

1 47. Notwithstanding the abandonment of the Blue Mist Transaction, certain royalty
2 revenues, as much as \$250,000, were deposited into Blue Mist. Lynch never accounted to
3 Cohen with respect to the \$250,000 of “inadvertently” deposited royalties into Blue Mist. On
4 information and belief, Lynch converted these royalties for her own benefit, fully aware that
5 these royalties were Cohen’s property.

6 48. Further, when the Blue Mist Transaction was abandoned, Westin did not
7 properly rescind the assignment agreements before engaging in subsequent asset transfers and
8 transactions involving the same musical properties. Westin failed to properly “unwind” the
9 steps taken toward completion of the Blue Mist Transaction. As a result of Westin’s failure,
10 Lynch has asserted claims as to ownership of 15% of Cohen’s remaining intellectual property
11 assets.

12 **Private Annuity Transaction for Sale of Cohen’s Artist Royalties**

13 49. At Greenberg and Lynch’s urging, Westin devised a complex and unusual
14 scheme and presented his initial proposal in a faxed memo addressed solely to Cohen on
15 November 19, 2000. Westin’s proposal called for Cohen to transfer his interest in his Artist
16 Royalties to an entity (Westin initially proposed using a trust) in exchange for a private
17 annuity, which would fund Cohen’s retirement years. The entity would then sell the Artist
18 Royalties to Sony, and the entity would receive the proceeds from the sale. The entity would
19 then invest and use the sales proceeds to fund future annuity payments to Cohen. Westin
20 asserted that Cohen would incur no tax liability on the sale of the Artist Royalties to Sony and
21 that the sale would allow the tax free transfer of any remaining funds (after payment of the
22 private annuity) to Cohen’s children on his death. Cohen’s primary concerns with Westin’s
23 proposal were that any plan Westin and Greenberg devised be both legal and safe. Cohen
24 asked for a legal opinion from Westin, who delivered such an opinion.

25 50. Private annuities as an estate planning device are well established in the tax
26 laws and allow the transfer of income producing assets from one generation to the next
27 without incurring estate taxes.

28

1 51. Westin initially proposed to use this same principle in the transfer of Cohen's
2 Artist Royalties from Cohen to his two adult children, Adam and Lorca. Westin proposed
3 that Cohen transfer his Artist Royalties to a trust, the standard vehicle in such transactions, in
4 return for a \$4.89 million private annuity. Westin proposed as a next step that the trust sell
5 the Artist Royalties to Sony for the discounted present value of \$8 million. Westin's plan
6 resulted in the payment of almost \$3 million in transactions costs, including 15% of
7 \$8 million to Lynch as management fees and commissions, as well as legal and consulting
8 fees. Westin's plan also resulted in significant income taxes related to a \$1 million advance
9 on the sale. The transactions costs and taxes were not explained to Cohen until long after the
10 transaction was concluded.

11 52. Westin proposed that a trust be established for the benefit of Cohen with
12 Cohen's children, Adam and Lorca, as the trustees. In Westin's November 19, 2000 letter
13 addressed solely to Cohen, Westin proposes:

14 You [Cohen] will sell the assets to a newly-formed company that Kelley
15 [Lynch] will control and have 1% of, but which your children will have large
16 stakes (totaling 99%) in...It is expected that your children will in a year's time
17 or so contribute part of their interests in the company I described to a trust,
18 which will give you further income.

19 With regard to Lynch's role, Westin's first proposal to Cohen provided that: "Kelley
20 would be able to control how much money is actually distributed from the company to the
21 children. You will be free to advise her on what your wishes are." Westin also cautioned:
22 "A manager will have to be appointed to make sure that money in the company is well-
23 managed in order that the company be able to make the payments called for by the private
24 annuity." Also in this letter, Westin advised:

25 Some caveats are in order. The structure is novel and must be put in place
26 before a contract [for the Artist Royalty sale] is entered into or is a sure thing.
27 Neal [Greenberg] and I think that the proposal works, but there are no
28 guarantees.

1 53. In a subsequent letter addressed to both Lynch and Cohen dated December 4,
2 2000, less than three weeks after Westin had first proposed the Private Annuity Transaction
3 concept to Cohen, Westin responded to e-mail inquiries, apparently from Lynch, that the
4 Cohen children need not be beneficiaries and that the Private Annuity Transaction can
5 exclude them. From Westin's initial correspondence to Cohen dated November 19, 2000 to
6 Westin's later letter sent December 4, 2000 to both Cohen and Lynch (and there is no
7 evidence that Cohen actually received this December 4, 2000 letter), Lynch's interest in this
8 new entity increased dramatically and inexplicably to 99.5% from the 1% interest that Westin
9 had first proposed to Cohen three weeks earlier.

10 54. Cohen was never informed by Westin that the structure implemented by Westin
11 in December 2000 differed from Westin's initial November 2000 proposal to Cohen in two
12 very significant ways. First, at Lynch's request, Westin made Lynch, Cohen's business
13 manager, a 99.5% owner of the limited liability company (the "LLC") (with Cohen owning
14 the remaining 0.5%) and wrote the two Cohen children, Adam and Lorca, out of the
15 transaction altogether. Second, Westin elected to use a LLC to manage Cohen's assets rather
16 than a trust.

17 55. In correspondence addressed solely to Lynch on December 6, 2000, Westin
18 wrote: "I am assuming you and Leonard have decided to go ahead with the deal Neal
19 [Greenberg] and I have proposed." In the same letter, Westin suggests next steps in
20 proceeding with the Private Annuity Transaction, including drafting and sending Lynch an
21 operating agreement for the new LLC and speaking with Ken [Cleveland – Cohen's former
22 CPA] "to try to come up with a final sales price [for the Artist Royalties]." Westin also
23 instructs Lynch to "sign the private annuity ASAP, even though the sales price number is
24 blank."

25 56. In early December 2000, Westin obtained powers of attorney in the formation
26 of Traditional Holdings LLC ("THLLC") from both Cohen, the Artist, and Lynch, the
27 business manager.

28

1 57. Despite the fact that Cohen's and Lynch's interests were in actual conflict in the
2 formation of THLLC, Westin never informed Cohen of his conflicting professional loyalties
3 in representing both Cohen's and his business manager's (Lynch's) interests in the
4 transaction. Westin never obtained the required informed written consent and waiver to
5 represent both of them simultaneously.

6 58. After receiving the green light from Lynch to proceed, but without speaking
7 with Cohen or obtaining confirmation that Cohen understood the proposed transaction,
8 Westin drafted the corporate organizational documents of the proposed new entity,
9 Traditional Holdings, LLC, including the Articles of Organization and the Operating
10 Agreement. Westin filed the Articles of Organization of Traditional Holdings as a Kentucky
11 limited liability company in December 2000.

12 59. In December 2000, Westin also drafted Cohen's Private Annuity Agreement
13 and sent the agreement to Lynch for Cohen to sign. The Annuity Agreement, as drafted by
14 Westin, provided for monthly payouts to begin on the "fifth month of the 11th year following
15 the date this agreement is signed." The Annuity obligation therefore would not begin until
16 2011, when Cohen was 77 years old. Further, Cohen's Annuity Agreement provided that if
17 Cohen should die before 2011, the payment obligation would terminate and that "no heir,
18 legatee, creditor, or beneficiary of the estate of the Annuitant, nor the estate itself, shall have
19 any rights whatsoever under this Agreement." By making Lynch the 99.5% shareholder of
20 THLLC, instead of Cohen's children, Westin guaranteed that Lynch would own the
21 \$4.7 million in assets in THLLC outright if Cohen were to die before the annuity began
22 paying out in 2011. Cohen's children would have no right to claim these funds despite being
23 the beneficiaries of Cohen's estate under his will. Cohen had no knowledge that Westin's
24 plan resulted in the disinheritance of his children. Lynch and Westin concealed this fact from
25 Cohen simply by failing to explain how this complex transaction worked.

26 60. In April 2001, Sony Music International purchased Cohen's Artist Royalties
27 from Traditional Holdings pursuant to an Artist Royalty Buyout Agreement dated April 18,
28 2001 ("Sony Buyout Agreement").

1 61. Sony purchased Cohen's Artist Royalties from THLLC for \$8 million. Cohen
2 netted, after transactions costs and taxes, approximately \$4.7 million. Cohen's professional
3 advisers, Greenberg and Westin, in promoting the sale, never disclosed to Cohen that nearly
4 33% of the sale proceeds would be spent on taxes and transactions costs, which, on
5 information and belief as subject to final audit, included:

- 6 • \$1.2 million paid to Lynch in 2001 as her 15% management commission;
- 7 • \$350,000 in legal fees for negotiation of the sale on behalf of Cohen with Sony;
- 8 • \$350,000 to consultants for providing the historical royalty analysis used in
9 calculating the Artist Royalty sale price;
- 10 • \$500,000 for federal income taxes and penalties due on Sony's \$1 million
11 advance paid on the sale in 1999;
- 12 • \$100,000 to Westin for legal fees; and
- 13 • \$200,000 for a failed transaction leading to the 2001 sale.

14 62. From the outset, Westin and Greenberg knew that the Private Annuity structure
15 put Cohen's retirement money at great risk of loss through misappropriation by Lynch.
16 Westin even acknowledged that "a manager will have to be appointed to make sure that
17 money in the company is well-managed in order that the company be able to make payments
18 called for by the private annuity." Cohen's professional investment and legal advisers,
19 Greenberg and Westin, failed to disclose to Cohen the significant risks involved in the Private
20 Annuity Transaction, including but not limited to:

- 21 (1) the abrupt shift in ownership of THLLC from Cohen's children to Lynch, who
22 mysteriously and inexplicably obtained a 99.5% ownership interest instead of
23 the Cohen children;
- 24 (2) the delayed (10 year) payout obligation of the annuity, which was not to begin
25 paying Cohen an annuity income until the 5th month of the 11th year following
26 the execution of the Private Annuity Agreement by Cohen, or until sometime in
27 2011, when Cohen would be 77 years old;

28

1 (3) the risks involved if Cohen were to die before the annuity obligation payout
2 period began with Lynch as the 99.5% shareholder of THLLC; and the highly
3 unusual role that Lynch, Cohen's business manager assumed in the transaction,
4 which would expose Cohen to significant gift tax liability, if the IRS collapsed
5 the structure due to Lynch's withdrawal of funds from THLLC for her own use
6 and benefit.

7 (4) the absence of controls limiting Lynch's use of the funds and the legal effect of
8 Lynch's 99.5% ownership of THLLC.

9 63. None of these risks was explained to Cohen before the transaction was
10 consummated. Had Cohen been fully and accurately informed by his professional licensed
11 advisers, Greenberg and Westin, Cohen would not have agreed to the transaction as it was
12 implemented. Cohen at all times believed that the Private Annuity Transaction would be
13 structured so that his children would be the beneficiaries of his estate and that the funds
14 would be invested in safe securities designed for the long-term preservation of capital.

15 64. When Cohen began questioning the transactions costs associated with the
16 Private Annuity Transaction in 2002, Westin, Greenberg and Lynch began a three month
17 effort to rationalize the transaction and conceal the true costs and risks. As part of this self-
18 serving strategy of concealment, Westin rationalized Lynch's involvement in the Private
19 Annuity Transaction in a letter to Cohen dated March 6, 2002 by saying that:

20 Kelley [Lynch] had to be brought in, and agreed to do so in order to help you,
21 because you needed a third party's involvement so that the IRS does not view
22 this transaction as your selling something to yourself. This third party should
23 not be a relative of yours and therefore Kelley was selected.

24 65. Westin, Greenberg and Lynch concealed from Cohen the true extent of their
25 support for Lynch. They congratulated one another on their joint efforts to "save taxes" and
26 devise an excellent "estate planning" solution. They never told Cohen that the transactions
27 costs on the deal were about equal to income taxes that would have been due on simple sale
28 of the Artist Royalties to Sony. They also never told Cohen that their "estate planning"

1 vehicle for the benefit of Cohen's children effectively wrote the children out of the
2 transaction. Westin did not explain the structure to Cohen until November 2004, after
3 Lynch's malfeasance had been discovered.

4 66. Greenberg and Agile Group took the \$4.7 million sale proceeds under
5 management for Cohen shortly after Sony made the final payment in April 2001.

6 67. In December 2001, a year after filing the Articles of Organization for THLLC,
7 Westin drafted a Management Agreement which appointed Lynch sole manager of THLLC.
8 Westin's Management Agreement between Lynch and THLLC was sloppily drafted on an
9 inappropriate form which appeared intended for use by managers of residential properties.
10 The Agreement includes references to Manager "maintain[ing] the grounds of the Properties
11 in accordance with standards acceptable to Owner, including cleaning, painting, plumbing,
12 carpentry, and such other normal maintenance work" rather than musical properties.

13 68. Additionally, the Management Agreement contained inconsistent provisions
14 regarding Lynch's compensation as Manager of THLLC. Paragraph 6, provides that Lynch's
15 compensation is "\$20,000 per month", while paragraph 15 provides that "Manager's
16 Compensation is given as \$20,000 per year, payable June 30 and December 31." Seizing on
17 this inconsistency, Lynch now contends that these provisions entitled her to \$240,000 per
18 year in management compensation. Westin admitted to Cohen by e-mail in November 2004
19 that the Management Agreement was to provide Lynch only \$20,000 per year.

20 **Lynch Begins Stealing From THLLC**

21 69. After being appointed sole manager of THLLC by virtue of Westin's
22 Management Agreement in December 2001, Lynch, in furtherance of her desire for control
23 over all of Cohen's financial assets, procured from Cohen a very broad Power of Attorney to
24 act on Cohen's behalf in January 2002 ("Lynch POA"). Lynch promoted the idea of the POA
25 to Cohen because Cohen was planning a three month trip to India. Lynch's POA was
26 witnessed by Lynch's parents, John and Joan Lynch, then living in a three bedroom condo in
27 Pacific Palisades, California, purchased by Lynch in 2001.

28

1 70. One month after the Lynch POA, Lynch and Greenberg executed a new
2 investment advisory agreement, without notice to or consultation with Cohen. Lynch
3 executed both an Investment Advisory and Financial Planning Agreement with Greenberg,
4 which jointly listed “Kelley Lynch and Leonard Cohen” as “Client.”

5 71. As a direct consequence of the power and authority that Westin gave Lynch
6 through ownership and management of THLLC, Lynch began withdrawing funds in THLLC
7 for her own benefit. She proceeded to tap Cohen’s savings in THLLC through what she
8 called and Westin approved as “shareholder loans.” In 2002 she made a series of small loans
9 that were approved by Westin and Greenberg but were unknown to Cohen.

10 72. Beginning in early 2003, Lynch’s withdrawal requests from the THLLC
11 account increased in both frequency and magnitude. In 2003, unbeknownst to Cohen, Lynch
12 withdrew over \$1.1 million from the THLLC investment account, averaging \$88,000 per
13 month. In 2004, Lynch continued to make extraordinary withdrawal requests of Agile from
14 the THLLC account, and withdrew a total of nearly \$1.3 million through the end of October
15 2004, averaging \$108,000 per month.

16 73. All tolled, “shareholder loan” withdrawals dissipated the invested funds in the
17 THLLC investment accounts from a starting value of \$4.7 million in December 2001, to a
18 little under \$150,000 by October 2004. Cohen, in February 2002, withdrew \$592,000 as a
19 “shareholder loan” from the THLLC investment account for various real estate purchases
20 Cohen made on behalf of his family. The majority of the remainder of the “shareholder
21 loans” withdrawn from the THLLC investment accounts, approximately \$3.5 million, was
22 withdrawn by Lynch, without Cohen’s knowledge or consent. Over nearly a three-year
23 period, by withdrawing millions of undocumented “shareholder loans,” Lynch changed the
24 composition of 97% of the THLLC investment portfolio from profit-earning and interest
25 bearing securities to valueless “shareholder loans” she made to herself.

26 74. Lynch even withdrew a \$15,000 “shareholder loan” for her benefit from the
27 THLLC investment account on October 27, 2004, after Cohen had instructed Agile
28 unequivocally through e-mails sent October 21 and 22, 2004 that Lynch no longer

1 represented him as his business manager and not to respond to any of her instructions
2 regarding his investment accounts.

3 75. Lynch also instructed Agile not to inform Cohen of the shareholder loans she
4 was taking out. Throughout the period of Agile's management of the THLLC accounts,
5 Greenberg and Agile sent Cohen monthly "portfolio performance" e-mails summarizing the
6 withdrawals from the accounts and stating the value of Cohen's investment accounts.

7 76. Lynch conspired with Agile to mislead Cohen through specific instructions for
8 Agile to delete any reference to her loans from the THLLC accounts in Agile's monthly e-
9 mails sent to Cohen. In an e-mail to Greenberg from Lynch on January 23, 2003, Lynch
10 advises Greenberg:

11 I need to borrow \$100,000 from TH as well. I made \$28,000 from Leonard last
12 year and when he is back [from traveling in India] we will negotiate something
13 because he has basically retired. I know I have taken another loan this year and
14 both of these must stay on the statements as Shareholders Loans and not be
15 deducted when Leonard receives his e-mails...

16 Agile complied with Lynch's request to not report the shareholder loans taken by Lynch out
17 of the THLLC investment accounts in the monthly "portfolio performance" e-mails sent to
18 Cohen. As a result, monthly e-mail reports sent to Cohen by Agile at Lynch's instruction
19 were grossly misleading because they included the full amount of Lynch's loans (without
20 revealing the existence of those loans), even though the loans were unsecured and
21 undocumented.

22 **Agile Sends Cohen "Warning Letters" About Spending,**

23 **Are Intercepted by Lynch**

24 77. After Lynch withdrew over \$1.1 million from the THLLC investment account
25 in 2003, Agile sent a "warning letter" to Cohen and Lynch on January 16, 2004 at Lynch's
26 Stranger Management office address. The letter warned Cohen and Lynch that "you are
27 spending too much money...at this point, you only have an estimated \$2.1 MM left in capital
28

1 in Traditional Holdings LLC. The rest consists of loans to you and Kelley.” Agile further
2 warned:

3 Considering how quickly you are spending money, I think you should consider
4 your situation quite desperate...at the rate funds are being withdrawn, you will
5 run out of money in a few years...The company [THLLC] would then be
6 impaired, and your future annuity contract could be jeopardized.

7 78. Agile never called or e-mailed Cohen directly to follow-up whether Cohen had
8 received these purported dire warnings despite the fact that Cohen had given Greenberg his
9 home phone number and knew that he was reachable by e-mail even when traveling. Rather,
10 Tim Barnett sent an e-mail to Lynch’s AOL account (without a copy to Cohen) on
11 February 3, 2004. In an e-mail with the subject line “Follow up to 1-16-04 letter,” Barnett
12 inquires of Lynch:

13 Neal and I just wanted to make sure you and Leonard received Neal’s letter of
14 January 16, 2004. Please let us know if you would like to arrange a meeting to
15 discuss things further with Leonard.

16 Lynch responded to Barnett by e-mail the same day, an hour later:

17 Yes, the letter was received and it is clear.

18 It was sent fedex so hopefully you have a record of its delivery...As of today,
19 Leonard is traveling and I do not know when he will be back.

20 79. As Cohen was traveling out of the country, Cohen never received this January
21 2004 warning letter, nor did Lynch apprise him of its contents. Notably, Lynch insinuated in
22 her response that Agile should keep a record of its FedEx delivery tracking number, so that
23 Agile could prove later that a warning letter was sent.

24 80. Even despite Agile’s warning in January 2004 to “make sure the loans from
25 Traditional Holdings, LLC are properly documented”, Lynch continued to withdraw
26 progressively larger amounts from the THLLC investment account as shareholder loans made
27 out to Lynch, without documentation and based upon her assurances to Agile that she would
28 provide signed promissory notes later.

1 81. Cohen is informed and believes that from January 2004, after Agile sent the
2 first warning letter, which Cohen never received, through June 2004, Lynch withdrew
3 approximately \$810,000 in fourteen "shareholder loans" from the THLLC account, thereby
4 prompting a second stern warning letter about spending down the invested funds in the
5 THLLC account. Agile sent such a letter on June 24, 2004, again addressed to Cohen at
6 Lynch's Stranger Management business address reporting that: "you are currently down to
7 \$845,539 in Traditional Holdings...you are spending approximately \$210,000 per month."

8 Agile further stated:

9 In our view, the way you [apparently Lynch] are directing us to do the financial
10 statements is quite incorrect. Your assets consist of the value of the private
11 annuity, not the value of assets in the company... We will continue to do the
12 statements as you direct, but we want to start sending you a more correct set of
13 statements.

14 Again, Lynch intercepted the letter and concealed it from Cohen.

15 82. While Lynch was Cohen's business manager, Lynch received on behalf of
16 Cohen monthly "hardcopy" financial reports of Cohen's accounts managed by Agile. As
17 Lynch received them at her Stranger Management business address, she never forwarded or
18 discussed their contents with Cohen.

19 83. In late June 2004, three days after the second dire warning letter was sent,
20 Lynch still had not provided Agile with signed promissory notes for any of the shareholder
21 loans from THLLC, but still reassured Neal Greenberg in an e-mail dated June 28, 2004 that
22 signed notes would be forthcoming:

23 all loans for 2001 and 2002 will be repaid with the Sony advance. ALL loans for
24 2003 and 2004 will be repaid with the Publishing sale [Cohen's Writer's
25 Royalty sale that was pending in 2004]. ALL loans have loan documents,
26 interest rate [sic], and have STRONG legal documentation that they are
27 loans...All loan docs have interest rate applied and the interest will be repaid.
28 All loans are for five years and will be paid well in advance of the five years.

1 84. In the same e-mail, Lynch announced a new fraudulent scheme to conceal her
2 improper loans from Cohen by replenishing funds from a new royalty sale transaction. Lynch
3 advises Greenberg that the shareholder loans withdrawn from THLLC will be repaid with
4 monies that Cohen expected to receive over the next few months, including the expected
5 \$7 million sale proceeds from the sale of Cohen's Writer's Royalties that Lynch had been
6 negotiating with several potential buyers. Greenberg responded to Lynch's e-mail
7 emphasizing the need to "keep things documented", but nevertheless continued to allow
8 Lynch to make further undocumented shareholder loans out of the THLLC account until
9 Lynch had dissipated the value in the account to less than \$150,000 in October 2004, when
10 Cohen discovered Lynch's misappropriations through an informant.

11 **Westin Fails to Perform Basic Duties As Counsel to**
12 **Traditional Holdings LLC and LC Investments LLC**

13 85. When Westin formed THLLC, he assumed the responsibility of tax advisor and
14 tax preparer for THLLC. THLLC was required to file federal and Kentucky state tax returns.
15 Westin failed to reflect the "shareholder loans" to Lynch and the interest on those loans on
16 THLLC federal returns. Westin never filed Kentucky state tax returns for THLLC. The
17 Kentucky Secretary of State administratively dissolved THLLC on November 8, 2004 for
18 failing to file annual reports for the years 2003 and 2004. In an e-mail to Cohen dated
19 December 10, 2004, Westin informs Cohen of THLLC's administrative dissolution:

20 Thanks to Kelley's neglect, TH was dissolved a month ago or so under KY
21 because she did not send in a signed piece of paper I sent her. It is not a
22 problem. I got the paperwork to reinstate it. I am mailing it to you today. I am
23 sending a check (\$15), a return envelope and a sheet of paper for you to sign.
24 Once reinstated, it will be deemed to have existed for tax purposes. No need for
25 any indigestion here.

26 Because Westin had not filed state tax returns for the years 2000-2004, however, THLLC
27 could not obtain a Certificate of good Standing from the Kentucky Revenue Cabinet, which is
28

1 required for reinstatement. By allowing THLLC to be administratively dissolved, THLLC
2 remains in corporate "limbo", and until corporate tax returns are filed, it cannot be reinstated.

3 86. In a letter to Cohen drafted by Westin on March 6, 2002, Westin advised
4 Cohen: "All monies that you take from Traditional Holdings until 2011 need to be
5 documented as loans...It is important to have these 'loans' documented by notes." In
6 addition to his failure to prepare shareholder loan documents for THLLC, the draft
7 promissory notes that Westin did prepare and send to Lynch in May 2004 referenced "LC
8 Investments, LLC, a Delaware LLC" as "Holder" of the notes, rather than Traditional
9 Holdings, LLC.

10 87. Westin prepared LCI LLC's tax returns for the years 2001, 2002 and 2003.
11 Schedule K of Form 1120 of the 2001 LCI LLC federal tax return, prepared and filed by
12 Westin, indicated that the primary business activity of LCI LLC was to operate as a "royalty
13 company – collects and disburses royalties." Out of a 2001 reported royalty income of
14 \$708,414, management fees to Lynch at Stranger Management, were reported as \$459,088,
15 which represents 65% of Cohen's royalties received from SOCAN and Sony/ATV into LCI
16 LLC in 2001. Westin, by preparing and filing the tax return, knew that the percentage of
17 Cohen's royalty income received by Lynch as "Management Co. Fees" far exceeded Lynch's
18 15% commission arrangement with Cohen and that such a percentage was unconscionable for
19 management fees of an entity that merely received royalty income. Westin failed to take any
20 action to advise Cohen, his client, of the excessive fees taken by Lynch.

21 88. In an e-mail to Cohen dated November 18, 2004, in which he describes the
22 Private Annuity Transaction and the formation of THLLC, Westin noted: "I've owed you
23 this for a while...The plan was to have you and Kelley [Lynch] put the regular interests in the
24 LLC into a trust for the children starting next year. That would [have] take[n] her out of the
25 picture."

26 89. Westin sent Cohen a short cursory e-mail "formalizing" his resignation as
27 Cohen's attorney on April 23, 2005.
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FIRST CAUSE OF ACTION

(Breach of Fiduciary Duty Against Lynch and Westin)

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3 90. Cohen repeats and realleges each of the allegations contained in paragraphs 1
4 through 89, inclusive, as if fully set forth herein.

5 91. Defendants, due to their position as Cohen's attorney and business manager
6 with a power of attorney, acted as Plaintiffs' fiduciaries at all times herein mentioned.
7 Moreover, the Defendants utilized their professional and personal relationship with Cohen to
8 learn intimate details of Plaintiffs' physical, emotional, mental and financial condition.
9 Defendants utilized their position of trust and confidence to obtain the rights to proceed on
10 behalf of Cohen, control the assets of Cohen, as well as be responsible as the only vehicle of
11 information relating to the condition of Cohen's assets. Further, the Defendants both
12 individually and as a group accepted the compensated responsibility for advising Cohen in his
13 best interest and not adverse to his interest and to do so honestly and without deception.

14 92. After establishing a trust and fiduciary relationship of the highest order with
15 Cohen, the Defendants both negligently and intentionally breached that duty performing the
16 acts herein alleged which has resulted in actual damage being suffered by Cohen.

17 93. Cohen is informed and believes and based thereupon allege that the Defendants
18 breached and are breaching their fiduciary duties to Cohen as herein above alleged.

19 94. Cohen is informed and believes and thereon alleges that the Defendants
20 concealed or suppressed material facts Defendants, as Cohen's fiduciaries, were ethically and
21 legally required to disclose as herein above alleged.

22 95. Cohen is informed and believes and thereon alleges that as a proximate result of
23 Defendants' breach of their fiduciary duty to Cohen, Cohen has suffered damages in an
24 amount to be proven at trial.

25 96. Cohen is informed and believes and thereon alleges that Defendants, in
26 breaching their fiduciary duty, acted willfully and maliciously and with oppression, fraud and
27 malice, and with a conscious and reckless disregard for the rights of Cohen and with intent to
28 inflict emotional distress upon Cohen. As a result of Defendants' willful and intentionally

1 tortious conduct, Cohen is entitled to an award of exemplary or punitive damages in an
2 amount sufficient to make an example of and punish Defendants for their wrongful acts.

3 **SECOND CAUSE OF ACTION**

4 **(Fraud Against Lynch for Misrepresentation and Non-Disclosure)**

5 97. Cohen repeats and realleges each of the allegations contained in paragraphs 1
6 through 89, inclusive, as if fully set forth herein.

7 98. During Lynch's representation of Cohen as his business manager, Lynch
8 consistently misrepresented to Cohen the amount of royalty income Cohen received. By
9 Lynch's misrepresentation of Cohen's royalty income, Cohen was led to believe that his
10 income from these royalty sources was significantly lower than it actually was. For example,
11 Lynch failed to disclose and account to Cohen for approximately \$250,000 in royalties that
12 had been received into Blue Mist in 2001. Lynch also failed to notify Cohen that he had
13 received a \$91,000 Sony/ATV royalty check which had been deposited into a bank account at
14 CNB associated with LCI LLC in October 2004. Additionally, Lynch failed to disclose to
15 Cohen the numerous "shareholder loans" that she had been withdrawing from the THLLC
16 investment accounts managed by Agile Group. Because Lynch failed to disclose these
17 "loans" to Cohen and affirmatively instructed Agile Group not to disclose her loans to Cohen,
18 Cohen was falsely led to believe that the value of his investment accounts in THLLC was
19 substantially higher than it actually was.

20 99. Lynch's misrepresentations and omissions were made with the intent that
21 Cohen rely upon them.

22 100. Each statement or representation was known to Lynch to be false or untrue
23 when they were made to Cohen.

24 101. Cohen reasonably relied upon these misrepresentations made by Lynch.

25 102. Cohen has suffered losses in an amount to be proven at trial as a direct and
26 proximate result of the misrepresentations and omissions of Lynch.

27 103. The actions of Lynch were made with malice, fraud or oppression justifying an
28 award of exemplary and punitive damages.

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THIRD CAUSE OF ACTION

(Breach of Oral Contract Against Lynch)

104. Cohen repeats and realleges each of the allegations contained in paragraphs 1 through 89, inclusive, as if fully set forth herein.

105. Lynch's compensation agreement with Cohen in her capacity as business manager was 10% of Cohen's gross earnings until approximately 1997. In 1998, and continuing until Lynch's dismissal for cause by Cohen in October 2004, Lynch's agreed upon management fees were 15% of gross earnings.

106. Lynch breached her oral employment agreement with Cohen by wrongfully converting monies and assets of Cohen, over which she had control, in excess of the amount she was entitled to under her oral employment agreement with Cohen.

FOURTH CAUSE OF ACTION

(Accounting Against Lynch)

107. Cohen repeats and realleges each of the allegations contained in paragraphs 1 through 89, inclusive, as if fully set forth herein.

108. In her role as Cohen's business manager, Lynch controlled the investment, possession and distribution of Cohen's funds, and all monies paid by Lynch to herself in excess of authorized management fees. She also controlled the books and records of many of Cohen's bank accounts, including those of THLLC and Blue Mist.

109. Lynch, as trustee and fiduciary, holds the property, money and records of Cohen and has failed and refused to provide an accounting of millions of dollars that Lynch paid to herself in excess of authorized management fees, and has refused to return to Cohen the books and records of which she retain possession.

110. Due to Cohen's exclusion from exercising any control of management over THLLC, Blue Mist and the other accounts containing Cohen's money, and due to Lynch's failure to disclose the fact, nature or extent of the "loans" she took from these accounts, and due to the complex nature of the accounts and contracts, it is impractical to ascertain a fixed sum which is owed to Plaintiffs beyond the amount claimed herein above. Accordingly, the

1 full amount owed and becoming due to Cohen can only be determined pursuant to a full and
2 accurate accounting of the amounts improperly taken by Lynch.

3 **FIFTH CAUSE OF ACTION**

4 **(Conversion Against Lynch)**

5 111. Cohen repeats and realleges each of the allegations contained in paragraphs 1
6 through 89, inclusive, as if fully set forth herein.

7 112. Lynch as alleged herein above wrongfully took and converted to her possession
8 Cohen's money and property from the THLLC, Blue Mist and other personal accounts of
9 Cohen. Lynch separately, and in combination with Westin, used deceit and the position of
10 trust to simply take Cohen's property and money. A full accounting and return of the money
11 and property has been demanded by Cohen and was wrongfully refused by Lynch.

12 113. As a result, Cohen has suffered a loss in an amount to be proven at trial, but
13 which will be in excess of \$5 million.

14 **SIXTH CAUSE OF ACTION**

15 **(Constructive Trust, Declaratory and Injunctive Relief Against**

16 **Lynch and Does 1-50)**

17 114. Cohen repeats and realleges each of the allegations contained in paragraphs 1
18 through 89, inclusive, as if fully set forth herein.

19 115. Cohen entrusted the management of his assets to Lynch and the relationship of
20 trust as well as the fiduciary relationship established between Cohen and Lynch has been and
21 continues to be breached by Lynch. Lynch holds the property of Cohen wrongfully taken
22 and/or transferred as constructive trustee for the benefit of Cohen

23 116. Lynch now refuses to return to Cohen the money she has improperly taken, or
24 the books and records relating to Cohen's assets, and refuses to render an accounting as to his
25 property. Lynch further contends that she is the rightful owner of 99.5% of the assets of
26 THLLC, that she had the right to take the "loans" she took, and that Cohen actually owes her
27 money for services rendered, among other things.

28

1 121. As alleged above, prior to October 2004, Cohen was completely unaware of the
2 negligence of the Defendants, and each of them. Further that any knowledge, constructive or
3 otherwise, did not cause the action to accrue due to continued representation on the subject of
4 the negligence, as well as active concealment by the Defendants, until October 2004 as to
5 Lynch and April 2005 as to Westin, when he resigned as Cohen's attorney.

6 122. The Defendants breached their duty of professional care by acting in a manner
7 which is below the standard of care for each of the Defendants' respective professions
8 practicing in the Los Angeles area. Each Defendant failed to perform proper investigation,
9 research and render a proper opinion as to the necessity and prudence of the sales of the
10 assets of Cohen. They failed to act in the best interests of Cohen and to the contrary acted in
11 their own interest and adverse to Cohen. They failed to properly advise Cohen as to the
12 structure of the intellectual property asset sales. They failed to properly document the
13 structure of the intellectual property sales transactions they created, approved and
14 recommended to Cohen. Westin failed to provide any oversight of or checks and balances as
15 to Lynch's control over Cohen's assets. Defendants misled Cohen into believing that
16 Traditional Holdings was owned and controlled 99% by Cohen's children, when Westin
17 created a structure which vested 99.5% ownership in Lynch. Westin failed to create
18 documents to protect or advise Cohen regarding protecting himself from, among others,
19 Lynch. Lynch failed to protect the assets of Cohen and to the contrary simply took all of
20 Cohen's assets she was able to reach.

21 123. Westin created a structure called "Blue Mist." Thereafter Westin failed or
22 neglected to properly document and fully document the Blue Mist transactions or protect the
23 assets of Cohen in the Blue Mist transaction.

24 124. Westin violated his duty of loyalty and the obligation to not represent
25 conflicting interests without compliance with the California Rules of Professional Conduct by
26 failing to disclose actual and potential conflicts of interest, advising the client to seek
27 independent counsel, providing a written disclosure of the conflicts and obtaining an
28 informed waiver of the conflicts from Cohen.

1 125. Westin prepared improper documents for the signature of Cohen without
2 disclosing he had no experience in the advice and preparation of complex documents. Even
3 simple documents were improperly prepared. For example, the Lynch Management
4 Agreement uses a form of management agreement applicable to the management of real
5 property, not intellectual property.

6 126. Westin failed to follow through and protect the assets of Cohen and the entities
7 which Lynch and Westin created to hold the assets of Cohen.

8 127. Westin continued to practice law in California and represent Cohen without
9 disclosing to Cohen that his license to practice law in California was inactive as of December
10 31, 2002.

11 128. As a result of the negligence of the Defendants, and each of them, the
12 Defendants, when acting together are jointly and severally liable, and when acting alone,
13 severally liable, for the damage proximately caused to Cohen in an amount to be proven at
14 trial.

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Cohen prays for judgment against Defendants, and each of them, as
17 follows:

18 **AS TO THE FIRST CAUSE OF ACTION (BREACH OF FIDUCIARY DUTY):**

- 19 1. For general damages in a sum of not less than \$5,000,000 or an amount
20 according to proof, together with interest thereon at the legal rate;
21 2. Exemplary and punitive damages in an amount according to proof at the time of
22 trial;

23 **AS TO THE SECOND CAUSE OF ACTION (FRAUD):**

- 24 3. For general damages in a sum of not less than \$5,000,000 or an amount
25 according to proof, together with interest thereon at the legal rate;
26 4. Exemplary and punitive damages in an amount according to proof at the time of
27 trial;

28

1 **AS TO THE THIRD CAUSE OF ACTION (BREACH OF CONTRACT):**

2 5. For general damages in a sum of not less than \$5,000,000, or an amount
3 according to proof, together with interest thereon at the legal rate;

4 **AS TO THE FOURTH CAUSE OF ACTION (ACCOUNTING):**

5 6. For an accounting to Cohen of all sums taken by Lynch and a return of the
6 books and records to Cohen;

7 7. For payment over to Cohen of the amount due from Lynch as a result of the
8 accounting;

9 **AS TO THE FIFTH CAUSE OF ACTION (CONVERSION):**

10 8. For general damages in a sum of not less than \$5,000,000, or an amount
11 according to proof, together with interest thereon at the legal rate;

12 **AS TO THE SIXTH CAUSE OF ACTION (CONSTRUCTIVE TRUST,
13 DECLARATORY AND INJUNCTIVE RELIEF):**

14 9. For a declaration of the respective rights of the parties;

15 10. For the imposition of a constructive trust over the money, property and legal
16 rights that Lynch contends she rightfully controls;

17 11. For temporary and permanent injunctive relief preventing Lynch from
18 transferring or disbursing any funds relating to the monies or property which
19 belongs to Cohen as well as any proceeds or commissions therefrom pending an
20 accounting to determine Plaintiffs' entitlement to such other amount of these
21 proceeds as the Court adjudges to be owed, and from modifying, changing, or
22 destroying any records relating thereto.

23 **AS TO THE SEVENTH CAUSE OF ACTION (NEGLIGENCE):**

24 12. For general damages in a sum of not less than \$1,250,000, or an amount
25 according to proof, together with interest thereon at the legal rate;

26 **AS TO ALL CLAIMS FOR RELIEF:**

27 13. For all costs of suit incurred herein;

28 14. For reasonable attorneys' fees as may be provided by law;

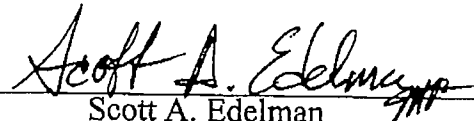
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15. For interest as may be provided by law; and

16. For such other and further relief, including without limitation injunctive relief,
as the Court deem to be just and appropriate

DATED: August 15, 2005

GIBSON, DUNN & CRUTCHER LLP
SCOTT A. EDELMAN

By: 
Scott A. Edelman

Attorneys for Plaintiffs LEONARD
NORMAN COHEN and LEONARD COHEN
INVESTMENTS, LLC

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Demand for Jury Trial

Plaintiffs LEONARD NORMAN COHEN and LEONARD COHEN INVESTMENTS, LLC demand a jury trial of the causes of action in their complaint.

DATED: August 15, 2005

GIBSON, DUNN & CRUTCHER LLP
SCOTT A. EDELMAN

By: Scott A. Edelman
Scott A. Edelman *SE*

Attorneys for Plaintiffs LEONARD
NORMAN COHEN and LEONARD COHEN
INVESTMENTS, LLC

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ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, street number, and address): GIBSON, DUNN & CRUTCHER LLP SCOTT A. EDELMAN, SBN 116927 2029 Century Park East, Suite 4000 Los Angeles, California 90067 TELEPHONE NO.: (310) 552-8500 FAX NO.: (310) 551-8741 ATTORNEY FOR (Name): Plaintiff LEONARD NORMAN COHEN, et al.		FOR COURT USE ONLY <h1 style="margin: 0;">FILED</h1> LOS ANGELES SUPERIOR COURT AUG 16 2005 JOHN A. CLARK, EXECUTIVE JUDICER/CLERK BY: <u>J. SUNGA, DEPUTY</u>
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: 111 North Hill Street CITY AND ZIP CODE: Los Angeles, California 90012 BRANCH NAME: Central District		CASE NUMBER: BC338322
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 1811)	JUDGE: DEPT:

All five (5) items below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input checked="" type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 1800-1812) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental /Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 1800 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input type="checkbox"/> Large number of separately represented parties b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve c. <input type="checkbox"/> Substantial amount of documentary evidence	d. <input type="checkbox"/> Large number of witnesses e. <input type="checkbox"/> Coordination with related actions pending in one or more courts f. <input type="checkbox"/> Substantial post-judgment judicial supervision
--	--

3. Type of remedies sought (check all that apply):
 a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): SEVEN

5. This case is is not a class action suit.

Date: AUGUST 15, 2005
 SCOTT A. EDELMAN
 (TYPE OR PRINT NAME) Scott A. Edelman
 (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate, Family, or Welfare and Institutions Code). (Cal. Rules of Court, rule 201.8.) Failure to file may result in sanctions
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 1800 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a complex case, this cover sheet will be used for statistical purposes only.

SHORT TITLE LEONARD NORMAN HEN v. KELLEY LYNCH, et al. #525 CASE NUMBER BC338322

**CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to LASC Local Rule 2.0 in all new civil case filings in the Los Angeles Superior

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:
 JURY TRIAL? YES CLASS ACTION? YES LIMITED CASE? YES TIME ESTIMATED FOR TRIAL 15 HOURS/ DAYS.

Item II. Select the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):
Step 1: After first completing the Civil Case Cover Sheet Form, find the main civil case cover sheet heading for your case in the left margin below, and, to the right in Column **A**, the Civil Case Cover Sheet case type you selected.
Step 2: Check one Superior Court type of action in Column **B** below which best describes the nature of this case.
Step 3: In Column **C**, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Los Angeles Superior Court Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

1. Class Actions must be filed in the County Courthouse, Central District
2. May be filed in Central (Other county, or no Bodily Injury/Property Damage).
3. Location where cause of action arose
4. Location where bodily injury, death or damage occurred.
5. Location where performance required or defendant resides.
6. Location of property or permanently garaged vehicle.
7. Location where petitioner resides.
8. Location wherein defendant/respondent functions wholly.
9. Location where one or more of the parties reside.
10. Location of Labor Commissioner Office.

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Dam./Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestosis - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7280 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice -Physicians& Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 2., 4. 1., 2., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 2., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 2., 4.
<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress <input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death		1., 2., 3. 1., 2., 4.	
Non-Personal Injury/Property Damage/Wrongful Death Tort	Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 2., 3.
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	<input checked="" type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
	Intellectual Property (19)	<input type="checkbox"/> A6016 Intellectual Property	2., 3.

SHORT TITLE LEONARD NORMAN COHEN v. KELLEY LYNCH, et al.	CASE NUMBER
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Non-Personal Injury/Property Damage/
Wrongful Death Tort (Cont'd.)

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.

Employment

Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.

Contract

Breach of Contract/Warranty (06) (not Insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not Unlawful Detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute (not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.

Real Property

Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property(not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.

Judicial Review Unlawful Detainer

Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.

SHORT TITLE LEONARD NORMAN MOHEN v. KELLEY LYNCH, et al.	CASE NO. 16-10000-0000
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Judicial Review (Cont'd.)

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ/Judicial Review	2., 8.

Provisionally Complex Litigation

Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	<input type="checkbox"/> A6007 Construction defect	1., 2., 3.
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.

Enforcement of Judgment

Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
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Miscellaneous Civil Complaints

RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.

Miscellaneous Civil Petitions

Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

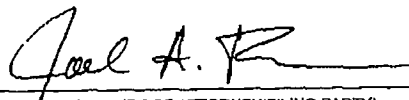
SHORT TITLE LEONARD NORMAN COREN v. KELLEY LYNCH, et al.	CASE NUMBER
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Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: CHECK THE NUMBER UNDER COLUMN C WHICH APPLIES IN THIS CASE <input type="checkbox"/> 1. <input checked="" type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.			ADDRESS 419 N. Larchmont Boulevard
CITY Los Angeles	STATE CA	ZIP CODE 90004	

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Central District of the Los Angeles Superior Court (Code Civ. Proc., § 392 et seq., and LASC Local Rule 2.0, subs. (b), (c) and (d)).

Dated: August 15, 2005


 (SIGNATURE OF ATTORNEY/FILING PARTY)
 JOEL A. FEUER

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet form JC 982.2(b)(1).
4. Complete Addendum to Civil Case Cover Sheet form CIV 109 _____ (eff. Date).
5. Payment in full of the filing fee, unless fees have been waived.
6. Signed order appointing the Guardian ad Litem, JC form 982(a)(27), if the plaintiff or petitioner is a minor under 18 years of age, or if required by Court.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

**Exhibit DD:
Proof of Service
(Complaint)
Los Angeles Superior Court Case No. BC338322**

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state number, and Address): GIBSON, DUNN & CRUTCHER LLP SCOTT A. EDELMAN, BAR #116927 2029 CENTURY PARK EAST, SUITE 4000, LOS ANGELES, CA 90067 TELEPHONE NO.: (310) 552-8500 FAX NO. (Optional): (310) 551-8741 E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): PLAINTIFFS	FOR COURT USE ONLY <h1 style="text-align: center;">FILED</h1> <p style="text-align: center;">LOS ANGELES SUPERIOR COURT</p> <p style="text-align: center;">AUG 25 2005</p> <p style="text-align: center;">JOHN A. CLARKE, CLERK <i>Elizabeth Torres</i> BY ELIZABETH TORRES, DEPUTY</p>
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS 111 NORTH HILL STREET MAILING ADDRESS: 111 NORTH HILL STREET CITY AND ZIP CODE: LOS ANGELES, CA 90012 BRANCH NAME:	
PLAINTIFF/PETITIONER: LEONARD NORMAN COHEN, ETC. ET AL. DEFENDANT/RESPONDENT: KELLEY A. LYNCH, ETC., ET AL.	CASE NUMBER: <i>D.14</i> BC338322
PROOF OF SERVICE OF SUMMONS	Ref No or File No :

(Separate proof of service is required for each party served.)

1. At the time of service I was at least 18 years of age, not a party to this action.
2. I served copies of:
 - f. other (specify documents): **SUMMONS; COMPLAINT; CIVIL CASE COVER SHEET (UNLIMITED); NOTICE OF CASE ASSIGNMENT LOS ANGELES SUPERIOR COURT; LOS ANGELES SUPERIOR COURT ALTERNATIVE DISPUTE RESOLUTION (ADR) PROGRAMS; DISPUTE RESOLUTION PROGRAMS ACT (DRPA) CONTRACTORS; (BLANK) STIPULATION TO PARTICIPATE IN ALTERNATIVE DISPUTE RESOLUTION (ADR)**
3. a. Party served: (specify name of party as shown on documents served): **KELLEY A. LYNCH, AN INDIVIDUAL**
 b. Person served: other (specify name of party and relationship to the party named in item 3a): **"JANE DOE" - WHITE FEMALE, 5'7", 135LBS, BLOND HAIR, BLACK EYES - CO-OCCUPANT**
4. Address where the party was served:
2648 MANDEVILLE CANYON ROAD
LOS ANGELES, CA 90049
5. I served the party
 - b. **by substituted service.** On (date): **August 24, 2005** at (time): **09:00 am** I left the documents listed in item 2 with or in the presence of (name and title or relationship to person indicated in item 3b):

(2) (home) a competent member of the household (at least 18 years of age) at the dwelling house or usual place of abode of the party. I informed him or her of the general nature of the papers.

(4) a declaration of mailing is attached.

(5) attach a declaration of diligence stating action taken first to attempt personal service.

PLAINTIFF/PETITIONER: LEONARD NORMAN COHEN, ETC. AL., DEFENDANT/RESPONDENT: KELLEY A. LYNCH, ETC., ET AL.	#531 CA NUMBER: BC338322
--	--

6. The 'Notice to the Person Served' (on the summons) was completed as follows:
 a. as an individual defendant.

7. Person who served papers

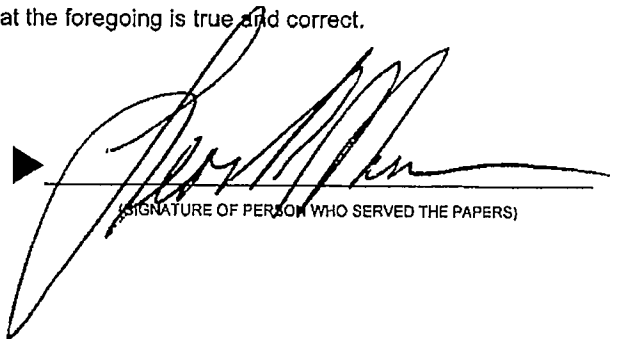
- a. Name: LEON MOORE, FIRST LEGAL SUPPORT SERVICES
- b. Address: 1511 WEST BEVERLY BOULEVARD, LOS ANGELES, CA, 90026
- c. Telephone number: (213) 250-1111
- d. The fee for service was: \$.00
- e. I am:
 - (3) Registered California process server.
 - (i) Employee or independant contractor
 - (ii) Registration no.: 4303
 - (iii) County: LOS ANGELES

8. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: August 25, 2005

LEON MOORE

(TYPE OR PRINT THE NAME OF THE PERSON WHO SERVED THE PAPERS)



 (SIGNATURE OF PERSON WHO SERVED THE PAPERS)

AUG 25 2005 10:00 AM
 1511 WEST BEVERLY BOULEVARD
 LOS ANGELES, CA 90026

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address) GIBSON, DUNN & CRUTCHER LLP SCOTT A. EDELMAN, BAR #116927 2029 CENTURY PARK EAST, SUITE 4000 LOS ANGELES, CA 90067		#532 TELEPHONE N (310) 552-85	FOR COURT USE ONLY	
ATTORNEY FOR (Name): PLAINTIFFS		Ref. No. or File No.		
Insert name of court, judicial district or branch court, if any: SUPERIOR COURT OF THE STATE OF CALIFORNIA 111 NORTH HILL STREET LOS ANGELES, CA 90012				
PLAINTIFF: LEONARD NORMAN COHEN, ETC. ET AL.				
DEFENDANT KELLEY A. LYNCH, ETC., ET AL.				
DECLARATION OF DILIGENCE	DATE:	TIME:	DEPT/DIV	CASE NUMBER: BC338322

I received the within process on August 17, 2005 and that after due and diligent effort I have been able to personally serve said witness. The following itemization of the dates and times of attempts details the efforts required to effect personal service. Additional costs for diligence are recoverable under CCP §1033.5 (a)(4)(B).

PARTY SERVED: KELLEY A. LYNCH, AN INDIVIDUAL
 HOME: 2648 MANDEVILLE CANYON ROAD
 LOS ANGELES, CA 90049

As enumerated below:

- August 17, 2005 09:15 pm
NO ANSWER AT RESIDENCE.

- August 19, 2005 06:45 am
NO ANSWER AT RESIDENCE. NO ACTIVITY. PER NEIGHBOR SHE HAS NOT SEEN SUBJECT FOR A FEW DAYS.

- August 20, 2005 09:00 pm
NO ANSWER AT RESIDENCE.

- August 21, 2005 01:00 pm
NO ANSWER AT RESIDENCE.

- August 22, 2005 09:20 pm
NO ANSWER AT RESIDENCE.

2005 AUG 22 10 45 AM

(CONTINUED ON NEXT PAGE)

DECLARATION OF DILIGENCE

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Adc. GIBSON, DUNN & CRUTCHER LL SCOTT A. EDELMAN, BAR #116927 2029 CENTURY PARK EAST, SUITE 4000 LOS ANGELES, CA 90067		#533 (310) 552-85	TELEPHONE # 552-85	FOR COURT USE ONLY	
ATTORNEY FOR (Name): PLAINTIFFS		Ref. No. or File No.			
Insert name of court, judicial district or branch court, if any. SUPERIOR COURT OF THE STATE OF CALIFORNIA 111 NORTH HILL STREET LOS ANGELES, CA 90012					
PLAINTIFF: LEONARD NORMAN COHEN, ETC. ET AL.					
DEFENDANT: KELLEY A. LYNCH, ETC., ET AL.					
DECLARATION OF DILIGENCE	DATE:	TIME:	DEPT/DIV	CASE NUMBER: BC338322	

(CONTINUED FROM PREVIOUS PAGE)

August 23, 2005 08:45 am
 LIGHTS ON KNOCKED ON DOOR BUT NO ANSWER.

August 24, 2005 09:00 am
 SUBJECT NOT IN. SUBSERVED ON "JANE DOE"- WHITE FEMALE, 5'7", 135LBS,
 BLOND HAIR, BLACK EYES, CO-OCCUPANT.

REGISTERED CALIFORNIA PROCESS SERVER

Registered California process server.
 County: **LOS ANGELES**
 Registration No.: 4303
 Expiration: **January 30, 2006**
FIRST LEGAL SUPPORT SERVICES
1541 WEST BEVERLY BOULEVARD
LOS ANGELES, CA 90026
(213) 250-1111

I declare under penalty of perjury under the laws of the State
 of California that the foregoing information contained in the
 return of service and statement of service fees is true and
 correct and that this declaration was executed on **August**
25, 2005 in the State of California.

Signature: 
 LEON MOORE

DECLARATION OF DILIGENCE

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Add.) GIBSON, DUNN & CRUTCHER LL SCOTT A. EDELMAN, BAR #116927 2029 CENTURY PARK EAST, SUITE 4000 LOS ANGELES, CA 90067	#534 (310)	TELEPHONE N 552-85	FOR COURT USE ONLY
ATTORNEY FOR (Name) PLAINTIFFS	Ref No. or File No.		
Insert name of court, judicial district or branch court, if any: SUPERIOR COURT OF THE STATE OF CALIFORNIA 111 NORTH HILL STREET LOS ANGELES, CA 90012			
PLAINTIFF: LEONARD NORMAN COHEN, ETC. ET AL.			
DEFENDANT: KELLEY A. LYNCH, ETC., ET AL.			
PROOF OF SERVICE BY MAIL	DATE:	TIME:	DEPT/DIV: CASE NUMBER: <div style="text-align: right;">BC338322</div>

I am a citizen of the United States and employed in the County of LOS ANGELES, State of California. I am over the age of 18 and not a party to the within action. My business address is , LOS ANGELES, CA 90026.

On August 24, 2005, after substituted service under section CCP 415.20(a) or 415.20(b) or FRCIV.P 4(d)(1) was made, I mailed copies of the:

SUMMONS; COMPLAINT; CIVIL CASE COVER SHEET (UNLIMITED); NOTICE OF CASE ASSIGNMENT LOS ANGELES SUPERIOR COURT; LOS ANGELES SUPERIOR COURT ALTERNATIVE DISPUTE RESOLUTION (ADR) PROGRAMS; DISPUTE RESOLUTION PROGRAMS ACT (DRPA) CONTRACTORS; (BLANK) STIPULATION TO PARTICIPATE IN ALTERNATIVE DISPUTE RESOLUTION (ADR)

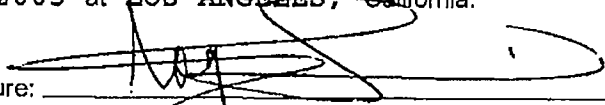
to the defendant in said action by placing a true copy thereof enclosed in a sealed envelope, with First Class postage thereon fully prepaid, in the United States Mail at LOS ANGELES, California, addressed as follows:

**KELLEY A. LYNCH, AN INDIVIDUAL
 2648 MANDEVILLE CANYON ROAD
 LOS ANGELES, CA 90049**

I am readily familiar with the firm's practice for collection and processing of documents for mailing. Under that practice, it would be deposited within the United States Postal Service, on that same day, with postage thereon fully prepaid at LOS ANGELES, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one (1) day after date of deposit for mailing in affidavit.

REGISTERED CALIFORNIA PROCESS SERVER
 COUNTY: LOS ANGELES
 REGISTRATION NO.:
FIRST LEGAL SUPPORT SERVICES
1551 WEST BEVERLY BOULEVARD
LOS ANGELES, CA 90026
(213) 250-1111

I declare under penalty of perjury under the laws of the State of California that the foregoing information contained in the return of service and statement of service fees is true and correct and that this declaration was executed on **August 25, 2005** at **LOS ANGELES, California**.

Signature: 
ANTHONY LEVEY

PROOF OF SERVICE BY MAIL



KEELLEY LYNCH
EXECUTIVE PRODUCER

Hair color in November 2007



**Exhibit EE:
Default Judgment
Los Angeles Superior Court Case No. BC338322.**

#538

RECEIVED

Original

JUD-100

FOR COURT USE ONLY

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address):
SCOTT A. EDELMAN, SBN 116927
GIBSON, DUNN & CRUTCHER LLP
 2029 Century Park East, Suite 4000
 Los Angeles, CA 90067-3026
 TELEPHONE NO.: (310) 552-8500 FAX NO. (Optional): (310) 552-8741
 E-MAIL ADDRESS (Optional): sedelman@gibsondunn.com
 ATTORNEY FOR (Name): Plaintiffs Leonard Norman Cohen et al.

MAY 12 2006
DEPT. 64

FILED
LOS ANGELES SUPERIOR COURT

MAY 15 2006
JOHN A. CLARKE, CLERK
BY E. FAJARDO, DEPUTY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles
 STREET ADDRESS: 111 North Hill Street
 MAILING ADDRESS:
 CITY AND ZIP CODE: Los Angeles, California 90012
 BRANCH NAME: Stanley Mosk Courthouse

PLAINTIFF: Leonard Norman Cohen, et al.
 DEFENDANT: Kelley A. Lynch, et al.

JUDGMENT

By Clerk By Default After Court Trial
 By Court On Stipulation Defendant Did Not Appear at Trial

CASE NUMBER:
BC 338322

JUDGMENT

1. **BY DEFAULT**
 - a. Defendant was properly served with a copy of the summons and complaint.
 - b. Defendant failed to answer the complaint or appear and defend the action within the time allowed by law.
 - c. Defendant's default was entered by the clerk upon plaintiff's application.
 - d. **Clerk's Judgment** (Code Civ. Proc., § 585(a)). Defendant was sued only on a contract or judgment of a court of this state for the recovery of money.
 - e. **Court Judgment** (Code Civ. Proc., § 585(b)). The court considered
 - (1) plaintiff's testimony and other evidence.
 - (2) plaintiff's written declaration (Code Civ. Proc., § 585(d)).
2. **ON STIPULATION**
 - a. Plaintiff and defendant agreed (stipulated) that a judgment be entered in this case. The court approved the stipulated judgment and
 - b. the signed written stipulation was filed in the case.
 - c. the stipulation was stated in open court the stipulation was stated on the record.
3. **AFTER COURT TRIAL.** The jury was waived. The court considered the evidence.
 - a. The case was tried on (date and time):
before (name of judicial officer):
 - b. Appearances by:

<input type="checkbox"/> Plaintiff (name each): (1) (2)	<input type="checkbox"/> Plaintiff's attorney (name each): (1) (2)
<input type="checkbox"/> Continued on Attachment 3b.	
<input type="checkbox"/> Defendant (name each): (1) (2)	<input type="checkbox"/> Defendant's attorney (name each): (1) (2)
<input type="checkbox"/> Continued on Attachment 3b.	
 - c. Defendant did not appear at trial. Defendant was properly served with notice of trial.
 - d. A statement of decision (Code Civ. Proc., § 632) was not was requested.

PLAINTIFF: Leonard Norman Cohen, et al. DEFENDANT: Kelley A. Lynch, et al.	CASE NUMBER: BC 338322
---	---------------------------

JUDGMENT IS ENTERED AS FOLLOWS BY: THE COURT THE CLERK

4. **Stipulated Judgment.** Judgment is entered according to the stipulation of the parties.

5. **Parties.** Judgment is

- a. for plaintiff (*name each*): Leonard Norman Cohen
 Leonard Cohen Investments, LLC
- c. for cross-complainant (*name each*):

and against defendant (*names*):
 Kelley A. Lynch

and against cross-defendant (*name each*):

- Continued on Attachment 5a. Continued on Attachment 5c.

- b. for defendant (*name each*): d. for cross-defendant (*name each*):

6. **Amount.**

- a. Defendant named in item 5a above must pay plaintiff on the complaint:
- c. Cross-defendant named in item 5c above must pay cross-complainant on the cross-complaint:

(1)	<input checked="" type="checkbox"/> Damages		\$ 5,000,000.00
(2)	<input checked="" type="checkbox"/> Prejudgment interest at the annual rate of 10 %		\$ 2,341,345.00
(3)	<input type="checkbox"/> Attorney fees		\$ N/A
(4)	<input type="checkbox"/> Costs		\$ N/A
(5)	<input checked="" type="checkbox"/> Other (<i>specify</i>): See Attachment, Item 6		\$
(6)	TOTAL		\$ 7,341,345.00

(1)	<input type="checkbox"/> Damages		\$
(2)	<input type="checkbox"/> Prejudgment interest at the annual rate of %		\$
(3)	<input type="checkbox"/> Attorney fees		\$
(4)	<input type="checkbox"/> Costs		\$
(5)	<input type="checkbox"/> Other (<i>specify</i>):		\$
(6)	TOTAL		\$

- b. Plaintiff to receive nothing from defendant named in item 5b.
 Defendant named in item 5b to recover costs \$ and attorney fees \$
- d. Cross-complainant to receive nothing from cross-defendant named in item 5d.
 Cross-defendant named in item 5d to recover costs \$ and attorney fees \$

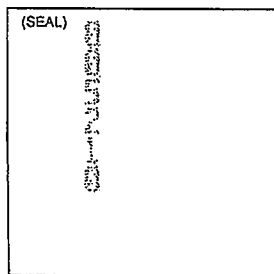
7. Other (*specify*):

Date: MAY 15 2006


 CLERK OFFICER
KENNETH R. FREEMAN

Date:

Clerk, by _____, Deputy



CLERK'S CERTIFICATE (Optional)

I certify that this is a true copy of the original judgment on file in the court.

Date:

Clerk, by _____, Deputy

ATTACHMENT TO [PROPOSED] JUDGMENT, ITEM 6

Default judgment is also entered against Defendant Kelley A. Lynch ("Lynch") on Plaintiffs' claims for imposition of constructive trust and declaratory and injunctive relief. It is therefore **ORDERED, ADJUDGED AND DECREED** that a constructive trust is imposed on the money and property that Lynch wrongfully took and/or transferred while acting in her capacity as trustee for the benefit of Plaintiff Leonard Norman Cohen ("Cohen").

It is **DECLARED** that (1) Lynch is not the rightful owner of any assets in Traditional Holdings, LLC, Blue Mist Touring Company, Inc., or any other entity related to Cohen; (2) that any interest she has in any legal entities set up for the benefit of Cohen she holds as trustee for Cohen's equitable title; (3) that she must return that which she improperly took, including but not limited to "loans;" and (4) that Cohen has no obligations or responsibilities to her.

It is **FURTHER ORDERED, ADJUDGED AND DECREED** that Lynch is enjoined from conveying any rights or assets to any third party so as to frustrate Cohen's equitable interest, and from exercising her alleged rights in these legal entities, including any alleged rights to transfer, move, convey, loan, borrow or in any way exercise control over any funds or property received from Cohen.

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DECLARATION OF SERVICE

I, Irma R. Guerra, declare as follows:

I am employed in Los Angeles, California; I am over the age of eighteen years and am not a party to this action; my business address is 2029 Century Park East, 40th Floor, Los Angeles, California 90067. On May 12, 2006, I served the within:

JUDGMENT

by placing a copy thereof in an envelope addressed to each of the persons named below at the address shown:

**Kelley A. Lynch
2648 Mandeville Canyon Road
Los Angeles, CA 90049**

- BY MAIL:** I placed a true copy in a sealed envelope addressed as indicated above, on the above-mentioned date. I am familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- BY PERSONAL SERVICE:** I placed a true copy in a sealed envelope addressed to each person[s] named at the address[es] shown and giving same to a messenger for personal delivery before 5:00 p.m. on the above-mentioned date.
- BY FACSIMILE:** From facsimile machine telephone number (310) 551-8741, on the above-mentioned date, I served a full and complete copy of the above-referenced document[s] by facsimile transmission to the person[s] at the number[s] indicated.

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BY OVERNIGHT MAIL: I placed a true copy in a sealed envelope addressed as indicated above, on the above-mentioned date. I am familiar with the firm's practice of collection and processing correspondence for delivery by overnight mail. Pursuant to that practice, envelopes placed for collection at designated locations during designated hours are delivered to the overnight mail service with a fully completed airbill, under which all delivery charges are paid by Gibson, Dunn & Crutcher LLP, that same day in the ordinary course of business.

(STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(FEDERAL) I declare under penalty of perjury that the foregoing is true and correct.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the foregoing document was printed on recycled paper. This Declaration of Service was executed by me on May 12, 2006, at Los Angeles, California.



Irma R. Guerra

**Exhibit II:
Annuity Agreement**

PRIVATE ANNUITY AGREEMENT

THIS PRIVATE ANNUITY AGREEMENT (the "Agreement") is made the day of execution set forth below, between Traditional Holdings, LLC ("Buyer"), residing c/o Stranger Management, 419 North Larchmont, Suite 91 (the "Purchaser"), and Leonard Cohen, residing at 1044 S. Keniston Avenue, Los Angeles, CA 90019 (the "Annuitant").

RECITALS:

Annuitant is the owner of certain artistic and literary right (the "Property") which are described more fully on Exhibit "A" hereto; and

Annuitant desires to be assured of a fixed annual income for the remainder of his life; and

Purchaser is willing to make fixed monthly payments to Annuitant for the remainder of Annuitant's life in exchange for the Property, said payments to begin exactly 10 years from the date this document is executed..

NOW THEREFORE, in consideration of the mutual promises made by each party to the other, the parties agree as follows:

AGREEMENTS:

I. SALE OF PROPERTY FOR ANNUITY

1.1 Purchase of Annuity. Annuitant sells the Property to the Purchaser for its promise to pay him each month, starting in 10 years for the remainder of Annuitant's life. Each monthly payment shall be due on the 1st day of such month.

Said monthly amount shall be computed as follows:

A Base Amount, being the sales price of \$4,890,000 times 10 years at 6.1% compounded annually (being the Applicable Federal Rate for Long-Term Obligations) "(the Product)". (In the event the AFR selected was for some reason erroneous, then the correct AFR is automatically substituted therefor.) The Product shall then be converted into a private annuity payable from that final date in 10 years, using the Treasury mortality tables then in force. If there are no such tables then in force, then the tables applicable on December 1, 2000 shall be used. The

FROM: RWESTIN

PHONE NO. : 6062688017

DEC. 07 2008 06:56PM P6

first payment shall be made on the fifth month of the 11th year following the date this agreement is signed and shall continue to be paid thereafter on a monthly basis. Computations shall be made in accordance with IRS rulings providing the principles for computing private annuities in force as of the date the Product is converted into a private annuity, but if no such rulings are then in force (or if they vary substantially from principles in force on December 1, 2000), then in accordance with the principles in force on December 1, 2000. If for some reason the current US Treasury interpretation as to the taxation of private annuities should be adversely changed, but with an allowance for grandfathering of private annuity contracts then in place, then the terms of this agreement shall be automatically adjusted (retroactively if necessary) to make such grandfathering available under this policy.

1.2 Termination Upon Death of Annuitant. The Parties hereby expressly agree that Purchaser's obligation under the preceding paragraph shall terminate upon the death of Annuitant, and no heir, legatee, creditor, or beneficiary of the estate of Annuitant, nor the estate itself, shall have any rights whatsoever under this Agreement; provided, however, that if Annuitant shall die prior to receipt of the amount due Annuitant under this Agreement for such month or any previous month, then the amount otherwise payable to Annuitant for that month or a previous month shall be paid to such beneficiary as is designated by Annuitant, in writing, or in the absence of an effective beneficiary designation, such payment shall be made to the estate of Annuitant.

1.3 No Contingencies. Purchaser shall be absolutely liable for the payments due and such payments are in no way contingent upon the future earnings, if any, from the Property transferred to the Purchaser.

2. ADVANCES AT DISCRETION OF PURCHASER

2.1 Advances. Upon the written request of Annuitant, Purchaser agrees that it will consider whether it can make advance payments of amounts due under this Agreement. Any advances shall be repaid no later than three years after the date of the advance. Until an advance has been paid in full, the unpaid portion thereof shall bear interest at the lowest rate permitted by the Internal Revenue Code without having to impute interest thereon under Section 7872. At the discretion of Purchaser, such advances may be repaid by withholding payments otherwise due under this Agreement. If Annuitant shall die with advances due and owing Purchaser, then such advances shall be satisfied by Annuitant's estate.

3. TOTALLY UNSECURED PROMISE

3.1 Unsecured Promise. Purchaser's promise to pay is totally unsecured. Annuitant retains no security interest, encumbrance, lien, or pledge with respect to the Property transferred to the Purchaser hereunder.

FROM : RUESTIN

PHONE NO. : 6062688017

DEC. 07 2000 06:59PM P7

4. TITLE

4.1 Warranty of Title. Annuitant hereby warrants that the Property he is transferring to the Purchaser is free and clear of all liens, pledges, and encumbrances of any kind whatsoever.

4.2 Cure Period for Title Defects. In the event Purchaser discovers a defect which renders title to the Property unmerchantable, Purchaser shall give Annuitant notice of the title defect(s). Annuitant shall have four week after the delivery of such notice to cure such defects(s).

4.3 In order to induce the Purchaser to purchase and to provide the consideration therefore, Annuitant warrants and represents to Purchaser that:

- a. All payment to be made to the Annuitant arising under any obligation to produce and store such have been made;
- b. That no claims have heretofore been asserted or threatened against the Annuitant by reason of anything arising out of or in connection with the Property.
- c. The Annuitant does not violate any other party's rights by making this transfer, and

4.4 Buyer hereby assume and undertakes to perform all the obligations of the Annuitant under the Royalty Agreement that is being transferred. Buyer covenants with Annuitant that:

- a. It shall indemnify the Annuitant against any all claims and demands in respect of the Property, and
- b. It shall do nothing to degrade the relationship between Annuitant and any and all parties to the Royalty Agreement.

4.5 This sale and all the associated rights and duties shall be binding on the parties hereto and their respective successors and assigns.

5. CLOSING

5.1 Closing Date. The Closing Date ("Closing Date") is the date this document is executed, provided that the Property is transferred on that same date.

5.2 Location. The closing shall be held at the offices of Stranger Management in Los Angeles, California.

5.3 Risk of Loss. Annuitant shall bear all risk of loss with respect to the Property prior to Closing. Thereafter, all risk of loss shall be borne by Purchaser.

FROM: RWESTIN

PHONE NO. : 6062688017

DEC. 07 2000 06:59PM PG

6. MISCELLANEOUS

6.1 Headings. The headings in this Agreement are inserted for convenience only. They shall not be considered a part of this Agreement nor used in its interpretation.

6.2 Governing Law. This Agreement, and the parties' rights and liabilities under it, shall be governed by the laws of California.

6.3. Modifications hereof. The parties will cooperate in making any necessary corrections to the description of the Property hereby transferred.

IN WITNESS WHEREOF, this Agreement is signed and delivered on the date first above written.

Kelley Lynch, For Purchaser
Kelley Lynch, Member - Traditional Holdings, LLC
Leonard Cohen, Annuitant
Leonard Cohen

State of California)
) ss.:
County of Los Angeles)

On this 7 day of December, in the year 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Kelley Lynch, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed it.

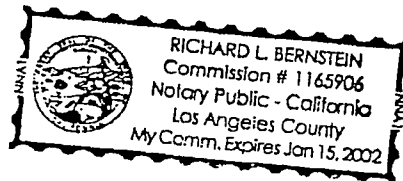
WITNESS my hand and official seal.

Richard L. Bernstein

[Signature, printed name, and title of notary public or other officer administering oath]

[Seal]

RICHARD L. BERNSTEIN - NOTARY
Pub



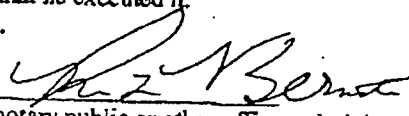
FROM : RUESTIN

PHONE NO. : 6062688017

DEC. 07 2000 07:00PM P9

State of California)
) ss.:
County of Los Angeles)

On this 7 day of December, in the year 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Leonard Cohen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed it.
WITNESS my hand and official seal.



[Signature, printed name, and title of notary public or other officer administering oath]

[Seal]

*RICHARD L. BERNSTEIN -
NOTARY P*



1988/1993 Live Album

1. Ain't No Cure For Love
2. Tower of Song
3. First We Take Manhattan
4. I'm Your Man
5. Avalanch
6. The Future
7. Anthem
8. Democracy
9. Waiting For The Miracle
10. Take This Waltz
11. The Law

ca-rider.wpd
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Exhibit JJ:
Summary page (“A”) of Expense Ledger.
See Exhibit LL (Pg. 10)