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FILED
ALAMEDA COUNTY

JUN 04 2007

CLERK OF THE SUPERIOR COURT
By Denise Wells
Deputy

**SUPERIOR COURT - STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF ALAMEDA
EASTERN DIVISION**

13	GERALD E. STEFANSKI, SAMUEL)	CASE NO. ^{UG04} UG -178285
14	STORY, JOANN STORY and CAROL)	
15	TOMASA)	PLAINTIFF'S DECLARATION IN
16	Plaintiffs)	OPPOSITION TO MOTION FOR
17	v.)	SUMMARY JUDGMENT AS TO
18)	PLAINTIFFS SAMUEL AND JOANN STORY
19	GUY HOUSTON, The Investment)	HRNG DATE: June 18, 2007
20	Partnership, a California Limited)	HRNG TIME: 9:00 a.m.
21	Partnership; and Does I through 100,)	HRNG PLACE: Dept. 31
22	inclusive,)	
23	Defendants)	

24 I, Samuel Story, declare as follows:

25 The statements made below are based on my personal knowledge of the same. If called to
26 testify I am competent to testify to the matters stated in the following declaration.

27 1. Plaintiffs Samuel and Joann Story hereby adopt by reference and incorporate as though
28 fully set forth herein the facts alleged in Plaintiff's Separate Statement of Disputed and
29 Undisputed Facts filed by Plaintiff Gerald Stefanski, insofar as they pertain to correspondence
30 addressed to me.

31 2. I became acquainted with the Houstons in 1984 when I was referred to them by an
32 associate at my place of employment. I made an appointment to visit them in their Dublin
33 office. At that meeting I was given the impression that the various investment entities were a
34 family affair. At that meeting I met with both Guy and Fred, who both talked to me about the
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1 in Napa County, and that the partnership could not engage in any other business; partnership
2 agreement, paragraph 1.02.

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4 9. Although I did receive interest payments on various trust deeds, and I received the
5 principal on some of the investments (see exhibit 12 attached to this declaration), as of April
6 22, 1999, I was owed \$50,000, the principal of which has never been paid. The April 22, 1999
7 letter represents that I am owed the money by Winning Action Investments; however,
8 approximately two months later I received a letter (see exhibit 17) dated June 5, 1999,
9 informing me that my notes had been "combined with The Investment Partnership." I never
10 received an explanation of why this was done, what the difference was between Winning
11 Action and The Investment Partnership, what assets The Investment Partnership had to secure
12 my investment, or the risks involved with that investment. There is no evidence of any assets
13 that I have security interest in for the \$50,000.¹ As of the date of his Declaration the amount
14 owed, with interest, has increased considerably.

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18 In 1986 we had purchased a limited partnership of 2% in the HNAPAD property. Exhibit
19 1, exhibit 25. Nothing ever came of the plans for that property. In 2001 we suddenly started
20 getting pressure from Guy Houston to sell our interest back to them, for \$16,120. Guy wrote
21 several letters to us representing that the plans for developing the Napa property had failed, and
22 no improvement in sight for 3 to 5 years. Exhibit 14. Also, Guy started telling us about all the
23 problems they were having with the situation Napa, and that they were getting worse, and the
24 property was worthless. Guy was so anxious for us to sell our interest back that he personally
25 drove to our home to get our signatures. See my deposition testimony, page 49, lines 5 to page
26 50 line 14. King declaration Vol. I part E.

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30 However, based on what was told to us about the current value of \$1,240,000, and
31 assuming equity of about \$1,000,000, our share should have been \$20,000. But we learned for
32 the first time from Guy that they had borrowed all of the equity in the property. When Fred
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37 ¹ I still own an interest in Orangeburg Associates, for which I paid \$30,000 and has not been
liquidated. I expect to receive my investment back on that entity.