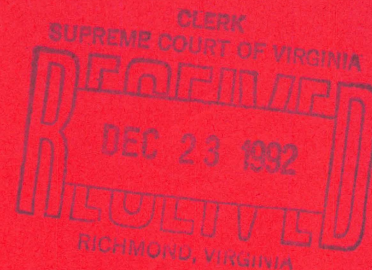


245VA465



IN THE  
SUPREME COURT OF VIRGINIA  
AT RICHMOND

---

Record No.  
920947

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JOHN F. WEBER

Plaintiff/Appellant

vs.

LES G. JONES,  
DOROTHY JONES,  
DULLES EQUITIES, INC.

Defendants/Appellees

---

APPENDIX

---

Thomas R. Nedrich (VA Bar #016418)  
200 Little Falls Street  
Suite 203  
Falls Church, Virginia 22046  
(703) 536-3113

Counsel for Appellant



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V I R G I N I A :

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

JOHN F. WEBER

Plaintiff,

v.

Law No.

LES G. JONES

10904 Woodland Falls Drive  
Great Falls, Virginia

DOROTHY ANN JONES

a/k/a DEANNA JONES

1909 Lakeport Way  
Reston, Virginia 22091

DULLES EQUITIES, INC.

A Virginia Corporation

SERVE: Beverly Stephenson  
4157 Chain Bridge Rd.  
Fairfax, VA 22030

AND

DULLES EQUITIES OF VIRGINIA, INC.

A Virginia Corporation

SERVE: J. Thomas Fromme, II  
10482 Armstrong Street  
Fairfax, VA 22030

and

ARMED FORCES ELECTRONICS, LTD

SERVE: J. Thomas Fromme, II  
10482 Armstrong Street  
Fairfax, VA 22030

and

FIRST SOURCE BANK

Christopher Murphy, President

100 N. Michigan Street  
South Bend, Indiana 46634

SERVE: Secretary of Commonwealth  
Richmond, VA

and

JETTECH, INC. )  
 a Delaware corporation )  
 SERVE: Edward R. Parker, R.A. )  
           5511 Staples Mill Road )  
           Richmond, VA 22228 )  
 )  
 and )  
 )  
 JETTECH )  
 SERVE: Bill Davis, Mgr )  
           11417 Sunset Hills Road )  
           Suite 210 )  
           Reston, VA 22090 )  
 )  
 and )  
 )  
 EDWARD DAHLBERG )  
 11417 Sunset Hills Road )  
 Suite 210 )  
 Reston, VA 22090 )  
 )  
 and )  
 )  
 ABC AIRCRAFT PURCHASER )  
 (Address to be provided) )  
 )  
 and )  
 )  
 NWIL MANHEIMER )  
 (Address to be provided) )  
 )  
 and )  
 )  
 MARIS MANHEIMER )  
 (Address to be provided) )  
 )  
 and )  
 )  
 ERA FIVE STAR REALTORS )  
 SERVE: Carolyn Babione, Mgr )  
           1801 Reston Parkway )  
           Reston, VA 22090 )  
 )  
 and )  
 )  
 TRAFALGAR HOUSE PROPERTY, INC. )  
 a Delaware corporation )  
 t/a Capital Homes, Virginia )  
 t/a Trafalgar House Residential, VA )  
 SERVE: Edward R. Parker, R.A. )  
           5511 Staples Mill Road )  
           Richmond, VA 22228 )  
 )  
 and )

CAPITAL HOMES OF VIRGINIA, INC.	)
t/a TRAFALGER HOUSE RESIDENTIAL	)
VIRGINIA	)
SERVE: Janna Blankers, Mgr.	)
8300 Greensboro Drive	)
McLean, VA 22102	)
	)
and	)
	)
RIGGS NATIONAL BANK	)
15TH Street & Pennsylvania Ave, NW	)
Washington, DC 20005	)
SERVE: Secretary of Commonwealth	)
Richmond, VA	)
	)
Defendants.	)

**MOTION FOR JUDGMENT**

**STATEMENT OF CASE**

COMES NOW the Plaintiff, JOHN F. WEBER, and moves for judgment against the Defendants as follows:

1. At all times relevant hereto Plaintiff has been a resident of the Commonwealth of Virginia and an employee of Defendant Dulles Equities, Inc., pursuant to a written employment agreement dated October 30, 1987, a true copy of which is attached hereto as Plaintiff Exhibit 1.

2. At all times relevant hereto Defendant Dulles Equities, Inc. (sometimes referred to as the Corporation) was a Virginia corporation whose sole shareholders and controlling operatives, officers and directors, were Defendants LES G. JONES and DOROTHY ANN JONES, a/k/a DEANNA JONES (sometimes referred to as the individual Defendants).

3. At all times relevant hereto the Defendants Dulles Equities, Inc., Les Jones and Dorothy Jones were also partners in

an entity known as Dulles Equities Limited Partnership III (sometimes referred to as the Limited Partnership). The "Agreement" creating the alleged limited partnership designates Dulles Equities, Inc., as general partner and Les Jones and Dorothy Jones as Limited Partners. The sole asset of the alleged limited partnership consisted of a commercial office building and the land upon which it was built, known as the Atrium, located at 381 Eldon Street, Herndon, Virginia.

4. By written Employment Agreement dated October 30, 1987, the Corporation hired the Plaintiff as its Vice President of Marketing and Development. Defendant Les Jones signed the Agreement on behalf of the Corporation.

5. Under the terms of the Employment Agreement the Plaintiff was to be paid an annual salary and receive certain benefits and also was to be paid a bonus for all leases executed by the Corporation during the term of the Agreement.

6. In August, 1988, and due to the substantial efforts of Plaintiff, the Corporation entered into a lease agreement with the General Services Administration ("GSA") for the lease of over 135,000 square feet of space in the Atrium Building owned by the Limited Partnership. The lease was signed by Les Jones, as President of the Corporation and as General Partner of the Limited Partnership.

7. By reason of the execution of the GSA lease, and the actual beneficial occupancy of the subject lease space, the Plaintiff became due a bonus in the total sum of \$241,993.50, of

which one half was due and payable on August 25, 1988, and one half was due and payable on April 15, 1989. However, to the date of this action, no part of said bonus has been paid to Plaintiff.

8. Plaintiff remained in the employ of the Corporation until on or about March 1, 1991. The Employment Agreement provides that, aside from any bonuses, Plaintiff was to be paid an annual base salary of \$75,000, payable in monthly or bimonthly installments. Plaintiff was not paid his monthly salary installments for the months of January and February, 1991, and is due the additional sum of \$9,249.00.

9. From August, 1988, through the end of his employment with the Corporation Plaintiff repeatedly demanded payment of the bonus due to him for the GSA lease. In the instance of each such demand Les Jones, acting individually and as the President of the Corporation, acknowledged that the bonus was due to Plaintiff, but stated that there was "no money" available from which to make payment.

10. In the last several months of his employment, Plaintiff also made demand upon Les Jones and the Corporation for payment of his monthly base salary. In each such instance he was again told by Les Jones that there was "no money" available from which to make payment.

11. During the times aforesaid when Les Jones pleaded "No money" the said Les Jones and Dorothy Jones made use of more than \$1,000,000 in monies of the Corporation and the Limited

Partnership to pay for personal expenses and for business expenses beneficial to Les and Dorothy Jones and/or other entities owned and controlled by them but unrelated to the Corporation and the Limited Partnership. These expenditures, which constituted a pattern of diversion of corporate assets, include, but are not limited to, the following:

a. Use of Corporate funds to pay a \$30,000 deposit and \$5,000 per month rent since July, 1990 for the lease/purchase of a home located at 10904 Woodland Falls Drive, Great Falls, Virginia. The contract purchaser/tenant is Les Jones.

b. Use of Corporate funds in 1989 and 1990 to lease a home located at 1958 Lakeport Way, Reston, for the residence of Dorothy Jones (the contract lessor was Dulles Equities, Inc., the tenant was Dorothy Jones) and use of corporate funds in 1990 and 1991 to lease with the option to purchase a home located at 1909 Lakeport Way, Reston, Virginia. The contract purchaser is Les Jones. The tenant is Dorothy Jones.

c. The use of the credit of the Corporation to establish and fund another company owned and controlled by Les Jones, known as Armed Forces Electronics, Inc. ("Armed Forces"). Also, the use of Corporate funds to pay for the operating expenses,



including the salaries of persons who though nominally on the payroll of the Corporation, actually performed work for Armed Forces. Armed Forces generates \$20,000.00 per month in revenue which, upon information and belief, is being substantially diverted to the personal use of Les and Dorothy Jones, but not to the Corporation.

d. The use of Corporate funds to pay for the salary of one or more persons nominally on the payroll of the Corporation, but who, in fact, devote substantially all of their time and efforts to improvement and renovation of the personal residences of Les Jones and Dorothy Jones. In addition the use of Corporate funds to pay for materials used to improve/renovate said personal residences.

e. The use of a Lear Jet, owned by the Corporation at a cost of not less than \$50,000 per month, for the personal benefit and business financial benefit of Les and Dorothy Jones, but not for the benefit of the Corporation. Over the past year, Les Jones has used the Lear Jet to make numerous trips both within and without the United States to transfer personal monies and to manage business transactions not connected with the

Corporation. These trips include numerous visits to, among other places England, South Africa, Gibraltar, Finland, Switzerland, Austria, Hungary, France, Germany and the Cayman Islands. During these visits, Les Jones negotiated several contracts not related to the Corporation which, if realized, will net Les Jones and/or entities under his control profits in excess of \$10,000,000. None of these profits would go to the Corporation. During these sojourns Les Jones charged more than \$100,000 to credit cards of the Corporation for meals and entertainment. Les Jones overseas contacts for these transactions include Messrs Phillipe Burnier, Chris Ziegler, J.A. Williams, Bob McCreery, Johann Lemmer, M.G Hardman, K.H. Billimoria, M.I.W. Johansen, and Pertti Ruoho. Some or all of these parties have also been involved in Les Jones establishing one or more overseas entities to act as repositories and transfer points for assets of the Corporation.

f. The establishment of another company in Virginia, known as Dulles Equities of Virginia, Inc., owned and controlled by Les and Dorothy Jones, to be used as a repository for other assets being transferred out of the

Corporation. Recently, Les Jones has caused the Corporation to sell several vehicles owned by it, including one Mercedes, two Jaguars, and a Ford Bronco, the proceeds of which were not returned to the Corporation, but instead were used to acquire new vehicles for the personal benefit of Les and Dorothy Jones and titled to either Dulles Equities of Virginia, Inc., or to Les and/or Dorothy Jones personally.

g. The attempt to convert other corporate assets, specifically, a Lear Jet, away from the Corporation and to Les Jones and Dorothy Jones. The plan, as told to Plaintiff by the aircraft broker retained by Les Jones for this purpose, is to exchange the Lear for a new aircraft (either purchased or leased) titled in the name of a new corporate entity established by Les Jones. The intent and expected result is to channel the equity in the Lear out of the Corporation and into the new entity. Plaintiff estimates the value of the equity in the Lear at several hundred thousand dollars. Others involved in this transfer scheme include First Source Bank, JETTECH, Edward Dahlberg and ABC Aircraft Purchaser.

h. Using corporate funds to pay for exercise equipment installed in the personal residences of Les Jones and Dorothy Jones.

i. Using corporate funds to pay for the private tuition of the children of said Les Jones and Dorothy Jones.

j. Using corporate funds, including corporate checks and charge cards, to pay for personal purchases of Les Jones and Dorothy Jones of clothing and accessories at Macy's, Nordstrom, Woodward & Lothrop, Harrods, May Company, Talbots, J.W. Robinson Jewelers and Toys R Us.

k. Using corporate credit cards by Les Jones and Dorothy Jones to purchase theater tickets, lingerie, phonographic equipment and personal clothing.

12. The foregoing transactions are examples of some, but not all, of the financial maneuvers which formed the elements of an elaborate scheme of Les Jones and Dorothy Jones to use both the Corporation and the Limited Partnership as financial shells for their personal benefit and was designed and executed with the purpose and effect of defrauding the creditors of both the Corporation and the Limited Partnership. One of those creditors is your Plaintiff.

13. The Limited Partnership was also designed and executed as a ruse and sham by said Les Jones and Dorothy Jones. Although

denominated only as "limited partners" in fact at all times Les Jones and Dorothy Jones, actively managed all of the business affairs of the Limited Partnership. In fact, at no time did any true limited partner exist within the Limited Partnership and, consequently, no true limited partnership existed under the terms of the Virginia Limited Partnership Act. Both Les Jones and Dorothy Jones were at all times the general partners of the alleged Limited Partnership.

14. The Limited Partnership itself has been the subject of proceedings leading to discharge in the United States Bankruptcy Court and, therefore, is not made a party to this litigation.

#### COUNT I

##### BREACH OF CONTRACT

15. Plaintiff incorporates by reference Paragraphs 1 through 14 of this Motion.

16. Despite repeated demands by Plaintiff the Corporation has failed to pay to Plaintiff the bonus due to him for the GSA lease agreement in the total sum of \$241,976.50, one half due on August 25, 1988, and one half due on April 15, 1989. Despite demand, the Corporation has also failed to pay Plaintiff \$9,375.00 in base salary due him for and January and February, 1991.

WHEREFORE, Plaintiff demands judgment on this Count I against Defendant Dulles Equities, Inc., in the amount of \$251,351.50, plus interest, as applicable from August, 1988,



April, 1989, and January and February, 1991, plus costs of this action.

COUNT II

CONVERSION

17. Plaintiff incorporates by reference Paragraphs 1 through 14 and 16 of this Motion.

18. The \$251,351.50 owed to the Plaintiff by the Corporation was never paid to him because the funds which would have been otherwise available to pay Plaintiff were diverted by Les and Dorothy Jones for their personal use and benefit. Indeed, and upon information and belief, Les and Dorothy Jones have improperly converted funds and other assets in excess of \$1,000,000 to their personal use and benefit and in violation of their duties as officers of the Corporation to see to the payment of legitimate creditors of the Corporation, such as Plaintiff. As further evidence of the improper nature of these conversions, although the funds in question should have been treated as personal income to Les and Dorothy Jones, they were never declared as such to the income tax authorities.

WHEREFORE, Plaintiff demands judgment against Defendant, Les Jones and Dorothy Jones, jointly and severally, on this Count II in the amount of \$251,351.50, plus interest, as applicable, from August, 1988, April, 1989, and January and February, 1991, plus costs of this action.

COUNT III

BREACH OF FIDUCIARY DUTY

19. Plaintiff incorporates by reference Paragraphs 1 through 14, 16 and 18 of this Motion.

20. At all times while they were in control of Dulles Equities, Inc., the Individual Defendants owed a fiduciary duty to corporate creditors to manage the affairs of said Corporation in an orderly and legal manner to satisfy the legitimate debts of the creditors in advance of the interests of said Individual Defendants.

21. Les Jones and Dorothy Jones breached their fiduciary duty to Plaintiff, as a creditor of Dulles Equities, Inc., by transferring corporate funds and assets of Dulles Equities in excess of the debt owed Plaintiff to themselves and/or other entities controlled by them, rather than satisfying Dulles Equities debt to Plaintiff. This breach of fiduciary duty is further evidenced by the fact that for the past several years Dorothy Jones was carried on the payroll of the Corporation, receiving salary and benefits, but did no work for the Corporation.

WHEREFORE, Plaintiff demands judgment against Defendant, Les Jones and Dorothy Jones, jointly and severally, on this Count II in the amount of \$251,351.50, plus interest, as applicable, from August, 1988, April, 1989, and December, 1990, and January and February, 1991, plus costs of this action.

#### COUNT IV

#### CONVERSION AND CONSTRUCTIVE TRUST

ARMED FORCES ELECTRONICS

22. Plaintiff incorporates by reference paragraphs 1 through 14, 16, 18, 20 and 21 of this Motion.

23. Defendant First Source Bank is an Indiana banking corporation which regularly conducts business in the Commonwealth of Virginia through use of telephone, mail, personal visits and filings made with various regulatory agencies within the Commonwealth. However, First Source Bank maintains no offices in Virginia, and has not registered as a foreign corporation doing business within the Commonwealth.

24. In 1990, Les Jones formed Defendant Armed Forces Electronics, LTD., ("Armed Forces") as a Virginia corporation to lease/sell electronics equipment to members of the Armed Forces of the United States. Les Jones has sole ownership and control of Armed Forces.

25. The business of Armed Forces is to purchase electronic equipment and then to lease or sell the equipment to military personnel under monthly payment schedules with payments sent to a depository bank selected by Armed Forces and/or Les Jones.

26. Les Jones never funded the start up of Armed Forces with his own funds. Rather, Les Jones caused Armed Forces to be funded by pledging the Lear Jet and other assets of the Corporation to obtain loans from Defendant First Source Bank of the State of Indiana with the result that several hundred thousand dollars was channeled into and used by Armed Forces to purchase the equipment which was then leased/sold to members of

the military.

27. During its operational phase, which remains on going, Les Jones has also used substantial assets of the Corporation, labor, equipment, facilities, to the value of tens of thousands of dollars to support the continuing operations of Armed Forces.

28. Despite the use by Les Jones of the assets and credit of the Corporation to establish and support Armed Forces, the Corporation derives no benefit from the lease/sale program which constitutes the business of Armed Forces. Rather, all such benefits inure directly to the personal benefit of Les Jones. Consequently, the entire operation of Armed Forces was designed and implemented by Les Jones as a scheme to hinder, delay and defraud Plaintiff and other creditors of the Corporation.

29. Upon information and belief the income of Armed Forces from the lease/sale program, estimated to be in excess of \$20,000 per month, is deposited in the Armed Forces account(s) from which Les Jones withdraws and/or otherwise uses a substantial portion, if not all of said monies for his personal use and benefit.

30. All income derived by Armed Forces from the lease/sale program constructively belongs to the Corporation or, in the alternative, to Les Jones personally. Further, all assets acquired by Les Jones and/or others deriving said assets through the actions of Les Jones in using the income of Armed Forces constructively belong to the Corporation and/or Les Jones.

WHEREFORE, Plaintiff prays that, to the extent Les Jones and/or the Corporation are found liable to Plaintiff, this Court declare that all funds and other assets of Armed Forces held by Armed Forces and/or held by Defendant First Source Bank are held in trust for the benefit of satisfying any such judgment entered in favor of Plaintiff and against the Corporation and/or Les Jones.

COUNT V

CONVERSION AND CONSTRUCTIVE TRUST

DULLES EQUITIES OF VIRGINIA

31. Plaintiff incorporates by reference Paragraphs 1 through 14, 16, 18, 20 and 21 of this Motion.

32. In 1990 Les Jones formed Dulles Equities of Virginia, Inc. ("Dulles of Virginia") as a Virginia corporation. Les Jones has sole ownership and control of Dulles of Virginia.

33. Since its formation Les Jones has used Dulles of Virginia as a transfer vehicle whereby assets of the Corporation are being sold and converted into different assets with title of those different assets being vested in Dulles of Virginia.

34. Within the past 12 months Les Jones has, among other actions caused the Corporation to sell a number of motor vehicles, see paragraph 11(f), supra, with the equity from these sales being used to purchase new vehicles titled in the name of Dulles of Virginia.

35. The Corporation derives no benefit from the transfer of



these assets, or their equity, from the Corporation to Dulles of Virginia.

36. The reason for the creation of Dulles of Virginia by Les Jones was to accomplish the transfer of assets of the Corporation in order to delay, hinder and defraud the Plaintiff and other creditors of the Corporation. But for this purpose, Dulles of Virginia would have no reason for its existence.

37. Upon information and belief, Les Jones may also be using the assets of the Corporation, to subsidize the ongoing operations of Dulles of Virginia, without the Corporation deriving any benefit therefrom.

WHEREFORE, Plaintiff prays that to the extent Les Jones and/or the Corporation are found liable to Plaintiff, that this Court declare that all funds and other assets of Dulles Equities of Virginia, Inc. are held in trust for the benefit of satisfying any such judgment entered in favor of Plaintiff and against the Corporation and/or Les Jones.

#### COUNT VI

#### CONVERSION AND CONSTRUCTIVE FRAUD

#### THE LEAR JET

38. Plaintiff incorporates by reference paragraphs 1 through 14, 16, 18, 20, 21 and 23 of this Motion.

39. In 1990 Defendant First Source Bank arranged financing for the Corporation for purchase of a Lear Jet aircraft. The Lear is titled in the name of the Corporation and is subject to

1  
finance statements in favor of First Source filed with the Virginia State Corporation Commission and one or more Circuit Courts in Virginia.

40. Defendant JETTECH is a corporation or an unincorporated entity in the business of aircraft brokerage operating from offices located in Reston, Virginia.

41. Defendant Edward Dahlberg is an individual whose business is the brokerage of aircraft as an employee, agent or co-venturer with Defendant JETTECH.

42. Defendant ABC Aircraft Purchaser is an entity believed to be doing business out of Phoenix, Arizona but whose real name and address have not yet been determined. Upon information and belief ABC is about to purchase or trade the Lear Jet owned by the Corporation, in exchange for another jet aircraft to be either purchased or leased by Les Jones or an entity owned/controlled by Les Jones, but not the Corporation. Defendants JETTECH and Dahlberg are acting as the brokerage agents for ABC, Jones and the Corporation in connection with these contemplated transactions.

43. The sale of the Lear Jet and acquisition of another Jet aircraft by Les Jones as aforesaid is a scheme designed and being pursued by Les Jones with the aid and assistance of First Source Bank, JETTECH, Dahlberg and ABC as to assure that the title and equity of the Lear Jet is transferred out of the Corporation and into an entity other than the Corporation in such a way as to

delay, hinder and defraud Plaintiff and other creditors of the Corporation.

WHEREFORE, Plaintiff prays that to the extent Les Jones and/or the Corporation are found liable to Plaintiff, that this Court declare that the Lear Jet and/or the proceeds from the sale of the Lear Jet are held in trust for the benefit of satisfying any such judgment entered in favor of Plaintiff and against the Corporation and/or Les Jones.

#### COUNT VII

#### CONVERSION AND CONSTRUCTIVE TRUST

#### THE LEAR JET

44. Plaintiff incorporates by reference paragraphs 1 through 14, 16, 18, 21, 22, 23 and 39 through 43 of this Motion.

45. Throughout the period of time in which the Lear Jet has been owned by the Corporation it has cost the Corporation in excess of \$50,000.00 per month to maintain said aircraft.

46. The Corporation has derived no benefit from use of the Lear Jet throughout its period of ownership. Rather, at all times during the period of its ownership the Lear Jet has been used by Les Jones for his personal benefit and/or the business benefit of Les Jones and/or other entities owned and/or controlled by Les Jones, but not the Corporation. Among the uses of the Lear Jet by Les Jones are the arrangement of business transactions outside of the United States and the transfer of funds to banks and other entities outside the United States, all as specified in more detail in paragraph 11(e), supra.

47. To the extent that business transactions have occurred through use of the Lear Jet which have resulted in income and/or profits accruing to Les Jones and/or other entities owned and controlled by Les Jones - other than the Corporation - the said income and/or profits so acquired ought to be declared as constructively held for the benefit of Plaintiff to the extent that he is a judgment creditor of Les Jones and/or the Corporation.

WHEREFORE, Plaintiff prays that to the extent Les Jones and/or the Corporation are found liable to Plaintiff, that this Court declare that all income or profits acquired by Les Jones or entities controlled by him - other than the Corporation - as a result of the use of the Lear Jet are held in trust for the benefit of satisfying any such judgment entered in favor of Plaintiff and against the Corporation and/or Les Jones.

#### COUNT VIII

#### CONVERSION AND CONSTRUCTIVE TRUST

#### MANHEIMER PROPERTY

48. Plaintiff incorporates by reference paragraphs 1 through 14, 16, 17, 18, 19, 20 and 21 of this Motion.

49. Defendants Nwil Manheimer and Maris Manheimer are the owners of the real property known as 1909 Lakeport Way, Reston, Virginia.

50. Defendant ERA Five Star Properties is a real estate brokerage business which is the listing agent for the Lakeport

property.

51. In 1990 Les Jones entered into contracts with the Manheimers to lease/purchase the Lakeport property, as the result of which the Manheimers and/or ERA Five Star have been paid in excess of \$50,000.00 in connection with said lease/purchase.

52. Although the lease/purchase documents list Les Jones as lessee/purchaser all funds paid to the Manheimer's and/or ERA Five Star were paid with funds of the Corporation. The Manheimers and ERA Five Star were at all times aware that the funds being paid to them were Corporation monies and not the personal monies of Les Jones.

53. At all times since the lease of the Lakeport property the property has been occupied as the personal residence of Dorothy Jones.

54. At all times during the lease and occupancy of the Lakeport property by Les Jones and Dorothy Jones, Les Jones has caused the Corporation to expend substantial funds and other assets of the Corporation, in excess of \$10,000.00, to improve and upgrade the Lakeport property. The Manheimers and ERA Five Star have at all times been aware of the occurrence of this improvement and upgrading process and have approved the same.

55. Title to the Lakeport property remains in the name of the Manheimers but is projected to change to Les Jones, or Dorothy Jones, or an entity controlled by them, pursuant to the contract for sale.



56. Although the lease, purchase and improvement of the Lakeport property is being accomplished through use of the funds and assets of the Corporation, the Corporation has derived and will derive no benefit from these transactions and activities. Indeed, these transactions and activities were designed and implemented as a scheme by Les Jones and Dorothy Jones, with the active and conscious aid and assistance of the Manheimers and ERA Five Star, to hinder, delay and defraud Plaintiff and other creditors of the Corporation.

57. Plaintiff claims that to the extent that the funds and assets of the Corporation have been used to lease, purchase, and improve the Lakeport property, the property, to the extent of the liability of the Corporation, Les Jones and Dorothy Jones to the Plaintiff, is held in constructive trust for the benefit of the Corporation and Plaintiff.

58. Plaintiff also claims an interest in the Lakeport property under the doctrine of Lis Pendens.

WHEREFORE Plaintiff prays that to the extent that the Corporation, Les Jones and Dorothy Jones are liable to Plaintiff, a constructive trust exists on the Lakeport property in favor of Plaintiff to the extent of funds and assets of the Corporation expended on the said Lakeport property. Plaintiff also prays that this Court declare that the doctrine of Lis Pendens applies to the Lakeport property to the extent of any judgment rendered in favor of the Plaintiff.

COUNT IX

CONVERSION AND CONSTRUCTIVE TRUST

WOODLAND PROPERTY

59. Plaintiff incorporates by reference paragraphs 1 through 14, 16, 17, 18, 20 and 21 of this Motion.

60. Defendant Trafalgar House Property, Inc., t/a Capital Homes, Virginia, t/a Trafalgar Homes Residential, Virginia is a Delaware corporation with business offices located in McLean, Virginia.

61. Trafalgar is the owner of the property known as 10904 Woodland Falls Drive, Great Falls, Virginia.

62. In 1990 Les Jones entered into contracts with Trafalgar to lease/purchase the Woodland property as the result of which Trafalgar has been paid in excess of \$70,000.00 in connection with said lease/purchase.

63. Although the lease/purchase documents list Les Jones as lessee/purchaser all payments to Trafalgar have been with funds of the Corporation. Trafalgar was at all times aware that the funds being paid to it were Corporation monies and not the personal monies of Les Jones.

64. At all times since the lease of the Woodland property the property has been occupied as the personal residence of Les Jones.

65. At all times during the lease and occupancy of the

Woodland property by Les Jones, Les Jones has caused the Corporation to expend substantial funds and other assets of the Corporation, in excess of \$100,000.00, to improve and upgrade the Woodland property. Trafalgar has at all times been aware of the occurrence of this improvement and upgrading process and has approved the same.

66. Title to the Woodland property remains in the name of Trafalgar but is projected to change to Les Jones, or Dorothy Jones or an entity controlled by them pursuant to the contract for sale.

67. Although the lease, purchase and improvement of the Woodland property is being accomplished through use of the funds and assets of the Corporation, the Corporation has derived and will derive no benefit from these transactions and activities, and these transactions and activities were designed and implemented as a scheme by Les Jones and Dorothy Jones, with the active and conscious aid and assistance of Trafalgar, to hinder, delay and defraud Plaintiff and other creditors of the Corporation.

68. Plaintiff claims that to the extent that the funds and assets of the Corporation have been used to lease, purchase, and improve the Woodland property, the property, to the extent of the liability of the Corporation, Les Jones and Dorothy Jones to the Plaintiff, is held in constructive trust for the benefit of the Corporation and Plaintiff.

69. Plaintiff also claims an interest in the Woodland

property under the doctrine of Lis Pendens.

WHEREFORE Plaintiff prays that to the extent that the Corporation, Les Jones and Dorothy Jones are liable to Plaintiff, a constructive trust exists on the Woodland property in favor of Plaintiff to the extent of funds and assets of the Corporation expended on the said Woodland property. Plaintiff also prays that this Court declare that the doctrine of Lis Pendens applies to the Woodland property to the extent of any judgment rendered in favor of the Plaintiff.

COUNT X

QUANTUM MERUIT

RIGGS BANK

70. Plaintiff incorporates by reference paragraphs 1 through 14, 16, 17, 18, 20 and 21 of this Motion.

71. Defendant Riggs National Bank of Washington, D.C. is a banking corporation which conducts real estate financing in the Commonwealth of Virginia.

72. Riggs financed the acquisition and construction of the Atrium by the Limited Partnership.

73. All acquisition/construction financing provided by Riggs for the Atrium was deposited in the Corporation's account which had been established by Les Jones with Riggs.

74. In 1989-1990 Riggs declared the subject financing to be in default and instituted suit against the Corporation, Limited

Partnership, Les Jones and Dorothy Jones. During the course of said litigation Riggs determined that more than \$3,000,000.00 of monies deposited with the Corporation could not be accounted for. Upon information and belief, Les Jones and/or Dorothy Jones diverted said monies to bank accounts outside the United States owned and/or controlled by Les Jones and/or Dorothy Jones.

75. Despite Riggs knowledge of the improper diversion of the subject funds out of the Corporation, Riggs took no action to recover those monies. Rather Riggs entered into a plan/scheme with the Corporation, the Limited Partnership, Les Jones and Dorothy Jones whereby Les Jones and/or Dorothy Jones were permitted to keep said diverted funds in exchange for which the title to the property known as the Atrium was transferred back to Riggs.

76. The aforesaid plan/scheme between Riggs and the Corporation, the Limited Partnership, Les Jones and Dorothy Jones was accomplished with the aid and use of a seal order in the Riggs litigation in order to prevent Plaintiff and other creditors of the Corporation, the Limited Partnership, Les Jones and Dorothy Jones from learning the details of the diversion of the subject funds out of the Corporation.

77. Riggs, or entities controlled by Riggs, now own the property known as the Atrium and are deriving substantial income from the General Services Administration by reason of the lease procured by Plaintiff.

78. Although no contract exists between Plaintiff and

Riggs, but for the efforts of Plaintiff, Riggs would not be enjoying the benefit of the cash flow stream resulting from the General Services Lease procured by the efforts of Plaintiff.

79. Under the doctrine of quantum meruit Riggs is liable to Plaintiff for the fair value of Plaintiff's efforts in procuring the General Services Administration lease.

80. Riggs is liable to Plaintiff under the doctrine of quantum meruit in the sum of \$241,993.50, as representing the fair value of the benefit of the subject lease enjoyed by Riggs as the result of the valuable and substantial efforts of Plaintiff in procuring the same.

WHEREFORE, under the doctrine of quantum meruit, Plaintiff prays that judgment be entered in his favor and against Riggs National Bank of Washington, D.C. in the sum of \$241,993.50, plus interest and costs of this action.

#### COUNT XI

#### CONSPIRACY

81. Plaintiff incorporates by reference all previous allegations in this Motion.

82. The pattern of misconduct, diversion of assets and conversion of the assets of the Corporation, by the Corporation, by Les and Dorothy Jones, and by others acting in concert with them, evidence a series of conspiratorial combinations, associations and agreements undertaken for the purpose of willfully and maliciously injuring Plaintiff and other creditors

of the Corporation, and also evidence the intent to willfully and maliciously prevent and hinder Plaintiff and other creditors from obtaining from the Corporation the monies lawfully owed to them.

WHEREFORE Plaintiff prays this Court to enter judgment in his favor and against the Corporation, Les Jones, Dorothy Jones and any and all other defendants herein found to have willfully and maliciously conspired against Plaintiff as aforesaid, jointly and severally, in the amount of \$251,351.50, which amount Plaintiff prays be trebled under the Virginia Business Conspiracy Act, plus attorney fees and costs of this action.

#### COUNT XII

#### EXEMPLARY DAMAGES

83. Plaintiff incorporates by reference all previous allegations in this Motion.

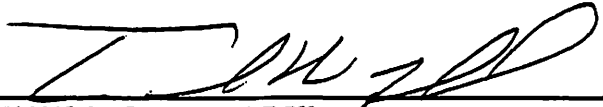
84. The pattern of misconduct, diversion and conversion perpetrated by the Corporation, Les Jones and Dorothy Jones and other defendants acting in concert with them, were done with the intent to injure or destroy the viability of Plaintiff's creditor rights, were done willfully, maliciously and with a spirit of mischief such as to amount to a criminal indifference to civil obligation and, as such, makes said defendants liable in exemplary damages.

WHEREFORE Plaintiff prays this Court award him exemplary damages in the amount of \$500,000.00 against the Corporation, Les Jones, Dorothy Jones and all other defendants found to have acted

willfully, maliciously and in concert with them, jointly and severally, plus attorney fees and costs of this action.

JURY DEMAND

Plaintiff demands trial by jury on all issues.

  
\_\_\_\_\_  
JOHN F. WEBER  
\_\_\_\_\_  
THOMAS R. NEDRICH  
Counsel for Plaintiff  
200 N. Little Falls St., Ste 203  
Falls Church, Virginia 22046  
(703) 536-3113  
FAX 703-536-0363



## EMPLOYMENT AGREEMENT

This Agreement is made and entered into this 28<sup>TH</sup> day of October 1987, by and between DULLES EQUITIES, INC. (the "Company"), and JOEN F. WEBER (the "Employee").

### W I T N E S S E T E :

WHEREAS, the Company is engaged in the general business of real estate;

WHEREAS, the Employee wishes to become employed by the Company and the Company is willing to employ the Employee on the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto mutually agree as follows:

#### 1. Employment

The Company hereby employs Employee as Vice President for Marketing and Development.

#### 2. Duties

Employee agrees to devote his full business time, attention and energy to the Company's business.

#### 3. Compensation

The Company shall pay the Employee an annual base salary of Seventy-Five Thousand Dollars (\$75,000), payable in monthly or bi-monthly installments of equal amount.

#### 4. Bonus

In addition to the salary described in paragraph 3 above, the Company shall pay to Employee a bonus for all leases executed by the Company, during the term of this Agreement. The bonus shall be computed by multiplying the total rentable square feet of space leased by \$1.25 or 1.75. If there is an outside broker involved in the transaction, the bonus shall be \$1.25 per square foot; if not, the bonus shall be \$1.75 per square foot. (Outside broker is defined as any broker who is not part of the Dulles Equities' organization.) Payment of bonuses shall be paid in two equal installments, fifty percent (50%) at the time the lease is fully executed and fifty percent (50%) when the tenant takes possession of the leased premises.

For all real estate projects which the Company undertakes in which the Employee is actively involved, the Company agrees to grant Employee an equity in the project in the form of a limited partnership or Corporate stock, whichever is applicable, equal to five percent (5%) of the ownership.

#### 5. Brokerage Activities

The Company agrees that Employee may retain his real estate license(s), and may continue to provide brokerage services to clients regarding properties other

than those owned and developed by the Company, provided that all such activities are approved in advance by the Company and that such activities do not interfere with Employee's principle duties with the Company. All brokerage commissions generated as a result of Employee's actions shall be split with the Company, sixty percent (60%) of the gross commission to be paid to the Employee and forty percent (40%) of the gross commission to be paid to the Company.

6. Automobile Allowance

The Company shall provide an automobile for use by the Employee for business purposes.

7. Moving Expenses

The Company shall reimburse Employee for the costs of relocating his residence from Los Angeles, CA to the Washington, D.C. metropolitan area.

8. Term

The term of this Agreement shall be three (3) years, commencing January 1, 1988, and may be extended by mutual agreement of the parties.

9. Entire Agreement

This Agreement contains the entire Agreement between the parties with respect to the subject matter hereof. No

waiver or modification of this Agreement or any of its terms shall be valid unless in writing and duly executed by the parties.

10. Assignment

Employee may not assign his rights or obligations hereunder. The rights and obligations of the Company shall inure to the benefit of, and shall be binding upon the successors and assigns of the Company.

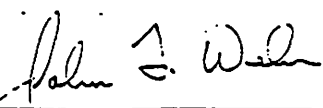

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

DULLES EQUITIES, INC.

JOHN F. WEBER

By: 

Les G. Jones, President

V I R G I N I A:

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

JOHN F. WEBER,

Plaintiff

v.

Law No. 104935

LES G. JONES,

Defendant

ORDER

THIS CAUSE came to be heard upon the Demurrers filed herein by each of the Defendants who have not been previously dismissed by the Plaintiff, and, upon consideration of the Memoranda filed in support of the respective Demurrers, and upon argument of counsel,

It appears to the Court that each of the Demurrers filed on behalf of the remaining Defendants should be sustained and that the Plaintiff's Motion for Judgment as to all parties and all counts thereof should be dismissed; therefore it is

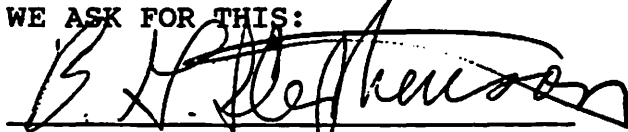
ORDERED AND ADJUDGED that the Demurrers of each and all of the remaining Defendants are hereby SUSTAINED and the Motion for Judgment is hereby DISMISSED WITH PREJUDICE regarding all parties Defendant; and this Order is Final as to the Motion for Judgment.

AND THIS MATTER IS CONTINUED WITH RESPECT TO THE PENDING COUNTERCLAIM.

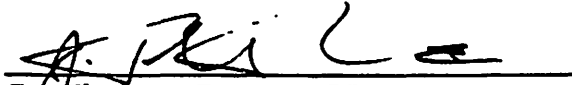
ENTERED this 13 day of March, 1992.

By (Sgd) ROSEMARIE ANNUNZIATA, Judge  
ROSEMARIE ANNUNZIATA  
Judge of the Circuit Court

WE ASK FOR THIS:



B. G. Stephenson  
Counsel for Defendants Les G. Jones,  
Deanna Jones, and Dulles Equities, Inc.



J. Thomas Fromme II  
Counsel for Defendants Armed Forces  
Electronics, Inc., and  
Dulles Equities of Virginia, Inc.

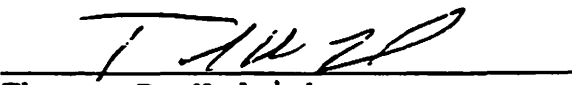


David G. Fiske  
Counsel for Defendant Riggs  
National Bank of Washington, D.C.



Kenneth E. Labowitz  
Counsel for Defendant Trafalgar  
House Property, Inc.

SEEN AND OBJECTED TO:



Thomas R. Nedrich  
Counsel for Plaintiff John F. Weber

IN THE  
SUPREME COURT OF VIRGINIA  
AT RICHMOND

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Record No.  
920947

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JOHN F. WEBER  
Appellant

vs.

LES G. JONES, et al.  
Appellees

**ASSIGNMENTS OF ERROR**

The trial court erred in sustaining defendants' demurrer and dismissing plaintiff's Motion for Judgment with prejudice because:

1. The motion for judgment is sufficient in law to withstand the demurrer.

2. The motion for judgment asserts a valid claim for breach of contract against defendant Dulles Equities, Inc.

3. The motion for judgment asserts a valid claim for conversion against defendants Les and Dorothy Jones.

4. The motion for judgment asserts a valid claim for breach of fiduciary duty against defendants Les and Dorothy Jones.

5. The motion for judgment asserts a valid claim for exemplary damages against defendants Les and Dorothy Jones.

CERTIFICATE OF SERVICE

In accordance with Rule 5:26 of the Rules of the Supreme Court of Virginia, I hereby certify that I have this 22<sup>nd</sup> day of December, 1992, filed the required 20 copies of this Appendix in the Clerk's Office and mailed the required 3 copies of this Brief to Beverly Stephenson, Attorney at Law, 4157 Chain Bridge Road, Fairfax, Virginia 22030, counsel for appellees.

  
\_\_\_\_\_  
THOMAS R. NEDRICH