

NATURAL WEALTH LAWSUIT  
FRAUD UPON THE U.S. DISTRICT COURT  
DISTRICT OF COLORADO  
CASE NO. 05-cv-01233-LTB

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4 75. On or about June 6, 2005, Natural Wealth (one of Neal Greenberg’s financial investment  
5 companies), filed a lawsuit in Boulder, Colorado against Leonard Cohen and Robert Kory. On or about  
6 July 1, 2005, this lawsuit would be removed to the U.S. District Court, district of Colorado, Case No.  
7 Civil Case No. 05-cv-01233LTB. Lynch, who was “served” when the process server left a copy of the  
8 Complaint on the ground outside her front door, did not enter an appearance in this case for a number  
9 of reasons. First and foremost, as she wrote Judge Babcock, Lynch had concerns about the attempts of  
10 all parties involved to use the case obstruct justice with respect to the Tax Fraud Scheme. Lynch was not  
11 a resident of Colorado; had no ties to Colorado at that time; and had no resources to hire an attorney or  
12 participate in the proceedings. As of December 28, 2005, as this Complaint will more fully address,  
13 Lynch was homeless for a period of approximately eleven months. Therefore, she was not served the  
14 Second Amended Complaints, many other documents, and at some point defendant Michelle Rice  
15 wrongfully and outrageously instructed the U.S. District Court to serve Lynch c/o Phil Spector in  
16 California. Rice also evidently provided the Court with an email address for Lynch. Michelle Rice was  
17 not authorized to provide the U.S. District Court in Colorado with any information whatsoever related to  
18 Lynch and service of documents upon her. In the past two months, Lynch has finally had the ability to  
19 access and download many of the documents in the Natural Wealth suit available through Pacer. She has  
20 been shocked at the extent of the fraudulent misrepresentations, perjured statements in affidavits, and  
21 blatant attempts to blame her for the conduct of others.  
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25 76. Judge Lewis Babcock’s order of December 4, 2006 set forth the facts of the case. The  
26 order clearly relied on a set of fraudulently misrepresented, concocted facts which will be addressed more  
27 fully herein below. Cohen’s motion to dismiss was granted in part and denied in part. Exhibit O: Judge  
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1 Lewis Babcock Order dated December 4, 2006, attached hereto and made a part hereof.

2 77. Judge Lewis Babcock's order of January 23, 2007 set forth the facts as developed at this  
3 Time. Judge Babcock also summarized Timothy Barnett's counterclaims. Barnett was an employee of  
4 Natural Wealth. The order clearly relied on a set of fraudulently misrepresented, concocted facts. The  
5 counterclaim defendant's motion for judgments on the pleadings was granted and Mr. Cohen's second  
6 (breach of fiduciary duty), third (fraud), fourth (negligent misrepresentation), fifth (professional  
7 negligence), sixth and seventh (aiding and abetting), and eighth (negligence) were dismissed. Exhibit P:  
8 Judge Lewis Babcock's Order dated January 23, 2007, attached hereto and made a part hereof.

9 78. Judge Lewis Babcock's order of September 5, 2008 addressed the interpleaded funds.  
10 The order clearly relied on a set of fraudulently misrepresented, concocted facts as well as the fraudulent  
11 Default Judgment issued by Los Angeles Superior Court on May 12, 2006 (Case No. BC338322).  
12 Plaintiffs' Tenth Claim for Relief for Interpleader was dismissed; 2. Defendant Cohen's  
13 Motion for Summary Judgment as to Plaintiffs' Tenth Claim for Relief for Interpleader was denied as  
14 moot; The interpleaded funds in the Registry of the Court—including any accrued interest, less the Court  
15 Registry handling fee—were disbursed to Defendant Cohen; and each party was ordered to bear their  
16 own attorney fees and costs. Exhibit Q: Judge Lewis Babcock's Order dated September 5, 2008,  
17 attached hereto and made a part hereof.

18 79. On April 1, 2016, Lynch obtained certain documents, filed in the Natural Wealth case,  
19 from Pacer. The documents are replete with fraudulent misrepresentations and blatant lies. Lynch has  
20 selected several documents to review with this Court that she believes exemplify the fraud upon the U.S.  
21 District Court for the districts of Colorado and Central California. The operative facts, which are  
22 entirely fraudulent, form the basis for all of Judge Babcock's Order in this case. Therefore, Judge  
23 Babcock's Orders in and of themselves are the result of egregious fraud upon the court. Exhibit R:  
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1 Defendant Leonard Cohen’s Status Report entered October 11, 2005 (Natural Wealth Docket No. 36),  
2 attached hereto and made a part hereof.

3 80. On October 11, 2005 defendant Leonard Cohen submitted a status report of the  
4 proceedings in the United States District Court for the Central District of California entitled Leonard  
5 Norman Cohen, Petition v. Neal R. Greenberg, et al., Respondents, Case No. CV 05-6047 RSWL.  
6 Lynch was unaware of the case before the Central District of California until sometime in the fall of  
7 2013. In the case before the Central District of California, Cohen sought an order compelling arbitration  
8 of (i) the purported claims that Neal Greenberg and his companies, known as the Agile Group, have  
9 asserted against Cohen in the action pending before this Court and (ii) Cohen's claims against Greenberg  
10 and the Agile Group that Cohen has asserted in a Statement of Claim filed with the NASD as the initial  
11 step in an arbitration proceeding.  
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14 81. The docket indicates that, in the matter before the U.S. District Court in Colorado,  
15 Leonard Cohen was represented by Joel Feuer, Gibson Dunn, Randall M. Livingston, Bailey & Peterson,  
16 PC, Susan Ashlie Beringer, Gibson Dunn & Crutcher, LLP-Denver, Andrew Wilson Myers Husch  
17 Blackwell LLP-Denver, Jay Stanley Horowitz, Jay Horowitz, Esq., P.C., Jeffrey A. Chase, Husch  
18 Blackwell LLP-Denver, Peter C. Forbes, Carver Schwarz McNab Kamper & Forbes, LLC, Michelle  
19 Lorraine Rice, Kory & Rice, LLP. Robert Kory was represented by Randall M. Livingston.  
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21 82. On October 6, 2015, during a hearing before Los Angeles Superior Court (Case No.  
22 BC338322), Michelle Rice informed the Court as follows: “And I was the attorney of record in that case  
23 and the judge ordered summary judgment to Mr. Cohen for Traditional Holdings so again, I mean, to the  
24 extent Ms. Lynch is arguing Traditional Holdings is in bad standing, it’s irrelevant to this proceeding  
25 because that’s already been decided in the District of Colorado.” This hearing involved three motions  
26 before the Court. One related to the RICO Defendants Renewal of the fraudulent default judgment and  
27 the addition of millions of dollars in fraudulent financial interest being imposed upon Lynch. Lynch also  
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1 raised, in her pleadings, the fact that Blue Mist Touring Company, Inc. and Traditional Holdings, LLC  
2 were suspended in California and Kentucky, respectively, at the time the original default was entered  
3 (May 12, 2006) and were never revived. In the summer of 2015, while researching her motion to vacate  
4 the renewal of judgment, Lynch contacted the Secretary of State who informed her that Blue Mist  
5 Touring Company, Inc. has been suspended in California since August 2005. It was suspended, as of  
6 December 2005, by both the State of California and Franchise Tax Board. Traditional Holdings, LLC,  
7 on the other hand, was administratively dissolved by the State of Kentucky in November 2004 and never  
8 registered to do business in the State of California. A suspended corporation, including one that has  
9 never registered to do business in the State of California, is not permitted to participate in litigation.  
10 When a corporation is suspended, it is disabled from participating in litigation activities. Palm Valley  
11 Homeowners Assn. v. Design Mtc (2000) 85 Cal.App.4th 553, 560. Given the fact that two corporate  
12 entities, inserted into the original fraudulent default judgment, and made part of the renewal of judgment,  
13 Lynch addressed the fact that Corporations Code Section 2205, Subdivision (c) makes clear that “except  
14 for the purpose of amending the articles of incorporation to set forth a new name,” the suspended  
15 corporation may transact no business of any kind. Conducting litigation is not “amending the articles of  
16 incorporation to set forth a new name.” Transferring corporate assets, during a period of suspension  
17 and forfeiture is not “amending the articles of incorporation to set forth a new name.” It is most  
18 certainly relevant. Lynch has reviewed Judge Babcock’s September 5, 2008 Order and sees no language  
19 whatsoever to support Michelle Rice’s argument with LA Superior Court that this issue has “already been  
20 decided in the District of Colorado.” Judge Babcock’s Order states as follows: “In rendering judgment,  
21 the California court declared Lynch was ‘not the owner of any assets in Traditional Holdings, LLC’ and  
22 any interest Lynch had in ‘any other entity related to Cohen . . . she [held] as trustee for Cohen’s  
23 equitable title.’” The legal issue with respect to the suspended/forfeited entities was not before the  
24 District of Colorado. This matter will be more fully addressed herein below. That will include, but is not  
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1 limited to, the attorneys (Robert Kory, Michelle Rice, and their law firms) participation in the wrongful  
2 and unlawful transfer of corporate assets during the periods of suspension.

3           83.       According to the Statue Report, on October 3, 2005, the federal court in Los Angeles  
4 held a hearing on Cohen's First Amended Petition to Compel Arbitration and Greenberg and the Agile  
5 Group's motion to stay proceedings in deference to the action pending in this Court. "At the hearing on  
6 October 3, 2005, the federal court announced its ruling from the bench. The court granted Greenberg  
7 and the Agile Group's motion to stay proceedings on the ground that the 'first to file' rule applied and  
8 that the first filed action was before this Court. It denied Cohen's motion to compel arbitration as moot  
9 and without prejudice. Cohen respectfully contends that federal court in Los Angeles erred in applying  
10 the first to file rule. Cohen, however, has decided to file his motion to compel arbitration before this  
11 Court for resolution. Cohen intends to file the motion to compel this week. Accordingly, Cohen  
12 respectfully requests that the Court defer any ruling on the Agile Group's motion to deposit funds until it  
13 has ruled on Cohen's motion to compel arbitration." The RICO Defendants have engaged in forum  
14 shopping with respect to the matters being addressed in this case. Forum shopping, as used by Plaintiff  
15 in this case, is the taking of an unfair advantage of a party in litigation. The RICO Defendants, when  
16 they applied for and received the fraudulent default judgment, preferred the procedures of Los Angeles  
17 Superior Court over that of the District Court in Colorado. They evidently found the standards, with  
18 respect to willful failure to serve opposing party and ability to enter default without proper legal notice, a  
19 more applicable standard with which to tamper and interfere with the administration of justice in the  
20 Natural Wealth case. The RICO Defendants use of abusive and malicious litigation tactics throughout all  
21 proceedings is a hallmark of their scheme to defraud, discredit, and destroy Lynch. Some of the U.S.  
22 Supreme Court cases that have expressed condemnation for forum shopping practices are Erie R.R. v.  
23 Tompkins, 304 U.S. 64 (1938), Hanna v. Plumer, 380 U.S. 460 (1965), and Piper Aircraft Co. v. Reyno,  
24 454 U.S. 235 (1981). However, the RICO Defendants were evidently not satisfied with their fraudulent  
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1 default judgment against Lynch. They attempted to avoid the jurisdiction of the Colorado Court by filing  
2 an arbitration case with the Central District of California. When they didn't obtain the favorable results  
3 they anticipated, the RICO Defendants sought an order from the Colorado Court holding that the  
4 Central District of California's decision was "erroneous."

5 **Motion to Compel Arbitration by Leonard Cohen (Natural Wealth Docket No. 39).**

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7 84. On October 11, 2005, the RICO Defendants, and their co-counsel, filed a Motion to  
8 Compel Arbitration in the Natural Wealth case. Cohen requested that the Court grant an "order  
9 compelling" Plaintiffs to arbitrate: (i) The Agile Group's purported claims asserted against Cohen in an  
10 action now pending before this Court; and (ii) Cohen's claims against the Agile Group as alleged in his  
11 Statement of Claim filed with the NASD Dispute Resolution ("NASD").

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13 85. The motion, filed by Cohen, confirmed that in the mid-1990s he personally was a  
14 "customer of the Agile Group" and their related investment management organizations. According to  
15 the motion "Cohen retained the Agile Group to assist him in creating an investment strategy that would  
16 preserve his assets for his retirement and provide an estate for his children." Leonard Cohen is the  
17 individual who elected to pursue the Traditional Holdings/annuity strategy. Cohen personally executed  
18 the December 2000 Annuity Agreement between Traditional Holdings, LLC and Leonard Cohen.  
19 Clause 1.2 of the Annuity Agreement addressed the fact that the obligations under the agreement  
20 terminate upon the death of annuitant and his beneficiary and estate have no legal rights under the  
21 agreement. This agreement was prepared by Cohen's personal and corporate tax attorney, Richard  
22 Westin, and entered into prior to the formation of Traditional Holdings, LLC on December 18, 2000.  
23 The Annuity Agreement was transmitted to Lynch and Cohen, executed, and notarized on December 7,  
24 2000. At that point in time, Lynch had no ownership whatsoever in Traditional Holdings, LLC as the  
25 entity was not formed. That, however, does not address the fact that Leonard Cohen and his  
26 representatives extinguished the annuity obligation from the Traditional Holdings, LLC federal tax return  
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1 in 2001. All parties were aware of this fact, including Cohen, Robert Kory, and Neal Greenberg at that  
2 time the Natural Wealth Lawsuit was filed. This very material piece of information was concealed from  
3 the U.S. District Courts in Colorado and Central California and goes to motive and bias. Lynch was  
4 unaware of this activity which was brought to her attention in mid-October 2004 by her lawyers and  
5 accountant. Kelley Lynch was not Leonard Cohen's business manager. She was not his lawyer. And,  
6 she had no responsibility or obligation, legal or otherwise, to review legal and corporate documents with  
7 Leonard Cohen. That obligation and responsibility was upon Leonard Cohen and his respective  
8 representatives. Exhibit S: TH Articles of Organization and corporate records. Please refer to  
9 racketeeringact.wordpress.com, an evidence blog created for this Complaint, incorporated herein and  
10 made a part here. The documents may be located through the blog index and the first exhibit, in  
11 alphabetical order, would be the first posted document.  
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14 86. The motion goes onto state that the Agile Group failed Cohen in numerous ways  
15 including (but not limited to): it designed an investment transaction that incurred millions of dollars in  
16 transaction costs thereby reducing the value of Cohen assets; it failed to implement investments that  
17 would be protected from the wrongdoing of Cohen's business manager; and it aided and abetted Cohen's  
18 business manager's tortious acts by making material misrepresentations and omissions to Cohen about  
19 the accounts that they were managing for his benefit. The Agile Group's breaches resulted in Cohen  
20 losing millions of dollars.” Leonard Cohen, not the Agile Group or Lynch, is the individual who hired  
21 his professional representatives, had them pursue numerous intellectual property deals for him, and  
22 personally authorized Neal Greenberg and his related companies to pay his obligations immediately  
23 following the 2001 close of the Traditional Holdings, LLC. The Complaint filed in the Los Angeles  
24 Litigation (Case No. BC338322), Clause 61, alleged as follows: “Sony purchased Cohen’s Artist Royalties  
25 from THLLC for \$8 million. Cohen netted, after transaction costs and taxes, \$4.7 million. Cohen’s  
26 professional advisers, Greenberg and Westin, in promoting the sale, never disclosed to Cohen that nearly  
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1 nearly 33% of the sales proceeds would be spent on taxes and transaction costs” which included: \$1.9  
2 million related to Leonard Cohen’s personal representatives; \$500,000 for federal income taxes and  
3 penalties due (on Sony’s \$1 million advance paid on the sale in 1999); \$100,000 to Westin for legal fees;  
4 and \$200,000 for a failed transaction [CAK] leading to the 2001 sale. These figures as set forth in  
5 Cohen’s Complaint total \$2.7. Cohen personally received the \$1 million prepayment in the year 1999  
6 bringing the immediate total, excluding other personal disbursements and expenditures of Leonard  
7 Cohen’s, to \$3.7 million. These expenses are Leonard Cohen’s personal expenses and have nothing  
8 whatsoever to do with Traditional Holdings, LLC. The federal income tax returns for Traditional  
9 Holdings, LLC (2001, 2002, and 2003) are attached to Appendix A, Mail & Wire Fraud Schedule,  
10 attached hereto and made a part hereof. According to the federal K-1 tax forms attached to those  
11 returns, submitted to Internal Revenue Service, Cohen received K-1s for the following amounts: LC –  
12 K1 - .4% - \$246 (2001 return dated March 5, 2002); LC – K1 - .4% - \$149 – Cap account: \$25 (2001  
13 return dated March 10, 2002); LC – K1 - .1% - (\$174) (2002 return filed September 30, 2003). LC - K-1-  
14 .45% - (approximately \$1400)(2003 return filed October 4, 2004). Leonard Cohen filed a Petition with  
15 Tax Court that argued the \$1 million was not income to him in 1999; IRS agreed and a stipulated  
16 decision was entered in April 2003; at that time IRS revised the amount due to Leonard Cohen which  
17 totaled approximately \$794. Therefore, Leonard Cohen did not pay “federal income taxes and penalties  
18 due on Sony’s \$1 million advance paid in 1999.” Richard Westin’s legal fees, with respect to the TH  
19 closing, totaled \$14,500 and were deducted from the 2001 return. The CAK/Universal settlement,  
20 entered into by Leonard Cohen personally (who informed the SDNY that he elected to abort that deal),  
21 are Leonard Cohen’s personal expenses. Leonard Cohen was adequately represented with respect to the  
22 CAK litigation and settlement. The settlement amount has nothing whatsoever to do with Traditional  
23 Holdings, LLC. The RICO Defendants have merely concocted a set of facts, used as the operative set of  
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1 facts in numerous matters, to defend Leonard Cohen. The Traditional Holdings, LLC corporate assets  
2 are not Leonard Cohen's personal assets. That is an alter ego argument.

3 87. The factual background is nothing other than a fabricated narrative and concocted set of  
4 facts. In or around 1996, Neal Greenberg flew into Los Angeles to meet His Holiness Kusum Lingpa.  
5 At that time, he and Cohen met and Leonard Cohen personally decided to hire Greenberg to invest his  
6 personal assets and provide financial advice. The background advised the U.S. District Court in  
7 Colorado that Lynch was Cohen's "business manager" who allegedly worked with Greenberg to "try to  
8 transform some of his current royalty-producing assets in a manner that would reduce his potential tax  
9 liability associated with the assets and to provide for investments that would fund his retirement and  
10 provide money for his children after his death. Cohen received tax advice, estate planning advice and  
11 investment advice from the Agile Group and placed his money with the Agile Group." Kelley Lynch  
12 was never Leonard Cohen's business manager. She did not assist Leonard Cohen, Neal Greenberg,  
13 Richard Westin, or anyone else involved in these transactions, in attempting to "transform" assets –  
14 including corporate assets, in a "manner that would reduce" Cohen's "tax liability." Lynch has no  
15 training whatsoever in tax law, tax matters, and would not have been able to provide any advice  
16 whatsoever on asset transformation practices that remind her of alchemy. Leonard Cohen, Richard  
17 Westin, and Neal Greenberg decided to restructure LC Stranger Music, Inc. in or around 1996, in  
18 anticipation of the first intellectual property deal, and it was Lynch's understanding that the corporation  
19 owned the intellectual property assets. The 1997 Stranger sale was a stock sale. Lynch has no idea how  
20 Cohen personally handled any bequests to his adult children with respect to that transaction. Cohen  
21 hired Ed Dean to assist him and his representatives in forming two charitable remainder trusts. Lynch  
22 was not involved in the creation of the two charitable remainder trusts. Furthermore, Leonard Cohen  
23 personally hired estate planning attorneys, such as Lee Kanon Alpert and Reeve Chudd, to handle estate  
24 planning, bequests, and matters of that nature. Lynch has no idea what advice Greenberg or his  
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1 companies provided Cohen with respect to tax advice, estate planning advice, and/or investment advice.  
2 That advice was provided to the client, Leonard Cohen.

3 88. One of the concocted operative facts that is nearly impossible to follow relates to  
4 Cohen's fall of 2004 alleged discovery of "staggering losses." By the fall of 2004, Leonard Cohen had  
5 personally received or caused to be expended from Traditional Holdings, LLC alone the following  
6 amounts: \$1 million (1999 non-refundable prepayment); \$3.3 million (Leonard Cohen personal  
7 expenses); \$500,000 (recoupment re. Cohen's personal accounts with Sony); \$592,000 (portion of home  
8 purchases re. his son and girlfriend); and, according to Greenberg's figures, approximately \$2.7 million  
9 was deposited directly into Leonard Cohen's personal account with City National Bank. These amounts  
10 total in excess of \$8 million. Therefore, one can only conclude that Leonard Cohen personally believes  
11 he is the alter ego of the corporation known as Traditional Holdings, LLC. There is no other way to  
12 interpret this set of facts.  
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15 89. The motion continued with the fraudulent misrepresentations arguments when it alleged  
16 that "the Agile Group's advice resulted in losses of millions of dollars because they structured  
17 transactions to have millions in transaction costs, created an investment vehicle for Cohen's benefit that  
18 was not designed to protect the funds in the accounts they managed from being taken by Cohen's  
19 business manager and they made material misrepresentations and omissions to Cohen regarding the  
20 transactions in his accounts and the accounts for his benefit and the value of such accounts." Leonard  
21 Cohen, who continuously argues that he is the alter ego of numerous corporate entities, has simply  
22 elected to ignore all corporate forms, his outstanding loans (and expenditures), failed to document the  
23 loans property, refuses to repay the loans, and has elected in the alternative to disregard the corporate  
24 structures. The RICO Defendants are in possession of all corporate books, records, stock certificates,  
25 non-revocable assignments, copyright certificates, federal tax returns, agreements, and so forth, and have  
26 simply made a decision that all of this evidence is irrelevant and immaterial. In fact, the RICO  
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1 Defendants believe that they should benefit from the fabricated narrative that replaced the evidence.  
2 Exhibit T: Motion to Compel Arbitration by Leonard Cohen dated October 11, 2005, attached hereto  
3 and made a part hereof.

4 **Brief in Support of Motion for Judgment on the Pleadings as to Cohen’s Second-Eighth**  
5 **Counterclaims filed by Greenberg & Associates, et al. (Natural Wealth Docket No. 123)**

6 90. On October 19, 2006, a Brief was filed in Support of Motion for Judgment on the  
7 Pleadings by Plaintiffs and counter-defendant Timothy Barnett. The document, as was true for the Los  
8 Angeles Litigation Complaint misstates the “royalty producing assets.” LC Stranger Music, Inc. was a  
9 corporation, not a “royalty producing asset,” sold to Sony in 1997. The intellectual property, and non-  
10 revocable assignments of that property to Blue Mist Touring Company, Inc., that generates the royalty  
11 income is addressed more fully herein below. This document confirmed that Leonard Cohen’s personal  
12 “transaction costs” related to Traditional Holdings, LLC exceeded \$3 million. The Los Angeles  
13 Litigation Complaint confirmed that the RICO Defendants understood that Leonard Cohen’s personal  
14 expenses, with respect to the 1997 Stranger Music transaction, totaled in excess of \$1 million. Clause 61  
15 confirmed that the net, after the personal transaction costs, totaled \$4.7 million, the amount of the  
16 annuity obligation. Leonard Cohen paid relatively no taxes in connection with the Traditional Holdings,  
17 LLC transaction and the \$500,000 (re. the \$1 million 1999 prepayment) appears to have been entirely  
18 fabricated. This brief confirmed that “Cohen contends that, as a consequence of such alleged negligence  
19 [by Greenberg], he sold an asset worth \$8 million – but received only \$5 million.” This is a fraudulent  
20 misrepresentation, blatantly false, and would appear to explain what Robert Kory meant when he wrote,  
21 in his January 14, 2005 memorandum that Leonard Cohen and his representatives failed to report \$8  
22 million in gross income but there was a nexus of \$5 million. The so-called transaction fees are Leonard  
23 Cohen’s personal expenses. The gross proceeds, of approximately \$6.3 million, were transmitted to  
24 Greenberg in Colorado. The proceeds of the 2001 sale were not “place in a Kentucky entity, Traditional  
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1 Holdings, LLC, controlled by Lynch.” Lynch did not “control” anything including a “Kentucky entity”  
2 located at Cohen’s lawyer’s home in Kentucky. Lynch did not “control” the investments of these assets.  
3 Lynch did not “control” the corporate books and records. Lynch did not “control” the information  
4 transmitted to Internal Revenue Service. The individuals who controlled these matters were Leonard  
5 Cohen, Neal Greenberg, and Richard Westin. This is merely a narrative meant to replace mathematical  
6 formulas on federal tax returns. The RICO Defendants have thrown in a “drunken slut” X ratio for  
7 good measure. It works better with the news media and certain jurors. That would include the juror  
8 who informed Lynch’s public defender that he relied on the prosecutor’s statements that Leonard Cohen  
9 was only left with \$150,000. The judge instructed the jurors that nothing the lawyers said was to be  
10 considered evidence. Nevertheless, this fraudulent misrepresentation was relied on by one of the jurors  
11 during Lynch’s 2012 Trial. There is no point in exploring, at this point, why this information was not  
12 reported to the judge. The fact of the matter is that it was not. The other fact related to this issue is that  
13 Lynch’s public defender informed her that he felt this man was a “juror plant.” That is an entirely  
14 uncomfortable “fact.” The brief reiterated Cohen’s allegation that the Traditional Holdings, LLC  
15 “transaction occurred at the recommendation of Greenberg and the Agile Group with the support of  
16 Westin.” Therefore, Lynch does not understand what her role in the transactions could possibly be other  
17 than a victim of the RICO Defendants and their filthy lawyering.  
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21 91. The brief addressed the fact that “Traditional Holdings issued a private annuity contract  
22 to Cohen.” For some reason, elements of this contract are evidently valid while others are not. For  
23 example, Cohen believes he is entitled to an annuity obligation but does believe certain clauses related to  
24 the fact that his loans must be repaid with interest and the transaction by-passes his beneficiaries and  
25 estate. Nevertheless, the fact that the annuity obligation was extinguished from the 2003 federal tax  
26 return has been concealed from the Court and this is one of the reasons for the scheme to defraud,  
27 discredit, and destroy Lynch. Evidently, if the RICO Defendants, and their co-conspirators, are able to  
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1 destroy Lynch, their fabricated narrative stands a better chance. That is one of the reasons the RICO  
2 Defendants prefer to be unopposed. It's far more convenient. Unfortunately, Leonard Cohen executed  
3 the Annuity Agreement. At the time, Leonard Cohen did not own the assets he represented would be  
4 transferred to Traditional Holdings, LLC. Those assets were owned by Blue Mist Touring Company,  
5 Inc. In the Recitals Section of the Annuity Agreement, Leonard Cohen personally alleged that he was  
6 the owner of certain artistic and literary rights. Those rights were owned by Blue Mist Touring  
7 Company, Inc. Leonard Cohen, the Annuitant, allegedly sold these properties (and/or rights) to  
8 Traditional Holdings, LLC in exchange for the annuity that was to begin in January 2011. As of June  
9 2005, when this Complaint was filed, Leonard Cohen had spent or caused to be expended approximately  
10 \$8 million of the Traditional Holdings, LLC corporate assets. As of the June 2005, when this Complaint  
11 was filed, Leonard Cohen's tax lawyer, who worked solely on Cohen's behalf, extinguished the annuity  
12 obligation from the 2003 federal tax return. These facts seem highly material and relevant. Based on  
13 Leonard Cohen's legal pleadings, in the various lawsuits being discussed herein, the RICO Defendants  
14 have taken the position that Leonard Cohen was entitled to waste approximately \$8 million in corporate  
15 assets, spend approximately \$8 million of those assets, receive an annuity obligation in the amount  
16 approximately \$4.7 million (extinguished from the 2003 federal tax return by his representative and  
17 moved to the partners' capital account), benefit from this conduct, receive approximately \$700,000 in  
18 federal tax refunds, receive additional refunds from the Franchise Tax Board, and then steal Lynch's  
19 share of three corporate entities, all intellectual property owned by Blue Mist Touring Company, Inc. and  
20 Old Ideas, LLC, and destroy her career, reputation, life, and the lives of members of her family. The  
21 RICO Defendants further concluded that their concocted set of facts should be attached to Leonard  
22 Cohen's personal tax returns filed in or around November 2005. Evidently, these are the perks of being  
23 a celebrity, with a team of lawyers throughout this country, and the ability to obtain one fraudulent  
24 default judgment and fraudulent dime-a-dozen restraining orders. And that is precisely why Los Angeles  
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1 Superior Court is a more attractive forum for Leonard Cohen. As with many courts in the United States,  
2 fraud upon the court is immaterial and irrelevant, fraud and perjury are condoned, service of process is  
3 not a requirement, jurisdiction is meaningless, and there are no remedies whatsoever.

4 92. Contrary to what the brief states, Lynch did not receive “control over the Traditional  
5 Holdings assets that were to fund the annuity.” The reason for this is due to the fact that the  
6 proceedings of the 2001 sale were transmitted to Neal Greenberg and his related companies to invest.  
7 Leonard Cohen personally hired Greenberg. Lynch did not. Neal Greenberg, as Cohen has repeatedly  
8 stated, was the “trusted guardian” of Leonard Cohen’s assets. Clearly, the RICO Defendants view  
9 corporate assets as Leonard Cohen’s personal assets and Cohen as the alter ego of the corporate entities.  
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11 93. The Brief addressed certain corporate records that Lynch relied on. Those documents  
12 include, but are not necessarily limited to, the Traditional Holdings’ Articles of Organization and  
13 Operating Agreement executed by Leonard Cohen in December 2000. Lynch and Cohen were co-  
14 members and co-managers of Traditional Holdings, LLC. Lynch and Cohen executed the Private  
15 Annuity Agreement in December 2000. Based on Leonard Cohen’s testimony, during Lynch’s 2012  
16 Trial, Lynch relied on fraudulent misrepresentations and blatant falsehoods. It would appear that Lynch  
17 was never meant to have a valid legal ownership interest in this entity. These documents were  
18 transmitted to Lynch by fax and relied on by the State of Kentucky, Internal Revenue Service and others.  
19 They are further addressed on the Mail & Fraud Appendix. The following allegation on the part of  
20 Leonard Cohen is ample evidence that Cohen personally had no intention of adhering to corporate  
21 formalities or the facts for that matter: “Cohen alleges that the structure was ‘so poorly designed’ that his  
22 manager (Lynch) could steal Traditional Holdings’ funds.” The structure was not that “poorly designed.”  
23 Its basic elements are as follows: Leonard Cohen made the representations that he would exchange (or  
24 sell) intellectual property rights he owned to Traditional Holdings, LLC in exchange for a \$4.7 million  
25 annuity obligation” that would begin in January 2011. At all times, Leonard Cohen and his  
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1 representatives understood that he was permitted to take loans/advances (or cause his expenditures to be  
2 paid) with the proviso that that all amounts would be repaid within three years with interest. All parties  
3 understood that the corporate records provided certain distributions to Lynch. Leonard Cohen’s lawyer  
4 prepared the corporate documents. Lynch had nothing whatsoever to do with that and did not oversee  
5 the work of Leonard Cohen’s lawyers and/or representatives. Another thing the parties understood was  
6 the fact that Leonard Cohen’s representatives would prepare the federal tax returns for the corporations.  
7 Those are the basic elements. Lynch cannot discern what is deficient in the “design” apart from the  
8 federal tax returns, Cohen’s failure to repay his loans, and the RICO Defendants decision – failing to  
9 pressure, coerce, force, threaten Lynch into settling with them and providing perjured testimony against  
10 Cohen’s representatives – to replace the facts and evidence with a concocted set of operative facts. That  
11 is what Lynch views as being “poorly designed.” This case is nothing other than a Tax Fraud Scheme,  
12 with a concocted set of operative facts unsupported by the evidence, and the situation was used to in the  
13 scheme to defraud, discredit and destroy Lynch. Leonard Cohen personally signed a stock certificate  
14 “indicating” that his ownership interest in Traditional Holdings, LLC was .5%. His adult children  
15 executed nothing whatsoever. There was and remains no trust. Lynch’s lawyers conveyed Robert Kory’s  
16 legal positions to Lynch in January 2005. At that time, she was advised that – if Lynch did not enter into  
17 the settlement agreement they had in mind - the RICO Defendants intended to argue that the Blue Mist  
18 Touring Company, Inc. assignments were invalid. If Lynch agreed to enter into the settlement  
19 agreement the RICO Defendants had in mind, they were willing to admit that she was an unwitting  
20 pawn, pay her what she was and is owed, and roll Traditional Holdings, LLC into LC Investments, LLC  
21 as part of the agreement. From Lynch’s perspective, Leonard Cohen was represented by many  
22 professionals throughout these transactions, and his argument that he “did not understand the structure  
23 and ownership of Traditional Holdings until late 2004” is absurd and outlandish.  
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1           94.     According to the Brief, Traditional Holdings’ funds were invested in the Agile Safety  
2 Fund. Id. ¶¶ 14, 17. It was these invested funds that were to be used to fund Traditional Holdings’  
3 private annuity obligation to Cohen. Id. ¶ 14.” Leonard Cohen, and his representatives, failed to transfer  
4 the intellectual property assets from Blue Mist Touring Company, Inc. The Los Angeles Litigation  
5 Complaint confirmed that the RICO Defendants understood that the assets were not removed from  
6 Blue Mist Touring Company, Inc. and the structure was not unwound. Therefore, it is inconceivable  
7 that, with this understanding, the RICO Defendants still believe Leonard Cohen was entitled to the  
8 annuity obligation his lawyer extinguished from the federal tax returns in 2003. For the record,  
9 Greenberg and the Agile Group prepared and transmitted financial statements on a monthly basis c/o  
10 the address Leonard Cohen personally instructed them to. Those financial statements were received,  
11 Cohen reviewed them religiously, and the so-called email reports, meant to obfuscate issues, do not relate  
12 to Traditional Holdings, LLC and sound like utter garbage. At no time did Lynch ask “the Agile Group  
13 to create an account from which Traditional Holdings could access its funds that would be withdrawn  
14 from the Agile Safety Fund.” After Cohen transmitted his authorization to Greenberg/Agile, with  
15 respect to payment of his personal expenses following the 2001 closing, Greenberg took it upon himself  
16 to arrange for a money market checking account that would be used to pay those expenses. That was  
17 and remains the sole reason for the creation of that so-called account. Lynch did not “cause Traditional  
18 Holdings to make withdrawals.” That would include, but is not limited to, Leonard Cohen’s loans,  
19 advances and/or expenditures. Traditional Holdings, LLC caused the corporate distributions to be made  
20 in accordance with the corporate books and records. Leonard Cohen entered into written agreements  
21 that loans/advances (expenditures) were acceptable and his had to be repaid within three years with  
22 interest. All parties understood that any actual “loans” Lynch received were to be repaid by January 2011  
23 when the annuity obligations began. Lynch, Cohen, and others, represented that all loans, would be  
24 repaid. Lynch did not represent to Agile, or anyone else, that she would repay loans, advances, or  
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1 expenditures that were Leonard Cohen's. That is a blatant lie. Neal Greenberg informed Lynch that,  
2 with respect to the email "reports," all "shareholder loans – which is how Cohen and his representatives  
3 wanted things characterized – had to be included as assets. This is not something Lynch allegedly told  
4 anyone. Greenberg's IRS Danger Warning letters prove that he is the individual that felt including the  
5 assets in the email reports strengthened any arguments IRS might have with respect to this entity.  
6 Greenberg was quite clear that the email "reports" did not include interest. Lynch is clear that Cohen  
7 and his representatives had the ability to provide credible financial statements, loan documentation, loan  
8 schedules, and so forth. That is not something Lynch would handle. At no time did Lynch direct the  
9 "Agile Group not to report" loans or withdrawals to Cohen. They were reported on the monthly  
10 financial statements. Beyond that, Cohen understood that he received the \$1 million prepayment, he  
11 authorized his personal expenses/transaction fees totaling approximately \$3.3 million, the recoupments  
12 to his accounts at Sony totaled approximately \$500,000, there was (as of the fall of 2004) a hold-back of  
13 approximately \$375,000, and approximately \$2.7 million was deposited directly into Leonard Cohen's  
14 personal account with City National Bank. Cohen also understood that the purchases of homes for his  
15 son and girlfriend totaled approximately \$592,000. Therefore, Leonard Cohen personally understood  
16 that his loans/expenditures totaled over \$8 million. Kelley Lynch had no obligation or responsibility to  
17 review any document with Leonard Cohen whatsoever. Leonard Cohen had the responsibility to review  
18 all financial statements, legal documents, and so forth, with his representatives who prepared, created,  
19 and transmitted them.

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23 95. Following the 2004 IRS Danger Warning letters, Greenberg did actually attempt to meet  
24 with Cohen in Los Angeles. Cohen informed Lynch and Greenberg that he was unavailable at those  
25 times. It does seem a bit odd however that, if Greenberg felt his warnings were so dire, that he would  
26 not email them directly to Leonard Cohen or pick up the phone and speak to him. After all, when Ken  
27 Cleveland received the inadvertent \$7 million 1099, he wrote directly to Leonard Cohen at his home to  
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1 ensure that Cohen personally and immediately received that letter. Cohen then phoned Ken Cleveland.  
2 Lynch personally believes that the email “reports” are part of a pre-meditated plan with respect to the  
3 Tax Fraud Scheme. Once the inadvertent \$7 million 1099 was transmitted to Leonard Cohen, in or  
4 around January 2002, Lynch became alarmed by the conduct of Cohen and certain of his representatives.

5 96. Lynch had a legitimate ownership interest in Traditional Holdings, LLC. Therefore, she  
6 had as much right to request information from Greenberg and the Agile Group. The email “reports” for  
7 Leonard Cohen had nothing whatsoever to do with Traditional Holdings, LLC. Corporate assets were  
8 co-mingled on those email “reports.” Therefore, Lynch was entitled to ask the following question in an  
9 email to Tim Barnett dated September 27, 2002: could I simply have a recap (and not details) of the total  
10 amount per entity and loss/gain per entity? Since approximately January 2002, Lynch has attempted to  
11 obtain financial statements, profit and loss statements, and other documents related to Traditional  
12 Holdings, LLC. The emails were not sent for Lynch’s review. Lynch constantly commented on the fact  
13 that she found Greenberg’s English incoherent and suspected that financial matters being obscured and  
14 distorted using technical language. Greenberg should be in possession of her emails advising him that  
15 her comments about his reports were limited to his use of the English language in them.

16 97. “Distilled to their essence, Cohen’s counterclaims are based upon: (a) his authorized  
17 agent’s exercise of her well-documented right and authority to withdraw Traditional Holdings’ funds  
18 from the Agile Safety Fund; (b) Counter-Defendants’ alleged failure to inform Cohen of the withdrawals;  
19 and/or (c) Counter-Defendants’ alleged failure to accurately report the status and value of Traditional  
20 Holdings’ account.”

21 98. The counterclaims were evidently asserted despite the fact that Lynch was the 99.5%  
22 owner of Traditional Holdings. Her durable power of attorney, executed at Cohen’s insistence, is  
23 irrelevant to this entity. The IRS Danger Warning letters were sent to Cohen – not Lynch.

1           99.     The Brief confirmed that Cohen understood that Greenberg Agile were with “conserving  
2 and caring for (Cohen’s) assets.” This supports the theory that the RICO Defendants have taken the  
3 position that Leonard Cohen is the alter ego of Traditional Holdings, LLC. Lynch had no fiduciary duty  
4 to Leonard Cohen other than to ensure that an annuity obligation would begin in January 2011. By that  
5 time, Greenberg – who Cohen hired – lost his clients’ assets, the annuity obligation was extinguished  
6 from the 2003 federal tax return, and Cohen wasted approximately \$8 million in corporate assets. Lynch  
7 really has no idea how any court has obtained jurisdiction over her or the corporate entities themselves  
8 that are clearly nothing other than shell entities. Exhibit U: Brief in Support re. Motion for Judgment  
9 on the Pleadings dated October 19, 2006, attached hereto and made a part hereof.  
10

11           **Response to Motion for Summary Judgment *As to Cohen's First Counterclaim* filed by**  
12           **Defendant Leonard Cohen (Attachments: # 1 Affidavit Leonard Cohen - exhibit a; Exhibits 1-48)**  
13           **(Natural Wealth Docket No. 148)**

14           100.    In or around the fall of 2013 or sometime shortly thereafter, Lynch discovered Leonard  
15 Cohen’s Affidavit dated December 20, 2007 (Natural Wealth Lawsuit) on Pacer. The document is  
16 entirely perjured and Lynch will address as much of the perjury as possible at this time. Cohen’s  
17 Declaration was attached as Exhibit 1 to the Motion for Summary Judgment that transmitted the  
18 fraudulent default judgment, Los Angeles Superior Court (Case No. BC338322) to the U.S. District  
19 Court, Colorado.  
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21           101.    Leonard Cohen’s Affidavit confirmed that he is the defendant and plaintiff-on-  
22 counterclaim in the Natural Wealth Lawsuit. He submitted his affidavit in accordance with F.R.Civ.P.  
23 56(e) in opposition to the Motion for Summary Judgment filed on behalf of defendants-on-counterclaim  
24 (jointly “the Agile Group” or “Greenberg”). Cohen declared, under oath of perjury, that he made the  
25 affidavit upon personal knowledge and is competent to testify to the matters stated therein. The exhibits  
26 (listed above in the docket excerpt) were incorporated into the affidavit. There is evidently considerable  
27 uncertainty among the courts – not to mention litigants – concerning the propriety of reply affidavits in  
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1 summary judgment proceedings. See Vais Arms, Inc. v. Vais, 383 F.3d 287, 292 (5th Cir. 2004) (—[W]e  
2 have not comprehensively identified all the circumstances under which a district court may rely on . . .  
3 evidence presented for the first time in a reply brief . . . .)); Parks v. Hillsdale Cmty. Health Ctr., No.  
4 1:98-CV-204, 1999 WL 893852, at \*2 (W.D. Mich. May 20, 1999) (choosing not to consider new reply  
5 brief evidence without determining whether such evidence is allowed); United States v. Int'l Bus. Machs.  
6 Corp., 66 F.R.D. 383, 384 (S.D.N.Y. 1975) (noting silence of Federal Rules on reply papers leading to—a  
7 great deal of confusion)). Lynch has no idea, to what extent Judge Babcock relied on Leonard Cohen's  
8 Affidavit but assumes he placed some reliance on its authenticity. Therefore, as this document was  
9 transmitted to the federal court through Pacer's electronic filing system, Lynch will address this matter  
10 further in the Mail & Wire Fraud section of this Complaint. Lynch has no position as to the  
11 authentication of any of the documents, including the emails Cohen believes are authentic, at this time:  
12  
13 "Many of the exhibits attached to and incorporated into this affidavit are e-mails sent by me or received  
14 by me and I attest to the authenticity of those emails. However, I also have attached to this affidavit, and  
15 incorporated into it, as exhibits, documents which are exhibits to the Motion For Summary Judgment,  
16 including documents I never saw or was told about before October, 2004 when I first began to learn of  
17 the wrongful actions of Kelley Lynch ("Lynch") and Greenberg's role in connection with those actions  
18 which gives rise to this lawsuit."  
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21 102. Leonard Cohen's Affidavit sets forth some general information and then immediately  
22 begins to blame Lynch for his own wrongdoing. The Affidavit is replete with fraudulent  
23 misrepresentations and perjured statements. Leonard Cohen was aware of all documents at issue in this  
24 case, including the monthly financial statements Greenberg transmitted to the address Cohen provided,  
25 and in October 2004 Cohen did not learn of the "wrongful actions of Kelley Lynch." By mid-October  
26 2004, Cohen understood that Lynch intended to, or had, reported what she felt was egregious tax fraud  
27 to Internal Revenue Service. In response to her lawyer's October 27, 2004 letter, requesting a meeting  
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1 with Cohen and Westin, and explanation for Lynch's role in the entities and any potential liabilities,  
2 Cohen and the RICO Defendants elected to willfully disregard all corporate structures.

3 103. Leonard Cohen is a songwriter and musical performing artist who created a body of  
4 work, copyrighted songs as well as fourteen record albums that have generated substantial publishing,  
5 songwriter, and record royalties. Those intellectual properties were assigned to Blue Mist Touring  
6 Company, Inc. and Old Ideas, LLC. This was done at Cohen's direction for his benefit. Lynch was  
7 simply compensated with 15% of these entities, and the intellectual property assets they owned, for  
8 services she rendered in addition to her services as Cohen's personal manager. That is the limit of  
9 Lynch's interest and/or role in these entities.  
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11 104. Leonard Cohen's statements in Clause 3 of his Affidavit is contradicted by statements he  
12 provided Goldmine about his personal role in contract negotiations, financial discussions, and so forth.  
13 Leonard Cohen is merely attempting to extricate himself from the deals, transactions, corporate matters,  
14 and tax issues at issue in this case and the related Tax Fraud Scheme. Those statements are addressed in  
15 Kelley Lynch's Case History.  
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17 105. Leonard Cohen's Affidavit states: "As detailed below, in connection with my decision in  
18 2001 to entrust more than \$7 million of my retirement savings to plaintiff and defendant-on-  
19 counterclaim Greenberg's management, in connection with my further agreement that Greenberg could  
20 invest about \$4 million of those funds in one of his mutual funds, and in connection with my decision to  
21 continue between 2002 and 2004 to leave those funds invested with Greenberg and managed by him, I  
22 obtained Greenberg's agreement, commitment and promise to send me regular monthly e-mails  
23 summarizing the status of my accounts, and I obtained his agreement, commitment and promise to  
24 obtain my written consent before permitting any withdrawals from my accounts." It is very difficult to  
25 determine precisely what Leonard Cohen is referring to. The investment figures, gross sales figures, etc.  
26 are in constant flux. At this time, Cohen entrusted certain assets to Greenberg. He views all assets,  
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1 including corporate assets, as his personal property. Cohen decided to continue using Greenberg to  
2 invest these assets through 2004. He obtained some type of agreement with respect to his “regular  
3 monthly emails.” Lynch did not. The monthly emails, summarizing Cohen’s accounts, co-mingled assets  
4 and were also incoherent. They most certainly did not replace the formal monthly financial statements  
5 Greenberg transmitted on a monthly basis as he had done since 1996. Leonard Cohen confirmed that  
6 his personal authorization was required before corporate assets were distributed. Lynch has no details  
7 with respect to any such agreement between Cohen and Greenberg.

9 106. Leonard Cohen, arguing alter ego, continues with his outrageous decision to willfully  
10 disregard corporate forms, when he states that Greenberg “was personally protecting my accounts and  
11 that no one, including Kelley Lynch (“Lynch”) could access my accounts without my consent.” The  
12 corporate accounts are not Leonard Cohen’s personal accounts.

14 107. At no time did Leonard Cohen hire Lynch as his personal assistant. Following the death  
15 of Marty Machat, Cohen’s attorney and personal manager (with his son, Steven) for 20 years, Cohen  
16 hired Lynch as his personal manager. For a very brief period, Flemming Schmidt (Cohen’s tour  
17 manager) attempted to insert himself into that position and, according to Cohen, demanded \$100,000 for  
18 work he felt was in addition to the services Schmidt rendered as tour promoter. Lynch did indeed have  
19 knowledge of Cohen’s complex recording and publishing agreements. That would include, but is not  
20 limited to, the agreements assigned to New Era Music, BV, an entity affiliated with the Loyens &  
21 Volkmaars accounts in the Dutch Antilles where Cohen funneled income from what Lynch recalls.

23 108. Lynch worked for Martin Machat, a legendary figure in the entertainment industry, from  
24 1984 until his death in April 1988. During these years, Lynch became familiar with Cohen’s record and  
25 publishing contracts. She also became familiar with his general business affairs. Prior to that, she  
26 worked for Jules Zalon, another legendary figure in the entertainment industry, whose area of expertise  
27 was in the field of intellectual property and related matters. While in college, Lynch worked in  
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1 Philadelphia, Pennsylvania for a number of law firms. Her experience was related to estates and trusts,  
2 contracts, assisting with the maintenance of corporate books and records, intellectual property, civil  
3 litigation (related to anti-trust or the break-up of huge corporations), constitutional law, asbestos  
4 litigation, and business law. Lynch always worked under the direct supervision of attorneys. At no time,  
5 throughout the years she worked with Leonard Cohen, did Kelley Lynch oversee the work of his  
6 transaction lawyers, accountants, business managers, financial advisers, corporate and/or tax lawyers, or  
7 investment advisers. Lynch and her husband, Douglas Penick, referred Cohen to their investment  
8 adviser, Bud Talbot, Dean Witter Reynolds. Mr. Talbot invested the Penick Family's substantial wealth  
9 for years and his investment accounts were conservative and well managed.

11 109. Leonard Cohen's Affidavit advised the Court that "During the ensuing years in which she  
12 worked for me, Lynch's role evolved into a role akin to a business manager, a position that she held until  
13 I terminated her employment for cause on or about October 20, 2004. I terminated her immediately at  
14 that point upon learning that she had embezzled funds from my personal checking accounts at City  
15 National Bank ("CNB")." At no time was Lynch Cohen's "business manager." Her role has merely  
16 "evolved" in accordance with Cohen's fabricated and fraudulent narrative. Leonard Cohen did not  
17 terminate Lynch in October 2004. He informed Lynch that he understood she intended to, or had,  
18 report the allegations of his tax fraud to Internal Revenue Service and specifically mentioned that an  
19 anonymous source (the "informant" who has as yet been identified, been used to slander and falsely  
20 accuse Lynch, and whose statements are entirely hearsay statements in all legal pleadings) discovered  
21 Lynch's July 25, 2004 letter to the IRS Chief Trial Counsel's Office in Lynch's office. At no time did  
22 Lynch "embezzle" anything from Cohen's City National Bank account or any other account for that  
23 matter. Leonard Cohen is the individual who has embezzled from Blue Mist Touring Company, Inc. and  
24 other corporate accounts.  
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1           110. Cohen’s declaration goes onto address the fact that he considered retiring from my  
2 musical career after my world tour of 1993. In or about late 1994, I decided that I would take a sabbatical  
3 from my song writing and recording career and I enrolled in a Zen monastery for a period of time. Once  
4 enrolled, I continued as a student and monk for more than five years. During that period, I began  
5 planning for my retirement and for my estate.” At no time did Cohen inform Lynch that he considered  
6 retiring from his musical career. Cohen did not “enroll” at Mt. Baldy although he did take formal monk  
7 vows in 1996. Evidently, he has since broken those vows, left the monastery (where he visited as a  
8 guest), and converted back to Judaism. For the entire 20 years Lynch knew Cohen, he held himself out  
9 to Lynch as a Buddhist. In any event, Leonard Cohen used Mt. Baldy as a working retreat. He had  
10 outstanding contractual obligations with Sony and was required to deliver a studio album not sooner than  
11 12 months or later than 24 months following the last studio album delivery. While at Mt. Baldy, Leonard  
12 Cohen worked on material for a live album (two new songs), studio album (“Ten New Songs” delivered  
13 in 2001), artwork (for a planned lithograph deal), and book (“Book of Longing” released sometime in  
14 2004 or 2005). That is not, by any stretch of the imagine a “retreat” where one has “retired.” Cohen has  
15 given extensive interviews about his work on Mt. Baldy and appeared in the documentary “Spring of  
16 1996” that documents Cohen’s visits to Mt. Baldy, time spent in the record studio, participation in  
17 interviews, and visits to Lynch’s office. The documentary also shows Cohen’s archived materials in the  
18 office Lynch provided Cohen in her management offices. Those materials were archived, Cohen had an  
19 index of the archived materials, and he personally removed those materials, all his files, and all of Lynch’s  
20 business and corporate files from her management offices on or around October 22, 2004. Exhibit V:  
21 Links to Spring of 1996 (Leonard Cohen) video from documentary; Exhibit W: Bob Hillburn Los  
22 Angeles Times interview. Please refer to racketeeringact.wordpress.com, an evidence blog created for  
23 this Complaint, incorporated herein and made a part here. The documents may be located through the  
24 blog index and the first exhibit, in alphabetical order, would be the first posted document.  
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1           111. Clause 7 of Cohen’s Affidavit informed the Court as follows: In or about 1996 Lynch  
2 introduced me to Greenberg, whom she presented as an estate planner, financial advisor and money  
3 manger of good reputation and considerable skill. I met Greenberg and thereafter agreed to engage him  
4 to review my financial assets, which largely consisted of royalty revenues from my accumulated works,  
5 and to review with me, and to devise a plan for me to satisfy, my financial objectives for retirement and  
6 estate planning.” Leonard Cohen met Neal Greenberg when Greenberg visited His Holiness Kusum  
7 Lingpa in Los Angeles, California. Lynch did not know Greenberg; had met him very briefly a few times  
8 at Buddhist events; and was unaware that he was an “estate planner, financial advisor and money  
9 manager” of “good reputation and considerable skill.” Lynch knew Greenberg’s ex-wife, Karen  
10 Greenberg. Leonard Cohen met with Greenberg, appreciated his investment suggestions and – after he  
11 and Lynch phoned Peter Goldfarb (a client of Greenberg’s with considerable assets) to confirm that  
12 Greenberg had performed well on his behalf, Cohen elected to hire Greenberg. Cohen personally  
13 entered into all agreements with Greenberg.  
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16           112. It is Lynch’s understanding, and recollection, that Leonard Cohen hired Greenberg as his  
17 financial advisor. She did not realize Cohen hired Greenberg as an estate planning adviser. Lynch was  
18 under the impression that Lee Kanon Alpert and Reeve Chudd served as Cohen’s estate planning  
19 attorneys. Leonard Cohen may have hired Greenberg to deliver to him a “retirement, tax and estate plan  
20 built around the sale of” copyrights and record royalties. Lynch does not know the extent of Cohen’s  
21 communications with Greenberg and/or Westin who were wrapped into attorney/client privilege with  
22 Cohen while Lynch was intentionally excluded from that privilege. It was Lynch’s understanding that  
23 Cohen hired Greenberg and Westin to restructure Stranger Music, Inc. in anticipation of the stock sale to  
24 Sony/ATV. It was also Lynch’s understanding that Greenberg introduced Cohen to Ed Dean, a lawyer  
25 in San Francisco, who assisted with the formation of two charitable remainder trusts and had  
26 considerable concerns about the assignment of “personal service contracts” to certain corporate entities.  
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1 Lynch has no idea how Cohen, Greenberg, Westin, Dean, or any other representative of Cohen's,  
2 handled bequests to his adult children following the sale of Stranger Music, Inc. to Sony/ATV. She  
3 assumed that was handled through his Last Will and Testament.

4 113. Lynch has no recollection whatsoever about Cohen and Greenberg's discussion regarding  
5 the "relatively uncertainly of a royalty stream versus what" Cohen "thought might be more reliable  
6 income derived from the sale of" copyrights and the "investment of the sale proceeds." Lynch was  
7 under the impression that Cohen demanded the pursuit of the intellectual property deals from  
8 approximately 1994 when Lynch met with Eric Kronfeld, CEO of Polygram, and other individuals in the  
9 industry. That would include, but is not limited to, Chuck Kay, Dreamworks, David Pullman, the  
10 Pullman Group, and Charles Koppelman, CAK Universal.

11 114. In or around 1996, Leonard Cohen did not have an office on the ground floor of the  
12 duplex where he lived. The downstairs unit was Lorca Cohen's apartment and Lynch's stepdaughter, as  
13 well as others, resided in that unit. That would include a brief period when Lynch's nephew, Gesar  
14 Mukpo, resided there. Leonard Cohen spent money extravagantly regardless of what he – and/or others  
15 – believes about his "modest" abode. Leonard Cohen is an individual who bought an expensive  
16 commercial property on Melrose Avenue, owns homes in three countries, bought his son and girlfriend  
17 homes in Los Angeles, donated \$500,000 to Mt. Baldy, and required more than a modest amount of  
18 money on a monthly basis to support his lifestyle. Furthermore, Cohen had not delivered a studio album  
19 to Sony since approximately 1992 when the "Future" album was delivered.

20 115. It was Lynch's understanding that Cohen had pursued, as she said, the sale of intellectual  
21 property (owned by Stranger Music, Inc.) since approximately 1994. Peter Shukat, Cohen's transaction  
22 attorney, was part of the team negotiating the sale of the intellectual property assets. Lynch was also  
23 involved in those negotiations. In fact, Shukat, Lynch, and others spent approximately one solid year  
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1 negotiating a deal with BMG for the sale of Stranger Music, Inc. Sony, as Cohen fully understood,  
2 stepped in and exercised their matching rights which resulted in the final sale to Sony/ATV.

3 116. In or around November 2004, after Cohen and Lynch parted ways, she discovered  
4 evidence confirming Steven Machat's position – since April 1988 – that Machat & Machat had a 15%  
5 ownership interest in Stranger Music, Inc. Cohen, who personally removed the Stranger Music, Inc.  
6 corporate records from the offices of Machat & Machat, had evidently sanitized the file following Mr.  
7 Machat's death. Exhibit X: Martin Machat letter to Irving Trust. Please refer to  
8 racketeeringact.wordpress.com, an evidence blog created for this Complaint, incorporated herein and  
9 made a part here. The documents may be located through the blog index and the first exhibit, in  
10 alphabetical order, would be the first posted document.

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12 117. The third trust Cohen is evidently discussing in his Affidavit may very well be the Cohen  
13 Family Trust, a revocable trust for the purposes of probate. It was never Lynch's understanding that any  
14 financial, banking, or investment account was assigned to this revocable trust. Although Cohen hired  
15 Greenberg in or around 1996, Dean Witter continued to manage and/or invest a relatively minor account  
16 for Cohen. Lynch now assumes that Greenberg told Cohen he promised to "serve as the guardian" of  
17 Cohen's financial assets although Traditional Holdings, LLC was a separate corporate account. Leonard  
18 Cohen's affidavit states that he left Mt. Baldy at the end of 1999 or early 2000 when in fact he left  
19 permanently in or around December of 1998.

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21 22 118. Leonard Cohen did not ask "Lynch to retain a law firm in New York, Grubman,  
23 Indursky & Schindler, LLP to open negotiations with Sony." After Cohen aborted the CAK bond  
24 securitization deal, and CAK sued Cohen for breach of contract, Cohen refused to pay Peter Lopez for  
25 his legal fees amounting to approximately \$90,000. Although Peter Lopez, who has since passed away,  
26 worked for a considerable amount of time on a potential bond securitization deal, or possible sale of  
27 intellectual property and/or stock, Cohen became hostile towards Mr. Lopez and felt he should have  
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1 used his connections with Charles Koppelman to resolve the breach of contract matter. Greg  
2 McBowman then referred Cohen to Arthur Indursky of Grubman, Indursky, & Schindler. Cohen and  
3 Lynch personally met with Arthur Indursky and his colleague. Cohen personally hired the Grubman,  
4 Indursky firm, signed the retainer agreement, and also signed a conflict waiver as the law firm  
5 represented Sony executives.

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7 119. Cohen's Affidavit states: In or about the summer of 1998, I learned that SONY might  
8 pay as much as \$8 million for the record royalties and that SONY would pay \$1 million immediately as  
9 an advance on the sale. I also learned that the sale of record royalties was a more complex matter than  
10 the sale of the stock of SMI. Greenberg, as my estate planner, and Richard Westin, Esq. ("Westin"), who  
11 I understood to be a tax lawyer, worked out several alternative plans. They in turn engaged in discussions  
12 with SONY as well as with the Grubman lawyers about how the sale of the record royalties could be  
13 accomplished." Actually, in November 1999, on the eve of the closing of the CAK bond securitization  
14 deal, Stuart Bondell of Sony phoned Kelley Lynch to inform her that Sony would be willing to pursue a  
15 deal with Cohen might pay as much as \$8 million for the record royalties. Lynch conveyed Stuart  
16 Bondell's message to Leonard Cohen who may have been in Bombay, India at the time. Cohen  
17 informed Lynch, due to the fact that he would be forced to jeopardize or abort the CAK bond  
18 securitization deal, that he would enter into negotiations with Sony with respect to certain intellectual  
19 property assets if Sony would pay a \$1 million non-refundable prepayment against the deal immediately.  
20 Sony agreed and on November 5, 1999 the \$1 million prepayment was wired into Leonard Cohen's  
21 personal bank account at City National Bank. The intellectual property at issue had previously been  
22 irrevocably assigned to Blue Mist Touring Company, Inc. Therefore, Sony began their due diligence with  
23 Blue Mist Touring Company, Inc. Cohen's representatives – including Westin, Greenberg, and members  
24 of the Grubman firm – and Sony all understood that Blue Mist Touring Company, Inc. owned the  
25 intellectual property assets. All parties also understood that Lynch had a 15% ownership interest in that  
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1 entity and the intellectual property assigned. At some point, Richard Westin advised Lynch that Cohen's  
2 CPA, Ken Cleveland, raised concerns about issues having to do with "collapsible corporations." Lynch  
3 primarily dealt with the members of the Grubman firm although Greenberg and Westin were the parties  
4 handling the corporate, tax, and financial aspects of the 2001 transaction.

5  
6 120. Evidently the concerns about collapsible corporations, and Blue Mist Touring Company,  
7 Inc. with respect to the second intellectual property transaction, were serious concerns. Therefore,  
8 Leonard Cohen, Richard Westin and Neal Greenberg pursued alternative structures for this transaction.  
9 In November 2000, Westin transmitted a proposal that Leonard Cohen did not approve. Cohen  
10 transmitted questions to Westin in response to this letter and informed Lynch, Westin, and others, that  
11 he absolutely did not want his adult children involved with the second intellectual property transaction,  
12 any aspect of his business affairs or structures, and did not want them having knowledge of his personal  
13 financial situation. Therefore, in early December 2000, Westin followed up with a second proposal.  
14 Cohen approved of the plan and Traditional Holdings, LLC was eventually formed. Lynch's ownership  
15 interest in the corporate entities has nothing whatsoever to do with her commissions for services  
16 rendered as Cohen's personal manager. Lynch was not compensated with shares of these entities, or the  
17 intellectual property itself, because she wanted cap gains treatment. Lynch has never pursued cap gains  
18 treatment with respect to any of her commissions in the approximately 17 years she worked as Cohen's  
19 personal manager. Lynch never heard Cohen ask if any entity was "safe and legal." She heard Cohen  
20 constantly express his disdain for ordinary income taxation. However, it's irrelevant if Lynch owned 1%  
21 of Traditional Holdings, LLC or 99.5%. The annuity obligation remained the same. Lynch was  
22 fraudulently induced into entering into all agreements with respect to Traditional Holdings, LLC and  
23 Blue Mist Touring Company, Inc. That is very clear with respect to the statements Cohen has submitted,  
24 to the U.S. District Court in Colorado, under the oath of perjury.  
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1            121. Paragraph 32 of Cohen’s Affidavit states: “On Thursday May 30, 2002, Greenberg sent  
2 me a long e-mail that purported to explain Lynch’s role in THLLC and provided assurances to me that  
3 Greenberg was overseeing THLLC’s operation from the financial side ‘to ensure that the company is  
4 properly run and that its structure is maintained precisely.’ In that e-mail Greenberg explained in some  
5 detail payments to be made by THLLC to Lynch. I understood from this e-mail that some modest  
6 payments to Lynch were necessary for THLLC to comply with IRS requirements and that Greenberg  
7 was carefully monitoring those payments. I also understood from Greenberg that Lynch’s participation in  
8 THLLC was entirely for my benefit in that THLLC was established as a legal tax and estate planning  
9 device to hold the proceeds of the sale of my artist royalties. In that regard, Greenberg wrote: In  
10 summary, Kelley’s [Lynch] participation in Traditional Holdings legitimizes the structure. She invests in  
11 the entity (through the promissory note) and as she is not related to you, this also strengthens the  
12 legitimacy of Traditional Holdings. Kelley is given the money to repay the promissory note, to pay taxes  
13 on the money she receives for the promissory note, and receives a small salary which also helps and was  
14 built into the structure intentionally for this reason. Greenberg then describes proposed payments to  
15 Lynch totaling about \$47,000: Both Richard [Westin] and I feel that these payments (for 2000 and 2001)  
16 should be made immediately and according to Richard the payments for 2002 should be made in June  
17 and then Kelley will repay the promissory note in December. I would like to make the disbursements for  
18 the combined 2000/2001 years as they are well overdue, and then make the disbursements for 2002 in  
19 June.” Cohen’s Affidavit addresses the \$44,000 per year distributions with respect to Lynch’s promissory  
20 note. These two payments were ultimately handled through the corporate books and a management  
21 agreement Westin prepared moving the amounts outside the governing agreements. A payment of  
22 \$24,000/year was allotted through formation documents and \$20,000/year was allotted through the  
23 management agreement. Additionally, the management agreement (that Westin informed Lynch was  
24 merely some form of tax housekeeping) called for payments of \$240,000 per year (or \$20,000/month).  
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1 This amount was dedicated first and foremost to any taxes Lynch was advised to pay but the amount was  
2 distributed from corporate profits. These three distributions were addressed more fully in Richard  
3 Westin's March 6, 2002 letters to Kelley Lynch and Leonard Cohen. He wrote these letters at the request  
4 of Lynch. She wanted to avoid any future confusion over the three distributions or her role in this  
5 structure particularly after the hysteria arose following the transmittal of the \$7 million "inadvertent"  
6 1099. Lynch's notes are the precise notes that appeared in the memorandum she agreed to type for  
7 Richard Westin. Exhibit Y: RW March 6, 2002 letter to Cohen; Exhibit V: RW letter to Lynch, both  
8 exhibits attached hereto and made a part hereof.  
9

10 122. At no time was Lynch advised that her participation was for the benefit of Leonard  
11 Cohen. Lynch was advised that this was an investment vehicle. Due to the fact that Lynch did not  
12 understand how to invest in a company using a promissory note, Lynch asked for and received an  
13 Indemnification Agreement. Lynch's "limited task" involved being responsible for the entire annuity  
14 obligation, as she was advised after the fact, should a third party (such as Greenberg) poorly invest the  
15 assets. Perhaps the Court would appreciate being assigned that type of "limited task." The three  
16 distributions set forth in the corporate books and records were handled as "misappropriated" amounts  
17 on the fraudulent expense ledger used to support the Default Judgment.  
18

19 123. The remainder of Cohen's Affidavit is far too discursive and deceitful for Lynch to  
20 address in specific detail. Leonard Cohen did not fire Lynch in October 2004. Lynch refused to meet  
21 with Cohen and Westin, hand over the corporate books privately, or assist them with the unraveling of  
22 these transactions and possibly corporate structures. Cohen's Affidavit states that he "hoped" Lynch  
23 would "admit what happened." The Complaint submitted to Los Angeles Superior Court, which  
24 blatantly repeated falsehoods assigned to Lynch, takes the position that Lynch informed Cohen that she  
25 got in "over her head." Lynch never advised Cohen that she got in "over her head." However, being  
26 unopposed has permitted the RICO Defendants to say just about anything. Leonard Cohen demanded  
27  
28

1 that Lynch go into Greenberg, Glusker, without her attorneys present, and sign a settlement agreement.

2 Lynch refused. Cohen then began threatening her parents.

3 124. It is Lynch’s understanding that in mid-November 2004, Cohen hired Robert Kory. It is  
4 Lynch’s understanding that, as of December 2004, Michelle Rice was serving as Cohen’s litigation  
5 counsel.

6  
7 125. Lynch firmly denies all false accusations about her in Leonard Cohen’s Affidavit. That  
8 includes Cohen’s false accusation in paragraph 77 which accuses Lynch of looting Cohen’s accounts.  
9 The corporate accounts were not Leonard Cohen’s personal accounts. Exhibit Z: Affidavit of Leonard  
10 Cohen dated December 20, 2007. Please refer to racketeeringact.wordpress.com, an evidence blog  
11 created for this Complaint, incorporated herein and made a part here. The documents may be located  
12 through the blog index and the first exhibit, in alphabetical order, would be the first posted document.  
13

14 **LOS ANGELES SUPERIOR COURT CASE**  
15 **PROCEEDINGS, FABRICATED EVIDENCE,**  
16 **& THE FRAUDULENT DEFAULT JUDGMENT**  
17 **CASE NO. BC338322**

18 **The Pleadings**

19 126. This action was filed on August 15, 2005 against Kelley Lynch, Richard Westin, and Does  
20 1 through 50. Kelley Lynch was not served the summons and complaint. Lynch immediately attempted  
21 to address this with Leonard Cohen’s legal counsel. They refused to speak with her. The process server  
22 stated in his Declaration of Diligence that he had attempted to personally serve Lynch at her residence  
23 numerous times over a period of approximately 10 days but had been unsuccessful in those attempts.  
24 The process server stated: “Subject not in. Subserved on ‘Jane Doe,’ white, female, 5’7”, 135 lbs.,  
25 blonde hair, black eyes, co-occupant ...” The proof of service by mail states that another individual, at  
26 First Legal Support Services, mailed copies of the summons and complaint to Lynch. Kelley Lynch was  
27 not served, had no female co-occupant, does not know anyone who resembles the individual described  
28



1 therein, did not resemble the individual described therein , received absolutely nothing in the mail, and  
2 relentlessly attempted to address this situation with the RICO Defendants and their legal representatives  
3 or co-counsel. Exhibit AA: Los Angeles Superior Court Complaint; Exhibit BB: Proof of Service, both  
4 exhibits attached hereto and made a part hereof.

5  
6 127. Instead of serving Lynch or communicating with her, the RICO Defendants, their legal  
7 representatives or co-counsel, engaged in abusive and malicious litigation tactics. On October 11, 2005,  
8 Leonard Cohen filed a Complaint for Recovery of Personal Property, (the “Writ of Possession” LA  
9 Superior Court Case No. BC34110). The purpose of the suit was allegedly to recover business records  
10 and personal property belonging to Mr. Cohen. This matter is more fully addressed herein below. Since  
11 approximately 1996, Kelley Lynch had stored old boxes of business documents as a courtesy to Leonard  
12 Cohen. After they parted ways, although her lawyers advised him to make arrangements to pick up his  
13 property, Cohen failed to make any such arrangements. At no time from approximately October 21,  
14 2004 through October 2005 did Leonard Cohen or his representatives inform Lynch’s lawyer or Lynch  
15 personally that Leonard Cohen was missing valuable personal property. Lynch was not served a copy of  
16 the summons and complaint in this case. The filing of a second complaint against Lynch was brought to  
17 her attention by Judge Ken Freeman’s court reporter in or around April 2010. Scott Edelman, Cohen’s  
18 legal representative at the time, refused to communicate with Lynch about the property or anything else.  
19 He routinely hung up on Lynch and informed her that he would be happy to speak to her attorney  
20 although he understood she was representing herself.

21  
22  
23 128. On or about October 18, 2005, Leonard Cohen applied for the first of a series of  
24 fraudulent restraining orders against Lynch. Lynch was personally served a copy of the application for a  
25 TRO. On November 3, 2005, a permanent restraining order hearing was held in Case No.  
26 099650. Ms. Lynch did not attend the hearing. The Court granted a three-year permanent restraining  
27 order. Lynch has no information as to the basis for this civil harassment order.  
28

1           129. The Order on the Writ of Possession to allegedly recover Leonard Cohen's property was  
2 executed by the Los Angeles Sheriff's Department over two non-consecutive days, October 18<sup>th</sup> and 24<sup>th</sup>,  
3 2005. The Sheriff's Department unlawfully seized Lynch's personal and business property as well as the  
4 property of corporations, Phil Spector, Machat & Machat, and others.

5           130. On October 26, 2005, the RICO Defendants filed a Notice of Related Case in Civil Case  
6 Number BC341120 which sought to transfer all subsequent proceedings in that case to Judge Freeman in  
7 Department 64, the presiding Judge in Civil Case Number BC 338322 and a Notice of Related case was  
8 evidently filed in civil case number BC341120.

9           131. On November 9, 2005, Ms. Lynch was personally served at her Mandeville Canyon  
10 residence by Deputy John Fernandez of the Santa Monica Sheriff's Department copies of  
11 Plaintiffs' subpoena for Ms. Lynch's personal banking records at US Bank in Ohio along with the  
12 requisite consumer notices. In response, Lynch attempted to speak to one of Leonard Cohen's legal  
13 representatives. Scott Edelman again refused to take Lynch's call. She therefore phoned Robert Kory,  
14 advised him once again that she had not been served the summons and complaint (Case No. BC338322),  
15 Kory advised her to phone City National Bank, and then proceeded to hang up on her. Lynch did phone  
16 City National Bank to no avail.

17           132. Ms. Lynch did not file answers to the complaints filed in Case Nos. BC338322 and  
18 BC341120. When she failed to file a responsive pleading in Case No. BC338322, Cohen filed a Request  
19 for Entry of Default on December 5, 2005.

20           133. On December 28, 2005, Lynch and her son, Rutger, were evicted from her Mandeville  
21 Canyon Road home. Lynch ended up homeless, her son went to stay with family friends, and the RICO  
22 Defendants were well aware of this fact. They also understood that Lynch was homeless in Santa  
23 Monica, California. At no time did Lynch, Cohen, or any of his legal representatives enter into an  
24 agreement that would permit her to be served any documents (in either case) electronically. Although  
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1 Lynch did, from time to time, receive emails from Cohen’s legal representatives, she did not have a  
2 computer, was not in a position to open PDF or other attached files, and did not have the resources to  
3 print, read, review or respond accordingly. Nor did Lynch have the resources or ability to attend court  
4 hearings. Lynch contested service of all documents, in both cases (BC338322 and BC34112), that were  
5 mailed to her former residence.  
6

7 134. Lynch was not served the request for judgment dated January 24, 2006 with respect to  
8 Case No. BC338322. As she was homeless at the time, Lynch was unable to open, print, or review the  
9 following documents that were allegedly sent to her email account: 1) Plaintiffs’ Case Summary In  
10 Support of Default Judgment Against Lynch; 2 Plaintiffs’ Memorandum of Points & Authorities  
11 Pursuant to CCP Section 579 to Proceed Against Westin and Doest 1 through 50 While Seeking A  
12 Default Judgment Against Lynch; 3) Declaration of Leonard Norman Cohen in Support of Default  
13 Judgment Against Lynch; 4) Declaration of Kevin L. Prins In Support of Default Judgment Against  
14 Lynch; 5) Declaration of Scott A. Edelman In Support of Default Judgment Against Lynch; 6) Request  
15 for Court Judgment; 7) Judgment; and, 8) Request for Dismissal.  
16

17 135. On January 24, 2006, in response to Gibson Dunn’s email to Lynch, she replied to Ariane  
18 Simms (Scott Edelman’s associate) to advise that she no longer had an address, asked where the  
19 documents were being mailed, and once again informed Gibson Dunn that she was not served the  
20 summons and complaint.  
21

22 136. Lynch was not served the Notice of Order Re. Default Judgment and the Judgment in  
23 Civil Case No. BC338322. The fraudulent Default Judgment was entered against Lynch on May 12,  
24 2006. The Court entered judgment against Lynch without obtaining jurisdiction over her. Exhibit BB:  
25 Default Judgment (Case No. BC338322), attached hereto and made a part hereof.  
26 The Fraudulent Default Judgment (Los Angeles Superior Court Case No. BC338322)  
27

28 137. The Default Judgment found Lynch liable for \$5,000,000 general damages and pre-

1 judgment of \$2,341,345.00 bringing the total judgment of \$7,341,345.00. The news media extensively  
2 reported on this judgment although the amounts reported vary considerably. Exhibit CC: Default  
3 Judgment, attached hereto and made a part hereof.

4 138. The language of the "Attachment to the [Proposed] Judgment, Item 6, is entirely  
5 fraudulent. The attachment to the judgment is silent as to federal tax matters, previously filed federal and  
6 state tax returns with respect to the corporations, the intellectual property assets, Old Ideas, LLC,  
7 Lynch's commissions due for services rendered, and other matters.

8  
9 **ATTACHMENT TO THE [PROPOSED] JUDGMENT, ITEM 6**

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

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

20 It is FURTHER ORDERED, ADJUDGED AND DECREED that Lynch is enjoined from conveying  
21 any rights or assets to any third party so as to frustrate Cohen's equitable interest, and from exercising  
22 her alleged rights in these legal entities, including any alleged rights to transfer, move, convey) loan,  
23 borrow or in any way exercise control over any funds or property received from Cohen,  
24

25 **Declaration of Leonard Cohen In Support of Default Judgment**

26 4. I am the sole owner of (i) the Leonard Cohen Family Trust ("LC Family Trust"), a revocable  
27 trust established for estate planning purposes in 1997, (ii) Leonard Cohen Investments, LLC  
28 ("LCILLC"), a limited liability company established in 2000 to hold certain of my intellectual property  
assets, and (iii) a bank account in my name at City National Bank (Beverly Hills office), through which I  
have conducted all my personal banking since at least 1998.

139. Leonard Cohen's declaration in support of the Default Judgment is filled with perjured,  
blatant falsehoods, and intentionally misleading information. Clause 4 confirmed that

1 Leonard Cohen is the sole owner of LC Investments, LLC, a plaintiff in the Los Angeles Litigation that  
2 led to the default. LC Investments, LLC was established solely to accomodate the CAK bond  
3 securitization deal. The purpose of the LLC was to create a bankruptcy protected entity that CAK  
4 demanded so that the intellectual property assets would not be reachable by Cohen's personal creditors  
5 were he to file bankruptcy. In or around November 1999, Leonard Cohen elected to abort the CAK  
6 bond securitization deal and pursue an intellectual property deal with Sony. Therefore, the company had  
7 no purpose and no assets were ever transferred or assigned to it. One of the issues Lynch was on trial  
8 for in 2012 had to do with her requests for IRS required tax and corporate information. In or around  
9 2007, Internal Revenue Service informed Lynch that they were in receipt of K-1 partnership documents  
10 that LC Investments, LLC transmitted to them. Those partnership documents indicated Lynch was a  
11 partner in this entity who received \$0 income for the years 2004 and 2005. On the other hand, the  
12 fraudulent "Expense Ledger" showed income to Lynch for these periods. Lynch continuously contacted  
13 the RICO Defendants, as IRS and other tax authorities instructed her to do, with respect to the  
14 information she required and to ask that they rescind the K-1s LC Investments, LLC transmitted to IRS.  
15 The willfully and knowingly refused to do so. During the 2012 trial, Robert Kory testified that he  
16 understood Lynch requested actual corporate accountings – not a fraudulent Expense Ledger – and  
17 asked that they withdraw a K-1. Lynch asked that they withdraw two K-1s and further asked for  
18 clarification regarding a 2003 K-1 Richard Westin prepared for LC Investments, LLC. That K-1, which  
19 was transmitted to the State of Kentucky, indicated that Lynch had a 99.5% ownership interest for the  
20 year 2003. At no time from April 2001 through October 2004, when Cohen and Lynch parted ways did  
21 Leonard Cohen pay taxes on income he did not receive. Furthermore, the corporations at issue here are  
22 not Leonard Cohen's personal property. Since discovering the so-called theft losses in April 2012 (IRS)  
23 and December 2013 (FTB), respectively, Lynch has challenged them with IRS and FTB as fraudulent.  
24  
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28 Kory: What I saw is a request that we change the forensic accounting. That we withdraw a K-1. RT 426  
Because she saw that we were reporting, that we had reported to the Internal Revenue Service that \_\_\_\_\_

1 money that Mr. Cohen had paid taxes on he did not receive. And therefore, Mr. -- when we reported  
2 that to the IRS we declared a theft loss. Mr. Cohen got a tax refund. Exhibit CC: Trial Transcript RT  
3 426. Please refer to racketeeringact.wordpress.com, an evidence blog created for this Complaint,  
4 incorporated herein and made a part here. The documents may be located through the blog index and  
5 the first exhibit, in alphabetical order, would be the first posted document.

5 5. I am also the beneficial owner of Traditional Holdings, LLC ("Traditional Holdings"), a limited  
6 liability company formed in 2000 to hold the proceeds of a sale of certain of my artist royalties to Sony  
7 and to provide an annuity income to me for the remainder of my life. On the recommendation of my  
8 former business manager, Kelley A. Lynch ("Ms. Lynch"), and the advice of the legal and financial  
9 advisors she retained on my behalf, I sold my artist royalty rights in Traditional Holdings in December  
10 2000 in return for a private annuity. Traditional Holdings subsequently sold those assets to Sony for \$8  
11 million, on or about April 2001. I understood that after payment of all commissions and fees,  
12 Traditional Holdings netted about \$4.7 million as a principal sum to be invested and maintained to fund  
13 an annuity for the remainder of my life.

14 140. Leonard Cohen and Kelley Lynch were the mutual beneficial owners of Traditional  
15 Holdings, LLC. The company was formed on or around December 18, 2000. At no time did Kelley  
16 Lynch, who was never Leonard Cohen's business manager, recommend any type of corporate structure,  
17 proposal for an annuity, or any aspect of the intellectual property transactions that involved corporations,  
18 stock sales, tax strategies, investment planning, or legal and financial advice. Leonard Cohen had a team  
19 of professionals who handled those matters on his behalf. Leonard Cohen did not own the intellectual  
20 property that he represented he owned at the time. The intellectual property was owned by Blue Mist  
21 Touring Company, Inc. Although Traditional Holdings, LLC agreed to provide Cohen with an annuity  
22 obligation, that obligation was extinguished from the 2003 federal tax return. Furthermore, Leonard  
23 Cohen personally borrowed, was advanced, or caused to be expended in excess of approximately \$7  
24 million of the Traditional Holdings, LLC assets. Cohen understood that, while he could take  
25 loans/advances, they had to be repaid within three years with interest. Leonard Cohen's declaration  
26 states: "sold my artist royalty rights in Traditional Holdings" when no intellectual property whatsoever  
27  
28

1 was ever formally transferred or assigned to that entity and the intellectual property was owned by Blue  
2 Mist Touring Company, Inc. The annuity obligation was in the approximate amount of \$4.7 million and  
3 payments were scheduled to begin in January 2011. Leonard Cohen's personal transaction fees, which  
4 were not corporate expenses, totaled approximately \$2 million. He borrowed approximately \$2.7 million  
5 from the entity, bought homes for his son and girlfriend totaling \$592,000, personally received the \$1  
6 million prepayment against the deal, and Cohen's personal accounts with Sony were recouped  
7 somewhere in the vicinity of \$500,000. These amounts total over \$7 million to Leonard Cohen  
8 personally. Additionally, there was at least one hold-back with respect to a delivery requirement for a live  
9 album. Therefore, when Leonard Cohen signed this declaration, he understood that his  
10 loans/expenditures totaled in excess of \$7 million, there was at least one hold-back in the amount of  
11 \$375,000, and the annuity obligation itself was extinguished from the federal tax return. Lynch did not  
12 retain Cohen's advisors. Cohen personally hired them.

15 6. Throughout my career, I have relied on business managers to handle my financial affairs in order  
16 to allow me the freedom to focus on my creative pursuits. Consistent with normal practice in the  
17 entertainment industry, my business managers have had control over my financial affairs and access to all  
18 of my bank accounts. I have also relied on my business managers to assist in retaining professional legal  
19 and investment advice.

18 141. Kelley Lynch was not Leonard Cohen's business manager. During the 17 years Lynch  
19 worked as Cohen's personal manager, he had numerous accountants, lawyers, financial investors,  
20 business managers and others who handled his accounting, financial, tax, corporate, and legal matters.  
21 For example Richard Feldstein (Nigro Karlin Segal & Feldstein) worked as Cohen's business manager  
22 until he was fired. Lynch had nothing whatsoever to do with Cohen's investments. She and her  
23 husband, Douglas Penick, referred him to their investment advisor at Dean Witter. Cohen then met with  
24 and hired Neal Greenberg. Cohen personally elected to hire Greenberg to handle his investments and  
25 financial affairs.  
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1 7. Since on or about 1989, following the death of my first lawyer in New York, until on or about  
2 October 21, 2004, I retained Ms. Lynch as my business/personal manager.

3 142. During Lynch's 2012 trial, Leonard Cohen testified under direct that Lynch worked for  
4 him as "a business and personal manager for about 17 years." On cross, Cohen was asked if he hired  
5 Lynch to be his personal manager in 1988. Cohen answered "No." He then testified that he hired  
6 Lynch to be his "business manager" in 1988 or 1989. Kelley Lynch was Leonard Cohen's personal – not  
7 business – manager from April 1988 through October 2004.

8 Prosecutor Streeter: Good Afternoon, Mr. Cohen. Cohen: Good afternoon. Streeter: Now, if you like  
9 you can adjust the microphone. You can pull it forward so you don't have to lean up. Cohen: Thank  
10 you. Streeter: Okay. All right. Mr. Cohen, what do you do for a living? Cohen: I'm sorry? Streeter:  
11 What do you do for a living? Cohen: I'm a songwriter and singer. Streeter: Okay. And do you know a  
12 woman by the name of Kelley Lynch. Cohen: Yes, Ma'am, I do. Streeter: Is she here in the court  
13 today? Cohen: Yes, Ma'am, she's at the far end of the table. Court: The record will reflect that the  
14 witness has identified the defendant. Streeter: All right. Now, how do you know Ms. Lynch? Cohen:  
15 Ms. Lynch worked for me as a business and personal manager for about 17 years. Exhibit DD: Trial  
16 Transcript RT 49. Please refer to racketeeringact.wordpress.com, an evidence blog created for this  
17 Complaint, incorporated herein and made a part here. The documents may be located through the blog  
18 index and the first exhibit, in alphabetical order, would be the first posted document.

19 Public Defender: Now I want to talk to you a little bit about your relationship with Ms. Lynch. Now,  
20 you – actually, you hired her to be your personal manager in 1988, correct? Cohen: No. PD: Well,  
21 when did you hire her? Cohen: I hired her to be my business manager. PD: In what year? Cohen: I  
22 think it was 1988 or '89. Exhibit EE: Trial Transcript RT 270. Please refer to  
23 racketeeringact.wordpress.com, an evidence blog created for this Complaint, incorporated herein and  
24 made a part here. The documents may be located through the blog index and the first exhibit, in  
25 alphabetical order, would be the first posted document.

26 8. From 1988 to on or about 1998, I had an oral agreement with Ms. Lynch whereby she would  
27 handle all of my business affairs in return for a payment of 10% of my gross revenues from all of my  
28 business activities.

143. From 1988 until approximately 1995, Cohen and Lynch had an oral agreement whereby  
Lynch received 10% of all of Cohen's gross income. While Cohen has stated, under oath, that Lynch  
was entitled to 10% of his gross revenues from all his business activities, Kevin Prins' declaration (in  
support of the default judgment) states, also under oath, that Lynch was not entitled to royalty income if  
Cohen deposited it into his personal bank account. This is a blatant and absurd lie. Lynch and Cohen's



1 agreement with respect to tour merchandising was a 50/50 split. In or around 1995, Cohen and Lynch  
2 revised their agreement. At that time, the parties agreed that Lynch would received a 15% commission  
3 on all gross income and a separate and distinct 15% ownership interest in all intellectual property. Cohen  
4 furthermore agreed that he and Lynch would engage an accountant to prepare an accounting of all  
5 commissions Lynch was paid from 1988 through the date of their revised agreement, and Cohen would  
6 pay Lynch the difference between the 10% and 15% as he had not properly compensated her during  
7 those periods. The agreement Lynch and Cohen entered into also stipulated that any works (musical,  
8 literary, or artwork) created and/or released during the terms of their agreement (April 1988 through  
9 October 2004) would be covered by the agreement in perpetuity. That is a very standard industry  
10 provision. A business manager is compensated on an hourly basis, is usually a CPA, and where a  
11 commission is involved it is ordinarily 5%.

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13  
14 9. On or about 1998, I orally agreed to increase and compensation payable to Ms. Lynch for her  
15 services from 10% of my gross revenues to 15% of my gross revenues. I have confirmed these  
16 management fees in numerous writings and transactions whereby Ms. Lynch advised me that she had  
17 taken a 10% or 15% commission as applicable.

18 144. In or around 1995, Cohen and Lynch revised their agreement with respect to her services  
19 as personal manager. They also came to a separate agreement, with respect to the tremendous additional  
20 matters Lynch handled for Cohen, that involved a 15% ownership interest in all intellectual property.  
21 Leonard Cohen has confirmed Lynch's 15% commission. In fact, on September 16, 2004, Cohen  
22 emailed Lynch asking if a business expense on his personal City National Bank account breakdown in the  
23 amount of \$168,254.93 was a commission. Leonard Cohen received his personal bank statements at  
24 home, reviewed them religiously, and as a courtesy, Lynch broke the expenses down into categories as  
25 Cohen wanted to carefully track his income and expenses. Nevertheless, Kevin Prins' declaration alleges  
26 that Lynch "misappropriated" her commissions as will be addressed more fully herein below.

27 10. Ms. Lynch, along with financial and legal advisors whom she engaged on my behalf, advised me  
28 on or about the year 2000 as to the establishment of LCILLC and Traditional Holdings for my benefit

1 and ostensibly as prudent financial planning. I agreed to the formation of LCILLC and Traditional  
2 Holdings, based on the advice of Ms. Lynch and these legal and investment professionals she retained on  
my behalf.

3 145. Ms. Lynch did not retain any financial and/or legal advisors on Cohen's behalf. Leonard  
4 Cohen personally retained his financial and legal advisors. That would include, but is not limited to, Neal  
5 Greenberg, Richard Westin, Peter Shukat, Peter Lopez, Arthur Indursky, Don Friedman, Stuart Fried,  
6 and many others. At no time did Lynch advise Cohen to establish LCILLC or Traditional Holdings for  
7 his "benefit" and/or "prudent financial planning." LCILLC was established for the sole purpose of  
8 pursuing the CAK bond securitization deal. Leonard Cohen personally approved Neal Greenberg and  
9 Richard Westin's proposal for the use of Traditional Holdings, LLC and the use of an annuity in  
10 connection with the 2001 intellectual property deal. Lynch did not handle IRS, tax, financial, accounting,  
11 corporate, or legal matters. She also did not provide Cohen with estate planning advice. He had  
12 professional representatives, including Lee Kanon Alpert and Reeve Chudd, who provided that advice.  
13 And, according to the Natural Wealth Lawsuit, Neal Greenberg provided Cohen with estate planning  
14 advice.  
15

16  
17 11. As to LCILLC, I orally authorized Ms. Lynch and her d/b/a Stranger Management to be paid  
18 15% of revenues earned by that company, but I never authorized Ms. Lynch's d/b/a Amazing Card  
19 Company, Ms. Lynch's side company, to receive any payment whatsoever. As to Traditional Holdings, I  
20 orally authorized the payment to Ms. Lynch and her d/b/a Stranger Management of a commission fee of  
21 15% of the sale proceeds of my artist royalties to Sony, a commission that amounted to about \$1.1  
22 million. I also authorized the payment to Ms. Lynch of \$20,000 per year from Traditional Holdings as an  
annual management fee. I understood that the approximately \$4.7 million in net proceeds remain in  
23 Traditional Holdings after payment of Ms. Lynch's commission and all other fees and transaction costs  
would remain safely invested in conservative stocks and bonds to provide annuity income to me later in  
my life.

24 146. Paragraph 11 of Cohen's Declaration is overwhelmingly deceitful. First of all, Leonard  
25 Cohen is not the party who would determine where Lynch's payments would be made. Lynch would  
26 make that determination and advise Cohen accordingly. The fraudulent Expense Ledger contains some  
27 minor payments to Amazing Card Company. Those payments relate to work Amazing Card Company  
28 did on Cohen's behalf. ~~Amazing Card Company, Lynch's greeting card business destroyed by the RICO~~

1 Defendants, assisted Cohen with cards created for a charity in Canada, lithographs, and other art related  
2 matters. The RICO Defendants have simply elected to lie about this issue. Cohen absolutely authorized  
3 Amazing Card Company to “receive” payments related to work done on his behalf. Leonard Cohen did  
4 indeed authorize Lynch’s commission with respect to the 2001 Traditional Holdings, LLC deal. That  
5 does not address the three designated payments, in addition to profits and losses, Traditional Holdings,  
6 LLC was obligated to provide Lynch. Those payments related to the promissory note and other  
7 corporate distributions that were addressed in the corporate records and further confirmed for all parties  
8 in Westin’s March 6, 2002 letters to Lynch and Cohen. In this particular Declaration, Leonard Cohen  
9 states, under the penalty of perjury, that he authorized Ms. Lynch to receive a payment of \$20,000 per  
10 year from Traditional Holdings, LLC. He willfully disregards all corporate books and records. In  
11 Cohen’s December 20, 2007 Affidavit (see Paragraph 32), submitted to the U.S. District Court in  
12 Colorado, Cohen confirmed two yearly payments to Lynch in the amounts of \$20,000/year and  
13 \$24,000/year which total the designated promissory note payments. For some reason, with respect to  
14 the LA Superior Court Default Judgment, one of these payments (in the amount of \$24,000) was  
15 evidently “misappropriated.” Cohen and his RICO co-defendants routinely change their statements and  
16 testimony depending on what courtroom they are in or which court they submit their legal pleadings and  
17 declarations to. Leonard Cohen understood that the corporation paid his personal transaction fees.  
18 Those are not corporate expenses and Cohen continues to argue that he is the alter ego of these entities.  
19 Leonard Cohen has personally borrowed or caused to be expended approximately \$7 million of the  
20 Traditional Holdings, LLC assets; the annuity obligation was extinguished by Cohen’s representative  
21 from the 2001 federal tax return, Cohen refuses to repay his loans/expenditures with interest, and as of  
22 January 24, 2006 informed LA Superior Court that he believed the annuity obligation would provide  
23 income to him later in his life. The Annuity Agreement (Clause 2), executed by Cohen, sets forth the  
24 fact that “advances may be repaid by withholding payments otherwise due under this Agreement. If  
25  
26  
27  
28

1 Annuitant shall die with advances due and owing Purchaser, then such advances shall be satisfied by  
2 Annuitant's estate." The Annuitant is Leonard Norman Cohen. The RICO Defendants not only  
3 willfully disregard corporate books and records, there are evidently clauses within agreements Cohen  
4 personally signed that they further elect to disregard. As for Cohen's statement that he safely invested in  
5 conservative stocks and bonds, Lynch disagrees. Greenberg's investments were reckless and aggressive.  
6 Lynch met with representatives of City National Bank, and others, due to her concern about Greenberg's  
7 investments. Cohen is the individual who decided to continue investing with Greenberg. As of this date,  
8 Neal Greenberg lost all of his clients' investments. Exhibit FF: Annuity Agreement, attached hereto and  
9 made a part hereof.  
10

11 12. I never authorized Ms. Lynch to take any funds from the LC Family Trust bank accounts or my  
12 personal bank account at City National Bank, except for an occasional small loan from time to time in  
13 amounts less than \$5,000, and which she repaid. I never authorized her in her capacity as d/b/as  
14 Stranger Management or Amazing Card Co. to receive anything at all from either of these accounts.

15 147. Kelley Lynch has no knowledge or awareness of any LC Family Trust bank account.  
16 Lynch was aware that Leonard Cohen was issued stock by LC Investments, LLC as trustee for the LC  
17 Family Trust established solely for the purposes of probate. LC Investments, LLC collects royalties  
18 related to assets owned by Blue Mist Touring Company, Inc. Leonard Cohen personally, through his  
19 City National Bank account, collected royalties related to assets owned by Blue Mist Touring Company,  
20 Inc. The royalty income collected by Cohen and his LLC are generated by certain music and literary  
21 properties irrevocably assigned to Blue Mist Touring Company, Inc. in 1998 and 1999. Leonard Cohen  
22 personally executed the assignments. Kelley Lynch had a 15% legal interest in Blue Mist Touring  
23 Company, Inc., and all intellectual property irrevocably assigned, and therefore had a 15% interest in the  
24 amounts collected by Cohen and his LLC, LC Investments, LLC. The fraudulent Expense Ledger fails  
25 to account for Blue Mist Touring Company, Inc. at all. The same is true for Old Ideas, LLC. The  
26 Expense Ledger is evidence that Leonard Cohen, including through LC Investments, LLC, feels entitled  
27  
28

1 to engage in embezzlement, money laundering, and self-dealing with respect to these entities. The  
2 Expense Ledger is also evidence of co-mingling of corporate assets with Cohen's personal accounts. The  
3 Expense Ledger is a meaningless list of numbers with handful of random documents which were not  
4 authenticated attached. The summary page ("A") of the fraudulent Expense Ledger, used to support the  
5 Default Judgment, is attached hereto. The Expense Ledger is evidence of egregious financial and  
6 accounting fraud. Exhibit GG: Summary page ("A") of Expense Ledger, attached hereto and made a  
7 part hereof.  
8

9 13. I never authorized Ms. Lynch to pay herself or her d/b/a Stranger Management from LCILLC  
10 any amount in excess of the 15% management fee to which I had agreed.

11 148. Leonard Cohen personally executed Blue Mist Touring Company, Inc. corporate  
12 documents. That would include, but is not limited to, all non-revocable assignments. LCILLC has no  
13 legal authority to collect royalties generated by assets owned by Blue Mist Touring Company, Inc. Lynch  
14 had a legal 15% ownership interest in all intellectual property. That ownership interest had nothing  
15 whatsoever to do with Lynch's commission as Cohen's personal manager. He is simply attempting to  
16 extricate himself from the transactions, and shell entities used to pursue the transactions, by willfully  
17 disregarding the corporate structures and arguing alter ego.  
18

19 14. I never authorized Ms. Lynch to withdraw any funds from Traditional Holdings except pursuant  
20 to a separate management fee in the amount of \$20,000 per year. I understood that Ms. Lynch would  
21 safeguard the investments in Traditional Holdings and that the principal sum of approximately \$4.7  
22 million netted from the sale of my artist royalties would be invested by Agile Group, an investment  
23 advisor retained by Ms. Lynch, in conservative stocks and bonds to fund my retirement.

24 149. Leonard Cohen's Affidavit, submitted to the U.S. District Court in Colorado, confirmed  
25 that he personally authorized two payments of \$20,000/year and \$24,000/year from Traditional  
26 Holdings, LLC to Lynch. Leonard Cohen's lawyer, Richard Westin, created the legal documents that  
27 provide for certain distributions to Lynch. On March 6, 2002, at Lynch's request, Westin clarified the  
28 payments the corporation designated to Lynch that were to be paid prior to the distribution of any profit

1 and/or loss. Kelley Lynch had no obligation to “safeguard” the investments in Traditional Holdings,  
2 LLC. Leonard Cohen personally hired Neal Greenberg and repeatedly confirmed this for the U.S.  
3 District Court in Colorado. Kelley Lynch did not retain any representative for Cohen, including Neal  
4 Greenberg and his relate companies. Leonard Cohen personally retained Greenberg and his companies  
5 to invest on his behalf.

6  
7 15. Until late October 2004, I had complete confidence and trust in Ms. Lynch, as well as in the  
8 financial and legal advisers whom she engaged on my behalf. I had no reason to believe that Ms. Lynch  
9 had paid herself any amounts in excess of the 15% management fee that I had agreed to pay her, except  
10 for occasional small loans that she repaid.

11 150. Leonard Cohen authorized Lynch to receive a 15% commission for services rendered as  
12 his personal manager. Those commissions were due on all income Cohen received. Lynch’s ownership  
13 interest in the corporate entities at issue here have nothing whatsoever to do with her commissions as  
14 Cohen’s personal manager. The so-called forensic accountant was clearly advised to willfully disregard  
15 the corporate books, records, stock certificates, all agreements, and federal tax returns where Lynch was  
16 included as a partner. The Los Angeles Litigation is nothing other than the RICO Defendants attempt to  
17 extricate Leonard Cohen from the sham transactions being addressed herein.

18 16. Through a warning from a staff assistant working for Ms. Lynch, I learned in late October 2004  
19 that Ms. Lynch had been taking large unauthorized sums from my varoius accounts and hiding from me  
20 the amount of royalty revenue that I was being paid by recording companies and performing rights  
21 societies. By enquiring of Mr. Greenberg at Agile Group in Boulder, Colorado, I learned that there were  
22 substantial irregularities in the Traditional Holdings account that he managed.

23 151. Leonard Cohen, and his RICO co-defendants, have relied on hearsay with respect to an  
24 alleged “informant” who was evidently Lynch’s “staff assistant.” Betsy Superfon, a party named as a co-  
25 conspirator in the Natural Wealth Lawsuit, informed Lynch that the so-called informant was a woman by  
26 the name of Julie Isenberg. Julie Isenberg worked for Lynch’s greeting card company for approximately  
27 one week in August 2004. At no time did Julie Isenberg have access to corporate books, records,  
28 financial statements, investment accounts, and so forth. Ms. Isenberg had no training in accounting

1 practices. She was not an attorney. Ms. Isenberg was in no position to make a determination that Lynch  
2 had taken “unauthorized sums from my various accounts and hiding from” Cohen “the amount of  
3 royalty revenue that” he “was being paid by recording companies and performing rights societies. Given  
4 the fac that the amounts paid by recording companies and performing rights societies, were being  
5 collected by Leonard Cohen and LC Investments, LLC (although he intellectual property assets were  
6 owned by Blue Mist Touring Company, Inc.), it makes no sense whatsoever that Cohen would contact  
7 Neal Greenberg about bank accounts with City National Bank or determine that there were  
8 “irregularities in the Traditional Holdings account” based on the corporate books and records. Lynch  
9 has repeatedly asked the RICO Defendants for information related to the alleged “informant” or “staff  
10 assistant” to no avail.  
11

12  
13 17. On confirmation from Mr. Greenberg as to irregularities in the Traditional Holdings account, I  
14 confronted Ms. Lynch, who admitted to having taken “millions” without my authorization. I  
15 immediately terminated her employment and authorized a forensic investigation into all my financial  
16 affairs, including all of my bank accounts for all the legal entities that I owned.

17  
18 152. In October 2004, Leonard Cohen personally informed Lynch that a third party had  
19 discovered her July 25, 2004 letter to IRS Chief Trial Counsel’s office on her desk. Cohen then explained  
20 to Lynch that his personal corporate and tax lawyer, Richard Westin, was flying into Los Angeles the last  
21 weekend of October 2004. Cohen also explained to Lynch that he understood she had changed  
22 accountants, provided that accountant with the corporate returns, and he referred her to lawyers who  
23 could review the corporate documents and so forth. Lynch refused to meet with Cohen and his lawyer.  
24 She also refused to privately hand over the corporate books and records or assist Cohen and his lawyer  
25 with the unraveling of the sham transactions or corporations used to pursue them. Leonard Cohen feels  
26 comfortable lying about what Lynch allegedly informed him. Lynch never informed Cohen that she had  
27 taken “millions” without his authorization. Robert Kory also employs this tactic of concocting allegedly  
28 made by Lynch and incorporating those statements into his testimony and legal documents. The  
corporate accounts are not Leonard Cohen’s personal accounts. That is an alter ego argument.

1 18. I engaged the firm of Moss Adams LLP to conduct a forensic audit of my accounts.

2 153. Leonard Cohen is the individual who engaged Moss Adams LLP to create the entirely  
3 fraudulent expense ledger. Robert Kory, who confirmed this in his January 4, 2014 declaration  
4 submitted to Los Angeles Superior Court, oversaw and directed the preparation of the fraudulent  
5 Expense Ledger. Once again, corporate accounts are not Leonard Cohen's personal accounts. By the  
6 end of January 2005, Leonard Cohen and his RICO co-defendants understood that Lynch refused to  
7 participate in what she believed to be illegal secret mediations that required her to provide perjured  
8 testimony about Cohen's representatives. Lynch never paid herself "secretly, illegally, or fraudulently"  
9 any amount whatsoever. That would include, but is not limited to, any and all accounts related to  
10 corporations or that collected royalty and other income related to the assets owned by Blue Mist Touring  
11 Company, Inc. Lynch is unaware of any LC Family Trust bank account although that is included on the  
12 fraudulent Expense Ledger. At no time during the 17 years Lynch worked as Cohen's personal manager  
13 was any bank account assigned to the trust created specifically for probate if that is the reason Cohen has  
14 raised the "LC Family Trust bank account." Lynch personally believes this fraudulent misrepresentation  
15 relates to some to some form of shenanigan with respect to the Tax Fraud Scheme.  
16  
17

18 20. After filing the instant litigation against Ms. Lynch and Mr. Westin, my former lawyer, and  
19 following the pursuit of discovery against Ms. Lynch, I very recently obtained Ms. Lynch's personal bank  
20 records dating back to early 1998. Through review of those bank records, I have learned that Ms. Lynch  
21 not only illegally and fraudulently overpaid herself from my personal accounts, the LC Family Trust bank  
22 account, the LCILLC bank accounts, and Traditional Holdings, but on or about late 1998 and early 1999,  
she also intercepted certain checks payable to me, forged my signature and deposited these checks into  
her personal bank account.

23 154. Lynch has addressed the corporations, intellectual property they owned, and the fact that  
24 Leonard Cohen has continuously taken the position that he is the alter ego of these corporate fictions.  
25 Leonard Cohen unlawfully obtained Lynch's personal bank records dating back to 1998. Lynch has  
26 informed the RICO Defendants that those records should not be destroyed. At no time did Lynch  
27 "forge" Cohen's signature. Evidently Cohen also falsely accused Lynch, in the Natural Wealth Lawsuit,  
28



1 of forging his signature but ultimately conceded that he had provided her with a durable Power of  
2 Attorney. The RICO Defendants have also falsely accused Lynch of forging and fabricating certain  
3 declarations submitted to LA Superior Court. Lynch provided evidence to that court proving that the  
4 RICO Defendants lied about that matter.

5  
6 21. Based on the forensic audit by Moss Adams LLP, I have concluded that Lynch has illegally and  
7 fraudulently taken from me in excess of \$7 million since 1998.

8 155. Lynch has taken no such amounts. The Expense Ledger, prepared by Moss Adams, is  
9 entirely fraudulent. Leonard Cohen is the individual, together with is wholly owned LLC, LC  
10 Investments, LLC, and possibly others, who has misappropriated millions in corporate assets. This  
11 declaration, signed under the penalty of perjury on January 24, 2006, and used to support the fraudulent  
12 Default Judgment, is entirely perjured, misleading, and deceitful. The fraudulent Expense Ledger is  
13 evidence of co-mingling, alter ego, self dealing, embezzlement, money laundering, and co-mingling as will  
14 be more fully addressed hereinbelow. Being unopposed, by forcing Lynch into bankruptcy, has  
15 permitted the RICO Defendants to submit endless perjured declarations, fraudulent legal pleadings, and  
16 fabricated evidence to numerous courts of law throughout this country. Exhibit HH: Declaration of  
17 Leonard Cohen dated January 24, 2006, attached hereto and made a part hereof.

18  
19 **Declaration of Kevin Prins In Support of Default Judgment**

20 156. The declaration of Kevin Prins, Cohen's forensic accountant, confirmed that for more  
21 than "19 years" he has been "engaged as a litigation consultant and" has "performed hundreds of  
22 analyses relating to damage calculations and business disputes, including analyses relating to the  
23 overpayment of professional fees."

24  
25 157. Moss Adams was retained by Kory & Rice for Leonard Cohen to 1) review and analyze  
26 the monies deposited into various bank accounts of Cohen; 2) review and analyze disbursements from  
27 those bank accounts; 3) calculate the commission income earned by Kelley Lynch based upon her  
28

1 agreement with Cohen; 4) calculate what amount, if any, Kelley Lynch appropriated above and beyond  
2 her legitimate commission pursuant to her agreement with Cohen; and 5) calculate any prejudgment  
3 interest on any excess monies received by Lynch.

4 158. At some point in early 2005, Kevin Prins traveled to San Francisco to meet with Lynch's  
5 accountant, Dale Burgess. They discussed the numerous corporate entities Lynch has an ownership  
6 interest in, federal tax returns related to those corporations, and other relevant matters. Kevin Prins  
7 informed Lynch's accountant that he would review the corporate books and records as well as federal tax  
8 returns. On January 14, 2005, Kevin Prins was copied on a memorandum Robert Kory transmitted to  
9 Lynch's legal and accounting representative. That memorandum addressed Lynch's ownership interest in  
10 the corporate entities, federal tax matters and potential fraud, as well as mediations the RICO  
11 Defendants planned to hold with Cohen's representatives. The declaration of Kevin Prins proves that he  
12 was either directed to, or personally decided to, willfully disregard all corporate books and records,  
13 equity, liability, and assets. In the alternative, Prins prepared a fraudulent Expense Ledger that in no way  
14 resembles an accounting let alone corporate accountings. It is a meaningless list of numbers, with a  
15 handful of random documents attach, and tends to prove that the RICO Defendants view Leonard  
16 Cohen as the alter ego of numerous corporate entities who is entitled to engage in self-dealing, corporate  
17 embezzlement, and money laundering.  
18  
19  
20

21 159. Kevin Prins so-called analysis involved a review of bank statements and checks written  
22 from the following entities: LC Investments, LLC (November 2000 through October 2004); Traditional  
23 Holdings, LLC (April 2001 through October 2004); Leonard Cohen Family Trust summary statement  
24 (March 1997 through October 2004); and Cohen's personal account (January 1998 through September  
25 2004). Prins also evidently reviewed selected checks from 1998 and 1999. This so-called analysis or  
26 review does not include Lynch's corporate ownership interests in Blue Mist Touring Company, Inc.,  
27 Traditional Holdings, LLC, Old Ideas, LLC, corporate distributions in accordance with the corporate  
28