1 2 3 4 5	DAVID M. GIVEN (State Bar No. 142375) PHILLIPS, ERLEWINE, GIVEN & CARLIN L 39 Mesa Street, Suite 201 The Presidio San Francisco, CA 94129 Tel: 415-398-0900 Fax: 415-398-0911 Email: dmg@phillaw.com	Electronically FILED by Superior Court of California, County of Los Angeles 10/31/2024 10:12 AM David W. Slayton, Executive Officer/Clerk of Court By Y. Ayala, Deputy Clerk	
6	Attorneys for Plaintiff		
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8	SUPERIOR COURT OF CALIFORNIA		
9	COUNTY OF LOS ANGELES		
10	OTIS JACKSON JR., p/k/a MADLIB,	Case No.: 248TCP03525	
11	Plaintiff,	COMPLAINT FOR:	
12	vs.	(1) JUDICIALLY SUPERVISED	
13	j	DISSOLUTION AND WIND UP	
14	MADICINE SHOW, LLC, a California limited liability company; RAPP CATS, LLC, a	(2) BREACH OF FIDUCIARY DUTY	
15	California limited liability company; SEOTHEN ALAPATT, a/k/a EGON, an	(3) DECLARATORY RELIEF	
16	individual; JEFFREY CARLSON, a/k/a JEFF )	JURY TRIAL DEMANDED	
17	JANK, an individual; NOW-AGAIN   RECORDS, LLC, a California limited liability \		
18	company; and DOES 1 through 10, inclusive,		
19	Defendants.		
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22	Plaintiff alleges:		
23	<u>INTRODUCTION</u>		
24	1. This is an action for judicially supervised dissolution and wind up of two		
25	California limited liability companies, for breach of fiduciary duty against both entities'		
26	manager and his wholly owned and operated entity, as well as for declaratory relief as to all the		
27 28	named defendants.		
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1 COMPLAINT

## JURISDICTION AND VENUE

- 2. The Court has subject matter jurisdiction over this matter. This civil action has in controversy an amount exceeding \$25,000, exclusive of interest. The causes of action asserted below arise under the laws of the State of California or are otherwise subject to adjudication in this State's courts.
- 3. Venue is proper in this County. One or more Defendants resides here and the wrongful conduct alleged below as well as the harm resulting from that conduct occurred here.

### THE PARTIES

- 4. Plaintiff OTIS JACKSON, JR., professionally known as MADLIB, is a world-renowned DJ, music producer, multi-instrumentalist, songwriter and rapper. He has released dozens of record albums to widespread critical acclaim and commercial success. Some of those albums appear under other monikers, including YESTERDAY'S NEW QUINTET and QUASIMOTO, a name and cartoon character closely associated with MADLIB and sometimes referred to as his "alter ego," for which he has (via a wholly owned business entity) a registered trademark. MADLIB also holds (via the same wholly owned business entity) a registered trademark for MADLIB INVAZION.
- 5. Defendant MADICINE SHOW, LLC, is a California limited liability company organized in or around Sept. 2010, with its principal place of business in Los Angeles County. MADLIB is a member and owns no less than one-half of MADICINE SHOW.
- 6. Defendant RAPP CATS, LLC, is a California limited liability company organized in or around March 2013, with its principal place of business in Los Angeles County. MADLIB is a member and owns no less than one-third of RAPP CATS.
- 7. Defendant EOTHEN ALAPATT, also known as EGON, is a member of and has managed both MADICINE SHOW and RAPP CATS. Upon information and belief, EGON resides in Los Angeles County.
- 8. Defendant JEFFREY CARLSON, also known as JEFF JANK, is a member of RAPP CATS. Upon information and belief, JANK resides in Los Angeles County.

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- 9. Defendant NOW-AGAIN RECORDS, LLC, is a California limited liability company organized in or around Sept. 2006, with its principal place of business in Los Angeles County. Upon information and belief, EGON is sole member and manager of NOW-AGAIN.
- 10. The true names and capacities, whether individual, corporate, affiliate or otherwise, of Defendants sued herein as DOES 1 through 10, inclusive, are currently unknown to Plaintiff, who therefore sues Defendants by such fictitious names. Plaintiff is informed and believes, and upon that basis alleges that each of the Defendants designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to below. Plaintiff will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated as DOES when such identity becomes known.

### **FACTUAL ALLEGATIONS**

- 11. MADLIB began his recording career with Crate Diggas Palace. He then moved to Stones Throw Records, where EGON was an executive and JANK was art director. He released his first record on that label, *Microphone Mathematics*, under the QUASIMOTO moniker in 1999. He followed that release up the next year with *Quasimoto: The Unseen*.
- 12. In or around 2010, following multiple acclaimed records to his credit, MADLIB left Stones Throw. Around that time, Stones Throw fired EGON. As EGON was overseeing MADLIB's business in the music industry and MADLIB trusted EGON, he asked him to continue managing his business affairs. MADLIB told EGON that moving forward he wanted to own and control his music. EGON, who had already formed NOW-AGAIN, convinced MADLIB that he could help him achieve that goal.
- 13. The material proposition offered by EGON and accepted by MADLIB was for EGON to create a business entity owned by MADLIB, to be managed by EGON and to be used as a vehicle for MADLIB's professional career and the production, recording and distribution of his recorded music. Profits from the enterprise would be shared between them. EGON formed MADICINE SHOW shortly thereafter.
- 14. EGON's role in MADICINE SHOW consisted of control over all financial, legal and business aspects of the entity, which at inception was concerned with MADLIB's

professional career. For example, EGON managed and controlled all of the entity's bank accounts and made all of the decisions regarding incoming and outgoing monies from those accounts. He decided when to make distributions to MADLIB, and how much to distribute to him. He was also responsible for all of the entity's business dealings with others, including the overseeing of distribution agreements for MADLIB's recorded music, the managing of MADLIB's social media and other promotional efforts, the hiring of personnel, outside consultants and professionals like lawyers and accountants, the leasing of office space, health insurance, and the like. EGON also prepared or had others prepare at his direction, and signed, all public filings pertaining to MADICINE SHOW. He did the same with respect to the entity's federal and state income tax returns.

- 15. A few years after MADICINE SHOW was formed, MADLIB, EGON, and JANK formed RAPP CATS. RAPP CATS was to be managed by EGON and to be used as a vehicle for MADLIB's music merchandising activities, including selling physical product as well as collections of vinyl records at record store events, with profits from the enterprise to be shared among MADLIB, EGON, and JANK.
- 16. EGON's role in RAPP CATS consisted of control over all financial, legal and business aspects of the entity, in the same or substantially similar manner described above. For example, EGON managed and controlled all of the entity's bank accounts and made all of the decisions regarding incoming and outgoing monies from those accounts. He decided when to make distributions to its members, and how much to distribute to them. He was also responsible for all of the entity's business dealings with others, including the overseeing of distribution agreements for MADLIB and QUASIMOTO-related merchandise, the managing of the web portal for same and other promotion efforts, the hiring of personnel and outside professionals like lawyers and accountants, the leasing of office space, and the like. EGON also prepared or had others prepare at his direction, and signed, all public filings pertaining to RAPP CATS. He did the same with respect to the entity's federal and state income tax returns.

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17	From inception, MADLIB relied on and expected EGON to competently and			
diligently manage these two entities, to never put his own interests first, to avoid commingling				
or converting funds, to maintain his duty of loyalty and to deal fairly and honestly with him,				
without co	onflicts of interest of any kind.			

- 18. MADLIB only recently discovered that not only was EGON not performing these duties, but he was also engaged in rank self-dealing, concealing information from and repeatedly breaching his duties to MADLIB, and otherwise engaging in persistent and pervasive mismanagement, as well as abuse of his role in MADICINE SHOW, RAPP CATS and MADLIB's professional and business affairs, to wit:
  - A. EGON improperly inserted NOW-AGAIN which has acted—at EGON's insistence and under false pretenses—as middleman between MADICINE
     SHOW and its primary music distributor, Ingrooves, as well as others like Apple Music and Traffic;
  - B. Through NOW-AGAIN, EGON has taken and apparently continues to take a fee off the top of any income generated by the sale or other distribution of MADICINE SHOW's recorded music, all or almost all of which consists of work produced or recorded by MADLIB, and has refused to account to MADLIB regarding how he and NOW-AGAIN have been compensated in that connection or to proffer any written agreement between the two entities;
  - C. EGON failed and refused to allow an audit of NOW-AGAIN's business with MADICINE SHOW pertaining to the distribution of its recorded music, including proffering the agreement between NOW-AGAIN and Ingrooves, despite his claim that NOW-AGAIN bears a portion of MADICINE SHOW's operating expenses;
  - D. EGON directed a single lawyer and single accountant to represent him, MADLIB, MADICINE SHOW, RAPP CATS and NOW-AGAIN, all without any informed consent from MADLIB, let alone a written and signed conflict

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- waiver and MADLIB did not have separate professional representation in his dealings with EGON, MADICINE SHOW or RAPP CATS;
- E. EGON directed that lawyer and that accountant to refuse to cooperate with MADLIB's newly retained professional team or to provide that team with information or documents:
- F. EGON failed and refused to produce the full and complete books and records of both MADICINE SHOW and RAPP CATS, the lease for the office shared by MADICINE SHOW, RAPP CATS, and NOW-AGAIN, under which MADLIB bears a portion of the rent, all of the agreements reflecting MADLIB's collaborations with other artists, all of the agreements with distributors and vendors, the full historical accounting of MADLIB's touring and specifically, the back-up expenses versus revenues related thereto, and other like documents that MADLIB has an unqualified right to as a member in these two entities;
- G. A forensic accounting of MADICINE SHOW and RAPP CATS commissioned by MADLIB for the period 2018 to mid-2022 and submitted in April 2023 revealed several accounting irregularities as well as a lack of any backup documentation for, among other things, payments to EGON, JANK and others as "consulting," "commissions," "fees" or "reimbursements" (totaling in the several hundred thousands of dollars), the majority of inbound deposits to the two entities' bank accounts (totaling in the several millions of dollars), a certain number of outbound payments from those bank accounts apart from those to EGON (including cash withdrawals and tens of thousands of dollars for personal expenses), the status of either entities' employee payroll or their inventory and that inventory's associated cost of goods, or any artist royalty statements;
- H. EGON employed MADICINE SHOW as a so-called "furnishing entity" for MADLIB's outside production services (i.e., for works not distributed by

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MADICINE SHOW), thereby capturing half of MADLIB's producer royalties and advances for himself;

- I. EGON has locked MADLIB out of several key music business platforms that he should have access to including but not limited to Ingrooves, Apple Music, Bandcamp, and YouTube as well as MADLIB's own Facebook account and the Instagram account for his QUASIMOTO character; and
- J. EGON has repeatedly represented to MADLIB and others that RAPP CATS is "insolvent" and unable to continue in business yet he has refused to effect an orderly wind up of that entity and in that same connection has represented that RAPP CATS debt has begun "accruing" to MADICINE SHOW.
- 19. Despite a request for same, EGON has not produced a written operating agreement for either MADICINE SHOW or RAPP CATS, and EGON has since conceded that he never created or had a professional create them, though at various times he represented to MADLIB he had. Nor despite a request for same has EGON produced any written agreements transferring or assigning to either entity MADLIB's ownership in the copyrights to his recorded music or granting those entities any rights at all to those works, the goodwill associated with his professional career in the music business, or his or QUASIMOTO's name or likeness, and on that basis MADLIB believes there are none. In fact or by operation of law, any agreements between MADLIB, on the one hand, and MADICINE SHOW, RAPP CATS and their other members, on the other hand, pertaining to that intellectual property were on an at-will basis subject to termination at any time upon reasonable notice.
- 20. MADLIB has since demanded that MADICINE SHOW and RAPP CATS be wound up and dissolved and that any contractual relationship with those entities relating to his recorded music or goodwill be terminated. EGON refuses to do so, insisting that he can keep MADLIB in business with him, continue conducting business in MADLIB's intellectual property against MADLIB's will, keep profiting from MADLIB's work and goodwill because there is nothing MADLIB can do about it, and demanding that MADLIB "buy him out" of his

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interest in those entities or the underlying intellectual property, all or almost all of which originates with MADLIB.

21. EGON has continued to do business with MADLIB's music, releasing 13 vinyl albums, singularly and as a bundle and via streaming on all digital service providers via MADICINE SHOW for the "MADLIB INVAZION Music Library," and dealing in MADLIB and QUASIMOTO-related merchandise via RAPP CATS, all without MADLIB's authorization or consent and against his wishes. EGON has also claimed from time to time a 50% ownership in and to MADLIB's sound recordings.

## FIRST CAUSE OF ACTION JUDICIALLY SUPERVISED WIND UP AND DISSOLUTION (Against MADICINE SHOW, RAPP CATS, EGON and JANK)

- 22. Plaintiff re-alleges and incorporates, by this reference, the above allegations of Paragraphs 2 through 21, inclusive, as though fully set forth herein.
- 23. As a member of MADICINE SHOW, with an interest of no less than half, MADLIB has an unqualified right under the California Corporations Code to effect a wind up and dissolution of that entity. MADLIB has exercised that right.
- 24. As a member of RAPP CATS, with an interest of no less than one-third, MADLIB has the right under the California Corporations Code to request a judicially supervised wind up and dissolution of that entity.
- 25. Based upon the facts alleged above, a judicially supervised wind up and dissolution of both MADICINE SHOW and RAPP CATS is reasonably necessary.
- 26. Accordingly, MADLIB requests that the Court decree the dissolution and supervise the wind up of both MADICINE SHOW and RAPP CATS. Such wind up should include a full and final accounting of the assets and liabilities of the entities, a determination and return of any unauthorized remuneration to members as well as of any remuneration or distributions owed to members, satisfaction of any outstanding liabilities, together with a return of any contributions by and distribution of the entities' assets to their respective members following the satisfaction of any liabilities, all according to proof.

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27. Should it become necessary, MADLIB requests that the Court appoint a receiver to assume management and control over and supervise the windup of these two entities.

### SECOND CAUSE OF ACTION BREACH OF FIDUCIARY DUTY (Against EGON and NOW-AGAIN)

- 28. Plaintiff re-alleges and incorporates, by this reference, the above allegations of Paragraphs 2 through 21, inclusive, as though fully set forth herein.
- 29. EGON owed and continues to owe MADLIB fiduciary duties of loyalty and care, to operate both MADICINE SHOW and RAPP CATS honestly, to avoid conflicts of interest, to act in good faith, and to fairly perform his duties and responsibilities for the benefit of both RAPP CATS and MADICINE SHOW and its members.
- 30. As set forth above, EGON breached those duties. NOW-AGAIN has aided and abetted in some or all of those breaches and EGON has otherwise used that entity as a vehicle in furtherance of the same.
- 31. MADLIB has suffered, and will continue to suffer, damages as a direct and proximate result thereof and is entitled to compensatory damages.
- 32. In addition, per the misconduct alleged above, EGON and NOW-AGAIN have acted with oppression, fraud, malice, and in conscious or reckless disregard for the rights and interests of MADLIB, entitling MADLIB to an award of punitive and exemplary damages.
- 33. Where the breach of fiduciary duties owed to MADLIB in relation to RAPP CATS and MADICINE SHOW has caused and is causing irreparable injury to MADLIB, for which MADLIB has no remedy at law, such conduct will continue to cause injury unless EGON and NOW-AGAIN are enjoined by this Court.

# THIRD CAUSE OF ACTION DECLARATORY RELIEF (Against All Defendants)

- 34. Plaintiff re-alleges and incorporates, by this reference, the above allegations of Paragraphs 2 through 21, inclusive, as though fully set forth herein.
- 35. A dispute and actual controversy has arisen and now exists between MADLIB, on the one hand, and one or more Defendants, on the other hand. MADLIB contends that he has

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terminated any rights granted to either MADICINE SHOW or RAPP CATS in and to his recorded music and the goodwill associated with his professional career (including use of the QUASIMOTO name and character) as embodied in whole or in part by his registered trademarks, as well as his name and likeness, which he contends he wholly owns or controls. One or more Defendants disagree.

- 36. MADLIB therefore desires a declaration from the Court determining that none of the Defendants owns or has any continuing right or interest in the above and that he has lawfully terminated any rights he may have granted therein to any of the Defendants.
- 37. Such declaration is necessary and appropriate at this time to confirm and protect MADLIB's interest in his creative work and the goodwill associated with his professional career, as well as his name and likeness, and so that MADLIB may ascertain the rights and duties of the parties relating thereto.

### PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

- A. That the Court deem MADICINE SHOW and RAPP CATS dissolved and that it conduct a supervised wind up of those two entities, to include a full and complete accounting of the assets and liabilities of the entities, a determination of any unauthorized remuneration as well as of any remuneration or distributions owed to members, satisfaction of any outstanding liabilities, together with a return of any contributions by and distribution of the entities' assets to their respective members following the satisfaction of any liabilities according to proof;
- B. That, to the extent necessary, the Court appoint a receiver to assume management and control over and supervise the windup of MADICINE SHOW and RAPP CATS and enjoin Defendants and their agents and servants from continuing to breach fiduciary duties as entity owners and members and to harm MADLIB's rights therein;
- C. That MADLIB be awarded damages against EGON and NOW-AGAIN in an amount to be determined at trial;
- D. That MADLIB be awarded punitive damages against EGON and NOW-AGAIN in an amount to be determined at trial;

1	E.	That the Court declare that neither MADICINE SHOW nor RAPP CATS owns	
2	any part in or to the underlying intellectual property at issue in this case;		
3	F.	That the Court declare that in the case of both MADICINE SHOW and RAPP	
4	CATS, MADLIB has terminated any rights those entities may have in and to the underlying		
5	intellectual property at issue in this case;		
6	G.	That MADLIB be awarded its reasonable litigation expenses, costs, and	
7	attorneys' fees, if and as applicable;		
8	Н.	That MADLIB be awarded pre- and post-judgment interest, to the extent	
9	allowable; and		
10	I.	Such other and further relief as equity and justice may require.	
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12	Dated: Octob	per 31, 2024 PHILLIPS, ERLEWINE, GIVEN & CARLIN LLP	
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14		By: Anul Mal	
15		David M. Given	
16		Attorneys for Plaintiff	
17		HIDV DEMAND	
18	JURY DEMAND		
19	Plaintiff hereby demands a jury trial on all claims and issues so triable.		
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21	Dated: Octob	per 31, 2024 PHILLIPS, ERLEWINE, GIVEN & CARLIN LLP	
22		$\sim$ 1 $\rightarrow$ 1	
23		By:	
24		David M. Given Attorneys for Plaintiff	
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