

VIRGINIA:

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

John C. Depp, II,

Plaintiff,

v.

Amber Laura Heard,

Defendant.

Civil Action No.: CL-2015-00292

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JOHN T. FREY
CLERK, CIRCUIT COURT
FAIRFAX COUNTY, VA

**PLAINTIFF'S OPPOSITION TO DEFENDANT'S MOTION
TO COMPEL RESPONSES TO TENTH REQUESTS
FOR PRODUCTION OF DOCUMENTS**

Ms. Heard's conduct in filing the present Motion is both typical and troubling. Most of the RFPs at issue are patently overbroad, harassing, and improper. Nonetheless, many issues could have been resolved through the meet and confer process. Ms. Heard's counsel outright refused *no fewer than four different attempts* by Mr. Depp to confer. **Exhibit 1.** The Court should deny Ms. Heard's latest improper motion and sanction her for filing it.

I. RFP No. 5 ("Other Litigation")

The Motion should be denied as to RFP No. 5, which seeks a vast quantity of documents from unrelated litigation involving Mr. Depp, including highly complex litigation against Mr. Depp's former business managers (the "TMG Action") and former entertainment attorneys ("Bloom Action"). Ms. Heard has repeatedly sought such documents, in a transparent effort to harass Mr. Depp.¹ But *Ms. Heard was not a party to the "Other Litigation," was not deposed in the "Other Litigation," and was not mentioned in Mr. Depp's Complaints.*

In the TMG Action, Mr. Depp alleged that for seventeen years, his then-business managers ("TMG") engaged in pervasive wrongdoing, including by improperly disbursing millions of dollars of his assets to third parties; entering into self-dealing transactions with his assets; failing to timely pay his taxes; failing to document millions of dollars of transactions involving his assets; and paying themselves unconscionable fees. **Exhibit 3.** TMG filed a Cross-Complaint against Mr. Depp and multiple third parties, and all-told, nearly twenty parties were named. *More than 1.5 million pages of documents were produced in discovery in the TMG Action,* including many documents related to the *totality of Mr. Depp's financial circumstances* and the *private financial information of numerous third parties.*

¹ The Court denied related RFPs as "vastly overbroad" on November 20, 2020. **Exhibit 2,** at pp. 30-31.

In the Bloom Action, Mr. Depp sued his former law firm (“Bloom Hergott”) for pervasive malpractice; violation of California rules governing attorney-client relationships and fee agreements; and breaches of fiduciary duty over 17 years. **Exhibit 4.** Once again, *more than 1.5 million pages of documents were produced in the Bloom Action.* Because these actions related to legal representation of Mr. Depp, *much of that discovery is privileged as to Ms. Heard.* Protective Orders were entered by the Los Angeles Superior Court in both actions.

Ms. Heard’s RFP No. 5 contains seventeen subcategories including hopelessly vague and open-ended catch-all requests for all documents relating to topics such as “any claims by anyone... that Mr. Depp was responsible for his damages”; “any claims by Mr. Depp that anyone... caused him financial loss”; and all depositions of any persons that may be deposed in this action. *This collectively amounts to a blanket request for millions of pages of documents* from different cases, with different issues, and different parties. Mr. Depp is willing to confer in the future on appropriately tailored categories of documents that *might* be discoverable. But RFP No. 5 is wildly overbroad and should be denied.

II. RFP No. 6 (“EWC 1-52”)

RFP No. 6 is also inappropriate and overbroad. Ms. Heard seeks all documents “relied upon” to generate a third-party production of 52 pages of profit & loss statements and income statements from Mr. Depp’s companies over a ten-year period, along with spreadsheets summarizing Mr. Depp’s income over the same period. Ms. Heard publicly filed this 52-page third party production, which was designated “Confidential,” in an utterly unnecessary public exposure of Mr. Depp’s personal financial information, which constitutes a violation of the Protective Order. Setting aside that violation, which will be addressed by separate motion, RFP No. 6 is plainly overbroad and intrusive. Ms. Heard previously sought documents evidencing

Mr. Depp's income, supposedly for damages analysis; EWC 1-52 was produced in response. Mr. Depp has also previously produced his tax returns over a ten-year period. Ms. Heard has sufficient information to determine Mr. Depp's income, and if she believes there is a specific category of documents that is relevant, she can ask for it. But *she has no valid basis to demand every document relied upon to generate financial records of Mr. Depp's companies over the past ten years*, including everything that supports the profit & loss statements of his companies. That amounts to a request for everything evidencing his income and expenses. Furthermore, RFP No. 6 is not even directed to the correct party—EWC 1-52 was not generated by Mr. Depp.

III. RFP Nos. 7 and 9 (Experts)

RFP Nos. 7 and 9 seek premature and improper expert discovery. RFP No. 7 seeks all “documents consulted and/or relied upon by any expert” designated by Mr. Depp, including “anything supporting” their opinions. This goes far beyond the expert disclosure required under Virginia law. Va. R. S. Ct. 4:1(b)(4). In response to RFP No. 9 (*curriculum vitae*), Mr. Depp agreed to make his disclosures in accordance with the timing stated in the Rules. That is proper.

IV. RFP Nos. 10, 24, and 25

RFP Nos. 10, 24, and 25 seek all documents that relate in any manner to the “Complaint, the Counterclaim, and any defenses raised by either side” and any damages. Of course, Mr. Depp is willing, in principle, to produce documents relevant to the issues in this action. But these RFPs are vague and open-ended to the point of meaninglessness. *See*, Va. R. S. Ct. 4:9(b) (“The request must... describe each item and category with reasonable particularity”). These RFPs constitute a completely open-ended demand for any document that could conceivably have anything to do with this case. That is improper. Ms. Heard must serve more targeted requests for reasonably identifiable categories of documents.

V. Request No. 11

RFP No. 11 rather bizarrely seeks “all publications” evidencing or “reflecting negatively” Mr. Depp’s reputation. To state the obvious, *publications* are just that—*publicly* available. Ms. Heard is capable of searching out matters of public record, and Mr. Depp has no obligation to search for publications that might “reflect negatively” on his reputation (whatever that means).

VI. Request Nos. 12, 14, 15, 17, 21

Ms. Heard inexplicably asserts Mr. Depp “objected and refused to produce” documents in response to RFP Nos. 12, 14, 15, and 17. That is false. Attachment “1” to Ms. Heard’s Motion reflects that *Mr. Depp agreed to produce documents in response*. (Att. 1, pp. 21-22, 23-24, 24-25, 26-27.) Ms. Heard also claims Mr. Depp is withholding recordings of Ms. Heard sought by RFP No. 21. That is also false. Mr. Depp agreed to produce and is believed to have completed production of recordings of Ms. Heard, as Ms. Heard would know if she had properly met and conferred. *These RFPs should never have been the subject of a motion* and should be denied.

VII. RFP Nos. 13, 16, and 18

RFP Nos. 13, 16, and 18 are overbroad. For instance, RFP No. 13 seeks documents “reflecting” that Mr. Depp has not been considered for any “role or commercial opportunity.” Similarly, RFP Nos. 16 and 18 seek open-ended categories of all “communications” (without even specifying the persons communicating). A subset of responsive documents (assuming any exist) *might* be discoverable, but these are too vague and broad as posed.

VIII. RFP Nos. 19 and 20 (Payments to Third Parties)

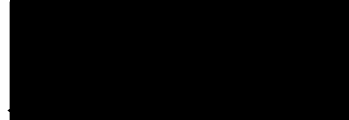
Request Nos. 19 seeks payments from Mr. Depp made to Dr. Kipper, his personal physician. Ms. Heard already has this information, as evidenced by her counsel’s introduction of invoices paid to Dr. Kipper by Mr. Depp as an exhibit in Dr. Kipper’s deposition. RFP No. 20

seeks information regarding any payments, including “benefits,” “perks,” or “loans” to a laundry list of *49 individuals* within the past five years, *in any amount, and for any reason*. Taken literally, this would require documentation of every Christmas or birthday present that Mr. Depp gave friends and family, including his sister. Moreover, the RFP also seeks payments made to lawyers, and necessarily implicates privilege issues, as well as legitimate third-party financial privacy concerns. Mr. Depp would be willing to confer about a more narrowly framed request.

IX. RFP Nos. 22 and 23

RFP Nos. 22 and 23 are truly astounding. RFP No. 22 demands “all agreements, payments and communications with anyone providing any type of computer, internet or social media services” to Mr. Depp (*without the slightest limitation as to subject matter* or any effort to tailor the request to this action). RFP No. 23 demands “all communications of any kind with or relating to Twitter, Instagram, Facebook, LinkedIn, and any internet service provider relating to all services and charges.” These RFPs have nothing whatsoever to do with this case, and could not be more broadly or harassingly drafted. Ms. Heard attempts to salvage these outrageously overbroad requests in her Motion by arguing that they relate to alleged social media posts defaming Ms. Heard. That is nonsense. If Ms. Heard’s aim is to obtain documents related to alleged defamatory statements about at her, she can serve an appropriately tailored request on that topic. She has not done so. These requests are sanctionable.

Respectfully submitted,



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*Counsel for Plaintiff and
Counterclaim Defendant John C. Depp, II*

Dated: June 25, 2021

Chew, Benjamin G.

From: Moniz, Samuel A.
Sent: Thursday, June 24, 2021 7:34 PM
To: Elaine Bredehoft; Chew, Benjamin G.; Adam Nadelhaft
Cc: Ben Rottenborn; Joshua Treece; Vasquez, Camille M.; Clarissa Pintado; David Murphy; Michelle Bredehoft; Presiado, Leo J.; Meyers, Jessica N.; Crawford, Andrew C.; cmariam@grsm.com; mdailey@grsm.com; Hazel Mae Pangan
Subject: RE: Your raised discovery issues

Elaine:

Please refer to the letter sent earlier today for our substantive positions on the various discovery disputes that have arisen. We will look forward to your response.

In addition, two points in your email below warrant brief correction.

First, your suggestion that we objected to the “quality” and “experience” of your lawyers—which you asserted both in your most recent email and in a filing with the Court—is an obvious and rather troubling mischaracterization of the emails below. No “objection” to the “quality” or “experience” of your lawyers was stated. We merely noted our impression that the attorneys to whom you have delegated your meet and confers seemed to lack authority to offer anything other than a take-it-or-leave-it position. You have not disputed the accuracy of that impression, and certainly, I cannot recall a single concession that was offered on any of the items addressed in your two most recent motions.

Second, your suggestion that we are “finally admitting” that you met and conferred, again mischaracterizes our prior correspondence. We never denied that there had been a couple of phone calls several months ago during which some of the discovery was discussed, but those months-old phone calls—during which your team offered no concessions relevant to the motions you just filed, and never followed up on our invitation to propose narrowed requests—do not come close to satisfying your obligation to confer. That is particularly true given our repeated offers to further confer, and the patent lack of urgency for your recent motions.

Virginia requires a “reasonable effort” to meet and confer to “resolve the subject of the motion.” Va. R. S. Ct. 4:15. You are free to argue that your conduct in rushing to file your two most recent motions while rejecting at least four separate requests to meet and confer in the preceding week was a “reasonable effort” on your part. We disagree.

Sam

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From: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>
Sent: Thursday, June 10, 2021 2:50 PM

To: Moniz, Samuel A. <SMoniz@brownrudnick.com>; Chew, Benjamin G. <BChew@brownrudnick.com>; Adam Nadelhaft <anadelhaft@cbcblaw.com>

Cc: Ben Rottenborn <brottenborn@woodsrogers.com>; Joshua Treece <jtreece@woodsrogers.com>; Vasquez, Camille M. <CVasquez@brownrudnick.com>; Clarissa Pintado <cpintado@cbcblaw.com>; David Murphy <dmurphy@cbcblaw.com>; Michelle Bredehoft <mbredehoft@charlsonbredehoft.com>; Presiado, Leo J. <LPresiado@brownrudnick.com>; Meyers, Jessica N. <JMeyers@brownrudnick.com>; Crawford, Andrew C. <ACrawford@brownrudnick.com>; cmariam@grsm.com; mdailey@grsm.com; Hazel Mae Pangan <hpangan@grsm.com>

Subject: Your raised discovery issues

CAUTION: External E-mail. Use caution accessing links or attachments.

Sam:

Thank you for finally admitting we have held meet and confers, and that your objection is to the quality and experience of our lawyers, and you perceive the discussions as inadequate. Neither negates that we have complied with the requirements of a meet and confer, which we have thoroughly documented.

On the subject line - if you review emails with me over the past year, you will see that I regularly try to bring the subject line up to the most recent topics on a regular basis, so they identify the subject being discussed. It is good practice and I wish all attorneys would follow this process.

On your new discovery issues, I will again address each separately:

First, we did in fact review your responses to our Fourth Set of Interrogatories. You did not respond to a single one. We believe that your objection that Mr. Depp has served more than thirty interrogatories is simply incorrect. We are, however, prepared to consider your arguments in defense of that position in the course of our meet and confer.

I asked you earlier to count the previous Interrogatories, including parts and subparts, and let me know what your count was. You ignored my request. The only way a meet and confer would be productive is after you count them, and tell us the number you arrived at, if it is less than 30, we can discuss in a meet and confer how we each arrived at our numbers. If you are able to persuade us you have not issued more than 30, including parts and subparts, then we can discuss whether we intend to rely on other objections, or will respond.

Second, we similarly reviewed your responses to our last set of RFPs. You objected and failed to respond to 10 out of 12 requests. Again, we do not believe that any of your objections are well-taken, as these RFPs are all directed to core issues in this case, including and especially the authenticity and truthfulness of critical documents purportedly supporting Ms. Heard's claims of abuse.

Again, you fail to identify even one request, objection, or why you believe the objections are not well taken. A precursor to meet and confers is to identify the issues, so we can consider them, and if we do not agree, then schedule a meet and confer. Once you have done this, we

will be happy to consider yours issues, and if we do not agree with you, schedule a meet and confer.

Third, at the hearing on Mr. Depp's recent motion to compel, and in its subsequent Order, the Court overruled all of Ms. Heard's objections to the discovery at issue, with the exception of three requests (Nos. 39-41). In the subsequent document production, however, Ms. Heard failed to produce categories of documents that are clearly called for in the motion: By way of example, Ms. Heard did not produce any new communications with Eric George, despite the Court's rejection of Ms. Heard's construction of scope of the waiver of the attorney-client privilege associated with her assertion of the defense of advice of counsel. In fact, with the exception of a couple of tax returns, the production you recently made appears to consist of documents that have nothing to do whatsoever with our recent motion.

I read, and re-read this paragraph. I have no idea what you think we have not produced. You reference "new communications with Eric George" – what exactly are those? Chief Judge Azcarate made clear the privilege was waived for the transaction. While we called it a limited waiver, we nonetheless had already produced all the emails and texts. What specifically do you think we possess that we have not produced?

Likewise on the others – what do you think we possess that we did not produce? You may have forgotten that you filed the exact same motion twice, from back in February, and you did not take into consideration our 98-page supplemental responses, and the million plus documents, both of which we produced after you filed your first motion. We produced some additional documents with our second supplemental responses that we believed may also be responsive. If you have a basis for believing we have withheld documents in our possession that should have been produced, please let us know what you think we have withheld and the basis for your belief, and we will address. If you do not, there is nothing to discuss.

I look forward to receiving a substantive, responsive email that addresses my specific points. Elaine

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From: Moniz, Samuel A. <SMoniz@brownrudnick.com>

Sent: Tuesday, June 08, 2021 12:59 AM

To: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>; Chew, Benjamin G. <BCheW@brownrudnick.com>; Adam Nadelhaft <anadelhaft@cbcbllaw.com>

Cc: Ben Rottenborn <brottenborn@woodsrogers.com>; Joshua Treece <jtreece@woodsrogers.com>; Vasquez, Camille

M. <CVasquez@brownrudnick.com>; Clarissa Pintado <cpintado@cbcblaw.com>; David Murphy <DMurphy@cbcblaw.com>; Michelle Bredehoft <mbredehoft@charlsonbredehoft.com>; Presiado, Leo J. <LPresiado@brownrudnick.com>; Meyers, Jessica N. <JMeyers@brownrudnick.com>; Crawford, Andrew C. <ACrawford@brownrudnick.com>; cmariam@grsm.com; mdailey@grsm.com; Hazel Mae Pangan <hpangan@grsm.com>

Subject: RE: Depp v. Heard

Elaine,

I am in receipt of your emails to me and to Ben Chew earlier today.

First, I take issue with the repeated insinuations of bad faith in your emails over the past several days. It is noteworthy that you have even gone so far as to edit the subject line of your responsive email below so that it reads “exposing your true motivations for the emails requesting a meet and confer.” To say that this is a bizarre response to a commonplace request for a meet and confer is an understatement. I am not sure why you now seem to feel the need to litter your professional correspondence with such accusatory language (or what you think this hyperaggressive language accomplishes), but your insinuations are baseless, pointless, and, quite frankly, offensive. The needlessly aggressive tone and content of your emails is all the more puzzling and inappropriate because you have, in fact, failed to adequately meet and confer regarding your proposed motions, as detailed more fully below.

It is our hope that counsel for the parties will be able to engage in a cooperative, productive, and respectful conversation by phone, and that we can work together to at least narrow the discovery issues to be resolved by the Court. To that end, I invite you (now for the third time) to let us know your availability this week to meet and confer by telephone. We will do our best to accommodate your schedule.

In the meantime, please allow the below to briefly address some of our disagreements and the contentions in your prior correspondence.

Ms. Heard’s “Corrected” Tenth RFPs

We respectfully disagree that you have adequately met and conferred with respect to the Tenth RFPs. A meet and confer was briefly conducted with David Murphy from your office on or about February 3, 2021, which primarily focused on completely different requests, and a second brief conversation was held with your California co-counsel, Hazel Pangan, later in February. I do not consider either of these conversations sufficient to satisfy your obligation to meet and confer. During our meet and confer on February 3, Mr. Murphy briefly discussed our general objections to the Tenth RFPs, but, to the best of my recollection did not delve into the specifics of the requests in any meaningful way, and made no serious effort to explore a compromise on any request.

Similarly, although we briefly discussed the Tenth RFPs with Ms. Pangan (among numerous other issues), there was no meaningful discussion of any potential compromise. As Ms. Pangan’s subsequent email on February 19, 2021 concedes, we specifically “offered to meet and confer on any proposed narrowing of the requests.” Ms. Pangan apparently did not have authority to offer any meaningful concessions without checking with you – and I do not believe you ever proposed any narrowing of these requests or otherwise followed up (if I have overlooked a substantive proposal from your office, please forward it to me so that I may review it).

That also raises another issue on these meet and confers – quite frequently, we find ourselves talking to attorneys who seem to lack any authority to negotiate anything that does not amount to a complete surrender of our position. Mr. Murphy and Ms. Pangan are undoubtedly both fine attorneys, but I have consistently come away from our conversations with the impression that all decisions on your team, no matter how trivial, are required to be run through you – in which

case a meet and confer with anyone else seems to be an exercise in futility, because no one seems to have authority to compromise.

In short, we do not believe that there has ever been a serious engagement on your part in connection with the substance of the Tenth RFPs. That lack of engagement is all the more troubling, considering the patently overbroad and harassing scope of many of the requests. By way of example, the Tenth RFPs include the following requests:

- “All agreements, payments, and communications with anyone providing any type of computer, internet or social media services of any kind to You or on Your behalf, including directed at, to or on behalf of others, from January 1, 2016 through the present.”
- “All communications of any kind with or relating to Twitter, Instagram, Facebook, LinkedIn, and any internet service provider....”

Incredibly, your requests even seek attorney time records and invoices from this litigation:

- “All detailed time and billing records, underlying receipts supporting each expense, and all invoices prepared and billed, from any person or entity providing legal services to you in connection with this Action...”

And, you have asked for a very wide range of documents from multiple other litigations involving Mr. Depp, including litigations with his former attorneys that raise substantial privilege concerns. The overbroad and irrelevant nature of these requests is apparent on their face. Yet we have never received any proposals from you to narrow the scope, or to meaningfully respond to our substantive objections.

Nonetheless, we believe that a compromise on some of these requests ought to be possible, particularly if you are prepared to moderate your positions even slightly. For instance, we may be able to reach agreement on a reasonable subset of documents from other litigations that can be produced, provided that there is a clear nexus between such documents and the issues in this action (See, Request No. 5). If you can articulate an explanation of the relevance of Request Nos. 1-4 (which you have never explained), we are prepared to further discuss those, and may be able to reach agreement to produce responsive documents (if any). Similarly, an accommodation should be achievable on Request No. 20. And, we remain willing to discuss potential narrowed versions of the remaining requests.

Ms. Heard’s Eleventh RFPs

We are unclear what your specific concerns are with respect to these RFPs. However, to the extent that you are basing your contention that we have sufficiently met and conferred in a brief conversation with your California counsel, I will note the same concern I already noted above—that other than you, no one your team seems to have the authority to make concessions or meaningfully negotiate.

However, we may be willing to reach agreement to supplement our responses to a number of these requests, provided that we can reach some clarity on their scope (see, e.g., Request Nos. 1-14).

Ms. Heard’s Twelfth RFPs

You and I specifically discussed the Twelfth RFPs in March. During that call, you specifically represented that you would undertake to modify or rethink certain requests. For instance, you commented that you agreed that some of the interrogatories/RFAs your predecessor counsel had served may have been inappropriate or tangential to the issues, and agreed to consider revisiting requests such as RFP No. 7 (“Please produce all documents supporting, refuting, or otherwise relating to any of Your responses to Ms. Heard’s First Set of Interrogatories”). Similarly, you indicated you would consider the arguments we made during the call that requests related to Mr. Depp’s charitable donations were irrelevant.

I do not believe you ever followed up on these points. If you believe that I have missed a substantive communication from your office in which you did so, please forward it to me so that I can consider it.

On a side note, I refer you to the following comment in your email to me below:

“you are correct that I indicated that with respect to some of the Requests FOR ADMISSIONS, I would re-evaluate in light of how the other motions turned out, as many may be mooted. You conveniently left out the words “for Admissions” in your email.”

When drafting your email this morning you apparently forgot that you had also indicated that you would revisit the RFPs.

Tracey Jacobs

Your arguments regarding the Tracey Jacobs deposition are unfounded and, once again, have not been preceded by an appropriate meet and confer regarding the substantive relief you are apparently seeking in your anticipated motion.

Your concern over the purported inability to authenticate Ms. Jacobs’ emails is easily remedied without motion practice. Indeed, there are a number of ways in which you have the ability to authenticate Ms. Jacobs’ emails. To state the obvious, Ms. Jacobs was not sending emails to herself; she was emailing other persons, such as Edward White and Joel Mandel, both of whom you have already subpoenaed for deposition. You can authenticate those emails through other witnesses on your deposition list. It is unclear why you believe you need a motion to authenticate these documents, but we can certainly further discuss the issue with you.

We have previously addressed your other complaints about the timing of the Tracey Jacobs document production on several occasions, and have explained that the documents were produced promptly once they were identified as potentially relevant to this action (although it is not clear that they are even responsive to your requests).

Mr. Depp’s anticipated motions

Finally, with respect to our own anticipated motions, please allow the below to briefly summarize our concerns.

First, we did in fact review your responses to our Fourth Set of Interrogatories. You did not respond to a single one. We believe that your objection that Mr. Depp has served more than thirty interrogatories is simply incorrect. We are, however, prepared to consider your arguments in defense of that position in the course of our meet and confer.

Second, we similarly reviewed your responses to our last set of RFPs. You objected and failed to respond to 10 out of 12 requests. Again, we do not believe that any of your objections are well-taken, as these RFPs are all directed to core issues in this case, including and especially the authenticity and truthfulness of critical documents purportedly supporting Ms. Heard’s claims of abuse.

Third, at the hearing on Mr. Depp’s recent motion to compel, and in its subsequent Order, the Court overruled all of Ms. Heard’s objections to the discovery at issue, with the exception of three requests (Nos. 39-41). In the subsequent document production, however, Ms. Heard failed to produce categories of documents that are clearly called for in the motion. By way of example, Ms. Heard did not produce any new communications with Eric George, despite the Court’s rejection of Ms. Heard’s construction of scope of the waiver of the attorney-client privilege associated with her assertion of the defense of advice of counsel. In fact, with the exception of a couple of tax returns, the production you recently made appears to consist of documents that have nothing to do whatsoever with our recent motion.

We look forward to your providing a date and time to further meet and confer regarding these issues.

Sam

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Samuel A. Moniz

Associate

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From: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>

Sent: Monday, June 7, 2021 11:20 AM

To: Moniz, Samuel A. <SMoniz@brownrudnick.com>; Chew, Benjamin G. <BCheW@brownrudnick.com>; Adam Nadelhaft <anadelhaft@cbcblaw.com>

Cc: Ben Rottenborn <brottenborn@woodsrogers.com>; Joshua Treece <jtreece@woodsrogers.com>; Vasquez, Camille M. <CVasquez@brownrudnick.com>; Clarissa Pintado <cpintado@cbcblaw.com>; David Murphy <dmurphy@cbcblaw.com>; Michelle Bredehoft <mbredehoft@charlsonbredehoft.com>; Presiado, Leo J. <LPresiado@brownrudnick.com>; Meyers, Jessica N. <JMeyers@brownrudnick.com>; Crawford, Andrew C. <ACrawford@brownrudnick.com>; cmariam@grsm.com; mdailey@grsm.com; Hazel Mae Pangan <hpangan@grsm.com>

Subject: Depp v. Heard - Exposing your true motivations for the emails requesting a meet and confer

CAUTION: External E-mail. Use caution accessing links or attachments.

Sam: I am disappointed that your email confirms my suspicion that the sole purpose of the earlier email and this one was to quickly "create" a discovery issue or two to rush to file motions to attempt to prevent us from filing the motions we have had in the queue for several months, awaiting the reassignment of the case to Chief Judge Azcarate and then the ruling on the stay of discovery, which you opposed.

I am going to address each of your points below separately:

- "Ms. Heard served blanket objections to our last set of interrogatories";

It is obvious you never even looked at our Objections to your Fourth Set of Interrogatories before writing this email. The primary objections, upon which we relied and stood, were that Depp has already exceeded the permissible number of Interrogatories under Rule 4:8(g) of the Rules of the Virginia Supreme Court. If you contend you have not exceeded the permissible number, including parts and subparts, please tell me what your count reveals, and how you arrived at that count. Then we may have something to discuss, although I think the counting is pretty clear.

- "Ms. Heard served blanket objections to the majority of our last set of RFPs"; and

Note this is the exact phrase you used for your first point, suggesting this was written as hastily and without ever looking at the Objections and responses. Moreover, what does it even mean? We both have general objections and specific objections to discovery. Which ones of yours do you consider to be valid? Which do you consider to be blanket? This is hardly a description warranting a meet and confer. If you have specific Requests that you believe we have incorrectly objected to, please let us know, we will review, and if we disagree, we will be happy to discuss in a meet and confer.

- “Ms. Heard appears not to have produced all (or any) documents that were ordered to be produced following the last motion to compel, despite requesting an extra thirty days for that production.”

This one is the most outrageous of all the statements. First, your admission that “Ms. Heard **appears not to have produced all (or any) documents**” says it all. You never even looked at our Second Supplemental responses, or the documents produced, or you would have known this statement is false. Apparently, however, you conveyed this false statement to Ben Chew, resulting in his claiming that we were “in contempt of court.” We take accusations of this nature very seriously and especially when it is obvious on the face of your email that you never, ever, even reviewed our responses, or the earlier responses, or the **IN EXCESS OF ONE MILLION DOCUMENTS we produced that are responsive to these RFPs**. This is while you claim we have not produced “any” documents. We even provided the bate stamp numbers, which you have refused to provide to us in any of your discovery pleadings.

Take the time to review our responses, both the Supplemental and Second Supplemental and be sure to review ALL the documents we provided. If, after you have taken the time to review these, you still believe we have not produced responsive documents in our possession, please let me know which Requests and why you believe this. We will review and consider, and if we disagree, we will be happy to schedule a meet and confer.

“During our meet and confer three months ago, you specifically indicated that you intended to reassess a number of your requests, and would undertake to consider whether some of them could be narrowed to address our concerns. We never heard back from you.”

I have already addressed this in my email to Ben, and cited record evidence contradicting you. However, you are correct that I indicated that with respect to some of the Requests **FOR ADMISSIONS**, I would re-evaluate in light of how the other motions turned out, as many may be mooted. You conveniently left out the words “for Admissions” in your email. We do not intend to bring any motions to compel on the Requests for Admissions because we believe the other motions need to be resolved first, and may resolve the issues with many of the Requests for Admissions.

“However, we have in fact assessed some of our responses and believe that compromise should be possible on at least some of the requests at issue, warranting further discussion before the Court is burdened with motion practice.”

Excellent! Then you should be able to provide us by COB tomorrow with your response to the Tracey Jacobs issues and the 10th RFPs you are now withdrawing your objections to, when you will be able to provide the documents, and enter into Consent Orders reflecting these new positions by you, and for the 11th RFPs and 12th RFPs by Friday, with a Consent Order by next Tuesday. I am glad you are willing to now resolve some of these, after literally months of us trying, without any success.

In the future, I would ask that you take the time to look at the documents and pleadings we have sent you, before making allegations and accusations that are demonstrably false and would have been obvious to you if you had simply taken the time to review them before writing and sending emails of this nature.

Thank you for your anticipated consideration in the future. Elaine

Elaine Charlson Bredehoft
Charlson Bredehoft Cohen & Brown, P.C.
11260 Roger Bacon Drive
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Reston, VA 20190
(703) 318-6800
(703) 919-2735 (mobile)
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From: Moniz, Samuel A. <SMoniz@brownrudnick.com>
Sent: Friday, June 04, 2021 1:12 PM
To: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>; Chew, Benjamin G. <BCheW@brownrudnick.com>; Adam Nadelhaft <anadelhaft@cbcblaw.com>
Cc: Ben Rottenborn <brottenborn@woodsrogers.com>; Joshua Treece <jtreece@woodsrogers.com>; Vasquez, Camille M. <CVasquez@brownrudnick.com>; Clarissa Pintado <cpintado@cbcblaw.com>; David Murphy <DMurphy@cbcblaw.com>; Michelle Bredehoft <mbredehoft@charlsonbredehoft.com>; Presiado, Leo J. <LPresiado@brownrudnick.com>; Meyers, Jessica N. <JMeyers@brownrudnick.com>; Crawford, Andrew C. <ACrawford@brownrudnick.com>; Suda, Casey <CSuda@brownrudnick.com>
Subject: RE: Depp v. Heard

Elaine,

I am quite puzzled at your characterization of a standard request for a meet and confer as "harassment." If you were concerned that a phone call with us would cause undue delay, you could have responded promptly, set the meet and confer for this week, and had it over done with by now. Instead, your below email suggests that a deliberate decision has been made—and not for the first time—to simply ignore our request to meet and confer, and proceed full steam ahead with your motions, without making any genuine effort to determine if a compromise is possible.

We will certainly be pleased to send you a more detailed summary of our concerns with Ms. Heard's discovery responses in advance of a meet and confer. In brief, however, our concerns cannot possibly come as a surprise:

- Ms. Heard served blanket objections to our last set of interrogatories;
- Ms. Heard served blanket objections to the majority of our last set of RFPs; and
- Ms. Heard appears not to have produced all (or any) documents that were ordered to be produced following the last motion to compel, despite requesting an extra thirty days for that production.

As for your representation that the meet and confer process on your proposed motions was completed three months ago, we respectfully disagree. During our meet and confer three months ago, you specifically indicated that you intended to reassess a number of your requests, and would undertake to consider whether some of them could be narrowed to address our concerns. We never heard back from you.

However, we have in fact assessed some of our responses and believe that compromise should be possible on at least some of the requests at issue, warranting further discussion before the Court is burdened with motion practice.

Again, we invite you to provide your availability next week to meet and confer. Thank you.

Best,
Sam

brownrudnick

Samuel A. Moniz
Associate

Brown Rudnick LLP
2211 Michelson Drive, Seventh Floor
Irvine CA 92612
T: 949-440-0234
F: 949-486-3671
smoniz@brownrudnick.com
www.brownrudnick.com

From: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>

Sent: Friday, June 4, 2021 8:57 AM

To: Chew, Benjamin G. <BChew@brownrudnick.com>; Adam Nadelhaft <anadelhaft@cbcblaw.com>

Cc: Ben Rottenborn <broddenborn@woodsrogers.com>; Joshua Treece <jtreece@woodsrogers.com>; Vasquez, Camille M. <CVasquez@brownrudnick.com>; Moniz, Samuel A. <SMoniz@brownrudnick.com>; Clarissa Pintado <cpintado@cbcblaw.com>; David Murphy <dmurphy@cbcblaw.com>; Michelle Bredehoft <mbredehoft@charlsonbredehoft.com>

Subject: RE: Depp v. Heard

CAUTION: External E-mail. Use caution accessing links or attachments.

Ben: Your series of email today suggest you are having a really tough day. I have a hearing this afternoon, but I will collect all the evidence of our prior meet and confers on these issues, and respond in detail to your incorrect statements when I have the opportunity.

As to Sam's email, he sent out many, many emails to many people in a short period of time, apparently at your direction, demanding many things from everyone. No one on your team has made even the slightest attempt to convey what you believe is deficient or "in contempt

of Court,” or what any of your issues are. Sam’s email does not list EVEN ONE specific allegedly deficient response. I genuinely believe the email by Sam, followed by yours below, are sent solely for the purpose of harassment and delay, after securing the ruling from the Court not to stay discovery, and knowing we have 6 motions in the queue -- which we have patiently waited to place on the docket, until the Court was able to hear the motions. You succeeded in preventing the stay, so now our motions - covered in meet and confers more than three months ago – are ripe for resolution.

I suggest you review your emails, time records and notes before further claiming we have not held genuine meet and confers on our 6 discovery topics and confirmed they were ripe for bringing motions. If you believe you have informed us of any specific alleged deficiency in our discovery, please send me the communications. If you confirm you have not – please do so, and then we can follow the process of trying to resolve the issues, and schedule a meet and confer.

Elaine

Elaine Charlson Bredehoft
Charlson Bredehoft Cohen & Brown, P.C.
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Suite 201
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(703) 318-6800
(703) 919-2735 (mobile)
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From: Chew, Benjamin G. <BCheW@brownrudnick.com>
Sent: Friday, June 04, 2021 11:09 AM
To: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>; Adam Nadelhaft <anadelhaft@cbcblaw.com>
Cc: Ben Rottenborn <brottenborn@woodsrogers.com>; Joshua Treece <jtreece@woodsrogers.com>; Vasquez, Camille M. <CVasquez@brownrudnick.com>; Moniz, Samuel A. <SMoniz@brownrudnick.com>
Subject: Depp v. Heard

Elaine,

You failed to respond to our request for a meet and confer- please see below- and Defendant is in contempt of the Court’s most recent Order compelling her further production of documents.

You misstated the status of discovery to the Court, and if you file a motion today without properly meeting and conferring- something which Chief Judge White found to be the case previously- we will immediately seek sanctions:

This is getting tired and is a terrible example to the junior attorneys.

Ben

Sent from my iPhone

Begin forwarded message:

From: "Vasquez, Camille M." <CVasquez@brownrudnick.com>
Date: June 4, 2021 at 11:00:16 AM EDT
To: "Chew, Benjamin G." <BCChew@brownrudnick.com>
Subject: Fwd: Depp v. Heard

Begin forwarded message:

From: "Moniz, Samuel A." <SMoniz@brownrudnick.com>
Date: June 2, 2021 at 11:03:50 AM PDT
To: Elaine Bredehoft <ebredehoft@charlsonbredehoft.com>, Adam Nadelhaft <anadelhaft@cbcblaw.com>, mbredehoft@cbcblaw.com, brottenborn@woodsrogers.com, jtreece@woodsrogers.com
Cc: "Chew, Benjamin G." <BCChew@brownrudnick.com>, "Vasquez, Camille M." <CVasquez@brownrudnick.com>, "Meyers, Jessica N." <JMeyers@brownrudnick.com>, "Suda, Casey" <CSuda@brownrudnick.com>
Subject: Depp v. Heard

Elaine,

We would like to set up a call in the next week or so to discuss a number of pending issues, including the sufficiency/completeness of Ms. Heard's Court-ordered production this past Friday; Ms. Heard's responses to Mr. Depp's Seventh Requests for Production; Ms. Heard's responses to Mr. Depp's Fourth Set of Interrogatories; and Ms. Heard's ongoing privilege objections with respect to her communications with Eric George.

We also understand that you have a number of discovery motions planned, and would like to meet and confer with you regarding those as well, in an effort to avoid motion practice, or at least narrow the issues to be resolved by the Court.

Please let us know some convenient times this week or next week for a call. Thank you.

Best,
Sam

brownrudnick

Samuel A. Moniz
Associate

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smoniz@brownrudnick.com
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.....

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To the extent Brown Rudnick is a "controller" of the "personal data" (as each term is defined in the European General Data Protection Regulation (EU/2016/679) or in the UK's Data Protection Act 2018) you have provided to us in this and other communications between us, please see our privacy statement and summary [here](#) which sets out details of the controller, the personal data we have collected, the purposes for which we use it (including any legitimate interests on which we rely), the persons to whom we may transfer the data and when and how we intend to transfer it outside the European Economic Area.

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To the extent Brown Rudnick is a "controller" of the "personal data" (as each term is defined in the European General Data Protection Regulation (EU/2016/679) or in the UK's Data Protection Act 2018) you have provided to us in this and other communications between us, please see our privacy statement and summary [here](#) which sets out details of the controller, the personal data we have collected, the purposes for which we use it (including any legitimate interests on which we rely), the persons to whom we may transfer the data and when and how we intend to transfer it outside the European Economic Area.



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Transcript of Hearing

Date: November 20, 2020
Case: Depp, II -v- Heard

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VIRGINIA:

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

----- x

JOHNNY C. DEPP, II, :

Plaintiff, :

v. : Case No.

AMBER LAURA HEARD, : Cl-2019-0002911

Defendant. :

----- x

HEARING

BEFORE THE HONORABLE BRUCE D. WHITE

Conducted Virtually

Fairfax County, Virginia

Friday, November 20, 2020

10:32 a.m.

Job No.: 336300

Pages: 1 - 33

Reported By: Carla L. Andrews, RPR

1 THE COURT: All right. Thank you all.
2 The objections to request for production one through
3 five are sustained. I find them to be overly broad,
4 burdensome. As to six and seven, they are sustained
5 on that grounds as well and additionally on the
6 grounds of vagueness. As to six and seven, the
7 request to produce the documents requested in
8 paragraph -- in number eight is granted. The
9 request as to paragraph number nine is denied. The
10 request with regards to the personal income tax
11 returns is granted as to the return pages, not all
12 the supplementary documents that are attached to
13 them.

14 And, Ms. Bredehoft, I am going to make a
15 comment to you. And maybe I shouldn't, but I am
16 going to, anyway. But you risk losing credibility
17 with the Court when you come before the Court and
18 accuse the other side of not following the rules.
19 Yet, you repeatedly have tried to add matters to the
20 argument docket that were not on the docket. That
21 would be a violation of the rules.

22 You also send vastly overbroad requests

1 [apparently in the hope that they will negotiate]
2 [something better than what you might have gotten had]
3 [you sent a reasonable request in the first place.]
4 [So that's part of the reason that we have this on]
5 [the Friday docket, not simply because they are not]
6 [giving you everything that you ask for or they are]
7 [not negotiating in a fashion you wish for them to]
8 [negotiate with. So I hope I am clear on that. I am]
9 [sorry I have to say it.]

10 You all will need to send me a new order
11 that reflects my ruling. And I will do a 1:13 on
12 the signatures if you don't have copies of them,
13 okay?

14 MS. BREDEHOFT: Thank you.

15 THE COURT: And that production,
16 Mr. Chew, I don't see for what you are going to
17 produce, you shouldn't have to take very much time
18 to that. So November 30.

19 MR. CHEW: We will do that, Your Honor.
20 We will push hard for that. Thank you, Your Honor.

21 THE COURT: All right. Thank you all.

22 MS. BREDEHOFT: Thank you, Your Honor.

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3 11355 W. Olympic Blvd.
4 Los Angeles, California 90064
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8 BENJAMIN G. CHEW (admitted *Pro Hac Vice*)
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10 JOSHUA N. DRIAN (admitted *Pro Hac Vice*)
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21 *Attorneys for Plaintiffs and Cross-Defendants* John C. Depp, II and
22 Edward L. White as trustee of the Sweetzer Trust and as trustee of the
23 Mooch Investment Trust and *Cross-Defendants* Edward White, in his
24 individual capacity, Scaramanga Bros., Inc., L.R.D. Productions, Inc.,
25 and Edward White & Co., LLP

26 SUPERIOR COURT OF THE STATE OF CALIFORNIA
27 FOR THE COUNTY OF LOS ANGELES

28 JOHN C. DEPP, II; and EDWARD L.
WHITE, as trustee of the Sweetzer Trust,
and as trustee of the Mooch Investment
Trust,

Plaintiffs,

vs.

THE MANDEL COMPANY, INC., d/b/a
THE MANAGEMENT GROUP, a
California corporation; JOEL L.
MANDEL, individually and as former
trustee of the Sweetzer Trust; ROBERT
MANDEL; FIRST AMERICAN TITLE
INSURANCE COMPANY, a California
corporation; and DOES 1 through 15,

Case No. BC646882

Assigned to Hon. Teresa A. Beaudet – Dept. 50

FIRST AMENDED COMPLAINT FOR:

- (1) PROFESSIONAL NEGLIGENCE;
- (2) BREACH OF FIDUCIARY DUTY;
- (3) BREACH OF FIDUCIARY DUTY AS TRUSTEE;
- (4) FRAUD IN THE INDUCEMENT;
- (5) FRAUDULENT CONCEALMENT;
- (6) CONSTRUCTIVE FRAUD;
- (7) NEGLIGENT MISREPRESENTATION;
- (8) UNJUST ENRICHMENT;
- (9) WRONGFUL FORECLOSURE;
- (10) DECLARATORY JUDGMENT;
- (11) VIOLATION OF CAL. BUS. & PROF.

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ORIGINAL FILED
Superior Court Of California
County Of Los Angeles

MAY 26 2017

Sherri H. Carter, Executive Officer/Clerk
By: Dawn Alexander, Deputy

1 inclusive,

2 Defendants.

3 **CODE § 6147**
4 **(12) VIOLATION OF THE UNFAIR**
5 **COMPETITION LAW, CAL. BUS. &**
6 **PROF. CODE §§ 17200, ET SEQ. and**
7 **(13) ACCOUNTING**

8 **DEMAND FOR JURY TRIAL**

9 AND RELATED CROSS-ACTION.

10 Plaintiffs JOHN C. DEPP, II (“Mr. Depp”) and EDWARD L. WHITE, as trustee of the
11 Sweetzer Trust and as trustee of the Mooh Investment Trust (“White”) (collectively “Plaintiffs”),
12 by and through their undersigned attorneys, bring this action for professional negligence, breach
13 of fiduciary duty, breach of fiduciary duty as trustee, fraud in the inducement, fraudulent
14 concealment, constructive fraud, negligent misrepresentation, unjust enrichment, wrongful
15 foreclosure, declaratory relief, violation of Cal. Bus. & Prof. Code § 6147, violation of the Unfair
16 Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq., and accounting against defendants
17 THE MANDEL COMPANY, INC., d/b/a THE MANAGEMENT GROUP (“The Management
18 Group”), JOEL L. MANDEL, individually and as former trustee of the Sweetzer Trust (“J.
19 Mandel”), ROBERT MANDEL (“R. Mandel”) (collectively “TMG”), FIRST AMERICAN
20 TITLE INSURANCE COMPANY (“First American”), and DOES 1-15 (collectively
21 “Defendants”), and for causes of action, state:

22 **INTRODUCTION**

23 1. Mr. Depp is one of the most sought after and highly paid actors in the world. He is
24 also the victim of the gross misconduct of his business managers—The Management Group and
25 attorneys Joel and Robert Mandel—who paid themselves tens of millions of dollars of contingent
26 fees, purportedly based on an oral contract, all at Mr. Depp’s expense. Like many successful
27 artists who depend upon financial professionals to advise them, Mr. Depp trusted and reasonably
28 relied on TMG to handle his financial and certain legal affairs honestly, prudently and legally.
But instead, as a result of years of gross mismanagement and, at times, outright fraud, Mr. Depp
lost tens of millions of dollars and has been forced to dispose of significant assets to pay for
TMG’s self-dealing and gross misconduct.

1 2. Throughout their relationship, and at the same time TMG was paying themselves
2 over \$28,000,000 in contingency fees without any written agreement, TMG ignored its most basic
3 duties to Mr. Depp by consistently failing to pay his taxes on time causing him to incur over \$8
4 million in penalties and interest on his federal and state tax returns, failing to properly keep books
5 and records, "loaning" nearly \$10,000,000 to third parties without Mr. Depp's required prior
6 authorization and without proper documentation or requiring repayment, using inflated and
7 obviously incorrect figures as "loan" offsets, falsely ascribing third parties' taxable income to Mr.
8 Depp so that he, rather than they, paid the tax, and failing to reduce expenditures TMG undertook
9 on Mr. Depp's behalf, which caused profound financial waste. A former employee, the account
10 manager for Mr. Depp at TMG over an approximately two-year period, stated in her notes that J.
11 Mandel fired her because she would not "do all of the shady stuff [he asked her to do] over the
12 past few months." According to this former employee, that "shady stuff" included J. Mandel's
13 instructing her to "fix" numbers in Mr. Depp's financial statements. J. Mandel even asked her to
14 improperly notarize Mr. Depp's purported signatures when Mr. Depp was not present and to
15 notarize blank signature pages, which she correctly refused to do. TMG and other advisors also
16 added language into a hard money loan agreement that provided them rights that they didn't
17 otherwise possess to multi-million dollar payouts on residuals of 6 of Mr. Depp's most successful
18 films, advising their hand-picked lawyer for Mr. Depp on the transaction that this provision was
19 already agreed to by the parties. Through this arrangement, TMG ensured that millions of dollars
20 of payments to which they had no legal right flowed to them and other advisors. Finally, TMG
21 engaged in multiple self-interested transactions by investing Mr. Depp's funds in business
22 ventures in which they had direct ownership interests—without proper documentation or
23 appropriate disclosures—creating serious conflicts of interest and improperly entangling TMG's
24 interests directly with Mr. Depp's.

25 3. In essence, TMG treated Mr. Depp's income as their own, available to either TMG
26 or third parties to draw upon as desired. TMG ignored even a semblance of financial
27 management and caused Mr. Depp's funds to be expended more quickly than they arrived.
28 During the course of their relationship with Mr. Depp, TMG caused Mr. Depp to lose tens of

1 millions of dollars, all without his knowledge or approval, and all while Mr. Depp believed that
2 TMG was behaving as a loyal fiduciary and prudent steward of his funds and finances. TMG
3 then sought, through global press releases and other avenues, to deflect from their wrongdoing by
4 reprehensibly smearing and blaming their victim, wildly claiming that Mr. Depp's investments of
5 his own money in vintage wine, fine art and real estate (three of the best performing asset classes
6 of the last decade) was the actual culprit, not themselves.

7 4. Further, also without Mr. Depp's knowledge or approval, TMG took out loans
8 from banks and a hard-money lender with increasingly unreasonable interest rates and fees, while
9 using Mr. Depp's various properties or royalties from movies as collateral. TMG did all of this
10 without fully disclosing the nature of the transactions to Mr. Depp or advising him to seek
11 independent counsel. Through this misconduct, TMG hid its mismanagement from Mr. Depp and
12 created the illusion of financial stability, while at the same time obtaining for themselves and
13 other advisors rights that they did not otherwise possess.

14 5. TMG's gross mismanagement and fraud remained undetected, as TMG borrowed
15 millions of dollars to survive from movie-to-movie. It was only recently, when Mr. Depp
16 terminated TMG and hired new business management and accounting services, that Mr. Depp
17 learned the gravity of his financial losses and some, but surely not all, of the underlying facts. As
18 a result of TMG's gross mismanagement of Mr. Depp's financial affairs, Mr. Depp has suffered
19 tens of millions of dollars in monetary losses. And adding insult to injury, TMG has now sought
20 to foreclose on Mr. Depp's primary residence, even though the alleged loan secured by Mr.
21 Depp's residence was made through TMG's self-dealing and conflicts of interest, and the
22 purported "default" occurred solely as a result of TMG's own misconduct.

23 6. The fact that both Joel and Robert Mandel are, and act as, attorneys, which they
24 highlighted in their own words as a key functional differentiator in their provision of business
25 management services in at least one self-promotional press account, makes their breach of
26 fiduciary duties and other misconduct all the more egregious. It also makes TMG's purported
27 oral contract voidable at Mr. Depp's discretion.

28 7. By this Complaint, Mr. Depp seeks recompense for the tens of millions of dollars

1 TMG cost him through their gross mismanagement and fraud, as well as disgorgement of the
2 exorbitant fees TMG paid themselves during the course of their relationship, and to stop the
3 wrongful foreclosure that TMG inappropriately commenced. Mr. Depp hired TMG to provide
4 faithful service to him and his family. But instead, because of TMG's misconduct, Mr. Depp has
5 lost tens of millions of dollars and has been forced to sell investments as a result. Mr. Depp now
6 seeks to hold TMG accountable for the harm that they caused.

7 **PARTIES**

8 8. Plaintiff Depp is, and at all times material to this Complaint was, a resident of the
9 County of Los Angeles, State of California.

10 9. Plaintiff White is, and at all times material to this Complaint was, a resident of the
11 County of Los Angeles, State of California.

12 10. On March 23, 2016, pursuant to a First Amendment to the Sweetzer Trust, Mr.
13 White became the trustee of the Sweetzer Trust and currently serves as trustee. The Sweetzer
14 Trust was formed by virtue of a Trust Agreement dated August 29, 2005 for the benefit of Mr.
15 Depp. Mr. Depp is the settlor and sole beneficiary of the Sweetzer Trust.

16 11. On January 10, 2017, pursuant to a Third Amendment to the Mooh Investment
17 Trust and Notice of Removal and Appointment of Trustee, Mr. White became the trustee of the
18 Mooh Investment Trust and currently serves as trustee. The Mooh Investment Trust was formed
19 by virtue of a Trust Agreement dated August 4, 1995 for the benefit of Mr. Depp. Mr. Depp is
20 the settlor and sole beneficiary of the Mooh Investment Trust.

21 12. Plaintiffs are informed and believe, and on that basis allege, that defendant The
22 Management Group is a California corporation with its principal place of business in Los
23 Angeles, California. Plaintiffs are informed and believe, and on that basis allege, that The
24 Management Group does business in this judicial district. The Management Group was and is an
25 accounting and business management firm offering, among other services, certified public
26 accounting, taxation, personal business management, advisory and legal services, internal
27 controls, risk management, and business and personal wealth consulting services.

28 13. Plaintiffs are informed and believe, and on that basis allege, that defendant J.

1 Mandel is a resident of the County of Los Angeles, State of California. Plaintiffs are informed
2 and believe, and on that basis allege, that, at all relevant times, J. Mandel was and is one of two
3 co-owners and founders of The Management Group, and he controlled The Management Group's
4 day-to-day operations. J. Mandel is a licensed California attorney. Pursuant to a Trust
5 Agreement dated August 29, 2005, J. Mandel served as trustee of the Sweetzer Trust from August
6 29, 2005 until March 23, 2016.

7 14. Plaintiffs are informed and believe, and on that basis allege, that defendant R.
8 Mandel is a resident of the County of Los Angeles, State of California. Plaintiffs are informed
9 and believe, and on that basis allege, that, at all relevant times, R. Mandel was and is one of two
10 co-owners and founders of The Management Group, and he controlled the Management Group's
11 day-to-day operations. R. Mandel is a licensed California attorney.

12 15. Plaintiffs are informed and believe, and on that basis allege, that defendant First
13 American is a California corporation with offices in the County of Los Angeles, State of
14 California. Plaintiffs are informed and believe, and on that basis allege, that First American does
15 business in this judicial district.

16 16. Plaintiffs are informed and believe, and on that basis allege, that the fictitiously-
17 named Defendants sued herein as Does 1 through 15 ("Doe Defendants"), and each of them, are
18 in some manner responsible or legally liable for the actions, events, transactions and
19 circumstances alleged herein. The true names and capacities of such fictitiously-named
20 Defendants, whether individual, corporate, associate or otherwise, are presently unknown to
21 Plaintiffs, and Plaintiffs will seek leave of Court to amend this Complaint to assert the true names
22 and capacities of such fictitiously-named Defendants when the same have been ascertained.

23 17. Plaintiffs are informed and believe, and on that basis allege, that each of the
24 individual Defendants, including the Doe Defendants, is and was at all relevant times, the agent,
25 representative and/or employee of The Management Group, and was acting within the course and
26 scope of said agency, representation, and/or employment and with the knowledge and consent of
27 the remaining Defendants aside from First American.

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JURISDICTION AND VENUE

18. This Court has jurisdiction over all causes of action asserted herein pursuant to the California Constitution, Article VI, section 10, because this case is a cause not given by statute to other courts.

19. This Court has personal jurisdiction over the Defendants who engaged in conduct, and who continue to engage in conduct, giving rise to the claims stated herein at locations within the State of California and Los Angeles County.

20. Venue is proper in this Court pursuant to, among other provisions, CCP 395(a) and 395.1.

GENERAL ALLEGATIONS

I. Mr. Depp's Career as an Actor, Producer and Musician

21. Mr. Depp is one of the most highly respected actors in Hollywood. He has appeared in over 50 motion pictures during the past three decades and has gained worldwide critical acclaim for his portrayals of real-life figures, such as screenwriter-director Ed Wood in *Ed Wood*, undercover FBI agent Joseph D. Pistone in *Donnie Brasco*, cocaine kingpin George Jung in *Blow*, author J.M. Barrie in *Finding Neverland*, the Depression-era outlaw John Dillinger in *Public Enemies*, and the Boston gangster Whitey Bulger in *Black Mass*. Mr. Depp has also brought some of the most memorable characters to the screen, including Edward in *Edward Scissorhands*, journalist Raoul Duke in *Fear and Loathing in Las Vegas*, Captain Jack Sparrow in the *Pirates of the Caribbean* series, Willy Wonka in *Charlie and the Chocolate Factory*, and the Mad Hatter in *Alice in Wonderland*.

22. Mr. Depp has been nominated for numerous major acting awards, including three Oscar nominations for Best Actor in a Leading Role, five nominations from Critics' Choice Movie Awards, 10 nominations from the Golden Globe Awards, and three nominations from the Screen Actors Guild Awards. Mr. Depp won the Golden Globe Award for Best Actor—Motion Picture Musical or Comedy for his role in *Sweeney Todd: the Demon Barber of Fleet Street*, and he won the Screen Actors Guild Award for Outstanding Performance by a Male Actor in a Leading Role for his work in *Pirates of the Caribbean: The Curse of the Black Pearl*. He has

1 won awards at the People's Choice Awards 14 times, including Actor of the Decade in 2010, and
2 was inducted as a Disney Legend in 2015.

3 23. In addition to his critical acclaim, Mr. Depp is one of the most financially
4 successful actors in Hollywood. Films featuring Mr. Depp have grossed over \$3.1 billion at the
5 United States box office and over \$7.6 billion worldwide. His *Pirates of the Caribbean* films
6 have grossed over \$3 billion; *Alice in Wonderland* grossed approximately \$1 billion; *Charlie and*
7 *the Chocolate Factory* grossed approximately \$474 million; and *The Tourist* grossed
8 approximately \$278 million worldwide. All told, Mr. Depp has earned hundreds of millions of
9 dollars during his career. He continues to actively make movies and is poised to star in some of
10 the most intriguing roles in Hollywood.

11 **II. Mr. Depp's Retention of TMG to Manage His Personal and Business Affairs**

12 24. Despite Mr. Depp's professional success, he, like many artists, had no training of
13 any kind in law, accounting, finance, or business management. In addition, given his demanding
14 professional schedule, which often required Mr. Depp to travel to remote locations to film or
15 promote his movies, Mr. Depp frequently was unable to focus on many of the personal and
16 financial aspects of his life. As such, throughout his career, Mr. Depp retained advisors to act on
17 his behalf with respect to the management of his personal, legal, and business-related affairs. Mr.
18 Depp relied on these advisors to use their judgment and expertise and to make the best decisions
19 for him and his family (rather than for themselves) in all areas of his personal, legal, and
20 business-related matters.

21 25. In or about September 1999, well after Mr. Depp had become a critically
22 acclaimed and enormously successful actor, Mr. Depp was introduced to J. Mandel and R.
23 Mandel, and after speaking with them, retained TMG as his new legal, business, tax, and
24 accounting advisors.

25 26. As his legal, business, tax, and accounting advisors, TMG agreed to take
26 responsibility for all aspects of Mr. Depp's personal and financial life, including *inter alia*, paying
27 Mr. Depp's personal and business-related bills; drafting, negotiating, or reviewing contracts for a
28 wide variety of services and matters; managing his personal and business finances; acquiring,

1 selling, and maintaining his properties; seeking and repaying credit in Mr. Depp's name; forming
2 and managing business entities for Mr. Depp; making investments; obtaining insurance; arranging
3 travel and accommodations; preparing, timely filing, and paying Mr. Depp's federal and state
4 income taxes; and providing myriad other services to facilitate Mr. Depp's professional activities.
5 Based on what Mr. Depp believed to be TMG's ethics, experience and expertise, Mr. Depp gave
6 TMG full control over his finances and a wide swath of matters, and relied on them to behave
7 ethically, prudently and always in his best interests.

8 27. In order to enable TMG to provide these services, and based on TMG's
9 representations that they would act as fiduciaries and with Mr. Depp's best interests at heart, Mr.
10 Depp granted TMG broad control over his financial affairs, including access to his bank accounts
11 and the accounts of his business entities and trusts. Mr. Depp appointed J. Mandel as trustee of
12 the Sweetzer Trust and made him manager of most of his various entities.

13 28. Mr. Depp trusted and relied upon TMG, as his advisors, to manage his finances
14 prudently and to keep him fully informed of his financial status. Because J. Mandel represented
15 himself as a transactional attorney and R. Mandel represented himself as a tax attorney, Mr. Depp
16 also relied upon TMG, among his other counsel, to review and prepare corporate documents, and
17 to consider legal issues that arose from time to time with respect to his professional activities.

18 Although Mr. Depp trusted TMG to make day-to-day decisions about his affairs, on major
19 transactions and investments, Mr. Depp expected that TMG would consult with Mr. Depp and to
20 obtain his prior approval before proceeding.

21 29. TMG did not enter into any written agreement with Mr. Depp for the provision of
22 these services, whereby they paid themselves over \$28,000,000 in contingency fees based on Mr.
23 Depp's earnings. TMG took a 5% contingency fee on Mr. Depp's gross income. For the
24 majority of the representation, this contingent compensation basis for TMG's self-payment was
25 not subject to any annual cap or other form of limitation, because it was not documented in any
26 written contract. TMG were paid nearly \$1 million of Mr. Depp's money by inserting language
27 giving themselves and others rights they didn't otherwise possess to residual payments on 6 of
28 Mr. Depp's biggest movies. Separate and apart from being voidable as a matter of law, the

1 alleged agreement was, under the circumstances of Mr. Depp's established status, exorbitant,
2 excessive, and far outstripped the actual value of services TMG would be performing for Mr.
3 Depp.

4 30. TMG imposed this alleged arrangement on Mr. Depp without negotiation or
5 review of any terms by either Mr. Depp or any independent counsel.

6 **III. TMG "Managed" Mr. Depp's Personal and Financial Affairs for 17 Years Taking**
7 **Tens of Millions of Dollars in Commissions**

8 31. TMG acted as Mr. Depp's legal, business, tax, and accounting advisors from
9 approximately September 1999 until mid-March 2016. TMG managed Mr. Depp's affairs in part
10 through two trusts, of which Mr. Depp was the trustor and beneficiary. One trust is the Sweetzer
11 Trust; the other is the Mooch Investment Trust. J. Mandel was the trustee of the Sweetzer Trust
12 until TMG's termination as business manager. J. Mandel, as trustee of the Sweetzer Trust, owned
13 four properties in trust that had been purchased by Mr. Depp in Los Angeles, California. The
14 Mooch Investment Trust owned another property in trust that had been purchased by Mr. Depp,
15 also in Los Angeles (collectively, the "Sweetzer Properties"). Mr. Depp used the Sweetzer
16 Properties as his primary personal residence.

17 32. Each of the trusts has an account with City National Bank.

18 33. In addition to the trusts' City National Bank accounts, TMG maintained at least
19 twenty-five (25) other accounts at City National Bank in the names of various business entities
20 Mr. Depp wholly owns. Each of these entities was wholly or primarily owned by Mr. Depp and
21 was set up for his benefit. TMG prepared most of the corporate documents for these entities as
22 needed and routinely filed them with the California Secretary of State.

23 34. TMG further maintained two City National Bank accounts in Mr. Depp's name
24 individually, and three accounts for other family members.

25 35. TMG, principally through J. Mandel, had unrestricted access to these accounts,
26 either because he was trustee to the trusts or an officer or agent of the various legal entities that he
27 formed, or because he had general and broad control over Mr. Depp's finances.

28 36. Over the years, as TMG managed Mr. Depp's personal life and financial affairs,

1 Mr. Depp trusted TMG with the management of his affairs. Mr. Depp placed TMG in a position
2 of trust and loyalty with respect to the management of his finances, and, as a result, relied entirely
3 on TMG to monitor and grow his wealth.

4 37. TMG rarely consulted with Mr. Depp regarding any financial transactions, legal or
5 tax matters, or investments. Indeed, when TMG required Mr. Depp's signature, often he would
6 be presented with only a signature page to sign rather than a full document. Mr. Depp signed
7 such documents because he fully trusted that TMG was acting competently and to further only his
8 best interests, as TMG has previously represented. When Mr. Depp did speak to TMG, they
9 assured him that he was in excellent financial condition.

10 38. During this approximately 17-year period, Mr. Depp earned hundreds of millions
11 of dollars from salaries and royalties on movies and endorsements. Mr. Depp believed that
12 everything was going according to "plan," that he was saving millions of dollars, investing
13 smartly (through TMG), and that he was financially sound. But as explained below, nothing
14 could have been further from the truth.

15 39. During the same time period, TMG paid themselves over \$28,000,000.00 in
16 contingent fees from Mr. Depp's gross earnings.

17 **IV. TMG's Gross Mismanagement of Mr. Depp's Financial Affairs**

18 40. Unbeknownst to Mr. Depp, TMG failed to provide even the most basic guidance to
19 Mr. Depp in the management of his affairs. To the contrary, TMG engaged in years of gross
20 mismanagement, self-dealing, and at times, actual fraud, in mishandling Mr. Depp's affairs.
21 TMG abdicated their most basic duties to Mr. Depp while at the same time making millions of
22 dollars in unauthorized and undocumented disbursements to third parties. Upon information and
23 belief, in doing so, it was TMG's goal to keep everyone close to Mr. Depp happy and complacent
24 so that TMG could continue to receive its exorbitant fees without resistance.

25 41. Upon information and belief, TMG, on behalf of Mr. Depp, took out tens of
26 millions of dollars in loan after loan—with increasingly higher interest rates and fees and
27 collateralized by Mr. Depp's properties and movie royalties—and sold certain of Mr. Depp's
28 assets in order to hide their misconduct. TMG actively concealed the true state of Mr. Depp's

1 finances while driving him deeper and deeper into financial distress.

2 **A. TMG Failed to Competently Maintain Mr. Depp's Books and Records**

3 42. Over the course of their representation of Mr. Depp, TMG failed to maintain a
4 proper set of detailed accounting records for Mr. Depp, personally, and for each business entity
5 he owned. For example, in contravention of established accounting and business management
6 industry standards, TMG kept only sporadic and incomplete records of Mr. Depp's finances,
7 accounts, and business transactions. Further, TMG made numerous loans without proper
8 disclosure or backup, and without any apparent agreements memorializing their terms. There are
9 also numerous instances of significant transactions that are not reasonably supported by proper
10 documentation. In addition, TMG kept files for Mr. Depp's various corporate entities without
11 key documents related to corporate formation and without sufficient documentation to track the
12 investments or other activities of the corporate entities. TMG further failed to obtain and
13 maintain written agreements with critical service providers, including, but not limited to, a written
14 agreement with Mr. Depp's entertainment attorneys who were paid tens of millions of dollars in
15 contingent fees without the statutorily prescribed written contract or agreement.

16 43. TMG also failed to maintain a complete set of electronic records for Mr. Depp's
17 accounts and failed to keep a current accounting of Mr. Depp's finances, accounts, and business
18 transactions as they were occurring. Notably, when Mr. Depp retained new business managers in
19 March 2016, TMG advised the new firm that it did not have a schedule of Mr. Depp's accounts
20 payable – a basic accounting schedule required to assess what bills were due and owing. It also
21 appears that TMG undertook to simulate a proper accounting system by loading and backdating
22 transactional data after the fact, including a large volume of transactional data in April 2016, as
23 TMG was transferring books and records to EWC.

24 **B. TMG Failed to Keep Mr. Depp Informed of His Finances**

25 44. TMG failed to conduct thorough monthly planning, tracking or record-keeping
26 with respect to Mr. Depp's personal expenses and his business enterprises, and failed to
27 sufficiently discuss and provide written reports regarding income, expenses and financial
28 condition with Mr. Depp, as required by accounting and business management industry standards.

1 45. Throughout TMG's representation of Mr. Depp, TMG failed to sufficiently and
2 consistently report to Mr. Depp the current state of his finances. In particular, TMG failed to
3 prepare and provide Mr. Depp with periodic detailed reports of cash receipts and disbursements,
4 personal financial statements or statements of net worth, revenue and expense for Mr. Depp
5 personally. TMG further failed to prepare and provide to Mr. Depp periodic financial statements,
6 including balance sheets, statements of operations and statements of cash flows for each of Mr.
7 Depp's business entities. Nor did TMG prepare written budgets for Mr. Depp personally or for
8 his business enterprises.

9 46. In addition, TMG failed to create or implement any long term strategic investment
10 plan for preservation and growth of Mr. Depp's wealth, including failing to purchase or maintain
11 adequate insurance for Mr. Depp or his business entities.

12 47. Moreover, TMG failed to report information to Mr. Depp in any consistent or
13 meaningful manner and failed to implement sufficient mechanisms to obtain Mr. Depp's approval
14 of standard or non-standard expenses on a regular basis. TMG routinely made financial decisions
15 without Mr. Depp's knowledge or approval, and often sent him signature pages for him to sign
16 without the corresponding documents. And when TMG did speak to Mr. Depp, they intentionally
17 concealed the true state of Mr. Depp's overall finances and falsely represented to Mr. Depp that
18 he was in excellent financial condition.

19 **C. Estate Tax, Gift and Income Tax Anomalies Caused by TMG**

20 48. Throughout the course of their representation of Mr. Depp, and despite the fact
21 that R. Mandel held himself out as a tax lawyer, remarkably, TMG never once timely paid Mr.
22 Depp's income tax. Instead, upon information and belief, TMG consistently failed to act in
23 accordance with industry standards for tax and accounting professionals. This created numerous
24 estate tax, gift and income tax anomalies that Mr. Depp's new business managers have been
25 resolving since being retained in 2016.

26 49. TMG engaged in a pattern of making insufficient quarterly estimated tax payments
27 preceding the April 15 due date for paying all income tax liabilities for the preceding year; paying
28 a delinquent sum of tax on or after October 15, rather than by the April 15 due date; and catching

1 up on payments, assessed interest, and penalties thereafter.

2 50. Mr. Depp's new business managers, Edward White & Co. LLP, discovered these
3 consistent late payments and, according to the Internal Revenue Service, Miriam Fisher, the Chair
4 of Latham & Watkins tax disputes practice, and other taxing authorities, TMG's failure to make
5 sufficient and timely tax payments cost Mr. Depp approximately \$8 million in easily avoidable
6 late payment penalties and interest related to Mr. Depp's delinquent federal and state income tax
7 obligations.

8 **D. TMG Improperly "Loaned" Money to Third Parties Without Mr. Depp's**
9 **Knowledge or Prior Authorization**

10 51. Over the years, at varying times in diverse amounts, TMG disbursed nearly
11 \$10,000,000 to third parties close to or who worked for Mr. Depp without Mr. Depp's knowledge
12 or authorization. In providing these funds, TMG recorded them as "loans," but, for the vast
13 majority, TMG did not prepare any contracts or other notes to memorialize the disbursements, did
14 not include terms of repayment or default provisions, and did not require any security or charge
15 any interest. Further, TMG did not make any efforts to seek repayment of the "loans" and, to
16 date, the vast majority remain unpaid.

17 52. On information and belief, these disbursements were made without consideration
18 of Mr. Depp's best interests, without any legitimate intention of preserving or increasing Mr.
19 Depp's wealth or assets, and without actually expecting that the "loans" would ever be repaid.
20 Instead, upon information and belief, TMG made these disbursements in order to curry favor with
21 those close to Mr. Depp, thereby consolidating their own position as his advisors. By keeping
22 everyone close to Mr. Depp oblivious and content, TMG minimized any risk of those individuals
23 questioning TMG's competency or advising Mr. Depp to scrutinize TMG more closely.

24 53. For example, at various times and in various amounts, TMG disbursed millions of
25 dollars to a third party close to Mr. Depp without requiring any contract or note, terms of
26 repayment, interest, default provisions, or any security. Instead, TMG simply disbursed the
27 requested funds to the individual while making a notation in their ledger. From 2009 to 2016
28 alone, these disbursements totaled over \$7,000,000, the vast majority of which have not been

1 repaid. TMG did not disclose these disbursements to Mr. Depp or ask him whether he approved
2 them.

3 54. TMG also disbursed funds to another individual in the currently outstanding
4 amount of \$736,887.83. Again, no formal loan documentation exists regarding these
5 disbursements. Instead, the books and records contain informal documentation, such as a
6 November 18, 2013 email from the individual to J. Mandel's assistant forwarding a proposal to
7 renovate the individual's kitchen. The individual explained, "I have to ask as [I] was hoping to be
8 able to pay for the kitchen by myself, i have paid the deposit, but they now need another 50%
9 £12,490 . . . sorry and thank you." TMG never informed Mr. Depp that it had disbursed over
10 \$700,000 to this individual, and it never sought his approval for the vast majority of these
11 disbursements. To date, this individual has not repaid this "loan."

12 55. These disbursements to third parties close to Mr. Depp—made without Mr. Depp's
13 knowledge or authorization, without any terms, methods of repayment, or back up sufficient to
14 justify the disbursements and expenditures, and with unexplained and obviously incorrect
15 "credits" made to reduce the loan amount—show gross mismanagement of Mr. Depp's accounts
16 and a total disregard for standard—and minimal—accounting principles. In total, this misconduct
17 cost Mr. Depp over \$8,000,000 in funds without any apparent ability to recoup the loans and
18 without any information as to how much, if any, has been repaid.

19 **E. TMG Mismanaged Mr. Depp's Expenses and Engaged in Financial Waste**

20 56. Throughout their representation of Mr. Depp, TMG routinely failed to properly
21 manage and advise on expenses. TMG failed to properly budget for expenses and failed to create
22 and implement sufficient financial and cash management controls for Mr. Depp, which are
23 standard in the industry. Further, when TMG itself expended money on behalf of Mr. Depp, it
24 failed to conduct due diligence, failed to seek out the best, or even reasonable, prices for services
25 and goods, and failed to monitor ongoing expenses to ensure they were commensurate with Mr.
26 Depp's then-current financial condition and overall needs. TMG also failed to negotiate on
27 behalf of Mr. Depp or to seek written agreements from important service advisors, such as Mr.
28 Depp's entertainment lawyers, who TMG allowed to be paid enormous contingent fees from Mr.

1 Depp without any reasonable maximum or cap, and without a written contract. TMG's gross
2 mismanagement of Mr. Depp's expenses and inexcusable financial waste caused Mr. Depp tens
3 of millions of dollars in excess costs over the years.

4 57. As one of numerous examples of financial waste, when Mr. Depp's mother was
5 seriously ill, TMG rented a house to serve as potential hospice for her at a cost of \$35,000 per
6 month. Once it became clear that Mr. Depp's mother would recover, Mr. Depp instructed TMG
7 to move her out of the house and back home, and to terminate the lease. When the issue of the
8 lease came up again by chance approximately eight months later, TMG acknowledged that "they
9 forgot" to terminate the lease, which also contained a lengthy termination notice period. TMG's
10 error cost Mr. Depp approximately \$350,000, which TMG never offset against the tens of
11 millions of dollars in fees that TMG paid itself from Mr. Depp's earnings.

12 58. Similarly, TMG retained Premier Group International ("PGI") to provide security
13 services for Mr. Depp at a variety of locations. The cost of PGI's security services was not only
14 exorbitant, but also well above what Mr. Depp should have been paying given his financial
15 condition (as caused by TMG's mismanagement). TMG did not keep Mr. Depp apprised of the
16 cost of his security, did not question whether Mr. Depp had more security that was necessary, and
17 did not discuss with Mr. Depp whether there were other options available to reduce the cost of his
18 security. Between 2012 and 2015, TMG spent over \$8 million on security services, whereas a
19 reasonable business manager and financial advisor could have obtained acceptable security
20 services for a fraction of that cost.

21 59. As another example of TMG's mismanagement, in or around July 2007, an issue
22 arose regarding a set of drain lines and retaining/wing wall constructed on the eastern boundary of
23 Mr. Depp's residence on Sweetzer Avenue. Mr. Depp's neighbor from an adjacent property
24 argued that this retaining wall extended one and a half to two feet onto her property. In
25 responding to this situation, TMG did not conduct a formal survey of the land. Nor did they seek
26 to move the retaining wall onto Mr. Depp's property. Instead, TMG caused Mr. Depp, through
27 the Sweetzer Trust, to enter into a lease agreement with the neighbor, whereby the neighbor
28 would be paid \$3,000.00 per month indefinitely, retroactively to April 1, 2007. To date, based on

1 TMG's deal, the Sweetzer Trust has paid over \$320,000.00 in rent to the neighbor, rather than
2 first confirming that an issue even existed or simply moving the retaining wall.

3 **F. TMG Recklessly Borrowed Money on Mr. Depp's Behalf**

4 60. While TMG was (a) disbursing close to \$10,000,000 of Mr. Depp's funds for
5 undisclosed, unauthorized, and undocumented "loans" to third parties and (b) spending millions
6 of dollars of Mr. Depp's funds on exorbitant and unnecessary expenses, they also—at the same
7 time—caused Mr. Depp, and various business entities under his control, to borrow tens of
8 millions of dollars at unreasonably high interest rates and fees, and caused key assets of Mr. Depp
9 to be pledged as collateral or used for repayment. TMG attempted to use at least one of these
10 loans as a vehicle to provide themselves, and other of Mr. Depp's advisors, contractual rights that
11 they did not previously possess, including contingency payments on Mr. Depp's earnings and
12 priorities on such payments superior to Mr. Depp. All of this was done without proper
13 disclosures to Mr. Depp and in violation of well-established standards in the business
14 management profession. On information and belief, had TMG properly executed its duties to Mr.
15 Depp as a responsible business manager and retained the tens of millions of dollars they spent on
16 unauthorized disbursements and exorbitant expenses, Mr. Depp would not have had any need for
17 these loans and would never have incurred the interest and fees they engendered.

18 (i) TMG Borrows over \$20 million from City National Bank from 2006-2012

19 61. As early as February 2006, TMG began taking out loans from various banks to
20 make up for its egregious expenditures and mismanagement. In or around February 2006, TMG
21 took out a \$3,000,000 loan in Mr. Depp's name from City National Bank and secured it with
22 property owned by Mr. Depp. Then, in or around October 2008, TMG took out a \$10,000,000
23 line of credit in Mr. Depp's name and secured that with four of the Sweetzer Properties. In or
24 around March 2010, TMG took out another \$4,000,000 loan in Mr. Depp's name and, again,
25 secured that loan with the Sweetzer Properties. In or around March and April 2012, TMG caused
26 Mr. Depp to draw another \$5,000,000 from an unsecured line of credit with City National Bank.
27 In total, between 2006 and 2012, TMG caused Mr. Depp to borrow more than \$22,000,000 from
28 City National Bank.

1 62. In causing these loans to be made, TMG did not make adequate disclosures to Mr.
2 Depp, provide complete loan documents to Mr. Depp, or explain the purposes of the loans or the
3 reasons why they were necessary. Based on TMG's position of trust and loyalty with respect to
4 Mr. Depp's finances, Mr. Depp trusted TMG to act in Mr. Depp's best interest and to make the
5 best decisions for him, and to behave ethically and legally. TMG's actions prevented Mr. Depp
6 from inquiring into these loans or from having any meaningful understanding as to the amount
7 being borrowed.

8 (ii) TMG Improperly Secures a Hard Money Loan with High Interest and Fees

9 63. In or around August 2014, due to its mismanagement, TMG once again faced the
10 prospect of being unable to meet Mr. Depp's then-current obligations. Instead of finally
11 disclosing its incompetence and mismanagement to Mr. Depp, or obtaining a commercial loan
12 from another bank, TMG sought a large loan on behalf of Mr. Depp from a hard money lender,
13 Tryon Management Services, Ltd. ("Tryon"). The loan was orchestrated by a specialty finance
14 company, Grosvenor Park Media, and a third party, Fintage Collection Account Management,
15 B.V. ("Fintage"), acted as collection agent.

16 64. In or around October 2014, Tryon made a loan of \$12,500,00.00 to one of Mr.
17 Depp's business entities at an above-market initial interest rate of 10.00%, which later increased
18 to 10.25%. The loan was subject to high fees, and its repayment terms provided that accrued
19 interest would be capitalized monthly and added to the principal. The loan also contained a buy-
20 out clause, which has made it financially unfeasible to repay the loan prior to its termination date.

21 65. Although Mr. Depp purportedly signed some of the loan documents, he was not
22 provided complete loan documents, the terms of the loans were not adequately disclosed to him,
23 and he did not have any meaningful discussions with TMG regarding the need for the loan or its
24 impact moving forward.

25 66. The terms of the loan required that repayment would be made from and secured by
26 residuals owed to Mr. Depp for the films *Pirates of the Caribbean I* through *IV*, *Alice in*
27 *Wonderland*, and *Into the Woods* (collectively, the "Films"). Although accrued interest was
28 capitalized monthly, Mr. Depp's business entity received Film residuals less frequently, resulting

1 in significant additions to the outstanding principal in between each repayment.

2 67. Under the terms of the loan, each time Mr. Depp's business entity received a
3 residual payment from one of the Films, that payment would first be used to pay back a portion of
4 the interest and principal of the loan, to pay the large amounts of fees charged by Tryon, Fintage,
5 and related entities, and to put a certain amount of money in a tax reserve to pay tax payments on
6 the residuals. The second in line tranche of the residual as written by TMG would be used to pay
7 in full TMG's and Mr. Depp's other entertainment lawyers' and talent agent's fees. Thus, TMG
8 manufactured that it and other advisors would obtain 20% on Mr. Depp's contingent, gross
9 residuals regardless of whether Mr. Depp actually retained any of that money and
10 notwithstanding the California statutory protection requiring specified written contracts to
11 accomplish such rights. This provision was inserted into the hard money loan that Mr. Depp's
12 advisors brought him, added right from the beginning of negotiations, when TMG and others met
13 and negotiated a term sheet including this entitlement. This provided TMG and other advisors
14 with a right to receive fees superior to Mr. Depp's own, creating serious conflicts of interest.

15 68. Further, if any residuals remained after these payments were disbursed, the
16 remainder also went to repay the loan, *not* to Mr. Depp. Thus, even though TMG earned its full
17 fee for each residual, Mr. Depp would not actually receive a penny from his earnings on these
18 Films until the entire loan was repaid.

19 69. Despite these unreasonable and unfavorable terms, TMG caused Mr. Depp's
20 entities to take out a further advance from Tryon in or around August 2015 in the amount of
21 \$6,500,000.00. This brought the total amount borrowed from Tryon to \$19,000,000.00.

22 70. Over the short two-year period since this loan was initiated, Mr. Depp should have
23 received a total of approximately \$25,722,467.00 in residuals from the Films. Instead, neither he
24 nor any of his business entities received a penny of that money. Moreover, Tryon asserts that Mr.
25 Depp still owes approximately \$8,521,056.00 on the Tryon loan, which continues to capitalize
26 unreasonable interest at unreasonable rates and to charge unreasonable fees in collecting on the
27 loan. Even accounting for contractually required payments to Mr. Depp's representatives and tax
28 payments for these residuals, this loan has cost Mr. Depp millions of dollars in interest and fees to

1 date. In contrast, TMG received \$917,564.00 in fees from the film residuals alone during that
2 same period and other advisors received over \$4,000,000.

3 71. On information and belief, TMG caused Mr. Depp to incur over \$40 million in
4 debt since 2006—and millions of dollars in unnecessary interest and fees as a result—to cover for
5 its own mismanagement and fraud.

6 **G. TMG Submitted Incorrect Financial Documents As Back Up for Loans**

7 72. TMG at times submitted incorrect financial information to City National Bank
8 regarding various loans TMG caused Mr. Depp to incur. In so doing, TMG both
9 mischaracterized current tax liabilities as “deferred” (which they were not) and materially
10 understated amounts of Mr. Depp’s current liabilities by millions of dollars.

11 73. For example, a review of the financial documents submitted to City National Bank
12 for a March 2010 loan show that TMG submitted financial statements that identified a “Deferred
13 Income Tax” liability, as of June 30, 2009, in an amount that materially understated by millions
14 of dollars Mr. Depp’s actual and delinquent tax liabilities for 2008 and failed to include estimated
15 tax liabilities for 2009 then currently due and payable. Moreover, the financial statements
16 incorrectly identified these amounts as “deferred” liabilities, rather than the already delinquent
17 and currently due and payable tax liabilities that existed. Likewise, TMG followed a similar

18 pattern when it sought and received a 2008 loan from City National Bank on Mr. Depp’s behalf,
19 failing to account for millions of dollars of 2007 estimated tax liabilities then currently accrued
20 and payable. Based on information provided by the Internal Revenue Service and the California
21 Franchise Tax Board, TMG either knew or should have known the correct, current tax liabilities
22 owed by Mr. Depp, but nevertheless submitted these inaccurate reports to City National Bank.

23 **H. TMG’s Conflicts of Interest and Self-Dealing in Loaning \$5,000,000 Directly**
24 **to Mr. Depp and Servicing That Loan on His Behalf**

25 *(i) TMG’s Conflicts of Interest in Loaning \$5,000,000 Directly to Mr. Depp*

26 74. In or around March or April 2012, as referenced above, TMG caused Mr. Depp to
27 obtain a \$5,000,000 unsecured line of credit from City National Bank. In or around late 2012,
28 TMG, on behalf of Mr. Depp, failed to meet the payment obligations of this line of credit. As

1 such, the Bank accelerated a promissory note signed by Mr. Depp, which required payment of
2 \$5,000,000 by December 1, 2012. On information and belief, this default would not have
3 occurred but for TMG's expenditure of millions of dollars in unauthorized disbursements and
4 exorbitant expenses during the same time period.

5 75. Rather than explain the situation to Mr. Depp, TMG obtained a separate
6 \$5,000,000 loan from City National Bank *in their own name*, and lent that money to Mr. Depp.

7 76. Even though the particular City National Bank promissory note representing
8 TMG's loan was unsecured, TMG required Mr. Depp to execute a Lending Agreement and a
9 Promissory Note ("Promissory Note" or "Note") to TMG secured by deeds of trust (the "Trust
10 Deeds") on the five Sweetzer Properties that formed Mr. Depp's primary residence. Thus, TMG
11 caused Mr. Depp to exchange an uncollateralized debt for one secured by Mr. Depp's own
12 primary residence. TMG also added terms to the Promissory Note enabling them to declare a
13 default if Mr. Depp ever terminated TMG, regardless of what was in Mr. Depp's best interests.

14 77. Before making this loan, neither TMG nor J. Mandel had any discussions with Mr.
15 Depp regarding alternate means of satisfying Mr. Depp's existing indebtedness, such as selling
16 assets or obtaining a bridge loan to be satisfied by anticipated future income.

17 78. On its face, the Lending Agreement between Mr. Depp and TMG sought to
18 disclaim TMG's fiduciary duties to Mr. Depp for purposes of the transaction, and gave Mr. Depp
19 the opportunity to seek independent counsel. In reality, however, neither TMG nor J. Mandel
20 actually informed Mr. Depp of his right to independent counsel to review the Lending Agreement
21 and Promissory Note. They did not explain the documents or their purpose. They did not explain
22 that TMG would be loaning \$5,000,000 directly to Mr. Depp or why such extreme and unusual
23 action was required. They did not explain that they were causing Mr. Depp's primary residence
24 to be pledged as collateral for the loan even though his previous loan had been unsecured, or that
25 Mr. Depp might lose his home if he failed to pay the loan back.

26 79. Based on the position of trust and loyalty that TMG occupied with respect to the
27 management of Mr. Depp's finances, Mr. Depp did as they asked and signed the documents.
28 Based on their position as Mr. Depp's business managers, Mr. Depp trusted TMG to act in his

1 best interest and to make financially responsible decisions for him.

2 (ii) TMG's Conflicts of Interest in Servicing Their Loan to Mr. Depp

3 80. The Lending Agreement between Mr. Depp and TMG provides that "the Parties
4 shall be considered to be entirely independent respecting all matters herein described including,
5 without limitation ... the creation, operation and *repayment* of the TMG/Depp Note and the
6 execution and potential enforcement of the Deeds of Trust." (emphasis added).

7 81. In reality, however, TMG—as Mr. Depp's business managers and financial
8 advisors—had full practical responsibility for paying back the loan. They controlled Mr. Depp's
9 accounts and paid all of his debts. As such, TMG was responsible for complying with the terms
10 of the loan, just as they were for every other debt owed by Mr. Depp.

11 82. In undertaking to service the Note on behalf of Mr. Depp, TMG violated industry
12 standards applicable to business managers and financial advisors in a number of ways.

13 83. First, despite holding themselves out as independent to Mr. Depp in the Lending
14 Agreement, TMG undertook to service the loan in their capacity as Mr. Depp's business
15 managers and financial advisors. This created an unavoidable conflict of interest by requiring
16 TMG to effectively make payments to themselves, entangling TMG's own interests with those of
17 Mr. Depp.

18 84. Second, in undertaking to service the loan on behalf of Mr. Depp, TMG failed to
19 follow their own repayment terms as provided in the Promissory Note, and, in fact, did not pay
20 down the Note at all until *after* it should have been satisfied in full. This failure to repay even a
21 single dollar of their own debt during the expressed lifetime of the Note allowed TMG to later
22 declare the present default. Thus, TMG's own failures in repaying the loan led directly to putting
23 TMG in a position to foreclose on the Sweetzer Properties.

24 85. Third, after failing to repay the Promissory Note by the express deadline, TMG
25 created a Loan Amortization Schedule in April 2014, which purported to set a new 15-year
26 repayment schedule for Mr. Depp, but also included an interest rate far higher than the rate set
27 forth in the original Promissory Note. Immediately after creating this Schedule, however, TMG
28 failed to follow it, making only sporadic payments over the next two years that varied widely

1 from the Schedule's terms. By failing to pay in accordance with the Loan Amortization Schedule
2 (and at times paying more than the Schedule prescribed), TMG tied up funds that might have
3 been used by Mr. Depp to meet other obligations. It also presumably subjected Mr. Depp to an
4 interest rate far higher than that stated in the Promissory Note.

5 86. Finally, by creating the Loan Amortization Schedule after Mr. Depp should have
6 previously satisfied the loan, TMG effectively amended the terms of the loan to allow repayment
7 over the next 15 years. Nevertheless, after TMG was dismissed as Mr. Depp's business manager,
8 TMG effectively repudiated the Loan Amortization Schedule by declaring a default and
9 demanding repayment in full of the remaining balance. Given its fiduciary relationship to Mr.
10 Depp, TMG could not, on the one hand, create a payment schedule through which Mr. Depp was
11 allowed to repay the loan while TMG remained Mr. Depp's business manager, but then
12 unilaterally ignore that payment schedule once Mr. Depp replaced TMG with a new business
13 manager. TMG's refusal to honor the Loan Amortization Schedule once Mr. Depp removed
14 TMG as his business manager further highlights the significant conflicts of interest present
15 throughout their relationship.

16 I. TMG's Other Conflicts of Interest and Self-Dealing

17 87. As early as 2004, J. Mandel used his position as trustee of one of Mr. Depp's trusts
18 to invest millions of dollars in various entities in which either J. Mandel, TMG, or J. Mandel's
19 immediate family members also had a direct ownership interest. J. Mandel did this without
20 notifying Mr. Depp, as the beneficiary of the trust and as a client of TMG, that he intended to use
21 his position as trustee to invest Mr. Depp's money in entities that J. Mandel either partially owned
22 or controlled. Nor did J. Mandel seek authorization or obtain written waivers of the conflicts of
23 interest that had been created by his and TMG's actions.

24 88. For example, in or about September 1, 2004, a company called Lionheart, L.P.
25 ("Lionheart") made an offering for an aggregate amount of \$50,000,000 in limited partnership
26 interests. J. Mandel and R. Mandel possessed ownership interests in Lionheart as members of
27 Lionheart's sole general partner. The two brothers were also separately listed as directors of
28 Lionheart. Yet despite this direct ownership interest, J. Mandel caused Mr. Depp's trust to invest

1 over \$2,000,000 in Lionheart over a period of years.

2 89. Similarly, TMG caused Mr. Depp's trust to invest hundreds of thousands of dollars
3 in two companies, Matar, LLC ("Matar"), and Matar II, LLC ("Matar II"), two entities in which
4 both TMG and multiple TMG employees possess ownership interests. Currently, Mr. Depp's
5 trust owns 21.80% of Matar and 23.000% of Matar II, while TMG owns 20.00% of the former
6 and 16.667% of the latter. Other TMG employees also own substantial percentages of both
7 companies.

8 90. TMG also caused Mr. Depp's trust to invest hundreds of thousands of dollars in a
9 company called 6909 Ventures, LLC ("6909 Ventures"). Like Matar and Matar II, both TMG
10 and multiple TMG employees also possess ownership interests in 6909 Ventures. Currently, Mr.
11 Depp's trust owns 60.95% of 6909 Ventures, while TMG owns 11.7% and other TMG employees
12 own substantial percentages of the company.

13 91. TMG never disclosed any of these investments to Mr. Depp or sought
14 authorization from Mr. Depp before causing them to occur. Nor did TMG disclose or seek any
15 waiver of the flagrant conflicts of interest they engendered.

16 **V. Mr. Depp Learns for the First Time That He Suffered Significant Financial Losses**
17 **Due to TMG's Gross Mismanagement, and Promptly Terminates TMG**

18 92. Mr. Depp placed TMG in a position of trust and loyalty with respect to the
19 management of his finances and personal life, and, as a result, relied entirely on TMG to manage
20 his finances and grow his wealth. Mr. Depp is informed and believes, and on that basis alleges,
21 that TMG knew that Mr. Depp relied entirely on them with respect to the management of his
22 finances.

23 93. Yet in reality, as discussed above, TMG's gross mismanagement of almost every
24 aspect of Mr. Depp's affairs caused Mr. Depp to lose tens of millions of dollars. TMG then
25 sought to hide its losses from Mr. Depp by creating the illusion of wealth and financial stability,
26 making improper disbursements to Mr. Depp's friends and acquaintances, and causing Mr. Depp
27 to take out tens of millions of dollars in exorbitant and undisclosed loans.

28 94. Ultimately, TMG informed Mr. Depp that he would need to sell a large piece of

1 property in France in order to remain financially solvent. In light of his earnings over the years
2 and the supposed management of his affairs by TMG, Mr. Depp could not imagine that he could
3 be required to sell one of his properties in order to pay his debts. Later that fall, Mr. Depp's talent
4 agent wrote to Mandel: "Did you tell [J]ohnny . . . he needs to make 25 million by the end of the
5 year????? What are you doing?????"

6 95. Mr. Depp ultimately decided to terminate his relationship with TMG and to retain
7 a new business manager and certified public accounting firm, Edward White & Co., LLP
8 ("EWC"). Mr. Depp retained EWC in March of 2016, and, as part of their representation, EWC
9 engaged in a comprehensive analysis of Mr. Depp's financial situation. It was only after this
10 review (which is ongoing) that Mr. Depp learned of TMG's misconduct and began to fully
11 understand the financial harm TMG had caused Mr. Depp to suffer. Because of TMG's
12 concealment of Mr. Depp's true financial situation, as well as their sole possession of his books
13 and records, Mr. Depp did not know of TMG's acts of concealment until this time, nor did he
14 have a reasonable opportunity to discover such acts of concealment before that time.

15 96. Since its engagement, EWC has done everything in its power to correct Mr.
16 Depp's financial situation. EWC has caused Mr. Depp to substantially reduce unnecessary
17 expenses, sell investments in real and personal property, and has carefully monitored cash
18 receipts and disbursements to stabilize Mr. Depp's fiscal condition including fully satisfying
19 millions of dollars of 2014 and 2015 delinquent federal and state income tax liabilities.

20 97. EWC has worked to mitigate TMG's mismanagement. By way of example, EWC
21 has cut off unauthorized disbursements to Mr. Depp's friends and family. As another example,
22 EWC has reduced many of Mr. Depp's unnecessary expenditures, such as the security services
23 procured by TMG. Now, through EWC, Mr. Depp has secured adequate security services for a
24 fraction of what he previously paid reducing Mr. Depp's current and future expenditures by
25 millions of dollars. As a final example, EWC is currently working to move a wall onto Mr.
26 Depp's property so that Mr. Depp can terminate the inappropriate and extraordinary easement
27 payments which now total approximately \$350,000.

28 98. EWC has been unable to resolve other issues caused by TMG. For example, EWC

1 is still repaying many of the loans taken out by TMG, and is seeking to protect the various
2 properties of Mr. Depp that TMG caused to be pledged as collateral. EWC also continues to
3 service the Tryon loan, despite its unnecessarily odious terms, because of the loan's high pre-
4 payment penalties. This has made it economically infeasible to find other financing to satisfy the
5 loan until the prepayment penalty is reduced over time, despite the millions of dollars in
6 unreasonably high interest and fees Mr. Depp has and continues to incur.

7 99. All told, TMG's gross mismanagement and fraud with respect to Mr. Depp's
8 affairs has resulted in tens of millions of dollars of losses to Mr. Depp that have been discovered
9 to date, and given the disarray in the books and records provided by TMG to EWC, additional
10 losses are sure to be discovered.

11 **FIRST CAUSE OF ACTION**

12 **(PROFESSIONAL NEGLIGENCE)**

13 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
14 MANDEL AND DOES 1 THROUGH 10)**

15 100. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

16 101. TMG agreed to, and did in fact, act as Mr. Depp's business managers, accountants,
17 and financial advisors from in or around September 1999 to March 2016 and continued to render
18 some services thereafter.

19 102. As Mr. Depp's business managers, accountants, and financial advisors, TMG
20 owed Mr. Depp duties of professional care to use such skill, care, and diligence as other business
21 managers, accountants, and financial advisors commonly possess and exercise on behalf of high
22 net worth individuals under similar circumstances in similar communities.

23 103. Specifically, among other duties, business management industry standards
24 required TMG to: (1) discharge their responsibilities with integrity, objectivity, due professional
25 care and a genuine interest in serving their clients; (2) remain free of conflicts of interest; (3)
26 perform their professional services to the best of their ability with concern for the best interest of
27 Mr. Depp and consistent with Defendants' responsibilities to the public; (4) maintain accurate
28 books of account, including cash receipts, cash disbursements, and general ledgers and journals;

1 (5) compile statements of assets and liabilities and related statements of receipts and
2 disbursements at least quarterly on a cash basis; (6) timely and accurately prepare and file income
3 tax returns and provide overall tax planning services in connection with all personal and business
4 activities; (7) ensure that comprehensive financial planning is formulated, implemented,
5 monitored, and revised, including monthly and annual budgeting and longer term wealth
6 planning; (8) take primary responsibility for collecting, properly categorizing and analyzing
7 financial information related to a client's financial activities, including income received,
8 processing disbursements and reconciling books of account and banking records; (9) ensure that a
9 system of internal control procedures is planned, developed, and implemented to safeguard the
10 client's assets and promote the accuracy and reliability of the financial information being
11 processed and reported; (10) provide investment advice and analyze potential investments,
12 including the risks involved; (11) review insurance coverage and consult with insurance advisors
13 to ensure adequate coverage; (12) timely prepare accurate and meaningful financial reports to the
14 client; and (13) actively and truthfully engage in dialogue with the client regarding his or her
15 financial situation, including written and verbal professional communications and comprehensive
16 written reports containing financial, accounting and tax related planning and compliance
17 information.

18 104. Despite the duties of professional care owed to Mr. Depp, TMG failed to use such
19 degree of professional care, competence, and skill commonly possessed and exercised by
20 business managers, accountants, and financial advisors under similar circumstances in similar
21 communities. TMG negligently, carelessly, and recklessly rendered the services for which they
22 were retained by, among other things: (1) failing to properly keep Mr. Depp's books and records
23 and commingling funds between business entities without proper agreements or documentation;
24 (2) failing to keep Mr. Depp informed of material information regarding Mr. Depp's finances and
25 business affairs; (3) failing to inform Mr. Depp of and seek his authorization for major
26 transactions, disbursements or expenses that cost Mr. Depp millions of dollars; (4) failing to
27 invest Mr. Depp's earnings in stocks, funds, or other similar plans and failing to create or
28 implement any strategic long-term investment plan to maximize Mr. Depp's wealth; (5) failing to

1 pay Mr. Depp's taxes in a timely manner, resulting in over 8 million dollars of penalties, interest,
2 and fees; (6) disbursing close to ten million dollars to third parties close to Mr. Depp without
3 proper disclosures, interest, or terms of repayment; (7) failing to manage almost every aspect of
4 Mr. Depp's expenses, including failing to budget for expenses, failing to implement proper
5 mechanisms for approving and controlling expenses, and failing to advise on the financial
6 consequences of excessive expenses, as well as Defendants personally engaging in millions of
7 dollars of financial mismanagement; (8) causing trusts for which Mr. Depp was the beneficiary to
8 invest millions of dollars in ventures in which both TMG and the Mandels had direct ownership
9 interests, thereby creating serious conflicts of interest; (9) borrowing over \$40,000,000 from
10 various banks and a hard money lender at increasingly unreasonable interest rates and fees while
11 using Mr. Depp's properties and movie royalties as collateral in order to make up for the tens of
12 millions of dollars in losses caused by Defendants' unauthorized disbursements and exorbitant
13 expenses; (10) loaning Mr. Depp an additional \$5,000,000 directly and securing that loan with
14 Mr. Depp's primary residence, all without making proper disclosures or attempting to find
15 alternative methods to secure the needed financing; (11) servicing the loan Defendants made to
16 Mr. Depp but failing to adequately repay the loan and unilaterally changing the payment terms as
17 Defendants saw fit, thereby enabling Defendants to seek to foreclose on Mr. Depp's primary
18 residence; and (12) providing Mr. Depp with legal services without a written retainer agreement
19 and requiring contingent fees of 5% of Mr. Depp's gross revenue without any written agreement
20 and despite the fact that Defendants' services were worth far less than the amount received.

21 105. These breaches of TMG's duties to use the professional care, competence, and
22 skill commonly possessed and exercised by business managers, accountants, and financial
23 advisors under similar circumstances in similar communities involved both the want of even scant
24 care by TMG and represent an extreme departure from the ordinary standard of conduct
25 applicable in such situations. As such, TMG's mismanagement of Mr. Depp's financial affairs
26 also rises to the level of gross negligence.

27 106. In that TMG was solely and exclusively in possession of Mr. Depp's financial
28 books and records, Mr. Depp did not discover, and could not have reasonably discovered, the

1 facts underlying TMG's mismanagement and gross negligence until 2016, after Mr. Depp
2 retained a new business management firm. TMG's numerous acts of mismanagement constituted
3 continuing wrongs throughout their relationship with Mr. Depp that did not cease until Mr. Depp
4 retained a new business management firm in 2016.

5 107. As a direct and proximate result of the aforesaid gross negligence,
6 mismanagement, and professional negligence, Plaintiffs have been damaged in an amount that
7 has not yet been fully ascertained but which is believed to be in excess of twenty-five million
8 dollars (\$25,000,000).

9 **SECOND CAUSE OF ACTION**

10 **(BREACH OF FIDUCIARY DUTY)**

11 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
12 MANDEL, AND DOES 1 THROUGH 10)**

13 108. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

14 109. At all relevant times herein, by virtue of the professional relationships that existed
15 between Mr. Depp and TMG, wherein TMG acted as Mr. Depp's business managers, accountants
16 and financial advisors from 1999 until 2016, where Mr. Depp placed trust and confidence in the
17 fidelity and integrity of TMG and entrusted TMG with Mr. Depp's financial well-being, and
18 where TMG assumed control over Mr. Depp's business and financial affairs and property, a
19 fiduciary duty existed between Mr. Depp and TMG. At all relevant times, Mr. Depp reasonably
20 relied upon TMG's superior knowledge and expertise, and trusted that TMG would conduct
21 themselves in his best interest and not in their own self-interest.

22 110. This fiduciary duty required TMG to treat Mr. Depp with complete fairness and
23 the highest duty of loyalty, and to disclose to Mr. Depp all material facts concerning his business
24 and financial affairs, the services rendered by TMG in connection therewith, and the fees charged
25 by TMG for such services. This fiduciary duty further required TMG to truthfully and
26 completely disclose all relevant information to Mr. Depp and to not misrepresent or conceal any
27 facts in connection with any of the aforementioned services that TMG provided to Mr. Depp.
28 Furthermore, TMG owed Mr. Depp a duty to refrain from conducting themselves in any manner

1 that was in conflict with the best interests of Mr. Depp. TMG further owed Mr. Depp a fiduciary
2 duty to refrain from fraud, bad faith, concealment or nondisclosure of material facts, gross
3 misconduct, gross mismanagement, self-dealing, engaging in conflicts of interest, and failing to
4 follow instructions of the principal. In addition, TMG owed Mr. Depp a duty of due diligence
5 that required TMG to verify the legitimacy and soundness of the business, accounting, tax and/or
6 financial and investment advice they offered to Mr. Depp.

7 111. TMG breached their fiduciary duties to Mr. Depp by, among other things: (1)
8 misrepresenting facts in connection with Mr. Depp's finances and business affairs; (2) concealing
9 material facts concerning the true financial condition of Mr. Depp; (3) failing to properly keep
10 Mr. Depp's books and records and commingling funds between business entities without proper
11 agreements or documentation; (4) failing to inform Mr. Depp of and seek his authorization for
12 major transactions, disbursements or expenses that cost Mr. Depp millions of dollars; (5) failing
13 to invest Mr. Depp's earnings in stocks, funds, or other similar plans and failing to create or
14 implement any strategic long-term investment plan to maximize Mr. Depp's wealth; (6) failing to
15 pay Mr. Depp's taxes in a timely manner, resulting in over 8 million dollars in penalties, interest,
16 and fees; (7) disbursing close to ten million dollars to third parties close to Mr. Depp without
17 proper disclosures, interest, or terms of repayment; (8) failing to manage almost every aspect of
18 Mr. Depp's expenses, including failing to budget for expenses, failing to implement proper
19 mechanisms for approving and controlling expenses, and failing to advise on the financial
20 consequences of excessive expenses, as well as Defendants personally engaging in millions of
21 dollars of financial mismanagement and waste; (9) causing trusts for which Mr. Depp was the
22 beneficiary to invest millions of dollars in ventures in which both TMG and the Mandels had
23 direct ownership interests, thereby creating serious conflicts of interest; (10) borrowing over
24 \$40,000,000 from various banks and hard money lenders at increasingly unreasonable interest
25 rates and fees while using Mr. Depp's properties and movie royalties as collateral, all to create the
26 illusion of financial health and to make up for the tens of millions of dollars in losses caused by
27 Defendants' unauthorized disbursements and exorbitant expenses; (11) loaning Mr. Depp an
28 additional \$5,000,000 directly, inserting improper default terms, and securing that loan with Mr.

1 Depp's primary residence, all without making proper disclosures or attempting to find alternative
2 methods to secure the needed financing; (12) servicing the loan Defendants made to Mr. Depp but
3 failing to adequately repay the loan and unilaterally changing the payment terms as Defendants
4 saw fit, thereby enabling Defendants to seek to foreclose on Mr. Depp's primary residence; (13)
5 providing Mr. Depp with legal services, among others, without a written retainer agreement and
6 requiring contingent fees of 5% of Mr. Depp's gross revenue without the statutorily required
7 written agreement and despite the fact that Defendants' services were worth far less than the
8 amount received; (14) seeking to improperly notarize documents and submit incorrect financial
9 statements; and (15) continuing to misrepresent and conceal Mr. Depp's true financial condition
10 so as to avoid discovery of Defendants' wrongdoing and mismanagement and to continue making
11 millions of dollars in exorbitant fees despite their malfeasance.

12 112. In that TMG was solely and exclusively in possession of Mr. Depp's financial
13 books and records and actively worked to conceal their misconduct from Mr. Depp, Mr. Depp did
14 not discover, and could not have reasonably discovered, the facts underlying TMG's breaches of
15 fiduciary duties until 2016, after Mr. Depp retained a new business management firm. TMG's
16 numerous breaches of fiduciary duty constituted continuing wrongs throughout their relationship
17 with Mr. Depp that did not cease until Mr. Depp retained a new business management firm in
18 2016.

19 113. As a direct and proximate result of the aforesaid breaches of TMG's fiduciary
20 duties, Plaintiffs have been damaged in an amount that has not yet been fully ascertained, but
21 which is believed to be in excess of twenty-five million dollars (\$25,000,000). Plaintiffs are also
22 entitled to disgorgement of all sums paid to TMG while these breaches of duty occurred.

23 114. In doing the things herein alleged, TMG acted with malice, oppression and/or
24 fraud pursuant to California Code of Civil Procedure Section 3294(c), and acted willfully and
25 with the intent to cause injury to Mr. Depp. As such, TMG are therefore guilty of malice,
26 oppression and/or fraud, and Mr. Depp is entitled to recover an award of exemplary and/or
27 punitive damages.

28

1 **THIRD CAUSE OF ACTION**

2 **(BREACH OF FIDUCIARY DUTY AS TRUSTEE)**

3 **(BY ALL PLAINTIFFS AGAINST J. MANDEL AND DOES 13 THROUGH 15)**

4 115. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

5 116. From 2005 until 2016, by serving as trustee of the Sweetzer Trust, which was
6 created for the benefit of Mr. Depp, a fiduciary duty existed between Mr. Depp, as beneficiary,
7 and J. Mandel, as trustee. At all relevant times, Mr. Depp reasonably relied upon J. Mandel's
8 superior knowledge and expertise, and trusted that J. Mandel would conduct himself in the best
9 interests of Mr. Depp and not in his own self-interest in administering the Sweetzer Trust.

10 117. This fiduciary duty included, among others, a duty of loyalty, requiring the trustee
11 to administer the trust solely in the interest of Mr. Depp, a duty not to use trust property for the
12 trustee's own profit or for any other purpose unconnected with the trust, and a duty to exercise
13 reasonable care, skill, and prudence in administering the trust, including a duty to diversify
14 investments unless it is not prudent to do so. J. Mandel's fiduciary duties required him to
15 truthfully and completely disclose all relevant information to Mr. Depp and to not misrepresent
16 any or conceal any facts in connection with any of the services that J. Mandel provided as trustee
17 of the Sweetzer Trust. Furthermore, J. Mandel owed Mr. Depp a fiduciary duty to refrain from
18 fraud, bad faith, concealment or nondisclosure of material facts, gross misconduct, gross
19 mismanagement, self-dealing, and engaging in conflicts of interest in administering the Sweetzer
20 Trust.

21 118. In violation of the relationship of trust, confidence and loyalty between Mr. Depp
22 and J. Mandel, J. Mandel breached his fiduciary duties as trustee by, among other things: (1)
23 misrepresenting facts in connection with the Sweetzer Trust's finances and business affairs; (2)
24 concealing material facts concerning the true financial condition of the Sweetzer Trust; (3) failing
25 to properly keep the Sweetzer Trust's books and records and commingling funds between the
26 Trust and other business entities without proper agreements or documentation; (4) failing to
27 manage the Sweetzer Trust's expenses, including failing to budget for expenses, failing to
28 implement proper mechanisms for approving and controlling expenses, and failing to advise on

1 the financial consequences of excessive expenses, as well as Defendants personally engaging in
2 numerous examples of financial mismanagement and waste; (5) causing the Sweetzer Trust to
3 invest millions of dollars in ventures in which both TMG and the Mandels had direct ownership
4 interests, thereby creating serious conflicts of interest; (6) borrowing tens of millions of dollars
5 using the Sweetzer Trust's properties as collateral in order to create the illusion of financial health
6 and to make up for the tens of millions of dollars in losses caused by Defendants' unauthorized
7 disbursements and exorbitant expenses; (7) loaning Mr. Depp an additional \$5,000,000 directly,
8 inserting improper default terms, and securing that loan with properties owned by the Sweetzer
9 Trust, all without making proper disclosures or attempting to find alternative methods to secure
10 the needed financing; (8) servicing the loan Defendants made to Mr. Depp and the Sweetzer Trust
11 but failing to adequately repay the loan and unilaterally changing the payment terms as
12 Defendants saw fit, thereby enabling Defendants to seek to foreclose on Mr. Depp's primary
13 residence; (9) seeking to improperly notarize documents and submit incorrect financial
14 statements; (10) continuing to misrepresent and conceal the Sweetzer Trust's true financial
15 condition so as to avoid discovery of Defendants' wrongdoing and mismanagement and to
16 continue making millions of dollars in exorbitant fees as Mr. Depp's business manager.

17 119. In that J. Mandel was solely and exclusively in possession of the Sweetzer Trust's
18 financial books and records and actively worked to conceal his misconduct from Mr. Depp, Mr.
19 Depp and Mr. White did not discover, and could not have reasonably discovered the facts
20 underlying J. Mandel's breaches of fiduciary duties until 2016, after Mr. Depp retained a new
21 business management firm. J. Mandel's numerous breaches of fiduciary duty constituted
22 continuing wrongs throughout his time as trustee that did not cease until Mr. Depp retained a new
23 business management firm in 2016.

24 120. As a direct and proximate result of the aforesaid breaches of J. Mandel's fiduciary
25 duties, Plaintiffs have been damaged in an amount that has not yet been fully ascertained, but
26 which is believed to be in excess of twenty-five million dollars (\$25,000,000). Plaintiffs are also
27 entitled to disgorgement of all sums paid to Defendants while these breaches of fiduciary duty
28 occurred.

1 actions, and TMG further intended Mr. Depp to rely on their misrepresentations and omissions by
2 signing the loan documents without any meaningful review. In fact, on information and belief,
3 TMG took such actions in order to avoid disclosing the true state of Mr. Depp's financial affairs,
4 as caused by TMG's own actions.

5 127. Mr. Depp justifiably relied on TMG's material misrepresentations and omissions.
6 Based on TMG's representations regarding the nature of the transaction and their failure to notify
7 Mr. Depp of (a) the conflicts of interest the transaction created and (b) the collateralization of his
8 primary residence as a result, Mr. Depp signed the loan agreements without review by
9 independent counsel or any attempt to understand the consequences of his entering into the loan.
10 Mr. Depp would not have entered into this loan but for TMG's material misrepresentations and
11 omissions, which in fact prevented Mr. Depp from discovering the true state of his financial
12 affairs.

13 128. As a direct and proximate result of TMG's material misrepresentations and
14 omissions, Plaintiffs have been damaged, both by virtue of the interest payments on the loan
15 currently sought by TMG, and because TMG are currently seeking to foreclose on the Sweetzer
16 Properties. As a direct and proximate result of TMG's fraud in the inducement, Plaintiffs are
17 entitled to void the loan contract that resulted from that fraud.

18 129. In doing the things herein alleged, TMG acted with malice, oppression and/or
19 fraud pursuant to California Code of Civil Procedure Section 3294(c), and acted willfully and
20 with the intent to cause injury to Plaintiffs. As such, TMG is therefore guilty of malice,
21 oppression and/or fraud, and Plaintiffs are entitled to recover an award of exemplary and/or
22 punitive damages.

23 **FIFTH CAUSE OF ACTION**

24 **(FRAUDULENT CONCEALMENT)**

25 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
26 MANDEL, AND DOES 1 THROUGH 10)**

27 130. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

28 131. Throughout TMG's employment as Mr. Depp's business managers, accountants,

1 and financial advisors, TMG failed to disclose to Mr. Depp material facts regarding TMG's gross
2 mismanagement of Mr. Depp's personal and financial affairs and the true state of Mr. Depp's
3 financial condition.

4 132. For example, TMG concealed, among countless of other examples, the following
5 material facts from Mr. Depp, which they were duty-bound to disclose:

6 (a) Between October 3, 2014, and October 7, 2014, Defendants caused \$410,000
7 of Mr. Depp's funds to be transferred to an individual close to Mr. Depp without any loan
8 documents, contracts, or notes memorializing this disbursement or any terms of repayment. TMG
9 never disclosed to Mr. Depp that they had made this disbursement.

10 (b) Between July 14, 2015 and August 4, 2015, TMG caused \$50,000 of Mr.
11 Depp's funds to be transferred to an individual close to Mr. Depp without any loan documents,
12 contracts, or notes memorializing this disbursement or any terms of repayment. TMG never
13 disclosed to Mr. Depp that they had made this disbursement.

14 (c) Between October 1, 2015 through March 31, 2016, TMG caused a total of
15 \$226,500.00 of Mr. Depp's funds to be transferred to an individual close to Mr. Depp without any
16 loan documents, contracts, or notes memorializing this disbursement or any terms of repayment.
17 TMG never disclosed to Mr. Depp that they had made this disbursement.

18 (d) Between February 2006 and April 2012, as described in paragraphs 61-62,
19 TMG caused Mr. Depp to borrow approximately \$22,000,000 from City National Bank to make
20 up for their gross mismanagement of Mr. Depp's financial affairs, without making proper
21 disclosures to Mr. Depp or explaining the reasons for the loans.

22 (e) In or around October 2014 as described in paragraphs 63-68, TMG borrowed
23 \$12,500,000 from Tryon at unreasonable interest rates and high fees and promised Mr. Depp's
24 royalty payments from the Films to pay back the loan. In doing so, TMG did not provide Mr.
25 Depp with complete loan documents, did not disclose the terms of the loan to him, and did not
26 have any meaningful discussions with Mr. Depp regarding the need for the loan or its
27 consequences on Mr. Depp's financial situation.

28 (f) In or around August 2015 as described in paragraph 69, TMG borrowed

1 another \$6,500,000 from Tryon at the same unreasonable and exorbitant terms. In doing so,
2 TMG did not provide Mr. Depp with complete loan documents, did not disclose the terms of the
3 loan to him, and did not have any meaningful discussions with Mr. Depp regarding the need for
4 the loan or its consequences on Mr. Depp's financial situation.

5 133. TMG suppressed and failed to disclose information for the purpose of concealing
6 their negligence and wrongdoing from Mr. Depp. TMG intended that Mr. Depp act in reliance on
7 their misrepresentations and omissions by retaining TMG as Mr. Depp's business managers,
8 accountants, and financial advisors, so that they could continue to pay themselves exorbitant
9 commissions from Mr. Depp.

10 134. Based on their relationship of trust and confidence and the many years TMG spent
11 as Mr. Depp's business managers, Mr. Depp reasonably relied on TMG's misrepresentations and
12 omissions. Mr. Depp did not understand his true financial situation and believed that he was in
13 excellent financial health, that he had saved millions of dollars, and that he had funds at his
14 disposal to spend as needed. Had Mr. Depp been aware of TMG's concealment and wrongful
15 conduct, Mr. Depp would not have continued to incur the loans that he did and would have
16 terminated TMG as his business managers.

17 135. Instead, in reliance on TMG's material misrepresentations and omissions, Mr.
18 Depp was induced to and did continue to incur excessive and unnecessary expenses and
19 continued to pay tens of millions of dollars to TMG in exorbitant fees.

20 136. Because of TMG's intentional concealment, as well as their sole possession of his
21 books and records, Mr. Depp did not know of TMG's acts of intentional concealment until in or
22 after March 2016 when he retained new business managers, nor did he have a reasonable
23 opportunity to discover such acts of concealment before that time. TMG's numerous acts of
24 fraud throughout their relationship with Mr. Depp constituted continuing wrongs that did not
25 cease until Mr. Depp retained a new business management firm in 2016.

26 137. As a direct and proximate result of TMG's fraud and concealment, Plaintiffs have
27 been damaged in an amount that has not yet been fully ascertained, but which is believed to be in
28 excess of twenty-five million dollars (\$25,000,000).

1 138. In doing the things herein alleged, TMG acted with malice, oppression and/or
2 fraud pursuant to California Code of Civil Procedure Section 3294(c), and acted willfully and
3 with the intent to cause injury to Mr. Depp. As such, TMG is therefore guilty of malice,
4 oppression and/or fraud, and Plaintiffs are entitled to recover an award of exemplary and/or
5 punitive damages.

6 **SIXTH CAUSE OF ACTION**

7 **(CONSTRUCTIVE FRAUD)**

8 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.**
9 **MANDEL, AND DOES 1 THROUGH 10)**

10 139. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

11 140. As Mr. Depp's business managers, accountants, and financial advisors, TMG
12 owed Mr. Depp a fiduciary duty to act with the utmost good faith and in his best interests.

13 141. As set forth above, TMG breached their fiduciary duties and concealed material
14 facts from Mr. Depp.

15 142. TMG misrepresented facts in connection with Mr. Depp's finances and business
16 affairs and concealed material facts concerning his true financial condition. TMG made close to
17 ten million dollars in unauthorized disbursements in order to curry favor and solidify their
18 position with Mr. Depp, borrowed tens of millions of dollars without proper disclosures to Mr.
19 Depp at increasingly unreasonable terms, and continually misrepresented Mr. Depp's financial
20 health, all to hide their years of gross misconduct, negligence, and waste in almost every aspect of
21 their business management and accounting services.

22 143. TMG concealed the truth behind these matters with the intent to deceive and
23 defraud Mr. Depp and to prevent Mr. Depp from learning the true facts, and to induce Mr. Depp
24 to act in reliance on TMG's acts and omissions, or with the expectation that Mr. Depp would act
25 in reliance on that information.

26 144. Mr. Depp justifiably relied on the fact that TMG was fulfilling their fiduciary
27 duties to Mr. Depp and not concealing their gross mismanagement of Mr. Depp's financial
28 affairs.

1 145. TMG gained an advantage as a result of their breach of fiduciary duty and
2 deception in that Mr. Depp retained TMG as his business managers, accountants, and financial
3 advisors, where otherwise they would surely have been terminated. As a result, TMG earned tens
4 of millions of dollars in exorbitant commissions.

5 146. By virtue of the breaches of fiduciary duties and obligations owed by TMG to Mr.
6 Depp as alleged herein, TMG has engaged in constructive fraud pursuant to California Civil Code
7 Section 1573 and other applicable California law.

8 147. As a direct and proximate result of TMG's constructive fraud, Plaintiffs have been
9 damaged in an amount that has not yet been fully ascertained, but which is believed to be in
10 excess of twenty-five million dollars (\$25,000,000).

11 148. In doing the things herein alleged, TMG acted with malice, oppression and/or
12 fraud pursuant to California Code of Civil Procedure Section 3294(c), and acted willfully and
13 with the intent to cause injury to Plaintiffs. As such, TMG is therefore guilty of malice,
14 oppression and/or fraud, and Plaintiffs are entitled to recover an award of exemplary and/or
15 punitive damages.

16 **SEVENTH CAUSE OF ACTION**
17 **(NEGLIGENT MISREPRESENTATION)**
18 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, and R.**
19 **MANDEL, AND DOES 1 THROUGH 10)**

20 149. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

21 150. As set forth herein, throughout the course of their relationship, TMG made myriad
22 representations of past or existing material facts regarding Mr. Depp's financial condition,
23 investments, expenditures, and rendering of services in conformity with their fiduciary duties.

24 151. Many of these representations, such as Mr. Depp's financial condition being
25 healthy and sustainable, were not true, and TMG made them without reasonable grounds for
26 believing them to be true.

27 152. TMG intended to induce Mr. Depp to rely on their representations.

28 153. As trusted fiduciaries, Mr. Depp reasonably relied upon TMG's representations,

1 which reliance, over time, has resulted in millions of dollars of damages, including undisclosed
2 disbursements to third parties, and the payment of commissions to which TMG was not entitled
3 as a result of their misfeasance.

4 154. Because of TMG's negligent misrepresentation of Mr. Depp's true financial
5 situation, as well as their sole possession of his books and records, Mr. Depp did not know of, or
6 have a reasonable opportunity to discover, TMG's wrongful acts until in or after March 2016
7 when he retained new business managers. TMG's negligent misrepresentations throughout their
8 relationship with Mr. Depp constituted continuing wrongs that did not cease until Mr. Depp
9 retained a new business management firm in 2016.

10 155. As a direct and proximate result of TMG's negligent misrepresentation, Plaintiffs
11 have been damaged in an amount that has not yet been fully ascertained, but which is believed to
12 be in excess of twenty-five million dollars (\$25,000,000).

13 **EIGHTH CAUSE OF ACTION**

14 **(UNJUST ENRICHMENT)**

15 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
16 MANDEL, AND DOES 1 THROUGH 10)**

17 156. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

18 157. Mr. Depp paid TMG undeserved and exorbitant commissions for their services,
19 despite their gross mismanagement of almost every aspect of Mr. Depp's finances, and their
20 fraudulent misconduct taken to conceal the true nature of Mr. Depp's financial condition. TMG
21 entirely abdicated their responsibilities to Mr. Depp and cost him tens of millions of dollars
22 before Mr. Depp finally discovered their misconduct and negligence and terminated them. Mr.
23 Depp's payment of these commissions provided TMG with an unlawful benefit at Mr. Depp's
24 expense, to which TMG had no right.

25 158. TMG would not have received the unlawful benefit but for their wrongful conduct.

26 159. Plaintiffs suffered compensatory injury as a proximate result of Defendants'
27 unlawful conduct.

28 160. Accordingly, Plaintiffs are entitled to restitution from Defendants, in addition to all

1 monetary damages due, in an amount to be determined according to proof at trial.

2 **NINTH CAUSE OF ACTION**

3 **(INJUNCTION AGAINST WRONGFUL FORECLOSURE IN VIOLATION OF**
4 **CALIFORNIA CIVIL CODE)**

5 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.**
6 **MANDEL, FIRST AMERICAN, AND DOES 1 THROUGH 12)**

7 161. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

8 162. On or about October 27, 2016, defendant First American, as trustee under the
9 Trust Deeds, recorded with the County Recorder for the County of Los Angeles two Notices of
10 Default and Election to Sell Under Deed of Trust ("Notices of Default"), which initiated non-
11 judicial foreclosure proceedings on the Sweetzer Properties under the Trust Deeds, as collateral
12 for the Note.

13 163. The said foreclosure proceedings are improper in that, among other things: (A)
14 the Note, being secured by the Trust Deeds, is the result of TMG's breaches of fiduciary duty as
15 alleged above and are therefore void and invalid; (B) as a result of the improper and fraudulent
16 acts of TMG as herein alleged, TMG are indebted to Mr. Depp in a sum far exceeding any sums
17 which may allegedly be owing under the Note. Mr. Depp therefore has setoffs against the Note
18 that reduce its balance to \$0, and there is no indebtedness to be secured by the Trust Deeds; (C)
19 the Notices of Default materially overstate the balance owing under the Note, and such Notices
20 are therefore deficient under California Civil Code § 2924; and (D) even if there were a balance
21 owing under the Note, the Note is not in default and is therefore not due. The "default" relied
22 upon by TMG and First American was self-manufactured by TMG. TMG, in a further breach of
23 their fiduciary duty, inserted a provision in the Note providing for a default in the event that
24 TMG's services as Mr. Depp's business manager were terminated. TMG, by their wrongful
25 conduct, have compelled Mr. Depp to terminate their services as business manager. TMG are
26 attempting to take advantage of their own wrongful conduct by using that termination as a pretext
27 to foreclose, in violation of Cal. Civ. Code § 3517.

28 164. Defendants have threatened to proceed with the foreclosure sale of the Sweetzer

1 Properties, and unless enjoined, will proceed with such a sale improperly and in violation of the
2 rights of Plaintiffs.

3 **TENTH CAUSE OF ACTION**

4 **(DECLARATORY JUDGMENT)**

5 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
6 MANDEL, AND DOES 1 THROUGH 10)**

7 165. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

8 166. California Business and Professional Code § 6147 requires contingency fee
9 arrangements with attorneys to be documented in a written agreement, which must further contain
10 a host of statutorily mandated disclosures. Section 6147 governs all such agreements, whether in
11 the litigation context or otherwise. *See Arnall v. Superior Court*, 190 Cal. App. 4th 360, 367
12 (2010). In the absence of a writing that complies with the requirements of section 6147, a
13 contingency fee arrangement with an attorney is voidable at the client's election, in which case,
14 the attorney is only "entitled to collect a reasonable fee." Cal. Bus. & Prof. Code § 6147(b).

15 167. Moreover, when an attorney serves a single client both as an attorney and one who
16 renders non-legal services, he or she must conform to the Rules of Professional Conduct in the
17 provision of all services. *Kelly v. State Bar*, 53 Cal. 3d 509, 517 (1991). California Rule of
18 Professional Conduct 3-300 requires that "[a] member shall not enter into a business transaction
19 with a client . . . unless . . . the transaction . . . and its terms are . . . fully disclosed and transmitted
20 in writing to the client[.]" Further, California Rule of Professional Conduct 3-310 prohibits
21 representations imbued with conflicts of interest.

22 168. The California Rules of Professional Conduct embody the public policy of
23 California. *Shepard, Mullin, Richter & Hampton, LLP v. J-M Mfg. Co., Inc.*, 198 Cal. Rptr. 3d
24 253, 265 (2016). The violation of public policies central to the attorney-client relationship render
25 any agreement – whether written or unwritten – unenforceable and entitles the injured party to
26 disgorgement of fees paid. *See id.* at 270-71.

27 169. Thus, had TMG, J. Mandel and R. Mandel provided their legal services free of
28 conflicts of interest, which they did not, then, in the absence of a written agreement that complies

1 with Cal. Bus. & Prof. Code § 6147, they could be entitled, at Mr. Depp's election, to retain only
2 a "reasonable fee" for their legal services. But The Management Group, J. Mandel and R.
3 Mandel not only provided legal services without the statutorily mandated written contingency fee
4 arrangement, they also repeatedly violated the public policy of California by failing to fully
5 disclose and transmit in writing to Mr. Depp the terms of their non-legal business relationship and
6 by creating a host of conflicts of interest through their self-dealing.

7 170. At all relevant times, J. Mandel and R. Mandel were members in good standing of
8 the Bar of California.

9 171. At all relevant times, The Management Group, J. Mandel and R. Mandel, on the
10 one hand, and Mr. Depp, on the other, were in an attorney-client relationship and identified
11 themselves as lawyers and business managers to both Mr. Depp and the outside world.
12 Throughout the course of TMG's relationship with Mr. Depp, they provided legal advice and
13 services including, among other things, drafting corporate documents and negotiating and
14 reviewing various contracts related to both Mr. Depp's personal life and his business entities.

15 172. J. Mandel and R. Mandel also held themselves out as lawyers to the outside world
16 and used this fact to distinguish themselves from other business managers. In an interview with
17 Aish.com, J. Mandel and R. Mandel noted when asked how they "distinguish from other business
18 managers," that "I [Robert Mandel] was a practicing tax lawyer and Joel was a practicing
19 transaction lawyer, and with that background we have been successful in helping our clients with
20 a broad spectrum of issues – tax, transactional, etc." When asked "more specifically about your
21 role as a business manager," R. Mandel replied: "[A] business manager is a hybrid of personal
22 assistant, bookkeeper, accountant and attorney....we help negotiate their contracts."

23 173. In exchange for their legal and other services, TMG paid themselves 5% of Mr.
24 Depp's gross, contingent earnings during the course of their relationship.

25 174. Despite collecting over \$28,000,000 over the course of their relationship with Mr.
26 Depp, TMG had no written agreement with Mr. Depp for the provision of legal services, failed to
27 document the terms of their non-legal business transactions with Mr. Depp, and through their
28 self-dealing, polluted their entire relationship with Mr. Depp with conflicts of interest.

1 175. An actual controversy relating to the legal rights and duties of the parties exists;
2 namely: (a) whether, in the absence of violations of the California Rules of Professional Conduct
3 TMG, at Mr. Depp's election, are entitled to anything more than a "reasonable fee;" (b) whether
4 the California Rules of Professional Conduct apply to all of TMG's services, both legal and non-
5 legal; and (c) whether, in light of TMG's self-dealing, conflicts of interest, and failure to
6 document the terms of their business transactions with Mr. Depp, the agreement between TMG
7 and Mr. Depp is invalid and unenforceable, entitling Mr. Depp to disgorgement of all fees he has
8 paid to Defendants.

9 176. Accordingly, Mr. Depp seeks a declaration that any purported agreement between
10 him and TMG is voidable, invalid, and unenforceable, that he is entitled to disgorgement and
11 restitution of all fees paid to TMG, and that TMG is not entitled to a "reasonable fee" for legal
12 services as a result of their violations of the California Rules of Professional Conduct. In
13 addition, Mr. Depp seeks a judgment of the Court awarding him monetary relief against TMG in
14 the amount of all contingent fees he paid to TMG, plus interest at the legal rate.

15 **ELEVENTH CAUSE OF ACTION**

16 **(VIOLATION OF CAL. BUS. & PROF. CODE § 6147)**

17 **(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
18 MANDEL, AND DOES 1 THROUGH 10)**

19 177. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

20 178. California Business and Professional Code § 6147 requires contingency fee
21 arrangements with attorneys to be documented in a written agreement, which must further contain
22 a host of statutorily mandated disclosures. Section 6147 governs all such agreements, whether in
23 the litigation context or otherwise. *See Arnall v. Superior Court*, 190 Cal. App. 4th 360, 367
24 (2010). In the absence of a writing that complies with the requirements of section 6147, a
25 contingency fee arrangement with an attorney is voidable at the client's election, in which case,
26 the attorney is only "entitled to collect a reasonable fee." Cal. Bus. & Prof. Code § 6147(b).

27 179. At all relevant times, J. Mandel and R. Mandel were members in good standing of
28 the Bar of California.

1 180. At all relevant times, The Management Group, J. Mandel and R. Mandel, on the
2 one hand, and Mr. Depp, on the other, were in an attorney-client relationship and identified
3 themselves as lawyers and business managers to both Mr. Depp and the outside world.
4 Throughout the course of TMG's relationship with Mr. Depp, they provided legal advice and
5 services including, among other things, drafting corporate documents and negotiating and
6 reviewing various contracts related to both Mr. Depp's personal life and his business entities.

7 181. J. Mandel and R. Mandel also held themselves out as lawyers to the outside world
8 and used this fact to distinguish themselves from other business managers. In an interview with
9 Aish.com, J. Mandel and R. Mandel noted when asked how they "distinguish from other business
10 managers," that "I [Robert Mandel] was a practicing tax lawyer and Joel was a practicing
11 transaction lawyer, and with that background we have been successful in helping our clients with
12 a broad spectrum of issues – tax, transactional, etc." When asked "more specifically about your
13 role as a business manager," R. Mandel replied: "[A] business manager is a hybrid of personal
14 assistant, bookkeeper, accountant and attorney....we help negotiate their contracts."

15 182. In exchange for their legal and other services, TMG paid themselves 5% of Mr.
16 Depp's gross, contingent earnings during the course of their relationship.

17 183. Despite collecting over \$28,000,000 over the course of their relationship with Mr.
18 Depp, TMG had no written agreement with Mr. Depp for the provision of legal services.

19 184. The fee arrangement between J. Mandel and R. Mandel, on the one hand, and Mr.
20 Depp, on the other hand, does not conform with the requirements of California Business and
21 Professional Code § 6147, and therefore violated the statute.

22 185. As a direct and proximate result of Defendants' violation of California Business
23 and Professional Code § 6147, Plaintiffs are entitled to disgorgement of all fees paid to
24 Defendants, other than a "reasonable fee" for services actually provided by Defendants.
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TWELFTH CAUSE OF ACTION

**(VIOLATION OF THE UNFAIR COMPETITION LAW, CAL. BUS. & PROF. CODE §§
17200, ET SEQ.)**

**(BY ALL PLAINTIFFS AGAINST THE MANAGEMENT GROUP, J. MANDEL, R.
MANDEL, AND DOES 1 THROUGH 10)**

186. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

187. California's Unfair Competition Law (the "UCL"), set forth in Business & Professions Code §§ 17200, *et seq.*, provides that unfair competition shall mean and include any "unlawful, unfair or fraudulent business act or practice."

188. Defendants' wrongful conduct, as alleged in this First Amended Complaint, constitutes unlawful, unfair, and fraudulent business acts and practices in three different ways, each of which independently alleges a violation of the UCL.

189. First, Defendants' business acts and practices as set forth in this First Amended Complaint are unlawful in that they violate, among other statutes, Business & Professions Code § 6147, entitled "Contingency fee contracts; duplicate copy; contents; effect of noncompliance; recovery of workers' compensation benefits." Section 6147(a) expressly states that:

(a) An attorney who contracts to represent a client on a contingency fee basis shall, at the time the contract is entered into, provide a duplicate copy of the contract, signed by both the attorney and the client, or the client's guardian or representative, to the plaintiff, or to the client's guardian or representative. The contract shall be in writing and shall include, but is not limited to, all of the following:

(1) A statement of the contingency fee rate that the client and attorney have agreed upon.

(2) A statement as to how disbursements and costs incurred in connection with the prosecution or settlement of the claim will affect the contingency fee and the client's recovery.

(3) A statement as to what extent, if any, the client could be required to pay any compensation to the attorney for related matters that arise out of their relationship not covered by their contingency fee contract. This may include any amounts collected for the plaintiff by the attorney.

(4) Unless the claim is subject to the provisions of Section 6146, a statement that the fee is not set by law but is negotiable between attorney and client.

(5) If the claim is subject to the provisions of Section 6146, a statement that the rates set forth in that section are the maximum limits for the contingency fee agreement, and that the attorney and client may negotiate a lower rate.

1 190. At all relevant times, J. Mandel and R. Mandel were members in good standing of
2 the Bar of California.

3 191. At all relevant times, The Management Group, J. Mandel and R. Mandel, on the
4 one hand, and Mr. Depp, on the other, were in an attorney-client relationship and identified
5 themselves as lawyers and business managers to both Mr. Depp and the outside world.
6 Throughout the course of TMG's relationship with Mr. Depp, they provided legal advice and
7 services including, among other things, drafting corporate documents and negotiating and
8 reviewing various contracts related to both Mr. Depp's personal life and his business entities.

9 192. J. Mandel and R. Mandel also held themselves out as lawyers to the outside world
10 and used this fact to distinguish themselves from other business managers. In an interview with
11 Aish.com, J. Mandel and R. Mandel noted when asked how they "distinguish from other business
12 managers," that "I [Robert Mandel] was a practicing tax lawyer and Joel was a practicing
13 transaction lawyer, and with that background we have been successful in helping our clients with
14 a broad spectrum of issues – tax, transactional, etc." When asked "more specifically about your
15 role as a business manager," R. Mandel replied: "[A] business manager is a hybrid of personal
16 assistant, bookkeeper, accountant and attorney...we help negotiate their contracts."

17 193. In exchange for their legal and other services, TMG paid themselves 5% of Mr.
18 Depp's gross, contingent earnings during the course of their relationship.

19 194. Despite collecting over \$28,000,000 over the course of their relationship with Mr.
20 Depp, TMG had no written agreement with Mr. Depp for the provision of legal services.

21 195. The fee arrangement between J. Mandel and R. Mandel, on the one hand, and Mr.
22 Depp, on the other hand, does not conform with the requirements of California Business and
23 Professional Code § 6147. This unlawful business practice therefore violates the UCL.

24 196. Second, Defendants' business acts and practices as set forth in this First Amended
25 Complaint are also unlawful and unfair in that they violate (i) California Rule of Professional
26 Conduct 3-300, which requires that "[a] member shall not enter into a business transaction with a
27 client . . . unless . . . the transaction . . . and its terms are . . . fully disclosed and transmitted in
28 writing to the client," and (ii) California Rule of Professional Conduct 3-310, which prohibits

1 representations imbued with conflicts of interest. When an attorney serves a single client both as
2 an attorney and one who renders non-legal services, he or she must conform to the Rules of
3 Professional Conduct in the provision of all services. *Kelly v. State Bar*, 53 Cal. 3d 509, 517
4 (1991).

5 197. The California Rules of Professional Conduct embody the public policy of
6 California. *Shepard, Mullin, Richter & Hampton, LLP v. J-M Mfg. Co., Inc.*, 198 Cal. Rptr. 3d
7 253, 265 (2016). The violation of public policies central to the attorney-client relationship render
8 any agreement – whether written or unwritten – unenforceable and entitles the injured party to
9 disgorgement of fees paid. *See id.* at 270-71. A cause of action under the UCL may be
10 predicated on a violation of the California Rules of Professional Conduct. *People ex rel. Herrera*
11 *v. Stender*, 212 Cal. App. 4th 614 (2012)

12 198. As described herein, TMG, J. Mandel and R. Mandel repeatedly violated the
13 public policy of California by failing to fully disclose and transmit in writing to Mr. Depp the
14 terms of their non-legal business relationship and by creating a host of conflicts of interest
15 through their self-dealing. This constitutes a separate violation of the UCL.

16 199. Defendants' business acts and practices as set forth in this First Amended
17 Complaint, including, but not limited to, Defendants' breaches of fiduciary obligations, fraudulent
18 inducement, fraudulent concealment, and constructive fraud, also constitute unfair business acts
19 and practices under California Business and Professions Code section 17200, because such acts
20 are unscrupulous, unethical, unfair, and injurious to Plaintiffs.

21 200. Third, Defendants' business acts and practices as set forth in this First Amended
22 Complaint constitutes fraudulent representations and concealments, and fraudulent business
23 practice likely to deceive Plaintiffs (and the public). Among other things, and as further
24 articulated in the preceding paragraphs of the First Amended Complaint, TMG misrepresented
25 facts in connection with Mr. Depp's finances and business affairs and concealed material facts
26 concerning his true financial condition. TMG made close to ten million dollars in unauthorized
27 disbursements in order to curry favor and solidify their position with Mr. Depp, borrowed tens of
28 millions of dollars without proper disclosures to Mr. Depp at increasingly unreasonable terms,

1 and continually misrepresented Mr. Depp's financial health, all to hide their years of gross
2 misconduct, negligence, and waste in almost every aspect of their business management and
3 accounting services. In addition, as alleged in the preceding paragraphs of the First Amended
4 Complaint, Defendants (i) sought to improperly notarize certain signature pages outside of Mr.
5 Depp's presence and submitted incorrect financial information to City National Bank regarding
6 various loans TMG caused Mr. Depp to incur, (ii) caused Mr. Depp to borrow approximately
7 \$22,000,000 from City National Bank to make up for their gross mismanagement of Mr. Depp's
8 financial affairs, without making proper disclosures to Mr. Depp or explaining the reasons for the
9 loans, and (iii) borrowed millions of dollars from Tryon at unreasonable interest rates and high
10 fees, without providing Mr. Depp with complete loan documents.

11 201. As a direct and proximate result of Defendants' unlawful, unfair, and fraudulent
12 business acts and practices, Defendants have been unjustly enriched, and Plaintiffs have suffered
13 monetary harm. Plaintiffs thus seek disgorgement and restitution of all fees paid to Defendants in
14 an amount to be proven at trial.

15 **THIRTEENTH CAUSE OF ACTION**

16 **(ACCOUNTING)**

17 **(BY DEPP AGAINST THE MANAGEMENT GROUP, J. MANDEL, R. MANDEL, AND**
18 **DOES 1 THROUGH 10)**

19 202. Plaintiffs incorporate the foregoing allegations as if fully set forth herein.

20 203. As alleged herein, TMG, as Mr. Depp's business managers, accountants, and
21 investment advisors, had and continue to have a fiduciary duty to Mr. Depp requiring TMG to act
22 only in Mr. Depp's best interest and to not engage in any acts or omissions which would cause
23 Mr. Depp to suffer any harm or damages.

24 204. As further alleged above, during the period of time that TMG rendered accounting
25 and business management services to Mr. Depp, TMG solely controlled and maintained Mr.
26 Depp's financial books and records. Mr. Depp is unaware of the full amounts TMG paid
27 themselves or otherwise misappropriated from Mr. Depp's accounts.

28 205. Accordingly, Mr. Depp is entitled to a full and complete accounting to all amounts

1 TMG paid themselves, misappropriated from Mr. Depp's accounts, secreted, misplaced, or
2 otherwise used to or paid without Mr. Depp's informed consent. Wherefore, the full amount
3 owed and becoming due to Mr. Depp can only be determined pursuant to a full and accurate
4 accounting of all books and records of TMG.

5 **PRAYER FOR RELIEF**

6 **WHEREFORE**, Plaintiffs pray for judgment in their favor and against the Defendants,
7 and each of them, jointly and severally, as follows:

8 On All Causes of Action Except the Ninth Cause of Action:

- 9 A. For compensatory damages in an amount subject to proof at trial, in an amount in
10 excess of twenty-five million dollars (\$25,000,000);
- 11 B. For restitution and disgorgement of all gains and profits by Defendants The
12 Management Group, J. Mandel and R. Mandel as a result of their wrongful and unlawful conduct;
- 13 C. For rescission of the Lending Agreement and Promissory Note lending \$5,000,000
14 directly to Mr. Depp by TMG, and of the corresponding Deeds of Trust, through which TMG
15 currently seeks to foreclose on the Sweetzer Properties;
- 16 D. For setoff of any amounts allegedly owed to Defendants against amounts
17 Defendants owe Plaintiffs;
- 18 E. For punitive and exemplary damages in an amount subject to proof; and
- 19 F. For interest and prejudgment interest.

20 On the Ninth Cause of Action:

- 21 I. For a temporary restraining order, and preliminary and permanent injunction
22 enjoining Defendants from proceeding with the foreclosure of the Sweetzer Properties.

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On All Causes of Action:

- J. An award of attorneys' fees and costs, except as to Defendant First American; and
- K. For such other and further relief as deemed just and proper.

RESPECTFULLY SUBMITTED this 26th day of May 2017.

MANATT, PHELPS & PHILLIPS, LLP

By


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and

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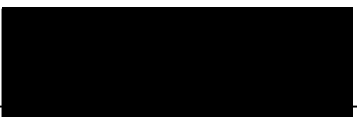
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DEMAND FOR JURY TRIAL

Plaintiffs hereby demand trial by jury for this matter.

Dated: May 26, 2017

MANATT, PHELPS & PHILLIPS, LLP

By 

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and

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PROOF OF SERVICE

I, Erica Nash, declare as follows:

I am employed in Los Angeles County, Los Angeles, California. I am over the age of eighteen years and not a party to this action. My business address is MANATT, PHELPS & PHILLIPS, LLP, 11355 West Olympic Boulevard, Los Angeles, California 90064-1614. On May 26, 2017, I served the within:

FIRST AMENDED COMPLAINT

on the interested parties in this action addressed as follows:

Michael Kump, Esq. Email: mkump@kwikalaw.com Suann MacIsaac, Esq. Email: SMacIsaac@kwikalaw.com KINSELLA WEITZMAN ISER KUMP & ALDISERT, LLP 808 Wilshire Boulevard, 3rd Floor Santa Monica, CA 90401 Ph.: 310-566-9800 Fax: 310-566-9850	Attorneys for Defendants, The Mandel Company, Inc., d/b/a The Management Group, a California corporation; Joel L. Mandel, individually and as former trustee of the Sweetzer Trust; and Robert Mandel
---	---

(BY MAIL) By placing such document(s) in a sealed envelope, with postage thereon fully prepaid for first class mail, for collection and mailing at Manatt, Phelps & Phillips, LLP, Los Angeles, California following ordinary business practice. I am readily familiar with the practice at Manatt, Phelps & Phillips, LLP for collection and processing of correspondence for mailing with the United States Postal Service, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.

(BY ELECTRONIC MAIL) By transmitting such document(s) electronically from my e-mail address, enash@manatt.com at Manatt, Phelps & Phillips, LLP, Los Angeles, California, to the person(s) at the electronic mail addresses listed above. The transmission was reported as complete and without error.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on May 26, 2017, at Los Angeles, California.

[Redacted Signature]

Erica Nash

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Superior Court of California
County of Los Angeles

OCT 17 2017

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23 *Attorneys for Plaintiffs John C. Depp, II, Scaramanga Bros., Inc.,*
24 *L.R.D. Productions, Inc., and Infinitum Nihil*

BC 6 8 0 0 6 6

25 SUPERIOR COURT OF THE STATE OF CALIFORNIA

26 FOR THE COUNTY OF LOS ANGELES

27 JOHN C. DEPP, II, SCARAMANGA
28 BROS., INC., a California corporation;
L.R.D. PRODUCTIONS, INC., a
California corporation, INFINITUM
NIHIL, a California corporation,

Plaintiffs,

vs.

BLOOM HERGOTT DIEMER
ROSENTHAL LAVIOLETTE FELDMAN
SCHENKMAN & GOODMAN, LLP,
JACOB A. BLOOM, and DOES 1-30,

Defendants.

Case No. _____

COMPLAINT FOR:

1. BREACH OF FIDUCIARY DUTY
2. LEGAL MALPRACTICE
3. UNJUST ENRICHMENT
4. VIOLATION OF CAL. BUS. & PROF. CODE § 6147
5. VIOLATION OF CAL. BUS. & PROF. CODE § 6148
6. VIOLATION OF THE UNFAIR COMPETITION LAW, CAL. BUS. & PROF. CODE §§ 17200, *ET SEQ.*
7. DECLARATORY JUDGMENT

DEMAND FOR JURY TRIAL

COMPLAINT

COPY

4

1 Plaintiffs JOHN C. DEPP, II, SCARAMANGA BROS., INC., L.R.D. PRODUCTIONS,
2 Inc., and INFINITUM NIHIL (collectively "Plaintiffs" or "Mr. Depp"), by and through their
3 undersigned attorneys, bring this action for breach of fiduciary duty, legal malpractice, unjust
4 enrichment, violations of California Business & Professions Code § 6147 or § 6148, violations of
5 the Unfair Competition Law (California Business & Professions Code §§ 17200, *et seq.*), and
6 declaratory judgment, against defendants BLOOM HERGOTT DIEMER ROSENTHAL
7 LAVIOLETTE FELDMAN SCHENKMAN & GOODMAN, LLP ("Bloom Hergott"), JACOB
8 A. BLOOM ("Bloom"), and DOES 1-30 (collectively, "Defendants"), and for causes of action,
9 state:

10 INTRODUCTION

11 1. Mr. Depp is one of the most sought after and highly paid actors in the world. Like
12 many successful artists who depend upon professionals to advise them, Mr. Depp trusted and
13 reasonably relied on Defendants, as his attorneys, to handle his legal affairs competently and
14 ethically. But instead of protecting Mr. Depp's interests, Defendants engaged in misconduct for
15 their own financial benefit and violated some of the most basic tenets of the attorney-client
16 relationship, all to Mr. Depp's serious financial detriment, causing Mr. Depp substantial
17 economic harm. As explained more fully below, and among other misconduct:

- 18 a. Defendants engaged in self-dealing and pursued and undertook transactions in the
19 face of undisclosed conflicts of interest for their own financial benefit over that of
20 their clients;
- 21 b. Defendants knowingly, recklessly, or negligently failed to disclose to Mr. Depp
22 the years of misconduct engaged in by Defendants and Mr. Depp's then-attorneys
23 and business managers who were providing both legal and business management
24 services, The Mandel Company, Inc., d/b/a The Management Group ("TMG"),
25 despite a clear duty to disclose such misconduct to Mr. Depp; and
- 26 c. Defendants, like TMG, each collected over \$30 million in contingent fees based on
27 Mr. Depp's variable income, paid out by TMG, without, among other things, the
28 statutorily prescribed written contract, in a clear violation of California law.

1 2. Based on their legal and ethical duties, Defendants should have been Mr. Depp's
2 closest and most trusted advisors, putting Mr. Depp's interests first and seeking to safeguard his
3 financial and legal rights. But because of their actions, Mr. Depp now must seek redress from the
4 very people who should have protected him. Defendants' breaches of fiduciary duties,
5 unauthorized taking of Mr. Depp's film residual and other economic rights for themselves,
6 conflicts of interest, self-dealing, legal malpractice, and clear violations of California law cost Mr.
7 Depp tens of millions of dollars and continue to negatively affect Mr. Depp to this day. By this
8 Complaint, Mr. Depp seeks compensation for the serious harm Defendants have caused him
9 through their improper conduct.

10 PARTIES

11 3. Plaintiff Depp is, and at all times material to this Complaint was, a resident of the
12 County of Los Angeles, State of California.

13 4. Plaintiff Scaramanga Bros., Inc. is, and at all times material to this Complaint was,
14 a California Corporation with its principal place of business located in Los Angeles, California.

15 5. Plaintiff L.R.D. Productions, Inc. is, and at all times material to this Complaint
16 was, a California Corporation with its principal place of business located in Los Angeles
17 California.

18 6. Plaintiff Infinitem Nihil is, and at all material times to this Complaint was, a
19 California Corporation with its principal place of business in Los Angeles, California.

20 7. Plaintiffs are informed and believe, and on that basis allege, that defendant Bloom
21 Hergott is a California limited liability partnership with its principal place of business in Beverly
22 Hills, California. Plaintiffs are informed and believe, and on that basis allege, that Bloom Hergott
23 does business in Los Angeles County. Bloom Hergott is a law firm that provides, among other
24 services, legal advice to clients in the entertainment industry.

25 8. Plaintiffs are informed and believe, and on that basis allege, that defendant Bloom
26 is a resident of the County of Los Angeles, State of California. Plaintiffs are informed and
27 believe, and on that basis allege, that, at all relevant times, Bloom was and is a partner at Bloom
28 Hergott. At all relevant times, on information and belief, Bloom was a member in good standing

1 of the Bar of California and engaged in, and held himself out as being engaged in, the practice of
2 law in California.

3 9. Plaintiffs are informed and believe, and on that basis allege, that the fictitiously-
4 named Defendants sued herein as Does 1 through 30 ("Doe Defendants"), and each of them, are
5 in some manner responsible or legally liable for the actions, events, transactions and
6 circumstances alleged herein. The true names and capacities of such fictitiously-named Doe
7 Defendants, whether individual, corporate, associate or otherwise, are presently unknown to
8 Plaintiffs, and Plaintiffs will assert the true names and capacities of such fictitiously-named Doe
9 Defendants when the same have been ascertained.

10 JURISDICTION AND VENUE

11 10. This Court has jurisdiction over all causes of action asserted herein pursuant to the
12 California Constitution, Article VI, section 10, because this case is a cause not given by statute to
13 other courts.

14 11. This Court has personal jurisdiction over the Defendants who engaged in conduct,
15 and who continue to engage in conduct, giving rise to the claims stated herein at locations within
16 the State of California and Los Angeles County.

17 12. Venue is proper in this Court pursuant to, among other provisions, California Code
18 of Civil Procedure §§ 395(a) and 395.1.

19 GENERAL ALLEGATIONS

20 **I. MR. DEPP HAS ACHIEVED GREAT SUCCESS IN HIS ACTING CAREER.**

21 13. Mr. Depp is one of the most prominent actors in Hollywood. He has appeared in
22 over 50 motion pictures during the past three decades. Mr. Depp has been nominated for
23 numerous major acting awards, including three Oscar nominations for Best Actor in a Leading
24 Role, five nominations from Critics' Choice Movie Awards, 10 nominations from the Golden
25 Globe Awards, and three nominations from the Screen Actors Guild Awards. He also has won 14
26 People's Choice Awards, including Actor of the Decade in 2010 and Favorite Movie Icon in
27 2017. Films featuring Mr. Depp have grossed over \$3.1 billion at the box office in the United
28 States, and over \$7.6 billion worldwide.

1 14. Plaintiffs Scaramanga Bros., Inc. and L.R.D. Productions, Inc. are entities that are
2 wholly-owned by Mr. Depp and used for his business operations. Similarly, Plaintiff Infinitum
3 Nihil is a wholly-owned production company working on Mr. Depp's behalf. At various points
4 during their representation of Mr. Depp, Defendants inappropriately obtained funds from each of
5 these entities.

6 15. Despite Mr. Depp's professional success, he, like many artists, has no training in
7 law, accounting, finance, or business management. Throughout his career, Mr. Depp has retained
8 advisors in whom he placed his trust to uphold their fiduciary duties and to act properly on his
9 behalf with respect to the management of his personal, legal, and business-related affairs. Mr.
10 Depp relied on these fiduciaries to use their judgment and expertise to act in Mr. Depp's best
11 interests, and to always put his interests ahead of their own.

12 16. In or about 1999, well after Mr. Depp had become a critically acclaimed and
13 enormously successful actor, Mr. Depp was introduced to Defendants Bloom and Bloom Hergott.
14 After speaking with Mr. Depp, Defendants began acting as his lawyers.

15 **II. DEFENDANTS ENGAGE IN CONFLICTS OF INTEREST, SELF-DEALING, AND FAILURES TO**
16 **DISCLOSE MATERIAL INFORMATION TO MR. DEPP.**

17 17. Mr. Depp trusted and relied upon Defendants as his lawyers to review contracts
18 and other legal documents to ensure that they protected Mr. Depp's interests, to prepare and
19 review corporate documents, and to advise him regarding other legal issues that arose with
20 respect to his professional activities.

21 18. However, Defendants failed to protect Mr. Depp's interests or to competently
22 advise him. Defendants engaged in self-dealing and failed to disclose material information to Mr.
23 Depp, including their conflicts of interests. Defendants placed their interests above those of Mr.
24 Depp's in breach of their fiduciary duties and obligations under California law.

25 19. A clear example of Defendants' conflicts of interest, self-dealing, and breaches of
26 fiduciary duty is their sourcing of an improper, and predatory "hard money loan," purportedly on
27 behalf of Mr. Depp through a specialty finance company, Grosvenor Park Media ("Grosvenor
28 Park"). The "hard money" loan, in addition to its egregious self-dealing features, involved terms

1 that were materially worse than what were generally available to Mr. Depp through a standard
2 commercial loan, including with regard to interest and fees charged, and other material terms.

3 20. In or around May or June 2014, TMG's mismanagement of Mr. Depp's financial
4 affairs created the prospect that TMG would be unable to meet Mr. Depp's then-current
5 obligations for him. TMG consulted closely with Defendants regarding Mr. Depp's financial
6 affairs. But TMG and Defendants did not disclose to Mr. Depp the true state of his financial
7 affairs and their own wrongdoing. Instead, TMG and Defendants secured for themselves a stream
8 of lucrative contingent fee payments (taken without the statutorily prescribed, client-protective
9 provisions of section 6147) funded out of Mr. Depp's earnings.

10 21. Upon information and belief, TMG sought and received Defendants' assistance in
11 effecting this effort. Upon information and belief, Defendants never questioned TMG's financial
12 management of Mr. Depp's affairs, or investigated TMG's explanation for the deterioration of
13 Mr. Depp's financial position, as a reasonably competent lawyer would. Nor did Defendants
14 adequately and truthfully inform Mr. Depp of Defendants' own conduct and activities.

15 22. On information and belief, in furtherance of the scheme, Defendants introduced
16 TMG to Grosvenor Park in order to obtain a "hard money loan" purportedly on Mr. Depp's
17 behalf, but in reality to his detriment, and to Defendants', TMG's and Grosvenor Park's benefit.

18 23. On information and belief, Defendants have had professional relationships, which
19 they failed to communicate to Mr. Depp in breach of the Rules of Professional Responsibility,
20 with Grosvenor Park and/or its founder and CEO, Donald Starr. In fact, Mr. Bloom ultimately
21 was given a position on the advisory board of Grosvenor Park. Defendants never disclosed to Mr.
22 Depp the material conflicts of interest raised by these relationships.

23 24. Together with TMG and Grosvenor Park, Defendants orchestrated an initial \$12.5
24 million hard money loan purportedly on Mr. Depp's behalf from a lender and, on information and
25 belief, an affiliate of Grosvenor Park, Tryon Management Services, Ltd. ("Tryon"). This loan
26 (the "Tryon loan") was later increased to \$19 million.

27 25. On information and belief, Defendants were actively involved in negotiating the
28 Tryon loan "on behalf of" Mr. Depp. On information and belief, Defendants negotiated directly

1 with film studios to secure Mr. Depp's residuals from the Films as collateral for the loan.
2 Defendants also were updated frequently on the status of the loan paperwork by TMG, were
3 consulted regarding the loan's terms, and were included on communications regarding the loan.

4 26. Defendants and TMG structured the loan – without the legally required disclosures
5 to Mr. Depp – as a vehicle to provide themselves with immediate priority to millions of dollars of
6 voidable contingency fees tied to the success of Mr. Depp's film residuals (fees Defendants were
7 not legally owed), all before Mr. Depp received a cent. The terms of the Tryon loan required that
8 repayment would be made from, and secured, by Mr. Depp's residuals from six films – *Pirates of*
9 *the Caribbean I-IV*, *Alice in Wonderland*, and *Into the Woods* (collectively, the "Films"). It also
10 appears that Defendants, with TMG, inserted different numbers for different Film residuals,
11 including a 22.22% fee for advisors for one movie. Their changing of the numbers in this
12 contract illustrates Defendant Bloom's (along with TMG's) unfettered control to establish a
13 contractual entitlement that was in his and TMG's best interest at the expense of his client's.
14 Remarkably, the loan – negotiated ostensibly to benefit Mr. Depp – wrongfully purported to
15 manufacture and insert further rights for Defendants and TMG in the residuals of Mr. Depp's
16 movies that they did not legally possess, using the vehicle of the hard money loan sourced
17 through an undisclosed relationship of Defendants.

18 27. Further, the loan prioritized payment of Defendants' and TMG's fees ahead of the
19 loan payments owed to Tryon, and regardless of whether Mr. Depp actually retained any of the
20 loan proceeds. The purported contingent fees and preferred payment position provided
21 Defendants and TMG with a right to fees superior to Mr. Depp's own, creating additional serious
22 conflicts of interest. This payment structure deepened Mr. Depp's financial difficulties and
23 benefitted Defendants and TMG.

24 28. Defendants' and TMG's legally voidable contingent fees (which did not and could
25 not satisfy the client-protective statutory prescriptions of section 6147) and preferred payment
26 position were inserted at the very beginning of the negotiations on the Tryon loan, when TMG
27 and Defendants met and negotiated a term sheet with Grosvenor Park and Tryon that included the
28 voidable purported contingent fees. This further underscored Defendants' and TMG's wrongful

1 focus on assuring that Defendants and TMG received an improper stream of payments, which
2 they were not legally owed, out of Mr. Depp's earnings.

3 29. Defendants benefitted immediately from the Tryon loan, through their insertion of
4 this improper contingent fee arrangement in the loan. Upon information and belief, on or about
5 the date that the hard money loan proceeds were received, Defendants, TMG, and a third party
6 took approximately \$1.2 million that was not legally owed to them; Defendants were paid
7 approximately \$300,000 at that time. To date, Defendants have been paid millions in voidable
8 and improper contingent fees through the Tryon loan.

9 30. In addition to the improper contingent fee arrangement, the terms of the Tryon
10 loan and the fundamental economics of the transaction demonstrate that the loan was unnecessary
11 and predatory. Despite the fact that the initial loan was \$12.5 million, the Film rights pledged to
12 secure the loan *yielded Mr. Depp approximately \$13 million per year, more annually than the*
13 *initial loan amount.* In fact, during just the first twelve months after the Tryon loan was
14 originated, Mr. Depp would have received \$15.2 million in Film residuals – had those residuals
15 not been used to secure the hard money loan. Instead, millions of dollars more than the entire
16 initial loan balance were swallowed by the terms of the loan itself. Further, only *eight days* after
17 the loan agreements were signed, the studio paying Mr. Depp's residual rights paid \$5.58 million
18 that would have gone to Mr. Depp, but for the Tryon loan. Thus, the Tryon hard money loan
19 sourced by Defendants and originated by Grosvenor Park was not economically rational – at least
20 not for Mr. Depp.

21 31. Defendants, in their capacity as Mr. Depp's attorneys who negotiated film deals
22 and the party whom the studio provided notice of such payments, knew that Mr. Depp soon
23 would have received these significant residual earnings on these six films.

24 32. The predatory hard money loan was further subject to high fees, double-digit
25 interest rates, and repayment terms that provided that accrued interest would be capitalized
26 monthly and added to the principal. It also contained substantial prepayment penalties, making it
27 financially infeasible to repay the loan prior to its termination date. For example, if shortly after
28 entering into the Tryon loan, Mr. Depp sought to pay it in full, it would have cost Mr. Depp

1 approximately \$1.5 million in origination fees and prepayment fees to pay off the loan, *in*
2 *addition* to the entire principal.

3 33. Although accrued interest was capitalized monthly under the loan documents, Mr.
4 Depp's business entities received Film residuals less frequently than monthly, resulting in
5 significant additions to the outstanding principal in between each repayment. In fact, through
6 June 30, 2017, over \$2 million of capitalized interest has been added to the principal balance of
7 the loan, on which further interest is charged.

8 34. Defendants and TMG knew or should have known that the terms of this hard
9 money loan would place Mr. Depp in a dramatically worse financial position than he had
10 previously occupied, but they willfully, recklessly, or negligently orchestrated it, and they caused
11 him to enter into the conflicted and self-dealing transaction by merely providing him signature
12 pages, not the underlying loan documents, and without explaining its terms.

13 35. As a direct result of their actions, Defendants and TMG caused Mr. Depp to forego
14 tens of millions of dollars of annual earnings from residuals from the Films that had provided Mr.
15 Depp with regular and substantial income to date and that, but for the predatory hard money loan,
16 would have continued to do so.

17 36. Nevertheless, when it came time to enter into the self-serving transaction,
18 Defendants did not disclose to Mr. Depp the conflicts of interest caused by Defendants'
19 professional relationships with Grosvenor Park, in violation of their ethical obligations to disclose
20 conflicts to, and obtain informed written consent from, their client. Nor did they adequately
21 disclose to Mr. Depp that the Tryon loan was a hard money loan with unnecessarily onerous, one-
22 sided, and non-standard financial terms, that repayments would be made from, and collateralized
23 by, the Films, or that Defendants and TMG used the hard money loan as a vehicle to attempt to
24 obtain contingency fees for themselves – which, as explained below, were voidable and to which
25 they had no legal right in the first instance – that would further be prioritized and paid before any
26 amount would be applied to reduce the amount owed by Mr. Depp.

27 37. By providing themselves with these benefits at their client's expense without the
28 legally required disclosures and required client informed consent, Defendants breached their duty

1 of care, breached their duty of reasonable communication, engaged in egregious self-dealing, and
2 breached their duty of loyalty.

3 38. In the end, Mr. Depp was presented with only the signature pages of the loan
4 documents and, trusting that his advisors had his best interests in mind, signed the loan
5 documents, not appreciating the devastating impact this hard money loan, the product of brazen
6 self-dealing and conflict of interest, would have on his financial condition.

7 39. Over the approximately three-year period since the Tryon loan was initiated, Mr.
8 Depp should have received a total of approximately \$32 million in residuals from the Films.
9 Instead, Mr. Depp received nothing: \$9 million of his film residuals were directed to the payment
10 of Mr. Depp's tax liabilities on his contingent earnings, with the balance being paid to
11 Defendants, TMG, Mr. Depp's agent, a third party, and to the lender with whom Defendants also
12 had and have an undisclosed professional relationship. Moreover, Tryon asserts that Mr. Depp
13 still owes approximately \$5 million on the hard money loan, which continues to capitalize
14 substantial interest at unreasonable rates, and Tryon continues to charge unreasonable fees in
15 servicing the loan.

16 40. In sum, had Defendants provided full disclosures about the terms and facts
17 surrounding the hard money loan, as required by multiple California statutes and the rules of
18 professional responsibility, neither Mr. Depp nor any reasonable person would have agreed to
19 enter into it. No reasonable and prudent attorney under the circumstances would have
20 recommended the Tryon loan to their client, nor effectuated it in the manner Defendants did. It
21 did not make economic sense and seemingly was for the benefit primarily of Defendants and
22 TMG, who took millions in fees from it. Even if a loan was required, Defendants and TMG could
23 and should have obtained a loan on normal commercial terms as Mr. Depp's new business
24 managers obtained shortly after Mr. Depp disengaged from TMG.

25 41. The transaction has cost Mr. Depp millions of dollars in unreasonable interest,
26 fees, and voidable contingent fees that were self-servingly inserted as a provision in the hard
27 money Tryon loan without the statutorily prescribed contract, written disclosures or informed
28 consent that Defendants were required to make and obtain under the circumstances.

1 42. Had Defendants acted in accord with their fiduciary duties, made the required
2 disclosures, and fulfilled their professional responsibilities, neither Mr. Depp, nor any reasonable
3 person, would ever have entered into the Tryon loan transaction. That loan was commercially
4 unreasonable, rife with self-dealing, and contained onerous, unfair, and voidable terms that have
5 cost Mr. Depp many millions of dollars.

6 43. As another disturbing illustration of Defendants' breaches of their duties to Mr.
7 Depp, Defendant Bloom received advance notice from TMG's Joel Mandel (many months after
8 Mr. Depp had terminated Mr. Mandel) that Mandel imminently intended to launch a non-judicial
9 foreclosure action on Mr. Depp's home. After the foreclosure action commenced, in January
10 2017, Defendant Bloom admitted to Mr. Depp that he had advance knowledge of the foreclosure
11 action. Tellingly, Defendant Bloom offered no explanation why he withheld this important
12 information from his client Mr. Depp.

13 44. Furthermore, throughout the course of Defendants' relationship with Mr. Depp, on
14 multiple occasions, and notwithstanding the lack of a statutorily prescribed written fee agreement,
15 Defendants would submit to TMG requests for reimbursement of alleged expenses. A former
16 TMG employee who was the day-to-day manager of Mr. Depp's account at TMG testified that
17 Defendants submitted requests for expense reimbursement, with little to no supporting
18 documentation, which TMG would then pay, without question, from Mr. Depp's funds. The
19 former TMG employee's sworn testimony is that, when she confronted TMG's Mandel to request
20 back up for Defendants' significant expense reimbursement invoices, she was ordered to "just pay
21 it." Defendants' expenses and requests for reimbursement were never sent to Mr. Depp for
22 review and approval.

23 45. On information and belief, Defendants regularly failed to provide any
24 documentation substantiating the claimed expenses; nor were they ever disclosed to Mr. Depp.

25 46. Over time, on information and belief, Defendants submitted hundreds of thousands
26 of dollars of such unsubstantiated expenses for reimbursement, which TMG ultimately paid to
27 Defendants out of Mr. Depp's funds.

28 47. Also, on information and belief, unbeknownst to Mr. Depp, TMG and Joel Mandel

1 unilaterally funneled millions of dollars of Mr. Depp's money from Mr. Depp's Sweetzer Trust
2 account into "investments" in which the Mandels secretly were involved as members and
3 directors – including Lionheart, L.P. (owned by a mysterious entity called "Benari Capital
4 Management, LLC," both operating out of Wilmette, Illinois), and the equally mysterious Matar
5 I, Matar II and 6909 Ventures, LLC. On information and belief, Mr. Mandel wrote the checks in
6 his own hand and using his own signature to move Mr. Depp's money from his Sweetzer Trust
7 account to Mr. Mandel's 6909 Ventures, LLC, which Mr. Mandel manages. Despite Defendant
8 Bloom's intimate involvement in Mr. Depp's financial affairs, as reflected among other ways by
9 his sourcing of the hard money loan, none of Defendant Bloom, TMG or Joel Mandel disclosed
10 these legally impermissible, self-dealing transactions and this control/ownership of the
11 investments to Mr. Depp, as they were required by law and the rules of professional responsibility
12 to do.

13 **III. DEFENDANTS VIOLATE CALIFORNIA BUSINESS & PROFESSIONS CODE §§ 6147-48 IN**
14 **THEIR PURPORTED CONTINGENCY FEE ARRANGEMENT WITH DEPP.**

15 48. California Business & Professions Code § 6147(a), designed to protect clients,
16 provides that contingency fees may not be taken by lawyers unless there is a *written* contingency
17 fee agreement that includes: (1) a statement of the contingency fee rate that the client and
18 attorney have agreed upon; (2) a statement as to how disbursements and costs incurred in
19 connection with the prosecution or settlement of a claim will affect the contingency fee and the
20 client's recovery; (3) a statement as to what extent, if any, the client could be required to pay any
21 compensation to the attorney for related matters that arise out of their relationship not covered by
22 their contingency fee contract; and (4) a statement that the fee is not set by law but is negotiable
23 between attorney and client.

24 49. Similarly, California Business & Professions Code § 6148 provides that, except as
25 provided for in § 6147 and in cases where it is reasonably foreseeable that the total expense to a
26 client will exceed one thousand dollars, a lawyer's contract for services must be in writing and
27 include: (1) any basis of compensation including, but not limited to, hourly rates, statutory fees or
28 flat fees, and other standard rates, fees, and charges applicable to the case; (2) the general nature

1 of the legal services to be provided to the client; and (3) the respective responsibilities of the
2 attorney and the client as to the performance of the contract.

3 50. For the protection of clients, any contingency fee agreement that does not comply
4 with California Business & Professions Code § 6147 is voidable at the option of the client; any
5 other fee arrangement exceeding one thousand dollars that does not comply with § 6148 is also
6 voidable at the option of the client.

7 51. Notwithstanding these requirements, Defendants did not enter into any written,
8 statutorily prescribed contingency fee agreement with Mr. Depp or any of the Plaintiffs for the
9 provision of legal services.

10 52. Nevertheless, over the years, Defendants collected voidable contingent fees,
11 totaling in the tens of millions of dollars, tied to Mr. Depp's variable earnings.

12 53. As described in greater detail above, in the Tryon loan Defendants sourced for
13 Mr. Depp, it appears that Defendants, with TMG, used the hard money loan vehicle as an
14 opportunity to insert voidable contingent fees for themselves, including different fees for different
15 Film residuals such as a 22.22% fee for advisors for one movie, all without disclosing these fees,
16 or explaining their import, to Depp in the legally prescribed written contract. Their changing of
17 the numbers in this contract illustrates Defendants' (along with TMG's) unfettered control over
18 Mr. Depp's affairs to establish and obtain for themselves a pecuniary benefit at the expense of
19 Mr. Depp, their client. Defendants' wrongful conduct in this regard underscores the reasons for
20 and importance of a written contract setting forth Defendants' fees for their legal services and
21 disclosing the terms and conditions of their engagement as Mr. Depp's lawyers – as California
22 law requires.

23 54. Defendants violated California Business & Professions Code § 6147 by taking
24 contingency fees without a written contract containing the statutorily-prescribed language.
25 Alternatively, they violated § 6148 by failing to enter into a written contract for services that
26 would plainly exceed one thousand dollars.

27 55. In total, Defendants improperly obtained approximately \$30 million in voidable
28 contingency fees based on Mr. Depp's gross income. Defendants also took hundreds of

1 thousands of dollars in additional payments for reimbursement of alleged "expenses" that were
2 submitted by Defendants to TMG without any back up. Throughout their representation, neither
3 Defendants nor TMG suggested that the fees taken from Mr. Depp were voidable in the absence
4 of a statutorily prescribed written contract, nor that they impose on themselves or each other a cap
5 or other ceiling on fees taken. Instead, Defendants and TMG, working in tandem, deployed a
6 "fox guarding the hen house" approach, never disclosing to Mr. Depp either California's
7 protective legal requirements for written contingency contracts or the outsized and
8 unconscionable fees TMG paid to itself and Defendants, from Mr. Depp's funds, in violation of
9 California law.

10 **IV. DEFENDANTS ACTIVELY CONCEAL AND FAIL TO DISCLOSE THEIR WRONGDOING.**

11 56. Throughout the course of their representation of Mr. Depp, Defendants occupied a
12 position of trust as Mr. Depp's lawyers, and were in possession of the records related to their
13 representation. Defendants failed to disclose their misconduct, and the misconduct of others of
14 which they were aware, to Mr. Depp.

15 57. Mr. Depp did not discover, and could not have reasonably discovered, Defendants'
16 wrongful conduct any earlier, because Defendants actively and willfully concealed Mr. Depp's
17 true legal and financial situation from him. It was less than a year ago when Mr. Depp first had
18 any reason to suspect that Defendants engaged in the wrongdoing alleged herein.

19 **FIRST CAUSE OF ACTION**

20 **(BREACH OF FIDUCIARY DUTY)**

21 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**

22 **DEFENDANTS 1 THROUGH 30)**

23 58. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

24 59. At all relevant times herein, a fiduciary relationship existed between Defendants
25 and Mr. Depp. At all relevant times, Mr. Depp reasonably relied upon Defendants' superior
26 knowledge and expertise and trusted that Defendants would conduct themselves in his best
27 interest, and not in their own self-interest or in the interests of third parties.

1 60. This fiduciary relationship required Defendants to treat Mr. Depp with complete
2 fairness and the highest duty of loyalty and candor, including a duty to disclose to Mr. Depp all
3 material facts concerning the services Defendants, TMG, and other advisors rendered on his
4 behalf, and the fees Defendants charged for their services. This fiduciary relationship further
5 required Defendants to disclose all relevant information truthfully and candidly to Mr. Depp, not
6 to misrepresent or conceal any facts in connection with any of the aforementioned services that
7 Defendants or other advisors provided to Mr. Depp, and to disclose the fees and expenses they
8 charged.

9 61. Furthermore, Defendants owed Mr. Depp a duty to refrain from conducting
10 themselves in any manner that was in conflict with the best interests of Mr. Depp without full
11 written disclosure and informed written consent. Defendants owed Mr. Depp a fiduciary duty to
12 refrain from bad faith conduct, concealment or nondisclosure of material facts, self-dealing, and
13 engaging in undisclosed or unconsented-to conflicts of interest.

14 62. Defendants breached their fiduciary duties to Mr. Depp by, among other things:
15 (1) failing to disclose or obtain informed written consent to conflicts of interest in violation of
16 California Rule of Professional Conduct 3-310; (2) breaching their duties of care, good faith, and
17 fidelity, in causing, among other things, Mr. Depp to borrow \$19 million on non-commercially
18 reasonable terms while using Mr. Depp's movie royalties as collateral, and while placing
19 themselves in a preferred payment position with respect to the collateral; (3) breaching their
20 duties of care, in failing to keep Mr. Depp reasonably apprised of material information regarding
21 aspects of Defendants', TMG's, and other advisors' representation of Mr. Depp, including the
22 status of Mr. Depp's finances and business affairs; (4) breaching their duties of care, good faith,
23 and fidelity, in failing to properly advise Mr. Depp regarding transactions in which Defendants
24 were involved and which were not in Mr. Depp's best interests; (5) negligently, recklessly, or
25 intentionally allowing TMG to continue its misconduct in the management of Mr. Depp's affairs;
26 (6) taking contingent fees tied to Mr. Depp's variable income without any written agreement in
27 violation of California Business & Professions Code §§ 6147-48; and (7) charging
28 unconscionable fees.

1 63. As a direct and proximate result of the aforesaid breaches of fiduciary duty,
2 Plaintiffs have been damaged in an amount to be determined according to proof at trial. Plaintiffs
3 are also entitled to disgorgement of all sums paid to Defendants while these breaches of duty
4 occurred.

5 64. In doing the things herein alleged, Defendants acted willfully, recklessly, with
6 malice, oppression, and the intent to cause injury to Mr. Depp. As such, pursuant to California
7 Code of Civil Procedure § 3294(c), Mr. Depp is entitled to recover an award of exemplary and/or
8 punitive damages.

9 **SECOND CAUSE OF ACTION**

10 **(LEGAL MALPRACTICE)**

11 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**
12 **DEFENDANTS 1 THROUGH 30)**

13 65. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

14 66. Defendants agreed to, and did in fact, act as Mr. Depp's attorneys continuously
15 from in or around 1999 to 2017.

16 67. As Mr. Depp's attorneys, Defendants owed Mr. Depp professional fiduciary duties
17 to use such skill, care, prudence, and diligence as other attorneys commonly possess and exercise
18 on behalf of similarly situated clients under similar circumstances in similar communities.

19 68. Specifically, among other duties, California law, and professional codes of
20 conduct, required Defendants to: (1) discharge their responsibilities competently and with
21 integrity, objectivity, loyalty, fidelity, due professional care, and a genuine interest in serving
22 their client; (2) remain free of conflicts of interest; (3) offer written disclosure concerning, and
23 obtain informed written consent to, any potential or actual conflict of interest; (4) provide full,
24 frank, candid, and unbiased advice to their clients; (5) provide all information to their clients that
25 is material to the representation; (6) enter into a written contract with Mr. Depp that conformed
26 with the requirements of California law; and (7) perform their professional services with
27 reasonable skill, competence, and diligence, putting the best interests of Mr. Depp before their
28 own self-interests.

1 69. Defendants failed to adhere to the required standards of professional care,
2 competence, prudence, and skill commonly possessed and exercised by attorneys under similar
3 circumstances in similar communities.

4 70. Defendants negligently, carelessly, and recklessly rendered their services to Mr.
5 Depp by, among other things: (1) failing to adequately disclose, or obtain informed written
6 consent to, conflicts of interests, in violation of California Rule of Professional Conduct 3-310;
7 (2) prejudiced by such conflicts of interest, and affected by their own relationship with Grosvenor
8 Park and Mr. Starr, causing Mr. Depp to borrow \$19 million on unreasonable terms; (3) failing to
9 keep Mr. Depp reasonably informed of material information regarding aspects of Defendants',
10 TMG's, and other advisors' representation of Mr. Depp, including the status of Mr. Depp's
11 finances and business affairs; (4) failing to reasonably advise Mr. Depp regarding transactions in
12 which Defendants were involved, which were objectively unreasonable, and which were not in
13 Mr. Depp's best interests; (5) wrongly and incompetently allowing TMG to continue its
14 misconduct in the management of Mr. Depp's affairs; and (6) providing Mr. Depp legal services
15 and taking contingent fees tied to Mr. Depp's variable earnings without any statutorily prescribed
16 written agreement in violation of California Business & Professions Code §§ 6147-48.

17 71. The statutory violations described herein further constitute professional negligence
18 *per se*, as they show that Defendants violated the standard of care set forth by California statutes
19 intended to govern lawyers' obligations to their clients.

20 72. As a direct and proximate result of the aforesaid professional negligence, Plaintiffs
21 have been damaged in an amount to be determined according to proof at trial.

22 **THIRD CAUSE OF ACTION**

23 **(UNJUST ENRICHMENT)**

24 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**

25 **DEFENDANTS 1 THROUGH 30)**

26 73. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

27 74. Defendants collected undeserved, impermissible, and voidable contingent fees for
28 their services without the statutorily prescribed written agreement containing mandatory

1 disclosures, as required by California law to protect clients from their attorneys. Defendants
2 collected these undeserved, impermissible and voidable contingent fees from Mr. Depp despite
3 the fact that Defendants breached their fiduciary duties to him, were tainted by significant
4 conflicts of interest, and failed to disclose facts material to their representation. Mr. Depp's
5 payment of these voidable contingent fees provided Defendants with an unlawful benefit at Mr.
6 Depp's expense, to which Defendants had no right.

7 75. Defendants would not have received the unlawful benefit but for their wrongful
8 conduct.

9 76. Plaintiffs suffered compensatory damages as a proximate result of Defendants'
10 unlawful conduct.

11 77. Accordingly, Plaintiffs are entitled to restitution from Defendants, in addition to all
12 monetary damages due, in an amount to be determined according to proof at trial.

13 **FOURTH CAUSE OF ACTION**

14 **(VIOLATION OF CAL. BUS. & PROF. CODE § 6147)**

15 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**

16 **DEFENDANTS 1 THROUGH 30)**

17 78. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

18 79. California Business and Professions Code § 6147 requires all contingency fee
19 arrangements with attorneys to be documented in a written agreement, which must further contain
20 a host of statutorily mandated disclosures. In the absence of a writing that complies with the
21 requirements of § 6147, a contingency fee arrangement with an attorney is voidable at the client's
22 election. *See* Cal. Bus. & Prof. Code § 6147(b).

23 80. At all relevant times, Defendants were acting as Mr. Depp's attorneys.
24 Throughout the course of Defendants' relationship with Mr. Depp, they provided legal advice and
25 services including, among other things, drafting corporate documents and negotiating and
26 reviewing various contracts related to both Mr. Depp's personal life and his business affairs.

27 81. Defendants were paid contingent fees tied to Mr. Depp's variable earnings totaling
28 in the tens of millions of dollars during the course of their relationship.

1 82. Despite collecting tens of millions of dollars of contingent consideration over the
2 course of their relationship with Mr. Depp, Defendants had no statutorily prescribed, written
3 agreement with Mr. Depp for the provision of legal services.

4 83. The purported fee arrangement between Defendants, on the one hand, and
5 Mr. Depp, on the other hand, did not conform with the requirements of California Business and
6 Professions Code § 6147, and therefore violated the statute. As a result, pursuant to § 6147, any
7 purported fee arrangement is voidable at the option of Plaintiffs.

8 84. As a direct and proximate result of Defendants' violation of California Business
9 and Professions Code § 6147, Plaintiffs are entitled to return of all fees paid to Defendants.

10 **FIFTH CAUSE OF ACTION**

11 **(VIOLATION OF CAL. BUS. & PROF. CODE § 6148)**

12 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**
13 **DEFENDANTS 1 THROUGH 30)**

14 85. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

15 86. California Business and Professions Code § 6148 requires fee arrangements with
16 attorneys that do not fall within § 6147 to be documented in a written agreement, which must
17 contain a host of statutorily mandated disclosures, so long as it is reasonably foreseeable that the
18 expenses to be incurred will exceed one thousand dollars. In the absence of a writing that
19 complies with the requirements of § 6148, a fee arrangement is voidable at the client's election.
20 *See Cal. Bus. & Prof. Code § 6148(c).*

21 87. At all relevant times, Defendants, on the one hand, and Mr. Depp, on the other,
22 were in an attorney-client relationship. At all relevant times, it was reasonably foreseeable that
23 the total expense to the client, including attorney fees, would exceed one thousand dollars.

24 88. Despite collecting tens of millions of dollars in attorneys' fees over the course of
25 their relationship with Mr. Depp, Defendants had no written agreement with Mr. Depp for the
26 provision of legal services.

27 89. To the extent the purported fee arrangement between Mr. Depp and Defendants,
28 does not come within § 6147, Defendants' purported fee arrangement with Mr. Depp was subject

1 to, and violated, the requirements of California Business and Professions Code § 6148. As a
2 result, pursuant to § 6148, any purported fee arrangement is voidable at the option of Plaintiffs.

3 90. As a direct and proximate result of Defendants' violation of California Business
4 and Professions Code § 6148, Plaintiffs are entitled to return of all fees paid to Defendants.

5 **SIXTH CAUSE OF ACTION**

6 **(VIOLATION OF THE UNFAIR COMPETITION LAW,**

7 **CAL. BUS. & PROF. CODE §§ 17200, *ET SEQ.*)**

8 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**

9 **DEFENDANTS 1 THROUGH 30)**

10 91. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

11 92. California's Unfair Competition Law (the "UCL"), set forth in California Business
12 & Professions Code §§ 17200, *et seq.*, provides that unfair competition shall mean and include
13 any unlawful and unfair business act or practice.

14 93. Defendants' wrongful conduct constitutes unlawful and unfair business acts and
15 practices in three different ways, each of which independently constitutes a violation of the UCL.

16 94. Defendants' acts and practices are unlawful and unfair in that they violate, among
17 other statutes, California Business & Professions Code § 6147, entitled "Contingency fee
18 contracts; duplicate copy; contents; effect of noncompliance; recovery of workers' compensation
19 benefits," or, alternatively, California Business & Professions Code § 6148, entitled "Contracts
20 for services in cases not coming within § 6147; bills rendered by attorney; contents; failure to
21 comply."

22 95. Defendants collected voidable contingent fees tied to Mr. Depp's variable earnings
23 totaling in the tens of millions of dollars.

24 96. Despite collecting tens of millions of dollars in contingent consideration over the
25 course of their relationship with Mr. Depp, Defendants had no written agreement with Mr. Depp
26 for the provision of legal services.

27 97. The purported fee arrangement between Defendants, on the one hand, and Mr.
28 Depp, on the other hand, does not conform with the requirements of California Business &

1 Professions Code § 6147. Alternatively, this arrangement does not conform to the requirements
2 of § 6148. This unlawful business practice therefore violates the UCL.

3 98. In addition, Defendants' acts and practices as set forth herein are also unlawful and
4 unfair in that they violate several rules of professional conduct, including but not limited to (i)
5 California Rule of Professional Conduct 3-300, which requires that "[a] member shall not enter
6 into a business transaction with a client . . . unless . . . the transaction . . . and its terms are . . .
7 fully disclosed and transmitted in writing to the client," (ii) California Rule of Professional
8 Conduct 3-310, which prohibits representations imbued with conflicts of interest, and (iii)
9 California Rule of Professional Conduct 3-500, which requires that "[a] member shall keep a
10 client reasonably informed about significant developments relating to the employment or
11 representation."

12 99. The California Rules of Professional Conduct embody the public policy of
13 California. The violation of public policies central to the attorney-client relationship render any
14 agreement unenforceable and entitles the injured party to disgorgement of fees paid. A cause of
15 action under the UCL may be predicated on a violation of the California Rules of Professional
16 Conduct. *People ex rel. Herrera v. Stender*, 212 Cal. App. 4th 614 (2012).

17 100. As described herein, Defendants violated the law and the public policy of
18 California by creating, obscuring, and profiting from, unauthorized and undisclosed conflicts of
19 interest through self-dealing and failing to disclose material facts to their client related to their
20 and TMG's representation of Mr. Depp. This constitutes a separate violation of the UCL.

21 101. Finally, Defendants' acts and practices as set forth herein include, but are not
22 limited to, breaches of fiduciary obligations and legal malpractice. These also constitute unlawful
23 and unfair business acts and practices under California Business & Professions Code §§ 17200 *et*
24 *seq.*, because such acts are unscrupulous, unethical, unfair, and injurious to Plaintiffs. This
25 constitutes a third, separate violation of the UCL.

26 102. As a direct and proximate result of Defendants' unlawful and unfair business acts
27 and practices, Defendants have been unjustly enriched, and Plaintiffs have suffered monetary
28 harm. Plaintiffs thus seek disgorgement and restitution of all fees paid to Defendants in an

1 amount to be proven at trial.

2 **SEVENTH CAUSE OF ACTION**

3 **(DECLARATORY JUDGMENT)**

4 **(BY ALL PLAINTIFFS AGAINST BLOOM HERGOTT, BLOOM, AND DOE**
5 **DEFENDANTS 1 THROUGH 30)**

6 103. Plaintiffs incorporate all of the foregoing allegations as if fully set forth herein.

7 104. An actual controversy relating to the legal rights and duties of the parties exists;
8 namely: (a) whether, through Defendants' self-dealing; conflicts of interest; failure to disclose
9 material facts breach of their duties of skill, prudence, and diligence; and failure to comply with
10 California law which requires fee arrangements of the type here to be in writing, Defendants
11 violated California law, the California Rules of Professional Conduct, and California's public
12 policy, rendering any purported contingent fee arrangement between Defendants and Mr. Depp
13 invalid, void and unenforceable, and entitling Mr. Depp to disgorgement of all fees he has paid to
14 Defendants; and (b) whether, under California Business & Professions Code §§ 6147-48, based
15 on their failure to obtain a written contract and their pervasive and egregious ethical violations,
16 Defendants are required to disgorge all of the fees they collected from Mr. Depp.

17 105. Accordingly, Mr. Depp seeks a declaration that any purported contingent fee
18 arrangement between him and Defendants is invalid, void, and unenforceable, that he is entitled
19 to disgorgement and restitution of all fees paid to Defendants, based on Defendants' violations of
20 California Business & Professions Code §§ 6147-48, the Unfair Competition law, other violations
21 of California law, and violations of the California Rules of Professional Conduct. In addition,
22 Mr. Depp seeks a judgment of the Court awarding him monetary relief against Defendants in the
23 amount of all contingent fees he paid to Defendants, plus interest at the legal rate.



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1 **PRAYER FOR RELIEF**

2 **WHEREFORE**, Plaintiffs pray for judgment in their favor and against the Defendants,
3 and each of them, jointly and severally, as follows:

- 4 A. For compensatory damages in an amount subject to proof at trial;
5 B. For a judgment declaring that any purported fee arrangement between Plaintiffs
6 and Defendants is invalid, void and unenforceable;
7 C. For a judgment returning to Plaintiffs all funds collected by Defendants pursuant
8 to any purported fee arrangement with Plaintiffs, in an amount subject to proof at
9 trial;
10 D. For restitution and disgorgement of all gains and profits by Defendants as a result
11 of their wrongful and unlawful conduct, in an amount subject to proof at trial;
12 E. For setoff of any amounts allegedly owed to Defendants against amounts
13 Defendants owe Plaintiffs;
14 F. For punitive and exemplary damages in an amount subject to proof at trial;
15 G. For interest and prejudgment interest;
16 H. For an award of attorneys' fees and costs; and
17 I. For such other and further relief as deemed just and proper.

18 **RESPECTFULLY SUBMITTED** this 17th day of October 2017

19 
20 By 
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Nihil*

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DEMAND FOR JURY TRIAL

Plaintiffs hereby demand trial by jury for this matter.

Dated: October 17, 2017 A

By: 
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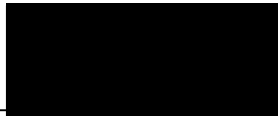
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 25th day of June 2021, I caused copies of the foregoing to be served via email (per written agreement between the Parties) on the following:

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