FILED Kathleen A. Hunt 1 SBN 230678 ALAMEDA COUNTY Unique Law 2 6002 Barrett Avenue NOV 2 4 2015 El Cerrito, CA 94530 3 Telephone: 510-289-2288 CLERK OF THE SUPERIOR COURT By Xian-XII BOWIE Email: kathleenhunt@uniquelaw.com 4 5 Attorney for Plaintiff PETER S. BEAGLE 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 IN AND FOR THE COUNTY OF ALAMEDA 9 UNLIMITED JURISDICTION 10 CASE NO.: RG 15794528 PETER S. BEAGLE 11 Plaintiff, VERIFIED COMPLAINT FOR ELDER 12 ABUSE (FINANCIAL), ELDER ABUSE (CONSTRUCTIVE FRAUD), ELDER 13 v. ABUSE (INTENTIONAL INFLICTION OF 14 CONNOR FREFF COCHRAN, an individual, EMOTIONAL DISTRESS), ELDER ABUSE CONLAN PRESS, INC., a California (PHYSICAL), FRAUD, DEFAMATION 15 corporation, AVICENNA DEVELOPMENT (LIBEL), DEFAMATION (SLANDER), CORPORATION, a California corporation, BREACH OF FIDUCIARY DUTY, 16 and Does 1-10, BREACH OF CONTRACT, ACCOUNTING, 17 CONSTRUCTIVE TRUST, CONVERSION, Defendants. INVOLUNTARY DISSOLUTION OF 18 CORPORATION, BREACH OF COVENANT OF GOOD FAITH AND FAIR 19 DEALING, AND VIOLATIONS OF CAL. **BUS. & PROF. CODE SECTION 17200** 20 JURY DEMAND 21 22 23 Plaintiff alleges for his Verified Complaint as follows: 24 NATURE OF CASE 25 This Verified Complaint arises from the greed and dishonesty of Connor Freff Cochran 26 ("Cochran"), a publisher, editor, and financial manager who has cheated his partner and client 27 (amongst other acts, by fraudulently depriving him of his own intellectual property), defamed him 28

ENDORSED

PARTIES, JURISDICTION AND VENUE

- 1. Beagle is an individual residing in Oakland, California.
- 2. Beagle is informed and believes and therefore alleges that Defendant Connor Cochran ("Cochran") is an individual residing in Bellingham, WA. During the commencement of the acts alleged herein, Beagle is informed and believes and therefore alleges that Cochran resided in San Francisco, CA. At some point, Cochran moved to Montara, residing there by March 2011, and in 2015, Cochran moved to Bellingham, WA.
- 3. Beagle is informed and believes and therefore alleges that Defendant Conlan Press, Inc. ("Conlan") is a corporation created and existing under the laws of California, with its principal place of business now identified at a commercial maildrop located 1050 Larrabee Avenue #104-811, Bellingham, WA, 98225. However, it was initially formed in San Francisco, CA, and the agent for service of process is currently located at 906 St. Francis Blvd. #1104, Daly City, CA 94015.
- 4. Beagle is informed and believes and therefore alleges that Defendant Avicenna Development Corporation ("Avicenna") is a corporation created and existing under the laws of California, with its principal place of business now identified at a commercial maildrop located 1050 Larrabee Avenue #104-811, Bellingham, WA, 98225. However, it was initially formed in San

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Francisco, CA, and the agent for service of process is currently located at 906 St. Francis Blvd. #1104, Daly City, CA 94015.

- 5. The true names and capacities, whether corporate, associate, individual, partnerships or otherwise of Defendants DOES 1 through 10 are unknown to Beagle, who therefore sues said defendants by fictitious names. Beagle is informed and believes, and on that basis alleges, that each DOE is legally responsible in some manner for the events and occurrences herein referred to and proximately caused injury and damages to Beagle as herein alleged. Beagle will amend this complaint to name theses DOES individually when their identities are ascertained.
- 6. Beagle is informed and believes and based thereon alleges that, at all relevant times, each of the defendants, including DOES 1 through 10, inclusive were acting as the agents or employees of one or more of the other defendants, and the acts, omissions and other conduct alleged herein were done within the course and scope of that agency or employment relationship.
- 7. This Court has jurisdiction over this action pursuant to California Code of Civil Procedure § 410.10 and California Constitution Article VI, Section 5. The amount in controversy, exclusive of interest and costs, exceeds the sum of \$25,000.
- 8. Beagle is informed and believes, and based thereon alleges, that jurisdiction and venue are appropriate in this court pursuant to California Code of Civil Procedure § 395(a); as none of the known defendants reside in the state of California anymore, the action may be tried in any county. Beagle is a resident of Alameda County, and has resided in Alameda County during the entire time of the acts alleged herein, so Plaintiff designates Alameda County as the proper venue for this Complaint.

FACTUAL BACKGROUND:

8. Plaintiff Peter S. Beagle is an internationally-acclaimed award-winning author of fantasy and science fiction books, stories, songs, screenplays, and other literary works.

- 9. Defendant Cochran is an editor. Soon after meeting Beagle in 2001, Cochran became Beagle's business manager, assuming full control of all of Beagle's financial and legal affairs.
- 10. Beagle is informed and believes, and based thereon alleges that Defendant Conlan was created by Cochran in 2005 as a sole proprietorship publishing business to enable Cochran to make more money personally from Beagle's works. Conlan filed Articles of Incorporation on January 14, 2008.
- 11. Defendant Avicenna filed Articles of Incorporation on January 14, 2008. However, Avicenna has filed only one Statement of Information since that time, and has paid zero taxes to the California Franchise Tax Board.
- 12. Beagle began his career as an author in 1960. In the fifty-five years since then, he has written dozens of novels, short stories, screenplays, songs, poems, and other works, for which he has won multiple awards. He is "arguably America's greatest living fantasist." (http://www.imdb.com/name/nm0063566/, accessed November 1, 2015) However, his creative genius has never extended to business or financial savvy. Beagle's complete lack of business or financial acumen has long made him an easy target for those who would like to take advantage of his literary successes.
- 13. Beagle is informed and believes and based thereon alleges that Defendant Cochran has made false corporate filings, and/or failed to make business filings or pay taxes on behalf of Avicenna.
- 14. Defendants Avicenna and Cochran have refused to provide Beagle with access to its books and corporate records, and failed to answer numerous questions about accounting, intellectual property rights, and other material matters related to Avicenna's records and filings.
- 15. Beagle has acted in good faith to attempt to resolve this dispute. In response, Defendants have stonewalled, refused him access to corporate books, taken advantage of his

intellectual property without proper compensation, damaged his personal and professional reputation, and caused him extreme emotional distress and mental suffering. Enough is enough.

FIRST CAUSE OF ACTION (Elder Abuse - Financial)

- 16. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 15 above.
- 17. Beagle was born in 1939. During all times of the wrongful acts alleged herein, Beagle has been over 65 years old. He is, and at all times has been, an elder as defined by California Welfare and Institutions Code § 15610.27.
- 18. Financial abuse of an elder occurs when any person or entity "takes, secretes, appropriates, obtains or retains . . . property of an elder . . . for a wrongful use or with intent to defraud, or both" or assists in doing so. (California Welfare and Institutions Code § 15610.30) A "wrongful use" is found when the person or entity "knew or should have known that this conduct is likely to be harmful to the elder", and this can be accomplished by many means, including an agreement.
- 19. Cochran began working as Beagle's business manager in 2001. Cochran represented Beagle in all business matters as his agent, creating a fiduciary relationship between them. Cochran often made business deals regarding the use of Beagle's intellectual property, frequently without any specific knowledge or input from Beagle as to the terms of these deals. Cochran held himself out as acting in Beagle's best interests at all times, and Beagle trusted Cochran to do so.
- 20. Cochran obtained Beagle's intellectual property through various agreements. He then used that intellectual property for his personal benefit, to Beagle's detriment; he certainly knew or should have known that this was harmful for Beagle. Furthermore, Cochran induced Beagle to transfer his intellectual property rights to a sham corporation, appropriating this property with intent to defraud Beagle.

- 21. As Beagle's business manager and agent, Cochran owed Beagle a fiduciary duty.
- 22. Defendant Cochran breached his fiduciary duty, as well as the provisions of California Welfare and Institutions Code § 15610.30, by:
 - Maliciously and knowingly disseminating false statements about Beagle's health and mental capacity, which interfered with Beagle's ability to earn a living;
 - Using Beagle's intellectual property for Cochran's personal benefit, to the detriment of Beagle;
 - Failing to pay Beagle the money which Beagle earned through his writing and other business activities;
 - d. Failing to perform his duty of loyalty by repeatedly putting his own interests above Beagle's;
 - e. Falsely inducing Beagle to sign over his intellectual property rights to a sham corporation;
 - f. Failing to maintain complete records of Beagle's financial and business dealings while acting as Beagle's business manager;
 - g. Refusing to provide adequate documentation of the business deals and financial arrangements which he made as Beagle's agent, despite repeated requests;
 - h. Exposing Beagle to potential and actual liability, including but not limited to actual tax liability, through the creation and subsequent mismanagement of Avicenna Development Corporation; and

 Exposing Beagle to personal and professional liability by persuading him to accept legal counsel from a disbarred former attorney, Charles Petit (who has never been admitted to practice outside his original state of Illinois).

23. Conlan's primary business has been the publication of Beagle's works in various media since 2005. Both before and after Conlan's incorporation, Beagle has trusted Conlan to publish and/or promote his work. Because Conlan has been controlled entirely by Cochran at all times, Beagle has reposed the same trust in Conlan as in Cochran himself. Conlan has recently described its success in publishing and/or promoting Beagle's work as follows:

"[I]n 10 years we have delivered over 300,000 special Peter S. Beagle-related items to customers in 37 countries. In 2010, we produced the successful San Francisco theatrical premiere of *Giant Bones*, a play based on four stories from Peter's book *The Magician of Karakosk*. In 2013 we added special events to the mix. Our *Last Unicorn* screening tour has played in more than 150 different cities in the USA, Canada, Germany, and Austria, and will be in more than a thousand additional theaters worldwide by the end of 2016. All this was bootstrapped with no crowdfunding and a staff that most of the time could fit on a single bicycle (i.e., Connor Cochran all by himself)." (*See* lastunicorntour.com, accessed November 1, 2015)

And yet, Beagle has lived hand-to-mouth, rather than enjoying the fruits of his labors, for all ten of those years.

24. Defendant Conlan breached its fiduciary duty, as well as the provisions of California Welfare and Institutions Code § 15610.30, by:

- Maliciously and knowingly disseminating false statements about Beagle's health and mental capacity through its website and social media, which interfered with Beagle's ability to earn a living;
- b. Failing to pay Beagle the money which Beagle earned through his writing and other business activities, so that Beagle could not maintain a comfortable standard of living despite significant economic success in the marketplace;
- c. Refusing to provide adequate documentation of the business deals and financial arrangements made with Beagle or on his behalf with others; and
- d. Cancelling a worldwide tour, in which Beagle had contracted to participate, on a unilateral basis. This was purportedly done because of Beagle's alleged health problems, of which no medical evidence has ever been produced, but was actually done in retribution for Beagle's contact with an attorney regarding possible legal action for elder abuse. This cancellation resulted in significant loss of income for Beagle, as well as a loss of public confidence in his health and stability, significantly interfering with his ability to earn a living.
- 25. Avicenna was created by Cochran and Beagle in January 2008, ostensibly as a vehicle to hold the intellectual property of multiple authors. Beagle allegedly transferred his intellectual property to Avicenna at Cochran's direction, having been persuaded by Cochran that this was a necessary part of continuing to do business. Avicenna has claimed ownership of all of Beagle's intellectual property. In exchange, Beagle holds a Fifty Percent (50%) share in Avicenna.
- 26. Defendant Avicenna breached its fiduciary duty, as well as the provisions of California Welfare and Institutions Code § 15610.30, by:

- Failing to pay Beagle the money which Beagle earned through his writing and other business activities;
- Failing to maintain adequate documentation of its business deals and financial arrangements, despite repeated informal requests;
- Failure to provide access to its books and records, despite a formal shareholder demand;
- d. Exposing Beagle to personal and professional financial liability by
 persuading him to accept legal counsel from a disbarred former attorney,
 Charles Petit (who has never been admitted to practice outside his original
 state of Illinois);
- e. Failing to perform its corporate duties to Beagle as a shareholder; and
- f. Making false corporate filings, and/or failing to make necessary business filings, thus exposing Beagle to financial liability.
- 27. As a result of the wrongful conduct described above, Beagle has suffered damages in an amount to be ascertained at trial.
- 28. In addition, Defendants Cochran and Conlan acted with malice and fraudulent intent.

 Beagle seeks punitive damages in an amount to be ascertained at trial.

SECOND CAUSE OF ACTION (Elder Abuse – Constructive Fraud)

- 29. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 26 above.
- 30. Cochran acted as Beagle's business manager for several years, gaining Beagle's confidence and trust. He assumed control of all of Beagle's business affairs, including all communication with Beagle's fans or other members of the public. Soon, Cochran also controlled all of Beagle's personal financial affairs as well. He paid Beagle's bills directly and provided

Beagle with a meager monthly allowance. In this way, Cochran was assured that Beagle would not perceive a need to review his own income and expense documents. Indeed, Beagle's well-known lack of business or financial acumen had led Beagle to be wary of his own ability to manage his own money, so Beagle was grateful for Cochran's intervention.

- 31. Cochran was in a position to exert undue influence, and in January 2008, he began to do just that. Cochran persuaded Beagle to form Avicenna, and to sign over his intellectual property to the new corporation. Cochran informed Beagle that Avicenna would hold the intellectual property of many authors, not just Beagle, and that Beagle's Fifty Percent (50%) share of Avicenna would be a good investment.
- 32. Cochran's fiduciary relationship with Beagle carried a duty to disclose material information to him. Cochran breached this duty by:
 - Failing to disclose to Beagle the true value of Beagle's intellectual property, instead persuading Beagle to sign over his intellectual property for little or no consideration;
 - b. Failing to disclose the full extent of Charles Petit's legal status, even claiming that any negative statements about him were from Mr. Petit's "enemies";
 - c. Failing to disclose that Avicenna has never been associated with significant income from any other major author;
 - d. Failing to disclose that Beagle would lose all control of his own intellectual property, apparently in perpetuity;
 - e. Concealing material information regarding Avicenna, including the facts that Avicenna lacked an operating agreement, that it had never paid taxes, or even that it was eventually suspended from doing business in California in 2011; and

f. Suppressing material information regarding the legal ramifications of Avicenna's suspension, stating that it's "just a bureaucratic thing" and "absolutely routine" when Beagle finally confronted him. Cochran failed to inform Beagle of the amount of back taxes which were due, or the penalties which would be due for the failure to pay on time, or even of Beagle's own potential financial liability for such taxes and/or penalties, and continues to refuse to provide this information. Instead, Cochran dismissed Beagle's concern with a casual statement that "it barely takes 30 minutes to fill out and file the paperwork" – but Avicenna remains a suspended corporation to this day.

33. Cochran was in sole possession of this material information, and he deliberately concealed it and/or failed to disclose it to Beagle.

34. Beagle relied on Cochran in forming Avicenna, in transferring his intellectual property to Avicenna, in relying upon Mr. Petit's advice, and in all other business and/or financial affairs.

35. As a result of the wrongful conduct described above, Beagle has suffered damages in amount to be ascertained at trial.

36. Beagle also seeks rescission of any and all contracts entered as a result of the wrongful conduct described above, as well as restitution for any losses suffered thereby, in an amount to be ascertained at trial.

37. In addition, Defendant Cochran acted with malice and fraudulent intent. Beagle seeks punitive damages in an amount to be ascertained at trial.

THIRD CAUSE OF ACTION
(Elder Abuse – Intentional Infliction of Emotional Distress)

- 38. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 35 above.
- 39. On June 6, 2015, Beagle accidentally forwarded an email to Cochran which alerted Cochran to the fact that Beagle had been engaged in talks with his lawyer about filing elder abuse charges against Cochran. On June 11, 2015, Beagle asked Cochran to allow a neutral third party to review Avicenna's accounts, which were (and still are) entirely in Cochran's possession and control. On June 15, 2015, Cochran wrote an email to Beagle, as well as his attorney, children, and friends, stating that Beagle was "in a serious situation" and needed help because his mental condition was "compromised." That email from Cochran marked the beginning of a long series of emails, press releases, and other public statements from him that Beagle was "confabulating" (i.e., lying) about what had been happening. Cochran and Conlan even began disseminating the false statement that Beagle was suffering from medical problems affecting his memory. Cochran and Conlan had absolutely zero medical information from Beagle's doctor to support these statements, and nothing new had happened to elicit these remarks on June 15, except for the events detailed herein. The timing was no coincidence.
- 40. Beagle's daughter Kalisa Beagle ("Kalisa") responded to Cochran's June 15 email with the statement that "this is very worrisome indeed." She expressed a desire for Beagle to be tested for the various possible diseases or conditions that Cochran had mentioned in his email. Two days later, all three of Beagle's children emailed Beagle's attorney to express their concern about his mental capacity. They stated that this concern was based on their own observations, but none of them had seen him recently enough to observe the "accelerated loss of function, evidence of increased alcohol consumption" and other issues mentioned. Clearly, this had been provoked, at least in part, by Cochran's June 15 email.

41. Defendant Cochran deliberately defamed Beagle, not just to the public or to business associates, but specifically to his children and to his close personal friends. He refused to stop including Beagle's children and friends on his emails to Beagle, despite repeated requests to do so. On one such email, dated June 23, Cochran claimed that he didn't "have any reason to make stuff up", but this is clearly not true. As long as Beagle could be portrayed as an ill, incompetent, and alcoholic old man to his family and friends, Beagle would lack their support at a time when he was in critical need.

- 42. Beagle did seek a medical evaluation, but Cochran was not satisfied with the possibility that the medical evaluation would fail to support his claims as indeed, it did fail to do. Rather than allow the doctor (whom Cochran had chosen himself) to come to her own independent conclusions about Beagle's health and mental capacity, Cochran assembled a series of misleading, mistaken, or outright fabricated statements from various parties susceptible to his influence (including Cochran's wife, Cochran's employees, and even Beagle's own children) and faxed them to the doctor.
- 43. As a result of that fax, Beagle's doctor incorporated material into her report which was not supported by any of her medical findings. In fact, she retracted her reference to that material later (See Exhibit A, attached), but it was too late for Beagle. The original report had already cost him an opportunity to purchase life insurance, and damaged his self-esteem considerably.
- 44. In addition, Cochran controlled all of Beagle's income, either personally or through Conlan. Not content to simply damage Beagle's personal relationships, Cochran and Conlan unilaterally cancelled a personal tour which Beagle had contracted to perform in Europe. As a result, Beagle's rent was late and he was nearly evicted less than three months later.

- 45. Cochran's malicious conduct was outrageous. He abused his fiduciary relationship with Beagle, and even stooped to using Beagle's children and friends as weapons against him, simply in order to bolster Cochran's own position and avoid being held accountable for his actions.
- 46. Cochran's determination to appeal to the court of public opinion, particularly in the form of Beagle's children and friends, serves as evidence of his intention to cause emotional distress to Beagle or, at the least, his reckless disregard of the probability of causing such emotional distress.
- 47. Beagle has suffered depression, shame, and loss of self-esteem as a result of Cochran's actions. Cochran was in a particular position to know that Beagle would be susceptible to such emotional distress, due to a personal loss suffered by Beagle a few years ago. The prospect of losing the support of others who were close to him, such as his children and friends, would be especially upsetting under those circumstances. In addition, Cochran's insistence on Beagle's mental incompetence has led Beagle to blame himself for trusting Cochran in the first place, further damaging his self-esteem and heightening his sense of shame.
- 48. As a result of the wrongful conduct described above, Beagle has suffered damages in an amount to be ascertained at trial.
- 49. In addition, Defendant Cochran acted reprehensibly, with malice and fraudulent intent. Beagle seeks punitive damages in an amount to be ascertained at trial.

FOURTH CAUSE OF ACTION (Elder Abuse - Physical)

- 50. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 47 above.
- 51. In early 2013, Cochran persuaded Beagle to make multiple personal appearances by Beagle on an international tour, reviving the 1982 animated film THE LAST UNICORN (written by Beagle and based on his book of the same name). The tour began in San Francisco in April 2013

and ranged all over the United States and Canada before coming to an abrupt stop in late May 2015. By that time, Beagle had personally attended nearly 300 screenings in 153 different cities, covering thirty American states and eight Canadian provinces. That equates to an average of one screening every two to three days for a period of two full years. In fact, however, the screenings were often scheduled even more closely together than that, allowing Beagle brief trips home between different parts of the tour. (*See* lastunicorntour.com, accessed on November 1, 2015)

- 52. Cochran and Conlan failed to disclose the anticipated conditions of this tour to Beagle, including the length of time required, the constant travel, and the poor quality of accommodations provided on the road. Had they told him the whole truth, even Beagle's trust in Cochran and Conlan might not have been enough to induce him to participate.
- 53. While on tour, Beagle was often on the road for many hours at a time. In addition to the demanding pace of travel, he appeared onstage for question-and-answer sessions, signed books at every stop, and made personal connections with thousands of fans. At one point, he was on the road for twenty-nine days consecutively, with only a single 35-hour break. He became understandably exhausted, especially considering his physical frailty and advanced age, but Cochran and Conlan were unwilling to accommodate his needs. Beagle was not even granted the courtesy of hotel rooms to relax after each appearance; often, he stayed with local fans instead, requiring him to be "on" all the time. On one occasion, for instance, he spent his "downtime" inspecting his host's working cattle ranch; it may have been interesting, but it was certainly not physically or emotionally relaxing. Nonetheless, Beagle did his best to soldier on.
- 54. In addition, Beagle was expected to keep a "tour diary" for later sale by Conlan. He did not have enough time to complete entries in this "diary" while on tour. Cochran attempted to shame Beagle for failing to perform this task on top of all the other duties expected of Beagle, despite the lack of opportunity for Beagle to do so.

55. Finally, after cancelling the rest of Beagle's personal appearances in June 2015, Conlan offered personally-signed postcards to disappointed fans by way of apology to them for the cancellation. Cochran and Conlan used threats of financial harm, as well as harm to Beagle's professional reputation, in order to induce Beagle to sign 5,000 postcards within a period of just a few days. As a result, Beagle (a 76-year-old man) suffered pain in his neck, back, hand, and eyes, as well as extreme fatigue and mental suffering.

- 56. As a result of the wrongful conduct described above, Beagle has suffered damages in amount to be ascertained at trial.
- 57. In addition, Defendants Cochran and Conlan acted reprehensibly, with malice and fraudulent intent. Beagle seeks punitive damages in an amount to be ascertained at trial.

FIFTH CAUSE OF ACTION (Fraud)

- 58. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 55 above.
- 59. In January 2008, Cochran persuaded Beagle that it would be in Beagle's best interest for them to form a corporation together. In purported support of this false statement, Cochran executed Articles of Incorporation for Avicenna with Beagle on January 9, 2008, which Cochran filed on January 14, 2008.
- 60. Cochran intended Avicenna to be a sham corporation from the very beginning. For this reason, he did not bother to create an Operating Agreement or even file the required Statement of Information that year. However, he told Beagle that Avicenna would be a valid corporation which would manage and protect Beagle's intellectual property rights. This was a fraudulent misrepresentation, supported by the fraudulent filing of Articles, which Cochran never believed nor intended to be true.
 - 61. Cochran knew that Avicenna was not being formed for Beagle's benefit; indeed, it

was formed for the sole purpose of deceiving Beagle, to induce him to turn over his intellectual property and all of his rights thereto.

- 62. In addition, Cochran made the following misrepresentations of material fact to Beagle, amongst others:
 - Cochran told Beagle at the formation of Avicenna that Beagle would be an equal partner with Cochran in the company, and would be treated and recorded as such;
 - Cochran told Beagle that he would act responsibly as President of Avicenna and protect Beagle's interests in that capacity;
 - c. Cochran told Beagle on numerous occasions that Avicenna's books and records were accurate, and that Beagle need not worry about reviewing them in detail.
- 63. Cochran made each of these false statements knowing they were false, and with the intention of inducing Beagle's reliance on each statement.
- 64. Cochran's plan worked: Beagle signed over most of his intellectual property rights to Avicenna in March 2008. Further, he signed over the rights to his best-known property, THE LAST UNICORN, in June 2009. This book, written in 1968, has sold millions of copies and has been translated into at least twenty languages. It exists in many formats and has been adapted in multiple formats over the years.
- 65. Because Cochran was Beagle's business manager and friend, Beagle was justified in relying upon Cochran's fraudulent misrepresentations.
- 66. If Beagle had known that Avicenna was always intended to be a sham corporation, which functioned only as Cochran's alter ego, he would not have turned over his intellectual property. He would have retained his own rights, and simplified the process of separating his

business affairs from Cochran when it became necessary to do so. Even if he had agreed to form the company, he would have earlier pressed for accurate corporate filings and tax filings, demanded an audit of discrepancies, demanded a different management structure, acted to prevent Cochran from using the company as his personal piggy bank, attempted to remove Cochran through shareholder action, and so forth.

- 67. Cochran had a duty, based on his exclusive knowledge of the truth (*See* Cooper v. Jeyne, 56 Cal.App. 3d 860, 866 (1976)) as well as his relationship with Beagle, to disclose the real reason for forming Avicenna, as well as the real status of Avicenna over time.
- 68. Beagle has suffered significant financial detriment as a result of his justifiable reliance on Cochran's fraudulent misrepresentations. Despite an enthusiastic fan base, Beagle has lived in near-poverty for years. He has relied entirely on Cochran for money, without even the ability to sell his own pre-existing works to increase his income.
- 69. As a direct and proximate result of Cochran's wrongful conduct described above, Beagle has suffered damages of at least \$1 million, in an exact amount to be proved at trial.
- 70. Cochran's conduct was despicable, constitutes oppression, fraud and malice within the definition of California Civil Code § 3294, and was done with willful and conscious disregard for Beagle's rights. By reason of such conduct, Beagle is entitled to recover punitive damages from Cochran.

SIXTH CAUSE OF ACTION (Defamation - Libel)

- 71. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 68 above.
- 72. On June 15, 2015, Cochran wrote an email which purported to inform Beagle's children and friends that Beagle was "in a serious situation" and needed help because his mental condition was "compromised."

73. At approximately the same time or shortly thereafter, Conlan posted an alert to Beagle's fans on the website which it had set up for Beagle's tour. Conlan claimed that "[i]n June 2015 it became clear that Peter was having memory problems that needed medical attention, so we immediately stopped booking new shows and canceled his personal appearances at the summer screenings already announced in Germany and Austria. As of this writing his doctors still don't know the exact cause of the problem."

74. Over the following months, Cochran and Conlan continued to barrage Beagle's family, friends, business associates, and fans with this false information. They repeated the lie on multiple websites (including lastunicorntour.com and conlanpress.com), and in every possible venue. Adding insult to injury, they even made these false statements on social media sites which were managed by them or their employees in Beagle's name.

75. At the same time, Cochran began actively disseminating a story about Beagle's purported drinking habits. In emails addressed to Beagle's children, friends, and eventually even business associates, Cochran hinted, implied, and finally outright stated that Beagle was an alcoholic. Cochran declared that "once Peter starts drinking, he has a hard time stopping" and that Beagle "drinks far more than he admits."

76. Finally, just in case anyone had missed the point, Cochran outright stated in another email to Beagle's children and friends that Beagle's writing ability – the foundation of his livelihood for over fifty years – was "in tatters" as a result of Beagle's purported mental decline.

77. Cochran and Conlan made these false statements maliciously, knowing them to be false. Cochran and Conlan stated on multiple websites and social media sites that Beagle's doctors "still don't know the exact cause of the problem," when they knew perfectly well that Beagle had specifically refused to share his medical information with anyone except his doctors and his attorney. Cochran and Conlan knew that the "exact cause of the problem" was Beagle's growing

awareness of their perfidy, and no medical information was needed for them to spread their lies.

- 78. Knowing that Beagle had sought medical attention, Cochran went out of his way to influence the report of Beagle's neuropsychologist, Dr. Sabine Gysens. As she noted in that eventual report, Cochran "left several voice messages expressing concern and the desire to share more information." Indeed, he called her repeatedly, and eventually assembled a thirteen-page fax (consisting of his own statements as well as statements which he persuaded his wife, his employees, and even Beagle's children to contribute) to convince Dr. Sabine Gysens that something was wrong with Beagle.
- 79. In fact, Dr. Gysens' report indicated that Beagle's mental health was intact. He scored 30/30 on a test of gross cognitive function. His IQ score put him at the 91st percentile for his age group. Dr. Gysens did note that Beagle's "verbal abilities were much better than his non-verbal abilities" but this is hardly a surprise for an accomplished author with lifelong difficulty in other areas of life.
- 80. Dr. Gysens was initially influenced by Cochran's persistent false statements to her, eventually incorporating his insistence on Beagle's alcohol abuse into her report. She later admitted that there was no evidence to support this allegation, and nothing in her examination of Beagle which would indicate that it might be true. (Exhibit A, attached)
- 81. Still unsure of his own mental health as a result of the influence exerted by Cochran and Conlan, Beagle sought an independent second opinion from Dr. Brian C. Richardson. Dr. Richardson is a neurologist who has been in practice for thirty years, specializing in Alzheimer's Disease, brain aneurysms, concussions, dementia, memory and aging disorders, neuropsychiatric disorders, strokes, subarachnoid hemorrhages, and Transient Ischemic Attacks. His report was clear, unambiguous, and to the point: Beagle is fully competent. (Exhibit B, attached)
 - 82. Beagle has suffered special damages as a result of these blatant lies. These damages

include but are not limited to the following direct economic consequences of Defendants' conduct:

- a. Beagle was denied life insurance coverage;
- b. Ongoing negotiations to adapt THE LAST UNICORN (Beagle's most famous work) into a live-action film and/or a Broadway musical have been stalled and possibly ended due to the other principals' belief (based on these statements by Cochran and/or Conlan) that Beagle was no longer able to perform the creative work required. Cochran himself has estimated the budget for the film deal at \$140 million, and the budget for the musical deal at \$100 million, of which a significant portion would be payable to Beagle for the use of his intellectual property, his work in adapting the material, and his efforts in producing one or both of these projects. This is money which has been delayed, and possibly lost entirely.
- c. Fans, along with other members of the public who have read the "information" promulgated by Cochran and Conlan, have lost confidence in Beagle's mental acuity and writing ability. His future ability to sell his literary works has been damaged thereby.
- 83. In addition, Beagle's reputation has been irreparably harmed, affecting his relationships with his children, his friends, and his business associates. He has suffered shame, mortification, loss of self-esteem, and other emotional distress.
- 84. As a direct and proximate result of this outrageous conduct, Beagle has suffered damages of at least \$25 million, in an exact amount to be proved at trial.
- 85. Cochran's conduct was despicable, constitutes oppression, fraud and malice within the definition of California Civil Code § 3294, and was done with willful and conscious disregard for Beagle's rights. By reason of such conduct, Beagle is entitled to recover punitive damages in an

amount to be ascertained at trial.

86. In addition, Beagle demands a public retraction of these defamatory statements, and seeks injunctive relief to enjoin any future repetition of these or similar statements.

SEVENTH CAUSE OF ACTION (Defamation - Slander)

- 87. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 84 above.
- 88. Beagle is informed and believes and therefore alleges that on July 11, 2015, Cochran spoke to Beagle's friend Shandi Howard on the phone. During that conversation, Cochran told Ms. Howard that Beagle was in terrible condition, due to Beagle's excessive alcohol use and loss of mental capacity. Ms. Howard contacted Beagle immediately to ask after his health, informing him of the conversation at that time.
- 89. Beagle is informed and believes and therefore alleges that Cochran told several of Beagle's business associates that Cochran had personally done so much editing of Beagle's work over the past two or three years that the work had essentially been done by Cochran rather than Beagle. These remarks were repeated over a period of time, beginning in mid-June 2015, in various business settings when Beagle was not present.
- 90. Beagle is informed and believes and therefore alleges that Cochran told several of Beagle's business associates, including but not limited to Gardner Dozois, that Beagle was "senile and delusional and couldn't finish any stories anymore." These remarks were repeated to various individuals over a period of time, beginning in mid-June 2015, in various business settings when Beagle was not present.
 - 91. Cochran made these false statements maliciously, knowing them to be false.
- 92. Beagle has suffered special damages as a result of these blatant lies. These damages include but are not limited to the following direct economic consequences of Defendants' conduct:

a. Ongoing negotiations to adapt THE LAST UNICORN (Beagle's most famous work) into a live-action film and/or a Broadway musical have been stalled and possibly ended due to the other principals' belief (based on these statements by Cochran) that Beagle was no longer able to perform the creative work required. Cochran himself has estimated the budget for the film deal at \$140 million, and the budget for the musical deal at \$100 million, of which a significant portion would be payable to Beagle for the use of his intellectual property, his work in adapting the material, and his efforts in producing one or both of these projects. This is money which has been delayed, and possibly lost entirely.

- b. Business associates who heard these statements have lost confidence in Beagle's mental acuity and writing ability. His future ability to sell his literary works has been damaged thereby.
- c. Beagle's reputation has been irreparably harmed, affecting his relationships with his friends and his business associates. He has suffered shame, mortification, loss of self-esteem, and other emotional distress
- 93. As a direct and proximate result of this outrageous conduct, Beagle has suffered damages of at least \$25 million, in an exact amount to be proved at trial.
- 94. Cochran's conduct was despicable, constitutes oppression, fraud and malice within the definition of California Civil Code § 3294, and was done with willful and conscious disregard for Beagle's rights. By reason of such conduct, Beagle is entitled to recover punitive damages in an amount to be ascertained at trial.
- 95. In addition, Beagle demands a retraction of these defamatory statements, and seeks injunctive relief to enjoin any future repetition of these or similar statements.

EIGHTH CAUSE OF ACTION (Common Law Breach of Fiduciary Duty)

- 96. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 93 above.
- 97. Cochran owed a fiduciary duty to Beagle based on his role as Beagle's business manager, as well as his role as President of Avicenna.
 - 98. Cochran breached his fiduciary duties by:
 - Failing to prepare or to provide Beagle accurate financial reports, tax statements, and other necessary shareholder information;
 - b. Failing to pay distributions and underpaying distributions to Beagle;
 - Failing to file taxes or make other required filings to governmental authorities
 in furtherance of his scheme to deprive Beagle of what was due him;
 - d. Concealing and misrepresenting numerous material facts from Beagle that
 Cochran had a duty to disclose;
 - e. Conversion of thousands of dollars that rightfully belonged to Beagle and/or Avicenna for his own personal use;
 - f. Wasting corporate assets;
 - g. Dominating Beagle, refusing to allow him to exercise his rights with respect to Avicenna, and otherwise denying him the reasonable expectations of his investment;
 - h. Failing to perform duties of loyalty by repeatedly putting his own interests and those of his other companies above those of Beagle;
 - i. Failing to prepare proper books and records; and
 - j. Other tortious acts as set forth in the allegations herein.

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99. As a direct and proximate result of Cochran's wrongful conduct alleged herein, Beagle has suffered damages of at least \$1 million, in an exact amount to be proved at trial.

100. Cochran's conduct was despicable, constitutes oppression, fraud and malice within the definition of California Civil Code § 3294, and was done with willful and conscious disregard for Beagle's rights. By reason of such conduct, Beagle is entitled to recover punitive damages as well.

NINTH CAUSE OF ACTION (Breach of Contract)

- 101. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 98 above.
- 102. On or around July 31, 2014, Conlan entered into a Personal Services Agreement with Beagle (the "Agreement"). The Agreement governed Beagle's participation in a worldwide tour to promote theatrical showings of the 1982 film adaptation of THE LAST UNICORN.
- 103. According to its terms, the Agreement could only be terminated by a formal written release by Conlan, or by the "death or permanent medical disability, as confirmed in writing by a qualified medical practitioner who has personally examined" Beagle. (Exhibit C, attached)
- 104. On or around June 15, 2015, Cochran and/or Conlan unilaterally cancelled the tour, citing Beagle's health as the reason for such cancellation.
- 105. Cochran and/or Conlan communicated the decision to cancel the tour in the context of an informal email from Cochran and a series of postings on websites and social media sites controlled by Cochran and/or Conlan.
- 106. No formal written release was ever provided by Conlan to terminate the Agreement. Similarly, Conlan did not present any written confirmation of a permanent medical disability affecting Beagle.
 - 107. Conlan wrongfully terminated the Agreement.

108. As a result of the wrongful conduct described above, Beagle has suffered damages in an amount to be ascertained at trial.

TENTH CAUSE OF ACTION (Accounting)

- 109. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 106 above.
- 110. By virtue of his role as Beagle's business manager, Cochran acted in the capacity of Beagle's fiduciary and trusted agent. In addition, by virtue of his role as President of Avicenna, Cochran acted in the capacity of Beagle's fiduciary and trusted agent.
- 111. Since at least 2008 and continuing to the present, Cochran, Conlan, and/or Avicenna have engaged in, participated in, and/or aided and abetted numerous unlawful and unfair practices, including, but not limited to, the following:
 - Failed to refund fees received by Defendants, or any of them, from customers
 for books and/or other media that were cancelled, never produced, or
 otherwise permanently unavailable;
 - b. Engaged in unfair practices intended to delay and hinder customers from receiving refunds under Conlan's cancellation policies, including, but not limited to, misrepresenting to customers that their products were in the process of becoming available, and/or that refunds were in process or "in the mail," when those representations were untrue;
 - c. Failed to consistently pay investors and vendors in accordance with agreed-upon terms (See e.g., Penguin Group (usa) Inc. v. Conlan Press, Inc., San Mateo Superior Court, case #CLJ511166 (2012));
 - Failed to make required business filings such as Statements of Information with the California Secretary of State;

- e. Failed to file any state tax returns for Avicenna;
- f. While suspended by the California Secretary of State and/or the Franchise Tax Board, both Avicenna and Conlan exercised corporate powers without the legal right to do so; and
- g. Engaged in actions or omissions that resulted in substantial taxes, penalties and interest assessed by the Franchise Tax Board against Avicenna, to Beagle's detriment as a shareholder.
- 112. Beagle is informed and believes and therefore alleges that Defendants, or any of them, have committed additional unlawful actions, or omissions, during the period of 2008 to the present, but cannot know the extent of those actions/omissions until discovery has been conducted and Defendants provide a full and complete accounting of all receipts and disbursements.
- 113. Beagle will seek leave to amend this Complaint to allege such further and additional unlawful actions and/or omissions when they become known to him.
- 114. As a result of the wrongful conduct described above, Defendants caused losses and became liable in various sums of money to Beagle, the true amounts of which cannot be ascertained and determined without an accounting.

ELEVENTH CAUSE OF ACTION (Constructive Trust)

- 115. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 109 above.
- 116. Beagle is informed and believes and therefore alleges that Defendants possess monies and/or assets which were fraudulently obtained from Beagle and/or were converted as described below.
- 117. A constructive trust should be imposed on the property which is owned or in the possession of Defendants, or held in community property with Cochran's wife, to prevent any

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transfers of any such property. All such property should be held in constructive trust to satisfy Beagle's claims for funds stolen, converted, or fraudulently obtained by Defendants.

TWELFTH CAUSE OF ACTION (Conversion)

- Beagle incorporates herein by reference the allegations contained in paragraphs 1 118. through 112 above.
- Defendant Cochran has intentionally interfered with and converted property which 119. was rightfully owned by Beagle by converting it to his personal use or to the use of Avicenna and/or Conlan, which are corporations under Cochran's sole possession and control.
- 120. Cochran's intentional interference and conversion has deprived Beagle of possession and use of the property described herein, thus depriving Beagle of royalties and other payments owed to him.
- 121. As a result of the wrongful conduct described above, Beagle has suffered damages in an amount to be ascertained at trial.
- Cochran's conduct constitutes oppression, fraud and malice within the definition of 122. California Civil Code § 3294, and was done with willful and conscious disregard for Beagle's rights. By reason of such conduct, Beagle is entitled to recover punitive damages from Cochran.

(Involuntary Dissolution of Avicenna and Conlan)

- 123. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 117 above.
- 124. There exists, and at all times relevant herein mentioned there existed, a unity of interest and commonality of control between Cochran and the two corporations (Avicenna and Conlan) such that any individuality and separateness among these defendants have ceased and both corporations are alter egos of Cochran.

125. Beagle is informed and believes and therefore alleges that the sole acting board member and officer of Avicenna is Cochran himself. Beagle is also informed and believes and therefore alleges that the sole acting board member and officer of Conlan is Cochran himself.

- 126. Cochran, Conlan, and Avicenna had and/or have the same principal place of business and, at various times, the same employees.
- 127. Conlan and Avicenna use and/or used the same agent for service of process: a disbarred former attorney (mentioned elsewhere in this Complaint) who is not otherwise in the business of acting as an agent for service of process for other corporations.
- 128. Beagle is informed and believes and therefore alleges that at all times relevant herein Cochran operated both corporations in all essential aspects as his own enterprises. At all times relevant, Cochran has disregarded the corporate formalities with respect to Avicenna. The same formalities have been intermittently observed with respect to Conlan, such that Conlan was forced to seek revivor in 2012 from the Franchise Tax Board in order to avoid paying an arbitration award granted against it.
- 129. Cochran has failed to observe any substantive distinction between the two corporations; rather, the assets of Cochran and Avicenna have been commingled and/or manipulated by Cochran as the sole individual in control of the corporation.
- 130. Adherence to the fiction that either corporation is an entity separate and distinct from Cochran would permit an abuse of the corporate privilege of these defendants and would sanction fraud and promote injustice.
 - 131. Beagle is entitled to dissolution of Avicenna on the following grounds:
 - It is not reasonably practicable to carry on the business in conformity with the Articles of Organization;
 - b. Dissolution is reasonably necessary for the protection of Beagle's rights

and/or interests;

- The management of Avicenna has shown itself to be incapable of maintaining the corporation properly;
- d. Defendant Cochran, who is in sole control of the company, has been guilty of pervasive fraud, mismanagement, and abuse of authority; and
- e. Avicenna has been a sham corporation from the beginning, functioning as Cochran's alter ego at all times.
- 132. Beagle is entitled to dissolution of Conlan on the following grounds:
 - a. It is not reasonably practicable to carry on the business in conformity with the
 Articles of Organization; and
 - b. Dissolution is reasonably necessary for the protection of Beagle's rights and/or interests.
- 133. Defendant Cochran, who is in sole control of both corporations, has been guilty of pervasive fraud, mismanagement, and abuse of authority
- 134. Beagle has a right, interest and reasonable expectation of equity and a say in management control of Avicenna, based upon his role as a founder of the company, upon his contributions of the primary assets of the company, and upon agreements and representations made by Cochran and/or Cochran's agents. Beagle also has a right, interest and reasonable expectation in financial participation and profits in the company. Cochran's denial of Beagle's equity participation, cutting off of distributions, refusal to disclose basic information about the affairs of the company, and other actions have frustrated and destroyed these rights, interests and expectations.

FOURTEENTH CAUSE OF ACTION (Breach Of Implied Covenant of Good Faith and Fair Dealing)

135. Beagle incorporates herein by reference the allegations contained in paragraphs 1

through 122 above.

- 136. Implied in each of the agreements and/or fiduciary relationships cited herein is an implied covenant of good faith and fair dealing that required Defendants to refrain from taking any action that would serve to deprive Beagle of the benefits of these agreements and/or fiduciary relationships.
- 137. Defendants breached this covenant of the agreements and/or fiduciary relationships between Beagle and Defendants.
- 138. As a result of the wrongful conduct described above, Beagle has suffered damages in an amount to be ascertained at trial.

FIFTEENTH CAUSE OF ACTION (Cal. Bus. And Prof. Code Section 17200 et seq)

- 139. Beagle incorporates herein by reference the allegations contained in paragraphs 1 through 126 above.
- 140. The conduct of Defendants Conlan and Cochran as alleged above constitutes unfair competition and unlawful and unfair business practices within the meaning of Cal. Bus. and Prof. Code Section 17200 et seq.
- 141. As a result of these violations, Conlan and Cochran have been enriched and continue to be enriched at Beagle's expense.
- 142. To prevent unjust enrichment, Defendants Conlan and Cochran should be required to disgorge their illegal gains and make full restitution to Beagle.

PRAYER

WHEREFORE, Beagle prays for judgment against the defendants and each of them as follows:

- 1. For the First Cause of Action:
 - a. For general damages according to proof;
 - b. For special damages according to proof;
 - c. For prejudgment interest; and
 - d. For punitive and exemplary damages in an unspecified sum.
- 2. For the Second Cause of Action:
 - a. For general damages according to proof;
 - b. For special damages according to proof;
 - c. For prejudgment interest;
 - d. For punitive and exemplary damages in an unspecified sum; and.
 - e. For rescission of any and all contracts entered as a result of the wrongful conduct described above, as well as restitution for any losses suffered thereby
- 3. For the Third Cause of Action:
 - a. For general damages according to proof;
 - b. For special damages according to proof;
 - c. For prejudgment interest; and
 - d. For punitive and exemplary damages in an unspecified sum.
- 4. For the Fourth Cause of Action:
 - a. For general damages according to proof;
 - b. For special damages according to proof;
 - c. For prejudgment interest; and

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JURY DEMAND

Plaintiff demands a trial for jury on all causes of action so triable.

DATED: November 16, 2015

PETER S. BEAGLE, Petitioner

DATED: November 16, 2015

KATHLEEN A. HUNT, ESQ.

Attorney for Plaintiff Peter S. Beagle

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VERIFICATION

1 2 3 STATE OF CALIFORNIA 4 COUNTY OF CONTRA COSTA 5 I, PETER S. BEAGLE, declare: 6 I am the Petitioner and Declarant in the above-titled action. 7 8 9 10 11 12 13 14

SS.

I have read the VERIFIED COMPLAINT FOR ELDER ABUSE (FINANCIAL), ELDER ABUSE (CONSTRUCTIVE FRAUD), ELDER ABUSE (INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS), ELDER ABUSE (PHYSICAL), FRAUD, DEFAMATION (LIBEL), DEFAMATION (SLANDER), BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, ACCOUNTING, CONSTRUCTIVE TRUST, CONVERSION, INVOLUNTARY DISSOLUTION OF CORPORATION, BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING, AND VIOLATIONS OF CAL. BUS. & PROF. CODE SECTION 17200 and know the contents thereof; the same is true of my own knowledge except as to those matters which are therein stated upon information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 16th day of November, 2015, at El Cerrito, CA.

PETER S. BEAGLE, Petitioner

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EXHIBIT A

Sabine Gysens, Ph.D. Licensed Psychologist PSY 18138

45 Castro Street, Suite 200 San Francisco, CA 94131 Phone: 415.613,9290 Fax: 415.600.7715

10/05/2015

TO WHOM IT MAY CONCERN.

I have no evidence and see no indications of a life-long pattern of alcohol abuse in Mr. Peter Beagle. The suggestion of alcohol use came from an outside source, not from interview with the patient himself.

Sincerely.

Sabine Gysens. PhD

EXHIBIT B



NEUROLOGY

2850 Telegraph Ave., #110 Berkeley CA 94705 Phone: 510-204-8140

Fax: 510-849-0159

9/9/2015

RE: Peter S Beagle DOB: 4/20/1939 MRN: 51124114

To Whom it may concern:

I saw Mr. Peter S Beagle today regarding a cognitive evaluation. I found him to be fully competent to make personal and business decisions at this time. He is by no means demented at this time.

Sincerely

Brian C. Richardson, M.D.





Personal Services Agreement Peter S. Beagle

This personal services contract between Conlan Press, Inc., a California corporation ("Conlan"), and Peter S. Beagle, a United States citizen and resident of the state of California ("Beagle"), is separate from and supplemental to all other business dealings between Conlan and its principal on the one hand and Beagle on the other. The purpose of this Agreement is to formalize and regularize certain personal services arrangements for mutual financial advantage relating to personal appearances by Beagle at The Last Unicorn Screening Tour sponsored, run, or otherwise associated or affiliated with Conlan.

1. SCOPE AND TERM

- (a) This Personal Services Agreement runs from 22 July 2014 until 31 December 2016 inclusive. It may be terminated only by either:
 - (1) A formal written release made in the sole discretion of Conlan, or
 - (2) Death, or permanent medical disability as confirmed in writing by a qualified medical practitioner who has personally examined him, of Beagle.
- (b) This Agreement does not constitute an exclusive-services agreement except as naturally and practically required for the specific tasks and periods of Events and Related Travel (see §1(c) below). When not specifically so engaged, the requirements of §3 below do not apply and do not in any fashion bind Beagle.
- (c) For the purposes of this Agreement,
 - (1) "Event" means any scheduled stop or appearance on or related to touring theatrical showings of *The Last Unicorn*, as sponsored by or otherwise affiliated with Conlan Press; and such similar events or appearances as may be specified in writing from time to time by Conlan Press.
 - (2) "Related Travel" includes any or all of travel from Beagle's residence to Events; travel from Events to Beagle's residence; and travel between Events. Travel is considered to begin six (6) hours before any scheduled conveyance (such as, but not limited to, travel by vehicle or aircraft) and extends to one hour after the final return to Beagle's residence.
 - (3) "Tour Diary/Blog" means a narrative account by Beagle of incidents,

impressions, reactions, and thoughts that occur at Events and during Related Travel. The narrative account shall be kept roughly contemporaneously, within two calendar days of each Event (subject to later correction or editing for accuracy).

- (4) A "Domestic Tour Leg" is a discrete, continuously scheduled portion of *The Last Unicorn* theatrical screening tour taking place within the United States, scheduled as beginning and ending at Beagle's residence.
- (5) An "International Tour Leg" is a discrete, continuously scheduled portion of *The Last Unicorn* theatrical screening tour taking place outside the United States, scheduled as beginning and ending at Beagle's residence.

2. SERVICES TO BE PERFORMED

Consistent and compliant with all conditions of service noted below in §3, Beagle shall:

- (a) Appear at Events, participate in public presentations at Events, sign merchandise and products at Events, and interact with fans and customers at Events;
- (b) Participate in Tour Leg-specific publicity events and Tour Diary/Blog experiences during the Tour Leg;
- (c) Maintain Tour Diary/Blog notes of acceptable quality and quantity, and transmit or directly convey same to Conlan Press within 48 hours of the Events and activities being covered;
- (d) After International Tour Legs, deliver the first draft of a complete Tour Diary for the Tour Leg, intended for book publication, within 4 weeks of the conclusion of the Tour Leg. The minimum length for this first draft will be 15,000 words; and
- (e) Revise and edit each International Tour Diary as directed by Conlan Press until the material is suitable for book publication, such suitability to be determined by Conlan Press.

3. CONDITIONS OF SERVICE

(a) Beagle shall fully defer to all scheduling of Events, Related Travel, and Tour Legs, and shall not schedule personal or other matters that interfere in any fashion with Conlan Press's scheduling. Conlan Press shall inform Beagle as soon as practical of both anticipated general timing of Events, Related Travel, and Tour Legs, and of specifics as they become finalized. Whether a personal or other matter interferes with Conlan Press's stated schedule shall be determined in good faith solely in Conlan Press's discretion.

- (b) In order to prevent needless disruption of Events and Related Travel, Beagle shall ensure that Conlan has in its possession, one full business day prior to the beginning of Related Travel, all information regarding financial obligations (such as, by way of example, telephone or loan payments) that will come due prior Beagle's scheduled return to his residence.
- (c) While on any Tour Leg, Beagle shall not consume alcohol (or consume or partake of any other intoxicant) at any time prior to an Event on an Event day; and restrict himself to one drink after an Event ends (as defined by the completion of all post-screening signing for the audience).

4. COMPENSATION FOR SERVICES ACTUALLY RENDERED

- (a) Beagle shall receive per-diem payment of \$50 for each whole calendar day of scheduled travel, to cover his basic food and personal costs. This perdiem payment shall be treated for all purposes as reimbursement of business expenses.
- (b) At the end of each Domestic Tour Leg, Beagle shall receive a minimum of \$2500. If audience attendance during a Domestic Tour Leg exceeds 5,000 individuals, Beagle shall receive an additional \$500 bonus.
- (c) At the end of each International Tour Leg, Beagle shall receive a minimum of \$5000. If audience attendance during an International Tour Leg exceeds 7,000 individuals, Beagle shall receive an additional \$500 bonus.
- (d) If Beagle fails to comply with all conditions of service noted above in §3 within a given Domestic Tour Leg or International Tour Leg, his payment for that Tour Leg will be 50% of the amount specified in this §4 for that Tour Leg.
- (e) As payment for his Tour Diaries, Beagle shall receive 4% of the sales price received by Conlan Press for any copy of any Commemorative Tour Edition containing one of his Tour Diaries. All payments under this §4(e) will be paid and reported along with the sales of the commemorative editions as provided in a separate publishing agreement; and shall be reduced by one half (to 2% of the selling price) should the submitted Tour Diary fail to meet any condition specified in §\$2(c)-(e) without prior written approval. Should the submitted Tour Diary be judged by Conlan to be unsuitable for publication and not revisable to publishable standard in the necessary time frame, Beagle shall be due no payment under this §4(e).
- (f) Beagle accepts and understands that Conlan will report all payments to Beagle made pursuant to this Agreement as required by law for taxation purposes, and that Beagle is solely responsible for his own reporting of and payment of taxes due upon or caused by those payments by Conlan.

(g) For avoidance of doubt, the parties understand and agree that no payment made pursuant to this Agreement relates to any payments, rights, obligations, or equity of any other entity, including without limitation Avicenna Development Corporation or any entity owned in whole or in part by Avicenna Development Corporation.

5. OTHER PROVISIONS

- (a) This is a personal services agreement under California law, and all negotiation, execution, performance, and interpretation shall be treated as occurring wholly in the state of California.
- (b) No performance, obligation, or responsibility under this Agreement may be delegated to any other person or entity.
- (c) No benefit (including without limitation compensation due under §4) may be assigned to any nonparty to this Agreement.

Connor Cochran

President, Conlan Press, Inc.

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(date)

tax information on file