

IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION – CIVIL

JOSHUA GOLDBLOOM, et al. : FEBRUARY TERM, 2015
: :
Plaintiff, : NO. 01558
: :
v. : COMMERCE PROGRAM
: :
JOANNA PANG et al. : Control No. 15021882
: :
Defendant. :

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ORDER

AND NOW, this 6th day of March, 2015, upon consideration of plaintiff's Motion for Writ of Seizure, the response thereto, and all other matters of record, after a hearing on said Motion, and in accord with the Opinion issued simultaneously, it is **ORDERED** that said Motion is **GRANTED in part**, and defendant shall turn over the disputed equipment to plaintiff within ten (10) days after plaintiff posts a bond in the amount of \$100,000 as security for the equipment.

It is further **ORDERED** that plaintiff shall account to defendant on a monthly basis for all sponsorship and other income earned, and all expenses incurred, in connection with his and Awesome Fest, LLC's use of the equipment.

The remainder of the Motion is **DENIED**.

BY THE COURT,


GLAZER, J.

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Goldbloom Etal Vs Pang -ORDER



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OPINION

Plaintiff Joshua Goldbloom and defendant Joanna Pang are joint venturers who no longer share the same vision for their company, Awesome Fest, LLC. The parties agree that Mr. Goldbloom owns 65% of the membership interests in the LLC and Ms. Pang owns 35%. The parties also agree that in or about 2012, Ms. Pang contributed approximately \$50,000 in capital to the company to purchase equipment necessary for its business.

Awesome Fest, through its majority member Mr. Goldbloom, provides mostly outdoor screenings of movies throughout the Philadelphia area during the warmer months of the year. The screenings are often offered free to the viewing public and are funded by corporate or community sponsors. This business model has apparently created a popular and recognizable Awesome Fest “brand,” but has not enabled Awesome Fest to pay for the back office services provided by Ms. Pang, or even to remunerate Mr. Goldbloom fully for his time and efforts.

Ms. Pang now desires to be reimbursed for her capital contribution and her past services to the company and to walk away from this venture. Mr. Goldbloom does not have the funds to buy her out. As a result, Ms. Pang has taken the position that her capital contribution of \$50,000 was also a loan secured by the equipment. She currently possesses the equipment and refuses to

let Mr. Goldbloom use it in connection with Awesome Fest's 2015 season, which is slated to begin in about a month.

In support of her claim to a security interest in the equipment, she points to the following documents:

1. The Initial Management and Operating Agreement for Awesome Fest, which gives her extremely broad management authority over the business;
2. A Security and Loan Agreement between Ms. Pang and Awesome Fest in which all assets of Awesome Fest secure repayment of all sums due to Ms. Pang; and
3. A UCC Financing Statement filed November 14, 2014, after the parties' disagreement began, giving Ms. Pang a security interest in all assets of Awesome Fest, including the equipment.

The problem is that these documents were all signed by Ms. Pang, and only Ms. Pang, on behalf of Awesome Fest. Mr. Goldbloom testified credibly that he did not agree to them and did not even know of their existence until November, 2014, when he and Ms. Pang had some heated conversations and she produced them to him.

The court does not believe Ms. Pang was acting venally in executing these documents by herself; she was simply trying to protect her investment. However, the court cannot enforce these written documents because they do not reflect both parties' oral agreement; there was no meeting of minds with respect to all the material terms of these documents. They cannot bind Mr. Goldbloom, the majority member, without some evidence of his acquiescence in them.

Furthermore, Ms. Pang cannot categorize the \$50,000 she paid for the equipment as both a capital contribution entitling her to a 35% membership interest in the company and a loan that must be repaid in full by the company. Since the evidence showed that both parties agreed in

2012 that her capital investment was a contribution entitling her to a minority membership interest in Awesome Fest, that is what she now has, and that is all she has – 35% of a company that may fold if it cannot continue to utilize its equipment to show movies.

Since Awesome Fest owns the equipment at issue, it, acting through its majority member Mr. Goldbloom, is entitled to possess and use that equipment for its usual business purposes, and Ms. Pang must return it to him. However, Ms. Pang testified credibly that Mr. Goldbloom evidenced a desire to sell that equipment so that he could pay himself what he believes he needs to cover personal expenses. Since the equipment belongs to the LLC and not to him, he may not sell it without paying off Awesome Fest’s creditors and splitting the remaining funds 35-65 with Ms. Pang.

In order to ensure that Mr. Goldbloom does not engage in any such “self-help,” the court will abide by the Rule that governs Mr. Goldbloom’s Motion for Writ of Seizure and require him to post a bond “in double the value of the property averred in the complaint with security approved by the prothonotary.” Pa. R. Civ. P. 1075.3.

For all the foregoing reasons, Mr. Goldbloom’s Motion for Writ of Seizure is granted in part and denied in part.

BY THE COURT,


GLAZER, J.