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FILED
Superior Court of California
County of Los Angeles

MAY 12 2021

Sherri R. Carter, Executive Officer/Clerk
By Reanna Redmond Deputy
Reanna Redmond

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, VAN NUYS COURTHOUSE**

RELIANT LIFE SHARES, LLC, a California
Limited Liability Company,

Plaintiff,

vs.

DANIEL B. COOPER, an individual; and
RICHARD D. COOPER in his capacity as
trustee for 2010 IRREVOCABLE TRUST OF
BBC,

Defendants.

CASE NO. BC604858

Assigned to the Hon. Huey P. Cotton
Department: A

**THIRD AMENDED ~~PROPOSED~~
JUDGMENT**

DANIEL B. COOPER, an individual, and
RICHARD D. COOPER, in his capacity as
trustee of the 2010 Irrevocable Trust of BBC,

Cross-Complainants,

vs.

SEAN MICHAELS, an individual, SCOTT
GRADY, an individual, JOEL KLEINFELD, an
individual, ANDREW MURPHY, an individual,
RELIANT LIFE SHARES, LLC, PB
CONSULTING, LLC, AMERICAN LIFE
SHARES, INC., and DOES 1-10,

Cross-Defendants.

1 The Court having conducted a non-jury trial from December 9, 2018 to January 18, 2019,
2 and having made findings of fact and conclusions of law in connection with that trial (entered by
3 the Court on September 6, 2019), and a jury having rendered a verdict on December 20, 2019
4 after a jury trial, and the Court having made further findings of fact and conclusions of law in
5 January 2020 (including concerning prejudgment interest reserved to the court by stipulation and
6 concerning the value of Daniel Cooper's one-third interest in Reliant Life Shares, LLC), and
7 following hearings on January 29, March 5, 2020, and April 28, 2021, and good cause appearing
8 to the satisfaction of the Court, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as
9 follows:

10 **RELIANT LIFE SHARES, LLC'S FIRST CAUSE OF ACTION**

11 **FOR DECLARATORY RELIEF**

12 1. On the cause of action by Reliant Life Shares, LLC, a California Limited Liability
13 Company (hereinafter "Reliant") and against Daniel B. Cooper and Richard D. Cooper, in his
14 capacity as trustee of the 2010 Irrevocable Trust of BBC (hereinafter, the "Cooper Parties") for
15 declaratory relief, JUDGMENT is hereby entered in favor of the Cooper Parties and against
16 Reliant on the basis that:

17 a. Reliant did not act in a legally enforceable manner and did not follow the
18 proper procedure for the removal of Daniel Cooper as a Member of Reliant; and as a result,
19 Daniel Cooper remained a current 1/3 owner of Reliant, and entitled to receive one-third of all
20 monies paid to Sean Michaels and Scott Grady from November 2013 through the present.

21 b. Reliant violated its obligations to provide the Cooper Parties with accurate
22 and reliable financial information pursuant to the Operating Agreement of Reliant and Reliant
23 never provided Cooper with regularly required financial statements; and based on its willful
24 disobedience and violation of the Operating Agreement, Reliant is estopped from attempting to
25 enforce the provisions of the Operating Agreement at the time that it sought to terminate Daniel
26 Cooper's ownership interest.

27 c. Reliant and its Members failed to comply with the requirement in the
28 Operating Agreement to provide Daniel Cooper with access to Reliant's financial records on an

1 ongoing basis, and actively interfered with the efforts of consultants working on Daniel Cooper's
2 behalf to acquire this information.

3 2. Based on the foregoing, Daniel Cooper is entitled to receive 1/3 of all monies and
4 assets that have been transferred from Reliant to Sean Michaels ("Michaels"), Scott Grady
5 ("Grady"), and their respective entities and is entitled to a buy-out of his 1/3 ownership interest
6 based on a valuation date of January 1, 2019.

7 **RELIANT LIFE SHARES LLC'S SECOND CAUSE OF ACTION FOR CONVERSION**

8 3. On the cause of action by Reliant against Daniel B. Cooper for conversion,
9 JUDGMENT is hereby entered in favor of Daniel B. Cooper and against Reliant, and Reliant
10 shall take nothing on this cause of action.

11 **VALUATION OF THE COOPER PARTIES' ONE-THIRD INTEREST IN RELIANT AND**
12 **PREJUDGMENT INTEREST**

13 4. The valuation date for any analysis of the Cooper Parties' interest in Reliant shall
14 be set for January 1, 2019.

15 5. The Court, having considered the jury's advisory verdict of December 20, 2019,
16 hereby ADJUDGES that the value of the Cooper Parties' one-third interest in Reliant as of
17 January 1, 2019, was \$4,200,000.00 (four million two hundred thousand dollars). This valuation
18 amount shall constitute the "Fair Option Price" of the Cooper Parties' membership interest in
19 Reliant, as that term is defined within Reliant's Operating Agreement. Additionally, this is the
20 valuation amount before prejudgment interest.

21 6. The matter of prejudgment interest having been reserved to the Court by
22 stipulation, the Court hereby ADJUDGES that prejudgment interest on the \$4,200,000.00
23 valuation amount shall be calculated at 10 percent simple interest from January 1, 2019 to and
24 until the date of entry of judgment.

25 7. As judgment is entered on or after March 5, 2020, prejudgment interest is awarded
26 to the Cooper Parties in the sum of \$494,794.52 from January 1, 2019 to March 5, 2020, plus
27 \$1,150.68 per day commencing March 6, 2020 to date of entry of this judgment.

28 8. Upon entry of this Judgment, Defendants Sean Michaels, Scott Grady, and Reliant
Life Shares, LLC, and additionally named judgment debtors PB Consulting, LLC, a California

1 limited liability company, PB Consulting #2, LLC, a California limited liability company, 18LS
2 Holdings, LLC, a California limited liability company, and LaForce Holdings, LLC, a California
3 limited liability company shall be jointly and severally liable to pay the valuation amount of
4 \$4,200,000.00 plus prejudgment interest in the amount of \$494,794.52 (as set forth above) to the
5 Cooper Parties in exchange for the transfer of all of the Cooper Parties' ownership interest in
6 Reliant. Attached hereto as Exhibit "A," and incorporated by reference as if set forth fully herein,
7 is the Irrevocable Resolution of Reliant Life Shares, LLC, dated March 4, 2020. In addition to
8 the items set forth in Resolution 6 therein, the Court hereby orders as follows:

- 9 a. Payments of attorneys' and accountants fees (Resolution 6(k)) shall not exceed in
10 any given month the amounts paid to the Cooper Parties pursuant to the resolution.
11 If any payments to accountants or attorneys would exceed the amount to be paid to
12 Cooper in any given month, that payment shall be deferred to a future month and
13 in no event in any month shall the total payments to attorneys and accountants
14 exceed the amount paid to the Cooper Parties.
- 15 b. Mr. Scott Grady shall not, directly or indirectly, compete in any fashion with
16 Reliant's conduct of the fractional life insurance business in California and shall
17 not take any actions to create, manage, or consult with anyone engaging in the sale
18 of fractional life securities in California.
- 19 c. Mr. Larry Kanter shall serve as the financial ombudsman of Reliant, and shall
20 provide monthly reports to The Cooper Parties and Chris Stevens to demonstrate
21 that Reliant is abiding by the terms set forth herein, including promptly responding
22 in writing to any inquiry by Cooper or his representatives regarding the contents of
23 these monthly reports, including providing any back up documents requested by
24 Cooper. The payment for Cooper's ownership interest shall occur pursuant to a
25 payment plan in which Reliant agrees to pay at least \$72,222 per month to Cooper.
26 If Reliant materially breaches this paragraph, Cooper shall be permitted to
27 immediately seek ex parte relief to apprise the Court of the violation and to seek
28 immediate relief. The \$4.2 million buy-out award shall continue to accrue post-
judgment interest until satisfied in full.

1 **ALTER EGO**

2 9. Defendant Michaels utilized Reliant and his entities PB Consulting, LLC, PB
3 Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the
4 RLM Trust, and 18LS Holdings, LLC (the “Michaels Entities”) as an extension of himself by
5 disregarding corporate formalities, comingling money, and transferring assets without
6 consideration; so much so that Reliant and the Michaels Entities are alter egos of Michaels.
7 Similarly, Michaels is deemed to be the alter ego of Reliant. This finding of alter ego liability
8 shall continue through February 25, 2018, the date on which Michaels sold his interest in Reliant.

9 10. Defendant Grady utilized Reliant and his entities LaForce Holdings, LLC, Tristan
10 Capital, Inc., the RLS Trust, and the SLG Trust (the “Grady Entities”) as an extension of himself
11 by disregarding corporate formalities, comingling money, and transferring assets without
12 consideration; so much so that Reliant and the Grady Entities are alter egos of Grady. Similarly,
13 Grady is deemed to be the alter ego of Reliant.

14 **FINDING OF ADDITIONAL JUDGMENT DEBTORS**

15 11. On September 29, 2020, the Court found that the following are additional
16 judgment debtors:

- 17 a. PB Consulting, LLC, a California limited liability company;
- 18 b. PB Consulting #2, LLC, a California limited liability company;
- 19 c. 18LS Holdings, LLC, a California limited liability company; and
- 20 d. LaForce Holdings, LLC, a California limited liability company.

21 On April 28, 2021, the Court found that the following are additional judgment debtors:

- 22 a. Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, and any other
23 successor trustee of said Trust;
 - 24 b. Romelli Cainong, Trustee for the RLM Trust, and any other successor trustee of
25 said Trust; and
 - 26 c. Romelli Cainong, Trustee for the 2007 Irrevocable MMA Trust, and any other
27 successor trustee of said Trust.
- 28

THE COOPER PARTIES' FIRST CAUSE OF ACTION
BREACH OF CONTRACT (OPERATING AGREEMENT)

12. On the Cooper Parties' first cause of action for Breach of Contract (Operating Agreement), the Cooper Parties are awarded JUDGMENT, jointly and severally, against defendants Sean Michaels (the Court has found that the following entities are alter egos of Sean Michaels: PB Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC), Scott Grady (the Court has found that the following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust) and the following judgment debtors: PB Consulting, LLC, a California limited liability company, PB Consulting #2, LLC, a California limited liability company, 18LS Holdings, LLC, a California limited liability company, LaForce Holdings, LLC, a California limited liability company, Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any other successor trustee of said Trusts, in the sum of \$6,028,786.00 (six million twenty-eight thousand seven hundred eighty-six dollars), plus prejudgment interest thereon at 10 percent simple interest (as set forth in the immediately following paragraph), plus post judgment interest at the rate of 10 percent simple on the sum of the \$6,028,786.00 until paid.

13. The matter of prejudgment interest having been reserved to the Court by stipulation, and the Court having determined to award prejudgment interest, the Cooper Parties are awarded prejudgment interest for the Breach of Contract (Operating Agreement) cause of action against defendants Sean Michaels (the Court has found that the following entities are alter egos of Sean Michaels: PB Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC) Scott Grady (the Court has found that the following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust) and the following judgment debtors: PB Consulting, LLC, a California limited liability company, PB Consulting #2, LLC, a California limited liability company, 18LS Holdings, LLC, a California limited liability company, LaForce Holdings, LLC, a California limited liability company, and Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007

1 Irrevocable MMA Trust, and any other successor trustee of said Trusts. Said interest shall be in
2 the amount of \$1,492,747.98 plus post judgment interest at the daily rate of \$1,651.72 per day
3 commencing March 6, 2020.

4 14. Accordingly, the Cooper Parties' damages (including prejudgment interest) for the
5 Cooper Parties' first cause of action for Breach of Contract (Operating Agreement) shall be
6 \$7,521,533.98 as of March 5, 2020 plus \$1,651.72 per day commencing March 6, 2020.

7 15. On the Cooper Parties' first cause of action for Breach of Contract (Operating
8 Agreement), the Cooper Parties shall take nothing from defendant Joel Kleinfeld, and
9 JUDGMENT is entered in favor of Joel Kleinfeld.

10 16. Mr. Kleinfeld shall recover his attorneys' fees in this matter in the amount of
11 \$43,875, payable to Barnhill & Vaynerov, LLP, and \$89,474.98 payable to Christopher Stevens,
12 Esq. Such payments are to be made within 5 days of receipt by Mr. Cooper of the funds from the
13 life insurance policy of Salim Friwat.

14 17. The Court has determined that the following are additional judgment debtors in the above-
15 referenced cause of action:

- 16 a. PB Consulting, LLC, a California limited liability company;
- 17 b. PB Consulting #2, LLC, a California limited liability company;
- 18 c. 18LS Holdings, LLC, a California limited liability company; and
- 19 d. LaForce Holdings, LLC, a California limited liability company; and
- 20 e. Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust,
21 and the 2007 Irrevocable MMA Trust, and any other successor trustee of said
22 Trusts.

23 **THE COOPER PARTIES' SECOND CAUSE OF ACTION**
24 **FOR BREACH OF CONTRACT (SEPARATION AGREEMENT)**

25 18. On the Cooper Parties' second cause of action for Breach of Contract (Separation
26 Agreement), the Cooper Parties are awarded JUDGMENT, against defendant Sean Michaels (the
27 Court has found that the following entities are alter egos of Sean Michaels: PB Consulting, LLC,
28 PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust,
the RLM Trust, and 18LS Holdings, LLC), and the following judgment debtors: PB Consulting,

1 LLC, a California limited liability company, PB Consulting #2, LLC, a California limited liability
2 company, 18LS Holdings, LLC, and Romelli Cainong, Trustee for the 2007 Irrevocable Octopus
3 Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any other successor trustee of
4 said Trusts, in the sum of \$6,028,786.00 (six million twenty-eight thousand seven hundred
5 eighty-six dollars), plus prejudgment interest thereon at 10 percent simple interest as set forth in
6 paragraph 13 above, plus post judgment interest at the rate of 10 percent simple on the sum of the
7 \$6,028,786.00 until paid.

8 19. The matter of prejudgment interest having been reserved to the Court by
9 stipulation, and the Court having determined to award prejudgment interest hereby does so in
10 accordance to the calculations set forth in paragraph 13 above.

11 20. Accordingly, the Cooper Parties' damages (including prejudgment interest) for the
12 Cooper Parties' second cause of action for Breach of Contract (Separation Agreement) shall be
13 \$8,791,441.65 as of March 5, 2020 plus \$1,651.72 per day commencing March 6, 2020. In
14 addition, such damages amount shall bear post judgment interest at the rate of 10 percent simple
15 interest until paid.

16 21. The Court finds and concludes that the damages awarded against defendant Sean
17 Michaels (the Court has found that the following entities are alter egos of Sean Michaels: PB
18 Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007
19 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC) and the following judgment
20 debtors: PB Consulting, LLC, a California limited liability company, PB Consulting #2, LLC, a
21 California limited liability company, 18LS Holdings, LLC, and Romelli Cainong, Trustee for the
22 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any
23 other successor trustee of said Trusts, in the sum of \$6,028,786.00 (six million twenty-eight
24 thousand seven hundred eighty-six dollars) for the Cooper Parties' second cause of action for
25 Breach of Contract (Separation Agreement) are duplicative of the damages awarded against
26 defendant Sean Michaels (the Court has found that the following entities are alter egos of Sean
27 Michaels: PB Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the
28 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC) and the following
judgment debtors: PB Consulting, LLC, a California limited liability company, PB Consulting #2,

1 LLC, a California limited liability company, 18LS Holdings, LLC, and Romelli Cainong, Trustee
2 for the 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust,
3 and any other successor trustee of said Trusts, for the Cooper Parties' first cause of action for
4 Breach of Contract (Operating Agreement) such that the Cooper Parties may only recover the
5 award of \$6,028,786.00 (six million twenty-eight thousand seven hundred eighty-six dollars),
6 plus prejudgment and post judgment interest, once with respect to the first and second causes of
7 action.

8 22. The Court has determined that the following are additional judgment debtors in the above-
9 referenced cause of action:

- 10 a. PB Consulting, LLC, a California limited liability company;
- 11 b. PB Consulting #2, LLC, a California limited liability company;
- 12 c. 18LS Holdings, LLC, a California limited liability company; and
- 13 d. Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust,
14 and the 2007 Irrevocable MMA Trust, and any other successor trustee of said
15 Trusts.

16 **THE COOPER PARTIES' FIFTH CAUSE OF ACTION**
17 **FOR FRAUD**

18 23. The jury finds in favor of the Cooper Parties and against defendants Sean Michaels
19 (the Court has found that the following entities are alter egos of Sean Michaels: PB Consulting,
20 LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA
21 Trust, the RLM Trust, and 18LS Holdings, LLC), Scott Grady (the Court has found that the
22 following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the
23 RLS Trust, and the SLG Trust), and the following judgment debtors: PB Consulting, LLC, a
24 California limited liability company, PB Consulting #2, LLC, a California limited liability
25 company, 18LS Holdings, LLC, a California limited liability company, LaForce Holdings, LLC,
26 a California limited liability company, and Romelli Cainong, Trustee for the 2007 Irrevocable
27 Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any other successor
28 trustee of said Trusts, on the Cooper Parties' fifth cause of action for fraud based on the Cooper
Parties' allegations that defendants intentionally and fraudulently misrepresented material facts

1 and concealed material information from the Cooper Parties with respect to the Cooper Parties'
2 rights and interests as an owner of Reliant.

3 24. As a result of this finding of fraud, the Cooper Parties are awarded JUDGMENT
4 on the Cooper Parties' fifth cause of action for fraud against defendant Sean Michaels (the Court
5 has found that the following entities are alter egos of Sean Michaels: PB Consulting, LLC, PB
6 Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the
7 RLM Trust, and 18LS Holdings, LLC) and the following judgment debtors: PB Consulting, LLC,
8 a California limited liability company, PB Consulting #2, LLC, a California limited liability
9 company, 18LS Holdings, LLC, a California limited liability company, Romelli Cainong, Trustee
10 for the 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust,
11 and any other successor trustee of said Trusts, in the sum of \$2,743,626.00 (two million seven
12 hundred forty-three thousand six hundred and twenty-six dollars), plus post judgment interest at
13 the rate of 10 percent simple interest until paid.

14 25. As a result of this finding of fraud, the Cooper Parties are awarded JUDGMENT
15 on the Cooper Parties' fifth cause of action for fraud against defendant Scott Grady (the Court has
16 found that the following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan
17 Capital, Inc., the RLS Trust, and the SLG Trust) and the following judgment debtor: LaForce
18 Holdings, LLC, a California limited liability company, in the sum of \$2,743,626.00 (two million
19 seven hundred forty-three thousand six hundred twenty-six dollars), plus post judgment interest at
20 the rate of 10 percent simple interest until paid.

21 26. On the Cooper Parties' fifth cause of action for Fraud, the Cooper Parties shall
22 take nothing from defendant Andrew Murphy, and JUDGMENT is entered in favor of Andrew
23 Murphy. In the interests of justice, no costs of suit or attorneys' fees are awarded to Andrew
24 Murphy.

25 27. The Court finds and concludes that the damages for Fraud awarded against
26 defendants Sean Michaels (the Court has found that the following entities are alter egos of Sean
27 Michaels: PB Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the
28 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC) and Scott Grady (the
Court has found that the following entities are alter egos of Scott Grady: LaForce Holdings, LLC,

1 Tristan Capital, Inc., the RLS Trust, and the SLG Trust), and the following judgment debtors: PB
2 Consulting, LLC, a California limited liability company, PB Consulting #2, LLC, a California
3 limited liability company, 18LS Holdings, LLC, a California limited liability company, LaForce
4 Holdings, LLC, a California limited liability company, and Romelli Cainong, Trustee for the
5 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any
6 other successor trustee of said Trusts, are duplicative of and included within the damages awarded
7 against Defendants Sean Michaels, Scott Grady, and the following judgment debtors: PB
8 Consulting, LLC, a California limited liability company, PB Consulting 2, LLC, a California
9 limited liability company, 18LS Holdings, LLC, a California limited liability company, LaForce
10 Holdings, LLC, a California limited liability company, and Romelli Cainong, Trustee for the
11 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any
12 other successor trustee of said Trusts for the Cooper Parties' first cause of action for Breach of
13 Contract (Operating Agreement) such that the Cooper Parties may only recover the maximum
14 total award of \$6,028,786.00 (six million twenty-eight thousand seven hundred and eighty-six
15 dollars), plus prejudgment and post judgment interest, once with respect to the first and fifth
16 causes of action.

17 28. The Court has determined that the following are additional judgment debtors in the above-
18 referenced cause of action:

- 19 a. PB Consulting, LLC, a California limited liability company;
- 20 b. PB Consulting #2, LLC, a California limited liability company;
- 21 c. 18LS Holdings, LLC, a California limited liability company;
- 22 d. LaForce Holdings, LLC, a California limited liability company; and
- 23 e. Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust,
24 and the 2007 Irrevocable MMA Trust, and any other successor trustee of said
25 Trusts.

26 **THE COOPER PARTIES' SIXTH CAUSE OF ACTION**

27 **FOR BREACH OF THE DUTY OF LOYALTY**

28 29. The Jury finds in favor of the Cooper Parties and against defendants Sean
Michaels (the Court has found that the following entities are alter egos of Sean Michaels: PB

1 Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007
2 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC), Scott Grady (the Court has
3 found that the following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan
4 Capital, Inc., the RLS Trust, and the SLG Trust), and the following judgment debtors: PB
5 Consulting, LLC, a California limited liability company, PB Consulting #2, LLC, a California
6 limited liability company, 18LS Holdings, LLC, a California limited liability company, LaForce
7 Holdings, LLC, a California limited liability company, and Romelli Cainong, Trustee for the
8 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any
9 other successor trustee of said Trusts, on the Cooper Parties' sixth cause of action for Breach of
10 the Duty of Loyalty based on allegations that defendants violated their fiduciary duties to the
11 Cooper Parties by, while acting in their capacity as Members and/or in the case of defendant
12 Michaels a Manager of Reliant Life Shares, secreting funds from Reliant to themselves and their
13 entities, by deliberately keeping excessive compensation and other payments off of Reliant's
14 financial records, and by actively concealing from and/or misrepresenting in writing these facts
15 from the Cooper Parties.

16 30. On the sixth cause of action for Breach of the Duty of Loyalty, the Cooper Parties
17 are awarded JUDGMENT against defendant Sean Michaels (the Court has found that the
18 following entities are alter egos of Sean Michaels: PB Consulting, LLC, PB Consulting 2, LLC,
19 the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS
20 Holdings, LLC) and the following judgment debtors: PB Consulting, LLC, a California limited
21 liability company, PB Consulting #2, LLC, a California limited liability company, 18LS
22 Holdings, LLC, a California limited liability company, and Romelli Cainong, Trustee for the
23 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any
24 other successor trustee of said Trusts, in the sum of \$3,014,393.00 (three million fourteen
25 thousand three hundred ninety-three dollars), plus post judgment interest at the rate of 10 percent
26 simply interest, until paid.

27 31. On the sixth cause of action for Breach of the Duty of Loyalty, the Cooper Parties
28 are awarded JUDGMENT against defendant Scott Grady (the Court has found that the following
entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the RLS

1 Trust, and the SLG Trust) in the sum of \$3,014,393.00 (three million fourteen thousand three
2 hundred ninety-three dollars), and the following judgment debtor: LaForce Holdings, LLC, a
3 California limited liability company, plus post judgment interest at the rate of 10 percent simply
4 interest, until paid.

5 32. The Court finds and concludes that the Breach of the Duty of Loyalty damages
6 awarded against defendants Sean Michaels (the Court has found that the following entities are
7 alter egos of Sean Michaels: PB Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable
8 Octopus Trust, the 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC),
9 Scott Grady (the Court has found that the following entities are alter egos of Scott Grady:
10 LaForce Holdings, LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust), and the
11 following judgment debtors: PB Consulting, LLC, a California limited liability company, PB
12 Consulting #2, LLC, a California limited liability company, 18LS Holdings, LLC, a California
13 limited liability company, LaForce Holdings, LLC, a California limited liability company, and
14 Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007
15 Irrevocable MMA Trust, and any other successor trustee of said Trusts, are duplicative of and
16 included within the damages awarded against defendants Sean Michaels and Scott Grady for the
17 Cooper Parties' first cause of action for Breach of Contract (Operating Agreement) such that the
18 Cooper Parties may only recover the award of \$6,028,786.00 (six million twenty-eight thousand
19 seven hundred and eighty-six dollars), plus prejudgment and post judgment interest, once with
20 respect to the first and sixth causes of action.

21 33. On the Cooper Parties' sixth cause of action for Breach of the Duty of Loyalty, the
22 Cooper Parties shall take nothing from defendants Andrew Murphy and Joel Kleinfeld, and
23 JUDGMENT is entered in favor of defendants Andrew Murphy and Joel Kleinfeld. In the
24 interests of justice, no costs of suit or attorneys' fees are awarded to defendant Andrew Murphy.

25 34. The Court has determined that the following are additional judgment debtors in the above-
26 referenced cause of action:

- 27 a. PB Consulting, LLC, a California limited liability company;
- 28 b. PB Consulting #2, LLC, a California limited liability company;
- c. 18LS Holdings, LLC, a California limited liability company;

- 1 d. LaForce Holdings, LLC, a California limited liability company; and
2 e. Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust,
3 and the 2007 Irrevocable MMA Trust, and any other successor trustee of said
4 Trusts.

5 **THE COOPER PARTIES' SEVENTH CAUSE OF ACTION**

6 **FOR AIDING AND ABETTING BREACH OF THE DUTY OF LOYALTY**

7 35. On the Cooper Parties' seventh cause of action for Aiding and Abetting Breach of
8 the Duty of Loyalty, the Cooper Parties are awarded JUDGMENT against defendant Scott Grady
9 (the Court has found that the following entities are alter egos of Scott Grady: LaForce Holdings,
10 LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust) and the following judgment debtor:
11 LaForce Holdings, LLC, a California limited liability company, in the sum of \$6,028,786.00 (six
12 million twenty-eight thousand seven hundred eighty-six dollars), plus post judgment interest at
13 the rate of 10 percent simple interest, until paid.

14 36. The Court finds and concludes that the Aiding and Abetting Breach of the Duty of
15 Loyalty damages awarded against defendant are duplicative of and included within the damages
16 awarded against defendant Grady (the Court has found that the following entities are alter egos of
17 Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust)
18 and LaForce Holdings, LLC, a California limited liability company, for the Cooper Parties' first
19 cause of action for Breach of Contract (Operating Agreement) such that the Cooper Parties may
20 only recover the award of \$6,028,786.00 (six million twenty-eight thousand seven hundred
21 eighty-six dollars), plus prejudgment and post judgment interest, once with respect to the first and
22 seventh causes of action.

23 37. On the Cooper Parties' seventh cause of action for Aiding and Abetting Breach of
24 the Duty of Loyalty, the Cooper Parties shall take nothing from defendant Andrew Murphy, and
25 JUDGMENT is entered in favor of defendant Andrew Murphy. In the interests of justice, no
26 costs of suit or attorneys' fees are awarded to defendant Andrew Murphy.

27 38. The Court has determined that the following is an additional judgment debtor in
28 the above-referenced cause of action:

- a. LaForce Holdings, LLC, a California limited liability company;

THE COOPER PARTIES' EIGHTH CAUSE OF ACTION
FOR FRAUDULENT TRANSFER

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3 39. The Jury finds in favor of the Cooper Parties and against defendants Sean
4 Michaels (the Court has found that the following entities are alter egos of Sean Michaels: PB
5 Consulting, LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007
6 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC), Scott Grady (the Court has
7 found that the following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan
8 Capital, Inc., the RLS Trust, and the SLG Trust), and the following judgment debtors: PB
9 Consulting, LLC, a California limited liability company, PB Consulting #2, LLC, a California
10 limited liability company, 18LS Holdings, LLC, a California limited liability company, LaForce
11 Holdings, LLC, a California limited liability company, and Romelli Cainong, Trustee for the
12 2007 Irrevocable Octopus Trust, the RLM Trust, and the 2007 Irrevocable MMA Trust, and any
13 other successor trustee of said Trusts, on the Cooper Parties' eighth cause of action for Fraudulent
14 Transfer on the grounds that defendants Michaels and Grady transferred monies and assets
15 (including the beneficial interest in portions of insurance policies [referred to herein as the
16 "Tails"] valued at \$880,225.98) from Reliant to themselves and their respective entities for
17 inadequate consideration.

18 40. On the Cooper Parties' eighth cause of action for fraudulent transfer, the Cooper
19 Parties are awarded JUDGMENT against defendant Sean Michaels (the Court has found that the
20 following entities are alter egos of Sean Michaels: PB Consulting, LLC, PB Consulting 2, LLC,
21 the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS
22 Holdings, LLC), defendant Scott Grady (the Court has found that the following entities are alter
23 egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the RLS Trust, and the SLG
24 Trust), and the following judgment debtors: PB Consulting, LLC, a California limited liability
25 company, PB Consulting #2, LLC, a California limited liability company, 18LS Holdings, LLC, a
26 California limited liability company, LaForce Holdings, LLC, a California limited liability
27 company, and Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust,
28 and the 2007 Irrevocable MMA Trust, and any other successor trustee of said Trusts. As
compensation for this award, and as more fully set forth in paragraphs 48 and 49 below,

1 Michaels, Grady, and Reliant are ORDERED to immediately execute a direction letter ordering
2 the transfer of ownership in the Tails to Cooper or an entity designated by Cooper.

3 41. The fraudulent transfer damages awards identified above and detailed in
4 paragraphs 48 and 49 below are not duplicative or included within any other damage award.

5 42. The Court has determined that the following are additional judgment debtors in the above-
6 referenced cause of action:

- 7 a. PB Consulting, LLC, a California limited liability company;
- 8 b. PB Consulting #2, LLC, a California limited liability company;
- 9 c. 18LS Holdings, LLC, a California limited liability company;
- 10 d. LaForce Holdings, LLC, a California limited liability company; and
- 11 e. Romelli Cainong, Trustee for the 2007 Irrevocable Octopus Trust, the RLM Trust,
12 and the 2007 Irrevocable MMA Trust, and any other successor trustee of said
13 Trusts.

14 **PUNITIVE DAMAGES**

15 43. The Jury having concluded by clear and convincing evidence that defendant Sean
16 Michaels acted with malice, oppression, and fraud justifying an award of punitive damages in
17 connection with the Cooper Parties' fifth cause of action for Fraud and sixth cause of action for
18 Breach of the Duty of Loyalty, JUDGMENT is entered in favor of the Cooper Parties and against
19 defendant Michaels for punitive damages. The amount of punitive damages awarded in favor of
20 the Cooper Parties and against defendant Sean Michaels (the Court has found that the following
21 entities are alter egos of Sean Michaels: PB consulting, LLC, PB Consulting 2, LLC, the 2007
22 Irrevocable Trust, the 2007 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC)
23 shall be determined following a trial specifically limited to the resolution of the amount of
24 punitive damages awarded against Michaels and in favor of Cooper. The Parties shall appear for
25 a trial setting conference on June 24, 2020 to set the new discovery and trial dates for Michaels'
26 trial on punitive damages.

27 44. The Jury having concluded by clear and convincing evidence that defendant Scott
28 Grady acted with malice, oppression, fraud, or oppression justifying an award of punitive
damages in connection with the Cooper Parties' sixth cause of action for Breach of the Duty of

1 Loyalty, and having awarded punitive damages against defendant Grady (the Court has found that
2 the following entities are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc.,
3 the RLS Trust, and the SLG Trust) in the sum of \$500,000.00 (five hundred thousand dollars),
4 JUDGMENT is entered in favor of the Cooper Parties and against defendant Grady for punitive
5 damages.

6 45. The punitive damages awards are not duplicative of or included within any other
7 damages award.

8 **SUMMARY OF MONETARY DAMAGES**

9 46. Now therefore, JUDGMENT is entered in favor of Daniel B. Cooper and Richard
10 D. Cooper, in his capacity as trustee of the 2010 Irrevocable Trust of BBC, as follows:

11 a. Damages in the sum of \$6,028,786.00, plus prejudgment interest of
12 \$1,492,747.98 as against, jointly and severally, Sean Michaels, (the Court has
13 found that the following entities are alter egos of Sean Michaels: PB Consulting,
14 LLC, PB Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007
15 Irrevocable MMA Trust, the RLM Trust, and 18LS Holdings, LLC), Reliant Life
16 Shares, LLC, a California Limited Liability Company, Scott Grady, (the Court has
17 found that the following entities are alter egos of Scott Grady: LaForce Holdings,
18 LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust), PB Consulting,
19 LLC, a California limited liability company, PB Consulting #2, LLC, a California
20 limited liability company, 18LS Holdings, LLC, a California limited liability
21 company, and LaForce Holdings, LLC, a California limited liability company.

22 Interest accrues at the daily rate of \$1,651.72 from March 6, 2020 to date of entry
23 of judgment;

24 b. Damages in the sum of \$4,200,000.00, plus prejudgment interest of
25 \$494,794.52 from January 1, 2019 to March 5, 2020, plus \$1,150.68 per day
26 commencing March 6, 2020 to date of entry of this judgment as against , jointly
27 and severally, Sean Michaels (the Court has found that the following entities are
28 alter egos of Sean Michaels: PB Consulting, LLC, PB Consulting 2, LLC, the
2007 Irrevocable Octopus Trust, the 2007 Irrevocable MMA Trust, the RLM

1 Trust, and 18LS Holdings, LLC), Reliant Life Shares, LLC, a California Limited
2 Liability Company, Scott Grady (the Court has found that the following entities
3 are alter egos of Scott Grady: LaForce Holdings, LLC, Tristan Capital, Inc., the
4 RLS Trust, and the SLG Trust), PB Consulting, LLC, a California limited liability
5 company, PB Consulting #2, LLC, a California limited liability company, 18LS
6 Holdings, LLC, a California limited liability company, and LaForce Holdings,
7 LLC, a California limited liability company. Interest accrues at the daily rate of
8 \$1,651.72 from March 6, 2020 to date of entry of judgment;

9 c. Punitive Damages in an amount to be determined following the completion
10 of a separate trial on this issue as against Sean Michaels (the Court has found that
11 the following entities are alter egos of Sean Michaels: PB Consulting, LLC, PB
12 Consulting 2, LLC, the 2007 Irrevocable Octopus Trust, the 2007 Irrevocable
13 MMA Trust, the RLM Trust, and 18LS Holdings, LLC);

14 d. Damages in the sum of \$500,000.00 as against Scott Grady (the Court has
15 found that the following entities are alter egos of Scott Grady: LaForce Holdings,
16 LLC, Tristan Capital, Inc., the RLS Trust, and the SLG Trust);

17 e. Post Judgment interest at the rate of 10 percent per annum from the date of
18 entry of judgment (each party shall be responsible for paying its own post-
19 judgment interest as set forth herein);

20 f. Attorneys' fees and costs of suit (including recoverable expenses) in the
21 total amount of \$838,912.89 as granted on June 26, 2020.

22 **THE COOPER PARTIES' REQUEST FOR A CONSTRUCTIVE TRUST**

23 47. On June 27, 2019, the Court entered an Order granting the Cooper Parties' request
24 for a constructive trust. The Court's Order of June 27, 2019 held:

25 a. Daniel Cooper, through his entity TBV1, LLC is hereby entitled to
26 immediately receive an ownership and beneficial interest totaling \$2,500,000 (the "Cooper Friwat
27 Interest") of Lincoln National Life Insurance policy number 7304075, which insures Salim Friwat
28 (the "Friwat Policy"), including the right to access all policy-related information from Lincoln

1 National Life Insurance. Said change of ownership and beneficiary shall take place no later than
2 May 30, 2019.

3 b. Daniel Cooper is entitled to receive all policy-related information regarding
4 the Friwat Policy and shall have the same rights as those granted to all other individual owners of
5 the Friwat Policy.

6 c. Lincoln National Life Insurance shall execute all documents necessary to
7 effectuate the transfer of the Cooper Friwat Interest to TBV1, LLC if representatives of PB
8 Consulting 2, LLC are unwilling or unable to execute such documents.

9 d. Daniel Cooper shall be immediately notified in the event of the death of
10 Salim Friwat or any other attempt to transfer or assign any portion of the Friwat Policy.

11 e. Reliant Life Shares, Scott Grady, Sean Michaels, and their various entities
12 including PB Consulting, LLC, PB Consulting 2, LLC, LaForce Holdings, LLC, Tristan Capital,
13 Inc., 2007 Irrevocable Octopus Trust, 2007 Irrevocable MMA Trust, the RLM Trust, the RLS Trust,
14 the SLG Trust, 18LS Holdings, LLC (the "Michaels / Grady Entities") are hereby ORDERED to
15 complete whatever documents are necessary in order to immediately effectuate the change of
16 ownership and beneficiary interest with Lincoln National Life Insurance Company ("Lincoln").
17 Said change of ownership and beneficiary must be completed and submitted to Lincoln no later
18 than May 29, 2019.

19 f. As an owner of the proceeds from the Friwat Policy, Daniel Cooper is
20 entitled to receive from Lincoln and the Michaels / Grady Entities, on an ongoing and monthly
21 basis, copies of any and all documents which (1) evidence his ownership in the Friwat Policy; (2)
22 evidence the current status of the Friwat Policy; (3) evidence the maturity of the Friwat Policy; or
23 (4) evidence any additional details regarding the Friwat Policy. Said documents shall be sent to
24 Cooper's counsel of record, Oren Bitan of Buchalter, at the following address:

25 Buchalter, A Professional Corporation
26 c/o Oren Bitan
27 1000 Wilshire Blvd., Suite 1500
28 Los Angeles, CA 90017

1 g. Nothing herein shall affect the Court's February 4, 2019, Order Enjoining
2 the Transfer of \$3,000,000 of Proceeds from the Friwat Policy.

3 h. Defendants Sean Michaels and Scott Grady were immediately ordered to
4 transfer ownership and beneficial interest in the insurance policies identified in Exhibit 2 to the
5 Order (the "Tails") and complete whatever documents were necessary in order to immediately
6 effectuate the change of ownership and beneficiary status in Cooper's favor.

7 48. On or around September 6, 2019, the Court entered an Order as an Addendum to
8 the June 27, 2019 Constructive Trust Order, which clarified that the Tails (identified in the June
9 27, 2019 Order) would sit in a constructive trust with UMB Bank, First Western Bank, and Bank
10 of Utah, in their capacities as Trustee, and said Trustees would hold the policy interests in the
11 Tails in the name of Daniel Cooper's entity TBV1, LLC pending further Order of this Court. The
12 Court hereby amends that Order and instructs defendants Sean Michaels and Scott Grady and
13 cross-complainant Reliant Life Shares, LLC to immediately execute a direction letter to UMB
14 Bank, First Western Bank, and Bank of Utah, in their capacities as Trustee, transferring
15 ownership of and a beneficiary interest in the Tails to Daniel Cooper or an entity of his choosing.

16 49. On September 6, 2019, the Court entered an Order adopting Findings of Fact and
17 Conclusions of Law from the non-jury trial. In the Order, the Court ordered that defendant Sean
18 Michaels' \$5,400,000.00 interest in proceeds from the Lincoln National Life Insurance Policy
19 (Policy No. 7304075) insuring the Life of Salim Friwat (the "Friwat Policy") be deposited with
20 the Court, following the maturation of the policy, to "compensate Cooper for monies wrongfully
21 transferred from Reliant to Grady and Michaels"

22 50. The Court was holding \$5,400,000.00 from the Friwat Policy, plus any interest
23 income earned on such funds (less expenses, if any, incurred to the Court). The Clerk of the court
24 was directed to disburse and did disburse these funds to the client trust account of Buchalter, a
25 professional corporation (counsel of record for and for the benefit of The Cooper Parties). These
26 funds shall be applied in the following order:

27 a. To pay Mr. Kleinfeld's attorneys' fees order in the amount of \$43,875,
28 payable to Barnhill & Vaynerov, LLP, and \$89,474.98 payable to Christopher

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- Stevens, Esq. (once paid, these amounts shall be credited to the amount that Michaels owes for unpaid damages on the judgment);
- b. To any unpaid attorney’s fees and costs of suit as set forth above in the Court’s Order of May 13, 2019;
 - c. To any attorney’s fees and expenses awarded pursuant to paragraph 46(f) of this judgment;
 - d. To any costs of suit awarded pursuant to paragraph 46(f) of this judgment;
 - e. Whatever amount of \$400,000 that remains after payment of paragraph 43(b) herein shall be applied to the \$4,200,000 valuation amount referred to in Paragraph 5 of this Judgment;
 - f. To any unpaid portion of the damages awarded on the first cause of action (breach of operating agreement) referred to in this judgment;
 - g. To any post judgment interest due on the valuation amount referred to in paragraph 7 of this judgment;
 - h. To any pre-judgment interest due on the valuation amount referred to in this judgment;
 - i. To any unpaid portion of the valuation amount referred to in this judgment;
 - j. To any unpaid portion of the post judgment interest due on the damages awarded on the first cause of action (breach of operating agreement) referred to in this judgment;
 - k. To any unpaid portion of the prejudgment interest due on the damages awarded on the first cause of action (breach of operating agreement) referred to this judgment;
 - l. None of the funds shall be applied to the fraud judgment until payment in full of the non-fraud damages;
 - m. None of the funds shall be applied to the punitive damage award referred to in this judgment until all other monies due under the judgment are paid in full.

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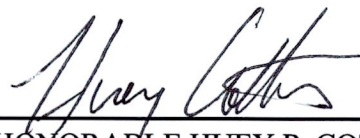
RESERVATION OF JURISDICTION AND OTHER

51. The Court reserves jurisdiction to enter such further orders as may be appropriate.

52. The headings are for convenience only.

IT IS SO ORDERED.

DATED: May 12, 2021



THE HONORABLE HUEY P. COTTON,
JUDGE OF THE SUPERIOR COURT