

FILED

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CLERK U.S. DISTRICT COURT
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LOS ANGELES

4 In Propria Persona

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6 **UNITED STATES DISTRICT COURT**
7 **CENTRAL DISTRICT OF CALIFORNIA**

8 Kelley Ann Lynch, an individual

Case No.

9 Plaintiff

CV 16-02771 SVW (FFM)

10 vs.

11 Leonard Norman Cohen, an individual,
12 Robert B. Kory, an individual,
13 Michelle Rice, an individual,
and Does 1-25

14 Defendants

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16 **RICO COMPLAINT**

17 Plaintiff Kelley Ann Lynch ("Kelley Lynch" or "Lynch") for her Complaint against the
18 Defendants listed below alleges as follows:

19 **INTRODUCTION**

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21 1. Leonard Cohen, an internationally acclaimed singer-songwriter and performer, led a group of
22 lawyers (and other professionals) who filed baseless lawsuits against Kelley Lynch, his former personal
23 manager, with Los Angeles Superior Court, defended him in a matter before the U.S. District Court in
24 Colorado that involved Kelley Lynch (solely with respect to certain corporate interpleaded funds
25 deposited with the Court), filed a lawsuit with the U.S. District Court for the Central District of
26 California that relied on fraudulent misrepresentations about Lynch, obtained fraudulent default
27 judgments and restraining orders against Lynch, wrongfully converted Lynch's property to Cohen, and
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N/S

1 assisted him in other ways. At the heart of this situation is a related Tax Fraud Scheme. Leonard
2 Cohen's legal pleadings, replete with fraudulent misrepresentations and perjured statements in
3 declarations, are nothing other than a fabricated narrative, with a concocted set of facts, meant to defend
4 Leonard Cohen with respect to very serious allegations that he committed criminal tax fraud, pursued
5 sham intellectual property transactions, and used corporations as vehicles with which to evade and/or
6 defeat personal income taxation. It's a classic tale of greed, arrogance, and stupidity but it involves a
7 celebrity who has projected himself onto the world stage as a religious sage or elderly statesman.
8 Leonard Cohen and his team of professionals, including his co-defendants have engaged in egregious
9 misconduct, employed malicious and vulgar tactics, and committed extensive fraud upon numerous
10 courts. Cohen and his team of professionals, including his co-defendants, have blatantly destroyed the
11 lives of Kelley Lynch, both of her sons, and her elderly parents. He has employed an army of lawyers
12 who have taken tactical and procedural advantage of Lynch after Cohen willfully and knowingly
13 destroyed her financially, ruined two of her businesses, and set out to blame his own wrongdoing on her
14 and others. Leonard Cohen, Robert Kory, and Michelle Rice concocted a set of operative facts with
15 which to explain away Leonard Cohen's personal role in tax fraud and evasion, targeted Lynch's sons and
16 elderly parents, and have benefitted financially from their devious and brutal legal maneuverings. These
17 fraudulent facts and fabricated evidence have been used in cases filed with two U.S. District Courts and
18 numerous state courts in the United States. At the end of the day, the Defendants have essentially
19 obtained two fraudulent default judgments, renewed one, and obtained several highly abused fraudulent
20 restraining orders, frequently used to gain litigation advantages, to discredit Lynch as a witness. The
21 stakes are quite high and the lows are vile. Due to the coordinated media campaign, and failure of the
22 media and others to properly investigate the truth of the situation or even contact Lynch for her version
23 of events, she has been utterly and thoroughly demonized globally. This was done by design with the
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1 assistance of Leonard Cohen's carefully selected interviews, statements advanced in the media by the
2 RICO Defendants, and with the assistance of public relations firms.

3 2. By mid-October 2004, Leonard Cohen understood Kelley Lynch had serious concerns about
4 corporate entities and tax issues related to those entities, that Cohen and his representatives formed and
5 used to pursue intellectual property transactions. Thereafter, the RICO Defendants attempted to
6 pressure and force Lynch – by a variety of legitimate and illegal means - into generous settlement
7 agreements that involved agreements to pay Lynch what she was owed and the value of her ownership
8 interest in these corporations as well as the value of the intellectual property owned by them. If Lynch
9 refused to enter into a settlement agreement with Cohen, as she was advised by Robert Kory personally,
10 her life as she knew it would be destroyed. Sylvie Simmons biography, "I'm Your Man," recounts this
11 story after she interviewed the RICO Defendants. What journalists and the media did not recount was
12 the fact that Lynch was asked to provide perjured testimony against Cohen's professional representatives
13 and assist with the unraveling of the transactions and entities themselves. Tax concerns were of
14 paramount importance to the RICO Defendants. Once Natural Wealth (a company owed by Cohen's
15 financial and investment adviser, Neal Greenberg), filed their lawsuit against Cohen and Kory, the RICO
16 Defendants were forced to confront those allegations and retaliated against Lynch by filing an entirely
17 baseless, extortionate lawsuit against her with Los Angeles Superior Court. On May 15, 2006, Los
18 Angeles Superior Court, without obtaining jurisdiction over Kelley Lynch, would grant Cohen a
19 fraudulent multi-million default judgment against Lynch. This fraudulent judgment was then used to
20 tamper with the administration of justice in the Natural Wealth case before the U.S. District Court in
21 Colorado. Kelley Lynch was homeless when the multi-million default judgment was entered against her.
22 She was not served or notified of the notice of entry of default. She also was not served the summons
23 and complaint in this case. That appears to have been willful on the part of Leonard Cohen and his co-
24 defendants as will be more fully addressed herein below.
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1 3. On July 13, 2015, the RICO Defendants renewed the multi-million dollar fraudulent default
2 judgment with Los Angeles Superior Court. At that time, they added millions of dollars of fraudulently
3 accrued financial interest.

4 4. The RICO Defendants also obtained a fraudulent default judgment in connection with a
5 related writ of possession case filed with Los Angeles Superior Court on October 11, 2005. The default
6 judgment in this case was entered against Lynch on May 9, 2016. Kelley Lynch was homeless at the time
7 the judgment was entered against her. She was not notified or served the notice of entry of judgment.
8 Lynch was unaware that there was a related case, or second default judgment, until it was brought to her
9 attention by Judge Ken Freeman's court reporter in or around April 2010. In or around December 2013,
10 after Lynch filed her motion to vacate the multi-million default judgment, Lynch asked the RICO
11 Defendants' co-counsel, Jeffrey Korn, to provide her with the documents filed in that case. She received
12 a handful of the documents but the RICO Defendants steadfastly refuse to provide Lynch with the proof
13 of service and other documents she has consistently requested. This particular default judgment
14 permitted the RICO Defendants, through Los Angeles Sheriff's Department, to unlawfully seize Lynch's
15 property as well as the property of corporations, Machat & Machat, and Phil Spector. These unlawfully
16 seized items were not covered by the writ of possession.
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19 5. At this time, the RICO Defendants seek to enforce their fraudulently obtained multi-million
20 renewal of default judgment. These fraudulent judgments were used to tamper with the administration
21 of justice, and conceal, alter, and/or tamper with evidence, in connection with the Natural Wealth case
22 before the U.S. District Court in Colorado. Lynch brings this action contending, among other things,
23 that both Los Angeles Superior Court default judgments at issue in this case, as well as the decision of
24 the U.S. District Court in Colorado, were procured by fraud. Lynch now seeks equitable and other relief
25 to prevent the RICO Defendants from profiting from the fraudulently obtained default judgments or
26 seeking to enforce the Judgment in the United States or elsewhere.
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1 6. This case is extraordinary and complex. The facts are extensive; the case involves a
2 Hollywood celebrities. The RICO Defendants have filed entirely baseless lawsuits and submitted
3 fabricated and perjured declarations to numerous courts in the United States. They have concealed and
4 distorted a voluminous amount of evidence. The RICO Defendants have strategically gained tactical
5 advantages by ensuring that they were unopposed. This has permitted them to obtain fraudulent default
6 judgments, concoct fabricated operative facts and evidence, and use these tools to defend Leonard
7 Cohen against allegations that he committed criminal tax fraud with IRS Fraud Unit in Los Angeles,
8 California. The Tax Fraud Scheme is a separate but related and highly relevant scheme. It explains the
9 motive of the RICO Defendants to some degree. This Complaint is detailed and lengthy out of
10 necessity. The scheme to defraud, extort, discredit, and destroy Lynch – while terrorizing members of
11 her family and harassing witnesses and others – has taken place over approximately ten years. There is
12 fraud upon numerous courts, including two U.S. District Courts, and the tactics used against Lynch, and
13 others, have been unspeakably evil and unconscionable. Lynch should not be unduly prejudiced due to
14 the complexity of the scheme and cites cases at the end of this Complaint that involve lengthy RICO
15 Complaints and complex operative facts. Those cases were filed by teams of professional lawyers.

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18 7. In or around June 6, 2005, RICO Defendants Leonard Cohen and Robert Kory were sued by
19 Natural Wealth (the “Natural Wealth Lawsuit”). On July 1, 2005, the Natural Wealth Lawsuit was
20 removed to the U.S. District Court for the district of Colorado. The lawsuit alleged that Cohen, Kory,
21 and unnamed co-conspirators, knowingly participated in a “pattern of racketeering” that included
22 predicate acts of mail fraud, wire fraud, criminal extortion, bribery of a witness, intimidating a witness,
23 and tampering with a witness. The witness was Kelley Lynch. Robert Kory was eventually dismissed
24 from the case for lack of jurisdiction. The parties went onto submit extremely confused and distorted
25 legal pleadings and the case was ultimately dismissed. Certain corporate funds that had been invested
26 with Natural Wealth were deposited with the Court, and on September 11, 2008, transmitted to Leonard
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1 Cohen c/o Michelle Rice at the Law Office of Robert Kory. Judge Lewis Babcock's September 5, 2008
2 Order with respect to the interpleaded funds relied on the fraudulently obtained multi-million Los
3 Angeles Superior Court judgment.

4 8. After Lynch and Cohen parted ways, from approximately November 2004 through June
5 2005, the RICO Defendants attempted to force, threaten and/or coerce Lynch into extremely generous
6 settlement agreements with Leonard Cohen. At one point, Robert Kory personally suggested that Lynch
7 might be entitled to 50% community property or perhaps a disguised form of settlement as Lynch and
8 Cohen were never in a dating or engagement relationship. The basic settlements Lynch was offered
9 involved payment of monies due her and the value of her legal share of corporate entities and the
10 intellectual property allegedly owned by those entities. As it would turn out, Leonard Cohen had
11 fraudulently misrepresented commission and compensation agreements with respect to Lynch. In fact,
12 the RICO Defendants have now rendered countless written agreements and tax returns utterly
13 meaningless and part of a general scheme that involves the sham transactions and complex, convoluted,
14 and reckless tax strategies. Leonard Cohen is the individual who demanded the complex schemes.
15 The RICO Defendants were actually willing to enter into generous settlements with Kelley Lynch if she
16 provided perjured testimony against Leonard Cohen's representatives and potentially engaged in
17 extortion and insurance fraud. Specifically, Lynch was repeatedly asked to testify that Leonard Cohen
18 was defrauded by his representatives and assist the RICO Defendants with the unraveling of the
19 transactions and corporate structures. Lynch steadfastly refused to enter into any such agreements.
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23 9. On August 15, 2005, after Natural Wealth filed its lawsuit which generated considerable
24 Media attention, the Leonard Cohen – with the assistance of his co-defendants - filed a retaliatory,
25 baseless lawsuit against Lynch with Los Angeles Superior Court. The lawsuit was nothing other than a
26 concocted series of allegations, distortion of facts, concealment and fabrication of evidence, and a blatant
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1 attempt, that ultimately proved successful to extort millions of dollars, and other valuable property from
2 Lynch.

3 10. The background to this case, which led to the disintegration of Lynch and Cohen's business
4 relationship, involves the related Tax Fraud Scheme. In or around October 2004, Leonard Cohen
5 understood that Lynch had serious concerns about tax matters, the use of numerous corporations in
6 certain transactions, and had or planned to report those concerns to Internal Revenue Service. The
7 RICO Defendants retaliated against Lynch and, once the Natural Wealth Lawsuit was filed and became
8 extremely public, were forced to confront those allegations while defending Leonard Cohen. Prior to
9 this, the RICO Defendants wanted to handle matters in secret mediations. One of the concerns was the
10 very real possibility that this might draw unwanted attention from tax authorities and lead to inquiries
11 about the intellectual property transactions Leonard Cohen demanded. The Los Angeles Superior Court
12 is nothing other than the RICO Defendants defense to the allegations that Leonard Cohen committed
13 criminal tax fraud, a blatant attempt to obstruct justice, and their willful and knowing decision to benefit
14 from the situation.
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17 11. As stated above, Lynch was not served the summons and complaint in Los Angeles Superior
18 Court Case No. BC338322. She diligently and consistently attempted to address this with the RICO
19 Defendants who, together with other legal representatives of Leonard Cohen's, refused to communicate
20 with Lynch during the litigation processes. This was a tactic used against Lynch, who was forced to
21 represent herself, and permitted the RICO Defendants to cry "harassment" and conjure up further false
22 accusations they ultimately used against Lynch. Lynch's pro se status, and dependence upon fee waivers,
23 is a crucial element of the RICO Defendants' strategies with respect to their litigation adventures. Since
24 filing the Los Angeles Superior Court Complaint, the RICO Defendants felt assured of a "default
25 judgment" victory. Almost immediately after filing the Complaint, the RICO Defendants filed Leonard
26 Cohen's tax returns, amended others, transmitted the Los Angeles Superior Court with those documents,
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1 and fraudulently informed Internal Revenue Service and Franchise Tax Board – six months prior to entry
2 of the multi-million default judgment – that Cohen was entitled to tax refunds based on fraudulent
3 allegations related to “theft losses.” Lynch discovered these, and other facts, in April 2012. Since filing a
4 motion to vacate the multi-million default judgment and a motion related to fraud upon the court with
5 respect to that motion to vacate, Lynch has discovered the necessary elements of the RICO Defendants’
6 scheme to defraud, extort, discredit, and destroy Lynch. Prior to that, Lynch may have had a garden-
7 variety breach of contract suit against Cohen. However, there are in fact no actual contracts. There are
8 fraudulent misrepresentations, sham transactions, and extremely aggressive tax strategies. To this day,
9 Lynch is relentlessly harassed over her fee waivers, the fact that Courts – including the Central District of
10 California - look disdainfully and unfavorably upon self-represented litigants and are blatantly hostile
11 towards RICO suits. Lynch has also been relentlessly harassed, by certain co-conspirators, over the
12 Court’s merit review of her Complaint based on the fact that she has been forced to apply for a fee
13 waiver. Leonard Cohen, and his co-defendants, has actually attempted to have Lynch’s fee waiver
14 terminated with Los Angeles Superior Court and asked the Court to prevent Lynch from filing further
15 legal pleadings unless they were reviewed by a Supervising Judge. Lynch has filed one motion to vacate,
16 the RICO Defendants responded with pleadings and declarations replete with fraudulent
17 misrepresentations and perjured statements, and Lynch addressed the fraud upon the court in the second
18 motion she filed. This is the extent of Lynch’s activities with respect to Los Angeles Superior Court,
19 Case No. BC338322, and it caused Cohen to hire at least three separate law firms to oppose Lynch and
20 ultimate retaliate against her further. The RICO Defendants, using their tactical legal advantages over
21 Lynch, have willfully and knowingly failed to serve her, as will be addressed more fully herein; used this
22 as an opportunity to obtain fraudulent default judgments; knowingly and intentionally run statute of
23 limitations, and rely on arguments related to res judicata and claims preclusion to prevent Lynch from
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1 seeking and/or obtaining remedies for this unconscionable situation. that have infested and poisoned all
2 lawsuits related to Kelley Lynch and Leonard Cohen.

3 12. On August 9, 2013, Lynch filed her motion to vacate the fraudulently obtained Los Angeles
4 Superior Court Default Judgment (Case No. BC338322) due to extrinsic fraud with respect to the proof
5 of service, the failure to effect service upon Lynch, and the fact that the Court failed to obtain
6 jurisdiction over her. In response to this motion, the RICO Defendants argued that Kelley Lynch – not
7 her alleged “unidentified” co-occupant Jane Doe described in the proof of service – was the individual
8 served. Leonard Cohen personally submitted photographs of Lynch to the Court advancing his
9 argument that Lynch was in fact the unidentified Jane Doe co-occupant. However, Lynch did not
10 resemble the Jane Doe described in the proof of service; had no female co-occupant; knows of no one
11 who resembles that individual; lived with her son and his male friend; and had a third party present the
12 morning the process server allegedly served the Jane Doe co-occupant. Lynch has submitted numerous
13 declarations to Los Angeles Superior Court confirming these facts. Her witnesses were not permitted to
14 testify and she was indeed deprived of a fair hearing on this matter. The RICO Defendants response
15 documents were replete with fraudulent misrepresentations, declarations signed under penalty of perjury
16 contained blatant falsehoods, and Robert Kory’s January 4, 2014 declaration argued federal tax matters
17 that had nothing whatsoever to do with effecting service upon Lynch. On January 17, 2014, Los
18 Angeles Superior Court refused to vacate the order. Although ordered to do so, the RICO Defendants
19 failed to file a signed order with Los Angeles Superior Court, failed to serve a signed order upon Lynch,
20 and there was nothing for Lynch to appeal. On March 17, 2015, Lynch filed a motion for terminating
21 sanctions that addressed the egregious fraud upon the court. She submitted a declaration and substantial
22 evidence that was previously submitted to Internal Revenue Service. On May 29, 2015, the RICO
23 Defendants filed an Ex Parte Application and moved to have approximately 44 exhibits sealed. The
24 Court granted this request. On June 23, 2015, the hearing on the motion for terminating sanctions was
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1 heard. The Court denied this motion and incorrectly mischaracterized the motion as a motion for
2 reconsideration which it most certainly was not. The Order sealing evidence and denial of the motion
3 for terminating sanctions are presently under appeal. There is also an appeal pending with respect to a
4 fraudulently obtained “domestic violence order” procured by the RICO Defendants against Lynch.
5 There was and remains no “domestic violence” and the parties were not in the statutory required
6 “dating” or “engagement” relationship.
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8 13. The RICO Defendants, who gained a tactical advantage through the use of misconduct and
9 malicious tactics, have used an army of professionals to crush, destroy, and extort monies and property
10 from Lynch. This is part of their scheme to defraud and discredit Lynch. The RICO defendants have
11 also repeatedly invoked principles and doctrines related to full faith and credit with respect to their
12 invalid, fraudulently obtained judgments. Their goal is to prevail regardless of the injury and damage to
13 Lynch, actual facts and evidence, or the fraud they perpetrate upon every court they appear before. Their
14 allegations have grown increasingly fantastical, vulgar, and aggressive. The fraud upon the courts and
15 misconduct at issue was planned, supervised, financed and executed in order to provide the RICO
16 Defendants with plausible legal arguments, a set of concocted operative facts, a defense to the related
17 Tax Fraud Scheme, and to wrongfully extract money and property from Lynch while Cohen, Kory, and
18 Rice benefitted from their misconduct.
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21 14. Lynch has brought this suit to seek relief from the fraudulently obtained judgments and asks
22 this Court to provide appropriate remedies that would prevent enforcement of the fraudulently obtained
23 judgments and prevent the RICO Defendants, and enjoining third parties, from profiting in any way
24 from their egregious fraud. Lynch is entitled to equitable and other relief to prevent individuals subject
25 to this Court’s jurisdiction from benefitting from their misdeeds.
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27 15. Defendant Leonard Cohen is extremely intelligent, well educated, resourceful, shrewd, and a
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1 Master of public and media relations. Cohen is known for his unchallenged, highly improbable good
2 rock 'n roll stories about Phil Spector, Janis Joplin, Bay of Pigs, Yom Kippur War, and his alleged
3 participation in CIA's MK Ultra program. He also has a background in business, commerce, law, and
4 micromanaged his business, personal, and financial affairs. An extensive public relations and media
5 campaign has been part of the RICO Defendants' strategy from early on, and it continues. An egregious
6 campaign of harassment, stalking, defamation, and intimidation, that involves certain co-conspirators, has
7 taken place for approximately seven straight years and continues to this day. That campaign involves the
8 targeting of Lynch, her sons, family members, friends, the intimidation and retaliation against witnesses,
9 and other unlawful and depraved conduct. Among the objectives of these campaigns is to terrorize and
10 intimidate people (who support Lynch or provide declarations substantiating information and evidence)
11 while shifting the focus from the fraud on Lynch and numerous courts to absurd, salacious, and false
12 tales and statements about Lynch. These false and fraudulent statements have been transmitted to
13 numerous U.S. Courts, IRS, FBI, DOJ, Treasury, ICE, Senate Judiciary, Franchise Tax Board, Los
14 Angeles City Attorney, Los Angeles District Attorney, law enforcement, other third parties, and the
15 media. Indeed, the defamatory narrative remains a principal focus of the RICO Defendants' legal
16 arguments, but this Court should not be distracted from the actual issues in this case. The issues in this
17 case are whether court decisions were procured by corrupt means and influence, supported by false
18 evidence, and used to extort money and property from Kelley Lynch while advancing the related Tax
19 Fraud Scheme.
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23 16. Justice is not served by inflicting and perpetrating injustices or failing to provide appropriate
24 remedies or relief. The ends do not justify the means and the RICO Defendants illegal and wrongful
25 conduct is wholly and entirely indefensible. The wrongful actions of Leonard Cohen, his co-defendants
26 and co-conspirators, and a team of professional representatives are offensive to the laws of this nation.
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1 Leonard Cohen, it is relevant to point out, is a Canadian citizen who permanently resides in the United
2 States due to his alleged tax and residence problems in Canada.

3 17. Over the course of approximately ten years, defendant Leonard Cohen, his co-defendants,
4 and co-conspirators have sought to extort, defraud, discredit, silence, threaten, intimidate, bankrupt,
5 crush, destroy, crush, defame and otherwise tortuously injure Plaintiff Kelley Ann Lynch by means of a
6 plan they conceived and executed. The scheme has been carried out by an enterprise primarily
7 comprised of Leonard Cohen, Robert Kory, Michelle Rice, and others. These defendant conspirators are
8 collectively referred to herein as the "RICO Defendants." A RICO claim is broad but a RICO
9 conspiracy claim is even broader. Anyone who agrees to pursue the same criminal objective can be held
10 liable for a RICO violation. *Salinas v. United States*, 522 U.S. 52, 63-64 (1997). "If conspirators have a
11 plan which calls for some conspirators to perpetrate the crime and others to provide support, the
12 supporters are as guilty as the perpetrators." *Id.* at 64. A conspirator must simply intend to further an
13 endeavor which, if completed, would satisfy all elements of a civil RICO claim. *Id.* at 65.

16 18. The RICO Defendants Co-conspirators in the enterprise include, among others, Kevin Prins,
17 CPA, Mike Mesnick, CPA, former Los Angeles District Attorney Ira Reiner, Esquire, Steven Clark
18 Lindsey, Daniel Bergman, Esquire, Susanne Walsh, and Stephen Gianelli. It is entirely possible that
19 there are other co-conspirators unknown to Lynch. Exhibit A: Schedule of Parties & Co-Conspirators,
20 attached hereto and made a part hereof.

22 19. Journalist Ann Diamond's July 3, 2008 article, *Whatever Happened to Kelley Lynch*,
23 provides a concise, factual narrative, with a few minor inaccuracies, of the background to this case. The
24 article generally covers a period from approximately November 2004, through approximately July 2008.
25 In July 2008, Ann Diamond posted this article online, planned to submit the piece to Rolling Stone
26 Magazine, and was promptly threatened with legal action. The RICO Defendants feel quite confident
27 threatening and pursuing baseless litigation when their opponents are financially incapable of obtaining
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1 proper legal representation. They also falsely portray female protagonists – such as Kelley Lynch and
2 Ann Diamond - as villains, scorned women, jilted ex-lovers, or unstable individuals who remain
3 “enamoured” of Leonard Cohen. This version of events plays better for awe-inspired journalists, the
4 news media in general, certain political actors, law enforcement, and evidently jurors themselves. It’s
5 more in keeping with a gruesome fairy tale. Exhibits B: Ann Diamond Article; Exhibit C: Declaration
6 of Ann Diamond, both exhibits attached hereto and made a part hereof.
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8 20. Some of the co-conspirators in this case involve certain parties who have engaged in a
9 campaign of harassment, cyber-terrorism, stalking, witness intimidation, slander, defamation, libel, and
10 blatantly criminal conduct with respect to Lynch, her sons, family members, friends, and others. One of
11 the more prominent co-conspirators, Stephen Gianelli, a Bay Area lawyer, has been the public face of
12 this campaign. He also appears to be a member of Leonard Cohen’s legal defense team. Journalist Ann
13 Diamond’s piece on Stephen Gianelli provides an introduction to the man who has relentlessly targeted
14 Lynch, and terrorized her sons and members of her family, while engaging in defiantly harassing conduct
15 with other people in Lynch’s life, for approximately seven straight years now. Exhibit D: Ann
16 Diamond’s Introduction to Stephen Gianelli, attached hereto and made a part hereof.
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18 21. The Complaint sets forth, with sufficient particularity and specificity, the conduct of the
19 RICO Defendants, details with respect to the operation and management of the enterprise, roles played
20 by each of them and their co-conspirators, the pattern of racketeering, and proximate causation between
21 the injuries asserted and the injurious conduct.
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23 22. The RICO Defendants’ conduct violates the Racketeer Influenced and Corrupt
24 Organizations Act, 28 U.S.C. Section 1961, *et seq.*, with predicate acts of (1) Obstruction of Justice in
25 Violation of 18 U.S.C. Section 1503, (2) Witness Tampering & Intimidation in violation of 18 U.S.C.
26 Section 1512; (3) Obstruction by Destruction of Evidence in Violation of 18 U.S.C. 1512(c) and 1519;
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1 (4) Obstruction by Harassment in Violation of 18 U.S.C. Section 1512(d); (5) Extortion in Violation of
2 Hobbs Act, 18 U.S.C. Section 1512(d); (6) Extortion in Violation of California Penal Code Section 518;
3 (7) Mail & Wire Fraud in Violation of 18 U.S.C. Sections 1341, 1343; (8) Criminal Copyright
4 Infringement in Violation of 17 U.S.C. Section 506 and 18 U.S.C. Section 2319; (9) Money Laundering in
5 Violation of 18 U.S.C. Sections 1956(a)(2)(a); and, (10) Interstate Transportation of Stolen Property in
6 Violation of 18 U.S.C. Section 2314. In addition, Defendants' conduct constitutes state law claims
7 addressed herein below, among others. As a result, Defendants' misconduct entitles Kelley Lynch to
8 relief, including injunctive or alternative relief, precluding RICO Defendants from attempting to enforce
9 their fraudulently obtained judgments and decisions – including with tax authorities – and further entitles
10 Lynch to declaratory judgment that those decisions are invalid, were procured through fraudulent means,
11 and are unenforceable. Or, in the alternative, other relief the Court deems appropriate.

14 PARTIES AND RELEVANT NON-PARTIES

15 Plaintiff

16 23. Plaintiff Kelley Lynch (“Lynch”) is a resident of Los Angeles.

17 RICO Defendants

18 24. The defendants listed in paragraphs 25 through 27 are the individuals who have conspired
19 to engage in a pattern of racketeering activity, have each committed numerous criminal acts as part of
20 their scheme to defraud and extort Lynch and discredit her as a witness, and have each participated in the
21 operation or management of the criminal enterprise.

22 25. Defendant Leonard Cohen (“Cohen”) is a Canadian singer-songwriter who resides in Los
23 Angeles, California. Cohen is an accomplished poet, novelist, recording artist and musician with a
24 successful career spanning nearly four decades. His stature in the music industry is legendary. Many
25 recording artists have recorded their own versions of Cohen’s songs in tribute and many artists consider
26 Cohen an important influence in their musical careers. Cohen’s music and writings reach an extensive
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1 audience throughout North America, including his native Canada, as well as Europe and Asia. Leonard
2 Cohen is the person responsible for putting together his litigation team and directing and funding the
3 work of his co-defendants, Robert Kory and Michelle Rice, who serve as Cohen's general counsel,
4 litigation counsel, business managers, personal managers, and paid witnesses. Exercise of jurisdiction
5 over Cohen is reasonable and proper in this District for the reasons set forth in paragraph 32, *infra*.

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7 26. Defendant Robert Kory ("Kory") currently serves as Leonard Cohen's attorney, business
8 manager, personal manager, and paid witness. Robert Kory has been actively involved in all litigation
9 matters related to Cohen and Lynch, and is the individual who supervised the preparation of the
10 "Expense Ledger," oversees tax matters for Leonard Cohen, and handled communications and meetings
11 with Internal Revenue Service. Kory is an individual residing in Los Angeles, California, and is therefore
12 a citizen of the State of California. Exercise of jurisdiction over Kory is reasonable and proper in this
13 District for the reasons set forth in paragraph 33, *infra*.

14
15 27. Defendant Michelle Rice ("Rice") is a partner in the firm Kory & Rice, LLP. She was
16 previously an associate of the Law Office of Robert Kory but her work with respect to Lynch has
17 advanced her career. As Rice herself has written a third party, her work with respect to Lynch has made
18 her "rich as fuck." Rice has served as litigation counsel in all matters related to Lynch and Cohen. Rice
19 was an attorney of record in the Natural Wealth Lawsuit. She has served as a paid witness against Lynch.
20 Rice is an individual residing in Los Angeles, California, and is therefore a citizen of the State of
21 California. Exercise of jurisdiction over Rice is reasonable and proper in this District for the reasons set
22 forth in paragraph 34, *infra*.

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24 **Non-Party Co-Conspirators**

25 28. Certain other non-party individuals and business or government entities and/or actors played
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1 roles, direct or indirect, in the scheme to defraud, extort, and discredit Lynch. Foremost among these
2 individuals and entities are the following: Kevin Prins, CPA, Michael Mesnick, CPA, Ira Reiner, Esquire,
3 Steven Clark Lindsey, Daniel Bergman, Esquire, Susanne Walsh, and Stephen Gianelli.

4 29. At all relevant times, each and every non-party named in paragraph 28 was acting in concert
5 with, or as an agent for, one or more of the RICO defendants and, further, as described in more detail
6 below, conspired with one or more of the other RICO Defendants to perform the acts averred herein.
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8 SUBJECT MATTER JURISDICTION & VENUE

9 30. This action is brought under the federal Racketeer Influenced and Corrupt Organization
10 (“RICO”) statute, 18 U.S.C. Section 1961, et seq., and various other state common law doctrines or
11 statutes. Jurisdiction is vested in this Court by virtue of 28 U.S.C. Section 1331. This Court has subject
12 matter jurisdiction over Plaintiff’s claims for copyright infringement and related claims pursuant to 17
13 U.S.C. §§ 101, et. seq., and 28 U.S.C. §§ 1331 and 1338(a). The amount in controversy exceeds \$75,000,
14 exclusive of interest and costs. Lynch’s state law claims arise out of the same case or controversy as her
15 federal law claims, as all claims in this action arise out of a common nucleus of operative facts. Under
16 Article III of the United States Constitution, the Court thus has supplemental jurisdiction over Lynch’s
17 state law and statutory claims under 28 U.S.C. Section 1367.
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19 31. Venue is proper in this District under 28 U.S.C. Section 1391, as a substantial number of
20 the events giving rise to this action occurred in this District.
21

22 PERSONAL JURISDICTION

23 32. Exercise of jurisdiction over Leonard Cohen is reasonable and proper in this District because,
24 while a Canadian citizen, Cohen is a citizen of California and conducts extensive business activities
25 within the State. Cohen also has a business office in California. Through his activities in California,
26 Cohen has served as ringleader in the enterprise to defraud and extort Lynch, working closely with the
27 other RICO Defendants in this action.
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1 33. Exercise of jurisdiction over RICO Defendant Robert B. Kory is reasonable and proper in
2 this jurisdiction because Kory is a citizen of the State of California and conducts extensive business
3 activities within the State. Throughout his activities in California, Kory has been the sole proprietor of
4 the Law Offices of Robert B. Kory and partner in Kory & Rice, LLP, both of which were located and do
5 business in California. According to Robert Kory's LinkedIn account, he is a "corporate finance attorney
6 with particular expertise in early stage companies from start-up to various rounds of seed or venture
7 financing, and ultimately disposition through sale or public offering. Our firm provides legal services in
8 all areas required by emerging companies. We also work with affiliated companies in seed capital
9 financing and business management. Kory and his firm specialize in legal services necessary for
10 entrepreneurs to start and grow businesses, principally based on intellectual property. Our clients are
11 typically in technology or entertainment."

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14 34. Exercise of jurisdiction over RICO Defendant Michelle L. Rice is reasonable and proper in
15 this jurisdiction because Rice is a citizen of the State of California and conducts extensive business
16 activities within the State. Throughout her activities in California, Rice has been an employee of the Law
17 Office of Robert B. Kory and partner in Kory & Rice, LLP, both of which were and/or are located and
18 do business in California. According to Michelle Rice's LinkedIn account, she has "successfully
19 represented individual and corporate clients in the capacity as either sole lead or co-counsel in copyright,
20 trademark and patent disputes in federal district courts, before The Trademark Trial and Appeal Board
21 (TTAB), as well as in private arbitration and mediation proceedings. Extensive experience in motion
22 practice and discovery, including very large-scale electronic discovery (ESI)." Rice has a background in
23 copyright law, federal copyright matters, intellectual property, copyright ownership disputes in the U.S.
24 District Court for the Central District of California (*Grigorieva v. Oriti*, C.D. Cal./2008 – Defendant),
25 and has handled federal copyright cases before the Southern District of New York. The LinkedIn
26 biography confirms that, in *Natural Wealth Real Estate v. Cohen*, (D. Colo. 2005 – Defendant), Rice
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1 represented defendant [Leonard Cohen] against suit brought by former investment advisor. In response
2 to summary judgment motion filed on behalf of defendant, plaintiffs sought F.R.C.P. 41(b) voluntary
3 dismissal of certain tort claims against defendant. Summary judgment awarded in favor of defendant on
4 remaining claims. Court denied plaintiffs' motion for legal fees." Rice also, in Cohen v. Lynch and
5 Westin (JAMS (CA)/2006 - Plaintiff), represented plaintiff in mediation proceeding before JAMS against
6 former attorney. Mediation ended in confidential settlement on behalf of plaintiff client." Lynch,
7 although mentioned as a defendant, has no details whatsoever about this mediation although she has
8 repeatedly asked for same, as well as discovery items, from the RICO Defendants. They steadfastly
9 refuse to communicate with Lynch over this and many other legitimate and outstanding tax, corporate,
10 financial, and business matters. Nevertheless, the RICO Defendants continue to argue that Lynch
11 merely wants to contact Leonard Cohen or his co-defendants' offices. The claim is preposterous at best.

14 **FACTUAL BASIS FOR CLAIMS**

15 35. This Complaint details how the RICO Defendants, together with their co-conspirators,
16 set about to defraud, extort, discredit, and destroy Kelley Lynch by fraudulently exploiting numerous
17 U.S. District and other courts, Internal Revenue Service, Franchise Tax Board, State of Kentucky, and
18 other tax authorities, and other third parties through the use of a fraudulent multi-million dollar
19 fraudulent default judgment used to extort money and property from Lynch and further used to tamper
20 with the administration of justice in the Natural Wealth Lawsuit before the U.S. District Court for the
21 district of Colorado. The RICO Defendants, and their co-conspirators, have additionally relied on a
22 highly coordinated media, internet, and cyber campaign to advance their multi-faceted fraudulent
23 scheme. Many of the quotations included in this Complaint come directly from the RICO Defendants'
24 testimony, declarations, letters, and other documents. This Complaint will also detail some of the
25 abusive tactics used against Lynch. That will include, but is not limited to, a coordinated custody matter
26 related to her younger son and the relentless targeting of both of her sons, John Rutger Penick and Ray
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1 Charles Lindsey who has suffered inconceivably due to the unconscionable conduct of the RICO
2 Defendants and others. It is irrelevant if that is an injury extended to RICO claims. It is a fact.

3 **BACKGROUND**

4 36. Kelley Lynch worked as Leonard Cohen's personal manager for approximately 17 years. She
5 also worked in other capacities although at no time did she serve as his business manager. In October
6 2004, Cohen and Lynch parted ways. At that time, Leonard Cohen understood that Lynch had – or
7 intended to – report allegations of tax fraud to Internal Revenue Service. While this Complaint details,
8 out of necessity, the background situation and historical events, the predicate acts set forth herein span a
9 period of ten years – from May 2006 through the present – and the discovery of enough basic elements
10 of the extremely complex scheme to defraud, extort, discredit, and destroy Lynch that would permit her
11 to draft and file this RICO Complaint.
12

13 37. On April 17, 2012, following a trial before Los Angeles Superior Court, Lynch was convicted
14 of willfully and knowingly violating a domestic violence order she was previously unaware of. The details
15 of the abuse of restraining orders, used to discredit Lynch and destroy her professionally and in other
16 ways, are addressed more fully herein below. On or about April 9, 2012, the prosecutor presented
17 Lynch's lawyers with an "IRS Binder." This evidence allegedly supported the prosecutor's theory that
18 Lynch was not in need of IRS required tax and corporate information from Cohen and his related
19 entities; the tax matters Lynch brought to the attention of IRS and other authorities were merely a "ruse"
20 meant to annoy Leonard Cohen; Lynch was not angry or frustrated over the fact that Leonard Cohen
21 willfully and knowing refused to provide her with IRS required tax and corporate information (that
22 continues to obstruct Lynch's ability to file her 2004 and 2005 tax returns); Lynch had no legitimate or
23 valid reason for contacting Leonard Cohen; there were no outstanding legal, business or tax matters
24 between the parties; and, at the end of the proverbial day, Lynch was merely a disgruntled ex-lover,
25 scorned woman, or mere groupie who intended to annoy Leonard Cohen while violating a "domestic
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1 violence” restraining order she was unaware existed. These facts and statements, presented to Lynch’s
2 jurors, are blatantly false. Furthermore, Kelley Lynch and Leonard Cohen were never in a statutory
3 required “dating” or “engagement” relationship. Lynch’s “intent to annoy” Leonard Cohen generally
4 related to the following matters: 1) his willful, knowing, and blatant refusal to provide Lynch with IRS
5 required tax and corporate information; 2) the allegations of criminal tax fraud Lynch brought to the
6 attention of Internal Revenue Service and others; 3) his good rock ‘n roll gun incident that involves Phil
7 Spector (Leonard Cohen now has three contradictory versions of this incident before LA Superior
8 Court); 4) Lynch’s views that, according to Cohen, former DA Steve Cooley and Spector prosecutor
9 Alan Jackson are “villains;” 5) Cohen’s habit of exposing himself to Lynch while forcing her to read legal
10 and business documents as he soaked in bubble baths; 6) Cohen and Kory’s decision to inform Steven
11 Clark Lindsey, the father of Lynch’s younger son, that she had sex with Oliver Stone while they were
12 together – although she and Oliver Stone had not and these false accusations were used to stir up the
13 coordinated custody matter; 7) a coordinated custody matter involving Lindsey, Cohen, Kory, and
14 others; 8) a horrendous accident at Whole Foods that led to the amputation of her older son’s fingers
15 and part of his hand; 9) the RICO Defendants failure to serve Lynch documents related to Los Angeles
16 Superior Court Case No. BC338322; 10) Lynch’s communications with Bob Dylan and Paul Shaffer; and,
17 11) Lynch’s rhetorical question to Cohen – “Are you on drugs?” due to his unconscionable conduct with
18 respect to Lynch. Leonard Cohen has a long and publicly documented history of drug abuse and has
19 continuously provided interviews to the media and biographers about his use of meth, LSD, and other
20 illicit drugs. Nevertheless, Cohen testified that he felt her rhetorical question was her intent to “assail his
21 reputation” although he was nearly simultaneously providing his biographer with details of his illicit use
22 of drugs over the years. Lynch’s letters to two of her Tibetan Buddhist teachers, His Holiness Thinley
23 Norbu and His Holiness the 14th Sharmapa, were read into evidence by Leonard Cohen although not
24 authenticated. Evidence authentication was an ongoing issue throughout Lynch’s trial. An abundance of
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1 evidence was willfully concealed and distorted. The same was true for prosecutorial misconduct. While
2 Lynch is not attempting to have this Court address her 2012 trial or conviction, she is asking the Court to
3 take the trial into consideration as it is absolutely a part of the scheme to defraud, extort, discredit, and
4 destroy Lynch. Lynch has formally notified the City and County of Los Angeles that she will be filing
5 suits against them as well.
6

7 38. During Lynch's 2012 Trial, the RICO Defendants testified about federal tax refunds Cohen
8 obtained that Lynch was previously unaware of; the fact that she was provided IRS required tax and
9 corporate information that neither she nor IRS are in possession of as of this date; the fact that Judge
10 Lewis Babcock's September 5, 2008 decision relied on the fraudulently obtained multi-million default
11 judgment; and general issues related to federal tax matters and controversies. In fact, Robert Kory
12 testified rather extensively about these matters and presented testimony about his meetings with Agent
13 Luis Tejada, head of fraud, Internal Revenue Service, Los Angeles. The IRS Binder contained evidence
14 of the RICO Defendants use of the Los Angeles Superior Court Complaint, and related documents –
15 including the fraudulently obtained default judgment in Case No. BC338322 – to file and amend Leonard
16 Cohen's personal tax returns; file for and obtain fraudulent tax refunds; and ultimately to defend Leonard
17 Cohen against the allegations that he committed criminal tax fraud with IRS Fraud Unit in Los Angeles,
18 California. On April 17, 2012, Lynch was sentenced for the violation of the fraudulent domestic violence
19 order. She was also forced to participate in mandatory programs related to "domestic violence" although
20 there was and remains no "domestic violence" and she and Cohen were not in the requisite "dating" or
21 "engagement" relationship." The prosecutor wanted Lynch drugged and committed for, among other
22 reasons, her letters to Phil Spector's trial attorney, Bruce Cutler, that addressed the unconscionable
23 situation with Leonard Cohen who, during this trial, was publicly aligned with former District Attorney
24 Steve Cooley. While not necessarily relevant or material to this suit, it is important to note that the
25 prosecutor during this trial elicited extensive testimony about Phil Spector and an alleged gun incident,
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1 Cohen testified about that incident, and Cohen’s testimony contradicted the version of this incident the
2 Spector prosecutors used in motions related to prior bad acts during Spector’s trials and, according to
3 Mick Brown (UK Telegraph), Cohen’s testimony and/or statements were presented to Phil Spector’s
4 Grand Jury. At the outset of Lynch’s trial, the prosecutor wrote Cohen about Phil Spector, the alleged
5 gun incident, and the Spector Grand Jury. Cohen responded to those questions that evidently were the
6 basis for Lynch’s annoying Cohen over the Phil Spector gun incident. Leonard Cohen now has three
7 versions of this alleged gun incident before LA Superior Court. It is impossible to imagine what version
8 the government believes. Throughout Lynch’s trial, the prosecutor elicited testimony from Leonard
9 Cohen about former DA Steve Cooley and Spector prosecutor Alan Jackson. This ultimately led Lynch’s
10 public defender to inform her as follows: “the City Attorney is attempting to sabotage IRS; they want to
11 discredit you; and the District Attorney does not want the Spector verdict overturned.” Lynch’s lawyer
12 also informed her that he personally believed there was a prosecution plant on the jury; at least one juror
13 relied on false statements presented to them by the prosecutor with respect to corporate assets; and, the
14 jurors wanted to hear from the Internal Revenue Service. The judge refused to permit Agent Luis
15 Tejada, head of a fraud unit with IRS in Los Angeles, to testify and during Sidebars advised the lawyers
16 that Lynch was previously aware of these tax matters. Lynch was not aware of Cohen’s use of the
17 fraudulent Los Angeles Superior Court Complaint, fraudulently obtained default judgment, or other
18 documents submitted to Los Angeles Superior Court, to file Cohen’s tax returns, amend others, and
19 apply for and obtain fraudulent tax refunds using the concocted operative facts while falsely accusing
20 Lynch of misappropriation. This situation is even more egregious when one considers the fact that on
21 March 23, 2012, Leonard Cohen personally testified during a hearing before LA Superior Court that
22 Lynch never stole from him – just his peace of mind – and they were in a purely business relationship.
23 He has given interviews, including with MacLean’s Magazine, stating that he was not accusing Lynch of
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1 “theft.” His interview with MacLean’s, according to an Affidavit addressed herein below, was provided
2 following the initiation of the Natural Wealth Lawsuit.

3 39. Lynch was falsely imprisoned from March 1, 2012 through approximately September 12,
4 2012. The statute of limitations should be tolled during this period. In or around October 2012 and
5 thereafter, Lynch’s public defenders provided her with elements of her file. She still is not in possession
6 of that entire file. In or around January 2013, Lynch’s appellate attorney mailed her the trial transcripts
7 and other relevant evidence. Lynch’s appellate attorney, Francisco Suarez, was relentlessly harassed by
8 certain co-conspirators and advised Lynch that he viewed her trial as an IRS matter that demanded an
9 IRS investigation. In or around the summer or fall of 2013, Lynch’s public defenders presented Lynch
10 with additional documents from her file. This evidence, including the trial transcripts, was necessary to
11 the preparation of this RICO suit. Additionally, Lynch was not in possession of evidence relative to
12 these matters until her son, John Rutger Penick, delivered that to her in February 2012. From
13 approximately December 2005 until February 2012, the relevant and material evidence was in her son’s
14 storage space in Los Angeles and Lynch had no access to it. On or about August 14, 2014, after
15 diligently pursuing this matter for approximately two straight years with Los Angeles Superior Court and
16 the Court Reporter’s Office, Lynch finally obtained the transcript of the March 23, 2012 hearing. The
17 fact that Leonard Cohen personally testified that Lynch never stole from him – just his peace of mind –
18 and confirmed that he and Lynch were in a purely business relationship is highly material and relevant.
19 After Lynch filed her motion to vacate the multi-million fraudulently obtained default judgment (Los
20 Angeles Superior Court Case No. BC338322), she discovered other facts and evidence related to the
21 scheme addressed herein. For approximately ten straight years, Lynch has repeatedly asked the RICO
22 Defendants, and their related legal representatives and colleagues, to provide her with the documents she
23 was not served; to serve her; with information and documentation (including corporate accountings,
24 financial statements, and so forth) needed to file and amend her tax returns; and has been stone walled
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1 every step of the way. She was completely unaware of the allegations raised against her in the Los
2 Angeles Superior Court case (BC338322) until it was posted online by co-conspirator Stephen Gianelli in
3 April 2010. Once Lynch publicly announced that she planned to file a motion to vacate, she was
4 harassed and threatened by certain co-conspirators and their associates or monikers employed by them.
5 Lynch still has no idea if the documents, including the Complaint, posted online are accurate, verified, or
6 legitimate versions of the documents filed with the Court. Lynch has been receiving information and
7 documents piece meal throughout this ten year period of time. Lynch has also been forced to confront
8 an army of legal representatives. At one point, Cohen had approximately six lawyers in the courtroom
9 opposing Lynch while arguing that her motion was “frivolous.” The RICO Defendants argument with
10 respect to Lynch’s attempts to find legal remedies always involve the same components: Lynch merely
11 seeks to harass Leonard Cohen; her arguments are frivolous; and she should be deprived her rights to
12 due process based on the unconscionable tactics employed by the RICO Defendants and their co-
13 conspirators.
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16 40. This evidence, and newly discovered facts, forms the basis of Lynch’s arguments, the
17 predicate acts and scheme to defraud, as well as the injuries that are a direct result of the RICO
18 Defendants’ conduct, with respect to this Complaint. The scheme to extort, defraud, discredit, and
19 destroy Lynch is related to the RICO Defendants use of the Los Angeles Superior Court multi-million
20 dollar default judgment, and a series of concocted operative facts and fabricated evidence, to submit
21 documents and returns to Internal Revenue Service while defending Leonard Cohen with respect to the
22 allegations that he committed criminal tax fraud. With respect to other potential statute of limitations,
23 the facts set forth in the Complaint support the equitable tolling of the limitations period due to the fact
24 that the RICO Defendants have fraudulently concealed information and Lynch could not have
25 discovered those facts despite her exercise of reasonable and extreme diligence. In fact, until April 2010,
26 Lynch had no idea why Los Angeles Superior Court granted Leonard Cohen the multi-million judgment
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1 or what the actual allegations against her were. Lynch's trial essentially revolved around testimony related
2 to IRS, federal tax matters, and Phil Spector. The trial testimony provided Lynch with the groundwork
3 necessary to uncover elements of the scheme to defraud her. Lynch has prepared a schedule of the false
4 statements presented to her jurors with respect to IRS and federal tax matters. Exhibit E: Schedule of
5 Trial Testimony/Statements (federal tax matters and Internal Revenue Service), attached hereto and
6 made a part hereof.

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8 41. The Defendants are all culpable persons who have operated and managed an enterprise
9 that affects interstate commerce through a pattern of racketeering activity as more fully detailed herein.

10 42. Plaintiff is a "person" who sustained injury to her business and property "by reason of"
11 the RICO violations as more fully detailed herein.

12 43. Lynch prepared and submitted a case history to Los Angeles Superior Court, Case No.
13 BC338322, that was filed in conjunction with her motion to vacate the fraudulent default judgment in
14 Case No. BC338322. This document provides a very general summary of the background and sets forth
15 some of the evidence in this case. A substantial amount of evidence has been submitted to Internal
16 Revenue Service and other tax authorities with respect to the related Tax Fraud Scheme. Exhibit F:
17 Kelley Lynch Case History. Please refer to racketeeringact.wordpress.com, an evidence blog created for
18 this Complaint, incorporate herein and made a part here. The documents may be located through the
19 blog index.
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22 **Leonard Cohen's Pursuit of Intellectual Property Transactions**

23 44. The background to this case involves RICO Defendant Leonard Cohen's pursuit of two
24 intellectual property transactions that closed in 1997 and 2001, respectively, and the use of certain entities
25 and tax strategies used to pursue tax advantages with respect to those transactions.

26 45. From approximately 1994 through October 21, 2004, Leonard Cohen demanded
27 intellectual property transactions that involved extremely complex corporate structures, stock sales, and
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1 involved extremely aggressive and highly questionable tax planning schemes that led to a constant
2 concern on the part of Cohen and his representatives about potential IRS inquiries or audits. It is
3 Plaintiff's belief that the corporate entities, with which these intellectual property transactions were
4 pursued, were nothing other than shell entities, the transactions themselves were sham transactions, and
5 the ultimate goal was to evade and defeat ordinary income taxation. These transactions were also used to
6 defraud Lynch as she would later discover. The events that have unfolded since Lynch and Cohen
7 parted ways, on October 21, 2004 are elements of an overall scheme that has involved retaliation against
8 Lynch, attempts to bribe and coerce her, the malicious and vengeful wrongful conversion and theft of
9 Lynch's property and monies due her, inconceivably vicious tactics, fraud upon numerous courts, the
10 procurement of fraudulent restraining orders and sham criminal investigations and prosecutions, the all
11 out destruction of her life and reputation, the destruction of two businesses, the vicious targeting of her
12 sons and family members, and the transmittal of fraudulent statements, documents, information, and
13 legal pleadings to Internal Revenue Service, other tax authorities, and federal, state and local government
14 agencies. The RICO Defendants have used these matters to defend Leonard Cohen with Internal
15 Revenue Service with respect to the allegations that he committed criminal tax fraud. That is one of the
16 primary reasons for their concocted "operative facts" and abusive tactics. Another reason is that the
17 RICO Defendants benefitted financially from their conduct with respect to Lynch. This Complaint will
18 address the totality of circumstances with particularity.

22 46. Leonard Cohen and his RICO co-defendants have used at least two fraudulent default
23 judgments procured through fraud and a pattern of racketeering – including attempted bribery, fraud,
24 extortion, fabrication of evidence, obstruction of justice, witness tampering, and other criminal offenses
25 – to tamper with the administration of justice in numerous U.S. District Courts and which have been
26 used to defraud, extort discredit, wrongfully blame, and destroy Kelley Lynch. Lynch brings this lawsuit
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1 to both seek relief and prevent the RICO Defendants from attempting to enforce and/or profit from
2 their ill-gotten judgments.

3 **THE RICO DEFENDANTS SCHEME OF EXTORTION**
4 **AND INITIAL RETALIATION AGAINST KELLEY LYNCH**

5 **Extortion Scheme Related to Neal Greenberg, Richard Westin, & Other Cohen Representatives**

6 47. In October 2004, Kelley Lynch and Leonard Cohen parted ways after Cohen confirmed
7 that he understood Lynch had serious questions about potentially egregious tax fraud, switched
8 accountants, and hired lawyers to review certain corporate records and tax returns. Leonard Cohen
9 personally advised Lynch that an anonymous “informant” discovered Lynch’s July 25, 2004 letter to IRS
10 Chief Trial Counsel’s Office in her personal management offices. At that time, Cohen offered Lynch
11 whatever she wanted to assist him and his lawyer with the unraveling of the transactions and entities at
12 issue in this case. Exhibit G: KL letter to IRS Chief Trial Counsel’s Office, attached hereto and made a
13 part hereof.
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15 48. In September 2004, Lynch replaced her former accountant, Ken Cleveland, with a new
16 accountant, Dale Burgess who had been referred to her by an acquaintance, Betsy Superfon. Lynch
17 provided Mr. Burgess with certain information and evidence related to the corporate structures and tax
18 strategies addressed in this Complaint. Burgess referred Lynch to the law firm of DiMascio & Berardo
19 who he felt could review the corporate records and relevant federal and state tax returns.
20

21 49. On October 27, 2004, after Cohen and his personal corporate and tax lawyer, Richard
22 Westin, attempted to evade their calls, the law firm of DiMascio & Berardo transmitted a fax to Westin
23 c/o the University of Kentucky Law School where he worked as a law professor. This letter confirmed
24 that DiMascio & Berardo were working with Lynch’s accountant, Dale Burgess, and had questions about
25 Lynch’s ownership interest in numerous corporate entities and the tax strategies employed by Cohen and
26 his representatives. As Westin was planning to visit Los Angeles the weekend of October 30 through
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1 October 31, 2004, Lynch's lawyers requested a meeting with him and Leonard Cohen, confirmed that
2 they had corporate documents in their offices, and asked Cohen/Westin to bring any corporate
3 documents in their possession that belonged to the companies. DiMascio & Berardo's letter also
4 addressed threats Leonard Cohen personally directed towards Lynch, members of her family, and
5 instructed Westin to advise Cohen, who had by that time picked up his personal and business property
6 from Lynch's management offices, to contact DiMascio & Berardo to make arrangement to pick up any
7 other property he felt belonged to him. Leonard Cohen understood that Lynch worked from her home
8 office on a daily basis and stored old boxes of business files for him as a courtesy. That abandoned
9 property would result in the RICO Defendants complaint with respect to the "writ of possession," Los
10 Angeles Superior Court Case No. BC341120 and the unlawful seizure of Lynch's personal property,
11 corporate records, Machat and Machat's property, and the property of Phil Spector that were not part of
12 the "writ of possession." Exhibit H: D&B October 27, 2004 letter, attached hereto and made a part
13 here.
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16 50. On or around October 30, 2004, DiMascio & Berardo met with Cohen, Westin, and
17 Ricardo Cessero of Greenberg, Glusker in their offices. Lynch refused to attend. From approximately
18 October 30, 2004 through the beginning of November, Cohen was briefly represented by Greenberg,
19 Glusker. The RICO Defendants have continuously argued, in their legal pleadings, that Lynch refused to
20 open her "books and records" to them. Leonard Cohen is the individual who unlawfully removed all of
21 Lynch's business files from her management offices, was in possession of all relevant evidence and
22 materials, and was also in possession of the corporate books and records. Cohen also removed from
23 Lynch's management offices all corporate files, banking and financial statements, royalty statements,
24 contracts, and other evidence relevant to this case. The RICO Defendants remain in control of that
25 evidence. In or around the beginning of November, Lynch's lawyers formally transmitted the corporate
26 books and records for numerous entities (Blue Mist Touring Company, Inc., Traditional Holdings, LLC,
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1 and LC Investments, LLC) to Greenberg, Glusker on Cohen's behalf. From approximately November
2 2004 through the present, Leonard Cohen has primarily been represented by Robert Kory, Michelle Rice,
3 and their respective law firms and management company. An army of legal and accounting professionals
4 have assisted the RICO Defendants. At the October 30, 2004 meeting with Lynch's lawyers, Cohen and
5 his representatives took a novel approach to the corporate entities and Lynch's legal ownership interest
6 in them. They decided to willfully ignore the corporate entities, all books and records, stock certificates,
7 assignments of copyrights, agreements, and federal tax returns. In the alternative, Cohen and his
8 representatives fraudulently and falsely informed Lynch's lawyers that she had received overpayments
9 with respect to her commissions for services rendered as Cohen's personal manager. Lynch's ownership
10 interest in the corporate entities, as well as the intellectual property owned by those entities, had nothing
11 whatsoever to do with services she rendered as Cohen's personal manager. Lynch's compensation
12 agreement was identical to that of Machat & Machat who represented Leonard Cohen for approximately
13 20 years until April 1988: 15% commission against all gross income (personal management services) and
14 15% ownership interest in all intellectual property (for all other services rendered which were extensive).
15 Leonard Cohen refused to pay Machat & Machat commissions due them for services rendered, other
16 commissions with respect to work they performed, and misappropriated their share of Stranger Music,
17 Inc. and the intellectual property it owned. This is a pattern and practice of Leonard Cohen's. Over the
18 years, he has falsely accused his representatives of ripping him off to breach contracts.

22 51. The intentional disregard for corporate forms and governance by the RICO Defendants,
23 including with respect to suspended corporations, has been a constant element of their legal posturing.
24 With respect to the so-called Cohen related entities at issue herein, there is such a unity of interest and
25 ownership that the separate personalities of the corporations and the individual, Leonard Cohen, did not
26 exist. In fact, that is the RICO Defendants legal argument with respect to the corporate entities – that
27 they are the sole personal property of Leonard Cohen and he is the alter ego of the corporate fictions.
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1 52. If the acts set forth herein are attributed to the corporations, which have been infiltrated
2 by the corrupt acts of the RICO Defendants, inequitable results will follow. RICO was intended to
3 prevent the unlawful “infiltration” of legitimate businesses through certain acts. Chapter 96 of Title 18
4 of the United States Code, entitled Racketeer Influenced and Corrupt Organizations (RICO), was added
5 to Title 18 by the Organized Crime Control Act of 1970. Title 18 U.S.C. § 1962(c), which is part of
6 RICO, makes it unlawful “for any person employed by or associated with any enterprise engaged in, or
7 the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or
8 indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or
9 collection of unlawful debt.” The term “enterprise” is defined in 18 U.S.C. § 1961(4) as including “any
10 individual, partnership, corporation, association, or other legal entity, and any union or group of
11 individuals associated in fact although not a legal entity.” The conduct of the RICO Defendants, who
12 operate as a de facto enterprise, has essentially rendered the legitimate corporate enterprises at issue
13 herein as mere shells or conduits for their criminal activity. The RICO Defendants are a group of
14 individuals, and their respective law firms and management company, associated in fact for the purpose
15 of engaging in certain specified criminal activities more fully addressed herein below. The definition of
16 enterprise in Section 1961(4) includes both legitimate and illegitimate enterprises within its scope.
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19 53. The RICO Defendants have treated the Cohen related corporate forms as nothing other
20 than an alter ego of Leonard Cohen personally. The general rule with respect to the alter ego doctrine is
21 stated as follows: “Before a corporation’s acts and obligations can be legally recognized as those of a
22 particular person, and vice versa, it must be made to appear that the corporation is not only influenced
23 and governed by that person, but that there is such a unity of interest and ownership that the
24 individuality, or separateness, of such person and corporation has ceased, and that the facts are such that
25 an adherence to the fiction of the separate existence of the corporation would, under the particular
26 circumstances, sanction a fraud or promote injustice.” Talbot v. Fresno-Pacific Corp., 181 Cal. App. 2d
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1 425, 431 [5 Cal. Rptr. 361]; Temple v. Bodega Bay Fisheries, Inc., 180 Cal. App. 2d 279, 283 [4 Cal. Rptr.
2 300]. Kelley Lynch believed, and was led to believe, that she had a valid and legitimate ownership
3 interest in certain corporate entities and the intellectual property owned by those respective entities. The
4 corporate entities Lynch had a legal and valid ownership interest in include, but are not necessarily
5 limited to, Blue Mist Touring Company, Inc., Traditional Holdings, LLC, and Old Ideas, LLC.
6 According to the RICO Defendants, the corporations themselves, as well as the intellectual property and
7 other assets owned by those entities, were nothing other than extensions of Leonard Cohen and his
8 personal property. While these corporations were used, at various times, to pursue the intellectual
9 property transactions at issue in this case, Lynch's ownership interest in them had nothing whatsoever to
10 due with either her services rendered as personal manager or specifically advance Leonard Cohen's tax
11 and corporate strategies with respect to the transactions themselves.

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14 **The RICO Defendants Attempts to Force Lynch into Illegal Settlement Agreements**

15 54. From approximately November 2004 through February 2005, the RICO Defendants
16 attempted to force Lynch into a settlement with respect to her commissions, ownership interests in
17 numerous entities, and her ownership interest in valuable intellectual property. The RICO Defendants
18 were willing to "settle" with Lynch if she agreed to provide perjured testimony against Leonard Cohen's
19 representatives in planned mediations, possible civil and criminal prosecutions, and assist with the
20 unwinding of certain transactions. Lynch was specifically advised that one of the plans was to roll
21 Traditional Holdings, LLC into Cohen's wholly owned entity, LC Investments, LLC. It was Lynch's
22 understanding that this particular plan was meant to stay under the radar of Internal Revenue Service and
23 other tax authorities. Lynch refused to entertain any such settlement agreements which she viewed as
24 potentially illegal.
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26 55. By January 2005, Leonard Cohen had hired former Los Angeles District Attorney Ira
27 Reiner to handle certain planned mediations, and possible litigation, with respect to his representatives.
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1 Lynch's legal representatives informed her that Cohen and the RICO Defendants planned to go after
2 Cohen's representatives first in civil matters and then through criminal prosecutions. Those
3 representatives included, but were not limited to, Neal Greenberg, Richard Westin, Arthur Indursky,
4 Don Friedman, Stuart Fried, Greg McBowman, and Ken Cleveland. The allegations Lynch heard with
5 respect to these representatives involved fraudulent acts with respect to Leonard Cohen, fraud in the
6 inducement, and the pursuit of the intellectual property transactions solely to generate professional fees.

8 56. While there was some discussion between the RICO Defendants and Lynch's
9 representatives that involved providing them with documents necessary to prepare corporate
10 accountings, the RICO Defendants never provided any such information and appeared to use false
11 representations to string Lynch and her representatives along. On or about January 14, 2005, Robert
12 Kory transmitted a memorandum to DiMascio & Berardo and Dale Burgess. Ira Reiner and Kevin
13 Prins, Cohen's forensic accountant, were copied on the memorandum that allegedly related to "Open
14 Accounting, Tax Issues, and Legal Issues." The Memorandum summarized issues in anticipation of a
15 conference call and was allegedly preliminary and "provided in the context of settlement negotiations"
16 although Lynch refused to enter into any settlement agreement with Cohen or participate in mediations
17 that she felt were being used to extort money and property from Cohen's representatives and their
18 insurance carriers. The January 14, 2005 document is replete with fraudulent misrepresentations and
19 blatantly false allegations and innuendos. This is a tactic the RICO Defendants employ when they
20 believe certain evidence may ultimately be discoverable or used against them. The "Accounting" section
21 of the memorandum identified information required to prepare an accounting and unequivocally proves
22 that the RICO Defendants understood the basic elements of a valid accounting. The "Accounting"
23 section included corporate royalty summaries and publishing information solely in the possession and
24 control of Leonard Cohen. The accounting section also set forth information needed for an illegal
25 preliminary cash flow analysis related to Lynch while willfully and knowingly disregarding a cash flow
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1 analysis related to Leonard Cohen. The memorandum set forth questions with respect to the corporate
2 entities, ownership interests in those entities, commissions due Lynch for services rendered as personal
3 manager, Cohen's decision to abort a bond securitization deal, assets owned by the individual entities,
4 assignments of intellectual property, whether Lynch would assert that the Traditional Holdings, LLC
5 transaction was invalid and should be rescinded, other compensation rights related to Lynch, and
6 "shareholder loans." When the RICO Defendants retaliated against Lynch, including through the filing
7 of baseless litigation against her, they wrongfully resolved these questions – in absolute disregard of all
8 corporate records and federal tax returns – in favor of Defendant Leonard Cohen. Exhibit I: Robert
9 Kory January 14, 2005 Memorandum, attached hereto and made a part hereof.
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11 57. The January 14, 2005 Memorandum raised alarming and potentially illegal issues related
12 to corporate tax matters. Those issues included, but were not limited to, actual income received by the
13 entities vs. reported income on tax returns; impact of phantom income to Lynch from profit allocations
14 without distributions from Traditional Holdings, LLC; and, the impact on all parties of Traditional
15 Holdings' failure to report \$8 million in gross income related to the sale of certain intellectual property
16 and contractual rights to Sony in the year 2001. The memorandum also set forth "potential tax liability
17 to Lynch for failing to report all of the monies received from Cohen entities" **assuming** she failed to
18 report certain income. The RICO Defendants would ultimately take a more aggressive stance with
19 respect to the facts they fraudulently "assumed" with respect to Lynch's tax reporting. They would
20 fraudulently advise IRS Agent Tejada that Lynch failed to report income with no evidence whatsoever to
21 support those false statements. Leonard Cohen and Kelley Lynch were not married, did not file joint
22 personal returns together, and Cohen and his representatives have no information that would permit
23 them to "assume" she failed to report anything on her tax returns. The same is not true with respect to
24 the corporations that Lynch and Cohen had ownership interests in. However, Lynch was advised by her
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1 former accountant, Ken Cleveland, that Robert Kory personally and continually attempted to illegally
2 obtain Lynch's tax returns from him.

3 58. The so-called settlement memorandum mentioned a "delta of \$5 million basis and \$8
4 million sale price" that could allegedly be consumed in fees paid to third parties. Lynch assumes this
5 referred to Cohen's attempt to fraudulently characterize his personal expenses as Traditional Holdings,
6 LLC corporate expenses. Cohen's personal transaction fees, addressed more fully herein below, were not
7 deducted from the 2001, 2002, or 2003 Traditional Holdings, LLC corporate tax returns because they are
8 not corporate expenses. Robert Kory's January 4, 2014 declaration confirms that he personally
9 questioned the transaction fees – in hindsight – and challenged their legitimacy although Cohen
10 personally hired his representatives, entered into agreements with them, used corporate funds to pay for
11 settlements in unrelated matters that he personally entered into, and generally used corporate assets as if
12 they were his personal piggy bank. The memorandum went onto speculate about Lynch's compensation
13 arrangement with Leonard Cohen, responsibilities with respect to an "annuity," and questioned any
14 "duty to preserve assets in order to pay the annuity." Greenberg and Westin's alleged duties and
15 potential liability were set forth. Other issues raised related to Cohen's claims of "fraud in the
16 inducement" against Greenberg, Westin, Grubman, McBowman, and Lynch" for "failure to advise
17 Cohen that discounting royalties for sale was ill advised and would serve only to create transaction fees,"
18 the impact of Cohen selling his royalty rights (because he thought he was out of money) as compared to
19 had he maintained those streams of income, damage for lost profits, transaction fees, theft losses,
20 negative tax consequences, liability for advisors who failed to show Cohen his income stream of
21 \$600,000 annually, and Cohen's advisors alleged cooperation with Lynch and apparent lack of
22 consultation with Cohen. Lynch was personally informed that the RICO Defendants planned to go after
23 Cohen's accountant, Ken Cleveland, as well. This information was repeated to Cleveland's client, Mike
24 Elizondo (a co-writer of many Eminem, Dr. Dre and other valuable musical works), who questioned this
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1 situation with Ken Cleveland, and which ultimately caused Leonard Cohen to phone Ken Cleveland to
2 assure him that he planned to continue using him as his accountant. Lynch has spoken to Cleveland on
3 numerous occasions, he was replaced as Cohen's accountant, informed Lynch that much of the
4 accounting and tax activities were potentially illegal, further informed Lynch that he himself could not
5 sufficiently understand the complex tax matters, advised her that the situation with respect to the
6 corporate entities sounded like ENRON, felt the IRS would prosecute Leonard Cohen through its Los
7 Angeles offices ,wondered what court on this earth would grant custody of Lynch's younger son to his
8 father (another client of Cleveland's), and told her in no uncertain terms not to speak to him about
9 Robert Kory who he viewed as a maniac. Cleveland, who had lunch with Cohen, Kory, and Anjani
10 Thomas (Cohen's girlfriend), also explained that he felt Thomas may have been behind some of what
11 unfolded here. Steven Machat wrote Lynch that he planned to sue Cohen and Kory, referred to them as
12 two evil liars, and expressed his personal opinion that Kory is Satan. Greg McBowman, Cohen's royalty
13 consultant advised Lynch that if Cohen were permitted to get away with his Tax Fraud Scheme, everyone
14 in America should stop paying taxes. These are just some of the statements witnesses have made to
15 Lynch about the RICO Defendants. Lynch believes these, and other witnesses, will be able to provide
16 testimony to the court about these matters. The RICO Defendants are evidently convinced that Lynch
17 has no resources to print a copy of this RICO Complaint let alone participate in discovery, subpoena
18 witnesses and testimony, or properly handle all aspects of this case. In fact, the RICO Defendants are
19 counting on this. That is one of the reasons the RICO Defendants have destroyed Lynch, her
20 professional reputation, two businesses, and ability to find gainful employment. It works to their
21 advantage and they can continue to fraudulently argue that Lynch remains a disgruntled ex-lover who is
22 merely harassing Leonard Cohen, a celebrity, after she misappropriated millions of dollars from him. At
23 times, the RICO Defendants have actually argued that Lynch might attend one of Cohen's concerts. Of
24 course, no evidence is ever provided to support the inane and fabricated statements the RICO
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1 Defendants have advanced in legal proceedings, to the news media, and into the public realm. That
2 would include, but is not limited to, Leonard Cohen's carefully crafted absurd statement that every time
3 he hears a car, he thinks of Lynch. Lynch has not seen Cohen in approximately ten years apart from the
4 times he hauls her into court to achieve his nefarious goals. The RICO Defendants, and others, seem to
5 believe that slandering Lynch by essentially her Lynch a "drunken slut" is a defense to their
6 unconscionable conduct. Exhibit I: Steven Machat email to Kelley Lynch, attached hereto and made a
7 part hereof.

9 59. The allegations and innuendos raised in this memorandum are entirely fraudulent, false,
10 and were meant to force and intimidate Lynch into mediating with Leonard Cohen, providing perjured
11 testimony against his representatives, and assisting with the unraveling of these transactions. That
12 perjured testimony the RICO Defendants attempted to procure from Lynch related to the concocted and
13 fraudulent facts they planned to use secret mediations, potential civil litigation and/or criminal
14 prosecutions, and ultimately meant to extricate Leonard Cohen from the related Tax Fraud Scheme.
15 Lynch was informed by her lawyer, Mike Taitelman, that he spoke with Robert Kory, informed Kory that
16 he wanted Lynch protected, and was advised that if Lynch agreed to assist the RICO Defendants they
17 would acknowledge that she had been used as an unwitting pawn; otherwise, they would blame this
18 situation on Lynch which is precisely what has occurred. However, at no time did Lynch handle,
19 oversee, advise, or promote anything related to Leonard Cohen's tax, accounting, corporate, legal,
20 financial or investment matters.

23 60. The Memorandum ended with questions related to Cohen and Lynch's agreement to
24 mediate, the form of that agreement, how issues raised in the memorandum would be identified, how
25 information would be exchanged, how to reach a consensus as to facts, and the selection of a mediator.
26 Lynch felt the best way to handle the questions raised was to report the Tax Fraud Scheme to Internal
27 Revenue Service and provide them with a substantial amount of evidence that supported the allegations
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1 that Leonard Cohen committed criminal tax fraud. The memorandum also specifically addressed the
2 potential initial mediations with Neal Greenberg and Richard Westin and raised issues regarding when
3 and how to provide notice of claims; the form of agreement; mediation schedule; a potential meeting –
4 with Cohen and Lynch present – to secure “full cooperation;” and formal notice to Greenberg and
5 Westin by January 24, 2005. Lynch refused to participate and was convinced the RICO Defendants were
6 attempting to engage her in illegal conduct. At some point in the winter of 2005, Boies Schiller would
7 inform Lynch – who agreed to provide them with evidence and information related to this situation –
8 that Cohen and Kory were indeed attempting to engage her in criminal conduct and suggested that she
9 go “wired” to any meetings she had with Cohen and/or Kory. In fact, Boies Schiller suggested that
10 Lynch contact DA Investigator Brian Bennett (an investigator on the Phil Spector case) and ask him
11 personally to wire her for any potential meetings. The issues Boies Schiller raised related to Cohen and
12 Kory’s extortion scheme and potential insurance fraud. This memorandum is nothing other than
13 evidence of the scheme to extort monies and property from Neal Greenberg, Richard Westin, their
14 insurance carriers, and others.

17 **DiMascio & Berardo’s January 25, 2005 Memorandum**

18 61. On January 25, 2005, DiMascio & Berardo submitted a memorandum to Lynch in
19 response to questions she raised in her January 15, 2005 email. That memorandum, which Lynch has
20 provided to Internal Revenue Service with a substantial body of evidence, summarized DiMascio &
21 Berardo’s review of the evidence and addressed potential civil and criminal liability. Lynch had nothing
22 whatsoever to do with handling tax matters, providing any type of related advice, preparing corporate tax
23 documents, or preparing the actual corporate tax returns. Lynch also did not handle legal work, provide
24 financial advice, advise Cohen with respect to financial investments, handle corporate matters, or provide
25 advice with respect to estate planning. Leonard Cohen had a team of professional advisers who handled
26 those issues on his behalf. One interesting aspect of this memorandum, excerpted below, is the fact that
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1 the annuity obligation being addressed (which related to Traditional Holdings, LLC and the so-called
2 “retirement account” Cohen continually referred to in legal pleadings and news accounts) was
3 extinguished from the 2003 federal tax returns. The annuity obligation amount, approximately \$4.7
4 million, was moved to the partners’ capital accounts. Lynch had nothing whatsoever to do with that, it
5 was brought to her attention by her legal and accounting representatives, and it apparently created very
6 serious issues for Cohen with respect to gift taxes. The RICO Defendants were well aware of the fact
7 that the annuity obligation was extinguished from the 2003 tax returns. This was done for Leonard
8 Cohen’s benefit by his personal representative. Therefore, it would seem plausible that an intelligent
9 individual, including an astute IRS agent, could make a determination that the “annuity transaction had
10 no substance and was designed for the sole purpose of evading tax liability.”
11

12 *Criminal liability*

13
14 In it our understanding that RW [Richard Westin on behalf of Leonard Cohen] used an Annuity in order
15 to defer the payment of taxes on the asset sale. There is nothing inherently wrong with an annuity
16 transaction. However, criminal tax liability could arise if the IRS makes a determination that the annuity
17 transaction had no substance and was designed for the sole purpose of evading tax liability. [IRC Section
18 7201 (the IRS is referred to as “the Code”).]

19 In order to convict under Section 7201 of the Code, the basic elements that must be proven are (1) the
20 existence of a tax deficiency, (2) an affirmative act constituting an evasion or attempted evasion of the
21 tax, and (3) willfulness. An example of an affirmative act is the filing of a false return. Proof of willfulness
22 is often unavailable and must be proven by circumstantial evidence, such as failure to report a substantial
23 amount of income, the expenditure of large amounts of cash that cannot be reconciled with reported
24 income, keeping false account books or other badges of fraud set forth in the Internal Revenue Manual.
25 Reckless disregard for the truth or negligent failure to inquire into the facts underlying criminal activity is
26 insufficient to support a conviction. A good faith misunderstanding of the law is a defense to a tax crime.
27 Further, good faith reliance on the advice of counsel, after complete disclosure of all relevant facts, is
28 also a defense to tax evasion.

Under the Code, the defendant may be fined, imprisoned not more than 5 years, or both and made to
pay the costs of prosecution and any special assessments. The maximum fine is \$250,000 for individuals
and \$500,000 for corporations. The statute of limitations is 6 years from the commission of the offense.
[IRC Section 6531.]

In addition, there are two separate offenses under Section 371 of Title 18 that are typically asserted in
cases of tax code violations involving several defendants, such as where corporate officers participate in

1 the filing of the corporate tax returns. These offenses are (1) conspiracy to commit an offense against the
 2 .S. and (2) conspiracy to defraud the U.S. Both offenses require (1) an agreement between two or more
 3 persons; (2) to achieve an illegal goal; (3) with knowledge of the conspiracy and with actual participation
 in the conspiracy; and, (4) at least one conspirator committing an overt act in furtherance of the

4 agreement. In a tax conspiracy case, it must be shown that each defendant was not only aware of the tax
 5 consequences of his actions, but also that he had the specific intent to violate the tax laws. The
 6 conspiracy statute, along with the charge of aiding and assisting in the preparation of false returns (IRC
 Section 7206(2)), is among the government's most used tools in prosecuting attorneys, accountants, and
 other tax advisors who may have been involved in the activities of a taxpayer.

7 Under a Title 18 violation involving conspiracy, each conspirator faces a fine, or imprisonment for up to
 8 5 years, or both. The maximum fines are generally the same as those noted above.

9 *Civil Tax Penalties*

10 There are over 150 civil penalties in the Code. They cover everything from the failure to file or pay a tax,
 11 to accuracy-related penalties, to information returns, to special penalties covering the activities of tax
 12 return preparers, tax shelter activities and beyond: Focusing solely on the obvious, we see the following
 13 potential problems with TH: (1) Accuracy Related Penalties where the amount of the penalty is 20% of
 14 the underpayment, (2) Substantial Understatement of Income Tax where the amount of the penalty is
 20% of the underpayment, (3) fraud where the amount of the penalty is 75% of the portion of the
 underpayment attributable to the fraud, and (4) failure to pay taxes due where the penalty is ½ of 1% for
 each month the tax is unpaid for a maximum penalty of 25%.

15 Applying these penalties and acknowledging that the math is extremely rough, there is potential
 16 approximate tax liability as follows: \$880,000 for substantial understatement and accuracy related
 17 penalties; \$440,000 for fraud and \$1,100,000 for failure to pay taxes for total penalties of approximately
 18 \$7,260,000. This does not include interest which, at a rate of 5% per annum compounded and without
 effective compounding, equals about \$650,000 for a total penalty and interest bill of \$7,910,000. In

19 addition, if the transaction is unwound and LC is determined to be the owner of the assets, he would
 20 have to pay tax on the sale which is the basis for the penalties and interest which amounts to about
 21 \$2,500,000 (state and federal combined). Thus and in summary, at the end of the day, if the TH
 22 transaction is reported to the IRS, Leonard Cohen will be liable for taxes on the sale in the sum of about
 \$2,500,000, penalties of \$7,260,000 and interest of \$650,000 totaling \$10,410,000.

23 62. The memorandum informed Lynch that Kory wanted to “unwind the transaction
 24 involving the sale of assets to Sony and to treat the Assignments to Blue Mist as being invalid.” Lynch
 25 viewed Kory’s plans as unlawful. In order to unwind a transaction of this nature, Lynch’s lawyers
 26 advised her that Leonard Cohen and his representatives would have to “pursue a theory of fraud or
 27 rescission.” This was the manner in which the RICO Defendants planned to defend Leonard Cohen.
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1 They concocted a narrative that willfully disregarded all corporate books and records, with which to
2 defend Leonard Cohen and shift his wrongdoing to Lynch and others. After speaking with Robert Kory,
3 in anticipation of settling with Lynch, and in preparation of legal proceedings (including the planned
4 mediations) Lynch's lawyers summarized how the RICO Defendants planned to extricate Leonard
5 Cohen from the Tax Fraud Scheme should she refuse to enter into an agreement with Leonard Cohen:
6 they would fraudulently argue that Lynch (1) convinced Leonard Cohen that he didn't make enough
7 money and that he needed to sell his assets, causing him to hire Richard Westin and consummate the
8 Sony sale, (2) that, in fact, Leonard Cohen didn't need to sell his assets as he made enough money, (3),
9 that Lynch knew he made plenty of money to sustain his lifestyle but that she wanted him to sell his
10 assets so she could receive a substantial commission, (4) that it was reasonable for Cohen to rely on
11 Lynch's statements that he needed to sell his assets because Lynch managed his "financial affairs" and
12 kept this information secret from him, and (5) that as a result of these misrepresentations, Cohen hired
13 Westin who put in place a transaction that caused him to give Lynch 99.5% of an interest in Traditional
14 Holdings, LLC that was paid for with his assets. Leonard Cohen's declaration, submitted to the
15 Southern District of New York in August 2000, thoroughly undermines this argument. The document,
16 available through the SDNY, is now under seal with LA Superior Court. The corporate records, and
17 other evidence, further undermine the positions the RICO Defendants have taken. And, the RICO
18 Defendants have concealed the fact that Leonard Cohen personally hired a team of professional
19 representatives to pursue the intellectual property transactions. Exhibit J: Cohen CAK Declaration,
20 attached hereto and made a part hereof.

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24 63. Leonard Cohen's August 2000 CAK declaration, submitted to the Southern District of
25 New York, proves that he personally understood that the intellectual property generated substantial
26 royalty income. In fact, Cohen understood that the income generated could support a \$5.8 million bond
27 securitization loan. Cohen is the individual who demanded these transactions. Cohen is also the
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1 individual who demanded complex stock and other transactions to avoid paying ordinary income taxes.
2 Lynch remains unconvinced that, at the rate Cohen spent money vis a vis his work output, he could
3 “sustain his lifestyle.” That lifestyle included purchasing homes and commercial buildings for his
4 girlfriend and adult children as well as generally spending at an alarming rate. Lynch and Greg
5 McBowman, Cohen’s royalty consultant and auditor, met with Cohen and informed him not to sell the
6 intellectual property assets.
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8 64. Lynch’s lawyers set forth what she needed, on her end, to prove that Leonard Cohen
9 knew what his financial status was at the time that he began contemplating a sale of a portion of his
10 assets to Sony and that it was his decision to sell “his assets.” DiMascio & Berardo, based on the actual
11 facts and evidence, addressed the fact that Cohen was interested in pursuing intellectual property
12 transactions because he thought the market for sales of records was dying and that it made sense to sell
13 while the assets still had value. According to Lynch’s legal representatives, these facts alone would defeat
14 Cohen’s claim of fraud, should Lynch refuse to enter into a settlement agreement, agree to mediate with
15 Cohen against his representatives, provide what Lynch viewed as perjured testimony against Cohen’s
16 representatives,, and assist with the unraveling of these transactions and corporations. The so-called
17 settlement was a blatant attempt to blackmail or force Lynch into assisting Leonard Cohen with his
18 planned mediations and extortion attempts with respect to Neal Greenberg, Richard Westin, their
19 insurance carriers, and others.
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22 65. As of the date Lynch received this particular memorandum, the RICO Defendants, on
23 behalf of Leonard Cohen, had offered to pay her the outstanding commissions due her, the value of her
24 share of intellectual property, and the value of her interest in these companies. Robert Kory personally,
25 as the memorandum confirmed, raised a possible settlement wherein he proposed that Lynch may “even
26 be entitled to palimony (50% of Cohen’s assets).” These offers were made to Lynch by Cohen and Kory
27 personally, through her legal representatives, accountant, and third parties. Once the RICO Defendants
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1 understood Lynch was unwilling to cooperate with them, or participate in their illegal schemes they
2 withheld monies and property due Lynch as a means to crush and destroy her. They also targeted her
3 sons, took to the airwaves to promote their malicious, salacious and fraudulent narrative, and employed
4 utterly malicious and abusive tactics.

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6 66. The memorandum concluded with the following language: Currently, we all agree that
7 Traditional Holdings should be unwound. Lynch would be willing to submit this attorney/client
8 privileged document to the Court under seal. As of January 2005, the plan – with respect to the Tax
9 Fraud Scheme – was to unwind the sham transactions, fraudulently concoct a set of facts, provide Lynch
10 with a generous settlement, and extort monies and/or property from Neal Greenberg, Richard Westin,
11 their insurance carriers, and others. Lynch steadfastly refused to entertain any such agreement. At no
12 time did Lynch handle tax, IRS, corporate, legal, accounting, financial, or corporate matters. On or
13 about January 16, 2015, Lynch was served an Objection document by Jeffrey Korn, the RICO
14 Defendants co-counsel, in connection with a hearing related to her motion to vacate the fraudulently
15 obtained default judgment. This document makes it abundantly clear that the RICO Defendants are
16 under no delusions that Lynch did in fact handle these types of matters. The issue with respect to
17 Lynch’s motion to vacate involved extrinsic fraud with respect to the proof of service related to the
18 summons and complaint she was not served. The Objections document is the RICO Defendants
19 objection to any potential witness testimony related to the issues addressed therein. Exhibit K: Leonard
20 Cohen’s Objections document (3 parts). Please refer to racketeeringact.wordpress.com, an evidence blog
21 created for this Complaint, incorporated herein and made a part here. The documents may be located
22 through the blog index and the first exhibit, in alphabetical order, would be the first posted document.
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25 **COORDINATED CUSTODY MATTER**

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27 67. The Natural Wealth Lawsuit addressed some of the tactics Cohen and Kory, together
28 with their co-conspirators, used against Lynch. Clauses 146 through 147, Natural Wealth Lawsuit,

1 address some the tactics Cohen and Kory's used against Lynch. These tactics include, but are not limited
2 to, a coordinated custody matter that involved Lynch's younger son, Ray Charles Lindsey. Leonard
3 Cohen and Robert Kory actively encouraged Steven Clark Lindsey to remove custody from her. After
4 Ray Lindsey, Lynch's younger son, witnessed a conversation between Lynch and Kory that related to the
5 Tax Fraud Scheme, failure to file state tax returns, Lynch's ownership interest in numerous entities,
6 valuable copyright assets Lynch owned, and their threats to put Lynch in jail should she refuse to enter
7 into a settlement agreement with Leonard Cohen, Cohen and Kory contacted Steven Clark Lindsey and
8 would ultimately provide him with a declaration to use in the coordinated custody matter. Robert Kory's
9 declaration fraudulently accused Lynch of misappropriation and confirmed that she refused to settle with
10 Cohen. The threats Lynch addressed with Kory were repeated to Lynch's sons at the time to place
11 enormous pressure on her. The coordinated custody matter clearly used to crush and destroy Lynch and
12 her children.
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15 68. In the winter of 2005, a lawyer from Boies Schiller contacted Lynch. At the time, Boies
16 Schiller represented Cohen's investment and financial advisers, Neal Greenberg with respect to what
17 would ultimately become the Natural Wealth Lawsuit. Lynch provided Boies Schiller with information
18 and evidence, documented a tremendous amount of what was unfolding during this period of time, and
19 permitted them to review three huge boxes of evidence. Boies Schiller informed Lynch that they
20 understood Cohen owed her millions, he was attempting to blame his wrongdoing on her and others,
21 and advised her to attempt to find a lawyer who would help her take down another "Hollywood fraud,"
22 Leonard Cohen. At some point, Boies Schiller wrote Lynch that they had evidence that Cohen and Kory
23 planned to destroy her and her sons. Lynch sent that evidence to FBI. Boies Schiller also advised her
24 that Cohen and Kory were attempting to engage her in criminal conduct and advised her to contact
25 Investigator Brian Bennett, DA investigator on the Phil Spector case, and have him wire her for any
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1 meetings with Cohen and/or Kory. They were specifically addressing a planned lunch meeting Lynch
2 scheduled with Robert Kory.

3 69. There are some minor discrepancies in Natural Wealth's Lawsuit, Clause 146. For
4 example, Lynch's parents did not have an account with City National Bank; Lynch's mother did not have
5 Alzheimer's but was under enormous stress and suffered some memory problems; and, following the
6 SWAT incident, Steve Lindsey contacted Rutger in an attempt to persuade him to go into Cohen/Kory's
7 offices and sign over Lynch's home while she was being taken from her home in Brentwood, California
8 to Killer King in South Central, California. Leonard Cohen and Robert Kory had no legal right to
9 Lynch's premises or to force Rutger to sign or transfer Lynch's house to them. Rutger refused to speak
10 further to Lindsey or meet with Cohen and/or Kory. Lynch has no evidence that would lead her to
11 conclude that Cohen paid and/or successfully convinced her former greeting company card employees,
12 who she does not view as "paroled convicts," to fabricate information about her older son, Rutger.
13 Exhibit L: Natural Wealth First Amended Complaint. Please refer to racketeeringact.wordpress.com, an
14 evidence blog created for this Complaint, incorporated herein and made a part here. The documents
15 may be located through the blog index and the first exhibit, in alphabetical order, would be the first
16 posted document.
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19 **Excerpted from Natural Wealth Amended Complaint:**

20
21 *146. Consistent with that vow and plan, and according to Lynch and other witnesses, and on information and belief,
Cohen and Kory's tactics to terrorize, silence, or disparage Lynch have included, inter alia, the following:*

22 *a. contacting City National Bank, where Lynch, Lynch's son, and Lynch's father, all had personal banking accounts, and
23 convincing City National Bank to put a freeze on all three of their accounts;*

24 *b. alleging that Lynch's father and mother were depositing funds for Lynch in secret offshore bank accounts, even while, in
25 fact, Lynch's mother was suffering from Alzheimer's and had moved to Texas to be in the care of her other daughter in light
26 of Lynch's precarious financial circumstances;*

27 *c. threatening Lynch that she would go to jail if she did not cooperate, and having her younger son's father, Steve Lindsay,
28 who was also Cohen's record producer, repeat these threats in the child's presence;*

1 *d. threatening to "go to child services," encouraging Steve Lindsay to file legal action to remove Lynch's younger (and his)*
2 *son from her custody, and submitting affidavits (from Kory and Superfon) supporting that effort;*

3 *e. in a coordinated fashion with Lindsay's child custody petition, encouraging or directing Steve Lindsay to call in a warning*
4 *to the LAPD (not related to Traditional Holdings, but on some other, unknown pretext) that caused a police team to*
5 *descend, guns drawn, on Lynch's home, resulting in her being handcuffed and taken involuntarily, in her bathing suit, to a*
6 *hospital psychiatric ward and medicated without her consent, before being released the next day, during which time Kory*
7 *attempted to persuade Lynch's older son, Rutger, to sell Lynch's house and provide \$3 million; and*

8 *f. paying two paroled convicts to make statements that they had observed Lynch's older son brandishing a gun and*
9 *threatening to kill someone.*

10 70. Clause 148, Natural Wealth Lawsuit, confirmed that Lynch exposed Cohen and Kory's
11 scheme to extort monies and/or properties from Greenberg, his related companies and insurance
12 carriers, and/or others. Lynch did indeed provide Boies Schiller with evidence and information and
13 authorized them to review same. When Cohen and Kory's attempts to force Lynch to provide perjured
14 testimony against Cohen's representatives failed, they did turn to more aggressive tactics. Those tactics
15 involved willfully bankrupting Lynch, destroying her reputation, and assisting with the coordinated
16 matter. The custody matter, Los Angeles Superior Court Case No. SF0 000 150, resulted in yet another
17 fraudulent default judgment that destroyed the lives of Lynch's sons based on fraudulent
18 misrepresentations, perjured declarations, and the use of a SWAT/Killer King incident that Lynch has
19 asked IRS, FBI, and DOJ to investigate. The entire Killer King file is fraudulent and does not represent
20 Lynch, her identifying information, and/or her personal medical file. Dr. D'Angelo disagreed with
21 LAPD, who took Lynch approximately three hours from her home and questioned her about Phil
22 Spector en route, advised Lynch to wait her turn, released her, and informed Lynch and her older son
23 that there was nothing whatsoever in the file that would cause her to lose custody of her younger son.
24 Lynch understood immediately that the SWAT/Killer incident was coordinated to create a custody
25 matter and discredit her. These issues are still used to slander, defame, libel, and discredit Lynch.
26 Exhibit M: King Drew Report. Please refer to racketeeringact.wordpress.com, an evidence blog created
27
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1 for this Complaint, incorporated herein and made a part here. The documents may be located through
2 the blog index and the first exhibit, in alphabetical order, would be the first posted document.

3
4 *Lynch Reveals Cohen's Scheme*

5 *148. Cohen's scheme to force Plaintiffs into a contrived mediation without discovery or publicity might have succeeded, had*
6 *not Lynch refused to cooperate. Instead, she made the unilateral decision to provide to Plaintiffs' legal counsel a variety of*
7 *documents and other information that they might not have otherwise seen, all making clear that Cohen and Kory had clear*
8 *knowledge that the core allegations they intended to raise against Plaintiffs were entirely false and pretextual, as detailed*

9 *DiMascio, through accountant Dale Burgess, and through other intermediaries, and shared every detail of Cohen and Kory's*
10 *attempts to negotiate with or threaten her in order to obtain false testimony against Plaintiffs.*

11 71. The coordinated custody matter was filed on May 26, 2005, the day after the
12 SWAT/Killer King incident. If the Court, pursuant to the Section 1915(e) merits review, approves this
13 RICO Complaint, Lynch would be willing to submit the declarations and other evidence from the
14 coordinated custody matter under seal to prevent any further damage to her sons. The documents
15 submitted to Los Angeles Superior Court, that resulted in the "default judgment" custody matter, are
16 nothing other than a concocted and fabricated narrative, perjured declarations, and evidence of unlawful
17 conduct. In the meantime, Lynch has excerpted Steve Lindsey and Robert Kory's declaration as they
18 relate to Leonard Cohen, Robert Kory, their threats, attempts to force Lynch into a settlement, and
19 blatantly outrageous and false accusations – made under penalty of perjury – that Lynch misappropriated
20 over \$8 million from Leonard Cohen. At no time did Lynch inform Steve Lindsey, or anyone else, that
21 she was concerned she might go to "jail." These are the threats directed at Lynch and repeated to her
22 sons, family members, and third parties. Lynch discussed these threats, and other matters, with the
23 agents from the U.S. Treasury. Lynch was not locked in her house and was not threatening to kill
24 herself. Lynch did not inform LAPD that she was threatening to kill herself. In fact, LAPD never
25 approached Lynch's door, asked her to come out, or phoned her. At one point, LAPD – fully aware that
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1 Lynch was inside the house alone – farcically asked Lynch what her “hostage demands” were. LAPD
2 would ultimately inform Lynch’s son that her “dog” was her hostage and they were taking “precautions.”
3 Lynch had no plans to “flee” to Tibet with her sons. Both of Lynch’s sons, Rutger and Ray, are
4 recognized incarnate lamas. Rutger is an emanation of Aphong Tertson and Ray is an emanation of the
5 warrior king, Gesar of Ling. His Holiness Kusum Lingpa, who recognized Lynch as his lineage holder,
6 invited Lynch and her sons to visit Tibet for two weeks in August 2005. He asked her to join him, on
7 the throne next to him, in performing the formal enthronement rituals for her sons in Tibet. Rutger’s
8 friends also hoped to accompany Lynch and her sons on this visit. Many westerners, including Oliver
9 Stone, have visited His Holiness’ monastery in Tibet. Lynch responded facetiously to Lindsey’s false
10 accusations that Cohen and Kory informed him that she had sex with Oliver Stone, may have had sex
11 with Cohen’s lawyer to obtain an “annuity obligation, probably had sex with her friend, Richard
12 Rutowski (Oliver Stone’s friend and associate producer), and seemed to be a “slut” whose magical
13 powers seduced Cohen and his representatives into pursuing the transactions at issue and incredibly
14 aggressive and reckless tax planning. Lynch was not in fact placed on a “psychiatric hold.” The doctor
15 advised her to wait her turn and promptly released her. Nevertheless, the SWAT/King Drew incident
16 was used to coordinate a custody matter.
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20 **Steven Lindsey Declaration dated May 26, 2005**

21 5. Approximately five or six years ago [1997], Respondent and I ceased living together. We
22 established a custodial schedule without the necessity of court intervention, by which we had abided until
23 Respondent lost her job in October 2004. I would visit with Ray every day after school for a few hours
24 and on Saturdays, and he would sleep at my residence on Wednesday and Sunday nights.

25 6. Until approximately October 2004, Respondent worked as a manager for singer/songwriter/poet
26 Leonard Cohen. However, she was terminated due to suspicion that she stole over \$8 million from Mr.
27 Cohen. It is my understanding that over approximately the past seven months, Mr. Cohen and his
28 attorney, Robert Kory, have been attempting to negotiate with Respondent to avoid filing a lawsuit against
her.

7. Mr. Kory’s attempts at negotiation have been without success, and he is on the verge of filing a
complaint against Respondent. A criminal action may also be brought against Respondent, and she has

1 told me several times that she may face time in jail. I have noted, and as further discussed below,
2 Respondent seems desperate.

3 8. The more Respondent has dealt with the potential lawsuit and the consequences of her illegal
4 actions. I believe our son is in danger while in our care, partially because of the following incident that
5 took place on May 25, 2005.

6 I then called the police, and the policeman with whom I spoke informed me that they had already
7 received many telephone calls regarding Respondent's behavior (presumably from her neighbors) and
8 that the police were already on their way. The policeman also informed me that Respondent had now
9 locked herself inside her residence and that she told the police she had a gun to her head and was going
10 to kill herself. He asked me to come to the house to describe the layout to the police officers there."

11 "I went to the house and described the layout. To the best of my recollection, there were approximately
12 20 police officers surrounding the house.

13 After my conversation with the police, I picked up Ray from the bottom of Respondent's street, and he
14 went home with Dinah. He was very shook up. [Rutger dropped Ray off at the bottom of the hill with
15 Cloris Leachman.]

16 9. ... I am also very concerned that she is going to run away to Tibet with Ray as soon as she is
17 released from the psychiatric hospital without telling anybody they are leaving. I have a bad feeling that,
18 because things are quickly closing in with Mr. Cohen, Respondent is about to run from the law."

19 10. On or about May 3, 2005, I received an email from Respondent stating that she will 'sleep with
20 everyone in the DA's office, every judge in town, every fucking lousy lawyer and somehow after I've cast
21 this spell, I will manage to tell my story ... I'm also going to be having sex with probation officers,
22 wardens, Criminal Investigators at the DA's office, inmates, and anyone I can think of ... Love, Mata
23 Hari (tell Kory my real name also)."

24 "iv. On or about May 3, 2005, I received another email from Respondent stating, 'Also tell Kory I plan
25 to sleep with his father and ex-wife. If they're not careful, I'll have sex with Leonard & Adam. Before
26 you know it - all of LA will be under my spell. I'm going to sleep with movie producers, agents, and hair
27 dressers. Authors. I'll be busy - you might have to pick Ray up at school more often."

28 "v. On or about May 3, 2005, Respondent sent me another email, stating 'Tell Kory this: I'm going to
call the Child Protection agency myself. Very soon now. They are threatening Ray's mother with jail and
this information was also told to Ray's grandparents. I really don't like this story. I will take Ray right
into that agency and have him tell this story. It's downright abusive - of Robert Kory and Leonard
Cohen. Read these words: they are deadly serious. No one - including you - will put my children in any
type of problematic situation. Child Protection Agency to me is a much better place than John Grenner
or a therapist. Why - look at the name of the Agency: Child Protection ... Do you see where we are
going? Get a lawyer and get out of my story. Kelley Protection Agency."

"16. I am concerned about giving Respondent notice of my ex parte request ... Moreover, I am unable
to give Respondent notice because she was arrested on May 25, 2005 and placed in a psychiatric hospital
for 72 hours. I therefore request that this order be issued without notice."

1 Dated May 26, 2005
Steven Clark Lindsey

2
3 Robert Kory's declaration is blatantly fraudulent, perjured, and outrageous. Lynch's son witnessed a
4 conversation between Kory and Lynch, was in no way interrogated by Lynch (as Kory testified during
5 Lynch's 2012 trial), and the situation was used to coordinate the custody matter. It is true that Lynch
6 didn't have an appointment. However, Lynch didn't realize that visiting a lawyer's office, after that
7 individually relentlessly attempted to force her into a settlement with Cohen, would prove so dangerous
8 and damaging.

9
10 **Robert Kory Declaration dated May 26, 2005**

11 3. Mr. Cohen and I have evidence demonstrating that Ms. Lynch stole over \$8 million from Mr. Cohen
12 over a period of approximately six to seven years. Because of same, Mr. Cohen terminated Ms. Lynch's
13 employment in or about late October, 2004. Since that time, we have attempted to negotiate with Ms.
Lynch to resolve the matter without the necessity of court intervention.

14 4. Approximately three weeks ago, Ms. Lynch appeared at my office with her son, Ray, without an
15 appointment and demanded to see me. When I walked into the lobby, she demanded that I listen to
16 what she had to say. Then she began interrogating Ray, asking him leading questions and waiting for
what appeared to be his rehearsed answers, such as:

17 Ms. Lynch's question: Who is the victim in this case?

18 Ray's response: You are, mom.

19 Ms. Lynch's question: Who is the evil person in this case?

20 Ray's response: Leonard Cohen.

21 Ms. Lynch's question: Are you afraid that your mother is going to go to jail?

22 Ray's response: Yes.

23 6. When she finished questioning Ray, she turned to me and stated, "Ray is going to be my witness
24 when you try to destroy me" and then she left.

25 Dated: May 26, 2005

26 Robert Kory

27 72. Lynch's son, Ray, confirmed that information, including Cohen and Kory's threats, had
28 been repeated to him. Ray witnessed a conversation between Lynch and Kory that involved her
addressing the Tax Fraud Scheme, missing corporate state tax returns, commissions due her, valuable

1 intellectual property she has an ownership interest in, the value of her equitable interests in numerous
2 corporate entities, and their threats. While Cohen and Kory had previously attempted to stir up a
3 custody matter, but going into Steven Clark Lindsey's office and falsely accusing Lynch of having sex
4 with Oliver Stone and others, after Ray witnessed this conversation, they actively began encouraging
5 Steven Clark Lindsey to remove legal custody of her younger son from her. Ray's alleged responses are
6 nothing other than self-serving hearsay statements incorporated into Robert Kory's declaration.
7

8 73. Steven Clark Lindsey, and his lawyer, co-conspirator Daniel Bergman, were in contempt
9 of court, with respect to telephone calls Lynch was to receive every night from her minor son, for
10 approximately five straight years. When Lynch filed her motion for terminating sanctions (fraud upon
11 the court), with LA Superior on or about March 17, 2015, Daniel Bergman would enter an appearance on
12 behalf of Leonard Cohen. Bergman himself was ordered by the court in the custody matter to
13 communicate with Lynch, absolutely refused to do so, and ultimately informed Lynch that he was not
14 ordered to communicate with her "orally." This has been an ongoing pattern of conduct with respect to
15 all lawyers involved in these cases with respect to Lynch.
16

17 74. On April 13, 2010, Lynch faxed Daniel Bergman with respect to the outrageous targeting
18 of her sons, including Ray Charles Lindsey who was a minor at the time, by co-conspirators Stephen
19 Gianelli, Susanne Walsh, and others. Lynch expressed her alarm at Lindsey's willingness to expose her
20 minor son to adult strangers online attempting to communicate with him privately about Leonard Cohen
21 legal issues, IRS and federal tax matters, Phil Spector's murder trial, while slandering his mother publicly
22 and in emails to her sons, family members, friends and others. While her sons are both over the age of
23 18, the harassment of them continues to this day. Exhibit N: Lynch Fax to Daniel Bergman dated April
24 13, 2010, attached hereto and made a part hereof.
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