

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

) Case No. BC485815

) **JUDGMENT RE: CONTEMPT**

11 BANK OF AMERICA, NA, a national  
12 banking association,

13 Plaintiff,

14 v.

15 MEDI-PEDIC BEDDING CO., a California  
16 corporation; GEREIS SIDAROS, an  
individual.

17 Defendants.

18  
19 On Friday, December 7, 2012 the Court, by written order, appointed Receiver Bellann  
20 Raile, managing Director of Cordes & Company, to take over all the Business and Collateral of  
21 Medi-Pedic Bedding Co., Inc. (Exhibit 4).

22 Medi-Pedic is solely owned by its President Respondent Gereis Sidaros (Sidaros). Mr.  
23 Sidaros and his counsel were in court on December 7, 2012 when the Order was signed.  
24 Sidaros had knowledge of the application for Appointment of a Receiver when the application  
25 was filed and served on September 25, 2012, 73 days before December 7, 2012. Also,  
26 Sidaros received a copy of the signed Order on December 7, 2012. (T/S p. 10, ll 15-18)

27 The order provides, inter alia, that the Receiver was to:  
28

1 -take possession of, use, operate,  
2 manage and control the Business  
3 and Collateral... and to collect  
4 and receive the account receivables  
5 and other cash collateral from the  
6 Business...[and] to protect, preserve  
7 and maintain the Receivership Estate...”  
8

9 In aid of the Receiver, Medic-Pedic, its agents, servants, employees and  
10 representatives and all persons and entities acting or in concert with Medi-Pedic, were  
11 ordered, inter alia, to:

12 -“Immediately” turn over the Receivership  
13 Estate and related items, as well as  
14 to not do the articulated prohibitions set  
15 forth on pages 7 and 8 of the order.  
16

17 It is noted that before the contempt hearing, attorney Azodegan substituted out of the  
18 representation of Sidaros and technically only represented Medi-Pedic at the contempt trial.  
19 Nevertheless, inasmuch as Sidaros is the sole owner and President of Medi-Pedic, there being  
20 no other officers, Mr. Azodegan had to confer with and presumably advise Sidaros during the  
21 hearing. The Court advised Sidaros of his rights and allowed him the opportunity to represent  
22 himself individually, including the right to file any brief in opposition to the alleged contempt.  
23 He did not file any opposition brief. Whenever the court refers to Sidaros, it is including Medi-  
24 Pedic because Sidaros is the sole representative of Medi-Pedic.  
25

26 The Court also notes that on May 8, 2012, Mr. Azodegan was allowed to withdraw as  
27 attorney of record for Medi-Pedic by the Trial Department assigned to this case. However, he  
28 did file a post-hearing opposition brief on behalf of Medi-Pedic. Sidaros filed a joinder to Medi-

1 Pedic's opposition brief.

2 At trial, it was established that on December 11, 2012 Renaie Caporoscio,  
3 representative of Receiver and Cordes & Company, met Sidaros at the premises of the  
4 Business and, among other things, also gave Sidaros a printed copy of the December 7, 2012  
5 Order. At that meeting, the representative also went over with Sidaros all the missing items  
6 that were needed by the Receiver.

7  
8 Neither Sidaros nor Medi-Pedic presented any credible evidence that they or either of  
9 them did not know of the order and its contents at least by December 7, 2012. See e.g.,  
10 *People vs. Superior Court*, 239 Cal.App.2d 99, 104. Moreover, respondents did not call their  
11 prior attorney to rebut the presumption that Sidaros knew of the order and contents at least by  
12 December 7, 2012.

13 Sidaros also received another copy of the written order on December 12, 2012 from the  
14 Receiver when she came to the premises.

15  
16 The Court finds, beyond any reasonable doubt, that Medi-Pedic, though Sidaros, and  
17 Sidaros himself were at all relevant times aware of the Receivership Order and its contents.

18 There is insufficient evidence showing that Sidaros or Medi-Pedic were not able to  
19 comply with most of the order. Indeed, the Court finds beyond a reasonable doubt that they  
20 and each of them at all times were able to comply with most of the order, except as to the  
21 items noted infra.

22  
23 The court finds beyond a reasonable doubt that Medi-Pedic and Sidaros individually  
24 violated Paragraph II, 4a and 4b of the Receivership order by transferring \$5000 from Medi-  
25 Pedic operating account and depositing the money into Sidaros' personal account (Exhibit 9).  
26 Sidaros' claims that it was repayment for a loan either he made to Medi-Pedic or a member of  
27 his family did. Even if he or another person had made loans (sufficient evidence of which was  
28 not presented) the transfer was a willful violation of the receivership order.

1 The court finds beyond a reasonable doubt that neither Medi-Pedic nor Sidaros  
2 immediately turned over the premises or the Receivership Estate to the Receiver when the  
3 Receiver asked for the turnover on December 12, 2012 (T/S, pp 3-4). Sidaros also did not  
4 give the Receiver keys to the premises as requested; nor did he leave the premises as  
5 requested. He stated he did not want to turn over the property or leave it (T/S pp 3-5). Again  
6 on December 14, 2012 Receiver met with Sidaros and again he did not want to turn over the  
7 keys nor did he turn them over. Indeed, Sidaros told Receiver that he had been sleeping at the  
8 premises. The Receiver, on December 15, 2012 arranged to have her manager Caporuscio  
9 take a locksmith to the premises who changed the locks.  
10

11 Sidaros understandably was upset, indeed in "shock", at the turn of events concerning  
12 his 24 year old business. He also testified that he wanted "time to organize". Nevertheless,  
13 such reluctance interfered with the Receiver's duties and slowed her down in carrying out the  
14 necessary transfer. Respondents' actions and inactions relating to the turnover was a willful  
15 violation of Paragraphs II 1. + 3.c. of the Order.  
16

17 At the December 12, 2012 meeting at the premises, the controller (Gorge Fahmy)  
18 showed Receiver a balance sheet for Medi-Pedic as of November 30, 2012 noting that there  
19 was \$236,008.18 cash on hand and stated to her that it was accurate. Sidaros stated there  
20 was no cash. However there was no accounting offered as to where the money went or why  
21 the amount was reflected on the balance sheet.  
22

23 During the delay in turn over there was a burglary of the premises and the company's  
24 computer was stolen. The computer was in the controller's office. Respondent's position is  
25 that all of the files and records necessary to provide a complete accounting were in the  
26 computer. The Court concludes that although the delay in turnover conveniently prevented  
27 Receiver from obtaining necessary documents to evaluate an accounting, there is insufficient  
28 evidence to find beyond a reasonable doubt that Sidaros or any other representative of Medi-

1 Pedic stole the computer. It is noted, however, that whoever "broke" in was able to disarm the  
2 alarm by use of the password and that the only item missing was the computer.

3 It is not reasonably believable that, as respondents assert, they did not have any back-  
4 up documents to provide even a semblance of accounting of assets, receivables, liabilities, etc.  
5 This phenomenon explains somewhat respondents' assertion, that when asked by the receiver  
6 for data, et al. *"The court does not compel...[respondents] to provide any accounting to the*  
7 *receiver..."(Exhibit 6).*

8  
9 The Court finds beyond any reasonable doubt that Medi-Pedic and Sidaros or either of  
10 them willfully violated Paragraph II, 1 & 4(b) of the court's Receivership Order by continuing to  
11 conduct business after knowledge of the order in that Sidaros:

12 -Received \$1,095 on December 13, 2012

13 from a customer;

14 -Received \$688 on December 12, 2012

15 from a customer;

16 -Received \$1,130 on December 12, 2012

17 from a customer;

18  
19 and did not turn the money over to the Receiver. These actions were done willfully.

20 Respondents on the one hand asserted on several occasions that all the necessary  
21 documentation was left at the premises, yet the elusive \$236,008.18 was no where to be  
22 found, nor, was any credible documents or testimony provided as to how and why the  
23 \$236,008.18 was noted on the then current balance sheet presented by the controller Fahmy.  
24 The Controller confirmed to the Receiver on December 12, 2012, that the cash balance was  
25 accurate. (T/S p. 8) Sidaros stated the cash did not exist, that the balance sheet was wrong  
26 and alluded to some undocumented "loans" owed. (Exhibit 4)

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1 Respondents had every opportunity, including the court's willingness, to postpone the  
2 trial for a short period, to provide Fahmy's testimony but specifically declined to do so.

3 It is conceivable that respondents had all or none of the cash on hand, but it is equally  
4 conceivable that the cash on hand entry was an illusion or was used on the "balance" sheet for  
5 some other unknown and secret purpose. It is speculative either way. There was no cash on  
6 hand to be found. The mystery could be due to the fact that much of the business was run on  
7 a "cash" basis, such practice itself raising questionable business practices but one not directly  
8 is issue here.

9  
10 The court cannot conclude beyond a reasonable doubt that either respondent has any  
11 part of or all of the \$236,008.18.

12 The court finds beyond any reasonable doubt that respondents violated Section 11,  
13 Paragraph 4(c) by interfering with the Receivers attempts to sell collateral of the business by:

14 -First, telling the parties that a separately  
15 owned corporate (Advanced Resources), also  
16 owned by Sidaros, owned most of the  
17 equipment. Receiver determined that  
18 was not true after reviewing some  
19 records,  
20

21 -Second, by opposing the Receiver's  
22 motion for permission to sell the collateral  
23 based on Sidaros' misleading assertion that  
24 Receiver's purported need to sell assets  
25 was not based on accurate records of  
26 resources, thereby attempting to mislead  
27 the court using their own inaccurate records;  
28

1 to wit there were loans and expenses  
2 they had not noted in the scant financial  
3 documents provided.

4  
5 The Receiver's pre-OSC declarations (December 13, 2012 and March 6, 2013)  
6 presented charges that the court relied on as basis for the OSC (CCP 1211 (a) and 1211.5).

7 At trial the evidence showed that respondents' approach to the Receivership created an  
8 atmosphere of studied indifference, and unkept promises to the Receivership overall which  
9 hurt the credibility of Respondents' positions.

10 The attitude of Sidaros toward the case generally was notably elusive, incomplete and  
11 inaccurate (see e.g., CAJI 107 and Evidence Code 780). Sidaros, individually and as President  
12 of Medi-Pedic, chose to be overly reluctant to accept the Receivership to the point of  
13 indifference and being unconcerned with the Court order. There was no cooperation at the  
14 beginning and then only disgruntled minor cooperation throughout the Receivership at least up  
15 to the contempt trial.

16  
17 Plaintiff requests Judicial Notice of the December 13, 2012 and March 6, 2013  
18 declarations of the Receiver. These declarations are "charging" documents, like a "complaint,"  
19 which the court considered, along with the counter-declarations, in determining if an OSC was  
20 to be issued (see *Lyon v. Superior Court* 68 Cal.2d 446, 452; CCP (1211 (a) and 1211.5).

21  
22 The court issued the OSC Re Contempt based on the Receiver's declarations  
23 (charges/complaint) and the oppositions thereto.

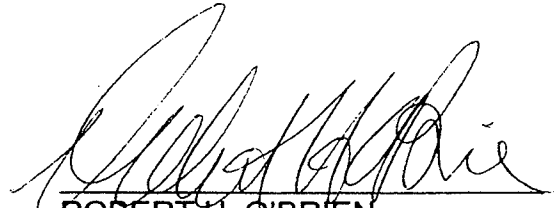
24 The findings in this decision following the hearing is consistent with the assertions in the  
25 Receiver's declarations. The court has found and rejected some of the assertions.

26 Accordingly, the Court hereby adjudges Medi-Pedic guilty of 6 counts of contempt of  
27 court under CCP 1209(a)(5) and CCP 1209 (a)(9). Further, the court hereby adjudges  
28

1 GEREIS SIDAROS guilty of 6 counts of contempt of court under CCP 1209 (a)(5) and CCP  
2 1209 (a)(9).

3 The court sets 6/14/13 for a sentencing hearing as to both Respondents at 8:30  
4 a.m. in Department 21.

5  
6 Dated: MAY 30 2013

  
7 ROBERT H. O'BRIEN  
8 Judge of the Superior Court  
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