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8	UNITED STATES DISTRICT COURT	
9	SOUTHERN DISTRICT OF CALIFORNIA	
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11	MATTHEW LIANG,	CASE NO. 06cv1082-WMc
12	Plaintiff, vs.	ORDER FOR A MORE DETAILED SHOWING OF PLAINTIFF'S
13	CAL-BAY INTERNATIONAL, INC., and	DAMAGE CALCULATION
14	ROGER E. PAWSON, individually and as President of Cal-Bay International, Inc.,	
15	Defendant.	
16 17	I. FACTS	
17	Plaintiff Matthew Liang ("Plaintiff") owned a piece of real property in Canada with an	
10	attached hospital (hereinafter "the Property"). Defendant CAL-BAY International, Inc. ("CAL-	
20	BAY") agreed to purchase the Property. The agreed upon purchase price was \$600,000 Canadian.	
21	The payment was to be comprised of (1) \$400,000 Canadian, (2) \$185,000 Canadian of CAL-BAY	
22	Class B Preferred Stock (at \$.03 US per share), and (3) \$15,000 Canadian of CAL-BAY Class A	
23	Preferred Stock (at \$.03 US per share).	
24	In addition to the real estate transaction, at the time of closing, Plaintiff was to be	
25	appointed to CAL-BAY's Board of Directors and was scheduled to begin a two-year term of	
26	employment with CAL-BAY, serving as property manager for the hospital located on the Property.	
27	To compensate Plaintiff for his services as property manager, CAL-BAY agreed to pay Plaintiff	
28	\$4,500 US per month for the first year and \$5,000 US per month for the second year.	
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1 When CAL-BAY allegedly breached the agreement by failing to purchase the Property, 2 Plaintiff sold the Property to a third party at a price of \$430,0000 Canadian. This sale was 3 completed less than six (6) months after the original agreed upon date of sale. 4 **II. PROCEDURAL HISTORY** 5 Both parties consented to magistrate jurisdiction in June 2007. (Doc. No. 42). Thereafter, 6 on December 23, 2008, Plaintiff moved for summary judgment, which the Court granted in part 7 and denied in part: granting his breach of contract claim, but denying his calculation of damages. 8 (Doc. No. 55). As per Magistrate Judge McCurine's order on April 16, 2010, Plaintiff was 9 ordered to submit to the Court a detailed calculation of his damages. (Doc. No. 59). In response 10 to the order, on August 17, 2010, Plaintiff submitted an itemized list of his damages. (Doc. No. 11 62). 12 **III. DISCUSSION** 13 As reflected in his itemized list of damages, the most sizeable portion of Plaintiff's 14 damages stems from the loss of the agreed upon purchase price of \$600,000 Canadian (made up of 15 \$400,000 Canadian and \$200,000 of CAL-BAY preferred stock). Plaintiff alleges at the time of 16 the sale the aforementioned cash and stock was worth <u>\$1,112,500.00 US</u>. (Doc. No. 62). Plaintiff 17 purports to arrive at this number by utilizing common stock prices at the time of the purchase as 18 well as the average rate of exchange (from Canadian to US Dollars) for the year in question 19 (2005).20 In breach of contract actions, the burden of proof is on the party claiming damages not only 21 to prove he or she has suffered damages but also to prove the extent of those damages with 22 reasonable certainty. See generally Hahn v. Wilde, 211 Cal. 52 (1930); Gray v. Craig, 127 Cal. App. 23 374 (1932); Chaparkas v. Webb, 178 Cal. App. 2d 257 (1960); Mendoyoma, Inc. v. County of 24 Mendocino, 8 Cal. App. 3d 873 (1970); Carpenter Foundation v. Oakes, 26 Cal. App. 3d 784 (1972). 25 In his itemization of damages, Plaintiff lists the total value of preferred stock included in the 26 purchase price, provides historic common stock values, and provides the average rate of currency 27 exchange at the time of sale. However, he fails to demonstrate precisely how he utilizes these 28 historic stock quotes and the average exchange rate in arriving at his total sales price estimate.

Before the Court will be able to fully analyze the reasonableness of Plaintiff's total 2 calculation of damages, the Court requires additional information with respect to Plaintiff's 3 calculations. More specifically, the Court seeks a step-by-step breakdown of how (1) Plaintiff 4 arrived at the value of his preferred stock, and (2) Plaintiff converted the \$200,000 Canadian of 5 CAL-BAY preferred stock into US Dollars.

Conceptually, the Court agrees that using historic stock prices and recorded rates of 6 7 exchange are reasonable and reliable methods for generating a sound estimate of the total value of 8 the original purchase price. Therefore, at least in theory, Plaintiff's request that the Court take 9 judicial notice of these figures is reasonable. Despite Plaintiff's claim to have utilized these 10 otherwise reasonable rates in his conversion, Plaintiff fails to connect the dots by showing his 11 actual calculations - he does not show his math. Since the calculations are not obvious and 12 apparent based on the information Plaintiff provides, an actual breakdown of how he converted the 13 \$185,000 Canadian of Class B preferred stock and the \$15,000 Canadian of Class A preferred 14 stock into US Dollars is necessary for the Court to conduct a full analysis of his calculations. 15 Until then, the Court is unable to ascertain how appropriate and accurate his estimated measure of 16 damages actually is.

IV. CONCLUSION

18 Therefore, until Plaintiff demonstrates with sufficient particularity how he actually uses 19 these otherwise reliable figures in calculating his damages, it is difficult to measure the 20 reasonableness of his total estimate. Accordingly, Plaintiff must provide the Court with a step-by-21 step breakdown of how he converted the \$185,000 of Class B preferred stock and \$15,000 of Class 22 A preferred stock into a value of US Dollars.

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IT IS SO ORDERED.

24 DATED: February 22, 2011

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Hon. William McCurine, Jr. U.S. Magistrate Judge United States District Court