

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED

NOV - 5 2009

Clerk, U.S. District and
Bankruptcy Courts

J.D. HOLDINGS, LLC)
2604 Vintage Hill Court)
Durham, North Carolina 27712,)
)
Plaintiff,)

v.)

Civil Action No. _____

BD VENTURES, LLC,)
2230 Massachusetts Ave., N.W.)
Washington, D.C. 20008)

COMPLAINT

SERVE:)

Steven M. Buckman)
Registered Agent)
7731 Alaska Ave., N.W.)
Washington, D.C. 20012)

Case: 1:09-cv-02085
Assigned To : Friedman, Paul L.
Assign. Date : 11/5/2009
Description: Contract

**JURY
ACTION**

AND)

CHRISTIAN LAETTNER)
1041 Ponte Vedra Blvd.,)
Ponte Vedra, Florida 32082,)

AND)

BRIAN K. DAVIS)
2230 Massachusetts Ave., N.W.)
Washington, D.C. 20008)

Defendants.)
_____)

COMPLAINT

Plaintiff, J.D. Holdings. LLC (“Plaintiff” or “JD Holdings”), for its Complaint against
BD Ventures, LLC (“BD Ventures”), Christian Laettner (“Laettner”), and Brian K. Davis
 (“Davis”) (Laettner and Davis are collectively referred to herein as the “Individual Defendants”),
alleges as follows:

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PARTIES

1. Plaintiff JD Holdings is a limited liability company organized under the laws of the State of North Carolina with its principal place of business at 2604 Vintage Hill Court Durham, North Carolina, 27712. The members of JD Holdings are John Dawkins and Tracy Dawkins, both citizens of California.

2. Defendant BD Ventures is a limited liability company organized under the laws of the District of Columbia with its principal place of business at 2230 Massachusetts Avenue, N.W. Washington, D.C. 20008.

3. Defendant Laettner is an owner, agent, manager, member, director or officer of BD Ventures. Defendant Laettner is a citizen and/or resident of Florida, residing at 1041 Ponte Vedra Blvd., Ponte Vedra Florida 32082.

4. Defendant Davis is an owner, agent, manager, member, director or officer of BD Ventures. Defendant Davis is a citizen and/or resident of Washington, D.C. residing at 2230 Massachusetts Ave., N.W. Washington, D.C. 20008.

JURISDICTION AND VENUE

5. JD Holdings incorporates paragraphs 1 through 4 of this Complaint as if fully set forth herein.

6. Defendant BD Ventures has no members who are citizens or residents of California.

7. This Court has jurisdiction over this dispute pursuant to 28 U.S.C. § 1332 because it is between citizens of different States, and the amount in controversy, exclusive of interest and costs, exceeds \$75,000.00.

8. This is an action based on contract. Venue is proper in this District because the contract between the parties states that the venue for enforcing the terms and conditions of that contract is Washington, D.C. In addition, venue is proper in this District because Defendant Davis resides in or otherwise is a citizen of the District of Columbia and a substantial part of the events relevant to Plaintiff's causes of action occurred in this District.

FACTS COMMON TO ALL COUNTS

JD Holdings Loan to Defendants

9. JD Holdings incorporates paragraphs 1 through 8 of this Complaint as if fully set forth herein.

10. On or about November 1, 2006, JD Holdings agreed to loan Five Hundred Thousand Dollars (\$500,000.00) (the "Loan") to BD Ventures, Laettner, and Davis. The Defendants represented to JD Holdings that the Loan was to be used for the maintenance, development, and/or improvement of certain real property located in Baltimore, Maryland (the "Property") at 1201-1301 Wicomico St., Baltimore, Maryland 21230.

11. The Loan was memorialized in a November 1, 2006 Promissory Note ("Note") in the original principal amount of \$500,000.00. A true and correct copy of the Note is attached hereto as Exhibit A. The Note is incorporated into and made a part of this Complaint as if fully set forth herein. BD Ventures, Laettner, and Davis signed the Note. BD Ventures, Laettner, and Davis promised to repay JD Holdings the \$500,000.00, plus interest, under terms and conditions set forth in the Note.

12. On December 1, 2008, JD Holdings, BD Ventures, Laettner, and Davis entered into an amendment (the "Amendment") to the Note. A true and correct copy of the Amendment is attached hereto as Exhibit B. The Amendment is incorporated into and made a part of this

Complaint as if fully set forth herein. In addition to promising to repay the Loan in the Note, Laettner and Davis personally guaranteed the Loan in the Amendment. Under the terms of the Amendment, the Loan plus accrued interest was due on July 1, 2009 (the "Maturity Date").

13. However, neither BD Ventures, Laettner, nor Davis have repaid a single penny of the Loan and therefore are in default under the terms of the Note and the Amendment.

14. On or about July 2, 2009, JD Holdings provided BD Ventures, Laettner, and Davis written notice of default (the "Default Notice"). A true and correct copy of the Default Notice is attached hereto as Exhibit C. The Default Notice is incorporated into and made a part of this Complaint as if fully set forth herein.

15. JD Holdings has made several efforts to resolve this dispute amicably and without the need for litigation. Unfortunately, Defendants have refused to recognize JD Holdings rights under the Note and Amendment and have refused to repay JD Holdings.

CLAIMS FOR RELIEF

COUNT ONE Breach of Contract (Against All Defendants)

16. JD Holdings incorporates paragraphs 1 through 15 as if fully set forth herein.

17. The Defendants' payment and other obligations to JD Holdings pursuant to the Note and the Amendment are valid, binding, and enforceable.

18. As of July 1, 2009, an Event of Default has occurred under the Note and Amendment because Defendants have not repaid the Loan, plus accrued interest, according to the terms and conditions set forth in the Note and the Amendment.

19. As the result of the Defendants' breach of the Note and Amendment, JD Holdings has incurred damages in excess of \$500,000.00.

REQUEST FOR RELIEF

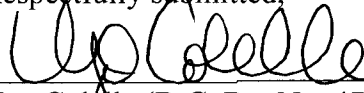
Plaintiff JD Holdings requests that judgment be entered against the Defendants as follows:

1. For Plaintiff's actual damages, including, without limitation, repayment of the Loan plus accrued interest at a rate of ten percent (10%) compounded quarterly until paid in full and costs of suit, including reasonable attorneys' fees;
2. Against Defendants for pre- and post-judgment interest; and
3. Against Defendants for all other and further relief, both at law and in equity, to which JD Holdings may show itself justly entitled.

JURY DEMAND

JD Holdings demands a jury trial on all issues so triable.

Respectfully submitted,



Ugo Colella (D.C. Bar No. 473348)
KATTEN MUCHIN ROSENMAN LLP
2900 K Street, NW, Suite 200
Washington, DC 20007
Telephone: (202) 625-3755
Facsimile: (202) 295-1174

*Attorneys for Plaintiff
J.D. Holdings, LLC*

EXHIBIT A

09 2085

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**Clerk, U.S. District and
Bankruptcy Courts**

PROMISSORY NOTE

\$500,000.00

November 1, 2006

1. PROMISE TO PAY. BD Ventures, LLC, a District of Columbia limited liability company, Brian K. Davis and Christian Laettner (collectively known as "Maker"), promises to pay to the order of J. D. Holding, LLC at 2604 Vintage Hill Court, Durham, NC 27712 in lawful money of the United States of America, the principal sum of FIVE HUNDRED THOUSAND NO/100 (\$500,000.00) Dollars, or so much thereof as may be outstanding from time to time, together with interest on the unpaid principal balance from and after the date hereof until paid in full at a fixed rate per annum equal to ten percent (12%) simple interest computed on the basis of a year of 365 days, and for the actual number of days elapsed (including the first day and excluding the last day.)

2. PAYMENT OF INTEREST AND PRINCIPAL; EXTENSION. The Maker shall pay the aggregate outstanding principal of this Note on the earlier of November 1, 2008 or the consummation of the sale of the property known as 1201-1301 Wicomico Street, Baltimore, Maryland,. The Maker shall pay all accrued interest on the outstanding principal balance of the note on a quarterly basis, beginning February 1, 2007 and continuing on May 1, 2007, August 1, 2007, November 1, 2007, February 1, 2008, May 1, 2008, August 1, 2008, and November 1, 2008. Any unpaid accrued interest shall be added to the outstanding principal balance of the note. The Maker shall have the option, exercisable with the mutual consent of J. D. Holdings, LLC, to extend the date for the repayment of the outstanding principal of this Note to October 31, 2009. Accrued interest would continue to be payable quarterly under such extension beginning February 1, 2009, and continuing May 1, 2009, August 1, 2009, and October 31, 2009. No later than 10 days prior to October 31, 2008, the Maker shall notify the Lender in writing of the intent to exercise the option to extend the repayment date. Upon the extension of the repayment date of this Note, all terms and provisions of this Note shall remain in full force and effect until the entire outstanding principal amount of this Note and accrued and unpaid interest is paid in full.

3. PREPAYMENT. Maker may prepay at any time, and from time to time, all or any part of the principal amount of this Note, without notice, penalty or fee.

4. EQUITY. Upon the sale of the property known as 1201-1301 Wicomico Street, Baltimore, Maryland, J.D. Holdings, LLC shall receive 2.5% of the net proceeds of the sale. This percentage shall reduce the net proceeds of Brian K. Davis and Christian Laettner by 2.5% who presently own 85% of BD Ventures LLC.

5. UNSECURED NOTE. This Note is not secured by any property, tangible or intangible, of the Maker except to the extent stated in Section 4 of this Promissory Note.

6. EVENTS OF DEFAULT. Any of the following events shall be considered an "Event of Default" as that term is used herein: (i) the Maker fails to make, or to timely make, full payment when due of any principal and accrued and unpaid interest; (ii) the Maker defaults in the

observance or performance of any of its covenants or agreements arising under this Note or under the Purchase Agreement, or any representation or warranty made by the Maker in the Purchase Agreement proves to have been incorrect in any material respect as of the date thereof; (iii) the Maker fails to make full payment when due of any principal or interest installment required to be made by Lender relating to any other indebtedness of the Maker to Lender; (iv) a receiver, conservator, liquidator or trustee of the Maker, or the Maker's property, is appointed by order or decree of any court or agency or supervisory authority having jurisdiction; or an order for relief is entered against the Maker under the Federal Bankruptcy Code; or the Maker is adjudicated bankrupt or insolvent; or any material portion of the property of the Maker is sequestered by court order and such order remains in effect for more than 30 days after such party obtains knowledge thereof; or a petition is filed against the Maker under any state, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or receivership law of any jurisdiction, whether now or hereafter in effect, and such petition is not dismissed within 60 days; (v) the Maker files a case under the Federal Bankruptcy Code or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any case or petition against it under any such law; (vi) the Maker makes an assignment for the benefit of such Maker's creditors, or admits in writing such Maker's inability to pay such Maker's debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of the Maker or of all or any part of such Maker's property; or (vii) a writ or warrant of attachment or any similar process shall be issued by any court against all or any material portion of the property of the Maker, and such writ or warrant of attachment or any similar process is not released or bonded within 30 days after its entry.

7. LENDER'S RIGHTS UPON DEFAULT. Upon the happening of any Event of Default specified in the preceding paragraph (other than clauses (iv), (v) and (vi) thereof), the Lender shall have the right, at its sole option, to declare by written notice to the Maker the entire principal amount of this Note plus interest accrued hereon to be immediately due and payable without presentment, demand, protest, notice of protest or dishonor or other notice of default of any kind, all of which are hereby expressly waived by the Maker. Upon the happening of any Event of Default specified in clauses (iv), (v) or (vi) of the preceding paragraph, the entire principal amount of this Note plus interest accrued hereon shall, without notice or action by the Lender, be immediately due and payable without presentment, demand, protest, notice of protest or dishonor or other notice of default of any kind, all of which are hereby expressly waived by the Maker. In addition to the Lender's right of acceleration under this Note and the automatic acceleration under this Note, the Lender may upon the happening of any Event of Default avail itself of any rights or remedies provided by applicable law.

8. WAIVER. The Maker expressly waives demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, diligence in taking any action to collect amounts called for hereunder and in the handling of property at any time existing as security in connection herewith and all other demands, notices and protests of any kind in connection with the execution, delivery, performance, collection and enforcement of this Note. The Maker shall be directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest or property at any and all times had or existing as security for any amount called for

hereunder. The Maker agrees that Lender's acceptance of payment other than in accordance with the terms of this Note, or Lender's subsequent agreement to extend or modify such repayment terms, or Lender's failure or delay in exercising any rights or remedies granted to Lender, shall not have the effect of releasing the Maker from its obligations to Lender. In addition, any failure or delay on the part of Lender to exercise any of the rights and remedies granted to Lender shall not have the effect of waiving any of Lender's rights and remedies. Any partial exercise of any rights and/or remedies granted to Lender shall furthermore not be construed as a waiver of any other rights and remedies, it being the Maker's intent and agreement that Lender's rights and remedies be cumulative in nature. Any waiver or forbearance on the part of Lender to pursue the rights and remedies available to Lender shall be binding upon Lender only to the extent that Lender specifically agrees in writing to any such waiver or forbearance. A waiver or forbearance of Lender as to one Event of Default shall not be construed as a waiver or forbearance as to any other Default.

9. ATTORNEYS' FEES. If an Event of Default occurs and this Note is placed in the hands of an attorney for collection, or suit is filed hereon, or proceedings are had in bankruptcy, probate, receivership or other judicial proceedings for the establishment or collection of any amount called for hereunder, or any amount payable or to be payable hereunder is collected through any such proceedings, the Maker agrees it is also to pay the owner and holder of this Note a reasonable amount as attorneys' fees.

10. APPLICATION OF PROCEEDS. Payment made hereunder upon an Event of Default shall be applied, first, to all costs and expenses of the Lender (including without limitation attorneys' fees and expenses) in connection herewith, second, to accrued interest owing hereunder, and third, to the principal amount outstanding.

11. NOTICE. Any notice or demand which, by provision of this Note, is required or permitted to be given or served by one party to or on the other shall be deemed to have been sufficiently given and served for all purposes when (a) delivered by hand (with written confirmation of receipt), (b) sent by telecopier (with written confirmation of receipt), provided that a copy is sent by a nationally recognized overnight delivery service (receipt requested), or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate address and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other parties):

If to the Maker:

BD Ventures, LLC
Brian K. Davis, Managing Member
2230 Massachusetts Avenue NW
Washington, DC 20007
202-237-1365 fax

with a copy to:

Steven M. Buckman, Esquire
Lotstein Buckman LLP

5185 MacArthur Blvd NW
Washington, DC 20016
202-351-6105
202-318-0899

If to the Lender:

J.D. Holdings, LLC
2604 Vintage Hill Court
Durham, NC 27712

with a copy to:

Cook Financial Services, LLC
1771 Heatherston Hollow
Conyers, Georgia 30013
Attention: Marlon G. Cook
Fax No.: 678-916-2453

12. GOVERNING LAW. This Note shall be governed by and construed under the laws of the District of Columbia and the venue for enforcing the terms and conditions of the Note is Washington, D.C.

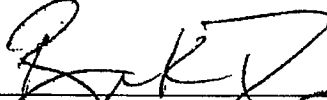
13. SEVERABILITY. In the event that any one or more of the provisions contained in this Note shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Note.

14. NO ASSIGNMENT. The Maker shall not assign this Note or any of its indebtedness, liabilities and obligations hereunder to any party. All covenants and agreements by the Maker contained in this Note shall bind its successors and assigns. This Note shall inure to the benefit of the Lender's successors and assigns.

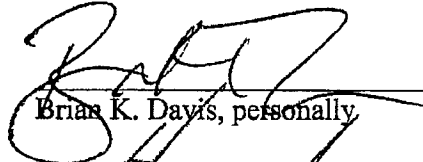
15. AMENDMENT. This Note shall not be amended, modified or supplemented, and no provision hereof may be waived, except by written instrument to which the Lender is a party.

IN WITNESS WHEREOF, the Maker has caused this Note to be executed and delivered on the day first written above.

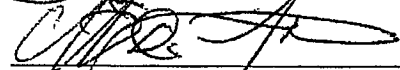
BD VENTURES, LLC



Brian K. Davis, Managing Member



Brian K. Davis, personally



Christian Laettner, personally

EXHIBIT B

09 2085

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NOV - 5 2009

**Clerk, U.S. District and
Bankruptcy Courts**

Amendment to Promissory Note

This Amendment to the Promissory Note dated November 1, 2006 between BD Ventures, LLC, a District of Columbia limited liability company, Brian K. Davis and Christian Laettner (collectively known as "Maker") and J.D. Holding, LLC ("Payee") attached hereto as Exhibit A (the "Promissory Note") is entered into as of December 1, 2008. All provisions of the Promissory Note are fully incorporated herein.

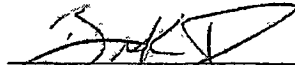
The parties agree to amend the Promissory Note as follows:

A. **MATURITY DATE.** The maturity date of the Promissory Note shall be extended to July 1, 2009.

B. **PAYMENT OF INTEREST AND PRINCIPAL.** The Maker shall pay to Payee according the following amended schedule: \$100,000 principal payment due January 1, 2009, followed by three \$50,000 payments monthly beginning February 1, 2009, March 1, 2009, and April 1, 2009, with a balloon payment of \$250,000 due July 1, 2009; or the entire outstanding principal balance at the time of consummation of the sale of the property known as 1201-1301 Wicomico Street, Baltimore, Maryland,. The Maker shall pay all accrued interest on the outstanding principal balance of the note on a quarterly basis, beginning January 1, 2009 and continuing on April 1, 2009, and July 1, 2009. The note will mature on July 1, 2009. Any unpaid accrued interest shall be added to the outstanding principal balance of the note.

C. **PERSONAL GUARANTEE.** Brian K. Davis and Christian Laettner ("Guarantors") agree to personally guarantee the performance of the Promissory Note and the Amendment thereto. In the event that Maker fails to make any payment to Payee, the Guarantors do hereby promise to make all payments to Payee. To the extent permitted by law, Guarantors hereby waive all defenses legally available to Guarantors, including but not limited to discounts or setoff of the original amount of the Promissory Note or counterclaim. Guarantors agree not to pledge, hypothecate, mortgage, sell or otherwise transfer any of their assets without prior written consent from the Payee.

The parties have executed this Amendment as of the date first written.



BRIAN K. DAVIS, Managing Member



BRIAN K. DAVIS, Personal Guarantor



CHRISTIAN LAETTNER, Personal Guarantor

EXHIBIT C

09 2085

FILED

NOV 5 2009

Clerk, U.S. District and
Bankruptcy Courts

July 2, 2009

Via Certified Mail
Return Receipt Requested

BD Ventures, LLC
Brian K. Davis, Managing Member
2230 Massachusetts Avenue NW
Washington, DC 20007

RE: **NOTICE OF DEFAULT AND DEMAND FOR PAYMENT**

Dear Mr. Davis:

On November 1, 2006 you executed a Promissory Note ("Note") as Managing Member of BD Ventures, LLC. This Note was further personally guaranteed by you and Mr. Christian Laettner. On December 1, 2008, we executed an Amendment to Promissory Note ("Amendment") to extend the maturity date of the original Note to July 1, 2009. In accordance with the Amendment, you were required to pay J.D. Holding, LLC **a principal payment of \$100,000 on January 1, 2009, followed by three \$50,000 payments monthly beginning February 1, 2009, March 1, 2009 and April 1, 2009.** In addition to this obligation, quarterly accrued interest payments were due on the outstanding principal balance beginning January 1, 2009.

To date, we have not received a payment. Pursuant to paragraph 6 of the Note, you are in default of the provisions of the Note and Amendment. Notice is hereby served upon you for demand of the full outstanding balance and accrued interest through July 1, 2009. **The amount to be paid within fifteen days after July 1, 2009 is \$ 500,000 in principal, plus \$36,166.67 in accrued interest as of July 1, 2009** (note that interest accrues at a rate of \$166.67 per day). If payment is not made by July 16, 2009, we will commence legal action to collect this debt against your company and all personal guarantors of the Note.

Govern yourself accordingly,

Johnny Dawkins,
Managing Member
J.D. Holding LLC

Cc: Steven M. Buckman, Esq.
Lotstein Buckman, LLP
5185 MacArthur Blvd NW
Washington, DC 20016

Christian Laettner
Member, BD Ventures, LLC
2230 Massachusetts Avenue NW
Washington, DC 20007