



4.1 Defendant James Levin (hereafter “LEVIN”) was last known to be a resident of the state of  
2 Illinois, formerly residing at 422 Briarwood Place, Highland Park, IL 60035-5029. At all  
3 relevant times, LEVIN was an agent of CLINTON and was authorized to speak for and on behalf  
4 of CLINTON.

5.5 Defendant Aaron Tonken (hereafter “TONKEN”) is a resident of the state of California, whose  
6 mailing address is 269 S. Beverly Drive, Apt. 372, Beverly Hills, CA 90212-3807. TONKEN is  
7 presently a prisoner at a federal correctional facility in Taft, California. At all relevant times,  
8 Plaintiff reasonably believed that TONKEN was acting as his agent. Plaintiff is informed and  
9 believes and thereon alleges that, in truth and in fact, TONKEN was at all relevant times acting  
10 as an agent of CLINTON and Hillary Rodham Clinton.

6.1 Plaintiff is ignorant of the true names and capacities of defendants sued herein as Does 1 through  
12 50 and therefore sues these defendants by such fictitious names. Plaintiff will seek leave to  
13 amend this complaint to allege the true names and capacities of such fictitiously named  
14 defendants when the same have been ascertained. Plaintiff is informed and believes and thereon  
15 alleges that each of said fictitiously named defendants is responsible in some manner for the  
16 occurrences herein alleged.

17 FIRST CAUSE OF ACTION

18 For Fraud and Deceit

19 (Against CLINTON and LEVIN)

20 With regard to each false representation alleged in this cause of action, at all relevant times,  
21 Plaintiff was unaware that the representation was false.

22 In 1998, Plaintiff and popular-culture icon Stan Lee, the creator of Spider Man, the Incredible  
23 Hulk and the X-Men animation characters, co-founded Stan Lee Entertainment, Inc., a digital,  
24 Internet-based entertainment company. Plaintiff’s goal was to build a global, multimedia  
25 entertainment company around the then-77-year-old Stan Lee by transforming Lee into a  
26 universally recognized brand name.

27 Plaintiff achieved substantial success, and, after two mergers in 1999, Stan Lee Entertainment,  
28 Inc. became Stan Lee Media, Inc. (hereafter, “Stan Lee Media”), a publicly traded company with  
a market capitalization of approximately \$350 million.

10. Plaintiff himself achieved a net worth of approximately \$60 million, based in large part on Stan  
2 Lee Media stock.

11. Plaintiff also was engaged in a variety of other business ventures, including Mondo English, Inc.  
4 (hereafter “Mondo English”), a company Plaintiff had established to teach English to a global  
5 audience, free of charge, over the Internet.

12. In December 1999, Plaintiff was contacted by Los Angeles fundraiser and event producer  
7 TONKEN, who had been recently introduced to CLINTON through CLINTON’s close friend,  
8 Denise Rich. As a result, TONKEN began working with Democratic National Committee  
9 (“DNC”) Chairman Edward G. Rendell (hereafter “Rendell”) and DNC Southern California  
10 Finance Chairwoman Stephanie Berger (hereafter “Berger”) on DNC fundraising events in  
11 Southern California featuring CLINTON and other prominent Democratic Party politicians.

12. TONKEN had worked for Plaintiff several years earlier, and Plaintiff was well acquainted with  
13 him. In December 1999, TONKEN reestablished a cordial relationship with Plaintiff by settling a  
14 longstanding lawsuit that Plaintiff had filed against him, and he convinced Plaintiff to help him  
15 financially with his new work with the DNC. He convinced Plaintiff that his recent White House  
16 access to CLINTON could be beneficial to Plaintiff’s business plans. TONKEN specifically  
17 suggested that Plaintiff make a \$30,000 contribution to co-host a DNC fundraiser in February  
18 2000 in Los Angeles to be keynoted by CLINTON so that Plaintiff could witness first hand  
19 TONKEN’s new relationships with CLINTON and Rendell.

20. After his meeting with TONKEN, Plaintiff conceived of a plan to expedite his goals for Stan Lee  
21 Media and Mondo English by hiring CLINTON, at Plaintiff’s sole expense, to serve as an  
22 honorary board member and “rainmaker” for the two companies when CLINTON left office in  
23 January 2001. Plaintiff’s desire was that CLINTON would lend his good will to Stan Lee  
24 Media’s and Mondo English’s business strategies and objectives. The arrangement contemplated  
25 CLINTON’s attending one meeting a month, generally overseas, through a combination of  
26 personal appearances, conference calls and video endorsements. The knowledge that a former  
27 U.S. President would be participating in a given meeting would guarantee the attendance of key  
28 foreign bankers and strategic partners in foreign markets. As a global entertainment company,  
Stan Lee Media was anxious to develop relations in the People’s Republic of China, Korea,

1 Malaysia, South America, and Europe. Having such a future relationship with the PRESIDENT  
2 in mind, Plaintiff agreed to co-host the February 2000 DNC fundraiser in order to try to build a  
3 personal and professional relationship with CLINTON and, eventually, a business relationship.  
4 The fundraiser was held on February 17, 2000, at Café Des Artistes, in Hollywood, California.  
5 Plaintiff co-hosted the event and was seated with CLINTON. Plaintiff also was introduced to  
6 California Governor Gray Davis, who chaired the event, Rendell, and Berger.  
7 During the event, Plaintiff told Rendell and Berger about his interest in working with CLINTON  
8 after he left office in January 2001. Rendell, Berger and TONKEN represented to Plaintiff at the  
9 event that he could gain even greater access to CLINTON, and thereby better position himself to  
10 work with CLINTON after he left office, by making more substantial contributions to the DNC.  
11 Plaintiff informed Rendell that he could make more substantial contributions by pledging Stan  
12 Lee Media stock (“Stock”) that his family owned, which would become transferable in  
13 September 2000.  
14 In April 2000, Rendell invited Plaintiff and his wife to be his guest to meet Al Gore at a small  
15 dinner in Beverly Hills and asked Plaintiff to pledge \$150,000 worth of Stock to the DNC in  
16 order to co-host, underwrite and serve as executive producer of a “Hollywood Supports Gore”  
17 fundraiser on June 8, 2000, at the Beverly Hills Hotel. Plaintiff agreed. Plaintiff also agreed to  
18 pay the expenses for the event, which he did by and through TONKEN, acting as Plaintiff's  
19 producer and “paymaster.”  
20 During the time Plaintiff and Rendell prepared for the Gore Hollywood Gala on June 8, 2000,  
21 Rendell advised Plaintiff that he had discussed with CLINTON Plaintiff's desire to work with  
22 CLINTON after he left office. Rendell reported to Plaintiff that CLINTON said the best way he  
23 could justify spending private time with Plaintiff before he left office – and thereby consider a  
24 post-White House business relationship with Plaintiff – would be if Plaintiff became a major  
25 supporter of Hillary Rodham Clinton's (hereafter “Mrs. Clinton” or “Hillary Clinton”) United  
26 States Senate campaign. Rendell told Plaintiff that his doing that would create opportunities for  
27 CLINTON and Plaintiff to spend time together and develop a personal relationship.  
28 CLINTON's representation to Plaintiff, through Rendell, that he would “consider” a post-White  
House business relationship with Plaintiff was false, made solely to induce Plaintiff to make

1 large financial contributions to Mrs. Clinton's Senate campaign. In truth and in fact, CLINTON -  
2 - who was well aware of the fact that Plaintiff had felony convictions from his anti-Castro  
3 activities in the 1970s -- would never have seriously considered accepting a high-profile, public  
4 relations position closely tied to Plaintiff because both he and his wife regarded Plaintiff's  
5 criminal record as creating too high a risk of public embarrassment to Mrs. Clinton and her  
6 political aspirations.

7 Plaintiff, however, reasonably believed CLINTON when he said he would "consider" Plaintiff's  
8 post-White House employment offer because he had experienced no hesitancy on the part of  
9 other, high-level, public officials with whom Plaintiff had collaborated in high-profile,  
10 publicized activities, which included public appearances together. Plaintiff had undergone  
11 extensive background checks to produce various events, such as Ronald Reagan's Welcome  
12 Home Dinner before he left the White House, other events with Reagan after his presidency,  
13 then-president of Poland, Lech Walesa's New York and Hollywood welcome receptions (as  
14 President of the American Friends of Lech Walesa), and activities with Supreme Court Chief  
15 Justice Warren Burger. Consequently, when Rendell asked Plaintiff to host two events for Mrs.  
16 Clinton's Senate campaign, Plaintiff agreed to do so, specifically in order to spend time with the  
17 First Lady to determine the viability of Plaintiff's proposal to CLINTON.

18 In order to serve as host for the two Hillary Clinton fundraising events on June 9, 2000 -- a  
19 luncheon at Spago in Beverly Hills, followed by a tea at the home of Cynthia Gershman --  
20 Rendell required Plaintiff to pledge an additional \$150,000 worth of Stan Lee Media stock to  
21 benefit Hillary Clinton's Senate campaign.

22 Plaintiff was also required to pay the expenses associated with the luncheon and tea (amounting  
23 to over \$40,000) and was asked to make the maximum allowable, individual cash contribution to  
24 Mrs. Clinton's Senate campaign, namely, \$2,000 each from Plaintiff and his wife.

25 At the Spago luncheon, Plaintiff sat next to Mrs. Clinton for ninety minutes and specifically  
26 discussed his interest in working with CLINTON when he left office in January 2001, among  
27 other matters. In discussing such matters with Plaintiff, Mrs. Clinton, as the wife of CLINTON,  
28 acted as CLINTON's agent and knowingly induced Plaintiff to regard her as an agent of her  
husband.

25. In the course of their conversation during the Spago luncheon, Mrs. Clinton personally assured  
2 Plaintiff she would specifically discuss with CLINTON Plaintiff's interest in making a post-  
3 White House proposal to him. Mrs. Clinton told Plaintiff her understanding that such a proposal  
4 would include Plaintiff's offer of substantial support for her Senate campaign as a good-faith  
5 advance on the business arrangement CLINTON would be agreeing to.

26. TONKEN served as Mrs. Clinton's escort at the tea and luncheon. Mrs. Clinton's complete  
7 understanding of the nature of Plaintiff's desired proposal was further confirmed in the  
8 conversation TONKEN had with Mrs. Clinton on Plaintiff's behalf while riding in the same car  
9 with her from Spago to the tea, which TONKEN related to Plaintiff immediately afterwards.

27. Mrs. Clinton's display of interest in supporting CLINTON's consideration of Plaintiff's post-  
11 White House employment offer was entirely disingenuous. In fact, due to her fear of public  
12 embarrassment to herself by her husband's being widely and publicly associated with a  
13 convicted felon, she had no desire that CLINTON would even consider, let alone accept, such an  
14 offer. Her false, outward show of enthusiasm for the idea was done with the intent that Plaintiff,  
15 taken in by her pretense, would hold out false hope that CLINTON would accept his  
16 employment offer, thereby inducing Plaintiff to continue being a major supporter of her Senate  
17 campaign.

28. At both the Spago luncheon, attended by a dozen supporters, and the Gershman tea, attended by  
19 some 150 supporters, Mrs. Clinton publicly thanked Plaintiff for his generous financial support.  
20 Mrs. Clinton's public show of gratitude reasonably induced Plaintiff to believe that his twenty-  
21 year-old felony record ("record") was not going to present any obstacle to CLINTON's serious  
22 consideration of his employment offer.

29. Both Rendell and Mrs. Clinton had personal knowledge of the fact that Plaintiff had  
24 underwritten the Spago luncheon and the Gershman tea, as well as pledging \$150,000 worth of  
25 Stock to benefit Mrs. Clinton's campaign. Plaintiff later learned that, notwithstanding such  
26 personal knowledge by Rendell and Mrs. Clinton, no report has ever been made to the Federal  
27 Election Commission (hereafter "FEC") regarding any of the expenditures or the pledge Plaintiff  
28 made on behalf of Mrs. Clinton's campaign in connection with these events. Such a report was  
legally required to be filed by June 30, 2000. The failure to report Plaintiff's pledge and "in

1 kind” contributions resulted in there being no official, public record identifying *Plaintiff* as a  
2 major contributor to Mrs. Clinton’s campaign.

3 **Q** Plaintiff was further reasonably induced to believe that his record would not be an obstacle to his  
4 relationship with the PRESIDENT and Mrs. Clinton nor to his business proposal to CLINTON  
5 by a combination of several, additional factors: (1) the fact that Rendell had Plaintiff’s  
6 background thoroughly checked out in connection with Plaintiff’s co-hosting of the February 13,  
7 2000, Café Des Artistes event for CLINTON; (2) the fact that the DNC began serious planning  
8 for a contemplated fundraising event at Plaintiff’s estate, scheduled for Summer 2000, calling for  
9 CLINTON to spend the night there, for which Plaintiff made more than \$150,000 in  
10 improvements to his property and for which Plaintiff was further vetted by Rendell, Berger, the  
11 Secret Service, and the White House (3) the fact that Rendell had recruited Plaintiff to  
12 underwrite and host the high-profile, June 8, 2000, Hollywood fundraising event for Vice  
13 President Gore’s Presidential campaign; (4) the fact that Mrs. Clinton’s June 9, 2000, fundraising  
14 itinerary at one time included a proposed walk-through of Plaintiff’s office by Mrs. Clinton  
15 when her motorcade passed it en route to the Spago luncheon, for which the Secret Service made  
16 an anticipatory visit to Plaintiff’s offices; (5) the fact that Plaintiff had been asked by  
17 CLINTON’s agents to co-host the high-profile, June 9, 2000, luncheon and tea for Mrs.  
18 Clinton’s Senate campaign; and (6) the fact that Plaintiff’s conversation with Mrs. Clinton on  
19 June 9, touching on his “colorful past” as an international lawyer in Miami during the 1970s  
20 when the felony convictions occurred, seemed so positive.

21 **A** On or about June 17, 2000, Rendell arranged with the U.S. Secret Service for TONKEN to be  
22 placed in CLINTON’s limousine during the ride back to the White House after a DNC fundraiser  
23 in Georgetown. The purpose of this arrangement, made *sua sponte* by RENDELL, was to allow  
24 CLINTON the opportunity to privately discuss with TONKEN the nature of Plaintiff’s business  
25 and a general understanding of CLINTON’s proposed employment after he left the White House  
26 and Plaintiff’s willingness to support Mrs. Clinton’s Senate campaign as a good-faith advance on  
27 the business arrangement CLINTON would be agreeing to. During the limousine ride,  
28 CLINTON expressed interest to TONKEN in learning of specific terms of Plaintiff’s proposal

1 for working with Plaintiff and thereby having Plaintiff become a major supporter of Mrs.  
2 Clinton's Senate campaign.

3 Entertainer Chaka Khan, whose travel and performance at the fundraiser earlier that evening was  
4 paid for by Plaintiff through resources he personally transferred to TONKEN for that purpose,  
5 was in the limousine with TONKEN and CLINTON. Upon reaching the White House around  
6 midnight, CLINTON invited TONKEN and Chaka Khan to tour the Oval Office, and TONKEN  
7 photographed Chaka Khan sitting on the President's desk. TONKEN telephoned Plaintiff at  
8 approximately 1:00 a.m., EST, from the White House, outside the Oval Office, to convey the  
9 substance of his conversation with CLINTON to Plaintiff and to inform Plaintiff that CLINTON  
10 had expressed interest in Plaintiff's proposed employment offer and required further details.  
11 CLINTON's communication to TONKEN, intended for Plaintiff's benefit, was made with the  
12 intention of further persuading Plaintiff to believe CLINTON was sincere in agreeing to  
13 seriously "consider" Plaintiff's employment offer.

14 On or about June 23, 2000, Plaintiff received the first of a series of calls from LEVIN from  
15 Chicago. LEVIN introduced himself as a personal and business associate of CLINTON and a  
16 major fundraiser and friend of Mrs. Clinton. LEVIN had just met with TONKEN, David Rosen  
17 (the Finance Director for Mrs. Clinton's U.S. Senate campaign; hereafter "Rosen"), and Kelly  
18 Craighead (Mrs. Clinton's senior staff official) at a fundraiser for Mrs. Clinton in Chicago where  
19 TONKEN again supplied entertainment, Olivia Newton John's performances, at Plaintiff's  
20 expense. They arrived at an idea to produce a major fundraising event in Los Angeles for Mrs.  
21 Clinton's Senate campaign, to coincide with the Democratic National Convention, during the  
22 week of August 14, 2000. LEVIN informed Plaintiff that TONKEN had advised him that  
23 Plaintiff would consider hosting and underwriting a major event for Mrs. Clinton's Senate  
24 campaign as part of Plaintiff's efforts to hire CLINTON. LEVIN advised Plaintiff he would meet  
25 with the PRESIDENT about the proposed Convention Week fundraiser. LEVIN inquired of  
26 Plaintiff if he would seriously consider producing and underwriting it, so that he could present  
27 that fact to the President when he met with him. LEVIN represented that if Plaintiff would  
28 underwrite and produce it as part of his proposed business arrangement with CLINTON, then,  
based on the PRESIDENT's response, LEVIN would travel to Los Angeles the first week of July

1 to discuss the details of the event with Plaintiff and the terms of the business proposal Plaintiff  
2 was offering CLINTON, whose acceptance of such terms would be the condition precedent for  
3 Plaintiff to make the substantial investment, anticipated at \$525,000, required of Plaintiff.

34 After LEVIN consulted with CLINTON about the event and was designated by CLINTON to  
5 serve as his “eyes and ears” in vetting Plaintiff, LEVIN traveled to Los Angeles and met with  
6 Plaintiff on July 5, 2000, at the Mondrian Hotel in West Hollywood. At all relevant times,  
7 Plaintiff understood that LEVIN was acting solely and exclusively on behalf of CLINTON and  
8 that CLINTON had designated LEVIN as his agent for the purpose of negotiating an agreement  
9 with Plaintiff on CLINTON’S behalf, as well as for implementing various preliminary aspects of  
10 that agreement. At the July 5, 2000, meeting, LEVIN told Plaintiff that he had spoken with  
11 CLINTON, and CLINTON had designated LEVIN to be his official liaison with Plaintiff and the  
12 White House in all of Plaintiff’s interactions with CLINTON.

35 During the July 5, 2000, meeting, Plaintiff detailed to LEVIN his plan for working with  
14 CLINTON after he left office in January 2001. LEVIN represented to Plaintiff that CLINTON  
15 was ready, willing, and able to enter into an agreement with Plaintiff, subject only to the final  
16 negotiated terms, which would require, as a good faith “deposit” on this agreement, that Plaintiff  
17 arrange the underwriting and production of the Convention Week fundraising event for Mrs.  
18 Clinton’s Senate campaign as a way of beginning their relationship. Such communication to  
19 Plaintiff by CLINTON, through LEVIN, was done to fraudulently induce Plaintiff to underwrite  
20 a large fundraising event for the benefit of Mrs. Clinton’s campaign by falsely indicating to  
21 Plaintiff that CLINTON was prepared to accept Plaintiff’s proposed employment offer.

36 After consulting with Rendell and TONKEN, confirming that LEVIN was speaking directly with  
23 CLINTON and for CLINTON as his official liaison with Plaintiff, Plaintiff participated in a  
24 telephone conference call with officials from Mrs. Clinton’s Senate campaign in New York and  
25 Washington on or about July 11, 2000. Plaintiff, Rosen, LEVIN and TONKEN were physically  
26 present in Plaintiff’s office while they spoke, via telephone conference, to officials with Mrs.  
27 Clinton’s Senate campaign in New York and Washington, including campaign spokesman  
28 Howard Wolfson.

37. During the July 11, 2000, conference call, Rosen represented to Plaintiff that Mrs. Clinton's  
2 Senate campaign wanted to hold a fundraiser in the Los Angeles area to coincide with the  
3 Democratic National Convention, which was only four weeks away. Plaintiff was asked to  
4 underwrite and produce the event, although neither Rosen, TONKEN, nor any of the members of  
5 Mrs. Clinton's Senate campaign had any particular idea about how to design the event to attract  
6 a large audience within the three-week period remaining between sending invitations and  
7 producing the event.

38. Plaintiff suggested a Hollywood tribute/farewell to President Clinton. Mrs. Clinton's Senate  
9 campaign selected a date, Saturday, August 12, 2000, for the event named by Plaintiff as "The  
10 Hollywood Gala Salute to President William Jefferson Clinton" and referred to in FEC filings as  
11 "Event 39" (hereinafter "Event 39"), which would include a large concert and a fundraising  
12 dinner. As the conference call proceeded, it was assumed by the participants that such an event  
13 would probably cost about \$1.1 million -- \$500,000 for the concert, plus \$600,000 for everything  
14 else. Rosen and TONKEN represented to Plaintiff that Cynthia Gershman had agreed to  
15 contribute \$525,000 to fund the event as a co-sponsor. Plaintiff discussed contributing a  
16 maximum of \$525,000 to underwrite Event 39 and serving as executive producer of the event  
17 and as co-host with Stan Lee. Plaintiff also discussed securing world-class artists to perform at  
18 the event, at his sole expense, to enable Mrs. Clinton's Senate campaign to raise additional  
19 funds.

~~39.~~ Plaintiff conditioned any involvement in Event 39 on being given absolute and complete  
21 executive control over the event by CLINTON and the White House, including control over  
22 guests, seating, and access to the President, and on CLINTON's agreeing to participate as the  
23 event's honoree. Plaintiff also conditioned his involvement in Event 39 on CLINTON's agreeing  
24 that it would be his last official event in Hollywood, thereby assuring that an audience of 1000  
25 contributing guests could be generated in the four weeks between conceiving the event and  
26 producing it.

~~40.~~ As with the luncheon fundraiser at Spago, Plaintiff's business partner, Stan Lee, was to serve as  
28 a host of Event 39, but, again, would not be donating any of his monies or stock for the event.  
Rather, Lee expected to be repaid for any monies he might advance towards the cost of the event.

1 At all relevant times, LEVIN, Rosen, TONKEN, and Mrs. Clinton's Senate campaign staff all  
2 knew and understood this to be the case.

3 Later that same day, July 11, 2000, LEVIN attended a private dinner with Plaintiff at Plaintiff's  
4 home. During the dinner, pursuant to LEVIN's request, Plaintiff delivered a formal, written offer  
5 for LEVIN to present to CLINTON, detailing all of the terms of the business relationship  
6 Plaintiff envisioned having with CLINTON after he left office and how CLINTON would be  
7 compensated. LEVIN represented that he would immediately take the proposal to Washington to  
8 present it for approval by CLINTON so that Plaintiff could immediately begin funding and  
9 producing Event 39 upon confirmation of CLINTON's acceptance.

10 The Plaintiff's written offer contemplated that CLINTON would join the board of Stan Lee  
11 Media as a "consulting" or "honorary" director, that he would attend one meeting per month as  
12 arranged by Plaintiff in his sole discretion (CLINTON's schedule permitting), and that he would  
13 help Stan Lee Media to form global, strategic alliances and partnerships and line up investment  
14 banking opportunities. Under the terms of the offer, CLINTON would work with Plaintiff and  
15 his companies, Stan Lee Media and Mondo English, for one year, commencing when CLINTON  
16 left office, in consideration for: (1) \$10 million worth of stock in Stan Lee Media; (2) \$5 million  
17 in cash; (3) a \$1 million contribution to the Clinton Presidential Library; and (4) Plaintiff's  
18 underwriting of up to \$525,000 in expenses for Event 39, serving as executive producer of the  
19 event, and securing world-class talent for the event, as had been discussed during the July 11,  
20 2000, telephone conference call.

21 Plaintiff is informed and believes and thereon alleges that LEVIN flew to Washington the next  
22 day for the express purpose of conveying Plaintiff's offer to CLINTON. On or about July 13,  
23 2000, CLINTON, through LEVIN as his agent, informed Plaintiff that his proposal had been  
24 accepted.

25 CLINTON's "acceptance" of Plaintiff's proposal was merely a sham, intended to trigger  
26 Plaintiff's immediate funding of the largest fundraising event of Mrs. Clinton's campaign. In  
27 truth and in fact, CLINTON never had any intention of entering into a post-White House  
28 employment agreement with Plaintiff because it necessarily meant CLINTON would be widely  
and publicly associated with a convicted felon. CLINTON regarded such an association with

1 Plaintiff as carrying a high risk of public embarrassment to Mrs. Clinton and, consequently, as  
2 potentially damaging to her political aspirations. CLINTON intended that Plaintiff would rely on  
3 his purported acceptance in order to induce Plaintiff to produce and finance Event 39 so as to  
4 benefit Mrs. Clinton's Senate campaign and to induce Plaintiff to make such additional  
5 contributions as CLINTON and Mrs. Clinton might coerce from Plaintiff.

45. CLINTON further induced Plaintiff to believe he had "accepted" Plaintiff's proposal by agreeing  
7 to all of the terms demanded by Plaintiff as preconditions to Plaintiff's commitment to produce  
8 and underwrite this event as part and parcel of his future employment agreement with  
9 CLINTON. These terms included: (1) CLINTON's agreeing to be the exclusive honoree of  
10 Event 39; (2) CLINTON's agreeing that Event 39 would be the last publicized, "high profile"  
11 event he attended in Hollywood prior to leaving office; (3) CLINTON's agreeing to grant  
12 Plaintiff executive control over the event, including executive control over all guests invited and  
13 allowed entrance, seating, and access to the President, and (4) CLINTON's agreeing that  
14 Plaintiff would be designated a Co-Host of the Event on all 25,000-plus invitations sent  
15 throughout Hollywood and Washington, D.C., for the event. By agreeing to these terms,  
16 CLINTON's conduct reasonably reinforced Plaintiff's belief that CLINTON would have no  
17 problems with having a public profile with Plaintiff. CLINTON's acceptance by his conduct of  
18 Plaintiff's terms for Event 39 also reasonably reinforced Plaintiff's belief that CLINTON had  
19 accepted the agreement, thereby inducing Plaintiff to commit himself to immediately begin  
20 planning, producing and underwriting Event 39.

46. LEVIN advised Plaintiff that CLINTON had requested that he -- as CLINTON's agent, on his  
22 behalf, and in his stead -- spend time in Plaintiff's offices to get to know Plaintiff and Plaintiff's  
23 businesses (Stan Lee Media and Mondo English) and their principals, partners, and business  
24 activities, so as to better advise CLINTON about their activities, objectives and international  
25 alliances. At Plaintiff's request, LEVIN executed both a written non-disclosure and  
26 confidentiality agreement and provided verbal assurances that he would not interfere with  
27 confidential and proprietary information and relationships that he was introduced to by Plaintiff  
28 as part of informing CLINTON about Plaintiff's business activities. But for CLINTON's fraud in  
pretending to "accept" Plaintiff's employment offer and falsely promising Plaintiff that he would

1 work for Stan Lee Media and Mondo English, after he left the White House, Plaintiff would  
2 never have made any disclosures to LEVIN concerning his business activities and relationships,  
3 nor would he have introduced LEVIN, as CLINTON's agent, to his key relationships.

47 After LEVIN signed the confidentiality and non-competition agreement, Plaintiff introduced  
5 LEVIN to his Japanese business partner, Tendo Oto (hereafter, "Oto") when Oto visited  
6 Plaintiff's offices on July 17-19, 2000. Oto, a Japanese citizen with no residency in the U.S., was  
7 the founder and CEO of Venture Soft Co., Ltd. (hereafter, "Venture Soft"), a Tokyo-based  
8 company engaged in essentially the same enterprise in Japan and Korea as Stan Lee Media was  
9 engaged in the U.S. Oto had the means and the willingness to invest millions of dollars in Stan  
10 Lee Media at a time when the company was dependent on investment capital for its survival.

48 At CLINTON's request, LEVIN spent time with Oto and his entourage to understand Oto's  
12 business and Venture Soft's plan to partner with Stan Lee Media in the U.S. and Asia.

49 After meeting with LEVIN as CLINTON's agent, and being advised by LEVIN of CLINTON's  
14 acceptance of Plaintiff's business proposal, Oto asked to participate in Plaintiff's post-White  
15 House employment arrangement with CLINTON by sharing in the \$17 million contract  
16 obligation, provided CLINTON would assist Oto's joint venture with Stan Lee Media in Asia as  
17 part of the deal. CLINTON, through LEVIN, agreed to allow Oto to partner with Plaintiff in the  
18 employment agreement as offered by Plaintiff and agreed to by CLINTON.

50 In reliance on CLINTON's false promise that he would work as a "rainmaker" for Plaintiff's  
20 companies after he left the White House, Plaintiff structured his business relationship with Oto  
21 to include the role of a former U.S. President, CLINTON, as a rainmaker for their two  
22 companies and the anticipated benefits they would derive from having this advantage. Were it  
23 not for CLINTON's false promise, Plaintiff would have configured his relationship with Oto --  
24 and the strategy for his companies going forward -- totally differently.

51 In addition to spending time with Oto, Levin met with all other principals, partners, and strategic  
26 employees connected with Plaintiff, including Stan Lee, CEO Ken Williams, George Hamilton  
27 and Alana Hamilton Stewart, president and vice president of a division of Stan Lee Media  
28 created by Plaintiff, and Stanley Myatt, primary investor in the music division of Stan Lee  
Media.

52. In addition to vetting Plaintiff and his businesses, LEVIN, joined by Rosen, spent a substantial amount of time in Los Angeles throughout mid-July and early August 2000 overseeing and coordinating preparations for Event 39 with Mrs. Clinton's Senate campaign and the White House. Plaintiff donated the use of his office space, equipment, utilities, supplies and staff for Rosen's use in working on the event while he was in Los Angeles. He even paid Rosen's hotel bill.

53. Plaintiff also paid a former Clinton White House technology adviser to the President, Franklin Urteaga, \$50,000 to assist Rosen and LEVIN with organizing Event 39. In anticipation of his plans to work with CLINTON after CLINTON left the White House, Plaintiff had hired Urteaga and another former Clinton-White-House staffer, Director of the President's Message Office, Dan Burkhardt, to direct Mondo English in May 2000.

54. However, Plaintiff was becoming concerned about the increasing cost of the event, which was then exceeding \$1.25 million. Cynthia Gershman had failed to put up any of the \$525,000 that Rosen and TONKEN had promised, and, consequently, Plaintiff was underwriting the event entirely by himself.

55. In addition to the \$1.2 million Plaintiff had expended *directly* for Event 39, Plaintiff had established and funded a Merrill Lynch brokerage checking account for TONKEN so that TONKEN could pay for any and all expenses related to TONKEN's fundraising for the DNC and Mrs. Clinton's Senate campaign. Through Plaintiff's deposit of cash and marketable securities Plaintiff owned and controlled, valued at more than \$1.3 million, TONKEN advanced in excess of \$800,000 towards expenditures relating to (a) approximately \$100,000 for the June 8, 2000, Al Gore fundraising dinner; (b) approximately \$40,000 for the two June 9, 2000, fundraisers for Mrs. Clinton's Senate campaign Plaintiff hosted; (c) \$200,000 cash paid to SMITH as part of his \$800,000 agreed-upon fee for producing the concert portion of Event 39 (as alleged in paragraphs 149-154, *infra*) and (d) other fundraising activities for Mrs. Clinton's Senate campaign, for which TONKEN assisted in providing the entertainment.

56. A few days before Event 39, Plaintiff told Rosen, LEVIN, and TONKEN that he could not contribute any more monies towards the event. Plaintiff also reminded Rosen, LEVIN and TONKEN that he had paid far more for the event than he originally anticipated and that the

1 additional commitment he had made to Mrs. Clinton's Senate campaign -- in the form of a pledge  
2 of \$150,000 in Stan Lee Media stock – was not due until September 2000, when the stock  
3 became transferable.

4 In response, Rosen and LEVIN – as agents of CLINTON and Mrs. Clinton -- threatened Plaintiff  
5 that if he did not continue to underwrite and serve as executive producer of the event, he would  
6 lose the considerable funds he had already put forward, damage his reputation and business  
7 interests irreparably, and never be able to work with CLINTON after he left office. Because of  
8 the confidential business information Plaintiff had shared with LEVIN at CLINTON's request,  
9 LEVIN knew or should have known that the threat to Plaintiff of losing his future business  
10 relationship with CLINTON necessarily meant risking the loss of Plaintiff's established business  
11 relationship with Oto and, with it, the promise of receiving sizable capital investments from  
12 and/or through Oto. LEVIN also knew or should have known that Stan Lee Media was  
13 dependent on such capital investments for its survival.

14 TONKEN as well, although purporting to be Plaintiff's agent, vigorously conveyed the same  
15 threats on CLINTON's and Mrs. Clinton's behalf.

16 Rosen's, LEVIN's and TONKEN's communication of these threats on behalf of CLINTON were  
17 intended by CLINTON to coerce Plaintiff into paying much more for Event 39 than he had  
18 originally committed himself to. CLINTON's continuing representation, made to Plaintiff  
19 through LEVIN, TONKEN and Rosen, was that unless Plaintiff continued making whatever  
20 payments were necessary to finalize production of Event 39, no matter what the expense, then  
21 CLINTON's agreement to accept a post-White House position with Plaintiff's companies would  
22 be cancelled. Furthermore, Plaintiff would be exposed to ridicule and accusations of sabotaging  
23 Mrs. Clinton's Senate campaign, causing Plaintiff unacceptable public relations damages.

24 During this same meeting, Plaintiff asked Rosen to have Mrs. Clinton's Senate campaign put up  
25 approximately \$200,000 to help cover the cost of printing and postage for Event 39. Because of  
26 warranties that were being made in materials sent through the mails in solicitations to donors that  
27 such expenses were in fact being paid for by Mrs. Clinton's campaign, Plaintiff was concerned  
28 about possible mail fraud violations if these warranties were in fact false. Rosen refused. Rosen  
also threatened to cancel the event and blame Plaintiff for the substantial embarrassment that

1 CLINTON and Mrs. Clinton would suffer as a result if Plaintiff did not continue to underwrite  
2 and serve as executive producer of the event.

3 Faced with these threats by and through Rosen, LEVIN and TONKEN, speaking on behalf of  
4 CLINTON and Mrs. Clinton, Plaintiff reasonably felt he had no choice but to continue to fund  
5 the event, and he was coerced and threatened into paying for still more expenses associated with  
6 Event 39. To pay these unexpected, additional expenses, Plaintiff was forced to borrow against  
7 free trading shares in Stan Lee Media that he owned and controlled through Plaintiff's corporate  
8 entities that had margin accounts at Merrill Lynch.

9 In the weeks leading up to Event 39, CLINTON and Mrs. Clinton made at least three telephone  
10 calls to Plaintiff to thank him for his generous financial support and his activities as executive  
11 producer of both the largest fundraising event of Mrs. Clinton's political career and the largest  
12 Hollywood salute to a U.S. President ever produced in Hollywood, and to encourage him to  
13 continue. By such calls, CLINTON and Hillary Clinton intended to continue to lead Plaintiff to  
14 believe that they were fully aware of and behind all actions being taken by their agents, that  
15 Plaintiff's business deal with CLINTON was directly related to Plaintiff's agreement to  
16 underwrite and produce Event 39, and that Plaintiff's million-dollar-plus support of Mrs.  
17 Clinton's political interests was being deemed a contribution to his business relationship with  
18 both of them, collectively.

19 Event 39 proceeded as planned on August 12, 2000. During the event, Plaintiff and CLINTON  
20 spent six hours together and discussed the offer Plaintiff had conveyed through LEVIN and  
21 Plaintiff's plans to work with CLINTON when he left office in January 2001. The PRESIDENT  
22 confirmed that he had reviewed the offer with LEVIN, had agreed to its terms, and was looking  
23 forward to developing a personal and professional relationship with Plaintiff. Such statements  
24 were false and were intended to induce Plaintiff to continue to rely on CLINTON's promise as a  
25 continuing basis for inducing Plaintiff to further contribute to Mrs. Clinton's campaign.

26 CLINTON also first introduced Plaintiff to his daughter, Chelsea Clinton, at the private  
27 welcoming reception Plaintiff hosted on the arrival of the Clinton family at Event 39. During this  
28 intimate, forty-five minute reception, Plaintiff spent considerable time speaking with CLINTON  
and Chelsea Clinton about CLINTON's agreement to work with Plaintiff. In the course of that

1 discussion, Plaintiff offered Chelsea a job as a roving youth reporter for Stan Lee Media's youth  
2 entertainment portal, [www.Stanlee.net](http://www.Stanlee.net). Chelsea discussed her plans to attend college in England,  
3 and her reluctance to work at that time. Plaintiff continued his discussions with -- and over --  
4 Chelsea Clinton as she sat between Plaintiff and CLINTON during the two-and-a-half-hour  
5 concert. Plaintiff and Chelsea Clinton discussed how Plaintiff had underwritten and served as  
6 executive producer for the event. At all times during their interaction on August 12 and 13, 2000,  
7 whenever Chelsea Clinton spoke with Plaintiff, she acted as CLINTON's agent in continuing the  
8 deception that CLINTON had agreed to work for Plaintiff after he left the White House.

65. Hillary Clinton similarly spoke with Plaintiff for more than thirty minutes at the welcome  
10 reception and the VIP Dinner reception about Plaintiff's magnanimity and expertise in paying for  
11 and producing the event and how she was looking forward to CLINTON's working with Plaintiff  
12 and his partner, Stan Lee, when CLINTON left the White House.

66. In total, Plaintiff spent approximately \$1.9 million on Event 39, including monies he deposited  
14 and borrowed through his brokerage accounts and cash and stock he deposited in a brokerage  
15 account he established for TONKEN for that purpose. The \$1.9 million spent does not include  
16 the fair market value of Plaintiff's own services in acting as executive producer of the event  
17 (estimated at \$75,000), and the fair market value of the professional services rendered by world-  
18 class artists (enlisted by Plaintiff through various means he employed to convince them to  
19 participate) who performed at the concert portion of the event (estimated at an additional \$1  
20 million). The event yielded Mrs. Clinton almost \$1.5 million in "hard money" contributions for  
21 her Senate campaign, in addition to invaluable Hollywood endorsements and nationwide  
22 publicity in broadcast news reports on all channels, as well as *U.S. Weekly*, *People Magazine* and  
23 other consumer periodicals, which boosted Mrs. Clinton's Senate campaign.

67. The following day, August 13, Plaintiff and his wife, accompanied by Oto, Oto's translator  
25 Jonathan Rogers, and LEVIN attended a brunch at the home of Barbra Streisand and James  
26 Brodin to recognize persons who had contributed no less than \$500,000 of a minimum pledge of  
27 \$1 million to CLINTON's presidential library. CLINTON, Mrs. Clinton and Chelsea Clinton  
28 also were in attendance.

68. Oto, who had met CLINTON and Mrs. Clinton briefly the night before when he sat behind the  
2 First Family during the concert, was reintroduced to them by Plaintiff and LEVIN at the brunch.  
3 Oto spent time conversing with both CLINTON and Mrs. Clinton at the Streisand brunch. Oto  
4 discussed his interest in supporting Plaintiff's business relationship with CLINTON and the fact  
5 that he was looking forward to hosting them in Japan. CLINTON confirmed to Oto his  
6 agreement that Oto could participate in Plaintiff's business arrangement with him and reiterated  
7 LEVIN's role as his agent in all business matters. The White House photographer took  
8 photographs of Oto with CLINTON and Mrs. Clinton.

69. During the brunch, Mrs. Clinton and Chelsea Clinton introduced Plaintiff's wife to Ms. Streisand  
10 as the person who, along with Plaintiff, had underwritten Event 39 the night before. CLINTON  
11 introduced Plaintiff's wife to James Brolin in an identical manner.

70. During the brunch, Chelsea Clinton sought out Plaintiff, his wife, their guests, Oto and his  
13 translator, and LEVIN to relate her excitement about what Plaintiff was doing for her parents.  
14 She described how, after leaving Event 39 at 2:30 a.m. the night before, she had been up late  
15 playing "Scrabble" with her mother and father. She said they had discussed Plaintiff's generous  
16 gift of the event to them the night before as well as the prospect of working with Plaintiff and his  
17 partner, Stan Lee, after they left the White House. Chelsea Clinton stated that her father  
18 considered the event one of the highlights of his presidency and was enthusiastic about working  
19 with Plaintiff after leaving the White House. Chelsea Clinton's remarks, whether knowingly so  
20 or not, were part of CLINTON's fraudulent scheme to further persuade Plaintiff of his full  
21 commitment, and his wife's commitment, to the viability of their "agreement" so that Plaintiff  
22 would be induced to further contribute to Mrs. Clinton's Senate campaign.

71. That evening, Mrs. Clinton telephoned Plaintiff at his home to thank him again for underwriting  
24 and serving as executive producer of Event 39. During the conversation, Mrs. Clinton expressed  
25 how important the event was to her campaign.

72. Immediately after Event 39, Oto invested \$5 million in Stan Lee Media and publicly announced  
27 the formation of an Asian joint venture between Venture Soft and Stan Lee Media to produce,  
28 distribute, license, and market Japanese and Korean versions of Stan Lee Media's animated  
productions. A month later, when Oto visited Plaintiff on September 15-16, 2000, en route to

1 attend the White House state dinner for India that Plaintiff arranged for him to attend, Oto  
2 confirmed his earlier pledge to share in Plaintiff's \$17-million-plus employment agreement with  
3 CLINTON. At that time, Oto also confirmed that he would invest a minimum of \$5 million  
4 more in Stan Lee Media in mid-November 2000, both in anticipation of a formal announcement  
5 of the agreement with CLINTON after January 20, 2001, and in order to assist Stan Lee Media  
6 until more favorable financing could be arranged once the CLINTON announcement was made.

73. On August 15, 2000, *The Washington Post* reported that Plaintiff had served three years in  
8 prison after felony convictions in the 1970s. A spokesman for Mrs. Clinton and her Senate  
9 campaign, Howard Wolfson, was quoted as denying that Plaintiff had given *any* money for her  
10 campaign, even though Wolfson had personally participated in the July 11, 2000, telephone  
11 conference discussing plans for Plaintiff to underwrite Event 39. Wolfson also was quoted as  
12 "vowing," on behalf of Mrs. Clinton and her Senate campaign, that the campaign would not be  
13 accepting any contributions from Plaintiff. The quotes attributed to Mrs. Clinton and her Senate  
14 campaign, by and through her spokesman, were clearly false. However, such a response by Mrs.  
15 Clinton's campaign fully accorded with CLINTON's and his wife's perception that a publicly  
16 acclaimed association between themselves and Plaintiff, as a convicted felon, would seriously  
17 jeopardize Mrs. Clinton's political aspirations.

74. Less than forty-five minutes before Plaintiff was contacted for an interview by *The Washington*  
19 *Post* columnist who wrote the article, Lloyd Grove, Rendell called Plaintiff to alert him to the  
20 fact that Mr. Grove would be calling about Plaintiff's felony convictions and the role Plaintiff  
21 played as a major contributor to Hillary Clinton's Senate campaign. Rendell counseled Plaintiff  
22 to support Mrs. Clinton's deception of the public for political reasons, in order to ensure  
23 Plaintiff's ongoing relationship with the Clintons. Rendell instructed Plaintiff to tell Mr. Grove  
24 that he was merely a functionary in Event 39's production, rather than the principal producer and  
25 underwriter. In order to preserve Plaintiff's \$1.9 million investment in his relationship with the  
26 Clintons, Plaintiff acquiesced to Rendell's counsel.

25. On August 17, 2000, *The Washington Post* published another report in which Wolfson, again on  
28 behalf of Mrs. Clinton, acknowledged that Plaintiff had, in fact, contributed money to Mrs.  
Clinton's Senate campaign. However, he falsely stated it was no more than a single contribution

1 of \$2,000, on or about June 30, 2000, and “not in connection with [Event 39].” Wolfson stated  
2 that Mrs. Clinton's Senate campaign had returned the \$2,000 contribution. In the report, Wolfson  
3 admitted that Event 39 had cost in excess of \$1 million and was an "in kind" contribution to the  
4 campaign. However, Wolfson falsely stated that Stan Lee had personally contributed \$100,000 to  
5 Event 39, which amount had in fact been paid by Plaintiff, and not by Mr. Lee.

76 LEVIN, who was in Los Angeles at the time, met Plaintiff in his office shortly after the articles  
7 were published. LEVIN represented to Plaintiff that, despite the statements made by Mrs.  
8 Clinton's campaign in *The Washington Post*, Plaintiff's plans for working with CLINTON after  
9 he left office in January 2001 were still on track, so long as Plaintiff did not contradict the  
10 deceptions made to the *Post* and continued honoring his “commitments” to Mrs. Clinton's  
11 Senate campaign fundraising. LEVIN's representations were false, as CLINTON had never  
12 actually planned to work for Plaintiff in the first place. LEVIN, as CLINTON's agent, made the  
13 statement with the intent of preventing Plaintiff from exposing Mrs. Clinton's duplicity in the  
14 public media, as well as with the intent of being able to continue to induce Plaintiff to support  
15 Mrs. Clinton's Senate campaign financially. LEVIN explained, however, that Plaintiff might not  
16 be able to meet or spend much time with CLINTON at the White House until after the November  
17 7, 2000 elections. Thus, Plaintiff was disinvited to the upcoming, last state dinner at the White  
18 House, although Plaintiff's request that Oto be permitted to attend would be honored, with  
19 LEVIN escorting him.

20 When Plaintiff asked LEVIN why Mrs. Clinton's campaign had denied that Plaintiff had  
21 underwritten and served as executive producer of Event 39, LEVIN represented to Plaintiff that  
22 the denial was simply a media strategy chosen by Mrs. Clinton's Senate campaign and that  
23 Plaintiff should go along with the campaign's media strategy by remaining silent about his role in  
24 the event.

25 During this same meeting, LEVIN also promised Plaintiff that, after the November 7, 2000,  
26 elections, he would arrange for Plaintiff to meet CLINTON at the White House and at Camp  
27 David to enable Plaintiff and CLINTON to continue to develop their personal and professional  
28 relationship, in anticipation of working together after CLINTON left office in January 2001.  
This statement was also false, as CLINTON had never had any intention of working with

1 Plaintiff after he left office, and was made, on behalf of CLINTON, for the purpose of inducing  
2 Plaintiff to continue to rely on CLINTON's false promise.

3 In telephone conversations shortly after the articles were published in *The Washington Post*,  
4 Rosen and TONKEN similarly represented to Plaintiff that the articles would not affect his  
5 ability to work with CLINTON after CLINTON left office in January 2001. Rosen and  
6 TONKEN also advised Plaintiff to go along with Mrs. Clinton's Senate campaign's media  
7 strategy by remaining silent about his role in the event.

8 Both Rosen and TONKEN also promised Plaintiff that they would arrange for him to meet with  
9 CLINTON, albeit outside the White House, before the November 2000 election, to enable  
10 Plaintiff and CLINTON to continue developing their personal and professional relationship, in  
11 anticipation of working together after CLINTON left office in January 2001.

12 On August 18, 2000, the day after the second report falsely denying Plaintiff's role as a major  
13 contributor to Hillary Clinton's Senate campaign was published in *The Washington Post*, both  
14 CLINTON and Mrs. Clinton wrote personal thank-you notes to Plaintiff about Event 39.  
15 CLINTON's handwritten note thanked Plaintiff "for the wonderful event" and stated, "I am very  
16 grateful for the boost it gave Hillary's campaign." Mrs. Clinton thanked Plaintiff for his  
17 friendship and for the event, "which [she] would always remember."

18 Notwithstanding *The Washington Post* articles, several factors caused Plaintiff to reasonably  
19 believe that CLINTON would honor his seeming promise: (1) the continued communications  
20 and visits with CLINTON's and Mrs. Clinton's agents, (2) the personal letters and signed photos  
21 from CLINTON and Mrs. Clinton delivered between August 18 and 24, 2000, (3) the fulfilled  
22 commitment to host Oto at the last White House state dinner on September 22, 2000, and (4) the  
23 arranging of a public meeting between Plaintiff and CLINTON on Air Force One with the  
24 Governor of California on September 22, 2000.

25 Commencing on August 3, 2000, Rosen, on behalf and at the behest of Mrs. Clinton, began  
26 calling and faxing Plaintiff, reminding him of his promise to Rendell (who negotiated this  
27 pledge) and to Mrs. Clinton, directly (at the Spago luncheon), to transfer \$100,000 in marketable  
28 securities to a "women's organization" designated personally by Mrs. Clinton. This transfer was  
demanded by Mrs. Clinton to satisfy Plaintiff's unreported pledge of \$150,000 to her campaign,

1 which Rosen lowered to \$100,000 as of the August 3 fax. (At the time, Plaintiff had no  
2 knowledge that this pledge, along with the in-kind contributions of more than \$40,000 he made  
3 to underwrite the luncheon and tea, had not been reported in the June 30, 2000, second quarterly  
4 report to the FEC by Mrs. Clinton's campaign, despite FEC requirements.)

84. Rather than have Plaintiff transfer the securities directly to her campaign committee, as  
6 negotiated by Rendell, Mrs. Clinton forwarded securities wiring instructions (through Rosen, on  
7 her committee letterhead, to Paul's personal controller, Stephen Gordon) to transfer the securities  
8 directly to the Working Family Party in New York, a state fusion party that, unbeknownst to  
9 Plaintiff, had also nominated Mrs. Clinton as its candidate to the U.S. Senate. Plaintiff did not  
10 review these instructions but merely accepted Rosen's representation that the entity designated  
11 to receive the transfer was "a women's group."

85. Rosen continued the requests, urging that Mrs. Clinton "demanded" Plaintiff honor his pledge  
13 because she made a promise to "the women's group," based on this pledge, to provide the money  
14 that the securities would generate upon their sale, and Mrs. Clinton's "word was at stake."

86. Plaintiff advised Mrs. Clinton, through Rosen, that because his contributions in July and August  
16 exceeding \$1.6 million for Event 39 had not been contemplated at the time he made the  
17 \$150,000 pledge in June, he no longer felt obligated to donate the \$150,000 in securities, nor  
18 would he donate the reduced request for \$100,000. However, he would consider donating  
19 \$50,000 when and if she arranged a personal meeting with CLINTON to confirm that their  
20 agreement was intact notwithstanding *The Washington Post* disavowal. Rosen advised Plaintiff  
21 that Mrs. Clinton would arrange a meeting with CLINTON as requested, at which time she  
22 expected the \$50,000 in stock to be immediately transferred. This was arranged for September  
23 22, 2000.

87. Acting as CLINTON's agent, Mrs. Clinton arranged for Plaintiff to meet with CLINTON on Air  
25 Force One on September 22, 2000, to falsely reassure Plaintiff that his deal with CLINTON was  
26 still intact. In reliance on such false assurance, in early October, Plaintiff transferred 5000 shares  
27 of Stock (then trading at \$10.80 a share) to the brokerage account of The Working Families  
28 Party.

88. During August 2000, after Event 39, when Rosen contacted Plaintiff by telephone coercing him  
2 to transfer \$150,000 in marketable securities at the direction of Hillary Clinton, he assured  
3 Plaintiff that he would coordinate with Plaintiff the lawful reporting of his more than \$1.6  
4 million in contributions for the June 9 events and Event 39 which Plaintiff had underwritten.  
5 Rosen had repeatedly represented to Plaintiff that the allocation and reporting of his  
6 contributions did not need to be accomplished until after the November 2000 election. At the  
7 time, Plaintiff was unaware that FEC regulations required that his pledge of \$150,000 in  
8 securities and underwriting of the \$40,000 in expenses related to June 9, 2000, should have been  
9 reported in the second quarterly FEC reports of June 30, 2000, and all contributions for Event 39  
10 to be reported in the third quarterly FEC reports of September 30, 2000.

89. As a further, false, representation to Plaintiff that his plans to work with CLINTON after he left  
12 office in January 2001 were still on track, in late August or early September 2000, LEVIN made  
13 a show of attempting to assist in finding new investors interested in purchasing shares of Stan  
14 Lee Media stock. While at Plaintiff's office, LEVIN showed Plaintiff a one-page list, on White  
15 House-watermarked stationery, of major donors to CLINTON. LEVIN advised Plaintiff that  
16 CLINTON had given him the list to persuade these donors, on CLINTON's behalf, to invest in  
17 Stan Lee Media stock and to direct them to Jonathan Gordon, a Merrill Lynch stockbroker in Los  
18 Angeles. Plaintiff is informed and believes and thereon alleges that LEVIN acted at the direction  
19 of CLINTON in making the appearance of trying to identify new investors in Stan Lee Media  
20 stock, as Plaintiff and the PRESIDENT had discussed LEVIN's providing such assistance at the  
21 August 12, 2000, Event 39. To introduce LEVIN to the stock and to reimburse him for expenses  
22 he incurred in helping to find new investors, Plaintiff transferred shares of Stock to LEVIN.

90. Also in October 2000, TONKEN arranged for CLINTON and Mrs. Clinton to videotape a  
24 greeting to be aired in conjunction with the televised broadcast rights of the Hollywood  
25 Christmas Parade. Plaintiff had obtained the international broadcast rights to the parade, which  
26 was to take place on or about Saturday, December 2, 2000, for Stan Lee Media. Scripts of the  
27 greeting were prepared and sent to CLINTON and Mrs. Clinton. TONKEN represented to  
28 Plaintiff that CLINTON and Mrs. Clinton had videotaped the greeting from their home in  
Chappaqua, New York, shortly before the November 7, 2000, election. This representation

1 further served to induce Plaintiff to believe – up to and through the November 7 election – that  
2 his business relationship with CLINTON was ongoing. Plaintiff never received the videotaped  
3 greeting, however, thus preventing any such public acknowledgment of an association with  
4 Plaintiff from being widely televised.

9B On November 7, 2000, Mrs. Clinton was elected to the Senate from the State of New York.

9Z On November 13, 2000, contrary to LEVIN’s promises and representations in late July 2000 and  
7 again in September 2000 about respecting the proprietary nature of Plaintiff’s business  
8 relationship with Oto, and completely unbeknownst to Plaintiff, LEVIN incorporated a U.S.  
9 subsidiary of Venture Soft Co., Ltd., in Illinois, called Venture Soft USA, Inc., on Oto’s behalf,  
10 with LEVIN registered as sole managing director.

9J At the same time, Oto—without explanation to Plaintiff—reneged not only on his promise to  
12 enter into a joint venture with Stan Lee Media to establish Venture Soft’s U.S. subsidiary, but on  
13 his promise to make a minimum additional investment of \$5 million in mid-November 2000.  
14 Plaintiff never received any further communication from Oto.

9L Plaintiff had acted in reliance on Oto's promises that this investment would be made as part of  
16 the agreement to employ CLINTON and support the company until CLINTON left the White  
17 House two months later and announced his relationship with Plaintiff's companies. As a result of  
18 Oto’s sudden and unexpected failure to invest \$5 million in mid-November 2000, the company’s  
19 lack of necessary operating cash created a liquidity crisis. This, in turn, caused the company  
20 stock to collapse commencing November 27, 2000, when the \$500,000 margin loan Plaintiff  
21 made from Paine Webber to lend money to Stan Lee Media (expecting that Oto would send his  
22 investment in November) was called on two hours’ notice, and -- completely outside of  
23 Plaintiff's control -- almost 300,000 shares of Plaintiff's stock were sold into the market in one  
24 lot. This began the spiral downward of the stock price, culminating in its total collapse on  
25 December 13, 2000, when trading was halted in the stock. Once the stock collapsed, a November  
26 30, 2000, financing deal fell through which had been arranged by management. As a result of  
27 this string of events, proximately caused by the sudden lack of operating capital expected from  
28 Oto, Stan Lee Media was forced to cease operations on December 19, 2000.

95. After Mrs. Clinton's election victory on November 7, neither CLINTON nor Mrs. Clinton had  
2 any further personal contact or communication with Plaintiff, apart from a generic, White House  
3 Christmas card bearing a facsimile of CLINTON's and Mrs. Clinton's signatures. Nor did Rosen  
4 ever meet with Plaintiff to discuss the allocation and reporting of Plaintiff's in-kind contributions  
5 to Mrs. Clinton's Senate campaign.

96. By late November 2000, after having no further personal contact or communication with the  
7 Clintons and after Rosen failed to meet with Plaintiff to discuss reporting Plaintiff's  
8 contributions, among the other developments referenced above, Plaintiff began to suspect that  
9 CLINTON had never intended to fulfill any of the promises he had made to Plaintiff, although he  
10 was not aware that CLINTON had secretly incorporated the subsidiary of Oto's Japanese  
11 company in Illinois, with LEVIN as managing director.

97. On January 20, 2001, CLINTON left office. No working relationship between Plaintiff and  
13 CLINTON ever materialized, even though Mondo English continued in operation and even  
14 though CLINTON had agreed to work with both Stan Lee Media and Mondo English. As a  
15 practical matter, however, CLINTON's intentional actions leading to the collapse of Stan Lee  
16 Media rendered performance impossible by either Plaintiff or CLINTON.

98. Mrs. Clinton, CLINTON, LEVIN, TONKEN, Rosen, and others closely associated with Mrs.  
18 Clinton's Senate campaign had personal knowledge of the fact that Plaintiff was solely  
19 responsible for underwriting most of the cost of Event 39. Notwithstanding such personal  
20 knowledge by Mrs. Clinton, CLINTON, and others associated with Mrs. Clinton's Senate  
21 campaign, to date, no report has ever been made to the FEC accurately identifying *Plaintiff* as  
22 the underwriter of Event 39 -- in clear violation of federal election laws. This failure to file an  
23 accurate report has resulted in there being no official, public record acknowledging *Plaintiff* as  
24 the single, largest contributor to Mrs. Clinton's 2000 Senate campaign.

99. As a proximate result of the false promises and representations made by CLINTON, personally  
26 and acting by and through his agent, LEVIN, Plaintiff has been deprived of the substantial funds  
27 and other resources he expended to underwrite and serve as executive producer of Event 39 and  
28 to otherwise support Mrs. Clinton's Senate campaign, in an amount to be proven at trial, but in  
no event less than \$1.9 million.

100. As a further, proximate result of the false promises and representations made by CLINTON, and  
2 in reliance on them, Plaintiff was induced to structure his existing business relationship with Oto  
3 around having a promised, future business relationship with CLINTON. But for CLINTON's  
4 fraudulent promises and representations, Plaintiff's existing business relationship with Oto in  
5 July 2000 would have continued on and would not have been disrupted in or about November  
6 2000. As a proximate result of the loss of that business relationship, Oto failed to invest at least  
7 \$5 million in Stan Lee Media, and Oto failed to establish his U.S. subsidiary with Plaintiff and  
8 Stan Lee Media, secretly doing so with CLINTON through LEVIN on November 13, 2000. This  
9 resulted in a cash crisis in November 2000 that ultimately led to the collapse of the company.  
10 Plaintiff has been damaged by the collapse in the value of his stock in Stan Lee Media, as well as  
11 the subsequent demise of Stan Lee Media. In suffering the loss of the value of his investment in  
12 Stan Lee Media, Plaintiff has been damaged in an amount to be proven at trial, but in no event  
13 less than \$28 million, the value of Plaintiff's 3,500,000 shares of Stock at \$8 per share (the  
14 Stock's trading price in October 2000).

101. In undertaking the acts alleged in this cause of action, CLINTON and LEVIN engaged in  
16 fraudulent, oppressive and malicious conduct, and Plaintiff is, therefore, entitled to an award of  
17 general, special and punitive damages in an amount to be determined at trial.

18 WHEREFORE, Plaintiff demands judgment be entered against CLINTON and LEVIN,  
19 jointly and severally, including an award of compensatory damages in an amount to be proven at  
20 trial, but in no event less than \$29.9 million, plus punitive damages, pre-judgment interest, post-  
21 judgment interest, costs and such other relief as the Court deems just and proper.

## 22 SECOND CAUSE OF ACTION

23 For Unjust Enrichment

24 (Against CLINTON)

102. Plaintiff realleges and incorporates by reference herein each and every allegation contained in  
26 paragraphs 1 through 101, above.

103. CLINTON personally and directly benefited from the substantial funds and other resources  
28 expended by Plaintiff to underwrite and serve as executive producer of Event 39 and to  
otherwise assist the Senate campaign of his wife, Hillary Rodham Clinton.

104. CLINTON has been unjustly enriched at Plaintiff's expense.

105. The circumstances of CLINTON's unjust enrichment are such that he should, in good  
3 conscience, make restitution to Plaintiff.

106. As a proximate result of Defendant's failure to make restitution, Plaintiff suffered substantial  
5 damages.

6 WHEREFORE, Plaintiff demands judgment be entered against CLINTON, including an  
7 award of compensatory damages in an amount to be proven at trial, but in no event less than \$1.9  
8 million, plus pre-judgment interest, post-judgment interest, costs and such other relief as the  
9 Court deems just and proper.

10 THIRD CAUSE OF ACTION

11 For Intentional Interference With Prospective Economic Advantage

12 (Against CLINTON and LEVIN)

107. Plaintiff realleges and incorporates by reference herein each and every allegation contained in  
14 paragraphs 1 through 106, above.

108. As of July 13, 2000, the date that LEVIN informed Plaintiff that CLINTON had accepted his  
16 post-White House employment offer, Plaintiff had developed a business relationship with Oto.  
17 On or about May 17, 2000, Plaintiff's agent, Peter Dunne, visited Oto in Japan for the purpose of  
18 establishing a business relationship between Venture Soft and Stan Lee Media. Because Oto had  
19 expressed an interest in making significant capital investments in Stan Lee Media, as well as in  
20 forming mutual, joint, corporate ventures in Asia and the U.S., Dunne arranged for Oto to meet  
21 with Plaintiff at Plaintiff's corporate offices in mid-July 2000 to discuss their mutual interests.

109. CLINTON and LEVIN had quickly become aware of Plaintiff's economic relationship with Oto  
23 due to the fact that LEVIN, as CLINTON's agent, asked Plaintiff to be introduced to Oto, and  
24 spent significant time with Oto during his July 16-17, 2000, visit to Los Angeles. This was  
25 accomplished by LEVIN as part of the due diligence he was engaged in, on CLINTON's behalf,  
26 requiring LEVIN to spend time in Plaintiff's offices, getting to know the business of Stan Lee  
27 Media and its principals, so as to better advise CLINTON about the company's activities,  
28 objectives and international alliances.

- 1 10. Had CLINTON not falsely promised Plaintiff that he had accepted Plaintiff's post-White House  
2 offer as of July 15, 2000, to become an honorary board member, goodwill ambassador, and/or  
3 rainmaker for Plaintiff's companies, as alleged above, Plaintiff would never have given LEVIN  
4 or CLINTON access to his offices, nor introduced LEVIN to Oto. Furthermore, but for  
5 CLINTON's false promise, Plaintiff would never have disclosed any confidential information to  
6 LEVIN or CLINTON concerning the business of Stan Lee Media and Plaintiff's economic  
7 relationship with Oto.
- 1 11. Relying on CLINTON's false promise and on the fact that LEVIN executed both a written non-  
9 disclosure and confidentiality agreement, and provided verbal assurances that he would not  
10 interfere with confidential and proprietary information and relationships that he was introduced  
11 to as part of informing CLINTON about Plaintiff's business activities, Plaintiff introduced  
12 LEVIN to Oto.
- 1 12. CLINTON and LEVIN became further aware of Plaintiff's economic relationship with Oto as  
14 LEVIN, at CLINTON's request, spent time with Oto and his entourage, gaining an  
15 understanding of Oto's business and his interest in partnering with Plaintiff in Plaintiff's post-  
16 White House employment agreement with CLINTON.
- 1 13. Among other matters, CLINTON, through LEVIN, became specifically aware that Oto asked to  
18 participate in Plaintiff's post-White House employment arrangement with CLINTON by sharing  
19 in the \$17 million compensation agreement with CLINTON, provided CLINTON would assist  
20 the Asian joint venture between Stan Lee Media and Venture Soft as part of the deal.
- 2 14. By complying with certain, specific requests Plaintiff made with regard to Oto – even to the  
22 point of “bending the rules” – CLINTON, through LEVIN, induced Plaintiff to reasonably  
23 believe that CLINTON was acting in furtherance of the post-White House employment  
24 agreement CLINTON had claimed to accept and that CLINTON'S actions were meant to assist  
25 Plaintiff's efforts to strengthen his economic relationship with Oto. Plaintiff is informed and  
26 believes and thereon alleges that, in truth and in fact, such actions were done with the intent of  
27 interfering with Plaintiff's economic relationship with Oto, through CLINTON's establishing  
28 and building his own, independent, economic relationship with Oto, through LEVIN as his

1 agent, culminating in the establishment of a corporation that was managed and co-owned by  
2 LEVIN as an agent for CLINTON.

1 B5. For example, about a week prior to Event 39, Plaintiff attempted to obtain security clearances for  
4 a Japanese film crew to attend the fundraiser, but Plaintiff was informed that the White House  
5 Press Office had a rule that no international press and no hard media (as opposed to  
6 entertainment media) would be allowed. On the day of Event 39, CLINTON countermanded the  
7 White House Press Office rule for the event that by permitting a Japanese news crew from TBS  
8 Channel 6 in Tokyo to cover the concert as part of a special news story being produced to cover  
9 Oto's attendance at the event, which was intended to showcase Oto and his new relationship with  
10 President Clinton through Plaintiff and Stan Lee Media.

1 I16. As another example, at Plaintiff's request, CLINTON and Mrs. Clinton ignored the FEC ban on  
12 accepting indirect contributions from foreign donors and allowing foreign non-U.S. resident  
13 nationals to attend federal fundraising events by enabling Oto, a Japanese national with no social  
14 security number, to attend the Concert portion of Event 39 and to sit within arm's length of, and  
15 directly behind, the First Family. Mrs. Clinton was introduced to Oto through his interpreter as  
16 she took her seat directly in front of him. Plaintiff had directed that Oto and his interpreter,  
17 escorted by Plaintiff's secretary, be seated there, after Oto was "smuggled" into the event by  
18 Rosen and LEVIN. This was done with the requisite direction by CLINTON to the Secret  
19 Service to make an exception to the security requirements for doing a thorough background  
20 check on any individual, especially a foreign national seated in close proximity to the President.

2 I17. As yet another example, the day following Event 39, LEVIN arranged, with CLINTON's  
22 assistance, for Plaintiff, his wife, Oto, and Oto's interpreter to attend an ultra-exclusive  
23 fundraising brunch at the home of Barbra Streisand and James Brolin in Malibu, California, so  
24 that Plaintiff and Oto could meet with the First Family again. Ms. Streisand had insisted that  
25 only contributors who had already made donations of more than \$500,000 to President Clinton's  
26 library be allowed into her house. Plaintiff wanted to bring his wife and Oto with him, but  
27 neither Plaintiff nor Oto had made any contribution to the Clinton Library. However, because  
28 Plaintiff had just contributed more than \$1.2 million in-kind to Mrs. Clinton's Senate campaign,  
LEVIN arranged through CLINTON and Terrence McAuliffe for them to attend.

1 118. Further, CLINTON directly acknowledged his awareness of Plaintiff's business relationship with  
2 Oto when, at Streisand brunch, CLINTON, Plaintiff, and Oto, through his interpreter,  
3 specifically discussed Oto's sharing in the \$17 million contract obligation to CLINTON. During  
4 their conversation, CLINTON informed both Oto and Plaintiff that he agreed to allow Venture  
5 Soft to share the employment agreement.

1 119. On August 15, 2000, Oto invested \$5 million in Stan Lee Media and also publicly announced the  
7 formation of "Stan Lee Media Japan," an Asian joint venture between Venture Soft and Stan Lee  
8 Media. Two weeks later, Oto paid for Plaintiff's partner, Stan Lee, and the CEO of Stan Lee  
9 Media, Ken Williams, to travel to Japan and China, where Oto was instrumental in Lee's being  
10 inducted as an honorary member of the Japan-China Digital Manga Association. Lee was the  
11 first Western artist to be so honored. As a result of Oto's introducing Lee to the trade group, Lee  
12 was awarded "exalted creator" status from the Chinese government in an unprecedented  
13 ceremony for a westerner in the Great Hall of the People in Beijing, enabling Stan Lee Media to  
14 do business in China without the usual licensing requirements demanded of foreign businesses,  
15 giving Stan Lee Media a competitive advantage against other entertainment countries around the  
16 world that was of incalculable commercial value.

1 120. As of mid-September 2000, Plaintiff and Oto had already reached an agreement that Oto would  
18 enter into a reciprocal American joint venture with Stan Lee Media, to establish Venture Soft's  
19 U.S. Subsidiary, in November 2000.

1 121. In mid-September, when Oto visited Plaintiff in California on his way to attending the White  
21 House state dinner for India that Plaintiff had arranged for him to attend, notwithstanding the  
22 publicity engendered by *The Washington Post's* disclosure of Plaintiff's twenty-year-old felony  
23 convictions, Oto confirmed his pledge to share in the \$17 million contract obligation to  
24 CLINTON. At that time, Oto also confirmed he would invest a minimum of \$5 million more in  
25 Stan Lee Media in November 2000 to remedy a severe cash shortage due to the dot com melt  
26 down.

1 122. On September 17, 2000, CLINTON and Mrs. Clinton hosted their last state dinner at the White  
28 House, which was held in honor of Indian Prime Minister Atal Behari Vajpayee. Since Oto was a  
Japanese national and, by White House custom and policy, foreign nationals ordinarily are not

1 invited to state dinners unless their country is being honored, LEVIN had to make special  
2 arrangements for Oto to attend the dinner. By granting Plaintiff's request that Oto be permitted  
3 to attend this dinner, CLINTON, through LEVIN, induced Plaintiff to reasonably believe that he  
4 was acting in furtherance of Plaintiff's business interests and in accordance with CLINTON's  
5 plan to work for Stan Lee Media after he left office in January 2001, notwithstanding the  
6 statements to *The Washington Post*.

123. In truth and in fact, such actions were done in furtherance of CLINTON's intent, through  
8 LEVIN, to interfere with Plaintiff's economic relationship with Oto by further developing and  
9 enhancing CLINTON's and LEVIN's own relationship with Oto without Plaintiff's being  
10 present. LEVIN and TONKEN, who personally witnessed Oto's special treatment, later  
11 informed Plaintiff that Oto received preferential treatment over all celebrities and long-term  
12 associates of the PRESIDENT in that, although most of the 2,500 guests had been relegated to a  
13 tent erected outside the White House, CLINTON had arranged for Oto to sit at a table adjacent to  
14 the PRESIDENT. LEVIN and TONKEN also informed Plaintiff that LEVIN, along with a  
15 senior, Hillary Clinton staff member, gave Oto a private tour of the Oval Office, and that Oto –  
16 while sitting behind CLINTON's desk, in the President's chair -- had his picture taken by the  
17 White House photographer. Plaintiff is informed and believes and thereon alleges that when Oto  
18 viewed CLINTON's desk, it contained a stack of books authored by LEVIN, intended to further  
19 Oto's impression of LEVIN's influence with and agency for CLINTON. Such acts were similarly  
20 done to interfere with Plaintiff's economic relationship with Oto by developing and enhancing  
21 CLINTON's and LEVIN's own relationship with Oto without Plaintiff's knowledge.

224. On September 18, 2006, LEVIN called Plaintiff to say that the Oto outing at the White House  
23 was a big success. LEVIN said he was getting all the photos from the White House  
24 photographer of Oto at Streisand's house with the Clintons, of Oto behind the PRESIDENT's  
25 desk, Oto in the receiving line, and Oto at the table adjacent to the Clintons. LEVIN also  
26 informed Plaintiff that Oto had invited him to Japan to discuss business and that he intended to  
27 go the following week as Oto's guest. When Plaintiff reminded LEVIN that he could not do so  
28 without Plaintiff's express permission, pursuant to the written and oral confidentiality and non-  
interference agreements he had entered into with Plaintiff and Stan Lee Media, LEVIN falsely

1 informed Plaintiff that he would not proceed further with Oto without Plaintiff's consent.

125. On October 5, 2000, Plaintiff received a fax from his mother, Arlene Paul, from a hotel in  
3 Kyoto, Japan. She informed Plaintiff that on October 1, 2000, upon arriving in Tokyo, she had  
4 visited Oto in his offices, where, in the conference room, she had been introduced to several  
5 Japanese executives and, additionally, to LEVIN, who was present in the room with them. In the  
6 fax, Arlene Paul also informed Plaintiff that she had, at Oto's invitation, joined Oto's entourage,  
7 which included LEVIN, on a trip to Kyoto for a few days.

126. Upon his return from Japan, LEVIN contacted Plaintiff and made a show of apologizing for  
9 secretly visiting Oto in Japan. His explanation to Plaintiff was that Oto wanted the photos and  
10 that CLINTON wanted LEVIN to investigate Oto's business personally, since Oto was now a  
11 part of Plaintiff's and CLINTON's business arrangement. Additionally, LEVIN falsely promised  
12 he would do no business with Oto without Plaintiff's knowledge and approval.

127. LEVIN's explanation to Plaintiff was designed to induce Plaintiff to reasonably believe that  
14 CLINTON was acting in furtherance of the post-White House employment agreement Plaintiff  
15 CLINTON had claimed to accept. In truth and in fact, by meeting secretly with Oto in Japan,  
16 CLINTON, through LEVIN, intended to interfere with Plaintiff's economic relationship with  
17 Oto by further developing and enhancing CLINTON's and LEVIN's own relationship with Oto  
18 without Plaintiff's knowledge.

128. Later in October, members of Oto's staff informed Plaintiff that Oto had given LEVIN a check  
20 for \$100,000 for delivering the photographs of Oto with the PRESIDENT and in his Oval Office  
21 chair. However, contrary to his promise that he would do no business with Oto without Plaintiff's  
22 knowledge and approval, LEVIN never informed Plaintiff of his receipt of that \$100,000 from  
23 Oto.

129. In late October, Plaintiff communicated with Oto, through his interpreter and other  
25 intermediaries, regarding his next investment into Stan Lee Media, namely, the promised  
26 minimum of another \$5 million in November 2000. At that time, Oto led Plaintiff to believe that  
27 he would make the investment in November, as agreed, along with the incorporation of Venture  
28 Soft USA as an affiliate of Stan Lee Media.

130. In or about late October 2000, Plaintiff discussed with LEVIN the fact that some person or  
2 persons were engaged in a campaign of short-selling Stan Lee Media stock, which was having  
3 the effect of driving down the price of Stan Lee Media's stock. LEVIN, as CLINTON's agent,  
4 advised Plaintiff to hire Terry Lenzner and his private detective agency, Investigative Group  
5 International (hereafter "IGI"), to conduct an investigation into the matter. At the time, Plaintiff  
6 did not know who Terry Lenzner was or that IGI had been widely reported in the media to have  
7 been paid on CLINTON's behalf to "dig dirt" for use in opposition to the Paula Jones litigation,  
8 the Monica Lewinsky investigation, and other CLINTON-related scandals. Plaintiff was also  
9 unaware of media reports that IGI had been hired to investigate Rudy Giuliani when he was  
10 running against ex-mayor David Dinkins, Mario Cuomo when he was viewed as a potential  
11 CLINTON rival in 1992, and Senator Don Nickles, an Oklahoma Republican who had been  
12 critical of CLINTON's fundraising.

131. Following LEVIN's advice, on or about November 13, 2000, Plaintiff met with Terry Lenzner  
14 and his associate, Jerry Thornton, in Plaintiff's office. During their meeting, Plaintiff shared  
15 highly confidential information regarding the short sellers and the vulnerabilities of the company  
16 to short sellers. Although they discussed retaining IGI to uncover the identity of the short-  
17 seller(s), Plaintiff never did so.

132. Coincidentally, Plaintiff's meeting with Terry Lenzner in California occurred the same day  
19 LEVIN secretly incorporated Venture Soft USA, Inc. in Illinois. Plaintiff is informed and  
20 believes and thereon alleges that CLINTON, through LEVIN, had urged Plaintiff to meet with  
21 Mr. Lenzner and his associate as a means of further inducing Plaintiff to believe CLINTON was  
22 concerned about helping the business of Stan Lee Media when, in truth and in fact, the  
23 recommendation was a ruse so that Terry Lenzner and IGI could gain access to information that  
24 might be used by CLINTON against Plaintiff and/or to undermine and destroy Plaintiff's  
25 business.

133. When LEVIN set up a U.S. subsidiary of Venture Soft called Venture Soft USA, Inc. on Oto's  
27 behalf, LEVIN, as CLINTON's agent, knowingly and intentionally interfered with Plaintiff's  
28 economic relationship with Oto.

134. Plaintiff is informed and believes and thereon alleges that CLINTON was personally involved  
2 with LEVIN's incorporating Venture Soft USA, Inc., because LEVIN had no business  
3 experience qualifying him to enter into a joint venture with Oto. In effecting the incorporation,  
4 LEVIN was acting as CLINTON's agent.
135. Plaintiff is informed and believes and thereon alleges that, as a consequence of CLINTON's and  
6 LEVIN's interference with his economic relationship with Oto, Oto reneged on his promise to  
7 enter into a joint venture with Stan Lee Media to establish Venture Soft's U.S. subsidiary.
136. Plaintiff is informed and believes and thereon alleges that, as a further consequence of  
9 CLINTON's and LEVIN'S interference with his economic relationship with Oto, Oto reneged on  
10 his promise to make a minimum additional investment of \$5 million in Stan Lee Media in mid-  
11 November 2000.
137. Plaintiff is informed and believes and thereon alleges that, as a further consequence of  
13 CLINTON's and LEVIN's interference with his economic relationship with Oto, Plaintiff never  
14 received any further communication from Oto.
138. As a proximate result of the acts of CLINTON and LEVIN, Oto failed to invest the promised \$5  
16 million in Stan Lee Media in mid-November 2000, which resulted in Plaintiff's being forced to  
17 margin shares of Stan Lee Media that his family owned in order to obtain \$500,000 to loan to  
18 Stan Lee Media for operating expenses. A week after Plaintiff made this loan, short sellers  
19 further forced down the price of the stock. This caused Plaintiff's margin loan to be called on  
20 November 27, 2000, while Plaintiff was in a hospital delivery room as his wife was giving birth  
21 to their son. Plaintiff's failure to repay the loan within two hours of the margin call resulted in  
22 300,000 shares securing the loan being sold into the market. That resulted in the stock's value  
23 plummeting from \$6.00 per share to under \$1.00 per share.
139. CLINTON, through knowledge gained from LEVIN's investigation of Stan Lee Media between  
25 July and October 2000, knew or should have known that Oto had promised to invest \$5 million  
26 in mid-November 2000.
140. CLINTON intentionally interfered with Plaintiff's economic relationship with Oto, knowing that  
28 if Oto failed to invest the \$5 million, it would result in a lack of necessary operating cash.  
Plaintiff is informed and believes and thereon alleges that CLINTON's intentional interference

1 with Plaintiff's economic relationship with Oto resulted in a failure on Oto's part to invest the  
2 promised \$5 million in November 2000. This created a liquidity crisis which, in turn, caused the  
3 company's stock to collapse. Once the stock collapsed, a November 30, 2000, financing deal fell  
4 through which had been arranged by management. As a result of this string of events, the  
5 company was forced to cease operations on December 19, 2000.

141. Since he never had any intention of working for Stan Lee Media, CLINTON was motivated to  
7 act intentionally to bring about such a result, since Plaintiff's company's inability to continue  
8 operations on December 19, 2000, rendered it impossible for CLINTON to begin working for  
9 Stan Lee Media after he left office in January 2001, thus "excusing" performance of his  
10 purported promise to Plaintiff. CLINTON intentionally interfered with Plaintiff's prospective  
11 economic relationship with Oto for the purpose of frustrating the object of his purported promise  
12 to Plaintiff.

142. As a proximate result of the foregoing acts of CLINTON and LEVIN, Plaintiff has been  
14 damaged by the collapse in the value of his stock in Stan Lee Media as well as the subsequent  
15 collapse of Stan Lee Media. In suffering the loss of the value of his investment in Stan Lee  
16 Media, Plaintiff has been damaged in an amount to be proven at trial, but in no event less than  
17 \$28 million, the value of Plaintiff's 3,500,000 shares of Stock at \$8 per share (the Stock's  
18 trading price in October 2000).

143. In undertaking the acts alleged in this cause of action, CLINTON and LEVIN engaged in  
20 fraudulent, oppressive and malicious conduct, and Plaintiff is, therefore, entitled to an award of  
21 general, special and punitive damages in an amount to be determined at trial.

22 WHEREFORE, Plaintiff demands judgment be entered against CLINTON and LEVIN,  
23 jointly and severally, including an award of compensatory damages in an amount to be proven at  
24 trial, but in no event less than \$29.9 million, plus punitive damages, pre-judgment interest, post-  
25 judgment interest, costs and such other relief as the Court deems just and proper.

26 FOURTH CAUSE OF ACTION

27 For Fraud and Deceit

28 (Against SMITH)

144. Plaintiff realleges and incorporates by reference herein each and every allegation contained in

1 paragraphs 1 through 143 above.

145. With regard to each false representation alleged in this cause of action, at all relevant times,  
3 Plaintiff was unaware that the representation was false.

146. At all relevant times, SMITH owed Plaintiff a duty to disclose all material facts concerning or  
5 relating to Plaintiff's retaining him to produce the concert portion of Event 39 and an edited  
6 videotape of the concert. SMITH failed to disclose and suppressed information, as alleged  
7 herein, with the intent to induce Plaintiff to act.

147. Event 39 included a reception, a \$25,000 per couple gala VIP dinner, and a \$1,000 per person  
9 concert. Plaintiff supplied and paid for performances and expenses of world class artists,  
10 including Cher, Diana Ross, Paul Anka, Michael Bolton, Toni Braxton, Melissa Ethridge, Patti  
11 Labelle, and Mark McGrath and Sugar Ray, among others, to perform songs at the concert, to  
12 enable and assist Mrs. Clinton's Senate campaign to obtain donations of hard money to her  
13 campaign. Muhammad Ali, John Travolta, Kelly Preston, Whoopi Goldberg, Red Buttons, Ted  
14 Danson, Jimmy Smits, Mary Steenbergen, Dylan McDermot and Gregory Peck also agreed to  
15 make presentations. The event was held at the Brentwood estate of businessman Ken Roberts.

148. Plaintiff originally approached Jeff Salmon of Dick Clark Productions about producing Event 39.  
17 However, Rosen, TONKEN and LEVIN all informed Plaintiff that Mrs. Clinton had a personal  
18 relationship with SMITH, a principal in Smith Hemion Productions, who was a leading,  
19 independent producer of CBS specials, including the Grammys, and that Mrs. Clinton insisted  
20 that Plaintiff use SMITH over Clark to produce the concert portion of the event. Plaintiff  
21 acquiesced to Mrs. Clinton and agreed to negotiate with SMITH.

149. On or about July 11, 2000, Plaintiff met for lunch at the Dome Restaurant in West Hollywood  
23 with SMITH, Rosen and TONKEN to discuss the final fees and costs for SMITH's production of  
24 the concert. SMITH demanded \$850,000 as a "turn-key" fee, which was understood to include  
25 his services and all costs. This fee specifically included the delivery of a line edit of Event 39  
26 the day following it, and a final, high-quality, professionally mastered, edit of the event to be  
27 delivered to Plaintiff within ten days.

150. When Plaintiff objected to the amount requested by SMITH, Rosen represented to Plaintiff that  
because of Mrs. Clinton's insistence on using SMITH, and their friendship, she would

1 personally intercede on Plaintiff's behalf to have SMITH to lower his fee.

151. The following day, Rosen represented to Plaintiff that Mrs. Clinton had called SMITH and, as a  
3 result of Mrs. Clinton's direct intervention, SMITH had agreed to lower his fee by \$50,000,  
4 inclusive of all expenses, to produce the concert portion of the event and an edited videotape.  
5 Plaintiff confirmed with SMITH's attorney, Jay Kenoff, that SMITH had agreed to lower his fee  
6 by \$50,000, and that SMITH expected payment in full for his fee prior to the event on August  
7 12, 2000.

152. Based on SMITH's promises and representations, and Mrs. Clinton's personal intervention,  
9 Plaintiff agreed to SMITH'S adjusted fee of \$800,000 and began to make payments to SMITH  
10 through Kenoff. To this end, SMITH used his "lend out" production company, Black Ink  
11 Productions, Inc., to produce the concert.

153. A few days before Event 39, Smith's lawyer, Jay Kenoff, called plaintiff to inform him that  
13 SMITH demanded Plaintiff pay him an additional \$75,000, through Smith-Hemion Productions,  
14 Inc., as a "personal production fee" for the concert portion of the event. SMITH threatened to  
15 quit if he was not paid the additional fee. Plaintiff went to Rosen and LEVIN to request advice  
16 and assistance in dealing with SMITH's threat and demand for an additional fee. Plaintiff  
17 protested the additional fee to Rosen and asked him to have Mrs. Clinton intervene. In a meeting  
18 in Plaintiff's office, Rosen told Plaintiff he would speak to Mrs. Clinton about the matter. Rosen  
19 and LEVIN later informed Plaintiff that Mrs. Clinton would not intervene. They both advised  
20 Plaintiff to pay SMITH the additional fee, as the event was only a few days away and SMITH  
21 was vital to its success. Trusting the advice of Rosen and LEVIN, who were in direct  
22 communication with both Mrs. Clinton and CLINTON, Plaintiff paid the additional \$75,000. At  
23 the time, Plaintiff reasonably believed SMITH's demand for the additional fee was nothing more  
24 than a misunderstanding.

154. Plaintiff paid SMITH's company, Black Ink Productions, the following amounts, totaling  
26 \$805,000:

- 27 a. \$30,000 on 7/27/00, out of the Merrill Lynch account Plaintiff set up for
- 28 TONKEN's use;
- b. \$100,000 on 7/28/00, in the form of a loan to Plaintiff from Stan Lee (which was

1 later repaid), who borrowed the money from Stan Lee Media and wrote a check to  
2 New York Senate 2000 dated 7/28/00, which thereupon wrote a check to Black  
3 Ink Productions dated the same day, 7/28/00, in an apparent effort to make it  
4 appear that New York Senate was contributing to the cost of the fundraiser, which  
5 was false;

6 c. \$300,000 on 8/4/00, in the form of a check from Paraversal (wholly owned by  
7 Plaintiff) to Black Ink Productions;

8 d. \$175,000 on 8/8/00, in the form of a check from Paraversal to Black Ink  
9 Productions;

10 e. \$200,000 cash, which Plaintiff on or about 8/12/00 transferred into the Merrill  
11 Lynch account Plaintiff set up for TONKEN's use, for delivery to SMITH on or  
12 about 8/12/00. Receipt of the funds was documented by an invoice described as  
13 paying for an "edited videotape" of Event 39, which was used to deceive the FEC  
14 and others into falsely believing this \$200,000 payment, rather than the true cost  
15 of \$880,000, constituted the complete fee charged by SMITH to produce the  
16 concert.

155. Plaintiff paid SMITH the additional \$75,000 demanded just prior to the event, by a check from  
18 Paraversal to Smith Hemion for \$10,000 on 8/10/00, plus a check from Paraversal to Smith  
19 Hemion for \$65,000 on 8/18/00.

156. On the day following Event 39, Plaintiff requested delivery of a line edit of Event 39, as  
21 promised in his contract with SMITH, but none was delivered. Ten days later, Plaintiff  
22 requested the final edit of Event 39 from SMITH, but he received nothing. Two months later,  
23 Plaintiff had still received nothing. In late October 2000, LEVIN made repeated inquiries to  
24 Plaintiff about the status of the videotape, informing Plaintiff that CLINTON and Mrs. Clinton  
25 were eager to receive the concert videotape by the end of October in order to make copies to  
26 send out as Christmas gifts and to assist in fundraising for the Clinton Presidential Library.  
27 Plaintiff attempted to contact SMITH repeatedly, but SMITH would not return his telephone  
28 calls. Plaintiff finally learned, through TONKEN, that SMITH was demanding \$12,000 in  
additional fees before he would release and deliver the *unedited* masters of the tapes. Plaintiff

1 did not learn of these additional, alleged expenses until well after October 12, 2000, in late  
2 October, or early November 2000.

157. In late October or early November 2000, Plaintiff contacted an attorney, Steven Machat, to  
4 attempt to negotiate a resolution with SMITH and to secure release of the videotape. Plaintiff  
5 also contacted LEVIN, who counseled Plaintiff to pay SMITH the additional monies, telling him  
6 again that CLINTON and Mrs. Clinton were eager to receive the tape. After further negotiations  
7 with SMITH, including contesting the \$6,000 in expenses fraudulently attributed to Kenneth  
8 Roberts, Plaintiff agreed to pay SMITH an additional \$6,100, in exchange for release of an  
9 unedited, rather than an edited, version of the videotape detained by SMITH

158. Plaintiff arranged for his attorney to pay SMITH the additional \$6,100.00, in cash, upon the  
11 demand of SMITH's agents, which Plaintiff's attorney did on or about November 10, 2000.  
12 Plaintiff was forced to pay \$5,000 to another contractor to produce an edited version of the  
13 videotape for CLINTON and Mrs. Clinton.

159. Bank records for the Gary Smith Gala bank account for December 2000 reflect a beginning  
15 balance on December 1, 2000, of \$21,079.82. At that point in time, every vendor and product in  
16 connection with Event 39 had been paid for except the \$25,000 budgeted for the edited video of  
17 the event (which SMITH never edited). SMITH's demand for \$12,000 for "unforeseen"  
18 expenses was, therefore, a pretense, because there was excess money in the account as of  
19 December 2000, which SMITH subsequently withdrew for his benefit. SMITH directed his  
20 agent, Alan Baumrucker, to deposit the \$6,100 in cash, coerced from Plaintiff, into that account  
21 and attribute the money to a payment from Stan Lee rather than Plaintiff, attempting to hide the  
22 origin of the cash.

160. SMITH falsely promised and represented to Plaintiff on July 11, 2000, that he would accept an  
24 agreed-upon, "turn key" fee, inclusive of all expenses, to produce the concert portion of Event 39  
25 and an edited videotape of the concert. SMITH subsequently lowered his fee by \$50,000 after  
26 the personal intervention of Mrs. Clinton, in order to induce and ensure Plaintiff's retaining his  
27 services and that Plaintiff would begin paying him until such time as SMITH could coerce  
28 Plaintiff to pay additional fees not agreed to.

161. Plaintiff is informed and believes and thereon alleges that SMITH made this false promise and

1 representation to Plaintiff knowing that he had no intention of abiding by the agreed-upon "turn  
2 key" fee to produce the concert portion of Event 39 and an edited videotape of the concert.  
162. Plaintiff is informed and believes and thereon alleges that in making this false promise and  
4 representation to Plaintiff, SMITH intended to deceive Plaintiff and intended to induce Plaintiff  
5 to retain him and to begin making payments to him to produce the concert portion of Event 39  
6 and an edited videotape of the concert.  
163. Plaintiff reasonably relied on this false promise and representation made by SMITH by agreeing  
8 to retain SMITH and by making payments to SMITH to produce the concert portion of Event 39  
9 and an edited videotape of the concert. Had SMITH not made this false promise and  
10 representation to Plaintiff, Plaintiff would not have agreed to retain SMITH, nor would Plaintiff  
11 have begun making payments to SMITH.  
164. As a proximate result of the false promises and representations made by SMITH, Plaintiff has  
13 been deprived of \$81,100 that SMITH demanded as additional compensation and that Plaintiff  
14 was forced to pay for services SMITH had agreed to perform, which services were not equal to  
15 the services promised by SMITH and resulted in an inferior, unedited production tape that was  
16 unusable by Plaintiff.  
165. In undertaking the acts alleged in this cause of action, SMITH engaged in fraudulent, oppressive  
18 and malicious conduct, and Plaintiff is, therefore, entitled to an award of general, special and  
19 punitive damages in an amount to be determined at trial.

20 WHEREFORE, Plaintiff demands judgment be entered against SMITH, including an  
21 award of compensatory damages of \$81,100, plus punitive damages, pre-judgment interest, post-  
22 judgment interest; costs and such other relief as the Court deems just and proper.

23 FIFTH CAUSE OF ACTION

24 For Negligent Misrepresentation

25 (Against SMITH)

26  
166. Plaintiff realleges and incorporates by reference herein each and every allegation contained in  
27 paragraphs 1 through 165, above.

28  
167. With regard to each representation alleged in this cause of action, the representation was false,

1 and at all relevant times Plaintiff was unaware of the falsity of the representation.

168. SMITH negligently misrepresented to Plaintiff on July 11, 2000, that he would accept \$850,000  
3 as a "turn key" fee, inclusive of all expenses, to produce the concert portion of Event 39 and an  
4 edited videotape of the concert. SMITH subsequently lowered his fee by \$50,000 after the  
5 personal intervention of Hillary Clinton.

169. Plaintiff is informed and believes and thereon alleges that at the time SMITH made this  
7 misrepresentation to Plaintiff, he had no reasonable ground for believing it to be true because he  
8 had no intention of abiding by the agreed upon "turn key" fee to produce the concert portion of  
9 Event 39 and an edited videotape of the concert.

170. Plaintiff is informed and believes and thereon alleges that in making this misrepresentation to  
11 Plaintiff, SMITH intended to induce Plaintiff to retain him and to begin making payments to him  
12 to produce the concert portion of Event 39 and an edited videotape of the concert. SMITH made  
13 this misrepresentation intending that, when it would be too late for Plaintiff to replace him,  
14 SMITH would be in a position to coerce and extort Plaintiff to pay more money.

171. Plaintiff reasonably relied on this misrepresentation made by SMITH and by agreeing to retain  
16 SMITH and by making payments to SMITH to produce the concert portion of Event 39 and an  
17 edited videotape of the concert. Had SMITH not made this false promise and representation to  
18 Plaintiff, Plaintiff would not have agreed to retain SMITH, nor would Plaintiff have begun  
19 making payments to SMITH.

172. As a proximate result of this misrepresentation made by SMITH, Plaintiff has been deprived of  
21 \$81,100 that SMITH demanded as additional compensation and that Plaintiff was forced to pay  
22 for services SMITH had agreed to perform.

173. In undertaking the acts alleged in this cause of action, SMITH engaged in negligent and wanton  
24 and willful misconduct, and Plaintiff is, therefore, entitled to an award of general and special  
25 damages in an amount to be determined at trial.

26 WHEREFORE, Plaintiff demands judgment be entered against SMITH, including an  
27 award of compensatory damages of \$81,100, punitive damages, pre-judgment interest, post-  
28 judgment interest; costs and such other relief as the Court deems just and proper.

1 SIXTH CAUSE OF ACTION

2 For Unfair Competition [Bus. & Prof. Code § 17200]

3 (Against SMITH)

174. Plaintiff realleges and incorporates by reference herein each and every allegation contained in  
5 paragraphs 1 through 173 above.

175. Defendant SMITH violated *Business and Professions Code* § 17200 by engaging in acts or  
7 practices that include, but are not necessarily limited to, the following:

8 (a) Falsely promising and representing to Plaintiff on July 11, 2000, that he would accept an  
9 agreed-upon, “turn key” fee, inclusive of all expenses, to produce the concert portion of  
10 Event 39 and an edited videotape of the concert; and

11 (b) Threatening to quit shortly before Event 39 unless Plaintiff paid him an additional \$75,000  
12 “personal production fee” and, subsequently, demanding additional monies before  
13 releasing an unedited videotape of the concert portion of the event.

176. As a result of the aforementioned acts of unfair competition, Plaintiff is entitled to restitution  
15 pursuant to *Business and Professions Code* § 17203.

16 WHEREFORE, Plaintiff demands judgment be entered against SMITH, including an order  
17 of restitution, pre-judgment interest, post-judgment interest, costs, and such other relief as the  
18 Court deems just and proper.

19 SEVENTH CAUSE OF ACTION

20 For Civil Conspiracy

21 (Against TONKEN)

22. Plaintiff realleges and incorporates by reference herein each and every allegation contained in  
23 paragraphs 1 through 176, above.

24. Plaintiff reasonably believed, based on TONKEN’s representations to him, that TONKEN was  
25 acting as Plaintiff’s agent in the transactions set forth in the First Cause of Action above.

26 Plaintiff is informed and believes and thereon alleges that, in truth and in fact, at all relevant  
27 times, TONKEN was acting as an agent for CLINTON and Mrs. Clinton.

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179. Plaintiff is informed and believes and thereon alleges that, at all relevant times, TONKEN was  
2 acting at the bidding of CLINTON and Mrs. Clinton, in order to gain an advantage for himself  
3 with them, in degradation of his duties to Plaintiff as Plaintiff's purported agent.

180. Plaintiff is informed and believes and thereon alleges that TONKEN tacitly and/or expressly  
5 agreed with CLINTON and LEVIN, as CLINTON's agent, to commit the foregoing unlawful  
6 acts set forth in the First Cause of Action above.

181. TONKEN acted intentionally and/or with reckless disregard for Plaintiff's rights.

182. As a proximate result, Plaintiff suffered substantial damages, including, but not limited to, in  
9 excess of \$1.9 million expended by Plaintiff to underwrite and serve as executive producer of  
10 Event 39 and to otherwise assist Mrs. Clinton's U.S. Senate campaign.

11 WHEREFORE, Plaintiff demands judgment against TONKEN, compensatory damages of  
12 \$1.9 million, plus punitive damages, pre-judgment interest, post-judgment interest, costs, and  
13 such other relief as the Court deems just and proper.

14 Dated: August \_\_\_\_, 2006

UNITED STATES JUSTICE FOUNDATION

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By: \_\_\_\_\_

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GARY G. KREEP  
Attorneys for Plaintiff

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