to establish a special purpose vehicle (the "Production Company") and to cause the Production Company to enter into this Agreement as an additional party, subject to the terms and conditions hereof.

C. The Executive Producers desire to enter into this Agreement and to provide the services and rights described in this Agreement to the Production Company in connection with the development, production and distribution of the Picture.

WHEREFORE, for good and valuable consideration, the parties agree as follows:

1. SERVICES; TERM: The Term shall commence on the date hereof and continue through the initial release period of the first Picture. The Executive Producers acknowledge and agree that if the Condition fails to be satisfied, or upon the breach of any Financing resulting in the lack of funds to produce the Picture, this Agreement may be terminated by either the Production Company or Executive Producers, acting jointly, without liability to the non-terminating party.

#### 2. ESTABLISHMENT OF THE PRODUCTION COMPANY; CONSULTATION:

(a) Upon the fulfillment of the Condition to the satisfaction of the Executive Producers, the Executive Producers will establish the Production Company. Unless the Executive Producers agree otherwise, the Production Company will be established as a Nevada limited liability company with D'Souza, VGI and SCI as the sole members. The Production Company will be member managed. D'Souza will have an economic and voting interest of 50% of 100% of the voting interests of the Production Company. VGI and SCI will together have an economic and voting interest of 50% of 100% of the voting interests of the Production Company. The operating agreement for the Production Company will provide that certain actions will required a supermajority vote of 66.66% of 100% of the voting interests of the

Production Company ("Key Decisions"). For illustration purposes only, Key Decisions will include, among others that the Executive Producers unanimously approve, the issuance of membership interests to any third party; the performance of any business other than related to the development, production and exploitation of the Picture; the sale of the Production Company or substantially all of its assets to any third party other than to a distribution company in the ordinary course of business; the liquidation of the Production Company; and the voluntary bankruptcy of the Production Company or similar act.

b. Throughout the Term, Executive Producers will consult with each other in good faith with respect to the development of the Property and production and distribution of the Picture; provided, however, that, subject to the obligation of the Executive Producers to consult with each other in good faith and to use their reasonable best efforts to resolve disagreements so that all decisions of the Production Company will be unanimous: (i) VGI and SCI acknowledge and agree that D'Souza shall have final creative decision-making authority in good faith related to the Picture, including without limitation, related to Property, the selection of the cast, music and any other creative aspect of the Picture; and (ii) D'Souza acknowledges and agrees that VGI and SCI, acting together, will have final decision-making authority in good faith related to the physical production of the Picture; and provided, further, that if the Executive Producers are in disagreement related to the final disposition and exploitation of the Picture, the Executive Producers shall cause the Production Company to appoint a third-party arbitrator mutually agreeable to the Executive Producers to decide the issue.

3. **RELATIONSHIP OF PARTIES:** Executive Producers are independent contractors of each other and of the Production Company. Nothing herein contained shall be construed to place Executive Producers and Production Company in the relationship of principal and agent, master and servant, partners, joint venturers or employer and employee. None of D'Souza, VGI and SCI shall have, or expressly or by implication, represent themselves as having, any authority to make contracts in the name of or binding on the other, or to obligate or bind either in any manner whatsoever.

4. **COMPENSATION:** As full and complete compensation for Executive Producers' services hereunder:

a. Subject to the fulfillment of the Condition to the satisfaction of the Executive Producers, VGI and SCI shall jointly receive a commission (the "Commission") in an amount equal to ten percent (10%) of the amount (the "Amounts") of any funds, credits or any other consideration actually paid or loaned by Financiers to Production Company pursuant to the Production Company's operating agreement. The Commission shall be fully disclosed to the Financiers as a "Financing Fee" or other appropriate fee and shall be approved by the Financiers. The Commission shall be paid by Production Company out of the amounts when, if ever, the Production Company has the right under the operating agreement or other agreement with Financiers to use the Financing for the development, production or distribution of the Picture, as the case may be. VGI and SCI will be exclusively responsible to pay any

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Initial

agents, representatives, finders or other third parties (other than D'Souza) who assisted them in raising Financing out of the Commission.

b. VGI and SCI, on the one hand, and D'Souza, on the other hand, shall share equally in the economic interests in the Production Company (collectively the "Economic Interests"). For the sake of clarity, the Executive Producers hereto agree that D'Souza will receive: (i) a fee and a participation as writer of the screenplay of the Picture that is separate from the D'Souza's economic interests in the Production Company; (ii) a fee for his role as narrator or commentator that is separate from D'Souza's economic interests in the Production Company; (iii) D'Souza's payments under the Option Agreement between the Production Company and D'Souza related to the rights to the Picture shall be separate from D'Souza's economic interests in the Production Company; and (iv) the Production Company's share of the Picture-related revenues may be diluted by the issuance of economic interests or profit participations to the Financiers or certain third-party participants (including, for example purposes only, the director) and, if so, the economic interests of Executive Producers will be diluted. If third-party participants (such as the director) receive backend participations that are not defined as economic interests in the Company, but are defined as financial participations in a contract, the dilution effect will be the same as if such third-party participants received economic interests in the Production Company.

5. **NO OBLIGATION:** Nothing in this Agreement shall obligate VGI or SCI to obtain or to attempt to obtain any Financiers, nor shall anything in this Agreement obligate Production Company to enter into an agreement with any Financiers; provided, however, that the parties hereby acknowledge and agree that if the Condition is not satisfied within a reasonable period of time, no later than December 31, 2011, this Agreement will terminate automatically without liability of any party to any other.

6. **NO SALE OF SECURITIES:** VGI and SCI agree not to sell or offer to sell securities related to investing in the development and/or production of the Picture. VGI and SCI agree to indemnify and hold D'Souza and Production Company harmless from any and all claims, losses, expenses or damages and expense (including reasonable attorney's fees) upon a breach or claim of breach of this provision.

7. **NOTICES:** All notices, reports, accountings, or other communications which either party may be required to or desires to send to the other party must be in writing and may be served by personal delivery, facsimile or by certified mail, return receipt requested, and shall be directed to the business address designated by each party below:

If to SCI: Sain Communications  
PO Box 910773  
San Diego, CA 92191

If to VGI: Veterans Gateway Incorporated  
P.O. Box 2510  
Del Mar, CA 92014

If to D'Souza:

Dinesh D'Souza  
c/o The King's College  
350 Fifth Avenue, Suite 1500  
New York, NY 10118

With a courtesy copy to:

Kelly C. Crabb, Esq.  
Sheppard Mullin Richter & Hampton LLP  
333 South Hope Street, 43<sup>rd</sup> Floor  
Los Angeles, California 90071

or to such other address or E-mail as may be designated in writing by either party from time to time. Notices shall be deemed received when personally delivered, or five days after mailing if sent by mail, or upon actual receipt by the designated receiving party of an E-mail or facsimile transmission from the other party.

8. **JURISDICTION:** This Agreement shall be governed and construed in accordance with the laws of the State of California. Should any part or parts of this Agreement be deemed void or invalid by a court of competent jurisdiction, such judgment shall not affect the validity of the balance of the terms of this Agreement which shall remain in full force and binding on the assigns, successors and representatives of the parties.

9. **ARBITRATION:** Any controversy or claim arising out of, or relating to, this Agreement or the breach thereof shall be settled by binding arbitration, in accordance with the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in San Diego, California before a single neutral arbitrator appointed in accordance with the Arbitration Rules. Any decision or judgment upon the award rendered may be entered into any court having jurisdiction of the controversy or claim.

10. **INJUNCTIVE RELIEF:** If either party breaches or threatens by words or acts a possible breach of the provisions in this Agreement, either party shall be entitled to an injunction restraining the other party from committing such breach. Nothing herein shall be construed as prohibiting the non-breaching party from pursuing any other remedies for such breach or threatened breach.

11. **ATTORNEY'S FEES:** In the event that any of the parties shall retain or engage an attorney or attorneys to collect, enforce, or protect its interests with respect to this Agreement or any instrument or document delivered pursuant to this Agreement, the non-prevailing party shall pay all of the costs and expenses of such collection, enforcement, or protection, including reasonable attorneys' fees, and the prevailing party may take judgment for all such amounts, in addition to any and all other remedies the prevailing party may be entitled to receive.

clw [Signature]  
Initials

12. **BINDING AGREEMENT; ASSIGNMENT:** This Agreement shall be binding on, and shall insure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and assigns; provided however, the parties shall not assign any of their rights nor delegate any of their obligations under this Agreement without the prior written consent of the other party. Any purported assignment without such consent shall be null and void. The duties of the parties under this Agreement are personal and may not be delegated by either party without the prior written permission of the other party.

13. **SEVERABILITY:** If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14. **CREDITS:** Credit on the Picture shall be given to Executive Producers on all positive prints, and in all paid advertising and paid publicity issued by Production Company or under its control in connection therewith. With respect to the positive prints, such credit shall appear on a separate frame, reading substantially as follows:

Dinesh D'Souza  
Christopher S. Williams  
Douglas W. Sain  
Executive Producers

15. **LANGUAGE:** The language in all parts of this instrument shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties hereto.

16. **WAIVER:** No waiver by a party of any of the terms and conditions or provisions of this Agreement shall be deemed to have been made unless expressed in writing and signed by the party. No waiver by a party of any breach of any of the terms or conditions of this Agreement shall constitute a waiver of any succeeding or preceding breach of the same, or of any other term or condition herein contained.

17. **NATURE AND SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS:** All representations, warranties, covenants, and agreements of the parties contained in this Agreement, or in any instrument, certificate, opinion, or other writing provided for in it, shall survive the closing.

18. **ENTIRE AGREEMENT/AMENDMENT:** This Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter contained herein and supersedes all other agreements, oral or written, heretofore made between the parties relating to such subject matter. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not part of this Agreement. No amendment or variation of the terms of this Agreement will be binding unless in writing and signed by a duly authorized representative of the parties to this agreement. The failure of either party to exercise any right under this Agreement or to insist upon strict compliance by the other party with any

obligation or covenant contained in the Agreement shall not constitute a waiver of future enforcement of the Agreement or of the right to demand exact compliance with all terms of this Agreement. A waiver of any term or condition of this Agreement shall not be construed as a general waiver by either party and either party shall be free to reinstate any such term or condition with or without notice.

19. RIGHTS AND REMEDIES CUMULATIVE: No right or remedy herein conferred upon the Party is intended to be exclusive of any other right or remedy contained herein or in any instrument or document delivered in connection with or pursuant to the Agreement, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or equity or by statute or otherwise.

20. TIME FOR ACTION: No action, regardless of form, arising out of the Agreement may be brought by either party more than two years after the cause of action has arisen.

20. GENDER; NUMBER: All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be construed accordingly and deemed to include any other number or other gender as the context may require.

21. MODIFICATION: No modification, waiver or discharge of this Agreement will be valid unless it is in writing and signed by the Party against which the enforcement of the modification, waiver or discharge is or maybe sought.

23. CAPTIONS: Captions in this Agreement are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

24. COUNTERPARTS: This Agreement may be executed in any number of counterparts, all of which together will constitute one instrument.


25. AUTHORITY TO EXECUTE AGREEMENT: Each of the parties represents and warrants to the others that it has the authority to enter into this Agreement.

*The next page is the signature page.*

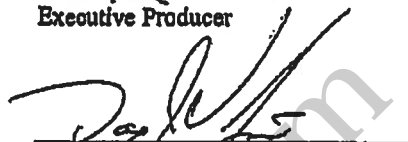


IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

Dated: 6/16/11

  
Christopher S. Williams  
Executive Producer

Dated: 6/16/11

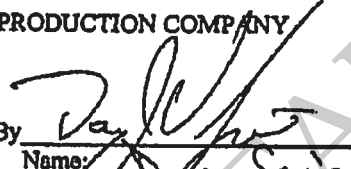
  
Douglas W. Saig  
Executive Producer

Dated: 6-16-11

  
Dinesh D'Souza  
Executive Producer

AGREED in accordance with ¶2(a)

PRODUCTION COMPANY

By   
Name: Douglas Saig  
Title: managing member  
Date: June 16, 2011

# SUMMONS

(CITACION JUDICIAL)

RESPONDENT

NOTICE TO DEFENDANT: SAIN COMMUNICATIONS, INC., a  
(AVISO AL DEMANDADO): California corporation; DOUG  
SAIN, VETERANS GATEWAY, INC., a Nevada corporation,  
CHRISTOPHER WILLIAMS, DINESH D'SOUZA, an individual  
and DOES 1 THROUGH 50, INCLUSIVE

PETITIONER

YOU ARE BEING SUED BY PETITIONER  
(LO ESTÁ DEMANDANDO EL DEMANDANTE):  
OBAMA'S AMERICA FOUNDATION, LLC

SUM-100

FOR COURT USE ONLY  
FILED IN CASE NO. 17  
CENTRAL DIVISION

12 OCT 15 PM 1:49

CLERK-SUPERIOR COURT  
SAN DIEGO COUNTY, CA

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. (AVISO! Le han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información e continuación.)

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le queda más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos extras por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desochar el caso.

The name and address of the court is:  
(El nombre y dirección de la corte es):

Superior Court of California  
220 W. Broadway  
San Diego, CA 92101

CASE NUMBER:  
(Número del Caso):

37-2012-00083586-CU-PT-CTL

The name, address, and telephone number of the petitioner's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
Kenneth I. Sidle (SBN: 44571) (310) 556-4660 (310) 556-8945  
Gipson Hoffman & Pancione  
1901 Avenue of the Stars, Suite 1100  
Los Angeles, CA 90067

DATE:  
(Fecha) OCT 15 2012

Clerk by  
(Secretario)

N. Zuzo Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):

3. ☐ on behalf of (specify):

- under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
- ☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
- ☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
- ☐ other (specify):

4. ☐ by personal delivery on (date):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): <b>Kenneth I. Sidle (SBN: 48671)</b> <b>Robert E. Gipson (SBN: 57111)</b> <b>Gipson Hoffman &amp; Pancione</b> <b>1901 Avenue of the Stars, Suite 1100</b> <b>Los Angeles, CA 90067</b> TELEPHONE NO.: (310) 556-4660 FAX NO.: (310) 556-8945 ATTORNEY FOR: <u>Petitioner Obama's America Foundation.</u> SUPERIOR COURT OF CALIFORNIA, COUNTY OF <u>San Diego</u> STREET ADDRESS: <u>220 W. Broadway</u> MAILING ADDRESS: <u>- same -</u> CITY AND ZIP CODE: <u>San Diego, CA 92101</u> BRANCH NAME: <u>Central</u>		FOR COURT USE ONLY <b>FILED</b> <b>CIVIL BUSINESS OFFICE 27</b> <b>CENTRAL DIVISION</b>  <b>12 OCT 15 PM 1:49</b>  <b>CLERK-SUPERIOR COURT</b> <b>SAN DIEGO COUNTY, CA</b>
CASE NAME: <b>OBAMA'S AMERICA FOUNDATION, LLC v. SAIN COMMUNICATIONS, ET AL.</b>		
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000) <input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> <b>Counter</b> <input type="checkbox"/> <b>Joinder</b> Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	
CASE NUMBER: <b>37-2012-00083568-CU-PT-CTL</b> JUDGE: _____ DEPT: _____		

Items 1-8 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other P/VPD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other P/VPD/WD (23) <b>Non-P/VPD/WD (Other) Tort</b> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (18) <input type="checkbox"/> Intellectual property (15) <input type="checkbox"/> Professional negligence (28) <input type="checkbox"/> Other non-P/VPD/WD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (08) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation</b> (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (25) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input checked="" type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- a. ☐ Large number of separately represented parties d. ☐ Large number of witnesses
- b. ☐ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
- c. ☐ Substantial amount of documentary evidence f. ☐ Substantial postjudgment judicial supervision
3. Remedies sought (check all that apply): a. ☐ monetary b. ☒ nonmonetary: declaratory or injunctive relief c. ☐ punitive

4. Number of causes of action (specify): one (1)

5. This case ☐ is ☒ is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: October 15, 2012

Kenneth I. Sidle (SBN: 48671)

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

#### NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 at seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

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<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO</b>	
STREET ADDRESS: 220 West Broadway	
MAILING ADDRESS: 220 West Broadway	
CITY AND ZIP CODE: San Diego, CA 92101	
BRANCH NAME: Central	
TELEPHONE NUMBER: (619) 480-6000	
PLAINTIFF(S) / PETITIONER(S): Obama's America Foundation LLC	
DEFENDANT(S) / RESPONDENT(S): Sain Communication Inc et.al.	
OBAMA'S AMERICA FOUNDATION LLC VS. SAIN COMMUNICATION INC	
NOTICE OF CASE ASSIGNMENT	CASE NUMBER: 37-2012-00083566-CU-PT-CTL

Judge:

Department: C-08

COMPLAINT/PETITION FILED: 10/15/2012

**ALL CASES MUST COMPLY WITH THE CIVIL REQUIREMENTS LISTED BELOW,  
EXCEPT FOR PARKING CITATION APPEALS**

IT IS THE DUTY OF EACH PLAINTIFF (AND CROSS-COMPLAINANT) TO SERVE A COPY OF THIS NOTICE WITH THE COMPLAINT (AND CROSS-COMPLAINT), THE ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATION FORM (SDSC FORM #CIV-730), A STIPULATION TO USE ALTERNATIVE DISPUTE RESOLUTION (ADR) (SDSC FORM #CIV-359), AND OTHER DOCUMENTS AS SET OUT IN SDSC LOCAL RULE 2.1.5.

ALL COUNSEL WILL BE EXPECTED TO BE FAMILIAR WITH SUPERIOR COURT RULES WHICH HAVE BEEN PUBLISHED AS DIVISION II, AND WILL BE STRICTLY ENFORCED.

**TIME STANDARDS:** The following timeframes apply to general civil cases and must be adhered to unless you have requested and been granted an extension of time. General civil cases consist of all civil cases except: small claims proceedings, civil petitions, unlawful detainer proceedings, probate, guardianship, conservatorship, juvenile, and family law proceedings.

**COMPLAINTS:** Complaints and all other documents listed in SDSC Local Rule 2.1.5 must be served on all named defendants, and a Certificate of Service (SDSC form #CIV-345) filed within 60 days of filing.

**DEFENDANT'S APPEARANCE:** Defendant must generally appear within 30 days of service of the complaint. (Plaintiff may stipulate to no more than 15 day extension which must be in writing and filed with the Court.) (SDSC Local Rule 2.1.6)

**DEFAULT:** If the defendant has not generally appeared and no extension has been granted, the plaintiff must request default within 45 days of the filing of the Certificate of Service. (SDSC Local Rule 2.1.7)

**CASE MANAGEMENT CONFERENCE:** A Case Management Conference will be set within 150 days of filing the complaint.

**ALTERNATIVE DISPUTE RESOLUTION (ADR):** THE COURT ENCOURAGES YOU TO CONSIDER UTILIZING VARIOUS ALTERNATIVES TO TRIAL, INCLUDING MEDIATION AND ARBITRATION, PRIOR TO THE CASE MANAGEMENT CONFERENCE. PARTIES MAY FILE THE ATTACHED STIPULATION TO USE ALTERNATIVE DISPUTE RESOLUTION (SDSC FORM #CIV-359).

YOU MAY ALSO BE ORDERED TO PARTICIPATE IN ARBITRATION. IF THE CASE IS ORDERED TO ARBITRATION PURSUANT TO CODE CIV. PROC. 1411.11, THE COSTS OF ARBITRATION WILL BE PAID BY THE COURT PURSUANT TO CODE CIV. PROC. 1141.28.

FOR MORE INFORMATION, SEE THE ATTACHED ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATION FORM (SDSC FORM #CIV-730)



## Superior Court of California County of San Diego

### NOTICE OF ASSIGNMENT TO IMAGING DEPARTMENT

This case has been assigned to an Imaging Department and original documents attached to pleadings filed with the court will be imaged and destroyed. Original documents should not be filed with pleadings. If necessary, they should be lodged with the court under California Rules of Court, rule 3.1302(b).

On August 1, 2011 the San Diego Superior Court began the Electronic Filing and Imaging Pilot Program ("Program"). As of August 1, 2011 in all new cases assigned to an Imaging Department all filings will be imaged electronically and the electronic version of the document will be the official court file. The official court file will be electronic and accessible at one of the kiosks located in the Civil Business Office and on the Internet through the court's website. This Program will be expanding to other civil courtrooms over time.

You should be aware that the electronic copy of the filed document(s) will be the official court record pursuant to Government Code section 68150. The paper filing will be imaged and held for 90 days. After that time it will be destroyed and recycled. Thus, you should not attach any original documents to pleadings filed with the San Diego Superior Court. Original documents filed with the court will be imaged and destroyed except those documents specified in California Rules of Court, rule 3.1806. Any original documents necessary for a motion hearing or trial shall be lodged in advance of the hearing pursuant to California Rules of Court, rule 3.1302(b).

It is the duty of each plaintiff, cross-complainant or petitioner to serve a copy of this notice with the complaint, cross-complaint or petition on all parties in the action.

On all pleadings filed after the initial case originating filing, all parties must, to the extent it is feasible to do so, place the words "IMAGED FILE" in all caps immediately under the title of the pleading on all subsequent pleadings filed in the action.

**Please refer to the General Order - Imaging located on the San Diego Superior Court website at:**

<http://www.sdcourt.ca.gov/Civil/ImagingGeneralOrder>

DEADLINE.com

## **Exhibit 3**

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 At the time of service, I was over 18 years of age and not a party to this action. I  
4 am employed in the County of Los Angeles, State of California. My business address is  
1901 Avenue of the Stars, Suite 1600, Los Angeles, CA 90067-6055.

5 On October 16, 2012, I served true copies of the following document(s) described  
6 as **NOTICE OF COMMENCEMENT OF ARBITRATION** on the interested parties in  
this action as follows:

7 **See Attached Service List**

8 **BY FAX TRANSMISSION:** I faxed a copy of the document(s) to the persons at  
9 the fax numbers listed in the Service List. The telephone number of the sending facsimile  
10 machine was 310.228.3701. The transmission was reported as complete and without error.  
No error was reported by the fax machine that I used.

11 **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I sent a copy of the  
12 document(s) from e-mail address xmaurice@sheppardmullin.com to the persons at the e-  
13 mail addresses listed in the Service List. The document(s) were transmitted at \_\_\_\_\_  
a.m./p.m. I did not receive, within a reasonable time after the transmission, any electronic  
message or other indication that the transmission was unsuccessful.

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

15 Executed on October 16, 2012, at Los Angeles, California.

16  
17   
18 \_\_\_\_\_  
Xavier R. Maurice  
19  
20  
21  
22  
23  
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25  
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28

**SERVICE LIST**

Dinesh D'Souza (Claimant)  
Email: [dineshjdouza@aol.com](mailto:dineshjdouza@aol.com)

Jim Burgess, Esq. (Attorney for Mr. D'Souza)  
Sheppard Mullin Richter & Hampton LLP  
[jburgess@sheppardmullin.com](mailto:jburgess@sheppardmullin.com)

Christopher Williams  
Veterans Gateway Incorporated (Respondent)  
Fax: (858) 794-5431  
Email: [cswilliams777@att.net](mailto:cswilliams777@att.net)

Robert Hicks, Esq. (Attorney for VGI and Mr. Williams)  
Robert W. Hicks & Associates  
Fax: (619) 236-3413  
Email: [rhicks@rwhlaw.com](mailto:rhicks@rwhlaw.com)

Doug Sain  
Sain Communications Incorporated (Respondent)  
Fax: (603) 761-2016  
Email: [doug@saincommunications.com](mailto:doug@saincommunications.com)

David King (Attorney for SCI and Mr. Sain)  
The King Law Firm  
Fax: (619) 702.2009  
Email: [dking@thekinglawgroup.com](mailto:dking@thekinglawgroup.com)

Obama's America Foundation, LLC  
c/o Robert Gipson, Esq. (Attorney for Obama's America Foundation, LLC)  
Gipson, Hoffman & Pancione  
Fax (310) 556-8945  
Email: [rgipson@ghplaw.com](mailto:rgipson@ghplaw.com)



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 \*\*\* MULTI TX/RX REPORT \*\*\*  
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 (2) 916197022009  
 (4) 913105566945  
 (6) 916037612016

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# SheppardMullin

Sheppard, Mullin, Richter & Hampton LLP  
 1901 Avenue of the Stars, Suite 1600  
 Los Angeles, California 90067-6055  
 310.228.3700 main  
 310.228.3701 fax  
 www.sheppardmullin.com

## FAX COVER SHEET

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JAMS ADR <i>Attn: Jenny Truex</i>	619-236-9032	619-236-1848
Sain Communications, Incorporated c/o David King, Esq.	619.702.2009	619.702.2008
Veterans Gateway, Inc. c/o Robert Hicks	619 236-3413	619 236-3403
Obama's America Foundation, LLC c/o Reg Glpson	310 556-8945	310 556-4660
Christopher Williams for VGI	858-794-5431	
Doug Sain for SCI	603-761-2016	

From: James M. Burgess, Esq. (for Dinesh D'Souza)

Re: Notice of Commencement of Arbitration  
Dinesh D'Souza v. Sain Communications Incorporated, Veterans Gateway  
Incorporated and Obama's America Foundation LLC

MESSAGE:

\*\*\*\*\*  
 \*\*\* TX REPORT \*\*\*  
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**FAX COVER SHEET**

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Sain Communications, Incorporated c/o David King, Esq.	619.702.2009	619.702.2008
Veterans Gateway, Inc. c/o Robert Hicks	<i>619.400.4816</i> 619 236-3413	619 236-3403
Obama's America Foundation, LLC c/o Reg Glpson	310 556-8945	310 556-4660
Christopher Williams for VGI	858-794-5431	
Doug Sain for SCI	603-761-2016	

From: James M. Burgess, Esq. (for Dinesh D'Souza)

Re: Notice of Commencement of Arbitration  
Dinesh D'Souza v. Sain Communications Incorporated, Veterans Gateway  
Incorporated and Obama's America Foundation LLC

MESSAGE: