No. 96177

WILLIAM VARKER BLEWETT, BERTRAM WINTER GONIN, and HOWARD FARNHAM PARSONS, Plaintiffs

FILED MAY 3 1939 J.B. McLEES, Clerk

-VS-

BEAM RAYS, INCORPORATED, a corporation,

Defendant

COMPLAINT

The plaintiffs above named, complaining of the defendant above named,

FOR A FIRST CAUSE OF ACTION STATE:

Ι

Plaintiffs are residents of the City of London, England, and defendant is and at all times herein mentioned has been a corporation duly organized and existing under the laws of the State of California.

II

During the month of June, 1938, at the City of San Diego of said State, the defendant sold and delivered to the plaintiffs certain apparatus, designed to put the Rife treatment principle of defendant into practice, at an agreed purchase price which was to consist of the actual constructional cost to defendant of such apparatus. In such sale defendant represented to plaintiffs such actual constructional cost to be \$2,991.28, which representation plaintiffs believed to be true and thereupon paid defendant said sum. Such actual constructional cost was only \$300.00 and defendant now holds the sum of \$2,691.28 for the use and benefit of plaintiffs.

AND FOR A SECOND CAUSE OF ACTION STATE:

The statement of paragraph I of the first cause of action herein are true and are made a part of this statement of cause of action.

П

Defendant is now and at all times herein mentioned has been the manufacturer of the Rife Ray Machine and of apparatus designed to put the Rife treatment principle into practice.

Ш

During the month of June, 1938 in the City of San Diego, of the State of California, the defendant sold and delivered to the plaintiffs, apparatus to be used for the purpose of putting said Rife treatment principle into practice, for which plaintiffs paid the defendant the sum of \$2,991.28 and defendant, as a part of said sale, warranted that said apparatus was fit and proper for such purpose.

IV

Said apparatus was wholly unfit to be used for the purpose above stated or for any purpose, and is valueless.

V

By reason of the premises, plaintiffs were damaged in the sum of \$2,991.28.

AND FOR A THIRD CAUSE OF ACTION STATE:

I

The statement made in paragraph I of the first cause of action herein are true and made of part of this statement of cause of action.

II

At all times mentioned herein defendant was and now is licensed from its owners to manufacture and lease the Rife Ray Machine throughout the world and was manufacturing and now is manufacturing said machine.

Ш

On June 4, 1938 the plaintiffs and defendant entered into a written agreement whereby the defendant licensed the plaintiffs to manufacture and lease said Rife Ray machine in the British Isles and whereby the plaintiffs agreed to manufacture and lease at

least twenty-five (25) such machines per year and pay defendant sums of money for such license and for each machine leased. As a part of said agreement defendant promised to furnish, at all times thereafter, to the plaintiffs all of the technical knowledge relating to said machine, its use, manufacture and design and the specifications in accordance with which said agreement provided the plaintiffs must make said machines.

IV

At the time the plaintiffs entered into said agreement with the defendant, and in pursuance thereof, they purchased from the defendant certain apparatus necessary to plaintiffs in the manufacture of said Rife Ray Machine and so that plaintiffs could observe and demonstrate the working of such machine to stimulate interest in the leasing of such machine by showing its operation and the result thereof. Plaintiffs paid defendant \$2,991.28 for such apparatus.

V

Plaintiffs have performed all of their obligations under said agreement, and at all times since the making of said agreement have been ready, able and willing to perform such obligations. Defendant at all times since it entered into said agreement on June 4, 1938 has failed and refused and still fails and refuses to give plaintiffs, or any of them, any of the technical knowledge or the specifications for making said machine which were promised them, as stated in paragraph III hereof, although plaintiffs did often request defendant so to do since the making of said agreement. As a direct and proximate result of such failure and refusal said agreement and license obtained thereunder and said apparatus purchased as stated in paragraph IV hereof have become of no value whatsoever to plaintiffs, and plaintiffs have suffered damages in the particulars and amounts as follows:

- (a) Plaintiffs have expended much time and money in attempting to operate and demonstrate said apparatus purchased without being able to do so, and employed an electrical consulting engineer to assist in such attempts to operate and demonstrate. The reasonable value of such time, together with such money, amounts to the sum of \$10,000.00;
- (b) Since June 4, 1938 plaintiffs expended large sums of money in promoting the business of manufacturing and leasing said machines in the British Isles and in attempting to obtain said technical knowledge and specifications, in the total amount of \$10,000.00;
- (c) Plaintiffs paid to defendant under the terms of said contract for said licensing and for the other benefits they were to receive thereunder the sum of \$15,000.00;
- (d) The apparatus purchased of defendant by plaintiffs as stated in paragraph IV hereof is valueless to plaintiffs and thereby they are damaged in the sum of \$2,291.28.

WHEREFORE, plaintiffs demand judgment against the defendant in the sum of \$53,673.84, and interest thereon from June 4, 1938 at 7% per annum, and such other relief as to the Court may seem proper, and for their costs.

WEINBERGER and MILLER By (<u>signature of Eugene W. Miller</u>) Attorneys for Plaintiffs

No. 96177

WILLIAM VARKER BLEWETT, BERTRAM WINTER GONIN, and HOWARD FARNHAM PARSONS Plaintiffs

FILED JUN 9 1939 J.B. McLEES, Clerk

-VS-

BEAM RAYS, INCORPORATED, a corporation

Defendant and Cross-complainant

-VS-

PHILIP HOYLAND

Cross-Defendant

ANSWER AND CROSS-COMPLAINT

In answer to said plaintiffs' complaint in the above entitled action, defendant admits, denies, and alleges as follows:

Ι

Defendant admits that during the month of June, 1938, at said City of San Diego, defendant sold and delivered to the plaintiffs certain apparatus designed to put the Rife treatment principle into practice; defendant denies each and every allegation contained in paragraph II and said plaintiffs' first alleged cause of action except as above expressly admitted; defendant alleges that the price of \$2991.28 was the agreed purchase price of said apparatus sold by defendant to said plaintiffs.

II

IN ANSWER TO SAID PLAINTIFFS' SECOND CAUSE OF ACTION defendant denies that as a part of the sale by defendant to plaintiffs of certain apparatus, the defendant warranted that said apparatus was fit or proper for any purpose whatever.

Defendant has no information or belief sufficient to enable it to answer the allegations contained in paragraphs IV and V of said Second Cause of Action, and on that grounds denies each and every allegation contained in said paragraphs IV and V.

IV

IN ANSWER TO THE THIRD CAUSE OF ACTION IN SAID COMPLAINT defendant alleges that it employed on Philip Hoyland, one of the co-owners of the invention known as the Rife Ray Machine, and made said Philip Hoyland Technical Advisor of defendant corporation, and that as such Technical Advisor it was the duty of said Philip Hoyland to superintend the manufacture of Rife Ray Machine for defendant, and to furnish and use all necessary technical knowledge relating to said Rife Ray Machine, its use, manufacture, design and specifications; that upon making the contract of June 4, 1938, mentioned in paragraph III of said Third Cause of Action in said Complaint, defendant ordered said Hoyland to furnish forthwith to plaintiffs all of the technical knowledge relating to said Rife Ray Machine, its use, manufacture, design and specifications, as provided in said contract between defendant and plaintiffs; that said Hoyland promised and agreed that he would furnish to plaintiffs all said technical knowledge, and informed Defendant that he had done so; and it was a part of the duties of said Hoyland in the course of his employment as said Technical Advisor so to do; that said Hoyland is no longer in the employ of said corporation and defendant cannot obtain from said Hoyland any information as to what technical knowledge or specifications, if any, said Hoyland has sent to the plaintiffs; that defendant has no information or belief sufficient to enable it to answer any of the allegations of said Third Cause of Action relating to the alleged failure or refusal of defendant to give plaintiffs said technical knowledge and specifications and on that ground defendant denies each and all of said allegations.

V

Defendant has no information or belief sufficient to enable it to answer any of the allegations contained in said paragraphs (a), (b), and (d), of paragraph V of said Third Cause of Action, and on that ground defendant denies each and every allegation contained in said paragraphs (a), (b), and (d).

WHEREFORE defendant prays judgment that plaintiffs take nothing by their said complaint, that defendant be dismissed hence with its costs, and for such other and further relief as to the court may seem just.

AND FOR A CROSS-COMPLAINT AGAINST THE CROSS DEFENDANT PHILIP HOYLAND, THE DEFENDANT AND CROSS-COMPLAINANT, BEAM RAYS, INC. ALLEGES AS FOLLOWS:

Ι

That the defendant and cross-complainant is, and at all times herein mentioned was, a corporation, duly organized and existing under and by virtue of the laws of the State of California.

II

That prior to the 4th day of June, 1938, and at all times since then, cross-complainant was engaged in the manufacture and distribution of machines commonly known as Rife Ray Machines; that prior to said 4th day of June, 1938, cross-complainant employed said Philip Hoyland as its Technical Advisor; that said Philip Hoyland was one of the co-owners of the invention known as the Rife Ray Machine and was familiar with the design, specification, construction and method of operation of said Rife Ray Machine; that it was a part of the duties of said Philip Hoyland, as such Technical Advisor, to manufacture and superintend the manufacture, in the laboratories of cross-complainant, of said Rife Ray Machines, and to manufacture said machines according to the proper design thereof, and so that they would reliably operate to generate the ray commonly known as the Rife Ray.

Ш

That on or about the 4th day of June, 1938, cross-complainant by contract in writing, agreed with William Varker Blewett, Bertram Winter Gonin and Howard Farnham Parsons, residents of the British Isles, to authorize said Blewett, Gonin and Parsons to manufacture and distribute said Rife Ray Machines in the British Empire; that as part of said agreement, cross-complainant agreed to furnish to said Blewett, Gonin and Parsons, the design and specifications of said Rife Ray Machine and all information regarding the construction, manufacture, use and operation of said Rife Ray Machine which might be needed by said Blewett, Gonin and Parsons to enable them conveniently to manufacture, demonstrate, use, operate and distribute said Rife Ray Machines.

IV

That said Philip Hoyland, as one of the owners of said Rife Ray invention, authorized and consented to the making of said agreement with said Blewett, Gonin and Parsons, and to all the terms thereof; that it was a part of the duties of said Philip Hoyland as said Technical Advisor, to assist cross-complainant to comply with the terms of said agreement with said Blewett, Gonin and Parsons, by furnishing to said Blewett, Gonin and Parsons, all the technical knowledge and information relating to the design and specifications, manufacture and use of said Rife Ray Machine which might be necessary or convenient to said Blewett, Gonin and Parsons in the manufacture, demonstration use

and distribution of said Rife Ray Machines in the British Empire; that on or about the 4th day of June, 1938, said cross-complainant requested and instructed said Philip Hoyland, as said Technical Advisor to furnish forthwith to said Blewett, Gonin and Parsons all of said technical knowledge and information relating to said Rife Ray Machine, and said Hoyland promised and agreed that he would forthwith so furnish said technical information, and later informed Cross-Complainant that he had done so.

V

That on or about said 4th day of June, 1938, cross-complainant sold to said Blewett, Gonin and Parsons, certain machines designed to produce the Rife Ray and put the Rife Ray treatment into practice; that it was a part of the duties of said Philip Hoyland as Technical Advisor of cross-complainant to superintend the manufacture of said machines in the laboratories of cross-complainant, and to cause said machines to be built and adjusted so that they would properly and reliably produce said Rife Ray and would be reliably, conveniently and effectively used for the giving of treatments with said Rife Ray; that cross-complainant directed said Philip Hoyland to cause the said machines to be manufactured, and delivered to said Blewett, Gonin and Parsons, and said Hoyland agreed and promised that he would do so, and later informed cross-complainant that he had done so.

VI

That machines purporting to be said Rife Ray Machines were constructed according to the design and specifications furnished by said Hoyland, and were constructed under his supervision as said Technical Advisor, and were by him delivered to said Blewett, Gonin and Parsons, for which machines said Blewett, Gonin and Parsons paid to cross-complainant the sum of \$2991.28.

VII

That under the terms of said agreement of the 4th day of June, 1938, authorizing said Blewett, Gonin and Parsons to manufacture and distribute Rife Ray Machines in the British Empire, said Blewett, Gonin and Parsons have paid the sum of \$15,000 to the said owners of said Rife Ray invention, including said Philip Hoyland, and said Blewett, Gonin and Parsons have expended large sums of money in preparation to manufacture and distribute Rife Ray Machines in the British Empire under the terms of said Agreement of June 4, 1938.

VIII

That cross-complainant is informed and believes, and on that ground alleges that said machines so manufactured, sold and delivered to said Blewett, Gonin and Parsons, were defective in design and manufacture to such an extent that the same would not and could not generate the Rife Ray, nor could they be used in giving treatments involving the use of the Rife Ray principle, and cross-complainant is informed and believes and on

that ground alleges that said Philip Hoyland has at all times wholly failed, neglected and refused to furnish to said Blewett, Gonin and Parsons, or any of them, any technical knowledge or information relating to the design or specifications or manufacture or use of said Rife Ray Machines, and that by reason of said defective character of said machines so sold and delivered to said Blewett, Gonin and Parsons, and by reason of said failure, neglect and refusal of said Hoyland to furnish said technical knowledge and information to said Blewett, Gonin and Parsons, said Blewett, Gonin and Parsons at all times since said 4th day of June, 1938, have been and still are wholly unable to manufacture, use or distribute in the British Empire or at all, said Rife Ray Machines, to their damage in the sum of approximately \$53,000; that by reason of the foregoing facts, said Blewett, Gonin and Parsons have brought suit against cross-complainant in the above entitled action for said sum of \$53,000; that cross-complainant has been obliged to employ counsel to defend said action and to incur therefore an indebtedness to its said counsel, Bertrand L. Comparet, Esq., Attorney admitted to practice in all the courts of the State of California, for the fair and reasonable value of his services as such counsel, in the defense of said litigation; that the fair and reasonable value of said services of said counsel is not less than the sum of \$250.

IX

That it was further provided in said agreement of June 4, 1938, between crosscomplainant and said Blewett, Gonin and Parsons, that a corporation should be organized to manufacture, use and distribute said Rife Ray Machines in the British Empire, and that 25 per cent of the total capital stock of said corporation should be issued to crosscomplainant; that as owner of said capital stock of said corporation, cross-complainant would have received 25 per cent of all net profits made by said corporation for the manufacture, use and distribution of said Rife Ray Machines in the British Empire; that by reason of said defective character of said machines so sold and delivered to said Blewett, Gonin and Parsons, and by reason of said failure to furnish to said Blewett, Gonin and Parsons, or any of them, said technical knowledge and information relating to the design, specifications, manufacture and use of said Rife Ray Machines, said Blewett, Gonin and Parsons have notified cross-complainant that they have cancelled said agreement of June 4, 1938, relating to the manufacture, use and distribution of Rife Ray Machines in the British Empire, and to the creation of said corporation and the transfer of said stock therein to cross-complainant; and cross-complainant has, by reason of the foregoing facts, been deprived of the profits which would have come to it as owner of said 25 per cent of the total capital stock of said corporation and all other profits which would have some to it by reason of the performance of said contract of June 4, 1938, to the further damage of cross-complainant in the sum of \$100,000.

WHEREFORE, cross-complainant prays judgment against said Philip Hoyland in the sum of \$153,250 and for its costs incurred herein, and for each other and further relief as to the court may seem just.

(signature of Bertrand L. Comparet)
(signature of Hillyer & Boldman)
Attorneys for Defendant and
Cross-complainant

Received a copy of the within Answer and Cross-Complaint, this 9th day of June, 1939.

Weinberger & Miller (signature of Eugene W. Miller) Attorney for said Plaintiff

No. 96177

WILLIAM VARKER BLEWETT, BERTRAM WINTER GONIN, and HOWARD FARNHAM PARSONS Plaintiffs,

FILED JUN 22 1939 J.B. McLEES, Clerk

-VS-

BEAM RAYS, INCORPORATED, a corporation,

Defendant and Cross-complainant,

-VS-

PHILIP HOYLAND,

Cross-Defendant.

ANSWER TO CROSS-COMPLAINT

Comes now PHILIP HOYLAND, the cross-defendant in the above-entitled matter, and for answer to defendant and cross-complainant's complaint on file herein, admits, denies and alleges as follows:

I.

Admits each and every allegation contained in Paragraphs I, II, III, IV, V and VI of the cross-complaint on file herein.

II.

That, in answer to Paragraph VII of the cross-complaint on file herein, this cross-defendant admits that, under the terms of said agreement of the 4th day of June, 1938, authorizing said Blewett, Gonin and Parsons to manufacture and distribute Rife Ray Machines in the British Empire, said Blewett, Gonin and Parsons have paid the sum of Fifteen Thousand Dollars (\$15,000.00) to the said owners of said Rife Ray Invention, including said Philip Hoyland, but this cross-defendant does not have sufficient information and, basing his denial upon such lack of information, denies that said Blewett, Gonin and Parsons have expended large sums of money in preparation to manufacture and distribute Rife Ray Machines in the British Empire under the terms of said agreement of June 4, 1938.

That, in answer to Paragraph VIII of the cross-complaint on file herein, this crossdefendant denies that said machines so manufactured, sold and delivered to said Blewett, Gonin and Parsons were defective in design and manufacture to such an extent that the same would not, and could not, generate the Rife Ray; and further denies that said machine could not be used in giving treatments involving the use of the Rife Ray principle; and cross-defendant further specifically denies that he has, at all times, wholly failed, neglected and refused to furnish to said Blewett, Gonin and Parsons, or any of them, any technical knowledge or information relating to the design, or specifications, or manufacture, or use of said Rife Ray Machines; and further specifically denies that said machines so sold and delivered to said Blewett, Gonin and Parsons were defective in any manner whatsoever; and denies that, by reason of any failure, neglect and refusal of this cross-defendant to furnish technical knowledge and information to said Blewett, Gonin and Parsons, said Blewett, Gonin and Parsons have been, and still are, wholly unable to manufacture, use, or distribute in the British Empire, or at all, said Rife Ray Machines; and denies specifically that said Blewett, Gonin and Parsons have been damaged in the sum of Fifty-three Thousand Dollars (\$53,000.00), or in any other sum, or at all; cross defendant admits that said Blewett, Gonin and Parsons have brought suit against crosscomplainant in the above-entitled action for said sum of Fifty-three Thousand Dollars (\$53,000.00), and further admits that cross-complainant has been obliged to employ counsel to defend said action.

IV.

That cross-defendant does not have sufficient information and, basing his denials upon such lack of information, denies that it was further provided in said agreement of June 4, 1938, between cross-complainant and said Blewett, Gonin and Parsons that a corporation should be organized to manufacture, use and distribute said Rife Ray Machines in the British Empire; and that twenty-five per cent (25%) of the total capital stock of said corporation should be issued to cross-complainant; that this cross-defendant hoes not have sufficient information or belief and, basing his denials upon said lack of information and belief, denies that, as owner of said capital stock of said corporation, cross-complainant would have received twenty-five per cent (25%) of all net profits made by said corporation for the manufacture, use and distribution of said Rife Ray Machines in the British Empire; denies specifically that said machines so sold and delivered to said Blewett, Gonin and Parsons were defective; and denies that this cross-defendant failed or refused to furnish to said Blewett, Gonin and Parsons, or any of them, technical knowledge and information relating to the design, specifications, manufacture and use of said Rife Ray Machine; but cross-defendant has been informed and believes and, upon such information and belief, admits that said Blewett, Gonin and Parsons have notified cross-complainant that they have canceled said agreement of June 4, 1938, relating to the manufacture, use and distribution of Rife Ray Machines in the British Empire; and crossdefendant further denies each and every other allegation contained in paragraph IX of said cross-complaint not herein expressly admitted; and denies that cross-complainant has been deprived of any profits which would have come to said cross-complainant as owner

of said twenty-five per cent (25%) or of any any other amount of total capital stock of said corporation; and further denies that said cross-complainant has been deprived of any other profits, which would have come to it by reason of the performance of said contract of June 4, 1938; and denies that said cross-complainant has been damaged in the sum of One Hundred Thousand Dollars (\$100,000.00), or in any other sum, or at all.

WHEREFORE, cross-defendant prays that the cross-complaint on fille herein be dismissed; that he go forth with his costs of suit herein incurred and for such other other and further relief as to the Court may seem meet and just in the premises.

AARON SAPIRO and ELI H. LEVENSON By (<u>signature of Eli H. Levenson</u>) Attorneys for Cross-Defendant.

STATE OF CALIFORNIA)

onumber () ss.

COUNTY OF SAN DIEGO)

PHILIP HOYLAND, being first duly sworn deposes and says: That he is the Cross-Defendant in the above-entitled action; that he has read the foregoing Answer to Cross-Complaint and knows the contents thereof; that the same is true of his own knowledge, except as to those matters which are therein stated on his information or belief and as to those matters that he believes it to be true.

(signature of Philip Hoyland)

SUBSCRIBED AND SWORN TO before me This 19 day of June, 1939.

(signature of Eli H. Levenson) Notary Public in and for the County Of San Diego, State of California.

RECEIVED A COPY OF THE FOREGOING ANSWER TO CROSS-COMPLAINANT THIS 22 day of June, 1939.

(signature of Bertrand L. Comparet)
Attorneys for Defendant and CrossComplainant.

WILLIAM VARKER BLEWETT et al

Plaintiffs

Vs

BEAM RAYS, INC. a corp Defendant Entered Judgment Book 152 Page ??

Mar 21 1952 No. 96177

DISMISSAL

It being shown to the satisfaction of the Court that the above entitled action has been pending for more than five years, and with no action being taken thereon;

NOW, THEREFORE, pursuant to the provisions of Section 583 of the Code of Civil Procedure of the State of California, the above entitled action is hereby dismissed.

Done in Open Court this 11 day of March 1952.

(signature of L.N. Turrentine)
JUDGE OF THE SUPERIOR COURT