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7 **DISTRICT COURT**
 8 **CLARK COUNTY, NEVADA**

9 * * *

10 INNOVATIVE ENERGY SOLUTIONS,
 11 INC.,

12 *Plaintiff,*

13 v.

14 TERRY DINGWALL, an individual,
 15 STEPHEN MONACO, an individual, DAVID
 E. GRISWOLD, an individual, ROE
 BUSINESS ENTITIES I through X; and
 16 DOES XI through XX, inclusive,

17 *Defendants.*

Case No.: A508740
 Dept No.: XI

**JUDGMENT AGAINST FOSTER,
 COCHRANE AND DORNAN**

Hearing Date: N/A
 Hearing Time: N/A

18 TERRY DINGWALL, individually and
 19 derivatively on behalf of INNOVATIVE
 ENERGY SOLUTIONS, INC.

20 *Counterclaimants,*

21 v.

22 RONALD FOSTER, an individual; PATRICK
 COCHRANE, an individual; FREDERICK
 DORNAN, an individual; INNOVATIVE
 ENERGY SOLUTIONS, INC., nominally; and
 23 DOES I through XX, inclusive,

24 *Counterdefendants.*

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<p>RONALD FOSTER, an individual, <i>Counterclaimant,</i></p> <p>v.</p> <p>TERRY DINGWALL, an individual, STEPHEN MONACO, an individual, <i>Counterdefendant.</i></p> <hr/> <p>HYUNIK YANG, HYUNSUK CHAI, <i>Plaintiffs in Intervention,</i></p> <p>v.</p> <p>INNOVATIVE ENERGY SOLUTIONS, INC., a Nevada Corporation; PATRICK COCHRANE; RONALD FOSTER; FRED DORNAN, DOES 1through 10; and ROE Corporations A through Z, <i>Defendants in Intervention.</i></p>
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This action was initiated when Innovative Energy Solutions, Inc. (“IESI”) filed its complaint against Terry Dingwall (“Dingwall”), Stephen Monaco, David Griswold and Bradshaw Smith & Co., LLP.¹ When IESI initiated this action, Ronald Foster (“Foster”), Patrick Cochrane (“Cochrane”) and Fredrick Dornan (“Dornan”) were in control of IESI and selected this Nevada forum as the proper jurisdiction to resolve IESI’s claims. Thereafter, Dingwall and the other defendants filed their answers and affirmative defenses and, further, Dingwall filed counterclaims against Foster, Cochrane and Dornan. When Dingwall’s claims were asserted against Foster, Cochrane and Dornan, Foster resided in Nevada; Cochrane and Dornan resided in Alberta, Canada—all were properly served and all retained counsel in Nevada to represent their interests, including the filing of answers and affirmative defenses to the counterclaims and they asserted counterclaims against Dingwall. Eventually, Dr. Hyunik Yang (“Yang”) and Hyunsuk Chai (“Chai”) intervened in this action and asserted claims against Foster, Cochrane and Dornan, who

¹ Stephen Monaco and Bradshaw Smith & Co., LLP, were subsequently dismissed from this action.

1 were all properly served. Foster, Cochrane and Dorman, through their retained counsel, filed their
2 answers and affirmative defenses to Yang and Chai's claims. Foster, Cochrane and Dorman
3 voluntarily attorned to the jurisdiction of this Court and, through Nevada counsel retained by them,
4 actively participated in this case for approximately one year.

5 On June 22, 2007, following the Court's acceptance of live oral testimony (i.e., *viva voce*) in
6 Las Vegas from Foster, Cochrane and Dorman, the Court struck all pleadings filed by Foster,
7 Cochrane and Dorman and entered default against them as a sanction for their wrongful conduct,
8 including intentional disobedience of this Court's Order filed on March 1, 2007, as set forth in more
9 detail in this Court's Order filed on July 6, 2007. The court conducted a prove-up hearing on July
10 17, 2007, where the Court again accepted *viva voce* testimony from Dingwall and Yang to ascertain
11 the damages incurred by Dingwall, individually and derivatively on behalf of IESI, and by Yang and
12 Chai, individually and derivatively on behalf of IESI. Dingwall and Yang were both cross-
13 examined by counsel for Foster, Cochrane and Dorman. Based upon the papers and pleadings on
14 file herein, the striking of Foster, Cochrane and Dorman's pleadings, the live witness testimony and
15 documentary evidence presented at the prove-up hearing and for good cause appearing, the Court
16 finds, concludes, orders, adjudges and decrees as follows:

17 **FINDINGS OF FACT**

18 The Court finds as follows:

- 19 1. Foster, Cochrane and Dorman have engaged in a pattern of deceitful conduct and
20 self-dealing designed to enrich themselves personally to the detriment of IESI and its shareholders
21 and note holders.
- 22 2. Foster, Cochrane and Dorman knowingly and intentionally filed a false SB-2 with the
23 Securities and Exchange Commission in order to induce third parties to invest money with IESI.
- 24 3. Foster, Cochrane and Dorman sold securities to unaccredited investors in numerous
25 states in the United States and several provinces in Canada. The securities, consisting of
26 convertible promissory notes, were not registered nor were exemptions from registration perfected
27 under state securities laws.

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