

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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J.B. INTERNATIONAL, LLC,

Plaintiff,

Index No. 158913/2017

-against-

MANHATTAN BUYERS INC. and A.J.A.
DIAMONDS & WATCHES INC.,

Defendant.
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ANSWER AND COUNTERCLAIMS

Defendant MANHATTAN BUYERS INC. (“Manhattan Buyers”) and A.J.A. DIAMONDS & WATCHES INC. (“A.J.A.”) (collectively “Defendants”) by and through the undersigned counsel, Simon & Partners LLP, as and for this Answer to the Complaint previously filed in the action hereby alleges as follows:

1. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 1 of the Complaint.
2. Defendants admit the allegations set forth in paragraph 2 of the Complaint.
3. Defendants admit the allegations set forth in paragraph 3 of the Complaint.
4. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 4 of the Complaint.
5. Defendants admit the allegations set forth in paragraph 5 of the Complaint.
6. Defendants admit the allegations set forth in paragraph 6 of the Complaint.
7. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 7 of the Complaint.

8. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 8 of the Complaint.
9. .
10. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 10 of the Complaint.
11. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 11 of the Complaint.
12. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 12 of the Complaint.
13. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 13 of the Complaint.
14. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 14 of the Complaint.
15. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 15 of the Complaint.
16. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 16 of the Complaint.
17. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 17 of the Complaint except admit that, upon information and belief, Plaintiff negligently and carelessly threw away valuable diamonds one of which Defendant AJA Diamonds and Watches purchased in good faith and that, when questioned by the New York Police Department, AJA Diamonds

and Watches cooperated in all respects and turned over said diamond to the investigating detectives. Manhattan Buyers had no involvement in this transaction.

18. Defendants deny the allegations in paragraph 18 of the Complaint.
19. Defendants deny the allegations in paragraph 19 of the Complaint.
20. Defendants deny the allegations in paragraph 20 of the Complaint.
21. Defendants deny knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 21 of the Complaint.
22. Defendants deny the allegations in paragraph 22 of the Complaint.
23. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 23 of the Complaint.
24. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 24 of the Complaint.
25. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 25 of the Complaint.
26. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 26 of the Complaint.
27. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 27 of the Complaint.

First Cause of Action: Conversion

28. Defendants repeat and re-allege paragraphs 1 through 27 as if fully set forth herein.
29. Defendants deny the allegations in paragraphs 28 through 39 of the Complaint.

Second Cause of Action: Negligence

- 30. Defendants repeat and re-allege paragraphs 1 through 39 as if fully set forth herein.
- 31. Defendants admit that they were unaware that the precious gem purchased from Martinez was stolen as alleged in paragraph 41 of the Complaint..
- 32. Defendants deny that they should have known that said precious gem was stolen or belonged to a third-party as alleged in paragraph 42 of the Complaint.
- 33. Defendants deny the allegations as alleged in paragraph 43 through 45 of the Complaint.

Third Cause of Action: Unjust Enrichment

- 34. Defendants repeat and re-allege paragraphs 1 through 45 as if fully set forth herein.
- 35. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 47 of the Complaint.
- 36. Defendants deny knowledge or information sufficient to form a belief as to the allegations in paragraph 48 of the Complaint.
- 37. Defendants deny the allegations in paragraph 49 through 51 of the Complaint

First Affirmative Defense:

Plaintiffs have failed to state a cause of action upon which relief can be granted.

Second Affirmative Defense:

There was no duty owed by Defendants to Plaintiffs insofar as their was no privity between Plaintiffs and Defendants.

Third Affirmative Defense

Plaintiffs cannot recover in tort due to unclean hands

Fourth Affirmative Defense

Plaintiffs have failed to timely commence their causes of action.

Fifth Affirmative Defense

Plaintiffs failed to mitigate damages.

Sixth Affirmative Defense

Plaintiffs have contributed and or caused their own losses by sheer negligence in permitting their agents and employees to discard and/or throw away their own precious inventory.

Seventh Affirmative Defense

Plaintiffs alleged damages far exceed the actual damages and Plaintiff has been made whole.

FIRST COUNTERCLAIM: NEGLIGENCE

1. Defendants repeat and re-allege all prior paragraphs as if set forth herein.
2. Plaintiff's failure to supervise its own employees with the care and custody of precious gems was negligent.
3. As a result of Plaintiffs failure to supervise its employees, the conduct set forth in the Complaint by Martinez was permitted.
4. As a result of Martinez's criminal conduct, AJA Diamonds and Watches was induced to purchase said precious stone, invest significant sums of money in the improvement of that precious stone and lost such investment when the stone was taken by the New York City Police Department.
5. As a result of the foregoing, AJA Diamonds and Watches was damaged in a sum no less than \$100,000.

SECOND COUNTERCLAIM: UNJUST ENRICHMENT

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