

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

JENNIFER P. SCHWEICKERT,

Case Number: 13-CV-675

Plaintiff,

V.

HUNTS POINT VENTURES, INC; HUNTS POINT VENTURE GROUP, LLC; CHAD RUDKIN and ELIZABETH RUDKIN, and their marital community comprised thereof, JOHN DU WORS, and DOES 1-4;

## FIRST AMENDED COMPLAINT

1. Breach of Contract
2. Fraud in the Inducement
3. Conspiracy

## JURY DEMAND

Plaintiff, Jennifer P. Schweickert, by and through her attorney of record, files this first amended complaint for damages against Hunts Point Ventures, Inc., Hunts Point Venture Group, LLC, Chad Rudkin and Elizabeth Rudkin, John Du Wors , and Does 1-4 (collectively “defendants”), and upon information and belief alleges as follows:

## INTRODUCTION

This case arises out of a loan made by plaintiff Jennifer Schweickert to defendant Hunts Point Ventures, Inc., (hereinafter "HPV") a company now wholly owned and

**Complaint— 1**  
SCHWEICKERT v. HPV, HPVG, RUDKINS, DU WORS ET AL.

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1 operated by defendants Chad Rudkin and Elizabeth Rudkin. Plaintiff and defendant  
2 HPV entered into a promissory note on or about April 21, 2011. Plaintiff loaned HPV  
3 \$200,000 that was to be repaid in two interest payments in December 2011 and October  
4 2012, as well as the principal repayment in October of 2012. A true and correct copy of  
5 the Promissory Note and Joint Participation Agreement (hereinafter referred to as the  
6 "note") is attached. (Exhibit "A"). HPV has failed to make any of the payments owed to  
7 plaintiff under the note. On or about November 25, 2012, plaintiff contacted defendant  
8 Chad Rudkin of HPV and HPVG by telephone to demand payment on the note. She  
9 was told that she was "no longer involved in HPV." After an informal telephone call to  
10 Mr. Rudkin regarding payment of the note went unanswered, on or about January 25,  
11 2013, plaintiff sent defendant Mr. and Mrs. Rudkin and Mr. du Wors a letter requesting  
12 repayment of the note. Mr. du Wors' response, that he was unaware of the "debt"  
13 owed to her, led plaintiff to conclude that none of the defendants would take any action  
14 to repay the note. (True and correct copies of the letters by plaintiff and Mr. du Wors  
15 are attached hereto as Exhibits "B" and "C." The note also functioned as a security  
16 agreement in that it granted an 8% fully paid equity interest to Plaintiff in Hunts Point  
17 Venture Group, LLC, (hereinafter "HPVG"). The purpose of each of the corporations as  
18 well as their interaction and relationship was memorialized in a series of email and  
19 memorandums prepared by the defendants. The principal goal of HPV was to  
20 monetize intellectual property of Mark Phillips that would be licensed to HPV through  
21 Hunts Point Intellectual Property, LLC. HPV was to use the Phillips' IP to generate  
22 income that would be used not only to repay investors and provide remuneration for its  
23 officers; but primarily to provide capital to Mark Phillips who was going through  
24 significant civil litigation as well as fighting criminal charges. Plaintiff is a personal  
25 friend of Mr. Phillips and was interested in investing in HPV because the investment  
26 would go towards helping Mr. Phillips and would be secured by the licensing revenue  
27 of HPV. Defendant John Du Wors, an attorney, acted as one of Mr. Phillips' criminal  
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1 defense attorneys as well as represented Mr. Phillips in several civil matters. Mr. Du  
2 Wors was the attorney that would be prosecuting the violations of Mr. Phillips' patents.

3 Mr. Du Wors was also attorney for HPV and his firm was its registered agent.  
4 As the common denominator between Mark Phillips and the original share holders of  
5 HPV, his advice and guidance was instrumental in organizing HPV, as well as  
6 providing legal advice to help HPV achieve its goals. Initially, Plaintiff did not have  
7 any interest in loaning money to HPV. Mr. Du Wors approached plaintiff at the behest  
8 of Stephen Schweickert because he knew she had money and that she was friendly with  
9 Mark Phillips. Mr. Schweickert provided the name of plaintiff to Mr. du Wors as a  
10 possibly investor, telling him that he (Mr. Schweickert) had already spoken to her  
11 regarding an investment in HPV. Mr. Schweickert telephoned plaintiff to discuss, in  
12 general, the investment in HPV and to set up a longer, more formal telephone  
13 conference with Mr. Du Wors. To induce plaintiff to loan money to HPV, Mr. Du Wors  
14 made certain material misrepresentations of fact that he knew not to be true as detailed  
15 herein. Based upon these misrepresentations, plaintiff agreed to transfer \$200  
16 thousand as described in the promissory note that was prepared by Mr. Du Wors and  
17 would loan HPV the money. Ms. Schweickert was told by Stephen Schweickert and  
18 John Du Wors that her investment would be used to pay Mr. Du Wors past due fees,  
19 which would allow him to aggressively pursue the patent litigation. Both Stephen  
20 Schweickert and John Du Wors represented plaintiff that HPV had no money and  
21 needed her investment to pursue the patent violations. Stephen Schweickert and Mr.  
22 Du Wors assured Ms. Schweickert that her investment in HPV and HPVG would go  
23 towards prosecuting violations of Mr. Phillips' intellectual property and that Mr.  
24 Phillips, specifically, all parties, generally, would mutually benefit. Ms. Schweickert  
25 has never received any shares in HPVG and does not know its status. She now sues for  
26 breach of the Promissory Note as well as all of the other damages suffered as a result of  
27 defendants' actions.

## THE PARTIES

1. Plaintiff, Jennifer Schweickert, is an individual and a resident of Santa Monica, State of California.

2. Defendants HPV and HPVG are corporations set up under the laws of the State of Washington and reside in King County. It is believed that both corporate entities are on-going concerns, though both may be inactive.

3. Defendants, Chad Rudkin and Elizabeth Rudkin (jointly referred to hereafter as "the Rudkins"), are individuals residing in King County, State of Washington and are believed to be the sole shareholders of defendants HPV and HPVG.

4. Defendant John Du Wors is a resident of King County, State of Washington, and a licensed attorney practicing in the Seattle area.

5. Doe defendants 1 thru 4 are individuals who acted in concert with the named defendants in their illegal and tortious conduct, and whose identities or conduct are unknown to plaintiff at this time. When such identity or conduct is discovered, plaintiff will seek leave of court to amend the complaint.

## **JURISDICTION AND VENUE**

6. This court has diversity jurisdiction over these claims against Chad Rudkin and Elizabeth Rudkin and John Du Wors pursuant to 28 U.S.C. §1332(a)(3), as Ms. Schweickert, Mr. and Mrs. Rudkin and Mr. Du Wors are residents of different states, and the amount in controversy exceeds \$75,000.00.

7. This Court has personal jurisdiction over all defendants because each defendant conducts business activities in this jurisdiction, voluntarily entered into written contracts within this jurisdiction, and has caused harm to Ms. Schweickert within this jurisdiction.

8.       Venue is proper in this district pursuant to 28 U.S.C. §§ 1331(b) and (c) because defendants have substantial contacts with and/or the majority of the pertinent witnesses may be found in this district; many of the events giving rise to this lawsuit have arisen and continue to occur in this district; and defendants have committed the majority of their alleged tortious acts in this district.

## FACTUAL ALLEGATIONS

## HPV Formation

9. Mr. Phillips owns certain valuable intellectual property that is used in the compressing, storing and transferring of data to storage devices and other electronic devices. For example, the IP is similar to that employed to allow iPods to access, categorize and play the songs stored in its memory. In 2009 through 2010, Mr. Phillips became involved in civil litigation with his company, MOD Systems, Inc., as well as the subject of a criminal investigation. At that time, and based in large part upon the license that MOD had for the use of the Phillips' IP, MOD had received more than \$35 million in new investment and had been valued at \$123 million.

10. In order to protect his intellectual property, Mr. Phillips contacted friends Stephen Schweickert, Doug Lower, Kenn Gordon, and Chad and Elizabeth Rudkin in early 2010. The plan, as memorialized in a memorandum of understanding dated May 2, 2010 was to set up a company, HPV, that would license Phillips' IP from Hunts Point Intellectual Property, LLC ("HPIP"). No other person contributed intellectual property to the HPIP entity.

11. Shortly thereafter, on or about May 3, 2010, HPV was incorporated with the stated goal of monetizing the intellectual property of Mr. Phillips by prosecuting those violations of the IP. Mr. Phillips recommended his attorney, Mr. Du Wors, be the attorney to prosecute the IP violations. HPV agreed to retain Mr. Du Wors, who provided HPV with a plan to prosecute the IP violations.

12. Plaintiff is informed and believes that on or about May 17 2010, HPV was organized as a Washington corporation with shares divided between Stephen Schweickert, Doug Lower, Chad Rudkin and Mr. Phillips. She is further informed and believes that Mr. Phillips contributed his IP to HPIP, agreed to license his IP to HPV, and paid \$9,200 in cash for the purchase of his shares in HPV. The license to HPV would allow it to pursue all violations of the IP by filing claims and law suits against the violators. Plaintiff was assured that Mr. Phillips and his wholly-owned company, HPIP, would continue to own the IP.

13. Plaintiff is informed and believes that Mr. Phillips traveled to the offices of Mr. Du Wors in order to sign the appropriate documents regarding his purchase of the HPV shares and provide HPV with a check in the amount of \$9,200. This transaction allegedly occurred on or about May 20, 2010.

14. Plaintiff is informed and believes that Stephen Schweickert, as a shareholder of HPV, sought the consent of Mr. Phillips, as a shareholder and director of HPV, regarding operational and financial concerns of HPV. For example, Mr. Schweickert contacted Mr. Phillips regularly by telephone between May and September 2010 to discuss such topics as a cash payment to Mr. Rudkin, corporate governance, and possible targets who have violated the Phillips' IP in order to obtain Mr. Phillips advice and direction on litigation strategy against violators of the patents.

## **Plaintiff makes a loan to HPV**

15. Plaintiff is the cousin of one of the founders of HPV, Steven Schweickert. Mr. Schweickert approached plaintiff in 2011 about putting money into HPV. Mr. Schweickert knew that plaintiff was a friend of Mr. Phillips and was told that by supporting HPV, she would be furthering the efforts to monetize the Phillips' IP as well as helping Mr. Phillips personally. Mr. Schweickert assured plaintiff that HPV and

1 HPVG had essentially been formed to monetize the Phillips' IP and to support Mr.  
2 Phillips.

3       16. On or about April 15, 2011, plaintiff was introduced to Mr. Du Wors by  
4 Mr. Schweickert at Mr. Du Wors' office by telephone. Mr. Du Wors had sought out a  
5 meeting with her to encourage her to invest in HPV. Plaintiff was aware that Mr. Du  
6 Wors was the attorney that would handle the IP litigation. She was provided with a  
7 copy of Mr. Du Wors' memorandum to Stephen Schweickert outlining his litigation  
8 "plan" for the Phillips' IP.

9       17. On April 21, 2011, Stephen Schweickert provided the note to plaintiff.  
10 Plaintiff, however, did not sign the note. The next day, the plaintiff had an one-hour  
11 telephone conference with John Du Wors to discuss the agreement.

12       18. During the phone call, John Du Wors made deliberate misrepresentations  
13 to plaintiff that he knew were false to induce her to sign the note. The  
14 misrepresentations were made for a financial motive to enrich Mr. Du Wors at  
15 plaintiff's expense.

16       19. Mr. Du Wors is corporate counsel for HPV and prepared the note on  
17 behalf of HPV. The note stated that "the Lender has been induced to enter this  
18 agreement with the understanding and stipulation that an 8% fully paid passive  
19 membership participation in that venture entity known as Hunts Point Venture Group,  
20 LLC ("HPVG, LLC") shall be granted...." Mr. Du Wors registered HPVG, LLC on  
21 March 1, 2011, six weeks prior to the meeting with plaintiff. His firm remains the  
22 registered agent for the corporation. Because Mr. Du Wors was the attorney who  
23 incorporated HPVG, he knew HPVG, LLC was not created for any legitimate purpose.  
24 It has never been funded, has no shareholders, or corporate governance. Mr. Du Wors'  
25 first material misrepresentation of fact was that HPVG, LLC was formed as a viable  
26 entity to grant equity interests to certain individuals as promised in the note according  
27 to its participation schedule.

1       20.    Mr. Du Wors' second material misrepresentation of fact was that the  
2 plaintiff would benefit in profit-sharing between HPV and HPVG as an equity holder in  
3 HPVG. Plaintiff was led to believe in no uncertain terms that the goal of the formation  
4 of HPV was to assist Mr. Phillips. At the meeting identified above on or about April 15,  
5 2011 between plaintiff and Mr. Du Wors, Mr. Du Wors orally represented that the  
6 majority of plaintiff's loan would go to pay for Mr. Phillips' mounting legal fees.  
7 However, by so doing, Mr. Du Wors assured plaintiff that plaintiff's loan would allow  
8 him to vigorously pursue any patent violations, thereby helping HPV recover money  
9 through settlements for Mr. Phillips' direct benefit and for the benefit of shareholders in  
10 HPVG, as promised to Plaintiff.

11       21.    Mr. Du Wors' third material misrepresentation of fact was that he would  
12 use Plaintiff's loan to pursue patent violations. Because he intended the loan to pay him  
13 for his past services and not for future legal services, Mr. Du Wors knew this was false  
14 and had no intent to use those funds to actively pursue patent violations. At the time of  
15 the loan on April 26, 2011, HPV was almost insolvent and in desperate need of a cash  
16 infusion. Mr. Du Wors used plaintiff's capital almost immediately upon it being  
17 deposited for his work in defending plaintiff against MOD. This work entailed  
18 preparation of a settlement agreement and a purchase and sale agreement for which he  
19 billed HPV \$100,000.00.

20       22.    Mr. Du Wors' fourth material misrepresentation of fact made during the  
21 meeting between plaintiff and Mr. Du Wors held on or about April 15, 2011, was that  
22 another investor was lined up to invest \$100,000.00 and time was of the essence for  
23 Plaintiff to immediately act or she would lose the final slot to invest. This person was  
24 Sandy Hoover and she had already invested \$100,000.00 prior to the time Mr. Du Wors  
25 made this statement. In fact, Mr. Du Wors had burned through Ms. Hoover's cash  
26 investment and nothing was left of it.

1       23. Mr. Du Wors' fifth material misrepresentation of fact made during the  
2 meeting between plaintiff and Mr. Du Wors held on or about April 15, 2011, was telling  
3 plaintiff that Mark Phillips was a shareholder, director, and officer of HPV with at least  
4 a 30% interest in the company as well as an economic and voting member. He further  
5 stated Mark Phillips would lead the patent and IP development when released from  
6 federal custody. As corporate counsel for HPV, including the law firm that sent out  
7 notices for board meetings and maintaining the register of shareholders for HPV, Mr.  
8 Du Wors knew these statements were false and knew Plaintiff would not have  
9 otherwise been induced to enter into the note and loan HPV money without relying on  
10 those specific statements and promises. Defendant Mr. Du Wors was aware that  
11 plaintiff was motivated solely by her desire to help and assist Mr. Phillips in agreeing to  
12 loan HPV money; and Mr. Du Wors used this information and plaintiff's desire to help  
13 to induce her loan. The fact that Mr. Du Wors had no intention to keep the promises  
14 made to plaintiff regarding the ownership interest, participation and management of  
15 HPV by Mark Phillips is further evidenced in the letter he sent to her on or about  
16 February 11, 2013, when, as counsel for HPV, Mr. Du Wors wrote that he has no  
17 knowledge that Mark Phillips was ever a shareholder. In addition, as counsel for HPV,  
18 he should have been familiar with HPV's formation documents. These documents  
19 show that Stephen Schweickert formed HPV in May 2010 and registered only his 100  
20 shares with the Secretary of State without honoring any other founding member's stock  
21 subscription agreement in HPV. However, the sale agreement of Phillips' IP to HPV  
22 that Mr. Du Wors prepared was done well after that date, in January 2011, when he  
23 would have known Mr. Phillips was transferring his valuable IP to HPV, an entity in  
24 which he believed he was a shareholder, but was not. Mr. Phillips purchased his shares  
25 on or about May 20, 2010, discussed in a meeting at defendant Mr. Du Wors' office in  
26 which Mr. Phillips, Mr. Du Wors, Mr. Schweickert, and Mr. Rudkin were present. Mr.  
27 Du Wors promised to draft and update the HPV Articles of Incorporation as well as the  
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1 other corporate documents reflecting the change in HPV ownership; because, in  
2 addition to Mr. Phillips' investment, Mr. Rudkin and Mr. Gordon were given one year  
3 to purchase equal amounts of shares in HPV by investing an equal amount, \$9,200. Mr.  
4 Du Wors failed to draft or file the amended Articles of Incorporation reflecting these  
5 changes.

6       24. At present, Mr. Du Wors refuses to recognize the validity of plaintiff's  
7 loan or her equity interest in HPVG. As proof Mr. Du Wors made the foregoing  
8 material misrepresentations of fact that he knew were false and made with the intent to  
9 induce plaintiff into making a loan that would never be paid back. He counseled or  
10 instructed the Rudkins to book plaintiff's loan as an "angel investment" with HPV,  
11 rather than a loan. Plaintiff was shown a copy of the HPV financial records that  
12 recorded her loan as an "investment" during a meeting with Mr. Phillips on or about  
13 January 2013.

14       25. On February 8, 2013, Mr. Du Wors wrote to plaintiff that he was not  
15 aware of her being an investor in HPV. However, on August 6, 2012, he and his law  
16 firm prepared a Notice of Annual Meeting of Shareholders of Hunts Point Ventures  
17 stating "Discussions of the debt and/or equity interest of Joyce Schweickert, Jennifer  
18 Schweickert, and Sandy Hoover" would be discussed that was sent to "each  
19 shareholder on the records of the Corporation" in an apparent lapse; confirmation by  
20 Mr. Du Wors that Plaintiff did, indeed, have a debt and/or equity interest in HPV and  
21 was a shareholder. This is an acknowledgement that Plaintiff either has a debt interest  
22 in HPV, which Mr. Du Wors attempted to conceal, or an equity interest in HPV, as it  
23 was so booked, in which case she should have an equity stake, which by the terms of  
24 the note, she never had in HPV. During the initial discussions between plaintiff and Mr.  
25 Schweickert on or about April 2011, plaintiff was also told by Steven Schweickert that  
26 the loan would allow HPV to form HPVG and that she would be given an "8% passive  
27 membership" without regard to HPV's obligation on the \$200,000 note. The note signed  
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1 by plaintiff along with the written memoranda by Mr. Schweickert reflect these  
2 promises. Plaintiff was informed by defendants Mr. Schweickert and Mr. Du Wors  
3 during the discussions of her loan in April of 2011 that HPVG would be formed and on  
4 that basis she believed that HPVG would be formed to further the goals of HPV to  
5 monetize the Phillips' IP and support Mr. Phillips.

6       26. On or about April 21, 2011, plaintiff received a signed copy of the  
7 Promissory Note and Joint Participation Agreement from HPV and HPVG. In response,  
8 plaintiff sent instructions to her bank to wire \$200,000 to an HPV account at Commerce  
9 Bank. That money was sent on April 26, 2011.

10       27. Shortly after the note was executed, plaintiff received a call from Stephen  
11 Schweickert seeking approval to invest in "Viacam," a purported joint venture with  
12 John Ridgeway from Malibu, CA. Plaintiff denied the request and instructed Mr.  
13 Schweickert to expend no such resources on the venture. On information and belief, Mr.  
14 Schweickert ignored Ms. Schweickert's instruction because plaintiff was later told by  
15 Mr. Rudkin that Mr. Schweickert had invested in Viacam. Plaintiff is also aware of this  
16 fact as it is recorded in the Hunts Point Ventures financial records. Additionally, on  
17 information and belief, without authorization Mr. Schweickert, Mr. Rudkin, and others  
18 spent HPV resources on ventures or consultants without any written agreements.

19

### 20                   **HPV Breaches the Agreement**

21       28. As set forth in the Agreement, plaintiff was to receive her first interest  
22 payment on December 31, 2011. Plaintiff received no payment from HPV on that date.

23       29. The second interest payment as well as the principal repayment was  
24 scheduled to occur on October 31, 2012. Again plaintiff received no payment from HPV  
25 on that date. Plaintiff has not received any payment from HPV at any time that would  
26 be in satisfaction of its obligations under the note. As outlined above, plaintiff made  
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1 inquiries of Mr. and Mrs. Rudkin and finally Mr. Du Wors to receive payment on the  
2 note.

3 30. In addition, plaintiff has never received any document purporting to  
4 award her an "8% interest" in any entity identified as HPVG.

5 31. Plaintiff is informed and believes and upon that basis alleges that HPVG  
6 was organized under the laws of the State of Washington, but is unsure if it is an  
7 ongoing concern. Plaintiff is aware that the records with the Washington State  
8 Secretary of State do not list her as a shareholder of HPVG.

9 32. Plaintiff has never received any written document that would confirm her  
10 ownership of shares or stock in HPVG.

11 33. On or about February 4, 2013, plaintiff contacted Attorney John Du Wors  
12 regarding payment of the note and was informed that defendants Mr. and Mrs. Rudkin  
13 had "purchased" all of the shares of HPV and were now the sole shareholders and  
14 governing officers. He suggested that she contact the Rudkins.

15 34. Shortly thereafter in February 2013, plaintiff left numerous telephonic and  
16 e-mail messages with defendants Mr. and Mrs. Rudkin regarding HPV and its  
17 obligations on the note but received no response.

18 35. On or about February 4, 2013, plaintiff sent a letter to the Rudkins and Mr.  
19 Du Wors regarding repayment of the note. A true and correct copy of that letter is  
20 attached hereto as Exhibit "B." She received a response from Mr. Du Wors, who stated  
21 he had no information of any interest plaintiff had in HPV. A true and correct copy of  
22 the Du Wors email is attached hereto as Exhibit "C."

23 36. Plaintiff now sues defendants to recover her damages.

24  
25 **First Cause of Action**  
26 **Breach of Contract**  
27 **(Against Defendants HPV and the Rudkins)**  
28

37. Plaintiff repeats and incorporates by reference each allegation in paragraphs 1 through 36 as if set forth fully herein.

38. Plaintiff entered into a written contract with defendant HPV on April 24, 2011. The contract was lawfully formed. Under the terms of the note, Plaintiff offered to lend HPV \$200,000.00. HPV accepted this offer by executing a Promissory Note to Plaintiff. The Promissory Note required the amount be repaid with interest no later than October 31, 2012. In consideration thereof, Plaintiff fulfilled her obligations by sending \$200,000 to HPV on April 24, 2011. In addition, the Joint Participation Agreement required Plaintiff receive ownership of 8% of HPVG.

39. Defendants Chad and Elizabeth Rudkin are the sole shareholders of HPV.

**40.** Defendants HPV and the Rudkins breached the written agreement by failing to make any interest payments as required by the contract and by failing to make the full principal payment by October 31, 2012. To date, Plaintiff has not received any monies due under the Promissory Note.

**41.** Defendants HPV and the Rudkins further breached the note by failing to provide plaintiff with ownership of 8% of the shares of HPVG.

**42.** As a result of defendants' breach, plaintiff has been damaged by the loss of interest payments, loss of principal, and deprivation of shares due in HPVG.

43. As a result of defendants' breach, plaintiff has been forced to pay for legal counsel to consult and bring this action. Plaintiff requests reimbursement of all attorney's fees as approved by the note.

## Second Cause of Action Fraud in the Inducement (Against Defendant John Du Wors)

**44.** Plaintiff repeats and incorporates by reference each allegation in paragraphs 1 through 43 as if set forth fully herein.

1       **45.**    Defendant Mr. Du Wors made material representations of fact that he  
2 knew were false with the intent that Plaintiff would act upon those representations.  
3 Plaintiff was ignorant those statements were false and relied upon the truth of those  
4 statements in entering into the note. These elements are contained here in paragraphs  
5 18 - 25. .

6       **46.**    Because plaintiff was aware that Mr. Phillips had been involved in HPV  
7 and was told by him that HPV had licensed his IP, and because defendant Mr. Du Wors  
8 was Mr. Phillips' attorney and a member of the bar in good standing, her reliance upon  
9 the promises and representations of Mr. Du Wors was both reasonable and foreseeable.

10      **47.**    On information and belief, HPVG has no signed operating agreement with  
11 any of the purported members represented to plaintiff prior to her executing the note,  
12 HPVG was not properly formed and operated as a separate company, that HPVG has  
13 no intercompany agreement with HPV, nor have the terms of that agreement been  
14 vetted by past or present shareholders, directors, or officers of HPV or HPVG.

15      **48.**    Plaintiff is informed and believes and on that basis alleges that in order to  
16 "hide" the loan from plaintiff, Mr. Rudkin and Mrs. Rudkin listed the "loan" in the  
17 HPV corporate financial books as an "investment." Plaintiff believes that this  
18 mistreatment of the loan was approved by Mr. Du Wors.

19      **49.**    Mr. Du Wors knew his representations were false, and were made to  
20 induce plaintiff to do certain things in reliance upon these representations; namely, to  
21 convince plaintiff to loan HPV money that would help HPV generate money that would  
22 be paid to Mr. Phillips. To further induce plaintiff to invest, defendant prepared the  
23 note that granted stock or participation in a company, namely HPVG, which had no  
24 formal relationship with HPV, which was calculated to obtain plaintiff's reliance on this  
25 false representation that future profit sharing from HPV would be provided to HPVG.  
26 In turn, Mr. Du Wors personally benefited by receiving this loan as payment for his  
27 services.

50. Plaintiff reasonably relied upon these representations to her detriment.

51. As a result of this reliance, plaintiff was significantly damaged in an amount to be proven at trial. The acts of defendant was done with the specific intent to take property from plaintiff, and were malicious and without conscious regard for the rights of plaintiff. As such, plaintiff is entitled to an award of punitive damages in an amount to be determined at trial.

## Third Cause of Action Conspiracy (Against Defendants the Rudkins and Mr. Du Wors)

**52.** Plaintiff repeats and incorporates by reference each allegation in paragraphs 1 through 51 as if set forth fully herein.

53. Defendants Du Wors and the Rudkins conspired to commit the unlawful act of booking plaintiff's \$200,000.00 loan to HPV as an angel investment for the unlawful purpose of misappropriating that money based upon misrepresentations that defendants knew were false. As an investment, the Rudkins would be under no obligation to repay the money under the terms of the note. Plaintiff believes that this mistreatment of the loan was approved by all defendants, including Mr. Du Wors. A true and correct copy of the HPV accounting record is attached hereto as Exhibit "D." The bulk of this money went to Mr. Du Wors. In return, Mr. Du Wors counseled the Rudkins in their unlawful takeover of HPV from Stephen Schweickert with both continuing the ruse to the present day by refuting Mr. Phillips was a shareholder.

54. Defendants the Rudkins actively participated in the conspiracy after gaining control of HPV in 2012 by assuring plaintiff that her loan would be repaid, that HPV would generate money via the Phillips IP, and sending plaintiff notices prepared by Mr. Du Wors identifying plaintiff as a shareholder of HPV. An example of defendant Mrs. Rudkin's knowledge of the conspiracy can be found in a memorandum regarding an HPV shareholders' meeting, a true and correct copy is attached hereto as

1 Exhibit "E." As further evidence of the Rudkins conspiracy to defraud plaintiff of her  
2 loan, they instructed Sandy Hoover, Elizabeth Rudkin's mother, and Chad Rudkin's  
3 mother-in-law, to create a security interest against the Phillips IP for her \$100,000.00  
4 investment in HPV and deny plaintiff was owed anything.

5       **55.**    Stephen Schweickert and Mr. Du Wors also conspired for the unlawful  
6 purpose of inducing plaintiff into a loan that would not be repaid and a security  
7 agreement that would not be honored, by telling plaintiff that she needed to hurry to  
8 invest in HPV. Mr. Du Wors instructed Mr. Schweickert to represent that Sandy  
9 Hoover was going to invest and there was only one "slot" to be invested. Mr.  
10 Schweickert misrepresented that Ms. Hoover was "going" to invest and take the "final  
11 slot." In fact, Ms. Hoover had already invested in October of 2010 and was not planning  
12 on investing any more funds into HPV. Later in May of 2011, during proceedings  
13 regarding Stephen Schweickert's infidelity, defendant Chad Rudkin confessed to  
14 plaintiff that Mr. Schweickert was "lying" to plaintiff to induce her investment.

15       **56.**    At this time, Mr. Schweickert informed Mr. Du Wors that plaintiff was in  
16 possession of money and had expressly provided plaintiff with a copy of a  
17 memorandum prepared by Mr. Du Wors in which Mr. Du Wors presented a plan to  
18 raise a lot of money using the Phillips IP. This agreement represents another part of the  
19 plan between Mr. Schweickert and Mr. Du Wors to further their conspiracy. A true and  
20 correct copy of the memorandum is attached hereto as Exhibit "F."

21       **57.**    When plaintiff was reluctant to make the loan (also referred to by  
22 defendants as "investment"), the defendants and Mr. Schweickert conspired to have  
23 Mr. Du Wors meet personally with plaintiff. The entire purpose of the meeting between  
24 Mr. Du Wors and plaintiff was to complete the conspiracy to provide plaintiff with  
25 enough false promises to induce her to invest in HPV. Plaintiff did invest in HPV based  
26 upon the various representations and promises of defendants.

58. The defendants got lost in their own conspiracy. Before treating the loan as an investment, the defendants became confused over how to characterize plaintiff's role in HPV. For instance, on or about May 5, 2011, Mr. Schweickert contacted Ms. Schweickert for shareholder permission to invest HPV funds into ViaCam. Ms. Schweickert denied the request. In another instance, on August 6, 2012, plaintiff received a notice prepared by Mr. Du Wors inviting her as a shareholder to an HPV shareholder meeting. On the agenda was to discuss her "debt and/or equity interest."

59. However, on or about February 8, 2013, plaintiff demanded from Mr. Du Wors information regarding the status of her loan/investment and he responded evasively, stating he had no information identifying her as an investor.

60. Defendants had no intention of honoring their obligations and duties under the written agreement. In fact, it appears that the representations were made in a conspiracy to convince plaintiff to loan HPV money just so Mr. Du Wors could receive payment and so that the Rudkins could loot the remaining assets of HPV, rather than treat the payment as a loan and provide Ms. Schweickert shares in any corporation.

**61.** The conspiracy of defendants to commit fraud by inducing the plaintiff into executing the note was done without conscious regard for the rights and property of plaintiff. The acts of defendants were malicious and intended to commit fraud upon plaintiff.

**62.** As a result of defendants' actions, plaintiff has been damaged in an amount to be determined at trial.

## PRAYER FOR RELIEF

63. WHEREFORE, plaintiff, Ms. Schweickert, prays for judgment against defendants, jointly and severally, as follows:

**64.** For actual and consequential damages for breach of the Promissory Note of \$230,378.95;

65. For interest on the full amount due under the Promissory Note calculated from the date of each breach of the written agreement;

66. For actual and consequential damages for their fraud upon plaintiff in an amount to be determined at trial;

67. For exemplary damages for Defendants' intentional conduct in an amount to be determined at trial;

**68.** For an order that Hunts Point Ventures, Inc. and Hunts Point Venture Group, LLC stock or shares be awarded to plaintiff;

**69.** In the alternative, declaratory relief voiding the note and declaring it “void ab initio.”

70. For attorney's fees to the extent permitted by law or by contract;

71. For costs of suit; and

72. Such other and further relief as this Court deems just.

## DEMAND FOR JURY TRIAL

Under Fed.R.Civ.P. 38(b), plaintiff demands jury trial of all issues raised by the Complaint.

**DATED** this 11th day of July, 2013

## LAW OFFICE OF REED YURCHAK

By:   
REED YURCHAK, WSBA No. 37366  
Attorney for Plaintiff

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## VERIFICATION

JENNIFER P. SCWEICKERT hereby declares as follows:

I am the Plaintiff named hereinabove. I have personal and testimonial knowledge of the facts set forth below and am competent to be a witness herein.

I have read the foregoing Complaint, know the contents thereof and believe the same to be true.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct to the best of my knowledge.

DATED this 11th day of July, 2013

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JENNIFER P. SCHWEICKERT

## EXHIBIT “A”

## Promissory Note and Joint Participation Agreement

**Borrower** Hunts Point Ventures, Inc  
3644 Hunts Point Rd  
Hunts Point, WA 98004

(Hereinafter referred to as the "Borrower")

**Lender** Jennifer Schweickert  
2045 11th Street  
Santa Monica CA 90405

(Hereinafter referred to as the "Lender")

The Lender, Jennifer Schweickert, an Individual, agrees to lend Borrower, Hunts Point Ventures, Inc, a Washington corporation, total sum of Two Hundred Thousand Dollars (\$200,000) according to the schedule of payments as outlined in Exhibit A. Borrower agrees to pay simple interest at the annualized rate of 8%, as computed on the balance of funds from the date of receipt(s) of such funds, to Lender, with the first interest payment due and payable on December 31 computed on amounts outstanding at that date, with the exception that upon full repayment, the then accrued interest shall be paid concurrently with such final payment. Borrower hereby agrees to repay total monies received, including all accrued interest, no later than October 31, 2012, however Borrower may repay the note earlier, without penalty, and interest due thereunder shall be accrued and paid as simple non-compounding interest.

### Place of Payment

Payment shall be made at the above stated address of the Lender or at such place as may be designated from time to time in writing by the Lender or holder of this Note. For ease of payment the Borrower may exercise the option to effect payment by direct deposit or electronic transfer of funds into the account of Lender as specified in writing.

### Prepayment

The Borrower may prepay this Note in full or in part at any time without premium or penalty. All prepayments shall first be applied to accrued interest and thereafter to the principal loan amount. Notwithstanding any such prepayment, the terms of the Joint Participation shall remain in full force and effect.

### Transfer

The Lender may transfer this Note to another holder with thirty (30) days written notice to the Borrower and the Borrower agrees to remain bound to any subsequent holder of this Note under the terms of this Note.

**Replacement of Note**

The Borrower agrees to execute a new Note with the same terms and conditions and remaining value in the event that this Note is lost, stolen or mutilated. The Lender shall release the Borrower of all obligations under the lost, stolen or mutilated Note in lieu of a replacement new Note.

**HPVG, LLC. Participation Agreement**

The Borrower agrees that the Lender has been induced to enter this agreement with the understanding and stipulation that an 8% fully paid passive membership participation in that venture entity known as Hunts Point Venture Group, LLC. ("HPVG, LLC"), shall be granted without requirement for further equity contribution by the lender (see Exhibit B pro-forma Member Participation Schedule). Notwithstanding the granting of membership participation in HPVG, LLC. as reflected in Exhibit B, the underlying note herein, shall remain due and payable, under the terms set forth herein, with simple interest according to the schedule shown in Exhibit A.

**Borrower's Waiver**

The Borrower waives presentment for payment, notice of non-payment, off-set, protest and notice of protest and agrees to remain fully bound until this Note is paid in full.

**Lender's Indulgence**

No relaxation, indulgence, waiver, release or concession of any terms of this Note by the Lender on one occasion shall be binding unless in writing and if granted shall not be applicable to any other or future occasion.

**Binding Effect**

The terms of this Note shall be binding upon the Borrower's successors and shall accrue to the benefit and be enforceable by the Lender and his/her successors, legal representatives and assigns.

**Jurisdiction**

This Note shall be construed, interpreted and governed in accordance with the laws of the State of Washington and should any provision of this Note be judged by an appropriate court of law as invalid, it shall not affect any of the remaining provisions whatsoever.

**General**

Paragraph headings are for convenience of reference only and are not intended to have any effect in the interpretation or determining of rights or obligations under this Note.

Signed at The Woodlands, TX on this 21st day of April, 2011.

By Borrower:

Hunts Point Ventures, Inc.  
Steve Schweickert, Its Chief Executive Officer

By HPVG, LLC:

Hunts Point Venture Group, LLC.  
Steve Schweickert, Its Managing Member

By Lender:

Jennifer Schweickert

**EXHIBIT A**  
Loan Funding Schedule

Annualized Loan % 8%	HPVG, LLC participation 8%	Principal Loan Amount \$200,000
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EXAMPLE TABLE OF PAYMENTS UNDER TERMS OF NOTE WITHOUT PREPAYMENT			
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		Hunts Point Ventures, Inc Borrower	Jennifer Schweickert Lender/Finder
04/22/11	Principal Loan	\$200,000.00	
12/31/11	Interest Due 12/31/11		\$11,090.41
10/31/12	Interest Due 10/31/12		\$19,288.54
10/31/12	Principal Repayment		\$200,000.00
	Total Amount Paid	\$200,000.00	\$230,378.95

Note: Interest payments are computed based upon actual funding occurring as of the date shown.

**EXHIBIT B**  
Proposed HPVG, LLC. Participation Schedule

PROPOSED HPVG, LLC. SHARE PARTICIPATION		
Members	Participation Role	Participation Share
Steve Schweickert	Active, Member, Manager	21%
Chad Rudkin	Active, Member	21%
Douglas Lower	Active, Member	21%
Mark Phillips	Passive, Member	21%
Joyce Schweickert	Passive, Member	8%
Jennifer Schweickert	Passive, Member	8%

**Wire Transfer Instructions  
Hunts Point Ventures, Inc.**

**Bank Name** The Commerce Bank of Washington  
601 Union Street, Suite 3600  
Seattle, WA 98101, USA

Phone 206.292.3900  
Fax 206.625.9457  
Web [www tcbwa com](http://www tcbwa com)

**ABA/Federal Reserve Routing Number:**

125 008 013

**Beneficiary Account Name/Account Number:**

Hunts Point Ventures, Inc.  
002 044 323

**Beneficiary Account Holder Contact:**

S. Schweickert  
206.660.0829  
[steves1@mac.com](mailto:steves1@mac.com)

## Promissory Note and Joint Participation Agreement

**Borrower** Hunts Point Ventures, Inc.  
3644 Hunts Point Rd.  
Hunts Point, WA 98004

(Hereinafter referred to as the "Borrower")

**Lender** Jennifer Schweickert  
2045 11th Street  
Santa Monica CA 90405

(Hereinafter referred to as the "Lender")

The Lender, Jennifer Schweickert, an Individual, agrees to lend Borrower, Hunts Point Ventures, Inc; a Washington corporation, total sum of Two Hundred Thousand Dollars (\$200,000) according to the schedule of payments as outlined in Exhibit A. Borrower agrees to pay simple interest at the annualized rate of 8%, as computed on the balance of funds from the date of receipt(s) of such funds, to Lender, with the first interest payment due and payable on December 31 computed on amounts outstanding at that date, with the exception that upon full repayment, the then accrued interest shall be paid concurrently with such final payment. Borrower hereby agrees to repay total monies received, including all accrued interest, no later than October 31, 2012, however Borrower may repay the note earlier, without penalty, and interest due thereunder shall be accrued and paid as simple non-compounding interest.

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### Prepayment

The Borrower may prepay this Note in full or in part at any time without premium or penalty. All prepayments shall first be applied to accrued interest and thereafter to the principal loan amount. Notwithstanding any such prepayment, the terms of the Joint Participation shall remain in full force and effect.

### Transfer

The Lender may transfer this Note to another holder with thirty (30) days written notice to the Borrower and the Borrower agrees to remain bound to any subsequent holder of this Note under the terms of this Note.

**Replacement of Note**

The Borrower agrees to execute a new Note with the same terms and conditions and remaining value in the event that this Note is lost, stolen or mutilated. The Lender shall release the Borrower of all obligations under the lost, stolen or mutilated Note in lieu of a replacement new Note.

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The Borrower agrees that the Lender has been induced to enter this agreement with the understanding and stipulation that an 8% fully paid passive membership participation in that venture entity known as Hunts Point Venture Group, LLC. ("HPVG, LLC"), shall be granted without requirement for further equity contribution by the lender (see Exhibit B pro-forma Member Participation Schedule). Notwithstanding the granting of membership participation in HPVG, LLC, as reflected in Exhibit B, the underlying note herein, shall remain due and payable, under the terms set forth herein, with simple interest according to the schedule shown in Exhibit A.

**Borrower's Waiver**

The Borrower waives presentment for payment, notice of non-payment, off-set, protest and notice of protest and agrees to remain fully bound until this Note is paid in full.

**Lender's Indulgence**

No relaxation, indulgence, waiver, release or concession of any terms of this Note by the Lender on one occasion shall be binding unless in writing and if granted shall not be applicable to any other or future occasion.

**Binding Effect**

The terms of this Note shall be binding upon the Borrower's successors and shall accrue to the benefit and be enforceable by the Lender and his/her successors, legal representatives and assigns.

**Jurisdiction**

This Note shall be construed, interpreted and governed in accordance with the laws of the State of Washington and should any provision of this Note be judged by an appropriate court of law as invalid, it shall not affect any of the remaining provisions whatsoever.

**General**

Paragraph headings are for convenience of reference only and are not intended to have any effect in the interpretation or determining of rights or obligations under this Note.

Signed at The Woodlands, TX on this 21st day of April, 2011.

By Borrower:

Hunts Point Ventures, Inc.  
Steve Schweickert, Its Chief Executive Officer

By HPVG, LLC:

Hunts Point Venture Group, LLC.  
Steve Schweickert, Its Managing Member

By Lender:

Jennifer Schweickert

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Annualized Loan % 8%	HPVG, LLC participation 8%	Principal Loan Amount \$200,000
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3644 Hunts Point Rd  
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(Hereinafter referred to as the "Borrower")

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2045 11th Street  
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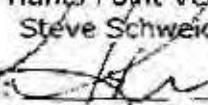
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Signed at The Woodlands, TX on this 21st day of April, 2011.

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Hunts Point Ventures, Inc.  
Steve Schweickert, Its Chief Executive Officer

By HPVG, LLC:

  
Hunts Point Venture Group, LLC.  
Steve Schweickert, Its Managing Member

By Lender:

  
Jennifer Schweickert

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10/31/12	Principal Repayment		\$100,000.00
	Total Amount Paid	\$100,000.00	\$115,189.47

Note: Interest payments are computed based upon actual funding occurring as of the date shown.

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Jennifer Schweickert	Passive, Member	4%

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Hunts Point, WA 98004

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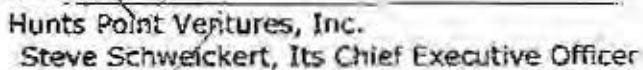
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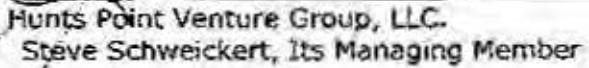
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Signed at The Woodlands, TX on this 21st day of April, 2011.

By Borrower:

  
Hunts Point Ventures, Inc.  
Steve Schweickert, Its Chief Executive Officer

By HPVG, LLC:

  
Hunts Point Venture Group, LLC.  
Steve Schweickert, Its Managing Member

By Lender:

  
Jennifer Schweickert

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Annualized Loan % 8%	HPVG, LLC participation 8%	Principal Loan Amount \$200,000
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10/31/12	Principal Repayment		\$100,000.00
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Chad Rudkin	Active, Member	21%
Douglas Lower	Active, Member	21%
Mark Phillips	Passive, Member	21%
Joyce Schweickert	Passive, Member	12%
Jennifer Schweickert	Passive, Member	4%

**Wire Transfer Instructions  
Hunts Point Ventures, Inc.**

**Bank Name** The Commerce Bank of Washington  
601 Union Street, Suite 3600  
Seattle, WA 98101, USA

Phone 206.292.3900  
Fax 206.625.9457  
Web [www tcbwa com](http://www tcbwa com)

**ABA/Federal Reserve Routing Number:**

125 008 013

**Beneficiary Account Name/Account Number:**

Hunts Point Ventures, Inc.  
002 044 323

**Beneficiary Account Holder Contact:**

S. Schweickert  
206.560.0829  
[steves1@mac.com](mailto:steves1@mac.com)

## EXHIBIT “B”

Jennifer Schweickert  
2045 11<sup>th</sup> Street  
Santa Monica, CA 90405

January 25, 2013

Chad and Elizabeth Rudkin  
11415 178<sup>th</sup> Ave. Court East  
Bonney Lake, WA 98391

John Du Wors, Esq.  
NEWMAN and DU WORS  
NEWMAN LTD CORPORATE SERVICES  
1201 Third Avenue, Suite 1600  
Seattle, WA 98101

Re: RCW 23B.16.010(5), 23B.16.020(1), and RCW 23B.16.20(2) Demand for Inspection, Copying, of Corporate Records of Hunts Point Ventures, Inc (UBI No. 603013173), Hunts Point Ventures Group, LLC (UBI No. 603090571), and Hunts Point Intellectual Property, LLC. (UBI No. UNKNOWN)

Dear MSSRs. Rudkin and Du Wors, and Mrs. Rudkin:

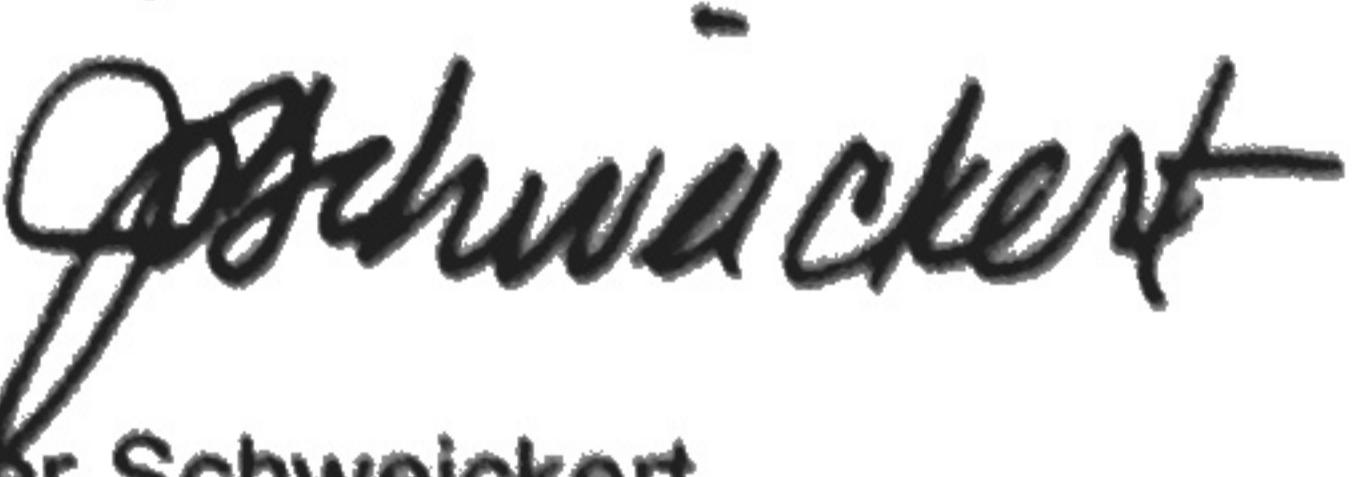
This letter serves as Notice that on February 11, 2013, Jennifer Schweickert and or her representatives will arrive at the Offices of Newman and Du Wors to inspect the corporate records of the aforementioned companies.

RCW 23B.16.010(5) and 23B.16.020(1) gives a shareholder the right to inspect and copy, upon proper notice, and regardless of purpose, among other things, the following: (a) Articles; (b) Bylaws; (c) shareholder meeting minutes and written consents; (d) financial statements for the past 3 years; (e) communications to shareholders.

In addition, RCW 23B.16.20(2) also entitles a shareholder to inspect and copy upon proper notice, and for a proper purpose stated with particularity in the demand, the following: (a) Board minutes and written consents; (b) Accounting records; (c) Record of shareholders.

Expect that all of the aforementioned documents will be required to be presented and that this letter serves as Notice that the purpose is for ascertaining information related to my personal accounting and potential U.S. tax reporting requirements, but not limited to the copying of all the aforementioned corporate governance documents for investigation of corporate misconduct of the executives, officers, and counsel.

Very Truly Yours,

  
Jennifer Schweickert

CC:

James Smith, SMITH & HENNESSEY

Mark Phillips, HPV Board Member, HPVG Board Member, HPV Executive Vice President and Chief Technology Officer

Hunts Point Ventures, Inc; Hunts Point Ventures Group, LLC; and Hunts Point Intellectual Property, LLC Demand File

Jennifer Schweickert  
2045 11<sup>th</sup> Street  
Santa Monica, CA 90405

February 1, 2013

Chad and Elizabeth Rudkin  
11415 178<sup>th</sup> Ave. Court East  
Bonney Lake, WA 98391

John Du Wors, Esq.  
NEWMAN and DU WORS  
1201 Third Avenue, Suite 1600  
Seattle, WA 98101

Re: Demand for Repayment of Promissory Note  
Agreement Dated April 21, 2011

Dear Mssrs. Rudkin and Du Wors, and Mrs. Rudkin:

This letter is to serve as a formal demand for repayment of the loan amount on the Promissory Note dated April 21, 2011 in the amount of \$230,378.95 (two hundred thirty thousand, three hundred seventy-eight dollars and ninety-five cents) plus 12% annual interest to date. In addition, I am requesting the immediate delivery of the shares of Hunts Point Venture Group, LLC (hereinafter "HPVG") which were a part of the above agreement; or in the alternative, shares in Hunts Point Ventures, LLC (hereinafter "HPV"); if that is the only valid corporate entity that is concerned with the matters contained in the above agreement.

#### Summary of Facts

In April of 2011, I reached an agreement with all of you regarding my investment in a company known as HPV. You are all well aware that my interest in investing in HPV was solely due to my support of Mark Phillips, and my belief that Mr. Phillips would be able to produce substantial revenue over time and that his intellectual property was very valuable. I did not invest in HPV because I believed in the corporate abilities of you, the Rudkins, nor because of the legal acumen of you, Mr. Du Wors. For these reasons, I was assured that Mr. Phillips would not only be an owner of HPV, but would be a director and officer of the corporation. In addition, it was represented that other investment vehicles would be set up, namely, HPVG, and that I would be a shareholder in that corporation along with Mr. Phillips and that HPV would not only protect my investment but also assure my repayment.

We entered into a written agreement on April 21, 2011. On April 26, 2011, I wired \$200,000.00 (two hundred thousand dollars) to HPV based on the representations made to me by all of you, and to fulfill my obligations under the contract. I have received nothing in return: no acknowledgement, no stock, no consideration. More importantly, the promissory note is now past due and I have received no money.

I have never received any stock in HPVG. Thus, I can reach no other conclusion than that all of you conspired to defraud me from my money and made significant material misrepresentations to induce me to do so. You sold me a promise in shares in a shell corporation - snake oil. I have also discovered that Mr. Phillips is no longer an owner, director or manager of any of the HPV entities. I am stunned, but given the turn of events, am sadly not surprised. During a conference call with you, Mr. Du Wors, and Mr. Schweickert, shortly after my investment, you, Mr. Du Wors, made clear to me that "I understood" that in fact the entirety of my investment was going to be appropriated for *your* personal benefit by claiming it as Mr. Phillip's past owed legal fees.

In another conference call with Mr. Rudkin, he admitted he was "ill-equipped" to run or manage HPV as either a shareholder or officer and it appears that HPV has not been properly governed since its inception. Mr. Rudkin further admitted to me that the *DigiCor* litigation settlement of \$120,000.00 (one hundred twenty thousand dollars) went almost entirely into your personal account, and that HPV had "no money." Your only response to me during that call was that I was a "smart girl." Indeed, Mr. Du Wors, I

Mr. and Mr. Rudkin

Mr. Du Wors

January 5, 2013

Page | 2

am a smart girl and will not stand for your patronizing attitude or having used HPV as your personal piggy bank.

In short, I agreed to invest in a shell company based upon representations made to me by all of you. It appears that you never had any intention of issuing shares of HPVG, or keeping Mr. Phillips as a shareholder, director or officer. I can only conclude that all of you made these material misrepresentations of fact so I would "invest," or more accurately, just send you money. To me, that sounds like fraud. It is time to resolve these matters, and fulfill your obligations to me under the written agreement.

**Demand**

In an effort to quickly and informally resolve these matters, I demand the following actions be taken by you immediately:

1. Repayment of the \$230,378.95 Promissory Note due October 31, 2012 + interest (since nearly all the assets of HPV have been taken by you, Mr. Du Wors, and since I know the Rudkins have limited assets and appear to merely be your patsies, I look to you, Mr. Du Wors, for repayment);
2. The immediate resignation of all of you from HPV;
3. Transfer of all stock of HPV into the names of Mark Phillips, Jennifer Schweickert, and/or our designees;
4. A full accounting of all HPV assets and liabilities, including but not limited to P/L statements, statement of accounts, and other corporate documents.

I do hope this matter can be resolved informally and without me seeking either professional legal assistance or enlisting the help of the Bar Association. However, in spite of your egregious bad faith and professional misconduct, I am willing to give you this time to consider my offer to make things right and amend for your wrong-doing. In the event you chose to disregard me, I will take all necessary steps to protect my interests.

I will await your response within the next 5 days.

Very truly yours,



Jennifer Schweickert

CC:

James Smith, SMITH & HENNESSEY

Mark Phillips, HPV Board Member, HPVG Board Member, HPV Executive Vice President and Chief Technology Officer

## EXHIBIT “C”



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## Getting real

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JENNIFER SCHWEICKERT <jps214@mac.com>

Thu, Apr 4, 2013 at 10:03 PM

Jennifer Schweickert  
Miasmom@me.com  
Cell: (310) 773-6967

Begin forwarded message:

**From:** JENNIFER SCHWEICKERT <jps214@mac.com>  
**Subject: Getting real**  
**Date:** February 11, 2013 11:21:31 AM PST  
**To:** John Du Wors <John@newmanlaw.com>  
**Cc:** "chadrudkin@hotmail.com" <chadrudkin@hotmail.com>, Elizabeth Rudkin <elizabethrudkin@mac.com>, Mark Phillips Phillips <mark.phillips@gmail.com>, "James A. Smith Jr." <jas@smithhennessey.com>

Dear Mr. Du Wors:

I am disappointed by the paucity of your response; as if you don't take my letter seriously. Please send an appropriate response to my questions.

I am confused by your use of the pronoun, "we." For whom are you speaking? Yourself and HPV? Mr. Rudkin and Mr. Schweickert? You failed to address my demand for repayment of the \$200,000 loan to HPV, limiting your brief response to a question of whether I had a copy of the document that awarded me shares in HPV. Of course I have the documents, shouldn't you? Are you and HPV denying the loan and your failure to meet your obligations under the agreement? Are you unaware of HPV's obligations to me? I think not. I find it hard to believe that Mr. Rudkin, HPV and you are not concerned that the loan has not been repaid, and that you have failed to provide me with shares in HPV. Did you inquire HPV's officers and records before responding? Your brief response indicates you did not, and therefore do not take my demand letter seriously, and are wasting my time with innocuous questions, causing more trouble for your clients.

Please forward a complete response to my demand letter. If you and HPV truly lack a copy of the agreements we signed, I will supply you with copies. As it stands, your response reflects dangerously flawed management of HPV and your responsibilities as its counsel; and now seems to demean me along with my claims. Additionally, I am no longer optimistic that we can resolve these issues informally.

Please advise if you are authorized to accept service of process on behalf of HPV and Mr. Rudkin.

Jennifer Schweickert  
Jps214@me.com  
Cell: (310) 773-6967

On Feb 8, 2013, at 9:11 PM, John Du Wors <[John@newmanlaw.com](mailto:John@newmanlaw.com)> wrote:

Ms. Schweickert,

Thank you for re-sending your email. But you have not sent the agreement that provides for your ownership interest in HPV. Would you please send a signed copy of that agreement so that we can determine your ownership interest HPV?

Thanks,

John Du Wors

---

**From:** JENNIFER SCHWEICKERT [mailto:[jps214@mac.com](mailto:jps214@mac.com)]

**Sent:** Friday, February 08, 2013 8:50 PM

**To:** John Du Wors; [chadrudkin@hotmail.com](mailto:chadrudkin@hotmail.com); Elizabeth Rudkin

**Cc:** Mark Phillips Phillips; James A. Smith Jr.

**Subject:** Resend of 2/1/13 attachment.

Mr. Du Wors,

It strikes me as impossible that you, Chad, and Elizabeth did not receive the last letter. However, here it is attached. Please confirm that you received it. I expect a solution on Wednesday. I would highly recommend you consult with members of HPV for what promises they have made to me and to others, as my tolerance for your feigned ignorance has worn thin. I find it revealing that Chad and Elizabeth Rudkin have not contacted me.

Jennifer Schweickert

[jps214@mac.com](mailto:jps214@mac.com)

Cell: (310) 773-6967

On Feb 8, 2013, at 8:21 PM, John Du Wors <[John@newmanlaw.com](mailto:John@newmanlaw.com)> wrote:

Ms. Schweickert,

Additionally, we did not receive your letter from Monday. Would you be so kind as to re-send?

Thanks,

John Du Wors

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**From:** Jennifer Schweickert [mailto:[jps214@mac.com](mailto:jps214@mac.com)]

**Sent:** Friday, February 08, 2013 6:30 PM

**To:** John Du Wors; [chadrudkin@hotmail.com](mailto:chadrudkin@hotmail.com); Elizabeth Rudkin

**Cc:** Mark Phillips Phillips; James A. Smith Jr.

**Subject:** Following up...

Chad, Elizabeth, and John,

I'm disappointed to have not received any kind of response to my letter from Monday. As the largest single investor in Hunts Point, this is unacceptable. I would have appreciated notice that you do not intend to resolve this informally, but will interpret your silence as your choice to escalate this to a legal process. I'm sad that it has come to this. Are we not friends?

Jennifer Schweickert  
[Miasmom@me.com](mailto:Miasmom@me.com)  
Cell: (310) 773-6967

Jennifer Schweickert  
[Miasmom@me.com](mailto:Miasmom@me.com)  
Cell: (310) 773-6967

Begin forwarded message:

**From:** Jennifer Schweickert <[jps214@mac.com](mailto:jps214@mac.com)>  
**Subject: Important - see attachment**  
**Date:** February 1, 2013 9:07:44 AM PST  
**To:** [chadrudkin@hotmail.com](mailto:chadrudkin@hotmail.com), Elizabeth Rudkin  
[<elizabethrudkin@mac.com>](mailto:<elizabethrudkin@mac.com>), John Du Wors  
[<duwors@newmanlaw.com>](mailto:<duwors@newmanlaw.com>)  
**Cc:** Mark Phillips Phillips <[mark.phillips@gmail.com](mailto:mark.phillips@gmail.com)>, "James A. Smith, Jr." <[jas@smithhennessey.com](mailto:jas@smithhennessey.com)>

Chad and Elizabeth,

Please see the attached letter. This is a time sensitive matter. I'll be awaiting your response.

Thank you,  
Jennifer Schweickert

## EXHIBIT “D”

**3000 · Equity**

**3010 · Steve Schweickert**

Deposit	03/12/2010	Steve Schweickert
Check	02/03/2012	Steve Schweickert
Check	03/13/2012	Newman & DuWors
Check	03/19/2012	Newman & DuWors
Check	04/03/2012	Mair & Camiel, P.S.
Check	04/18/2012	Newman & DuWors
Check	05/22/2012	Newman & DuWors

Total 3010 · Steve Schweickert

**3020 · Joyce Schweickert**

Deposit	04/07/2010	Joyce Schweickert
Deposit	05/06/2010	Joyce Schweickert

Total 3020 · Joyce Schweickert

**3030 · Sandy Hoover**

Deposit	10/15/2010	Sandy Hoover
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Total 3030 · Sandy Hoover

**3040 · Jennifer Schweickert**

Deposit	04/29/2011	Jennifer Schweickert
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Total 3040 · Jennifer Schweickert

**3000 · Equity - Other**

Total 3000 · Equity - Other

Total 3000 · Equity

**Hunts Point Ventures, Inc.**  
**General Ledger**  
**All Transactions**

**Memo**

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**3000 · Equity**

**3010 · Steve Schweickert**

Steve's Investment to HPV

January and February Draw

Payment to Reduce Steve's Capital Account: "This Funds check to HPV for Partial Payment of Settl...

Payment to Reduce Steve's Capital Account: Invoice re: City of Kirkland v Schweickert Fees assoc...

Total 3010 · Steve Schweickert

**3020 · Joyce Schweickert**

Joyce's Initial Investment (1st Part of \$200K)

Initial Investment (Part 2 of 2)

Total 3020 · Joyce Schweickert

**3030 · Sandy Hoover**

Investment

Total 3030 · Sandy Hoover

**3040 · Jennifer Schweickert**

"Angel Investor" Investment

Total 3040 · Jennifer Schweickert

**3000 · Equity - Other**

Total 3000 · Equity - Other

Total 3000 · Equity

3:59 PM  
10/17/12  
Accrual Basis

**Hunts Point Ventures, Inc.**  
**General Ledger**

	<b>Split</b>	<b>All Transactions</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>
<hr/>					
<b>3000 · Equity</b>					
<b>3010 · Steve Schweickert</b>					
1030 · Corner Office - Steve Account				30,000.00	-30,000.00
1000 · The Commerce Bank Checking			4,000.00		-26,000.00
1020 · IOLTA Trust Account			35.00		-25,965.00
1020 · IOLTA Trust Account			5,000.00		-20,965.00
1020 · IOLTA Trust Account			8,500.00		-12,465.00
1020 · IOLTA Trust Account			611.98		-11,853.02
1020 · IOLTA Trust Account			2,457.00		-9,396.02
Total 3010 · Steve Schweickert			20,603.98	30,000.00	-9,396.02
<b>3020 · Joyce Schweickert</b>					
1030 · Corner Office - Steve Account				20,000.00	-20,000.00
1000 · The Commerce Bank Checking				180,000.00	-200,000.00
Total 3020 · Joyce Schweickert			0.00	200,000.00	-200,000.00
<b>3030 · Sandy Hoover</b>					
1000 · The Commerce Bank Checking				100,000.00	-100,000.00
Total 3030 · Sandy Hoover			0.00	100,000.00	-100,000.00
<b>3040 · Jennifer Schweickert</b>					
1000 · The Commerce Bank Checking				200,000.00	-200,000.00
Total 3040 · Jennifer Schweickert			0.00	200,000.00	-200,000.00
<b>3000 · Equity - Other</b>					
Total 3000 · Equity - Other					0.00
Total 3000 · Equity			20,603.98	530,000.00	-509,396.02

## EXHIBIT "E"

**HUNTS POINT VENTURES, INC.**

**JOINT CONSENT IN LIEU**

**OF**

**ANNUAL MEETING OF SHAREHOLDERS AND DIRECTORS**

Pursuant to the Washington Business Corporation Act, this resolution of the shareholders of Hunts Point Ventures, Inc., is made and entered into effective this 29th day of May 2012, pursuant to RCW § 23B, by and between Steve Schweickert ("Schweickert") and Chad Rudkin ("Rudkin") together the ("Shareholders") with reference to the following facts:

- A. Hunts Point Ventures, Inc., has two shareholders: Steve Schweickert ("Schweickert") and Chad Rudkin ("Rudkin") (together the "Shareholders");
- B. Schweickert and Rudkin each own 50% of the shares of Hunts Point Ventures, Inc.;
- C. Although the Shareholders never memorialized the transfer in writing, it has been the agreement and understanding of Schweickert and Rudkin that Rudkin became an owner of 50% of the shares of Hunts Point Ventures, Inc., effective January 1, 2011, and have shared equally in all operating decisions of the corporation since that time;
- D. To the extent that the transfer of shares to Chad Rudkin was not legally effectuated as of January 1, 2011, the Shareholders now unanimously make and ratify that issuance of shares to Rudkin;
- E. The Shareholders wish for Rudkin to serve as Chairman of the board of directors, for Schweickert to serve as a director, and for Hunts Point Ventures, Inc.'s third remaining director seat to remain empty until the next annual meeting of Hunts Point Ventures, Inc.'s shareholders, which shall occur on April 1, 2013, unless the seat is filled by a unanimous consent of the shareholders before that meeting;
- F. The Shareholders also wish to appoint Chad Rudkin as President and chief executive officer of Hunts Point Ventures, Inc.; to appoint Elizabeth Rudkin as corporate secretary, treasurer and chief financial officer of Hunts Point Ventures, Inc.; and to appoint Steve Schweickert as Vice President and chief operating officer;
- G. The Shareholders wish to waive any requirement for notice or call of meeting that might otherwise be necessary to enter into this unanimous shareholder resolution.

**Resolution**

It is now therefore unanimously agreed, resolved, consented to and ratified that:

1. Schweickert and Rudkin each own 50% of the shares of Hunts Point Ventures, Inc.;
2. Hunts Point Ventures, Inc. shall have three directors;
3. Schweickert and Rudkin shall each be a director of Hunts Point Ventures, Inc. until the next annual meeting of Hunts Point Ventures, Inc.'s shareholders, which shall be April 1, 2013;
4. Chad Rudkin shall serve as chairman of Hunts Point Ventures, Inc.'s board of directors;
5. Chad Rudkin shall serve as Hunts Point Ventures, Inc.'s President and chief executive officer;
6. Steve Schweickert shall serve as Hunts Point Ventures, Inc.'s Vice President and chief operating officer.
7. Elizabeth Rudkin shall serve as Hunts Point Ventures, Inc.'s secretary, treasurer and chief financial officer;
8. Compensation of Steve Schweickert, Chad Rudkin and Elizabeth Rudkin shall be fixed and paid in the discretion and upon unanimous consent of the board of directors of Hunts Point Ventures, Inc., according to the financial ability of Hunts Point Ventures, Inc..

#### **Ratify and Elect Directors**

WHEREAS, since December 31, 2010, until the date hereof, Steve Schweickert had served as the sole director of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that the Shareholders hereby elect Steve Schweickert and Chad Rudkin to serve as the directors of the Corporation, and the remaining director's seat be vacant until the next annual meeting of shareholders and until any successor is elected and qualified, or until they resign or are removed; and

FURTHER RESOLVED, that all actions taken by the directors of the Corporation in managing the affairs of the Corporation from the company's inception through the date hereof, are hereby approved, adopted, ratified and confirmed in all respects.

#### **Ratify and Appoint Officers**

WHEREAS, since December 31, 2010, Steve Schweickert had served as President, Vice President, Secretary and Treasurer of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves, adopts, ratifies, and confirms all past actions taken by Steve Schweickert as President, Vice President, Secretary and Treasurer of the Corporation from December 31, 2010 through the date hereof;

FURTHER RESOLVED, that the Board hereby ratifies and confirms the appointment of the following persons to serve in the following officer positions until the next annual meeting of the Board and until their respective successors are elected and qualified, or until they resign or are removed:

President.....	Chad Rudkin
Vice President .....	Steve Schweickert
Secretary .....	Elizabeth Rudkin
Treasurer .....	Elizabeth Rudkin
Chairman of the Board.....	Chad Rudkin

FURTHER RESOLVED, that all actions taken by the officers of the Corporation in managing the affairs of the Corporation through the date hereof, are hereby approved, adopted, ratified and confirmed in all respects.

#### **Omnibus Resolutions**

RESOLVED, that the officers of the Company be, and they hereby individually are, authorized and empowered on behalf of the Company to do and perform all such further acts and things and to execute and deliver all such further agreements, documents, notices, certificates, schedules, exhibits, contracts, notes, instruments or other papers, and to make all such payments as they may in their sole and absolute discretion deem necessary or appropriate to carry out, comply with and effectuate the purposes and intent of the foregoing resolutions and the transactions contemplated thereby (the execution by such officer or officers of any such instrument or document or the doing by him or them of any act in connection with the foregoing matters to establish conclusively his or their authority therefore from this Company and the approval and ratification by this Board of the instruments and documents so executed and the actions so taken); and

FURTHER RESOLVED, that to the extent this document and the resolutions and facts herein differ from the resolutions and facts represented in the "JOINT CONSENT IN LIEU OF ANNUAL MEETING OF SHAREHOLDERS AND DIRECTORS" dated November 29, 2011, that the resolutions and facts herein hereby amend that previous document and are hereby incorporated into that document; and

FURTHER RESOLVED, that all acts of any officer of the Company heretofore taken in connection with the transactions contemplated by the foregoing resolutions be, and they hereby are, in all respects, approved, adopted and ratified in all respects.

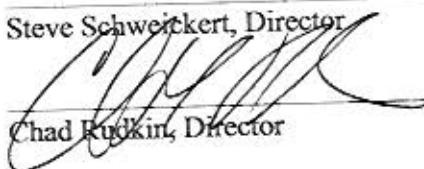
*This Consent may be signed in counterparts, including by facsimile transmission, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.*

It is so resolved this 29th day of May 2012.

DIRECTORS:

Dated: May   , 2011

Steve Schweickert, Director



Steve Schweickert

Dated: May 31, 2011

Chad Rudkin, Director

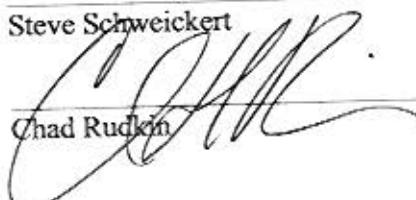


Chad Rudkin

SHAREHOLDERS:

Dated: May   , 2011

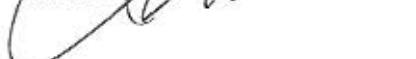
Steve Schweickert



Steve Schweickert

Dated: May 31, 2011

Chad Rudkin

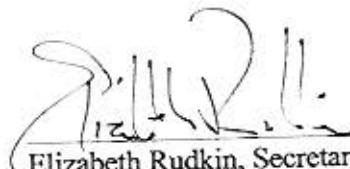


Chad Rudkin

CORPORATE SECRETARY:

Dated: May   , 2011

Elizabeth Rudkin, Secretary, Treasurer



Elizabeth Rudkin

## EXHIBIT "F"

From: John Du Wors <John@newmanlaw.com>  
Subject: HPV Patent litigation  
Date: April 10, 2011 11:43:07 AM PDT  
To: "steves1@mac.com" <steves1@mac.com>



Dear Steve,

The purpose of this email is to outline our strategy in monetizing the buffering and playlist patents Hunts Point Ventures purchased from Mark Phillips. Our strategy is to replicate the experience we have had enforcing a patent for another client, Essassociate, over the past year and a half. Essassociate holds a patent for certain internet marketing technology that, like the buffering and playlist patents, became the technological norm for every participant in the industry. We have obtained settlements for Essassociate over the last 18 months totaling approximately \$1,500,000.

The key to our success in the Essassociate litigation has been keeping our settlement demands lower than the amount a defendant would likely spend litigating a patent through trial. All of the Essassociate defendants have paid a settlement between \$75,000 and \$250,000, except one very large defendant which paid us \$550,000. The average cost of defending a patent infringement case through discovery is \$300,000; through claim construction is \$500; and through trial is \$800,000. The Essassociate defendants settled irrespective of whether they thought they could win on the issue of infringement or patent validity, simply because it was economically efficient to do so.

HPV's buffering and playlist patents appear to cover all portable video and audio players distributed until 2009, and some distributed after. On Monday, we will file an action for infringement of the buffering and playlist patents against Digecore, which distributes the portable media players offered to customers on most commercial airlines. We will file our action in the Western District of Wisconsin, which has the fastest patent docket in the country, with cases going to trial typically within nine months of filing. We believe the incredible pace toward trial will cause Digecore to settle in the \$250,000 range within a few short months of filing.

Shortly thereafter, we will file another action in the Eastern District of Texas, naming five separate defendants. These defendants will be distributors of the lower priced portable digital media players in Walmart, Target and Radio Shack. The Eastern district of Texas is the most patent-plaintiff-friendly venue in the country, and although it does not bring cases to trial as quickly as the Western District of Wisconsin, it is known for issuing the highest patent infringement awards in the country. The overall purpose of this strategy is to bring an immediate cash infusion to HPV to provide a return to the HPV investors who facilitated HPV's acquisition of the buffering and play list patents, followed by a steady stream of seed income in the low seven figure range over the following 12 months.

The one risk to be aware of is the possibility of reexamination of the buffering and playlist patents. Reexamination is a proceeding whereby the United States Patent and Trademark Office reviews a patent at the request of a defendant who submits prior art they claim anticipates (and therefore invalidates) the patent being reexamined. Some courts will stay a lawsuit pending a reexamination proceeding, however this is statistically less likely in the Western District of Wisconsin and the Eastern District of Texas. The cost of a good reexamination petition is \$100,000, and the best way to avoid one is to settle for \$150,000 when one is threatened.

We anticipate having selected our 5 Eastern District of Texas defendants within the next 14 days, and filing shortly thereafter. Please let me know if you have any other questions.

Very truly yours,

John Du Wors