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MONTANA TWENTY-FIRST JUDICIAL DISTRICT COURT, RAVALLI COUNTY

JOHN WATSON,

Plaintiff,

v.

DEVRA WEST,

Defendant.

Cause No. DV-03-145 /178
Dept. No. 1

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND JUDGMENT**

THIS CAUSE came before the Court for hearing on October 2, 2008 for a determination of damages that should be awarded to Plaintiff John Watson ("Watson"). Watson personally appeared and was represented by his counsel, David M. McLean and Ryan C. Willmore of the law firm Browning, Kaleczyc, Berry & Hoven, P.C. Defendant Devra West ("West") failed to appear.

From the testimony presented to this Court and the evidence submitted, this Court hereby enters the following:

FINDINGS OF FACT

1. Watson filed his Complaint and Jury Demand on April 17, 2003. Watson's claims against West were for Breach of Contract, Fraud, Unjust Enrichment, Constructive Fraud, and Constructive Termination.

2. On July 15, 2008, this Court struck West's answer and entered default judgment in favor of Watson on his breach of contract and tort claims.

1 3. In this Court's July 15, 2008 Order, Plaintiff was awarded his attorney's fees and
2 costs in preparing the Motion for Sanctions and Pretrial Order.

3 4. At all times relevant to this case, Watson was a resident of Ravalli County,
4 Montana.

5 5. At all times relevant to this case, West was a resident of Ravalli County,
6 Montana.

7 6. Watson has expertise and experience in the area of business consulting including
8 but not limited to formation of business, business plans, management strategies and structures,
9 employee relations and business growth plans.

10 7. Watson has made his living using his skills, which are highly in demand and for
11 which he commands substantial compensation.

12 8. West is the proprietor of several business, both profit and non-profit.

13 9. On or about January 2002, Watson and West entered into an agreement for the
14 formation of a business, namely Millennia Mind, Inc.

15 10. Millennia Mind, Inc.'s main business purpose was to act as a consultancy to high
16 net worth individuals and to act as parent company to other for profit companies.

17 11. The substance of the agreement between West and Watson was that Watson
18 would bring his considerable skills in business formation and strategies to the endeavor, forming
19 the corporation, its business, and its profit strategy in exchange for a percentage of ownership in
20 the business.

21 12. Watson's salary for the first year with Millennia Mind, Inc. was agreed to be
22 \$50,000.00 to \$60,000.00. West's salary for the first year with Millennia Mind, Inc. was agreed
23 to be \$100,000.00 to \$120,000.00. It was further agreed Watson's salary for the second year
24 with Millennia Mind, Inc. would be \$100,000.00 to \$120,000.00. Watson would have continued
25 to earn \$120,000.00 for Years 3, 4 and 5 with the company.

26 13. Millennia Mind, Inc. was intended to turn a profit, financially rewarding Watson,
27 West, and a third shareholder.

1 14. West was to have fifty-five (55) shares, Watson was to have twenty-two (22)
2 shares, and the third shareholder was to have twenty-three (23) shares.

3 15. Based upon the initial capital in Millennia Mind, Inc. of \$1,000,000.00, shares
4 were valued at \$10,000.00 per share.

5 16. Watson performed his part of the agreement by setting up the corporation, worked
6 with profession on its image, developed the business plan and strategy, and communicated with
7 potential clients.

8 17. West breached her part of the agreement by announcing several months later she
9 had received divine guidance that shareholding were no longer appropriate. West refused to
10 offer any alternative ownership format and refused to discuss the matter of ownership at all.

11 18. Based upon this breach, Watson ended his relationship with West.

12 19. West represented to Watson she would perform under the terms of the contract,
13 namely by actively pursuing the business with Watson.

14 20. West failed to actively pursue the business as represented and has in fact actively
15 scuttled the original business intent and purpose.

16 21. West knew her representations of pursuing the business with Watson were false,
17 her subversive purpose being to extract Watson's services.

18 22. Watson relied on West's representations when they entered the contract.

19 23. Watson was reasonable in relying on West's representations and had a right to so
20 rely.

21 24. West intended Watson rely on the representations in order to receive his valuable
22 services and consulting expertise.

23 25. Watson has been damaged by his reliance on West's representations.

24 26. West's actions constitute actual fraud.

25 27. Additionally, West has been unjustly enriched by Watson's performance on the
26 contract.

27

1 28. West received the benefit of Watson's business consulting services in the creation
2 of Millennium Mind, Inc. for which she has not paid.

3 29. Millennium Mind, Inc. has not been dissolved and is still a viable business entity.
4 West continued to use Millennium Mind, Inc. and the work Watson performed for Millennium Mind,
5 Inc. after Watson ended his relationship with West.

6 30. Watson never received compensation for his work with Millennium Mind, Inc.

7 31. Watson never received compensation for his twenty-two (22) shares in Millennium
8 Mind, Inc.

9 32. Watson has lost income of:

10	Year 1	\$ 50,000
11	Year 2	\$100,000
12	Year 3	\$120,000
13	Year 4	\$120,000
14	Year 5	\$120,000

15 **Lost Income: \$510,000.00**

16 33. Watson also has lost shares totaling \$220,000.00, based upon his twenty-two (22)
17 shares in Millennium Mind, Inc. valued at \$10,000.00 per share.

18 34. Watson's total compensatory damages are \$730,000.00.

19 35. Watson has also incurred substantial attorney's fees in pursuing this action against
20 West, including \$6,209.27 in attorney's fees and costs for preparing the Pretrial Order and the
21 Motion for Sanctions.

22 36. Watson submitted a Notice of Filing Itemized Statement of Fees and Costs on
23 August 5, 2008, and provided a copy of that Filing to West. Included with the Itemized
24 Statement were an Affidavit of David McLean and the billing records associated with preparing
25 the Pretrial Order and the Motion for Sanctions.

26 37. West never objected to the reasonableness of the fees sought and nor did she
27 contest the award of attorney's fees and costs.

1 38. The fees and costs Watson incurred for the preparation of the Pretrial Order and
2 the Motion for Sanctions are reasonable and Watson is awarded that sum.

3 39. On October 15, 2008, Watson submitted a Motion to Withdraw Request for
4 Attorney's Fees. This Motion withdrew Watson's request to have fees awarded for the entire
5 action. Instead, Watson requested this Court only award the fees associated with the Pretrial
6 Order and Motion for Sanctions.

7 **CONCLUSIONS OF LAW**

8 1. This Court has jurisdiction over this cause.

9 2. West's actions constitute breach of contract for which Watson is entitled
10 compensatory damages.

11 3. West's actions constitute actual fraud for which Watson is entitled compensatory
12 damages.

13 4. West's actions constitute unjust enrichment for which Watson is entitled
14 compensatory damages.

15 5. Watson is also entitled to attorney's fees in the amount of \$6,209.27 as a sanction
16 against Ms. West relating to the Pretrial Order and Watson's Motion for Sanctions. The basis for
17 this award is set forth in this Court's July 15, 2008 Opinion and Order.

18 6. The compensatory damages have been computed as follows:

19 Lost Income:

20 Year 1	\$ 50,000
21 Year 2	\$100,000
22 Year 3	\$120,000
23 Year 4	\$120,000
24 Year 5	\$120,000
25 Lost Income:	\$510,000.00

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Lost Investment/Shares

22 Shares, valued at \$10,000

Lost Investment: **\$220,000.00**

TOTAL COMPENSATORY DAMAGES: \$730,000.00

7. Watson is awarded a total judgment of \$736,209.27.

JUDGMENT

1. Judgment is entered against Defendant Devra West in the amount of \$730,000.00 for compensatory damages, as identified above.

2. Plaintiff John Watson is awarded his attorney's fees incurred in preparing the Pretrial Order and in filing the Motion for Sanctions in the amount of \$6,209.27.

3. Watson's total damages are \$736,209.27 and West shall pay this sum to Watson within thirty (30) days from the date of this Order and Judgment.

DATED this 20⁵ day of October, 2008.



Hon. Jeffrey H. Langton, District Court Judge

OH 10-21-08
cc: David McLean (Browning, Kaleczyc, Berry & Hoven, P.C.)
Devra West