

1           264. According to Matthew Traub's Affidavit, on or about June 9<sup>th</sup> or 10<sup>th</sup>, 2005, Robert Kory  
2 contacted Traub by email and informed him that the Agile Group had issued a press release announcing  
3 their lawsuit against Cohen and Kory. During a phone call that followed, Traub and his associate, Joe  
4 Plasco, were asked to assist Cohen by drafting a short statement to be made by Mr. Kory on behalf of  
5 Mr. Cohen responding to Agile's statements in anticipation of media coverage. Sometime shortly  
6 thereafter, possibly three days later, DNC were authorized to release the statement to media outlets who  
7 had covered the story. The parties agreed that the statement would be sent to media outlets who planned  
8 to cover the story. On June 14, 2005, the webmaster of the the Leonard Cohen Files  
9 (www.leonardcohenfiles.com) informed DNC that he had posted Kory's statement on this official  
10 Cohen fansite. The Agile Group and Cohen/Kory's statements read as follows:

11  
12 **Agile Group (Natural Wealth) Press Release**

13  
14 10 June 2005

15 Music legend Leonard Cohen is being sued by a Colorado investment company for civil conspiracy and  
16 extortion.

17 The lawsuit filed in Boulder on Monday alleges that Cohen and his business associate Robert Kory,  
18 "have threatened to irreparably damage Agile's reputation in order to extort millions of dollars from  
19 Agile and its insurer".

20 "Agile states that Cohen and Kory falsely claim that Agile bears responsibility for the alleged  
21 misappropriation of Cohen's invested funds by Cohen's former manager. The Complaint also states that  
22 Cohen and Kory attempted to (and in some instances did) recruit third parties in their conspiracy and  
23 procure false testimony".

24 In a statement from Agile they say they "seek a judgment against Cohen and Kory for all actual,  
25 compensatory, punitive and other damages as a result of Cohen and Kory's wrongful conduct. Agile is  
26 also asking that Cohen and Kory be prevented from publishing or disseminating false information  
27 concerning Agile for the purpose of disparaging and damaging its professional reputation".

28 Agile is a Colorado broker-dealer and investment advisor. Cohen is best known for the song 'Hallelujah'  
(covered by Jeff Buckley and kd lang). The song also featured in the movie Shrek."

1 **Attorney Robert Kory Statement in Response to Agile Group Suit Involving Leonard Cohen**

2 June 14, 2005

3 "The suit filed by the Agile Group Monday, June 6, 2005 is completely consistent with Agile's reckless  
4 disregard for its client and his investments.

5 We had hoped to reach an out-of-court settlement with Agile that returned to Mr. Cohen some portion  
6 of the retirement money the firm was authorized to administer on his behalf. Instead, in the middle of  
7 negotiations to determine Agile's responsibilities to Mr. Cohen to compensate him for money lost under  
8 their management, Agile launched a surprise attack in an effort to besmirch the reputation of one of its  
9 notable clients.

10 Agile repeatedly failed to alert Mr. Cohen to true account balances while allowing improper and  
11 unauthorized withdrawals by Cohen's former business manager. In doing so Agile failed to protect Mr.  
12 Cohen's interests and retirement savings and knowingly misled him by providing inaccurate financial  
13 reports.

14 We will of course file a counter suit that lays out in detail how Agile acted in a reckless way that violated  
15 the firm's fiduciary responsibilities towards Cohen and consequently resulted in the loss of Mr. Cohen's  
16 retirement savings."

17 <http://thetriffids.com/forum/index.php?topic=439.10;wap2>

18 265. The press releases, of Agile and Cohen/Kory's, were widely disseminated by the news  
19 media and discussed on Cohen's fan sites and throughout the worldwide web. These press releases and  
20 discussions remain online at this time. Joe Plasco's email to Robert Kory, of June 10, 2015, transmitted  
21 Cohen/Kory's statement that contained false defamatory statements about Kelley Lynch. These  
22 statements have been relied on by the global news media, general public, and others since June 2005.

23 Nearly every article about Leonard Cohen features some fraudulent misrepresentation about Kelley  
24 Lynch. This is not dissimilar to Cohen's good rock 'n roll comments about Phil Spector.

25 <http://www.leonardcohenforum.com/viewtopic.php?t=4084>

26 266. Leonard Cohen's Affidavit of April 28, 2008 was also submitted to the U.S. District  
27 Court, Colorado, in the Natural Wealth case. This Affidavit provides further details of the extent of  
28 Leonard Cohen and the RICO Defendants' fraudulent media campaign that was intentionally designed to  
shift blame onto Kelley Lynch using outrageous, defamatory, and false statements. The RICO

1 Defendants have continuously used the news media, and other outlets and individuals, to obfuscate and  
2 confuse issues. Cohen's Affidavit also confirmed that he approved of the Kory/Cohen statement being  
3 posted on his fan website, has enormous influence over that site, and a bevy of fans – acting as proxies,  
4 spies, and operatives – is monitoring everything the media prints or that appears online. Leonard Cohen,  
5 and the RICO Defendants, use proxies such as Stephen Gianelli (who posted wholly slanderous and  
6 defamatory comments and articles about Lynch on the Artjatsalo site) and Susanne Walsh. Stephen  
7 Gianelli, however, represents Leonard Cohen's legal interests, defends Leonard Cohen, argues Leonard  
8 Cohen's legal positions, relentlessly targets Lynch, and has continuously attempted to dissuade Lynch –  
9 including by pressuring her through family members and friends – from pursuing legal remedies. Lynch  
10 submitted numerous declarations to Tax Court, Washington DC, in connection with a Petition she filed  
11 attempting to address Cohen's fraud upon that Court. Those declarations detailed a tremendous amount  
12 of the harassment related to that and related cases. The Tax Court documents are available on Lynch's  
13 blog. Exhibit EEEE: Leonard Cohen's Affidavit of April 28, 2008.

16 267. Lynch submitted at least two declarations to Tax Court, after she filed a Petition in July  
17 2008, that addressed the harassment at that time. Lynch filed the Petition asking the Court to grant her  
18 leave to file a Motion for Fraud Upon the Court. This related to an earlier Petition Cohen filed with Tax  
19 Court that related to this overall scenario. Lynch filed an appeal with the 9<sup>th</sup> Circuit, submitted a fee  
20 waiver, and was informed that fraud upon the court is "frivolous." Exhibit FFFF: Tax Court  
21 documents. Please refer to racketeeringact.wordpress.com, an evidence blog created for this Complaint,  
22 incorporated herein and made a part here. The documents may be located through the blog index and  
23 the first exhibit, in alphabetical order, would be the first posted document.

25 268. Lynch has created a document of harassing emails received from approximately  
26 November 2015 to the present. Many of these harass Lynch over her fee waivers, RICO suit, appeals  
27 before the Second Appellate Division, and other legal issues related to Leonard Cohen and the RICO  
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1 Defendants. It appears that at some point the RICO Defendants and Stephen Gianelli changed tactics  
2 and are now engaged in what appears to be a transparent “cover your ass” operation. Exhibit GGGG:  
3 Tax Court documents. Please refer to racketeeringact.wordpress.com, an evidence blog created for this  
4 Complaint, incorporated herein and made a part here. The documents may be located through the blog  
5 index and the first exhibit, in alphabetical order, would be the first posted document.  
6

7 **RELATED TAX FRAUD SCHEME**

8 269. On January 16, 2004 and June 25, 2004, Neal Greenberg and his related companies sent  
9 Leonard Cohen proverbial “cover your ass” letters that appeared to be somewhat hysterical based on the  
10 income Cohen anticipated with respect to the delivery of a new studio album (“Dear Heather”), plans to  
11 tour, a multi-million deal that was pending (which Cohen pursued), a new book (“Book of Longing”),  
12 and a potential third Intellectual Property deal that Cohen demanded. The Natural Wealth Lawsuit  
13 makes it extremely clear that Leonard Cohen understood, by June 2005, his plans to tour. From  
14 approximately 2008 through 2011, Leonard evidently grossed approximately \$50 million. One of the  
15 reasons for this is due to the fact that he worked. The only way to sell records is to tour. From 1988  
16 through 1992, Leonard Cohen released “I’m Your Man.” The prior album, “Various Positions,” sold  
17 very few records. Regardless of whether or not likes the song “Hallelujah,” Columbia Records did not  
18 pick the album up in the United States. From 1993 through 2001, Leonard Cohen released “The  
19 Future” (1993) and “Ten New Songs” (2001). Cohen toured behind “The Future” but did not tour again  
20 until 2008. Leonard Cohen, with touring and marketing, generally sells approximately 1 million units per  
21 studio album. That does not generate the type of income that permits individuals to buy commercial  
22 buildings, homes for their girlfriends and sons, maintain homes in three different countries (U.S.,  
23 Canada, and Greece), have hired staff assisting with those homes, give gifts of \$18,000 pianos and/or  
24 \$17,000 statues, make charitable donations of \$500,000, drink 2-3 \$300/bottles of Chateau LaTour every  
25 night, spend \$5,000-\$6,000/month supporting one’s adult children, and generally spend in a manner in  
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1 which someone who could generate that type of income would spend. The only way for an artist like  
2 Leonard Cohen to generate the type of income he needed to spend in this manner (and these are only  
3 examples) was to tour, sell merchandise, and market the album. There is no other way to generate record  
4 sales. Leonard Cohen essentially receives money or income, plows through it, and then works when it is  
5 necessary to do so. That is Leonard Cohen's pattern of spending and has nothing whatsoever to do with  
6 Kelley Lynch.  
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8 270. The letters from Greenberg contained very "IRS Warnings" or "IRS Dangers." The  
9 warnings related to the entity known as Traditional Holdings, LLC. The letter was written to Leonard  
10 Cohen – not Kelley Lynch; not Traditional Holdings, LLC. The "loans" being discussed were Leonard  
11 Cohen's loans. Kelley Lynch read these letters to Leonard Cohen personally. At that time, Cohen  
12 informed Lynch not to advise Neal Greenberg of future income expectations. However, by that time,  
13 Greenberg understood that Cohen planned to deliver an album and eventually tour. He also had some  
14 understanding of the third intellectual property and other matters. His letters really made no sense.  
15 What did make sense was the fact that Leonard Cohen had taken substantial loans – worth millions of  
16 dollars – and was required to repay those loans within three years with interest. Leonard Cohen, Neal  
17 Greenberg, and Richard Westin all understood that Cohen's loans/expenditures had to be documented.  
18 Lynch did not prepare financial statements, loan statements, loan documents, and she was not Neal  
19 Greenberg or Richard Westin's messenger boy. These were adult males who had one another's phone  
20 numbers and understood precisely what information they need to request. Furthermore, they were all  
21 wrapped in attorney/client privilege. Leonard Cohen received these letters and understood that his loans  
22 had to be repaid. Independent of these letters, Leonard Cohen understood that his loans from  
23 Traditional Holdings, LLC had to be documented and repaid with interest. Leonard Cohen is the  
24 individual who personally signed an authorization to Neal Greenberg instructing him to make  
25 arrangements for the payment of Cohen's personal expenses following the closing of this deal. It is  
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1 rather interesting to note that Neal Greenberg himself didn't submit that evidence to the United States  
2 District Court in Colorado given the fact that Cohen blamed Greenberg and Westin for the transaction  
3 fees. At the end of the day, whether or not Cohen received these letters (which he did), Leonard Cohen  
4 understood what he was spending. He is an adult male with a background in business, commerce, and  
5 law. He is a highly literate individual. He has been in this industry since 1967 and understands that  
6 nearly all royalty income is paid bi-yearly. He understand precisely when the checks or wires arrive. He  
7 also religiously studied sales figures, demanded information related to album sales, and was obsessive  
8 about his finances. The IRS warnings caution Cohen that the IRS may question the original transaction.  
9 Leonard Cohen and his representatives, Neal Greenberg and Richard Westin, were constantly concerned  
10 about issues related to "self-dealing." Therefore, Leonard Cohen understood the need to maintain an  
11 arm's length transaction, adhere to the corporate structure, and keep his personal finances and those of  
12 the corporation separate. These are elementary concepts particularly when it's all anyone every speaks  
13 about due to Cohen's demands for complex stock deals and other aggressive tax planning strategies. It is  
14 beyond Lynch's ability to understand why Leonard Cohen choose the route he did rather than simply  
15 repay his loans. The reason for this is due to the fact that Leonard Cohen had to extricate himself from  
16 his own wrong-doing and, being the religious figure that he holds himself out to be, felt he should  
17 destroy Lynch's life rather than taking responsibility for his own actions. His conduct has been  
18 unspeakably evil and reprehensible. Leonard Cohen personally hired his representatives and understood  
19 they had to be paid. He also understood that they had worked on numerous deals. It's irrelevant if  
20 Robert Kory, who clearly wanted to become Cohen's lawyer and manager, felt that Cohen's personal  
21 transaction fees were too high. Cohen had the option to pursue the CAK bond securitization deal. That  
22 generated a "loan" of approximately \$6 million. Total legal fees, which Cohen refused to pay, for Peter  
23 Lopez came to \$90,000. Cohen wouldn't have to pay taxes until the royalty income paid through on a  
24 yearly basis. He also had the option of working, generating income, and maintaining ownership interest  
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1 in the intellectual property. Cohen’s own declaration submitted to the Southern District of New York in  
2 connection with a breach of contract suit with CAK Universal confirmed that Leonard Cohen personally  
3 elected not to pursue this deal. He confirmed that he was fully apprised of the status of negotiations and  
4 that he was the driving force who made the decisions. That document, available through the Southern  
5 District of New York, has now been sealed – with other material and relevant evidence – by LA Superior  
6 Court. Documents available for sale on Pacer have been sealed by LA Superior. Evidence attached to  
7 the Natural Wealth Lawsuit have now been sealed by LA Superior Court. Lynch’s personal K-1s have  
8 been sealed by LA Superior Court. Leonard Cohen is a desperate individual, with lawyers who are  
9 willing to do anything, and seems to believe that calling Lynch a “drunken slut” is an acceptable  
10 alternative to taking responsibility for his own actions. Lynch wouldn’t contact Leonard Cohen if her life  
11 depended on it. There are, and have been, outstanding legal, business, corporate and tax matters  
12 between the parties – and the corporations. Leonard Cohen felt that calling LAPD’s Threat  
13 Management Unit and informing them that he was not “comfortable” with Lynch’s requests for tax  
14 information was an acceptable alternative to providing her with that information. Leonard Cohen’s  
15 defense, with respect to all of this, has been to submit legal pleadings replete with fraudulent  
16 misrepresentations, perjure himself in declarations and on the witness stand, and lie about Kelley Lynch  
17 being his disgruntled ex-lover. He is done the identical thing to Ann Diamond. For some reason, the  
18 news media accepts Cohen’s words at face value and challenges nothing. In any event, these letters  
19 clearly serve as a dire warning. If one were to believe Leonard Cohen’s version of events, he was made  
20 of these documents in late 2004. Why didn’t he repay his loans to Traditional Holdings, LLC with  
21 interest? Has Leonard Cohen attempted to prove that he received “disguised salary?” It certainly seems  
22 so. Exhibit HHHH : IRS Warning Letters (January 16, 2004 and June 25, 2004, attached hereto and  
23 made a part hereof.  
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1 Excerpt of January 16, 2004 “cover your ass” letter.

2 “1. Please make sure the loans from Traditional Holdings, LLC are properly documented. 2. We  
3 haven’t been reflecting any unearned interest in the value of the loans from Traditional Holdings on our  
4 monthly statements. Hence, the loan amounts are larger. Also, the monthly earnings amount would be  
5 larger is we reflected the accrued interest. 3. By borrowing so much money, there is an argument,  
6 perhaps remote, that the IRS may question the original transaction. If the loans have been documented,  
7 there is a better case. There would be millions of dollars of back taxes if the IRS successfully challenges  
8 the original transaction.”

7 Excerpt of June 25, 2004 “cover your ass” letter.

8 “2. IRS DANGERS: TWO ISSUES. A. The first issue is that Traditional Holdings is being run  
9 without all the formalities required of a business. The IRS might find it easier to recharacterize” the  
10 original transaction (the sale for a private annuity). The fact that our monthly emails to you shows that  
11 Traditional Holdings treats the loan as an asset is good. If you pay the loans back, that too is good. B.  
12 A second issue can arise. Insofar as you have been taking loans from an operating business, the IRS  
13 might classify them as disguised salary. If so, there are huge back taxes to pay. Once again, our monthly  
14 email which shows you treating the assets as loans effectively (by treating total assets as including the  
15 loan balances) probably only helps a tiny bit. Paying back the loans will indeed help.”

13 272. On January 14, 2005, Robert Kory transmitted a memorandum that confirmed the fact  
14 that Leonard Cohen and his representatives failed to report \$8 million in gross income on the 2001  
15 Traditional Holdings, LLC federal tax return. That motion has been attached to this Complaint.  
16 Additionally, the memorandum raises other serious tax questions and the Complaint submitted to Los  
17 Angeles Superior Court (Case No. BC338322) confirmed that Cohen and his representatives failed to file  
18 state tax returns with respect to Traditional Holdings, LLC. These are just some of the more alarming  
19 federal tax matters.

21 273. On April 15, 2005, and at other times, Lynch reported the allegations that Leonard  
22 Cohen committed criminal tax fraud to Internal Revenue and other tax authorities. The RICO  
23 Defendants understood this. Their conduct with respect to Lynch, including the scheme to defraud,  
24 discredit, and destroy her, is inseparably intertwined with the related Tax Fraud Scheme. The Tax Fraud  
25 Scheme involves, but is not limited to, the failure to report approximately \$8 million in income on the  
26 2001 Traditional Holdings, LLC federal tax returns; the steps taken on the 2001, 2002, and 2003 returns;  
27



1 the use of corporate entities to perpetuate the Tax Fraud Scheme; Cohen’s willful and knowing failure to  
2 repay his loans to Traditional Holdings, LLC; Cohen’s embezzlement of corporate royalty income; the  
3 failure to file state tax returns; and now involves the RICO Defendants legal activities with has virtually  
4 rendered many tax returns related to the corporations (Blue Mist Touring Company, Inc., LC  
5 Investments, LLC, Traditional Holdings, LLC, Old Ideas, LLC) and Leonard Cohen personally  
6 (specifically those filed with the fraudulent Los Angeles Superior Court Complaint, Case No. BC338322,  
7 and used to obtain fraudulent tax refunds) evidence of further fraud.

9 **TAX RETURNS RENDERED FRAUDULENT**  
10 **DUE TO THE SCHEME TO DEFRAUD**

11 274. Based on the information and documents Lynch has discovered since her 2012 Trial, it  
12 has become overwhelming obvious that Leonard Cohen used shell entities and sham transactions to  
13 pursue the intellectual property deals described herein. From approximately May 2006 through the  
14 present, Lynch has relentlessly attempted to discover information related to the corporate entities, federal  
15 and tax returns related to those entities, and the rationale behind her alleged loss of property and  
16 commissions due her. During the 2012 Trial, as more fully addressed in this Complaint, Lynch  
17 discovered that Leonard Cohen and his personal corporate and tax lawyer, Richard Westin, secretly  
18 “rectified” a “mistake” in her ownership in Traditional Holdings, LLC. Although Lynch was included as  
19 a partner on the 2001, 2002, and 2003 federal tax returns, she has been unable to discover how the RICO  
20 Defendants handled her partnership interest on those returns. Lynch was also provided K-1 partnership  
21 documents with respect to her interest in Traditional Holdings, LLC. The federal tax returns and K-1  
22 partnership documents were transmitted to Internal Revenue Service. Lynch and IRS relied on the  
23 fraudulent representations with respect to her ownership interest.  
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26 275. The RICO Defendants refuse to provide Lynch with any information whatsoever related  
27 to Blue Mist Touring Company, Inc. or Old Ideas, LLC and it would appear, based on the arguments and  
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1 conduct of the RICO Defendants, that all tax returns filed on behalf of Blue Mist Touring Company,  
2 Inc., Traditional Holdings, LLC, and Old Ideas, LLC, prior to entry of the fraudulent multi-million  
3 default judgment – and possibly thereafter – have been rendered blatantly fraudulent. Lynch was  
4 continuously advised by Leonard Cohen, and his representatives, that the situation with respect to Blue  
5 Mist Touring Company, Inc. owning the intellectual property, while Leonard Cohen and LC  
6 Investments, LLC collected the royalty income generated therefrom, would ultimately be sorted out on  
7 tax returns by Cohen’s professional representatives. At no time, as Lynch has repeatedly stated, did  
8 Lynch handle federal tax matters, prepare or review tax returns, or prepare corporate tax documents of  
9 any type whatsoever.  
10

11         276. For the years 2004 and 2005, after Lynch and Cohen parted ways, Cohen’s wholly owned  
12 entity, LC Investments, LLC transmitted K-1 partnership documents to Internal Revenue Service  
13 indicating that Lynch had an ownership interest in this entity and received \$0 income for the years 2004  
14 and 2005. Lynch has continuously asked the RICO Defendants to rescind these wrongful K-1s. They  
15 steadfastly refuse to do so and have provided Lynch with no explanation whatsoever for the reason these  
16 K-1s were issued.  
17

18         277. The testimony of Leonard Cohen during Lynch’s 2012 Trial, IRS Binder (presented to  
19 Lynch’s lawyers on April 9, 2012 – Trial); and Declaration of Robert Kory dated January 4, 2014  
20 provided Lynch with discovery and information related to the scheme to defraud her and related Tax  
21 Fraud Scheme. Exhibits III: Trial Transcripts RT 285-288. Please refer to  
22 racketeeringact.wordpress.com, an evidence blog created for this Complaint, incorporated herein and  
23 made a part here. The documents may be located through the blog index and the first exhibit, in  
24 alphabetical order, would be the first posted document.  
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**FIRST CLAIM FOR RELIEF**  
**(Violations of RICO, 18 U.S.C. Section 1962(c))**  
**(Against All RICO Defendants)**

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3       278. Lynch realleges and incorporates herein by reference each and every foregoing paragraph  
4 of  
5 this Complaint as if set forth in full.

6       279. At all relevant times, Lynch is a person within the meaning of 18 U.S.C. Section 1961(3)  
7 and 1962(c).

8       280. At all relevant times, each RICO Defendant is a person within the meaning of 18 U.S.C.  
9 Section 1961(3) and 1962(c). Section 1962(c) is against all RICO Defendants who are participants in an  
10 enterprise engaged in and whose activities affect interstate commerce. The RICO Defendants are  
11 employed by or associated with the enterprise.

12 **The RICO Enterprise**

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14       281. The RICO Defendants and their co-conspirators are a group of persons associated  
15 together in fact for the common purpose of carrying out an ongoing criminal enterprise, as described in  
16 the foregoing paragraphs of this Complaint; namely, through a multi-faceted campaign to defraud, extort,  
17 discredit, and destroy Kelley Lynch.

18 **The RICO Statute Applies Here**

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20       282. The Complaint asserts that the RICO Defendants have violated two sections of the  
21 RICO statute. The first, 18 U.S.C. Section 1962(c) makes it unlawful “for any person employed by or  
22 associated with any enterprise engaged in, or the activities of which affect, interstate or foreign  
23 commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs  
24 through a pattern of racketeering activity.” The second, Section 1962(d), prohibits “any person” from  
25 “conspiring to violate” the preceding section. The Court begins by disposing of certain arguments  
26 common to both claims.  
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1 **RICO Applies to Prohibited Conduct Regardless of Whether a Defendant Is a Member of**  
2 **Organized Crime**

3 283. RICO was drafted as a weapon in the fight against organized crime. Some have argued  
4 that the statute is limited to the mafia and traditional notions of organized crime. “Congress drafted  
5 RICO broadly to encompass a wide range of criminal activity, taking many different forms and likely to  
6 attract a broad array of perpetrators operating in many different ways.” H.J. Inc. v. Nw. Bell Tel. Co.,  
7 492 U.S. 229, 248-49 (1989). Thus, while the statute’s legislative history focused on “the predations of  
8 mobsters,” it “shows [also] that Congress knew what it was doing when it adopted commodious language  
9 capable of extending beyond organized crime.” *Id.* At 245-246. Hence, the Supreme Court has made it  
10 clear that RICO applies “not just [to] mobsters” but to “*any person*” who violates its provisions. Sedima,  
11 S.P.R.L. v. Imrex Co., Inc., 473 U.S. 479, 495 (1985): “Section 1962 . . . makes it unlawful for ‘any  
12 person’ – *not just mobsters* – to use money derived from a pattern of racketeering activity to invest in an  
13 enterprise, to acquire control of an enterprise through a pattern of racketeering activity, or to conduct an  
14 enterprise through a pattern of racketeering activity.”; See also H.J. Inc., 492 U.S. at 247.

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17 284. The statute, moreover, is intended “to be read broadly,” in accordance with “Congress’  
18 self-consciously expansive language and overall approach,” as “an aggressive initiative to supplement  
19 old remedies and develop new methods for fighting crime,” regardless of whether the defendant is  
20 associated with organized crime or a “respected business.” Sedima, 473 U.S. at 497-99 (“The fact that §  
21 1964(c) is used against respected businesses allegedly engaged in a pattern of specifically identified  
22 criminal conduct is hardly a sufficient reason for assuming that the provision is being misconstrued.”).

23  
24 285. Against this clear background, the claims against the RICO Defendants are entirely  
25 appropriate despite the fact that Leonard Cohen is a world famous singer-songwriter and performing  
26 artist or his co-defendants are lawyers. It is irrelevant if the RICO Defendants fit a particular stereotype.  
27 As this is a civil RICO case, Kelley Lynch is required to prove her case by a preponderance of the  
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1 evidence rather than beyond a reasonable doubt, as would be the case in a criminal RICO prosecution.  
2 Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479, 491 (1985); Agency Holding Co. v. Malley-Duff & Assocs.,  
3 Inc., 483 U.S. 143 (1987).

#### 4 **The Elements of a Section 1962(c) Violation**

5 286. “A violation of § 1962(c) . . . requires (1) conduct (2) of an enterprise (3) through a  
6 pattern (4) of racketeering activity.” Here, the alleged enterprise is comprised of the RICO Defendants  
7 and any unknown associated persons – an enterprise over which Leonard Cohen personally has long  
8 presided. The alleged pattern of racketeering by which the RICO Defendants and possibly others  
9 conducted the affairs of the enterprise includes many of the wrongful, improper, and illegal actions  
10 discussed in this Complaint.  
11

#### 12 **The Enterprise**

13 287. Section 1961(4) defines “enterprise” to “include . . . any union or group of individuals  
14 associated in fact although not a legal entity.” An enterprise may consist of “a group of persons  
15 associated together for a common purpose of engaging in a course of conduct,” the existence of which is  
16 proven “by evidence of an ongoing organization, formal or informal, and by evidence that the various  
17 associates function as a continuing unit.” United States v. Turkette, 452 U.S. 576, 583 (1981). It “need  
18 not have a hierarchical structure or a ‘chain of command,’” and “decisions may be made on an ad hoc  
19 basis and by any number of methods.” Boyle v. United States, 556 U.S. 938, 948 (2009). The enterprise  
20 in this case is an entity comprised of individuals associated together for a common purpose of engaging  
21 in a course of conduct. The pattern of racketeering activity is, described in this Complaint, relates to a  
22 series of criminal acts as defined by the statute.  
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24 288. The RICO Defendants and their co-conspirators are a group of persons associated  
25 together in fact for the common purpose of carrying out an ongoing criminal enterprise, as described in  
26 the foregoing paragraphs of this Complaint; namely, through a multi-faceted campaign of lies, fraud,  
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1 threats, and harassment to coerce Lynch into paying millions of dollars and wrongfully convert her  
2 property to Leonard Cohen. These RICO Defendants and their co-conspirators have organized their  
3 operation into a cohesive group with specific and assigned responsibilities and a command structure.  
4 Over the years, they have adapted their scheme to changing circumstances, recruiting new co-  
5 conspirators to their operation, and expanding the scope and nature of their activities. While the  
6 organization of the criminal enterprise has changed over time, and its members may have held different  
7 roles at different times, the criminal enterprise has generally been structured to operate as a unit in order  
8 to accomplish the goals of their scheme:

9  
10 a. Defendant Leonard Cohen has been responsible for directing and funding the scheme to  
11 defraud, extort, discredit, and destroy Lynch. He has directed the RICO Co-defendants to take actions  
12 necessary to accomplish the overall aims of the criminal enterprise – namely, manufacturing evidence of  
13 Lynch’s liability, attempting to shift his wrong-doing onto her, procuring sham criminal investigations  
14 and prosecutions against Lynch, conducting a massive public pressure campaign designed to spread false  
15 and misleading information about Lynch and the baseless litigation, and obstructing Lynch’s efforts at  
16 uncovering the truth in various U.S. court proceedings. Cohen hired Kory, Rice, and possibly others, to  
17 pursue baseless, sham litigation against Lynch, prepare fraudulent tax returns alleging a “theft loss,” and  
18 personally pursued fraudulent tax refunds. All of this was accomplished by virtue of the fraudulent and  
19 fabricated Los Angeles Superior Court default judgment in Case No. BC338322.

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21  
22 b. Defendant Robert Kory has been responsible for prosecuting and defending the sham  
23 litigations at issue in this case, directed the initial media campaign, has served as one of the heads of the  
24 criminal enterprise in the U.S., planned and coordinated the fabricated Expense Ledger, and devised the  
25 plan to cover up the Tax Fraud Scheme by falsely accusing Lynch, shifting Cohen’s wrongdoing to her  
26 and others, and instructing Kevin Prins to willfully disregard all corporate books and records when  
27 creating the Expense Ledger. Robert Kory oversees the tax aspects of the baseless litigation. According  
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1 to Robert Kory's declaration of January 4, 2014, he began representing Cohen in a dispute with Lynch  
2 based on false accusations of "misappropriation." Kory also represented Cohen in a related dispute with  
3 Richard Westin and Neal Greenberg that involved falsely accusing them of "enabling Lynch in her  
4 wrongdoing." Robert Kory is the individual who determined that Cohen didn't need to sell the  
5 intellectual property although Leonard Cohen is the individual who demanded the intellectual property  
6 transactions and personally hired a team of professionals to pursue them. Nevertheless, Kory  
7 "questioned the propriety for two principal reasons" – the transaction fees seemed excessive and the  
8 transactions created a pool of funds "under the control of Lynch." Leonard Cohen, an extremely  
9 intelligent individual with a background in business, law, and commerce, personally hired his team of  
10 professionals and entered into agreements with respect to their compensation. At all times, Leonard  
11 Cohen understood precisely what those compensation agreements were. At no time was Lynch in  
12 "control" of accounts and/or investments managed by Natural Wealth on behalf of their client, Leonard  
13 Cohen. This is merely the concocted narrative Robert Kory personally has taken responsibility for  
14 creating. It is also a defense with respect to the related Tax Fraud Scheme. Kory's declaration confirmed  
15 that the preparation of the baseless, retaliatory Complaint (Los Angeles Superior Court Case No.  
16 BC338322) was handled by his then associate (now partner), Michelle Rice. This fraudulent litigation,  
17 directed by Robert Kory, led to a fraudulent injunction and fraudulent, meritless constructive trust.  
18 Kory's declaration also confirmed that he engaged Moss Adams on behalf of Cohen and fraudulently  
19 informed them that Lynch was only entitled to 15% of the all gross income related to Leonard Cohen.  
20 Robert Kory, who directed the accounting, clearly elected to willfully and knowingly disregard all  
21 corporate books and records and further disregard Lynch's legal ownership interests in Blue Mist  
22 Touring Company, Inc., Traditional Holdings, LLC, and Old Ideas, LLC. This caused Prins to conclude  
23 that Lynch had received "overpayments" with respect to her services as Cohen's personal manager.  
24 Robert Kory "also engaged on Mr. Cohen's behalf, the tax accounting firm, Michael Mesnick &  
25  
26  
27  
28

1 Company ("Mesnick") to review the tax consequences of Ms. Lynch's misappropriation of funds from  
2 Mr. Cohen's various legal entities." Under Kory's "personal supervision" and subject to his review, "Mr.  
3 Mesnick has since prepared tax returns for Mr. Cohen and his affiliated entities for the calendar year  
4 2005 and thereafter." Kory's declaration goes onto confirm that: "As part of the tax research related to  
5 the Complaint, I concluded that Mr. Cohen could deduct a certain portion of the funds misappropriated  
6 by Ms. Lynch from 1998 to 2004 as a "theft loss" on Mr. Cohen's 2005 federal and state income tax  
7 returns." Robert Kory is therefore responsible, together with Leonard Cohen and others, for creating  
8 the fraudulent Expense Ledger, assisting with the preparation of fraudulent tax returns for Leonard  
9 Cohen personally that incorporated fraudulent "theft losses," and pursuing fraudulent tax refunds.  
10 Therefore, Robert Kory instructed Mesnick to willfully and knowingly disregard corporate books,  
11 records, stock certificates, agreements, and federal tax returns that were previously prepared by Leonard  
12 Cohen's lawyers and accountants. Robert Kory, according to his declaration, also phoned Agent Luis  
13 Tejada and submitted fraudulent legal pleadings to him and IRS attempting to shift Leonard Cohen's  
14 wrongdoing onto Kelley Lynch using concocted, fabricated facts, and met with Agent Tejada to explain  
15 the fabricated narrative to him and possibly his colleagues.

16  
17  
18 c. Defendant Michelle Rice has been primarily responsible for serving as legal counsel in the  
19 baseless, sham litigation addressed in this Complaint. She has been responsible for submitting legal  
20 pleadings replete with fraudulent misrepresentations and perjured testimony to numerous courts at issue  
21 in this case. Rice has taken responsibility for the insurance fraud with respect to Richard Westin. She  
22 has communicated extensively with at least one co-conspirator, Stephen Gianelli, and encouraged him to  
23 continue harassing and provoking Lynch because it makes her "rich as fuck." Rice has been responsible  
24 for assisting Cohen in obtaining the fraudulent default judgments and fraudulent restraining orders. Rice  
25 has also worked with the City Attorney, LAPD's TMU, and private investigators to procure sham  
26 criminal investigations and prosecutions against Lynch. Michelle Rice, according to Robert Kory, was his  
27  
28



1 associate and partner who assisted her RICO co-defendants with their scheme to defraud, extort,  
2 discredit, and destroy Lynch. She has referred to herself as the “mastermind.” According to Rice  
3 herself, she wrote the Complaint against Lynch as a “2<sup>nd</sup> year lawyer.” Scott Edelman, and Gibson,  
4 Dunn, according to Rice, were essentially a filing service for her and Kory’s firm(s). Rice informed  
5 Stephen Gianelli that “every essential victory against Kelley Lynch was masterminded, researched, and  
6 instituted by me and Leonard knows this – the write of possession getting Leonard Cohen’s docs and  
7 personal effects back, the LA restraining order in October 2005 (wrote Leonard Cohen’s declaration), the  
8 Colorado permanent restraining order in 2008 (drafted Cohen’s declaration and hired Harvey Steinberg,  
9 CO counsel), the LA restraining order in Oct. 2005 (wrote LC's dec), the Colorado permanent restraining  
10 order in 2008 (I drafted LC's declaration and hired Harvey Steinberg, CO counsel), the meditation  
11 against Richard Westin (wrote Cohen’s brief and attended mediation with Justice Stone of JAMS), and  
12 made the call to Lloyd’s of London (the reinsurer for Westin’s malpractice policy) for the policy limit  
13 pay-out at the end of the day which was based on her tort argument in the mediation brief. Edelman,  
14 according to Rice, did nothing to help obtain the default against Lynch and his firm simply “fronted” the  
15 litigation. All the “hard, heavy duty thinking came from,” according to Michelle Rice, her and Robert  
16 Kory.  
17

18  
19           289. The RICO Defendants and their co-conspirators constitute an association-in-fact  
20 enterprise within the meaning of 18 U.S.C. Sections 1961(4) and 1962(c) referred to hereinafter as the  
21 “Enterprise.” Each of the RICO Defendants participated in the operation or management of the  
22 Enterprise.  
23

24           ###. At all relevant times, the Enterprise was engaged in, and its activities affected interstate  
25 and foreign commerce within the meaning of 18 U.S.C. Section 1962(c).  
26

27           290. Pursuant to and in furtherance of their fraudulent scheme, the RICO Defendants  
28 committed multiple related acts of racketeering. By definition, a "pattern of racketeering activity"

1 requires "at least two acts of racketeering activity, which occurred within a ten year period (excluding any  
2 period of imprisonment – which would total approximately seven months with respect to Lynch). The  
3 acts set forth herein constitute a pattern of racketeering activity pursuant to 18 U.S.C. § 1961(5). Those  
4 acts include: (1) Obstruction of Justice in Violation of 18 U.S.C. Section 1503 (obstruction of judicial  
5 proceedings); (2) witness tampering & intimidation in violation of 18 U.S.C. Section 1512; (3)  
6 Obstruction by Destruction of Evidence in Violation of 18 U.S.C. 1512(c) and 1519; (4) Obstruction by  
7 Harassment in Violation of 18 U.S.C. Section 1512(d); (5) Extortion in Violation of Hobbs Act, 18 U.S.C.  
8 Section 1512(d); (6) Extortion in Violation of California Penal Code Section 518; (7) Mail & Wire Fraud  
9 in Violation of 18 U.S.C. Sections 1341, 1343; (8) Criminal Copyright Infringement in Violation of 17  
10 U.S.C. Section 506 and 18 U.S.C. Section 2319; (9) Money Laundering in Violation of 18 U.S.C. Sections  
11 1956(a)(2)(a); and, (10) Interstate Transportation of Stolen Property in Violation of 18 U.S.C. Section  
12 2314.  
13  
14

15 291. The RICO Defendants have directly and indirectly conducted and participated in the  
16 conduct of the enterprise's affairs through the pattern of racketeering and activity described herein, in  
17 violation of 18 U.S.C. § 1962(c).

18 292. As a direct and proximate result of the RICO Defendants' racketeering activities and  
19 violations of 18 U.S.C. § 1962(c), Plaintiff has been injured in her business and property as described  
20 hereinbelow.  
21

### 22 **PATTERN OF RACKETEERING ACTIVITY**

23 293. The RICO Defendants conducted or participated, directly or indirectly, in the conduct,  
24 management, or operation of the Enterprise's affairs through a "pattern or racketeering activity" within  
25 the meaning of 18 U.S.C. Section 1961(5) and in violation of 18 U.S.C. Section 1962(c), to wit:  
26

### 27 **PREDICATE ACTS**

28 294. Lynch realleges and incorporates herein by reference each and every foregoing paragraph

1 of this Complaint as if set forth in full.

2 **A. EXTORTION IN VIOLATION OF HOBBS ACT, 18 U.S.C. Section 1951**

3 295. Lynch realleges and incorporates herein by reference each and every foregoing paragraph  
4 of this Complaint as if set forth in full.

5 296. As described herein, the RICO Defendants have engineered a wide-ranging campaign of  
6 public attacks based on false and misleading statements, trumped up criminal charges, a threatened and  
7 actual fraudulent civil judgment, investigations by government agencies, and ongoing harassment and  
8 disruption of Lynch's ability to obtain gainful employment or resurrect the two businesses destroyed by  
9 their conduct. The RICO Defendants have demanded the payment of millions of dollars from Lynch,  
10 including through the recent renewal of the fraudulent default judgment, all with the intent and effect of  
11 causing a reasonable fear of economic harm and/or loss on the part of Lynch.  
12

13 297. As described herein, the RICO Defendants manufactured false evidence against Lynch  
14 and are relying on that false evidence in the sham Los Angeles Litigation (Case No. BC338322) with the  
15 intent and effect of causing a reasonable fear of economic harm and/or loss on the part of Lynch.  
16

17 298. As described herein, the RICO Defendants conspired to advance baseless litigation  
18 against Lynch to extort millions of dollars from Lynch while wrongfully converting her property to  
19 Leonard Cohen. The RICO Defendants conspired to advance baseless criminal charges against Lynch,  
20 based on her general requests for tax information (as LAPD's TMU concluded), and with respect to  
21 legitimate outstanding business, legal, tax, corporate, and financial matters. The baseless criminal  
22 prosecution was meant to further discredit Lynch while destroying her ability to find gainful employment  
23 as a personal manager in the music industry or elsewhere.  
24

25 299. The RICO Defendants' actions are intended to induce fear in Lynch that the RICO  
26 Defendants will, among other things: (1) continue to pursue a scheme of misrepresentation to the great  
27 harm and public denigraton of Lynch; (2) continue to conspire with officials to have Lynch criminal  
28

1 prosecuted on trumped up charges related to the fraudulent restraining orders; and, 3) seek recognition  
2 and enforcement of the fraudulent obtained default judgment in Los Angeles Superior Court Case No.  
3 BC338322. These actions, as described herein, have created a reasonable fear of harm on the part of  
4 Lynch, including fear of economic loss.

5  
6 300. Accordingly, the RICO Defendants have unlawfully obstructed, delayed, and affected –  
7 and attempted to obstruct, delay, and affect – commerce as that term is defined in 18 U.S.C. Section  
8 1951, and the movement of articles and commodities in such commerce, by extortion, as that term is  
9 defined in Section 1951, in that the RICO Defendants have attempted and continue to induce Lynch to  
10 relinquish property through the wrongful use of actual and threatened force, violence, and fear –  
11 including fear of economic harm.

12  
13 301. One of the RICO Defendants' principal objectives from the earlier days of the scheme to  
14 defraud Lynch was to subject her to enough pressure sufficient to force her into a settlement that  
15 required Lynch to participate in mediations, potential trials, provide perjured testimony against Cohen's  
16 represents (that they defrauded him), and assist with the unwinding of certain transactions. When that  
17 failed, and the RICO Defendants understood that Lynch exposed their scheme to extort monies or  
18 property from Natural Wealth, they retaliated, used the Los Angeles Litigation and fraudulently obtained  
19 default judgment to tamper and interfere with the administration of justice in connection with the  
20 Natural Wealth case before the U.S. District Court in Colorado. The RICO Defendants, and their co-  
21 counsel, then proceeded to further their fraud upon the U.S. District Courts by seizing and concealing  
22 evidence as well as filing an arbitration case with the Central District of California regurgitating the same  
23 concocted facts, fabricated narrative, and perjured statements used to corrupt the Colorado proceedings  
24 and wrongfully blame Lynch for conduct she did not engage in. The RICO Defendants aim, and this is  
25 evident in the recent renewal of the fraudulent default judgment, is to obtain the largest possible  
26 judgment in the hope that judgment would continue to destroy Lynch's credibility, business reputation,  
27  
28

1 prevent her from finding gainful employment, and use the fraudulent judgment to threaten Lynch – even  
2 by proxy – with potential wrongful seizure or attachment of her assets and property, and with respect to  
3 truly malicious threats to interfere with any potential inheritance her elderly parents might bequest her.  
4 The RICO Defendants goal is to instill fear into Lynch, threaten her with economic ruin and  
5 ramifications, and use the judgment to exert undue pressure over her including with respect to the very  
6 real possibility that the fraudulent judgment could actually be collected.  
7

8 302. These objectives are not shared by every plaintiff in every lawsuit. When a lawsuit is  
9 pursued by lawful and proper means, it is not extortion, in the criminal sense, because the means were  
10 not wrongful. Deck v. Engineered Laminates, 349 F.3d 1253, 1258 (10th Cir. 2003); see also Vemco,  
11 Inc. v. Camardella, 23 F.3d 129, 134 (6th Cir. 1994) (“A threat of litigation if a party fails to fulfill even a  
12 fraudulent contract . . . does not constitute extortion.”). Indeed, some courts have held that even the  
13 filing of a meritless lawsuit is not extortionate lest every unsuccessful lawsuit lead to an extortion claim  
14 and thus chill resort to the courts. Deck, 349 F.3d at 1258. This case, however, is far more complicated  
15 than this simple proposition because it was not pursued by lawful methods and the legal proceedings  
16 related to Lynch are baseless and retaliatory. Furthermore, holding people accountable for their actions,  
17 including the procurement of judgments and decisions by fraud, will not chill anyone’s legal right to  
18 resort to the court system.  
19

20  
21 303. The Hobbs Act’s principal elements are twofold: “wrongful means and wrongful  
22 objective.” Viacom Int’l, Inc. v. Icahn, 747 F. Supp. 205, 210 (S.D.N.Y. 2010). The “means” – in other  
23 words, the threat – “can be wrongful because it causes the victim to fear a harm that is itself wrongful,  
24 such as physical injury, or because the means is wrongful, such as violence.” United States v. Jackson,  
25 180 F.3d 55, 70, on reh’g, 196 F.3d 383 (2d Cir. 1999). Moreover, there is no need for a threat of  
26 violence. “The Hobbs Act may . . . be violated by a threat that causes the victim to fear only an economic  
27 loss.” Id., 180 F.3d at 69-70.  
28

1           304.   “Extortion” under the Hobbs Act, “means the obtaining of property from another, with  
2 his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of  
3 official right.” 18 U.S.C. § 1951(b)(2). The RICO Defendants have applied intense economic and other  
4 pressure in an their effort to force Lynch to surrender her money and property. As Lynch has not paid  
5 the Judgment nor settled the case, one concern here is the ongoing attempted extortion.

6  
7           305.   Fear, in the context of the Hobbs Act, can include fear of economic loss. See, e.g., Levitt  
8 v. Yelp! Inc., No. 11-17676, 2014 WL 4290615, at \*8 (9th Cir. Sept. 2, 2014); United States v. Greger,  
9 716 F.2d 1275, 1278–79 (9th Cir. 1983); Rennell v. Rowe, 635 F.3d 1008, 1012 (7th Cir. 2011); Brokerage  
10 Concepts, Inc. v. U.S. Healthcare, Inc., 140 F.3d 494, 522 (3d Cir. 1998) (“The term ‘fear’ includes the  
11 fear of economic loss.”). But “there is nothing inherently wrongful about the use of economic fear to  
12 obtain property.” United States v. Sturm, 870 F.2d 769, 773 (1st Cir. 1989). “[T]he fear of economic loss  
13 is a driving force of our economy that plays an important role in many legitimate business transactions.”  
14 Brokerage Concepts, Inc., 140 F.3d at 523. Courts must therefore differentiate between legitimate use of  
15 economic fear—hard bargaining—and wrongful use of such fear—extortion. See, e.g., George Lussier  
16 Enters., Inc. v. Subaru of New England, Inc., 393 F.3d 36, 50 (1st Cir. 2004). “Distinguishing between  
17 hard bargaining and extortion can be difficult.” Rennell, 635 F.3d at 1011.

18  
19           306.   In United States v. Enmons, 410 U.S. 396 (1973), the Court held that a defendant  
20 violates the Hobbs Act “where the obtaining of the property would itself be ‘wrongful’ because the  
21 alleged extortionist has no lawful claim to that property. 410 U.S. at 400. The RICO Defendants had no  
22 lawful claim to Lynch’s property or money. “Fear of economic loss is not an inherently wrongful means;  
23 however, when employed to achieve a wrongful purpose, its ‘use’ is wrongful.” United States v.  
24 Clemente, 640 F.2d 1069, 1077 (2d Cir. 1981). The baseless Los Angeles Litigation was used to obtain  
25 the property was illegitimate and the use of economic and other pressure, including the blatant failure to  
26 serve Lynch the summons and complaint, was wrongful.  
27  
28

1           307. In this case, the extortionate behavior included the RICO Defendants efforts and success  
2 in obtaining the Los Angeles Superior Court fraudulent default judgments by depriving Lynch of her  
3 constitutional right to due process, using the tactical advantage the RICO Defendant's attained by  
4 forcing Lynch into financial ruin, causing her to represent her, using an army of professionals against her,  
5 willfully refusing to communicate with Lynch during all litigation proceedings, using fraudulent  
6 misrepresentations and perjured statements to obtain the judgments, and using the judgments to  
7 promote further fraud and injury to Lynch. The RICO Defendants have no interest whatsoever in  
8 legitimate legal processes and sought to extort Lynch's property, once they realized she exposed their  
9 attempts to extort Natural Wealth and reported allegations that Cohen committed criminal tax fraud to  
10 IRS, through the fraudulent default judgments and renewal of the judgment in Los Angeles Superior  
11 Court Case No. BC338322. At the end of the day, the RICO Defendants are quite clear that their  
12 advantage over Lynch is one of pure brute force. They, including their their co-conspirators, have  
13 applied pressure on Lynch that continues to this day. That pressure involves terrorizing Lynch's sons,  
14 harassing her friends, and defaming her to third parties. It seems as though the RICO Defendants  
15 ultimate goal is to bring Lynch to her breaking point through years of harassment, stalking, threats,  
16 defamation, intimidation of her friends and family, and through other malicious and terroristic tactics.  
17 With respect to co-conspirator Stephen Gianelli, Michelle Rice encouraged him to continue harassing  
18 Lynch while Robert Kory personally advised Gianelli to bcc him on harassing communications to Lynch.  
19 These communications are addressed more fully hereinbelow.

20  
21  
22  
23           308. The RICO Defendants have used corrupt and fraudulent behavior in the Natural Wealth  
24 Lawsuit, before the Central District of California, and in connection with the Los Angeles Litigation.  
25 They have also used corrupt and fraudulent behavior in the procurement of fraudulent restraining orders  
26 which are not at issue here legally apart from their abuse and the RICO Defendants' use of them to  
27 discredit Lynch. The RICO Defendants also procured and used a fabricated, fraudulent Expense Ledger  
28

1 used to extort millions of dollars and property from Lynch. The other category of activities designed to  
2 pressure Lynch to settle or pay was the use of the media, Leonard Cohen’s celebrity advocacy, incitement  
3 of official investigations and inquiries, and procurement of a sham criminal prosecution to further  
4 discredit, pressure, silence, and intimidate Lynch. The trial also served to intimidate and scare Lynch’s  
5 family members and friends.

6  
7 309. The Hobbs Act makes it unlawful to attempt “in any way or degree,” to “obstruct, delay,  
8 or affect commerce or the movement of any article or commodity in commerce, by . . . extortion.” 18  
9 U.S.C. § 1951(a). It is well established that the burden of proving a nexus with interstate or foreign  
10 commerce is *de minimis*. In United States v. Atcheson, 94 F.3d 1237 (9th Cir.1996), the 9<sup>th</sup> Circuit held  
11 that the Hobbs Act is directly aimed at economic activities which “in any way or degree affects  
12 commerce.” In United States v. Juvenile Male, Nos. 96-10473, 96-10474, 96-10477 (9th Circuit 1997),  
13 the 9<sup>th</sup> Circuit held that “the RICO statute, like the Hobbs Act, regulates activities which, in the  
14 aggregate, have a substantial effect on interstate commerce; hence, the ‘de minimis character of  
15 individual instances arising under the statute is of no consequence.” The fraudulent default judgment,  
16 Los Angeles Superior Court Case No. BC338322, wrongfully converted Lynch’s property (including her  
17 shares in corporations formed in Kentucky and Delaware as well as valuable intellectual property assets  
18 addressed in the Copyright Infringement section of this Complaint) to Leonard Cohen. The nexus with  
19 interstate and foreign commerce in this case is plain and the requirement satisfied.

20  
21  
22 310. Every act in furtherance of this plan was an act of racketeering activity because it is  
23 indictable under the Hobbs Act. The conduct was inherently meant to instill fear of adverse results in  
24 Lynch. It has been used to relentlessly harass and terrorize her sons, family members, and others, and  
25 meant to isolate Lynch by intimidating people. The RICO Defendants ongoing attempts to instill fear of  
26 economic harm are wrongful and extortionate. The RICO Defendants, and specifically Leonard Cohen  
27



1 and his wholly owned LLC, did not have a plausible claim, let alone any claim, to the property it sought  
2 and obtained from Lynch.

3 311. In United States v. Daane, 475 F.3d 1114, 1119–20 (9th Cir. 2007), the 9<sup>th</sup> Circuit agreed  
4 with the reasoning of United States v. Zappola, 677 F.2d 264 (2d Cir. 1982), which concluded that  
5 “Congress meant to punish as extortion any effort to obtain property by inherently wrongful means . . .  
6 regardless of the defendant’s claim of right to the property.” *Daane*, 475 F.3d at 1120 (quoting *Zappola*,  
7 677 F.2d at 268–69. In other words, the Court recognized that “there are some attempts to obtain  
8 property that are so inherently wrongful that whether the defendant had a lawful claim to the property  
9 demanded is not relevant in determining whether extortion or attempted extortion has been proven.”

10 312. Threats of economic harm made to obtain property from another are not generally  
11 considered “wrongful where the party had a legitimate claim to the property obtained through such  
12 threats. Brokerage Concepts, Inc. v. U.S. Healthcare, Inc., 140 F.3d 494, 523 (3d Cir. 1998). Leonard  
13 Cohen and his RICO Co-defendants had no legitimate right to Lynch’s property. Therefore, she had a  
14 pre-existing right to be free of the real and threatened economic harm meant and threats of economic  
15 harm meant to induce her to pay the fraudulently obtained default judgment (Los Angeles Superior  
16 Court Case No. BC338322). See United States v. Vigil, 523 F.3d 1258, 1265 (10th Cir. 2008) (citing  
17 United States v. Enmons, 410 U.S. 396, 400 (1973)); Viacom Intern. Inc. v. Icahn, 747 F. Supp. 205, 213  
18 (S.D.N.Y. 1990).

19 313. The RICO Defendants’ conduct is not protected activity. Baseless, retaliatory litigation,  
20 meant to interfere and tamper with the administration of justice, is not a constitutionally protected right  
21 in the United States. This is not mere meritless litigation. Deck v. Engineered Laminates, 349 F.3d 1253,  
22 1258 (10th Cir. 2003) (collecting cases and holding that “meritless litigation is not extortion” under  
23 Hobbs Act); United States v. Pendergraft, 297 F.3d 1198, 1205 (11th Cir. 2002). The Los Angeles  
24 Litigation was and remains entirely baseless, retaliatory, vengeful, and extortionate in nature. The RICO  
25  
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28

1 Defendants were able to obtain a fraudulent default judgment through the use of fraud, perjury, willful  
2 and knowing failure to serve Lynch the summons and complaint, and have now been afforded the  
3 opportunity to renew the fraudulent default judgment and add attempt to extort millions of dollars in  
4 additional financial fraud from her. Leonard Cohen and his co-defendants have corrupted the litigation  
5 before the U.S. District Courts in Colorado and Central District of California by corrupt and fraudulent  
6 means and they do so to retaliate against Lynch, instill fear in her of catastrophic results, and to obstruct  
7 justice with respect to the related Tax Fraud Scheme.

9 314. Corruption of an adjudicative process removes any shield that the First Amendment  
10 otherwise would provide. Fraud, misrepresentations, and blatantly wrongful coercive means are not  
11 normal and legitimate exercises of the right to petition. Accordingly, the actions in the Los Angeles  
12 Litigation and before the U.S. District Courts, have been corrupted and are wrongful means for Hobbs  
13 Act and RICO purposes.

#### 15 **The RICO Defendants' Extortionate Conduct**

16 315. The RICO Defendants' misconduct in litigation, as amply detailed herein, has increased  
17 placed pressure on Lynch, who is self-represented, by dishonest and corrupt steps in and related to  
18 litigation – coercion, attempts to suborn perjury, and so on – were intended to communicate threats to  
19 Lynch. The ongoing harassment of Lynch's family members and friends serves the same purpose. That  
20 purpose is to instill fear of a catastrophic outcome in order to increase the amount Lynch would be  
21 forced to pay, the damage to her from the economic harm and threats of such, and the ongoing attempts  
22 to obtain property from Lynch, with her legal consent based upon the fraudulent default judgment and  
23 renewal of that default, induced by the wrongful use of fear and terrorist tactics. The Hobbs Act requires  
24 only obtaining, or attempting to obtain, "property from another, with his consent, induced by wrongful  
25 use of . . . fear." 18 U.S.C. § 1951(b)(2). No verbal or explicit threat is required. See, e.g., United States  
26 v. Coppola, 671 F.3d 220, 241 (2d Cir. 2012) ("[T]he Hobbs Act 'leaves open the cause of the fear'  
27  
28

1 inducing a party to consent to part with property and does not require that such fear be ‘created by  
2 implicit or explicit threats.’”) (quoting United States v. Gotti, 459 F.3d 296, 333 (2d Cir. 2006)). The  
3 RICO Defendants’ misconduct in litigation, through the transmittal of fraud to Internal Revenue Service  
4 and others, and through the sham criminal investigations and prosecutions they have sought, were  
5 undertaken for the purpose of instilling fear of economic harm in order to induce payment from Lynch,  
6 while attempting to silence and terrorize her, are indictable under the Hobbs Act, chargeable under the  
7 California extortion statute, and therefore are acts of racketeering activity.  
8

9 **The RICO Defendants Made Representations They Knew Were Materially False in Order to**  
10 **Exert Enormous Pressure on Lynch**

11 316. The RICO Defendants’ misconduct outside the courthouse went hand in hand with its  
12 misconduct within it. Both were parts of the activity meant to discredit, destroy, and produce a  
13 settlement or multi-million pay-out. The RICO Defendants’ campaign depended largely on their ability  
14 to threaten Lynch by destroying her reputation, businesses, terrorizing family and friends, and  
15 compromising her ability to find gainful employment as a personal manager. The RICO Defendants  
16 threatened Lynch that if she failed to participate in their scheme to extort monies and property from  
17 others, and related to the Tax Fraud Scheme, they would destroy her and her children. This threat was  
18 memorialized by Boies Schiller and submitted, with documents (Scott Edelman’s Declaration, Exhibit E),  
19 the RICO Defendants filed in response to her motion to vacate, to Los Angeles Superior Court.  
20

21 317. The RICO Defendants media campaign and public statements, which continue to be  
22 transmitted to third parties in an attempt to harass, slander, and intimidate Lynch, were undertaken for  
23 the purpose of inflicting economic and other harm on Lynch. This campaign rested on knowingly false  
24 statements which the speaker in fact had evidence that would produce serious doubt on the part of a  
25 reasonable individual and is entirely extortionate. Due to the RICO Defendants’ conduct, third parties –  
26 including potential employers – are deceived and led to believe that Kelley Lynch misappropriated \$14  
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1 million from Leonard Cohen, harassed him for no legitimate purpose, when in fact there are outstanding  
2 legal, tax and business issues (including Cohen’s willful refusal to provide Lynch with IRS required tax  
3 and corporate information), and the RICO Defendants fraudulently obtained default judgments and  
4 highly abused restraining orders. These abused restraining orders are frequently used to gain litigation  
5 advantages and discredit others.

6  
7 318. Cohen and his co-defendants exercised virtually total control over the specific content  
8 and timing of their press releases, interviews, and statements to the media. The Natural Wealth  
9 Litigation detailed the beginnings of the retaliatory and fraudulent media campaign. That campaign  
10 continues to date. Leonard Cohen is a prominent figure and celebrity who has used his position of  
11 power and influence to create pressure on Lynch while thoroughly and utterly discrediting, threatening,  
12 and destroying her.

13  
14 319. The RICO Defendants, through the use of the fabricated and fraudulent Expense Ledger,  
15 that they knew was false, have used inflated damage figures in their media campaign. The default  
16 judgment was based on a legal theory of “misappropriation” and yet on March 23, 2012, Leonard Cohen  
17 personally testified, under oath, that Lynch never “stole” from him – just his “peace of mind.” The  
18 evidence the RICO Defendants have sought to conceal, submitted to LA Superior Court with Lynch’s  
19 motion for terminating sanctions (addressing egregious fraud upon the court), supports Lynch’s  
20 contention that the litigation was baseless, meritless, and brought for the sole purpose of retaliating  
21 against, discrediting, and extorting property and monies from Lynch. The goal of this ongoing scheme is  
22 to ensure that Lynch is never able to rebound, or extricate herself, from the RICO Defendants’ ongoing  
23 criminal conduct with respect to her and others. The RICO Defendants have actively encouraged the  
24 co-conspirators to exert further undue influence and pressure on Lynch. For example, defendant Robert  
25 Kory instructed co-conspirator, Stephen Gianelli, to bcc. him on his harassing and slanderous emails that  
26 transmit fraudulent information and false statements to third parties. Those third parties include, but are  
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1 not limited to federal, state, and local government authorities such as IRS, FBI, DOJ, Treasury, ICE,  
2 FTB, Senate Judiciary, news media and others. Michelle Rice has encouraged co-conspirator Stephen  
3 Gianelli to continue harassing and provoking Lynch because it makes her “rich as fuck.” The ongoing  
4 goal is to pressure and intimidate parties, such as her family members and Paulette Brandt, in order to  
5 isolate Lynch and force her into homelessness once again. The conduct of the co-conspirators benefits  
6 the RICO Defendants. Exhibit FFFF: Emails between Gianelli, Kory & Rice, attached hereto and made  
7 a part hereof; Exhibit GGGG: March 23, Trial Transcript. 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.

11  
12 **The RICO Defendants Sought to Pressure, Defraud & Discredit Lynch by Causing Third**  
13 **Parties to Act on Their Misrepresentations**

14 320. The RICO Defendants have promulgated the fraud, false statements, and  
15 misrepresentations related to Lynch, including their decisions obtained through their baseless and  
16 retaliatory litigation matters, to government authorities. The fabricated Los Angeles Litigation Complaint  
17 was transmitted to Internal Revenue and Franchise Tax Board. This information has also been repeated  
18 and transmitted to other local, state, and government agencies as well as the Senate Judiciary. The RICO  
19 Defendants have used the false statements transmitted to Internal Revenue Service and U.S. Treasury to  
20 file and amend Leonard Cohen’s personal tax returns, apply for and obtain fraudulent tax refunds, and  
21 defend Leonard Cohen against the allegations that he committed criminal tax fraud. Co-defendant  
22 Robert Kory has additionally transmitted fraudulent and false statements to Internal Revenue Service in  
23 communications he transmitted to Agent Luis Tejada. Lynch discovered these communications on April  
24 9, 2012, when the “IRS binder” was presented to her public defenders, and it was and remains the RICO  
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1 Defendants' goal to have third parties rely on this information. The RICO Defendants conduct in this  
2 regard is meant to potentially expose Lynch to millions of dollars in tax penalties and interest due to the  
3 misconduct of Leonard Cohen and his representatives in connection with the related Tax Fraud Scheme.

4 321. Los Angeles Superior Court, jurors, local government authorities who pursued sham  
5 criminal investigations and prosecutions against Lynch, and the U.S. District Court in Colorado also  
6 relied on the RICO Defendants' fraudulent misrepresentations, fabricated evidence, perjured declarations  
7 and testimony, and false statements transmitted to them in declarations, through oral testimony, and in  
8 legal pleadings submitted to these courts and transmitted to others. Prosecutor Sandra Jo Streeter, in  
9 Lynch's 2012 Trial, argued that while Lynch was not criminally prosecuted with respect to the fabricated  
10 and fraudulent misrepresentations in the RICO Defendants baseless Los Angeles Litigation, it certainly  
11 discredited her and undermined her credibility. That is one of the aims of the RICO Defendants scheme  
12 to defraud, discredit, and destroy Lynch. The RICO Defendants have participated in interviews with the  
13 news media, biographers, and have extensively transmitted fraudulent information and false statements  
14 to the news media. Third parties are intended to rely on those statements and information.

15 322. The RICO Defendants have used the same misrepresentations fed to the news media to  
16 influence public officials, law enforcement, federal government agencies, U.S. District Courts, and others  
17 to increase the pressure on Lynch, fear of economic harm, threat of ongoing damage – including as it  
18 relates to her family and friends – and destroyed her reputation as part of their overall scheme.

19 **The RICO Defendants Pressed the Local Government Officials & Law Enforcement to File**  
20 **Criminal Charges Against Lynch in Order to Exert Further Pressure On Her, Fear of Economic**  
21 **Harm, & to Further Discredit Her**

22 323. The tactics employed by the RICO Defendants, including with respect to the tactical use  
23 of fraudulent restraining orders, to discredit Lynch as a witness has been described more fully in this  
24 Complaint. LAPD's report concludes that Lynch's emails were generally requests for "tax information."  
25 Detective Jose Viramontes, LAPD's Threat Management Unit, informed Lynch that Leonard Cohen  
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1 personally did not feel “comfortable” with her requests for tax information. The LAPD report is replete  
2 with fraudulent misrepresentations and false statements. This report formed the basis of Lynch’s sham  
3 2012 criminal prosecution. Leonard Cohen and Robert Kory testified that either they were not obligated  
4 to provide Lynch with the IRS required tax and corporate information, based on the fraudulent judgment  
5 which is not retroactive and silent as to federal tax matters, and/or testified that they had provided this  
6 information to Lynch. Michelle Rice, after informing Lynch that her ongoing requests for this  
7 information was belated and falsely informing her that her requests for tax and corporation information  
8 should have been addressed during discovery related to the Los Angeles Litigation, testified that she  
9 personally believed that the fraudulent restraining order prohibited from transmitting the IRS required  
10 tax and corporate information to Lynch. It did not, however, prohibit Rice from transmitting fraudulent  
11 misrepresentations and false statements to Lynch in her email dated February 14, 2011 that was cc’d to  
12 IRS, FBI, Treasury, Dennis Riordan, Ron Burkle, and others. This email was continuously referred to  
13 during Lynch’s 2012 trial while elements of the content of that email were willfully concealed from the  
14 jurors. Those elements relate to Lynch’s email to IRS Commissioner’s Staff with respect to legitimate  
15 federal tax matters. The RICO Defendants were clearly aware that the sham criminal prosecution would  
16 be a major source of worldwide press for themselves and, of course, celebrity songwriter, Leonard  
17 Cohen.  
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21 324. The RICO Defendants obviously planned to fully leverage the sham criminal  
22 investigations and prosecution of Lynch, including through the transmittal of fraudulent  
23 misrepresentations and false statements to IRS, in order to apply further pressure on Lynch and discredit  
24 her severely. Leonard Cohen’s Victim Impact Statement, addressed more fully in this Complaint,  
25 contains utterly false statements about Lynch, the fraudulent default judgment, federal tax matters, and  
26 has been widely repeated in the global news media and on the worldwide web.  
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1           325. When the RICO Defendants pursued the sham criminal investigations and prosecution,  
2 they fully understood that threatening Lynch – and succeeding with – criminal prosecution would enable  
3 them to obtain an advantage in any civil case. The RICO Defendants, and co-conspirators, are well  
4 aware of the fact that Lynch has continuously stated that she intends to pursue legal remedies, find relief  
5 from the fraudulent default judgment, and bring a lawsuits against the RICO Defendants and others.  
6 Threatening to file a criminal case to get an advantage in a civil case is considered a violation of ethical  
7 rules of the profession. Robert Kory’s threats that Lynch would go to jail have been repeated to Lynch  
8 by third parties including when the RICO Defendants attempted to engage her in their scheme to extort  
9 property from Greenberg, Westin, Grubman, Indursky, Greg McBowman, and Ken Cleveland. Those  
10 threats were repeated to Lynch’s sons, family members, and others to intimidate her and terrorize them.  
11 The tactics employed against Lynch from the early stages of this ongoing scheme to defraud and  
12 discredit Lynch were summarized in the Natural Wealth Lawsuit. The conduct of the RICO Defendants  
13 who are officers of the court is addressed more fully hereinbelow. Exhibits: Lindsey’s email – Kory/jail.

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15  
16 **Application of the Hobbs Act To This Conduct**

17           326. The RICO Defendants conduct, as detailed in this complaint, has taken place in  
18 numerous jurisdictions throughout this country, before U.S. District Courts, and in the news media. The  
19 RICO Defendants have worked with public relations experts.

20  
21           327. The defining element of extortion is the pursuit of “something of value from the victim  
22 that can be exercised, transferred, or sold.” Sekhar v. United States, 133 S. Ct. 2720, 2726 (2013). By the  
23 statute’s very terms, the conduct prohibited is to, “in any way or degree,” “obstruct[], delay[], or  
24 affect[]commerce or the movement of any article or commodity in commerce, by . . . extortion. . . .” 18  
25 U.S.C. 1951(a).

26           328. In Scheidler v. National Organization for Women, Inc., 537 U.S. 393 (2003), the Supreme  
27 Court explained that, “[at common law, extortion was a property offense,” 537 U.S. at 402, and  
28



1 demonstrated the significance of the defendant's objective to the definition of extortion by examining  
2 the claim alongside the crime of coercion. Coercion, the Court explained, targeted those who "employed  
3 threats and acts of force and violence to dictate and restrict the actions and decisions of businesses," but  
4 stopped short of seeking and acquiring property, which the crime of extortion requires. *Id.* at 405-06; see  
5 also United States v. Gotti, 459 F.3d 296, 323 (2d Cir. 2006) ("We . . . read *Scheidler II* as . . . simply  
6 clarifying that before liability can attach, the defendant must truly have obtained (or, in the case of  
7 attempted extortion, sought to obtain) the property right in question."). Thus, it is the defendants' desire  
8 "ultimately to enrich themselves" at the target's expense that transforms merely coercive tactics into  
9 extortion. *Gotti*, 459 F.3d at 324.

11 329. The RICO Defendants scheme to defraud and discredit Lynch has, as stated herein, has  
12 taken place throughout numerous jurisdictions in the United States and its object was to convert Lynch's  
13 property to Leonard Cohen, benefit from that property, and extort a multi-million judgment – with  
14 millions of dollars in financial interest now added – from her. The application of the Hobbs Act to this  
15 extortionate behavior is applicable to this case. The property the RICO Defendants have extorted from  
16 Lynch, and continue to extort, has an effect on interstate commerce. This includes, but is not limited to,  
17 the ongoing infringement of Lynch's copyright interests more fully addressed hereinbelow.

19 **B. EXTORTION IN VIOLATION OF CALIFORNIA PENAL CODE SECTION**  
20 **518**

21 330. Lynch realleges and incorporates herein by reference each and every foregoing paragraph  
22 of this Complaint as if set forth in full.

24 331. Similarly, the RICO Defendants' wrongful attempts to appropriate Lynch's property by  
25 instilling fear that if the property is not delivered the RICO Defendants would perform an act calculated  
26 to harm Lynch materially with respect to her professional reputation, businesses, and financial condition  
27 violates California Penal Code § 518 which defines extortion as "the obtaining of property from another,  
28

1 with his consent ... induced by a wrongful use of force or of the offense: 1) a wrongful use of fear, 2)  
2 with specific intent of inducing the victim to consent to defendants' obtaining his property 3) which does  
3 in fact induce such consent and results in defendants' obtaining his property from the victim.” People v.  
4 Hesslink, 167 Cal. App. 3d 781, 788-89, 213 Cal. Rptr. 465 (1985).

5  
6 **C. MULTIPLE INSTANCES OF MAIL FRAUD & WIRE FRAUD IN VIOLATION OF 18 U.S.C. SECTIONS 1341, 1343**

7 332. Lynch realleges and incorporates herein by reference each and every foregoing paragraph  
8 of this Complaint as if set forth in full.

9  
10 333. As described herein, the RICO Defendants engaged in a wide-ranging scheme or artifice  
11 to defraud Lynch, various courts of law, and the greater public concerning Lynch’s purported liability for  
12 any damage she allegedly caused Leonard Cohen by manufacturing evidence, colluding with an expert to  
13 create manufactured evidence (the “Expense Ledger”), and using this scheme to advance the aims of the  
14 related Tax Fraud Scheme. The ultimate objective of the RICO Defendants’ scheme or artifice to  
15 defraud Lynch is to coerce her into paying a multi-million judgment, while extorting millions of dollars in  
16 property (both corporate interests and intellectual property), that will directly benefit the individual  
17 RICO Defendants. At the same time, through the transmission of fraudulent tax returns, refund  
18 applications, and documents to Internal Revenue Service and Franchise Tax Board, the RICO  
19 Defendants have exposed Lynch to millions of dollars in taxes, penalties, and interest based upon their  
20 fraudulent misrepresentations and false statements  
21

22 334. In furtherance of their scheme, and as described herein, the RICO Defendants  
23 transmitted, or caused to be transmitted, by means of wire communication in interstate or foreign  
24 commerce, writings, signs, signals, pictures, and sounds, and also caused matters and things to be placed  
25 in any post office or authorized depository, or deposited or caused to be deposited matters or things to  
26 be sent or delivered by a private or commercial interstate carrier, while rendering other items (federal tax  
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1 returns and documents) transmitted through these means, fraudulent, including, but not limited to, the  
2 following:

3 a. Emails and website postings incorporating false and misleading statements regarding Lynch  
4 and the fraudulent Expense Ledger;

5 b. Writings and/or mailings between and among the RICO Defendants, and their co-  
6 conspirators, concerning the baseless litigation at issue in this case, the fraudulent Expense Ledger; and  
7 other related matters;

8 c. Communications directed toward U.S. federal, state, and local officials incorporating false,  
9 fraudulent, and misleading statements regarding Lynch's liability in the Los Angeles Litigation (Case No.  
10 BC338322);

11 d. Funds transferred by the U.S. District Court in Colorado, with the intent that those funds be  
12 used to promote the carrying on of the RICO Defendants' criminal activities; and,  
13

14 e. Electronic filing and service of court papers containing false, fraudulent, perjured, and  
15 misleading statements intended to impede the operation of those courts.  
16

17 334(a). Lynch incorporates by reference the attached Appendix A, which sets forth particular  
18 uses of wire and mail communications in furtherance of the RICO Defendants' scheme or artifice to  
19 defraud that constitute violations of 18 U.S.C. Sections 1341 and 1443, including which individual  
20 defendant caused the communication to be mailed or wired, when the communication was made, and  
21 how it furthered the fraudulent scheme. It is impossible for Lynch to set forth all acts of wire and mail  
22 fraud but she has sufficiently addressed the more egregious acts in Appendix A: Mail & Wire Fraud  
23 Schedule, attached hereto and made a part hereof.  
24

25 335. The RICO Defendants participated in the scheme or artifice knowingly, willfully, and  
26 with the specific intent to deceive and/or defraud Lynch into paying the RICO Defendants. The RICO  
27 Defendants knowingly and intentionally prepared a self-serving analysis of Lynch's alleged liability and  
28

1 then knowingly and with the intent to deceive the Los Angeles Superior Court, U.S. District Court,  
 2 Colorado, Lynch, and the general public, caused that fabricated Complaint and analysis to be filed under  
 3 the pretense that it was a valid report prepared by a forensic accounting expert. The RICO Defendants  
 4 colluded with local government authorities to initiate prosecution of Lynch on the basis of those legal  
 5 pleadings and the fabricated report and other statements the RICO Defendants knew to be false and  
 6 misleading. The RICO Defendants further caused statements regarding these legal pleadings and report,  
 7 these criminal charges and other matters, which statements the RICO Defendants knew to be false or  
 8 misleading, to be disseminated to the general public, to the media, and to multiple state and federal  
 9 agencies and federal courts, with the intent that those statements be believed and that they form the basis  
 10 for further public attacks on Lynch, investigations of Lynch, and reduction of the value of Lynch's  
 11 professional reputation and business assets. The RICO Defendants knowingly engaged in the  
 12 aforementioned conduct with the intent to generate fear in Lynch such that Lynch would ultimately pay  
 13 the RICO Defendants to cease their conduct through satisfaction of the fraudulent obtained default  
 14 judgment (Los Angeles Superior Court Case No. BC338322), garnish Lynch's wages, attach liens to  
 15 Lynch's property, or in a subsequent proceeding seek to have the fraudulent judgment recognized and  
 16 enforced.

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 19 336. The RICO Defendants' false and misleading statements have been relied on by U.S. and  
 20 other courts, U.S. federal, state, and local government agencies, the media, and other third parties, and by  
 21 the Los Angeles Superior Court by means of its acceptance of the RICO Defendants' misrepresentations  
 22 and omissions and its failure to take meaningful corrective action. Further, the RICO Defendants' false  
 23 and misleading statements have caused Lynch substantial harm and damages.

24  
 25 **D. COPYRIGHT INFRINGEMENT IN VIOLATION OF 17 U.S.C. SECTION**  
 26 **506 and 18 U.S.C. SECTION 2319**

27  
 28 337. Lynch realleges and incorporates herein by reference each and every foregoing paragraph

1 of this Complaint as if set forth in full.

2 338. Kelley Lynch is an owner of copyrights in songs, sound recordings, musical and literary  
3 properties, and related rights in and to those properties. Lynch obtained ownership interest in these  
4 copyrights and properties when 1) in or around 1998 and 1999, Leonard Cohen irremovably assigned all  
5 intellectual property to Blue Mist Touring Company, Inc.; 2) in or around 1999, Lynch was compensated  
6 with a 15% ownership interest in Blue Mist Touring Company, Inc.; 3) Leonard Cohen agreed to  
7 irrevocably assign all copyrights, sound recordings, and other rights related to the musical properties  
8 contained on the studio album, "Dear Heather," delivered to Sony in August 2004; 4) on or around June  
9 30, 2004, Leonard Cohen caused Old Ideas, LLC to be formed as a partnership with the intention that it  
10 would own the musical properties addressed herein. Lynch has addressed her ownership interest in  
11 these properties more fully hereinabove.  
12

13  
14 339. Plaintiff attaches hereto Appendixes B and C, incorporated herein, a non-exhaustive list  
15 of federally copyrighted works, that were or should have been assigned to Blue Mist Touring Company,  
16 Inc. and Old Ideas, LLC, that the RICO Defendants have infringed by the acts complained of herein.  
17 Appendixes B and C, attached hereto and made a part hereof.

18  
19 340. Defendant Leonard Cohen executed the non-revocable assignments of intellectual  
20 property that transferred the copyrights and other rights relate to these properties to Blue Mist Touring  
21 Company, Inc.

22 341. Defendant Leonard Cohen agreed to assign and transfer the copyrights and other rights  
23 to certain properties to Old Ideas, LLC.

24 342. Defendant Leonard Cohen made certain promises with respect to invalid assignments of  
25 copyrights to Traditional Holdings, LLC in return for the private annuity obligation that was  
26 extinguished from the 2003 federal tax returns, by Cohen's representative for his sole benefit.  
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1           343. As the owners of these literary and musical properties, and copyrights, the corporations  
2 were entitled to legally distribute these songs, sound recordings, and literary properties, and derive  
3 income therefrom. The RICO Defendants however, as part of their scheme to defraud Lynch,  
4 engineered a plan whereby the transferred Lynch’s ownership interest in these corporations, and  
5 copyrights (although the default judgment is silent as to the actual copyrights, musical properties, and  
6 literary properties). Although Lynch has diligently attempted to determine where the copyrights were  
7 transferred to, she has been unable to obtain any discovery with respect to this issue. At the October 6,  
8 2015 hearing on the motion to vacate the renewal of judgment (Los Angeles Superior Court Case No.  
9 BC338322), Deendant Michelle Rice informed the Court that the intellectual property assets were just  
10 “out there.” At this time, Lynch has no idea what that means, if the intellectual properties were in fact  
11 transferred, and/or who collects the royalty and other income generated by these properties.  
12

13           344. For each of the works on Appendix B, Blue Mist Touring Company, Inc. had in its  
14 possession copyright registration certificate from the United States Copyright Office. On or about  
15 October 22, 2004, Defendant Leonard Cohen personally removed the Blue Mist Touring Company, Inc.  
16 corporate files, all copyright certificates, and all contracts related to certain rights related to these  
17 copyrights.  
18

19           345. For each of the works on Appendix C, Leonard Cohen agreed to irrevocably assign and  
20 transfer the properties, copyrights, and all related rights to Old Ideas, LLC. Leonard Cohen further  
21 agreed to obtain the necessary copyright registrations. The liner notes prepared for the “Dear Heather”  
22 artwork contained copyright notices related to these properties and Old Ideas, LLC. Lynch has been  
23 able to obtain basic copyright information with respect to Old Ideas, LLC from the Copyright Office.  
24 The liner notes, and available Copyright Office information related to Old Ideas, LLC, is attached to  
25 Appendix C, incorporated herein, and made a part hereof.  
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1 346. Without authorization, the RICO Defendants, when they wrongfully converted corporate  
2 property to Leonard Cohen or his wholly owned LLC, LC Investments, LLC, reproduced, distributed,  
3 and/or caused to be reproduced and distributed the copyrighted works that appear on Appendixes B and  
4 C. Until Lynch obtains information through discovery, she is unable to fully address where the  
5 corporation’s intellectual property assets have been transferred to or to whom royalty and other income  
6 is paid.  
7

8 **The RICO Defendants Willfully Infringed the Literary and Musical Copyrights & Other rights**  
9 **Related to Those Properties**

10 347. The RICO Defendants willfully infringed Lynch’s rightful ownership interest in the  
11 literary and musical copyrights and other rights associated with those properties.

12 348. The RICO Defendants knew their acts constituted copyright infringement. Their  
13 conduct was willful within the meaning of the Copyright Act.

14 349. As a predicate act, Lynch claims the RICO Defendants participated in criminal copyright  
15 infringement. Lynch acquired an ownership in all Cohen related intellectual property by entering into a  
16 compensation agreements with Leonard Cohen, Blue Mist Touring Company, Inc. and Old Ideas, LLC.  
17 It was the understanding between Leonard Cohen and Kelley Lynch, based on their oral compensation  
18 agreement, that the copyrights with respect to the studio album “Dear Heather” would be assigned to  
19 Old Ideas, LLC. A copyright claimant is either the “author of the work,” or the “person or organization  
20 that has obtained ownership of all rights under the copyright initially belonging to the author.” 37 C.F.R.  
21 § 202.3(a)(3). Exhibit HHHH: Old Ideas, LLC (Copyright Information); Exhibit: IIII: Dear Heather  
22 Liner Notes; Exhibit JJJJ: Richard Westin Emails to Kelley Lynch (Old Ideas – 15% ownership interest).  
23 Please refer to racketeeringact.wordpress.com, an evidence blog created for this Complaint, incorporated  
24 herein and made a part here. The documents may be located through the blog index and the first exhibit,  
25 in alphabetical order, would be the first posted document.  
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1           350. By its actions alleged in this Complaint, the RICO Defendants directly infringed the  
2 copyrights at issue in this case.

3           351. RICO provides a private right of action for “any person injured in his business or  
4 property” by a RICO violation. \*114718 U.S.C. § 1964(c). Lynch seeks relief pursuant to RICO statute  
5 18 U.S.C. § 1962(c). 18 U.S.C. § 1962(c) prohibits a person employed by or associated with any enterprise  
6 engaged in interstate commerce to conduct or participate in the conduct of the enterprise through a  
7 pattern of racketeering activity. Section 1962(c) states: It shall be unlawful for any person employed by  
8 or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign  
9 commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs  
10 through a pattern of racketeering activity or collection of unlawful debt.” Lynch alleges that the RICO  
11 Defendants have engaged in racketeering in violation of Section 1962(c) by engaging in certain predicate  
12 acts more fully set forth herein that includes criminal copyright infringement. Specifically, Plaintiff  
13 alleges that the RICO Defendants engaged in copyright infringement by wrongfully converting Lynch’s  
14 ownership interest in intellectual property to Leonard Cohen. The RICO Defendants, Robert Kory and  
15 Michelle Rice, together with their law firms, have benefitted due to the fact that they receive payments  
16 and commissions related to that property. Lynch has been directly injured by this conduct.  
17  
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19           352. RICO Defendants have engaged in criminal copyright infringement over a substantial  
20 period of time. The periods being addressed herein relate to the date the fraudulent default judgment  
21 was entered (May 9, 2005), renewed (July 13, 2015), all periods contained within the Expense Ledger  
22 (1998 through 2004) used to support the Default Judgment, through the present. That would essentially  
23 mean all periods from 1998 through the present. The RICO Defendants’ conduct with respect to the  
24 infringing acts relate to each other in a common plan and scheme to defraud Lynch of her ownership  
25 interest in valuable intellectual property assets (the Intellectual Property Assets”).  
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1           353. A criminal violation of the Copyright Act occurs when one willfully reproduces or  
2 publicly distributes any kind of copyrighted work. The RICO Defendants have engaged in a systematic  
3 conspiracy to commit and profit from their copyright infringement. Therefore, in addition to criminal  
4 copyright infringement (17 U.S.C. §506 and 18 U.S.C. § 2319), the RICO Defendants engaged in a  
5 conspiracy to commit racketeering (18 U.S.C. Section 1962) by being engaged in an enterprise to commit  
6 criminal copyright infringement as well as money laundering (18 U.S.C. Section 1956) by transferring  
7 money that constituted the proceeds of criminal copyright infringement.  
8

9           354. Copyright law grants the creator of an original work of expression, fixed in a tangible  
10 medium, a “copyright,” which is the exclusive right, protected for a limited period of time, to copy,  
11 distribute, and make certain other uses of the work. See 17 U.S.C. § 102(a) (Copyright law protects  
12 “original works of authorship fixed in any tangible medium of expression, now known or later  
13 developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or  
14 with the aid of a machine or device.”)  
15

16 **Legal Basis for Copyright and Related Laws**

17           355. The Constitution grants Congress the power to regulate copyright. Congress also derives  
18 authority to regulate some copyright-related issues from the Commerce Clause, U.S. Const. art. I, § 8, cl.  
19 3. Copyright protection is principally statutory. Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417,  
20 429-31 (1984). Federal copyright statutes are found primarily in Title 17 of the U.S. Code, of which  
21 sections 101 through 1101 are known as the “Copyright Act,” a reference to the last major overhaul of  
22 copyright statutes in the 1976 Copyright Act. The offenses for criminal copyright infringement are set  
23 forth in 17 U.S.C. § 506 and the related penalties are set forth in 18 U.S.C. § 2319.  
24

25 **Federal Pre-Emption**

26           356. Copyright law is primarily a matter of federal law. For most of the history of the United  
27 States, state- and common-law copyright protections coexisted with federal copyright laws. See, e.g.,  
28

1 Wheaton v. Peters, 33 U.S. 591, 597-98 (1834). But the Copyright Act of 1976 amended Title 17 to  
2 preempt state laws that provide rights “equivalent to” rights granted under federal copyright law. 17  
3 U.S.C. § 301(a).

4 **When Copyright Protection Begins and Ends**

5 357. A work is protected by copyright law from the moment it is created. See 17  
6 U.S.C. §§ 101-102(a), 408(a). Neither publication of the work nor registration of the work with the  
7 Register of Copyrights is a prerequisite to copyright protection; however, these acts may affect the  
8 remedies available for infringement. For example, registration is a prerequisite to a copyright holder’s  
9 civil suit for infringement, at least in the case of U.S. works. See 17 U.S.C. § 411. If a work is registered  
10 only after infringement has occurred, a copyright owner may still collect actual damages for infringement  
11 committed prior to registration, but cannot collect statutory damages or attorneys’ fees. See 17 U.S.C.  
12 § 412. As clarified in the Prioritizing Resources and Organizations for Intellectual Property (PRO-IP) Act  
13 of 2008, Pub. L. No. 110-403, § 101, 122 Stat. 4256, 4257-58 (2008), registration of a copyright is not a  
14 prerequisite to criminal prosecution for infringement of that work, although copyright registration is  
15 helpful in proving the elements of a criminal case, as discussed in Section B.1. of this Chapter.  
16  
17

18 358. Works created in 1978 or later are protected by copyright for the life of the author plus  
19 70 years. See 17 U.S.C. § 302(a). For a work with one or more joint authors, the life of the surviving  
20 author is used. 17 U.S.C. § 302(b). Works made for hire (i.e., works made by or at the behest of a  
21 corporation) and anonymous works are protected for 95 years from the date of first publication, or 120  
22 years from creation (whichever comes first). 17 U.S.C. § 302(c). Most works created prior to 1978 are  
23 protected for 95 years from the date the copyright in the work was first secured (generally the date of  
24 publication). 17 U.S.C. § 304.  
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1 **The Rights Protected by Copyright**

2 359. Copyrighted law grants copyright holders the following six exclusive rights to their works:  
3 (1) reproduction, (2) preparation of derivative works based upon the original copyrighted work, (3)  
4 public distribution, (4) public performance of certain types of works, (5) public display of certain types of  
5 works, and (6) performance of sound recordings by means of digital audio transmission. See 17 U.S.C. §  
6 106(1)-(6); 17 U.S.C. § 101 (defining “sound recording” to exclude audiovisual works); 17  
7 U.S.C. § 114(j)(5) (excluding transmission of audiovisual works from the definition of “digital audio  
8 transmission”); 17 U.S.C. § 114(d) (limitations including exemptions for certain broadcast transmissions,  
9 subscription transmissions, and licensed transmissions).

10  
11 360. The exclusive rights set forth in 17 U.S.C. § 106 are subject to a number of exceptions  
12 and limitations described in §§ 107-122, such as the right to make limited or “fair use” of a work without  
13 permission, to resell or transfer one’s own lawful copy of a work, and to reproduce a lawful copy of  
14 computer software either as an essential step in using it or to make an archival copy.

15  
16 361. Exercising one of the exclusive rights under § 106 without the copyright owner’s  
17 authorization, or other legal authority, constitutes copyright infringement. 17 U.S.C. § 501. The exclusive  
18 rights granted in § 106 are broad, and include a variety of commercial and noncommercial activities.  
19 However, not every unlicensed or unauthorized use of a copyrighted work constitutes an infringement,  
20 as many uses will either fall outside the scope of § 106, or be specifically exempted by §§ 107-122. “An  
21 unlicensed use of the copyright is not an infringement unless it conflicts with one of the specific  
22 exclusive rights conferred by the copyright statute.” Sony Corp. v. Universal City Studios, Inc., 464 U.S.  
23 417, 447 (1984) (citation omitted); see also Benjamin Kaplan, An Unhurried View of Copyright 57 (1967)  
24 (“The fundamental [is] that ‘use’ is not the same thing as ‘infringement,’ that use short of infringement is  
25 to be encouraged ....”). In the instant matter, the RICO Defendants have infringed Lynch’s rights, now  
26 control the copyrighted works, and authorized the use, distribution, and sale of these works without  
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1 permission from Lynch who has a 15% ownership interest in all Intellectual Property as more fully  
2 detailed herein.

3 **When Infringement Is Criminal**

4 363. Copyright infringement is a crime if the defendant infringed willfully and did so either (1)  
5 for commercial advantage or private financial gain, (2) by reproducing or distributing one or more  
6 infringing copies of works with a total retail value of over \$1,000 over a 180-day period, or (3) by  
7 distributing a “work being prepared for commercial distribution” by making it available on a publicly-  
8 accessible computer network. 17 U.S.C. § 506(a)(1). The RICO Defendants have engaged in willful  
9 copyright infringement for financial gain. The infringement involved here covers a period of time from  
10 1998 through the present.

11 364. The common factors for all criminal copyright offenses are that (1) there must be a valid  
12 copyright, (2) there must be an infringement, and (3) the infringement must be willful. Some courts also  
13 require that the government prove an extra element: that the infringing items at issue were not  
14 permissible “first sales,” although most courts hold the issue of “first sale” to be an affirmative defense.  
15 See Section C.4. of this Chapter. There are valid copyright registrations (although the RICO Defendants  
16 are in possession of them once Leonard Cohen wrongfully removed them from Lynch’s offices), there is  
17 an ongoing infringement, and the infringement is willful. Lynch has addressed the fact that the copyright  
18 registrations with respect to the Intellectual Property Assets assigned to Blue Mist Touring Company,  
19 Inc. were unlawfully removed from her offices, she has not seen the actual registrations with respect to  
20 the copyrights that were to be assigned to Old Ideas, LLC. The Copyright Office lists titles owned by  
21 Old Ideas, LLC. Appendixes B and C contain the copyright information in Lynch’s possession at this  
22 time.

23 365. In this case, there is the existence of copyrights under 17 U.S.C. Section 506(a). The fact  
24 that Leonard Cohen personally removed the copyright certificates from Lynch’s management offices and  
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1 the RICO Defendants refuse to provide Lynch with any information as to where these properties have  
2 been transferred is beyond Lynch's control.

3 **Copyrights vs. Registrations vs. Certificates**

4 366. The notion of having a valid copyright is easily confused with the issue of whether the  
5 work is registered with the Copyright Office, or with possession of a valid copyright certificate issued by  
6 the Copyright Office. Throughout much of U.S. history, copyright protection was predicated on certain  
7 formal requirements, such as the need to register published works with the Copyright Office, deposit  
8 copies with the Library of Congress, and mark copies of the work with a copyright notice. However,  
9 major revisions to copyright law in the 1970s and 1980s eased these requirements, and now protect a  
10 copyrightable work regardless of whether such formalities have been observed. See La Resolana  
11 Architects, PA v. Clay Realtors Angel Fire, 416 F.3d 1195, 1198-1205 (10th Cir. 2005), abrogated on  
12 other grounds by Reed Elsevier, Inc. v. Muchnick, 130 S.Ct. 1237 (2010). For a work created on or after  
13 January 1, 1978, copyright subsists from the moment an original work of authorship is created by "fix[ing]  
14 it] in any tangible medium of expression." 17 U.S.C. § 102(a); see also id. § 302(a). That is, a work is  
15 copyrighted the moment it is created, regardless of whether it has been registered or bears a copyright  
16 notice.  
17  
18

19 **Significance of Registration**

20 367. A creative work can be protected by copyright even before, or absent, registration of the  
21 work with the Copyright Office. Specifically, U.S. law requires copyright owners to register their works  
22 with the Copyright Office as a prerequisite to filing a lawsuit for infringement. Section 411 of Title 17  
23 provides that "no civil action for infringement of the copyright in any United States work shall be  
24 instituted until preregistration or registration of the copyright claim has been made in accordance with  
25 this title." § 411(a) (emphasis added). Note that § 411 applies only to "United States work[s]," meaning  
26 works first published domestically, or works created by U.S. nationals or "habitual residents." See 17  
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1 U.S.C. §§ 101, 411(a). Thus, before a civil lawsuit for infringement of a United States work can be  
2 initiated, the work must be registered, although registration is not a prerequisite to filing a law suit for  
3 infringement of a foreign work (nor is registration a prerequisite for criminal enforcement). Lynch  
4 should not be prejudiced by the fact that Leonard Cohen personally removed all of her business and  
5 corporate files from her offices. Cohen has had every opportunity to copy and return whatever  
6 corporate property he believes he has a personal right to.  
7

### 8 **Elements of Infringement**

#### 9 **The RICO Defendants Actions Were Willful**

10 368. The RICO Defendants willfully infringed Lynch's copyright interests. Those copyrights  
11 were and/or should have been assigned to Blue Mist Touring Company, Inc. and Old Ideas, LLC,  
12 respectively. This was the understood intention between Cohen and Lynch. However, Rice informed  
13 LA Superior Court that the assets are simply "out there" and the judgment itself is silent with respect to  
14 the copyrights themselves.  
15

16 369. The parties understood that the copyrights were formally assigned and transferred to Blue  
17 Mist Touring Company, Inc.; they understood that Lynch has a 15% ownership interest in this entity;  
18 and, in accordance with their own allegations in the Los Angeles Superior Court Litigation Complaint,  
19 they understood that the assignments to Blue Mist Touring Company, Inc. were not "unwound." It is  
20 also material that the corporation is in bad standing, the RICO Defendants transferred the corporate  
21 properties to Leonard Cohen and LCI, and the RICO Defendants have taken the position that the  
22 Intellectual Property Assets are simply "out there." The RICO Defendants willfully infringed the  
23 copyright. They reproduced, distributed, or caused to be distributed copies of the copyrighted work.  
24 The Supreme Court has recognized that "willful ... is a word of many meanings, its construction often  
25 being influenced by its context." Spies v. United States, 317 U.S. 492, 497 (1943). This was reflected in  
26 Congressional debate over the NET Act amendments to the Copyright Act. Senator Hatch, the  
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1 Chairman of the Senate Judiciary Committee, advocated that in copyright crimes “‘willful’ ought to mean  
2 the intent to violate a known legal duty,” 143 Cong. Rec. 26,420 (1997), because a lower mens rea could  
3 cause “the net” of criminal sanctions “[to] be cast too widely.” Id. Senator Hatch cited several cases in  
4 which the Supreme Court had construed “willfulness” in this fashion when the substantive law was  
5 complex, such as Cheek v. United States, 498 U.S. 192 (1991), in which the Court held that the general  
6 principle that “ignorance of the law or a mistake of law is no defense to criminal prosecution,” must yield  
7 given the complexity of federal criminal tax statutes. In other words, the defendant’s good-faith  
8 misunderstanding of the legal duties imposed on him by the tax laws would negate a finding of  
9 willfulness. Id. at 199. This reasoning has been applied in other contexts as well. E.g., Ratzlaf v. United  
10 States, 510 U.S. 135 (1994) (failure to report cash transactions in excess of \$10,000).

11  
12 370. Most courts that have interpreted “willfulness” in criminal copyright cases have adopted  
13 the more stringent standard articulated by Senator Hatch: the intentional violation of a known legal duty.  
14 See United States v. Moran, 757 F. Supp. 1046, 1049 (D. Neb. 1991) (holding that willful infringement  
15 means a “voluntary, intentional violation of a known legal duty”) (quoting Cheek v. United States, 498  
16 U.S. 192, 200 (1991)); see also United States v. Sherman, 576 F.2d 292, 297 (10th Cir. 1978) (upholding  
17 jury’s verdict because jury “apparently either disbelieved the genuineness of this contract [which  
18 defendants claimed had licensed their conduct], or believed that defendants were not innocent of  
19 knowledge that the tapes provided were copies from the original artists’ records”, and noting that  
20 “willfulness” required proof of specific intent, but without clarifying whether that required proof that the  
21 defendants knew their conduct was unlawful, or merely knowledge that they were selling copies); cf.  
22 United States v. Heilman, 614 F.2d 1133, 1138 (7th Cir. 1980) (holding that the government had proved  
23 willfulness because the defendant “chose to persist in conduct which he knew had ‘a high likelihood of  
24 being held by a court of competent jurisdiction to be a violation of a criminal statute’”) (quoting trial  
25 court); United States v. Cross, 816 F.2d 297, 300-01 (7th Cir. 1987) (approving without comment a jury  
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1 instruction that an act is willful when it is committed “voluntarily, with knowledge that it was prohibited  
2 by law, and with the purpose of violating the law, and not by mistake, accident or in good faith,” and  
3 affirming conviction because the record amply demonstrated that the defendant “knowingly and  
4 voluntarily violated the copyright laws”); see also Ronald D. Coenen Jr. et al., Intellectual Property  
5 Crimes, 48 Am.Crim. L.Rev. 849, 877-89 (2011).

### 7 **Infringement of the Copyright**

8 371. The RICO Defendants infringed copyrights. See 17 U.S.C. § 506(a). “Infringement” refers  
9 to the violation of one or more of the exclusive rights granted to a copyright owner at 17 U.S.C. § 106.  
10 Infringement is implicitly defined in 17 U.S.C. § 501(a): Anyone who violates any of the exclusive rights  
11 of the copyright owner as provided by [17 U.S.C. §§ 106-122] or of the author as provided in [17 U.S.C.  
12 § 106A(a)], or who imports copies or phonorecords into the United States in violation of [17 U.S.C.  
13 § 602], is an infringer of the copyright.  
14

15 372. Section 106 of Title 17 sets out the copyright owner’s exclusive rights. These rights consist  
16 of the rights “to do and to authorize” the following: • to reproduce a work in copies or phonorecords,  
17 § 106(1); • to prepare derivative works, § 106(2); • to distribute copies or phonorecords of the work to  
18 the public, § 106(3); • to perform the work publicly (for certain types of works), § 106(4), (6); • to display  
19 a work publicly (for certain types of works), § 106(5).

20 373. Essentially, a defendant has acted for “commercial advantage or private financial gain” if  
21 he sought a profit, financial or otherwise. Cf. 4 Nimmer on Copyright § 15.01[A][2] (discussing legislative  
22 history to copyright statute). “Financial gain” is broadly defined to include not only a monetary  
23 transaction, but also the “receipt, or expectation of receipt, of anything of value, including the receipt of  
24 other copyrighted works.” 17 U.S.C. § 101.  
25

26 374. Lynch has demonstrated that: 1. Valid copyright exists; 2. The copyrights were infringed  
27 by the defendants; 3. The defendant acted willfully; and 4. The infringement was done for purposes of  
28



1 commercial advantage or private financial gain, 17 U.S.C. § 506(a)(1)(A); 18 U.S.C. § 2319(b)(3). As  
2 Lynch has been thwarted in her attempts to discover any and all information with respect to the  
3 copyrights, where they have been assigned or transferred, who or what collects the income, and so forth,  
4 Lynch reserves the right to amend this Complaint to address this issues as they are discovered. It is  
5 entirely possible that Michelle Rice and Robert Kory aided and abetted the copyright infringement.  
6  
7 Lynch does not have any information that would permit her to address this more specifically.

8 \*Relied heavily on DOJ Manuals

9 **E. MONEY LAUNDERING IN VIOLATION OF 18 U.S.C. SECTIONS**  
10 **1956(a)(2)(A)**

11 375. The money laundering provisions, among other things, prohibit financial transactions  
12 involving the proceeds of a “specified unlawful activity,” that are intended to launder the proceeds or to  
13 promote further “specified unlawful activity.”

14 376. Money laundering, a violation of Section 1956 of the Criminal Code, 18 U.S.C. § 1956, is  
15 a RICO predicate act. Id. § 1961(1). Section 1956 in pertinent part states that: “Whoever transports,  
16 transmits, or transfers . . . funds [1] from a place in the United States to or through a place outside the  
17 United States or [2] to a place in the United States from or through a place outside the United States –  
18 “(A) with the intent to promote the carrying on of specified unlawful activity . . .” thereby commits a  
19 felony. Id. § 1956(a)(2).

20  
21 377. “Specified unlawful activity” includes, with an exception irrelevant to this case, “any act  
22 or activity constituting an offense listed in section 1961(1) of this title . . .” Id. § 1956(b)(7)(A).  
23 “Specified unlawful activity” thus includes any act of racketeering activity, including Hobbs Act and state  
24 law extortion, wire fraud, obstruction of justice, witness tampering, and violation of the Travel Act.  
25 Section 2(b) of the Criminal Code, moreover, provides that “whoever willfully causes an act to be done  
26 which if directly performed by him or another would be an offense against the United States is  
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28

1 punishable as a principal.” Id. § 2(b). Thus, whoever transfers, or willfully causes another to transfer,  
2 funds into the United States from abroad, or from the United States to another country, “with the intent  
3 to promote the carrying on of” a RICO predicate offense violates the money laundering statute.

4           378. The money laundering statute, 18 U.S.C. Section 1956, defines money laundering, and  
5 includes the receipt of proceeds from trafficking in counterfeit goods or goods infringing on copyright as  
6 specified unlawful activities. In this case, the money launder relates specifically to the infringed  
7 copyrights and collection of the worldwide royalty income generated by the Intellect Property Assets. To  
8 the extent the RICO Defendants received the income, in each case with the requisite intent and to  
9 promote the carrying on of a RICO predicate offense, they committed money laundering. The  
10 fraudulent default judgment, that wrongfully converted Lynch’s property and the assets of suspended  
11 corporations and others, to Leonard Cohen (and his wholly owned LLC who is a Plaintiff against Lynch  
12 in the Los Angeles Litigation for reasons Lynch does not understand), is in and of itself evidence of  
13 monies laundered between corporations. It is also evidence that the RICO Defendants caused the  
14 copyrights owned by Blue Mist Touring Company, Inc., which Lynch has a 15% ownership in, and Old  
15 Ideas, LLC, which Lynch a 15% ownership in, to be converted to Leonard Cohen. Lynch has been  
16 unable to obtain any information whatsoever from the RICO Defendants respect to these entities, the  
17 intellectual property at issue, and – apart from the fabricated Los Angeles Litigation Complaint – has  
18 only been able to discover two relevant pieces of information: 1) Lynch’s property was wrongfully  
19 converted to Leonard Cohen due to the conduct of Richard Westin and Judge Babcock’s 2008 Order and  
20 2) the intellectual property assets (both literary and musical properties) are simply “out there.” These  
21 issues have serious federal tax implications. The default judgment is silent as to the copyrights,  
22 intellectual property, and these infringement issues are federal legal matters.

23           379. Beginning in at least May 2006 (extending to all periods included in the Expense Ledger  
24 used to support the Default Judgment) and continuing through the renewal of judgment (July 13, 2015)  
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