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Attorney #38787

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS COUNTY DEPARTMENT- LAW DIVISION

Linkers, Inc. an Illinois corporation,
And Hangzhou Wan Xin Investment Co., Ltd.,

Plaintiffs/Counter-Defendants

No: 2010 L 3532



v.
Yonggao Wang and Pihua Wu

Defendants/Counter-Plaintiffs



Doc#: 1301139025 Fee: \$62.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/11/2013 11:05 AM Pg: 1 of 13

JUDGMENT

Plaintiffs filed their complaint in five counts: Fraudulent misrepresentation, breach of fiduciary duty, unjust enrichment, conversion, and breach of contract. This Court heard the testimony of six witnesses – Bingliang Xu, Liying Hong, Yong Gao Wang, Pihua Wu, Vincent Auricchio, and Casey Cienawa – and the arguments of counsel for the parties.

Judgment is entered in favor of Plaintiffs and against Defendants Yong Gao Wang and Pihua Wu, jointly and severally, on the counts of Fraud, ~~Breach of Fiduciary Duty~~, Conversion, and against Yong Gao Wang individually on the count of ~~Breach of Contract~~. Plaintiffs are awarded damages in the amount of \$1,149,667. *8001-8301*

Directed finding is entered in favor of Defendants Yong Gao Wang and Pihua Wu with respect to Count III, Unjust Enrichment, and as to defendant Pihua Wu only with respect to Count V, Breach of Contract. *4271*

The Court enters judgment in favor of Plaintiffs/Counter-Defendants and against Defendants/Counter-Plaintiffs with respect to Defendants' counterclaim. *8301*

The transcript of this Court's ruling on Defendant's Motion for Directed Finding and

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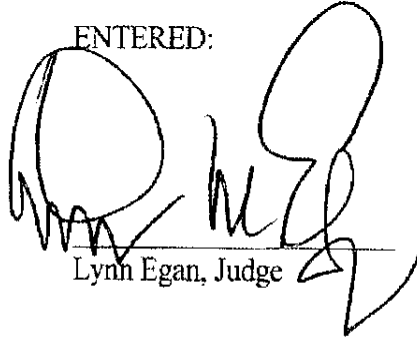
10 L 3532

entry of judgment are attached hereto and incorporated herein.

The Court finds there is no just reason to delay enforcement or appeal of this Judgment,
or both.

9248

ENTERED:



Lynn Egan, Judge

August Staas
Attorney for Plaintiffs
4753 N Broadway #1014
Chicago, IL 60640
312-233-2732
Atty #38787

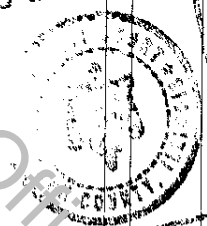
JUDGE LYNN M. EGAN

DEC 14 2012

Circuit Court-1683

Property of Cook County Clerk's Office

I hereby certify that the [unclear] to which this
certification is [unclear]
Date JAN 11 2013
Doreen [unclear]
Clerk of the Circuit Court
of Cook County, IL



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1 STATE OF ILLINOIS)
) SS.
 2 COUNTY OF C O O K)

3
 4 IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
 COUNTY DEPARTMENT - LAW DIVISION

5 LINKERS, INC., an Illinois)
 6 corporation, et al.,)
)
 7 Plaintiffs,)
)
 8 vs.)

9 YONGGAO WANG and PIHUA WU,)
)
 10 Defendants)

-----) No. 10 L 3532

11 YONG GAO WANG and PIHUA WU,)
) Judge Lynn M.
 12 Counter-Plaintiffs,) Egan
)

13 vs.)
)
 14 LINKERS, INC., an Illinois)
 15 corp., et al.,)
)
 16 Counter-Defendants.)

17
 18 REPORT OF PROCEEDINGS at the trial of
 19 the above-entitled case before the HONORABLE LYNN M.
 20 EGAN, Judge of said Court, on December 6, 2012, at
 21 10:00 a.m.
 22
 23
 24

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1 A P P E A R A N C E S:

2
3 LAW OFFICE OF AUGUST STAAS,
4 BY MR. AUGUST STAAS,
5 77 West Washington Street, Suite 1219
6 Chicago, Illinois 60602
7 (312) 233-2732
8 august@staas.com

9 On behalf of the Plaintiffs and
10 Counter-Defendants;

11
12 MR. GILBERT Y. LISS,
13 39 South LaSalle Street, Suite 605
14 Chicago, Illinois 60603
15 (312) 984-5000
16 Chicago_Gil@msn.com

17 On behalf of the Defendants and
18 Counter-Plaintiffs.

19 A L S O P R E S E N T:

20 MR. XU BINGLIANG
21 MS. HONG LIYING
22 DR. WANG YONGGAO
23 MR. WU PIHUA
24 MS. DAISY PHILLIPS and MS. JANE HU,
Interpreters.

License No. 084-003278.

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1 (Whereupon prior proceedings were had,
2 reported but not transcribed here:)

3 THE COURT: Thank you. The parties are
4 familiar with the standard for directed finding
5 in a bench trial, so I'm not going to spend time
6 reiterating that other than to emphasize the
7 importance of the fact that in a bench trial the
8 Court at the directed verdict stage does assess
9 witness credibility. That is extremely important
10 in this case because the defendants both lacked
11 credibility, Mr. Wang in particular. In fact, this
12 Court has to say, having just celebrated 17 years
13 on the bench less than a week ago, I have never in
14 my entire judicial career heard a witness take the
15 witness stand and utter so many falsehoods as did
16 Mr. Wang. It was staggering the number of
17 contradictory statements he made and statements that
18 were so contrary to the unrefuted documentary
19 evidence and so contrary to basic common sense that
20 it is utterly disheartening to believe that a witness
21 could take an oath and come into a court of law and
22 repeatedly lie.

23 But in terms of the specific
24 counts, Count I, fraudulent misrepresentation,

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1 there is certainly sufficient evidence to
2 make a prima facie case as to the fraudulent
3 misrepresentation count as to both defendants,
4 specifically their misrepresentations regarding the
5 ownership of Linkers, the cost of the building and
6 the loan of \$2 million.

7 As to Count II, the breach of
8 fiduciary duty, that count is directed solely against
9 Mr. Wang, and certainly there is sufficient evidence
10 to defeat the motion for directed finding. He agreed
11 to serve as the plaintiffs' agent, but he breached
12 his duties as an agent by affirmatively concealing
13 his personal interest in Linkers as well as his
14 employment relationship with Elsa and Eastone. There
15 is also an avalanche of evidence that he consistently
16 lied to the plaintiffs about a wide variety of
17 financial matters, which also independently
18 represents breaches of his fiduciary status.

19 In terms of Count III, unjust
20 enrichment, I believe given the nature and extent
21 of the written contracts, judgment in favor of the
22 defendants is appropriately granted. As to Count IV,
23 the conversion count, based on the testimony,
24 specifically as it relates to the \$180,000 interest

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1 payment made by plaintiff as well as the \$60,000 that
2 supposedly went to rent, there is sufficient evidence
3 to defeat the motion as to Count IV.

4 As to Count V, there is certainly
5 sufficient evidence to sustain the allegation that
6 there was an agency contract between plaintiff and
7 Mr. Wang and that it was breached but there is not,
8 as counsel conceded, such evidence as to Mr. Wu.
9 So the motion for directed finding as to Count V is
10 granted as to Mr. Wu.

11 With that said, the Court also
12 concedes there are questions about the measure of
13 damages. The Court isn't quite certain about the
14 full measure of damages sought by plaintiffs as
15 to each of these counts. However, plaintiff has
16 established a prima facie case as to Counts I, II,
17 IV and V as it relates to Mr. Wang, but judgment is
18 entered in favor of defendants on Count III and on
19 Count V as to Mr. Wu exclusively.

20 All right. It's a little bit
21 after 12 right now. I know that because of the
22 Court's schedule, we got a later start. In addition
23 to the defendants, do you also intend to call Mr. Xu
24 and Ms. Hong as adverse witnesses this afternoon?

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1 MR. LISS: Yes, Judge.

2 THE COURT: We'll break for lunch
3 and I would ask, given the Court's findings and some
4 of the questions the Court has about the measure
5 of damages, for the parties to take some part
6 of the lunch break to speak with their clients about
7 whether the earlier discussions about settlement
8 possibilities might still be of interest to either
9 side. How much testimony do you think you're going
10 to have this afternoon? How much time do you think
11 you're going to need?

12 MR. LISS: I would think I'd use the full
13 afternoon, Judge.

14 THE COURT: All right. So we'll break
15 until 1:15.

16 MR. LISS: Your Honor, may I just get a
17 clarification on something?

18 THE COURT: Sure.

19 MR. LISS: You're saying I think that you
20 ruled that Counts III and V are out.

21 THE COURT: Well, V is only out as to
22 Mr. Wu. The Court believes there's more than ample
23 evidence to sustain that count as to Mr. Wang.

24 MR. LISS: And as to I, II, IV and V, it's

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1 your contention -- or your ruling that the prima
2 facie case has been made?

3 THE COURT: Absolutely.

4 MR. LISS: All right.

5 THE COURT: All right, thank you.

6 MR. STAAS: Thank you.

7 (Whereupon proceedings were had,
8 reported but not transcribed here:)

9 THE COURT: Okay, thank you very much.

10 The Court's findings at this stage are identical
11 to what it was at the directed finding stage.

12 Mr. Wang's testimony during defendants' case in chief
13 did not serve in any way to rehabilitate him or his
14 credibility. As I indicated before, the last nine
15 days have produced an avalanche of evidence proving
16 the fraud that both he and Mr. Wu committed on the
17 plaintiff.

18 The basic premise of or foundation
19 of the damage request is Mr. Xu's testimony that he
20 never would have completed the deal but for the fraud
21 perpetuated by the defendants. And, quite frankly,
22 if plaintiffs had wanted to try to recoup the
23 1.58 million that they put into it, I think that
24 that would be reasonable. However, they have not

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1 sought that. Instead -- and, frankly, because
2 they are not seeking that -- I think the issue about
3 the value of the property is a moot one. The only
4 damages being sought are the \$1,030,000 from the
5 contract purchasers to Linkers. That decision about
6 whether to refund the purchase price from the owners
7 of Elsa and Eastone of course is bound up with the
8 fraud and the conflict of interest perpetuated and
9 advanced as a result of Mr. Wang's
10 misrepresentations, and it is undisputed that by
11 the time Mr. Wang turned over control of the Linkers
12 bank account, the \$1,030,000 was no longer in that
13 account.

14 So judgment is entered in favor
15 of the plaintiff and against both defendants in the
16 amount of \$1,149,667, 1-1-4-9-6-6-7, broken down as
17 follows: \$1,000,030 representing the money deposited
18 as a result of the sales of the units, the \$100,000
19 worth of interest which, as conceded by counsel for
20 defendant, is due and owing based on the fact there
21 never was a loan, that there was never any basis
22 upon which to collect any interest, and the \$16,667
23 allegedly given to Casey for his services -- it's
24 undisputed that he never received that money -- minus

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1 the \$77,000 that is undisputed to have been paid by
2 Mr. Wang to complete the construction.

3 So judgment is entered in favor
4 of plaintiffs and against defendants, and I would
5 ask someone to draw up an order reflecting that, but
6 why don't we also show that the transcript of the
7 proceedings of today's session is incorporated into
8 and made a part of the order.

9 MR. STAAS: Just real quickly, your Honor,
10 just to correct - I think you might have misspoken.
11 You said \$1,000,030. I think you meant \$1,030,000.

12 THE COURT: I did. I'm sorry.

13 MR. STAAS: Thank you.

14 THE COURT: And as an aside, on the
15 topic of mitigation of damages, mitigation of damages
16 is always relative to the specific circumstances.
17 The Court finds that the limited efforts made by the
18 plaintiff were reasonable under the circumstances
19 given their limitations. Okay. Thank you,
20 gentlemen.

21 MR. STAAS: Thank you, your Honor.

22 WHICH WERE ALL THE PROCEEDINGS
23 HAD OR OFFERED AT SAID HEARING
24 OF THE ABOVE-ENTITLED CAUSE.

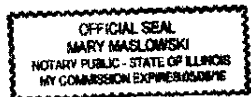
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) SS.
 2 COUNTY OF C O O K)

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 4 I, MARY MASLOWSKI, CSR, do hereby
 5 certify that I reported in shorthand the proceedings
 6 had at the trial aforesaid, and that the foregoing
 7 is a true, complete and accurate transcript of the
 8 proceedings at said trial as appears from the
 9 stenographic notes so taken and transcribed on the
 10 12th day of December, 2012.

11
 12
 13 *Mary Maslowski*
 14 Certified Shorthand Reporter
 15
 16
 17
 18
 19
 20



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Office of the Cook County Clerk

Map Department Legal Description Records

P.I.N. Number: 14163040391059

The legal description card(s) below is prepared in a format used for official county record-keeping, and can be used by the Cook County Recorder's Office to access their tract books.

If you need assistance interpreting this description, please obtain a copy of our instruction sheet "How to Read a Legal Description Card", available from the counter clerk or at our website www.cookctyclerk.com

Please verify the Property Identification Number or P.I.N. (also known as the "Permanent Real Estate Index Number"). If this is not the item you requested, please notify the counter clerk.

14	16	304	039	1059	478	7301
AREA	SUB-AREA	BLOCK	PARCEL	UNIT	WARRANT	CODE

OFFICE OF THE CLERK OF COOK COUNTY, ILLINOIS
 PERMANENT REAL ESTATE INDEX NUMBER AND LEGAL DESCRIPTION

VOLUME
478

TAX CODE
7301

AREA SUB-AREA BLOCK PARCEL UNIT
 14- 16- 304- 039- 1059

SEE SPECIAL FILE CARD FOR COMPLETE LEGAL DESCRIPTION

UNIT 8 L-AS PER DOC 22414417
 .5554% INTEREST IN COMMON
 ELEMENTS IN

1974 DIVISION

Block 304 Parcel 0116 013

AREA	SUB-AREA	BLOCK	PARCEL	UNIT	WARRANT	CODE
0	0	0	0	0	0	0
1	1	1	1	1	1	1
2	2	2	2	2	2	2
3	3	3	3	3	3	3
4	4	4	4	4	4	4
5	5	5	5	5	5	5
6	6	6	6	6	6	6
7	7	7	7	7	7	7
8	8	8	8	8	8	8
9	9	9	9	9	9	9

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