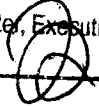


MAY 19 2014

Sherri R. Carter, Executive Officer/Clerk
By  Deputy

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ALLAN J. GOODMAN

CASE MANAGEMENT CONFERENCE

SEP 08 2014

Date

DEPT. P

8:30 AM

Attorneys for Plaintiff PERISCOPE
ENTERTAINMENT LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – WEST DISTRICT

PERISCOPE ENTERTAINMENT LLC, a
California limited liability corporation,

Plaintiff,

v.

MUSE PRODUCTIONS, INC., a
California corporation; NICOLA SIX
LIMITED, a United Kingdom private
limited company; CHRISTOPHER
HANLEY, an individual; JORDAN
GERTNER, an individual; and DOES 1
through 50, inclusive,

Defendants.

Case No. SC122574

COMPLAINT FOR:

- (1) FRAUDULENT TRANSFER;
- (2) CONSPIRACY TO COMMIT FRAUDULENT TRANSFER;
- (3) CONSTRUCTIVE TRUST;
- (4) ACCOUNTING; AND
- (5) INJUNCTIVE RELIEF

[DEMAND FOR JURY TRIAL]

Plaintiff Periscope Entertainment LLC (sometimes referred to as “Periscope” or
“Plaintiff” herein) hereby alleges as follows:

INTRODUCTION

1. During the course of a press interview, Christopher Hanley, CEO and President of
Muse Productions, Inc., attempted to enlighten the Hollywood entertainment community by
sharing his personal musings concerning the business of independent filmmaking. In response to
the straightforward question, “Have you lost money on any of your films?,” Periscope
understands that Hanley was quoted as saying: *“I don’t know if I’ve lost money for anybody else
but I’ve never lost money.”*

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1 company organized and existing under the laws of the United Kingdom, with its principal place
2 of business, and conducting business, in the United Kingdom.

3 6. Plaintiff is informed and believes, and based thereon alleges, that Defendant
4 Christopher Hanley (“Hanley”) is, and at all relevant times hereto has been, an individual residing
5 in the County of Los Angeles, and the CEO, President and a majority shareholder of Muse (the
6 other shareholder being his wife, Roberta Hanley (“Roberta”)) and a director and a 49%
7 shareholder of Nicola.

8 7. Plaintiff is informed and believes, and based thereon alleges, that Defendant
9 Jordan Gertner (“Gertner”) is a Canadian national, and is, and at all relevant times hereto has
10 been, a director and a 51% shareholder of Nicola.

11 8. Plaintiff is informed and believes, and based thereon alleges, that there exists, and
12 at all relevant times hereto has existed, a unity of interest and ownership between individual
13 Defendant Hanley and entity Defendants Muse and Nicola, such that any individuality and
14 separateness between Hanley on the one hand, and Muse and Nicola, on the other, have ceased
15 and that Muse and Nicola are the alter egos of Hanley. Adherence to the fiction of the separate
16 existence of Muse and Nicola as entities distinct from Hanley would permit an abuse of the
17 corporate privilege and would sanction fraud.

18 9. Plaintiff is informed and believes, and based thereon alleges, that there exists, and
19 at all relevant times hereto has existed, a unity of interest and ownership between individual
20 Defendant Gertner and entity Defendant Nicola, such that any individuality and separateness
21 between Gertner on the one hand and Nicola, on the other hand, have ceased and that Nicola is
22 the alter ego of Gertner. Adherence to the fiction of the separate existence of Nicola as an entity
23 distinct from Gertner would permit an abuse of the corporate privilege and would sanction fraud.

24 10. Plaintiff is unaware at this time of the true names and capacities, whether
25 individual, associate, corporate or otherwise, of the defendants sued herein as DOES 1 through
26 50, inclusive, and therefore, Plaintiff sues said defendants by such fictitious names pursuant to
27 California Code of Civil Procedure section 474. Plaintiff is informed and believes, and based
28 thereon alleges, that each of defendant DOES 1 through 50, inclusive, has and/or is assisting,

1 aiding and abetting the named defendants in carrying out the activities complained of herein, or
2 otherwise participated in, contributed to, or is legally responsible in some other manner for the
3 events and occurrences hereinafter alleged, that Plaintiff's damages were proximately caused
4 thereby, and that each such fictitiously named defendant is liable to Plaintiff thereon. Plaintiff
5 will, with leave of court, amend this complaint (the "Complaint") to set forth the true names and
6 capacities of defendant DOES 1 through 50, inclusive, when the same have been ascertained.

7 **FACTS COMMON TO ALL CAUSES OF ACTION**

8 11. Plaintiff Periscope was founded in 2004 by critically acclaimed independent
9 writer, producer and director David Guy Levy ("Levy"). Periscope has amassed a number of
10 producing and directing credits over the past decade, most recently the psychological thriller
11 *Would You Rather* starring Brittany Snow and Jeffrey Combs and released by IFC Films.
12 Periscope develops, produces and distributes a diverse slate of fresh and visionary, non-genre
13 specific film and entertainment properties. Periscope is dedicated to discovering innovative and
14 original material and developing it into compelling and unprecedented cinematic experiences for
15 all.

16 12. Plaintiff is informed and believes, and based thereon alleges, that Hanley, along
17 with his wife Roberta, founded Muse to develop and produce feature films. Muse's motion
18 picture production credits include *Buffalo 66*, *The Virgin Suicides* (Sofia Coppola's directorial
19 debut), *American Psycho* (starring Christian Bale in a critically-acclaimed performance), and,
20 more recently, Harmony Korine's commercially successful *Spring Breakers*. One of Muse's
21 current film projects, which commenced principal photography in September, 2013, is the motion
22 picture *London Fields* (the "Picture"), starring Billy Bob Thornton and Amber Heard.

23 13. Plaintiff is informed and believes, and based thereon alleges, that Gertner was
24 Hanley's co-producer for *Spring Breakers*. Plaintiff also is informed and believes, and based
25 thereon alleges, that Gertner is Hanley's co-producer for the Picture.

26 14. Commencing in February 2004 and continuing up through and including March
27 2008, Plaintiff and Muse entered into the following series of written agreements pursuant to
28 which Plaintiff agreed to advance to Muse certain monies, and provide certain services, to aid in

1 the initial development of the Picture (the “Agreements”).

2 15. In exchange for Plaintiff advancing those monies and providing those services,
3 Muse agreed to and assumed express contractual obligations to, among other things, (a) reimburse
4 Plaintiff for the monies paid by Plaintiff to Muse as advances in connection with the initial
5 development of the Picture; (b) pay Levy fees for executive producer services and provide Levy
6 with credits in connection with the Picture; and (c) pay Levy for consulting services rendered in
7 connection with the Picture.

8 16. Plaintiff dutifully advanced to Muse all of the monies, and provided all of the
9 services, that Plaintiff promised to provide under the Agreements.

10 17. Pursuant to each of the Agreements, payment for the monetary advances, fees and
11 services rendered were due and payable from Muse to Plaintiff not later than the first day of
12 principal photography of the Picture.

13 18. Plaintiff learned directly from Hanley, as well as through entertainment industry
14 trade publications and other media outlets, that principal photography in connection with the
15 Picture was set to commence, and did in fact commence, in London on Monday, September 9,
16 2013.

17 19. Plaintiff immediately sent two invoices to Muse requesting immediate payment
18 from Muse of all outstanding sums due and owing in an amount no less than \$270,000. Muse’s
19 entertainment transactional lawyer replied by e-mail on Monday, September 9, 2013 that, in
20 connection with payment of the monies due and owing to Plaintiff, he would “discuss with Chris
21 [Hanley] and Jordan [Gertner, the other co-producer.]”

22 20. Muse, however, failed and refused to pay the money owed to Plaintiff.
23 Accordingly, on September 17, 2013, Plaintiff commenced an action against Muse, by filing a
24 complaint for breach of written contract and fraud and deceit with the Los Angeles Superior
25 Court, West District, Case No. SC121353 (the “Breach of Contract Action”).

26 21. On November 1, 2013, Plaintiff obtained a Right to Attach Order and Order for
27 Issuance of Writ of Attachment after Hearing against Muse in the Breach of Contract Action.

28 22. On February 28, 2014, Plaintiff and Muse entered into a Stipulation for Entry of

1 Judgment (the “Stipulated Judgment”). The parties agreed that “Judgment shall be in favor of
2 Periscope and against Muse for the total sum of \$300,000.00.” Hanley signed the Stipulated
3 Judgment on Muse’s behalf.

4 23. On March 13, 2014, Judge Goodman signed and entered a Judgment in favor of
5 Plaintiff and against Muse for \$300,000.00 (“the Judgment”).

6 24. Thereafter, in the course of Plaintiff’s exercise of its post-judgment enforcement
7 remedy proceedings against Muse, Plaintiff learned that, in or about January, 2014, after the
8 Right to Attach Order and Writ of Attachment was issued and shortly before the Judgment was
9 entered, Muse transferred certain of its assets to Nicola, including but without limitation, its rights
10 to the copyright of the screenplay for the Picture (the “Screenplay”), in an apparent attempt to
11 hide such assets, and hinder, delay and defraud Plaintiff. Plaintiff is informed and believes that
12 no consideration was provided for this transfer. At no point in time did Muse notify Plaintiff that
13 it intended to or indeed had transferred the Screenplay to Nicola.

14 25. Moreover, in the course of Plaintiff’s exercise of its post-judgment enforcement
15 remedy proceedings against Muse, including in connection with Plaintiff’s legitimate collection
16 efforts relating to debts and claims to Plaintiff owed by Muse pursuant to the Judgment, Plaintiff
17 has learned that an existing lien in the Screen Actor’s Guild’s favor against Muse exists with
18 respect to the motion picture *Spring Breakers*, and Plaintiff is currently and actively pursuing any
19 and all post-judgment enforcement remedy proceedings at its disposal to seek the full recovery of
20 the Judgment, including but not limited to, having recorded applicable liens with, among others,
21 the U.S Copyright Office on all Muse owned and/or transferred motion picture and other titles it
22 has thus far discovered, including *Spring Breakers*.

23 26. Plaintiff further intends to continue to exercise its right to lawfully obtain valid
24 liens on any additional Muse motion picture and other titles, concepts and/or intellectual property
25 rights Periscope may uncover in the future, including but not limited to, the motion picture
26 entitled *Spring Breakers: The Second Coming*, recently reported in entertainment industry
27 publications as a Muse owned concept and a part of film production distributor Wild Bunch’s
28 Cannes 2014 film slate package.

1 27. To date, Muse has failed and refused to pay any money owed under the Judgment
2 or otherwise satisfy the Judgment. Plaintiff's subsequent demands to Muse for satisfaction of the
3 Judgment have gone completely ignored.

4 **FIRST CAUSE OF ACTION**

5 **Fraudulent Transfer (Cal. Civil Code § 3439 et seq.)**

6 **(Against All Defendants)**

7 28. Plaintiff repeats, realleges and incorporates herein by reference each and every
8 allegation contained in paragraphs 1 through 27, inclusive, of this Complaint as though fully set
9 forth herein.

10 29. As of late 2013, Muse had an ownership and/or beneficial interest in the
11 Screenplay.

12 30. In or about January, 2014, after Plaintiff had filed the Breach of Contract Action
13 and obtained the Right to Attach Order and the Writ of Attachment against Muse, Muse, without
14 Plaintiff's knowledge, secretly transferred its assets, including but not limited to its rights and
15 interest in the Screenplay, to Nicola. Even though Defendants were fully aware that the Writ of
16 Attachment froze all assets of Muse during the pendency of the Breach of Contract Action and
17 any transfer of Muse's assets outside the ordinary course was prohibited, Muse knowingly
18 transferred its assets to Nicola in direct, willful and flagrant violation of the Right to Attach Order
19 and Writ of Attachment. At no time did any of the Defendants notify Plaintiff of the transfer.

20 31. Plaintiff is informed and believes, and based thereon alleges, that Defendants, in
21 anticipation of the imminent entry of the Judgment, orchestrated the transfer of assets from Muse
22 to Nicola, in a premeditated and nefarious scheme to hide assets from creditors of Muse,
23 including Plaintiff, and with the actual intent of hindering, delaying and defrauding creditors of
24 Muse, including Plaintiff, in the legitimate collection of their debts and claims.

25 32. Plaintiff is informed and believes, and based thereon alleges, that Nicola (an
26 insider of Muse, Hanley and Gertner) and its directors and shareholders, Hanley and Gertner,
27 received Muse assets, including but not limited to the Screenplay, with the actual intent and
28 knowledge of Defendants' intent to hinder, delay or defraud the legitimate collection of debts and

1 claims, including those of Plaintiff.

2 33. Plaintiff is informed and believes that the Screenplay is an essential asset of the
3 business of Muse, and Muse and Hanley retained control over the copyright in the Screenplay
4 after the transfer to Nicola.

5 34. Unless restrained by this Court, Defendants might again and further transfer assets,
6 causing irreparable damage to Plaintiff. Plaintiff has no adequate remedy at law to set aside or
7 prevent such a transfer.

8 35. As a direct and proximate result of Defendants' wrongful acts alleged herein,
9 Plaintiff has been damaged in an amount in excess of the Court's jurisdictional limit according to
10 proof at trial.

11 36. Defendants' conduct was fraudulent and malicious, and accordingly, in addition to
12 actual damages, Plaintiff is entitled to recover punitive and exemplary damages in an amount
13 sufficient to punish Defendants and to discourage them from acting in a similar manner in the
14 future.

15 **SECOND CAUSE OF ACTION**

16 **Conspiracy to Commit Fraudulent Transfer**

17 **(Against All Defendants)**

18 37. Plaintiff repeats, realleges and incorporates herein by reference each and every
19 allegation contained in paragraphs 1 through 36, inclusive, of this Complaint as though fully set
20 forth herein.

21 38. As alleged above, Plaintiff is informed and believes, and based thereon alleges,
22 that some time after the Right to Attach Order and Writ of Attachment was issued in the Breach
23 of Contract Action and before January 14, 2014, Defendants agreed, and knowingly and willfully
24 conspired among themselves, to fraudulently transfer assets of Muse to Nicola, in order to hinder,
25 delay and defraud creditors of Muse, including Plaintiff, in the legitimate collection of their debts
26 and claims.

27 39. Plaintiff is informed and believes, and based thereon alleges, that under this
28 conspiracy, Defendants concocted a scheme to avoid responsibility for the debts of Muse. The

1 scheme required the transfer of assets, including but not limited to the Screenplay, from Muse to
2 Nicola. The scheme was designed and implemented with the actual intent of hindering, delaying
3 and defrauding creditors of Muse, including Plaintiff, in the legitimate collection of their debts
4 and claims.

5 40. Plaintiff is informed and believes, and based thereon alleges, that Defendants did
6 the acts and things herein alleged pursuant to, and in furtherance of, the conspiracy and agreement
7 to hinder, delay and defraud creditors of Muse, including Plaintiff, in the legitimate collection of
8 their debts and claims.

9 41. As a direct and proximate result of Defendants' wrongful acts alleged herein,
10 Plaintiff has been damaged in an amount in excess of the Court's jurisdictional limit according to
11 proof at trial.

12 42. Defendants' conduct was fraudulent and malicious, and accordingly, in addition to
13 actual damages, Plaintiff is entitled to recover punitive and exemplary damages in an amount
14 sufficient to punish Defendants and to discourage them from acting in a similar manner in the
15 future.

16 **THIRD CAUSE OF ACTION**

17 **Constructive Trust**

18 **(Against All Defendants)**

19 43. Plaintiff repeats, realleges and incorporates herein by reference each and every
20 allegation contained in paragraphs 1 through 42, inclusive, of this Complaint as though fully set
21 forth herein.

22 44. By virtue of the acts described herein, Defendants have received sums, benefits
23 and/or entitlements, including but not limited to the Screenplay and any proceeds, products,
24 offspring, profits or revenues therefrom, by virtue of fraud, deceit, intentional misrepresentations,
25 material misstatements, failures to disclose material facts, and/or suppression of material facts.

26 45. Plaintiff is informed and believes, and based thereon alleges, that Defendants
27 retain such sums, benefits and/or entitlements by virtue of fraud, deceit, intentional
28 misrepresentations, material misstatements, failures to disclose material facts, and suppression of

1 material facts, and hold such sums, benefits and/or entitlements in constructive trust for Plaintiff,
2 in an amount in excess of the Court's jurisdictional limit according to proof at trial. As a result of
3 the acts alleged herein, Plaintiff requests that Defendants be made constructive trustees of such
4 sums, benefits and/or entitlements with a duty to immediately return to Muse and hold in trust for
5 the benefit of Plaintiff.

6 **FOURTH CAUSE OF ACTION**

7 **Accounting**

8 **(Against All Defendants)**

9 46. Plaintiff repeats, realleges and incorporates herein by reference each and every
10 allegation contained in paragraphs 1 through 45, inclusive, of this Complaint as though fully set
11 forth herein.

12 47. Plaintiff requests that the Court order Defendants to render a full, complete and
13 accurate accounting regarding all of the transactions set forth in this Complaint and as otherwise
14 required so that Plaintiff may ascertain the true, accurate amount of money and all other forms of
15 compensation, benefits and/or entitlements that Plaintiff is entitled to receive from Defendants,
16 past, present and future, that have not been provided to Plaintiff.

17 **FIFTH CAUSE OF ACTION**

18 **Injunctive Relief**

19 **(Against All Defendants)**

20 48. Plaintiff repeats, realleges and incorporates herein by reference each and every
21 allegation contained in paragraphs 1 through 47, inclusive, of this Complaint as though fully set
22 forth herein.

23 49. Plaintiff is informed and believes, and based thereon alleges, that, unless enjoined
24 by this Court, Defendants will sell, transfer, convey, assign or otherwise dispose of assets
25 previously owned by Muse and subject to the Judgment in favor of Plaintiff.

26 50. Plaintiff has suffered and will suffer severe and irreparable harm as a consequence
27 of the conduct of Defendants which is the subject of this Complaint. In light of the foregoing,
28 Plaintiff has no adequate remedy at law to prevent Defendants from misappropriating and

1 dissipating the assets, funds and property in their possession and subject to the Judgment in favor
2 of Plaintiff. Plaintiff is informed and believes, and based thereon alleges, that once Defendants
3 have dissipated the assets, funds and property in their possession and under their control, then
4 Defendants will render themselves judgment proof, and Plaintiff will be unable to be made whole
5 by enforcing the Judgment and/or by obtaining a judgment at law herein.

6 51. Plaintiff requests the issuance of a temporary restraining order, preliminary
7 injunction and permanent injunction requiring Defendants, their representatives, attorneys,
8 servants, employees successors and assigns, and agents from selling, transferring, conveying,
9 assigning or otherwise disposing of any of the assets of Muse that are subject to the Judgment in
10 favor of the Plaintiff.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiff prays for relief as follows:

13 1. For the setting aside of Defendants' transfer of assets from Muse to Nicola to the
14 extent necessary to satisfy the Judgment in favor of Plaintiff, plus pre-judgment and post-
15 judgment interest, at the maximum legal rate or rates, on all sums found to be due and owing
16 from the respective date(s) thereof;

17 2. For compensatory damages in an amount in excess of the jurisdictional limit of
18 this Court and according to proof at trial, plus pre-judgment and post-judgment interest, at the
19 maximum legal rate or rates, on all sums found to be due and owing from the respective date(s)
20 thereof;

21 3. For punitive and exemplary damages in amounts sufficient to punish Defendants
22 and set them up as an example for others in an amount in excess of the jurisdictional limit of this
23 Court according to proof at trial;

24 4. For an attachment on all assets, funds and property transferred from Muse to
25 Nicola in the possession, custody and control of Defendants;

26 5. For an order restraining Defendants, and their representatives, attorneys, servants,
27 employees, successors and assigns, and agents from selling, transferring, conveying, assigning or
28 otherwise disposing of any of the assets of Muse, including those assets previously transferred by

1 Defendants from Muse to Nicola;

2 6. For the appointment of a receiver to take charge of the assets transferred by
3 Defendants from Muse to Nicola to the extent necessary to satisfy the Judgment in favor of
4 Plaintiff;

5 7. For the imposition of a constructive trust on and disgorgement of all sums, benefits
6 and/or entitlements that Defendants have been unjustly enriched by, have wrongfully collected
7 and/or retain by virtue of their wrongful acts and to Plaintiff's detriment;

8 8. For a full, complete and accurate accounting from Defendants regarding all of the
9 transactions set forth in this Complaint and as otherwise required so that Plaintiff may ascertain
10 the complete, accurate and true amount of money and all other forms of compensation, benefits
11 and/or entitlements that Plaintiff is entitled to receive from Defendants, past, present and future,
12 that have not been rightfully provided;

13 9. For the imposition of a temporary restraining order, preliminary injunction and
14 permanent injunction requiring Defendants not to sell, transfer, convey, assign or otherwise
15 dispose of any assets of Muse, including those assets previously transferred by Defendants from
16 Muse to Nicola;

17 10. For all expenses and costs of suit, including attorneys' fees, to the extent
18 recoverable by operation of any applicable contract, statute, law or otherwise, incurred by
19 Plaintiff; and
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11. Such other relief in Plaintiff's favor as the Court may deem just and proper.

DATED: May 19, 2014

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP

By: Glen Rothstein /SAS
GLEN A. ROTHSTEIN
Attorneys for Plaintiff PERISCOPE
ENTERTAINMENT LLC

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DEMAND FOR JURY TRIAL

Plaintiff Periscope Entertainment LLC hereby demands a trial by jury in the above-entitled action.

DATED: May 19, 2014

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP

By: *Glen Rothstein* /SAS
GLEN A. ROTHSTEIN
Attorneys for Plaintiff PERISCOPE
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