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Attorneys for Plaintiff Prakazrel Michel

# UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

PRAKAZREL MICHEL, Plaintiff,	Civ. Action No.
-against-	COMPLAINT
LAURYN NOELLE HILL and MLH TOURING, INC., a Delaware Corporation,	
Defendants.	

Plaintiff Prakazrel Michel, by and through his undersigned attorneys, Meloni &

McCaffrey, a Professional Corporation, as and for his Complaint, alleges as follows:

# **INTRODUCTION**

Betrayals are always sinister, but the closer the betrayer, the greater the evil. Some say that God gives you friends to make up for your family. The Lord must have been off the day he paired Lauryn Hill with Wyclef Jean and Pras Michel, the plaintiff in this action, because the betrayal among the forged Fugees family has risen to Mythic proportions. This is their tale of woe.

In this action, Plaintiff Prakazrel "Pras" Michel seeks to remedy tortious and contractual

violations of his rights and interests by defendants Lauryn Noelle Hill ("Hill") and her wholly

owned touring company MLH Touring, Inc. ("MLH"). Plaintiff asserts claims for Fraud in the

Inducement, Fraud, Breach of Fiduciary Duty, Breach of Contract, Accounting, Refusal to

Permit Audit and Unjust Enrichment and Declaratory Judgements.

## JURISDICTION AND VENUE

1. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1332 because the citizenship of Plaintiff is fully diverse from that of all Defendants and the amount in controversy exceeds \$75,000, exclusive of interest.

2. In addition, this Court has personal jurisdiction over Defendants Hill and MLH because they expressly consented in the Governing Agreements to the jurisdiction of this Court for all claims relating to those agreements; and because, on information and belief, Defendants Hill and MLH have regularly transacted business in this District, including in respect of matters at issue in this action.

3. Finally, venue is proper in this District because a substantial part of the events or omissions giving rise to the claim occurred in this District and because the Governing Agreements provide that the venue of any litigation initiated by any party shall be in either the state or federal courts located in New York, New York.

## BACKGROUND FACTS COMMON TO ALL CLAIMS

4. Plaintiff, Prakazrel Michel, professionally known as "Pras" ("Michel"), along with Wyclef Jean ("Wyclef") and Defendant Hill are the founding members of the musical group THE FUGEES, formed in the late 1980s in South Orange, New Jersey. They are considered one of the most influential alternative hip-hop musical groups from the 1990s, selling over 22 Million over records worldwide, about whom U2's Bono said were hip hop's version of the Beatles. Together they have won two Grammy Awards, a Brit Award for International Group, and the Medal of Honor from Haitian President René Préval. Their second, and last, album titled *The Score* released in 1996 was certified seven times platinum sales by the Recording Industry Association of America and the fifth most-streamed rap album released in the 1990s on Spotify. It was listed by *Rolling* 

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Stone magazine as "The 500 Greatest Albums of All-Time," and included in *The Source*'s 100 best rap albums list.

5. Plaintiff Pras Michel ("Michel") is a Grammy award winning songwriter, rapper, performer, recording artist and record producer, a documentary filmmaker and entrepreneur, and a political activist and philanthropist. He produced "Skid Row," a 2007 documentary that chronicles Michel's 9-day experiment as a homeless man in downtown Los Angeles, raising awareness of the homelessness problem in downtown Los Angeles. After the devastation that decimated the people of Haiti in 2010, he worked with Sean Penn to help raise money for and awareness of the Haitian plight. He also produced a documentary, "Sweet Micky for President," released in 2015, about a popular Haitian Kompa musician named Michel Joseph Martelly, a.k.a Sweet Mickey, and helped Martelly win the hotly contested Haitian presidential election. He is the producer of an upcoming documentary tentatively entitled "Pras: A Hit Situation," scheduled for release in late 2024, focused on Michel's ordeal with the criminal justice system, the political intrigue surrounding the 1MDB scandal, and the final stages of The Fugees as an artistic entity. He resides in the City of New York and Miami, Florida.

6. Wyclef Jean ("Wyclef") is a Grammy award winning songwriter, rapper, performer, and recording artist. He resides in the City, County and State of New York.

7. Defendant Lauryn Noelle Hill ("Hill") is a Grammy award winning singer, songwriter, rapper, record producer, and actress. She is an individual who resides in the State of California.

8. Defendant MLH Touring, Inc. ("MLH") is a Delaware Corporation having a principal place of business in Los Angeles, California. Plaintiff is informed and believes, and based thereon alleges, that Hill is the sole owner and officer of MLH Touring, Inc.

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9. Plaintiff is informed and believes, and based thereon alleges, that there exists, and at all times herein mentioned there existed, a unity of interest and ownership between and among Defendants Hill and MLH Touring, Inc., such that any individuality or separateness between them has ceased, and that they and each of them are the alter egos of each other. Plaintiff is further informed and believes, and based thereon alleges, that adherence to the fiction of the separate existence of these Defendants would permit an abuse of the corporate privilege and would promote injustice.

10. The Fugees consists of the three, interdependent legs of its members, with each member contributing their unique creative style and temperament. David Sonenberg, the group's former manager, said of the members, "To find success, they had to become the best and boldest versions of themselves — Jean as the thunder, Hill as the lightning and Michel as the earth to keep everything grounded." He added, "Whatever it is in the DNA of these three people, they did something amazing."

11. Despite their success, after the 1990s, apart from a few isolated shows, the group stopped performing together, until they reunited in 2023 to perform for a multi-city U.S. concert tour, as more fully alleged below.

12. Regrettably, their storied career as a musical group started its complete disintegration in 2021 when Hill tried to put together a Fugees tour with Live Nation Entertainment, the world's biggest events promoter and live venue operator ("Live Nation"). However, foreshadowing the events of 2023, Hill attempted to deviate from the group's 30-year history of splitting all tour guarantees and profits equally and mutually controlling the creative and business aspects of their tours.

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13. For the proposed 2021 tour, Hill tried to usurp control of the group, including the exclusive control of the "Fugees" trademark, and all financial, creative and business aspects of the proposed Fugees tour. Hill's first imperious play to wrest control of the group ended badly, when Michel refused to accede to her power play. Because Michel would not agree to have Live Nation pay the tour advances directly to Hill, which Hill wanted to retain for her own account, Live Nation refused to accede to Hill's demands as well. As a result, the 2021 tour never happened.

14. Fast forward to early 2023, when Hill announced her solo tour to commemorate the 25th anniversary of her award-winning solo album, *The Miseducation of Lauryn Hill* (the *Miseducation* album"), an album that made history at the 41st Grammy Awards in 1999, securing Hill five awards in various categories and earning Hill the status as a musical legend at the age of 22.

15. It would be an understatement to say that her early success "got to her head," like someone who is bleeding heavily from a fatal knife wound saying, "It's just a scratch."

16. In 2021, in one instance of Hill demonstrating narcissistic tendencies, Hill tried to register the trademark THE FUGEES in the U.S. Patent and Trademark Office, claiming she alone was the "first" person to use the mark, and seeking *exclusive ownership of THE FUGEES mark in her own name*. She never discussed it with Michel.

17. By late 2021, Michel's counsel discovered what Hill was up to and stopped the application from proceeding since the FUGEES trademark was equally owned by all three members, such that it could not be used in connection with any group activities without the consent of all three members. Hill was forced to withdraw her trademark application. However, that move signaled Hill's desire to take exclusive control of The Fugees name and legacy.

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18. Her next reckoning came in the first half of 2023, when her solo tour, which relegated Hill to perform at small venues, proved a commercial and creative failure.

19. Upon information and belief, Hill realized that the only chance for her to sell tickets for shows at arena size venues, and feed her insatiable ego, would be to reunite with Michel and Wyclef. So, in May or June 2023, she pitched Wyclef the idea of doing a 25th Anniversary *Miseducation* album tour as a "Fugees" tour. Wyclef then pitched it to Michel.

20. At the time, Michel was in the middle of a pitched 4-year-old battle with the U.S. Department of Justice. In a criminal indictment filed in 2019, he was named as a co-defendant with Low Taek Jho a.k.a "Jho Low," a wild-spending, lavish-partying Malaysian financier at the center of one of the world's biggest financial scandals: the looting of \$4.5 billion from Malaysia's sovereign wealth fund, known as 1MDB.

21. Also at the center of the Jho Low criminal conspiracy was Elliott Broidy, the disgraced Republican fundraiser, lobbyist and businessman who once served as finance chairman of the Republican National Committee. In late 2020, Broidy pleaded guilty to conspiring to violate foreign lobbying laws on behalf of Jho Low and Chinese and Malaysian interests. He was pardoned by then-President Donald Trump just days before he left office in January 2021.

22. Michel, who was not accused of participating in the exorbitant theft by Jho Low, believed he was just a pawn in the government's attempt to ensnare Jho Low. Besides Broidy, others implicated in Jho Low's crimes have largely been convicted, some on reduced charges after agreeing to cooperate with U.S. prosecutors, including Michel's then lawyer George Higginbotham.

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23. Michel refused to accept a plea agreement, asserting his complete innocence of the charges. That bet that turned out badly for him as he was convicted of all counts in April 2023, including violations of the Foreign Agents Registration Act and acting as an agent of China.

24. In 2023, Michel fired his trial lawyer, L.A.-based David Kenner, who was ineffective and severely prejudiced Michel's defense. Kenner used an experimental AI program to write his closing argument, made frivolous arguments, conflated the schemes alleged in the indictment and failed to highlight key weaknesses in the Government's case. To make matters worse, Kenner was later charged with criminal contempt for violating the Court's protective order because he shared confidential discovery materials about Michel's case with the two members of the news media. He pled guilty in early 2024.

25. By mid-2023, Michel was adrift and without any legal criminal representation. Michel was in desperate need of money to retain competent white collar crime lawyers to seek reversal of the unjust verdict, a verdict that was the result of overzealous DOJ lawyers keen on making an example of Michel (since the "big fish," Jho Low, had eluded them), the incompetence of his trial counsel and at least a dozen material trial errors by the trial judge.

26. After his conviction in April 2023, ever hopeful his unjust conviction would be reversed, Michel is reported to have said of the criminal justice system, "You have to trust the system and trust the process." Trust was a sentiment that he later discovered could not possibly apply to Hill.

27. With the walls closing in on Michel by mid-2023, Hill saw an opportunity and swooped in to purportedly "save the day" for Michel, enlisting the unwitting aide of her former husband, Wyclef, to put together a Fugees tour for the second half of 2023 using independent live music concert promoter Mammoth, Inc. ("Mammoth").

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28. Hill insisted the tour be branded as *Ms. Lauryn Hill & Fugees: Miseducation of Lauryn Hill 25th Anniversary Tour* (the "2023 Fugees Tour") celebrating the 25th anniversary of her 1998 award-winning album. She did not want to mention the group's seminal, award-winning album *The Score* released just two years before her solo album.

29. Still refusing to accept the indisputable reality that fans of Hill would only purchase tickets for shows at arena-sized venues if she performed with Michel and Wyclef and the shows were billed as "Fugees" shows, she nevertheless insisted on relegating "The Fugees" billing to co-

30. The second was a poison pill and came in the form of a touring agreement between MLH and Michel dated "as of July 17, 2023," described below (the "2023 Tour Agreement"). During their 30-year history, the Fugees had never operated under a written partnership agreement or, as between themselves, a written tour agreement. For all those years, they operated under the mutual understanding that All Things Fugee would be equal in all respects: equal split of fees and profits, mutual control of their artistic endeavors, and a requirement that third party agreements for Fugees services be made directly with the three individual members, jointly.

31. However, by June 2023, Hill and MLH insisted that this long-standing custom be altered, in her favor, and demanded that the group formalize a new arrangement with respect to the 2023 Fugees Tour.

32. Although the 2023 Tour Agreement provided that MLH pay Michel an advance against his one-third share of the tour's potential net profits, Michel was forced accept onerous terms he would have normally rejected in the years before his criminal conviction (as he did in 2021), including ceding control of the Fugees tour to Hill and MLH, and agreeing to license the "Fugees" trademark to MLH for live shows for years to come – with or without Michel.

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33. The 2023 Tour Agreement was accompanied by an "Artist Agreement," also dated July 17, 2023, between Michel, Hill, Wyclef and Fugees Worldwide, Inc., a New York Corporation ("Fugees Worldwide") (the "Fugees Worldwide Agreement").

34. Fugees Worldwide is a New York Corporation formed in 2021. It has its principal place of business in New York City, and is equally owned by Michel, Hill and Wyclef.

35. That Fugees Worldwide Agreement is a so-called "loan out" agreement which sets forth the terms that would control the future artistic endeavors of the group, including recording services, ownership of future group recording projects, ownership and licensing of intellectual property created by the group members, trademark ownership and licensing, and live performances not controlled by the 2023 Tour Agreement.

36. Importantly, it provided that Michel, Hill and Wyclef would be deemed equal owners and directors of Fugees Worldwide, would be mutually controlled by them, and that all net profits derived from Fugees assets and activities be split equally by Michel, Hill and Wyclef.

37. The 30-year history of the Fugees also gave rise to a fiduciary relationship as between Michel, Hill and Wyclef, a status which arose as a matter of law since the intimacy between the parties far exceeded that of a mere commercial or contractual relationship. Out of a long enduring relationship was born a special relationship of trust and confidence among the group members – a fiduciary relationship – which existed independent of any contractual duties.

38. However, Hill betrayed that duty in 2023 by, among other means, engaging in a scheme of fraud, artifice and deception, as alleged in greater detail herein.

39. Moreover, as an owner and director of Fugees Worldwide with Michel, Hill stood in a fiduciary relationship to both Michel and Fugees Worldwide. As a result, she owed her

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undivided and unqualified loyalty to Michel and Fugees Worldwide and was prohibited from profiting personally at the expense of either Michel or Fugees Worldwide.

40. By July 2023, having run out of options, Michel nevertheless agreed to the dollar amount of the contractual advance to be paid pursuant to the 2023 Tour Agreement. His willingness to do so was based on his reliance on material representations by Hill and MLH about the amount of the "Per Performance" tour guarantees that Mammoth would pay to MLH. In fact, as Michel later discovered, that representation was a lie, as it represented only 68% of the actual guarantees Mammoth paid MLH for the 2023 Fugees Tour.

41. While the contractual advance paid to Michel pursuant to the 2023 Tour Agreement enabled him to retain his new criminal lawyers, that agreement was a wolf in sheep's clothing. In addition to the fact that it was based on a lie by Hill and MLH about what Mammoth was actually paying MLH, it ceded all financial and creative control to Hill and MLH. That control afforded Hill the total lack of transparency she needed in order to secretly siphon off money from the tour advances paid to MLH. It allowed Hill and MLH to invent a tour budget that contained numerous non-existent or inflated tour expenses. It further enabled Hill and MLH to secretly grab 40% of the tour guarantees and profits "off the top" for herself before accounting to Michel for his 1/3 share. To make matters worse, Hill and MLH proceeded to grossly mismanage the overall handling of the tour, including the setup and marketing of the tour, the budgeting and payment of tour expenses, and the duration of the tour.

42. Upon information and belief, Hill and MLH failed to pay all of the expenses she had budgeted for the 2023 Fugees Tour, including hotel and credit card bills, and musicians and crew, which sums are believed to be due and owing, in whole or in part, a full year after the conclusion of the tour.

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43. Hill's ploy to be appear to be Michel's supposed savior was actually a devious attempt to make a big score for herself by generating millions of dollars from a Fugees tour, all of which flowed to MLH. Even though she disingenuously billed the tour as a Lauryn Hill *Miseducation* tour, she knew that the kind of success she craved would only be possible if it were also billed as a Fugees tour.

44. To succeed with her scheme, Hill required that she and MLH have complete control over the business aspects of the tour, which allowed her to have a total lack of transparency over the tour's management, including the handling of money. In the process, it did not matter to Hill if she took full advantage of Michel's vulnerability – her friend and creative partner of over 30 years. In fact, she counted on exploiting that vulnerability to carry out her scheme.

45. At that time, Michel was a desperate man whose only hope for remaining out of jail was pinned on his being able to pay expensive white collar crime lawyers to file post-trial motions for acquittal and/or a new trial and, if that failed, an appeal. Hill knew she had Michel on the ropes and did not hesitate to pounce and take full advantage of his desperation.

46. The 2023 Fugees tour would have been a huge commercial success, since most of shows for the entire arena size tour were sold out in advance. However, it was not as commercially successful as it should have been for a few reasons. First, Hill and MLH created a tour budget that was so bloated with unnecessary and, most likely fictitious, expenses, that it seemed designed to lose money – at least on its face. Second, it was mismanaged. Third, the tour was cut short when, in November 2023, Hill abruptly and unilaterally cancelled the second half of the tour. The reason she cited was "serious vocal strain." That was the third bitter pill for Michel, as it cut the potential financial upside for the group in half.

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47. Hill further tarnished the Fugees brand once fans became increasingly upset and disenchanted with Hill's habit of showing up late for shows, sometimes by as many as two to three hours.

48. In September 2024, true to form, Hill was scheduled to perform at the Walker Town festival, a two-day music event in Nairobi, Kenya. Hill was scheduled to hit the stage at 8 p.m. local time, *but was 4 hours late*, finishing her set at 4:30-5:00 a.m.

49. Under the terms of the 2023 Tour Agreement, MLH was legally obligated provide Michel with an accounting "setting forth in reasonable detail all such Gross Income and tour production expenses."

50. In late 2023, Michel's manager, Ben Aubin, had requested that Hill's tour manager, Joshua Boumel, provide the accounting. On December 18, 2023, a month after the 2023 tour ended, Boumel emailed Aubin an Excel document titled "231004-1117 - MLH - North America Rehearsals ^0 Tour - Budget - V23 (PHILLY END).xlsx" which he represented was the tour accounting Aubin had requested. That same document was sent to Aubin in 2024, after Aubin had questioned Boumel about it.

51. However, the document Boumel sent Aubin was actually the same budget Boumel and his team had created before the start of the tour, as opposed to a proper accounting of the actual revenues and expenses for the tour the 2023 Tour Agreement required be rendered to Michel.

52. In April 2024, Hill's arrogance was again demonstrated when she unilaterally rejected a \$5 Million offer for the Fugees to perform at the Coachella festival. Upon information and belief, the reason was her ego was bruised since the group No Doubt would be receiving top billing over The Fugees. Hill never told Michel about the offer or that she had rejected it. Michel only learned about it when it was too late, after Hill, in an astonishing display of hubris, asked Michel if he

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would agree to perform a few Fugees songs *for free* as the opening act for her son, "YG" Marley, who was slated to perform at the same Coachella festival.

53. By June 2024, Michel needed additional funds for his criminal lawyers since his motion for acquittal had just been denied and his lawyers needed to proceed to the next phase of his case – further post-trial hearings, sentencing and an appeal to the U.S. Circuit Court of Appeals for the District of Columbia. The money the Fugees would have been paid for Coachella would have defrayed most of the additional legal retainer Michel needed. So much for Hill being the guardian angel for her bandmate, Michel. Massaging her own ego was more important to Hill than Michel's well-being.

54. Upon information and belief, in or about April 2024, without disclosing it to Michel, Hill and MLH had recruited Live Nation to fund and promote what she deemed was the "continuation" of the "25th Anniversary" *Miseducation* tour, even though it was 26 years after the release of *The Miseducation* album. Hill demanded that it be billed as "The Celebration Continues: The Miseducation Anniversary Tour," ever oblivious to the fact that Fugees fans would only be induced to buy tickets if it was billed as a "Fugees" concert, not a Hill solo concert.

55. Upon information and belief, in or about May 2024, without disclosing it to Michel, MLH entered into a new agreement with Live Nation for a multi-city U.S. tour for Hill and The Fugees, to commence in early August 2024 (the "2024 Fugees Tour").

56. Upon information and belief, Live Nation would only agree to promote the tour if certain conditions were satisfied: that Michel and Wyclef agree to perform with Hill as The Fugees, and that Hill confirm she had secured Michel's written agreement to do so.

57. Upon information and belief, by early June 2024, Hill and her team of managers and lawyers were able to convince Live Nation that those conditions had been met. In so doing, upon

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information and belief, Live Nation was unwittingly induced to enter into the new tour agreement with MLH and unknowingly become part of Hill's scheme to further defraud Michel.

58. In early June 2024, after securing Live Nation by falsely representing to Live Nation that MLH had things under control, Hill and MLH approached Michel to enter into a new tour agreement for a 2024 U.S. tour that would replace and supersede the 2023 Tour Agreement (the "Proposed 2024 Tour Agreement").

59. After weeks of negotiations, a conference call was held in mid-June 2024 to discuss the Proposed 2024 Tour Agreement. It was attended by Michel's lawyer, Robert Meloni, Michel's manager Ben Aubin, Hill's manager Joshua Boumel, and Hill's attorney Jacqueline Sabec.

60. During that call, Meloni asked that Boumel send the tour accounting for the 2023 tour since Boumel had been insisting that Michel's account for the 2023 Fugees Tour was "unrecouped" by \$900,000. Meloni rejected the repeated assertions by Hill's team that Michel's tour account was unrecouped since MLH could not justify it without a proper tour accounting. Moreover, it would only make sense if Hill and MLH had "cooked the books" to arrive at the number. Boumel insisted that he had already sent the accounting, more than once, and promised to send it again, which he did but it was the identical budget he sent to Aubin months earlier.

61. Boumel, when pressed by Meloni about his assertion that Michel was "unrecouped," Boumel let it slip that Hill was taking 40% of the tour guarantees and tour net profits "off the top" for herself, leaving the remaining 60% to be split equally between Hill, Michel and Wyclef. Michel and his representatives thus learned for the first time that Hill had unilaterally decided to take a total of 60% of tour advances and tour net profits for herself (40% plus her 20% share), leaving Michel and Wyclef with only 20% each.

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62. The 2023 Tour Agreement did not mention Hill's 60/40 arrangement. In fact, Hill and MLH had purposely concealed it at that time the 2023 Tour Agreement was being negotiated and for almost a full year after it was executed by Michel, up until Boumel was forced to disclose it during that conference call.

63. During that conference call, Meloni immediately told Boumel that there was never any agreement for the 60/40 split, but out of curiosity asked Boumel to provide a business or economic justification for it – considering that Hill could not sell out even the small venues for her ill-fated solo tour (the fact that Hill performed the songs from her *Miseducation* album was not enough of a justification.) Boumel was tongue tied and resorted to a Jackie Gleason "Homina Homina." In a failed effort to regain the upper hand, Boumel could only feign indignation that anyone would dare disrespect Hill.

64. The point is that Hill never mentioned the 60/40 split to Michel. She knew that Michel would never agree to it.

65. Lawyers for Hill and Michel spent the better part of June 2024 hammering out a draft of the Proposed 2024 Tour Agreement, which was fully negotiated and approved by both sides by June 25, 2024. It did not include any 60/40 split of guarantees or profits. Under the terms of the 2024 Tour Agreement, Michel was to be paid another advance, almost all of which was earmarked for his criminal lawyers.

66. However, by June 25, 2024, Hill and MLH's team of lawyers and managers suddenly disappeared and cut off all communications with Michel and his representatives. No explanation for their disappearance was ever provided.

67. Upon information and belief, Hill and MLH used the pretense of those negotiations to confirm with Live Nation that MLH and Michel had reached an agreement with Michel for the

2024 tour to show that Michel was "on board." Upon information and belief, they needed to say that in order for Live Nation to pay MLH the initial \$1.1 million advance provided for in the MLH-Live Nation contract. However, that was another lie by Hill and MLH since Michel was not "on board," MLH never signed the fully-negotiated agreement, never paid Michel anything, and never intended to do either.

68. On June 24, 2024, unwittingly lulled into the false belief that all was well with the group, Live Nation announced that the tour co-headlined by Hill and the Fugees would begin in late summer. Tickets immediately went on sale.

69. Not surprisingly, because of the gross mismanagement by Hill and MLH, who had taken far too long to close the deal with Live Nation, the 2024 U.S. tour tickets sales were dismal. There was little or no marketing for the tour, and not enough time between the tour's announcement and the first concert date to do sufficient advance sales.

70. Just three days before the first show, scheduled for August 9, 2024, Live Nation abruptly announced that the U.S tour would be cancelled and that all ticketholders would receive refunds. Hill promptly issued a statement on social media blaming the cancellation on so-called unfavorable media coverage hurting ticket sales: "Last year, I faced an injury that necessitated the rescheduling of some of my shows. Regrettably, some media outlets' penchant for sensationalism and clickbait headlines have seemingly created a narrative that has affected ticket sales for the North American portion of the tour.

71. No one bought Hill's excuses. The utter mismanagement by Hill, MLH and Live Nation was compounded by the backlash from Fugees fans on various social media outlets created by the sudden cancellation as well as Hill's reputation for showing up for her shows hours late, including the truncated 2023 tour.

72. On August 19 and 20, 2024, Michel's lawyers sent a formal audit demand and list of preliminary audit materials to the representatives for Hill and MLH, demanding that they produce the books and records relating to the income and expenses for the 2023 Fugees Tour. However, her representatives failed or refused to provide a substantive response to that demand and failed or refused to produce a singe document that had been requested.

## FIRST CLAIM (Fraud in the Inducement - Recission)

73. Michel repeats and incorporates by reference the allegations set forth in paragraphs 1 through 72 as if fully set forth herein.

74. Hill and MLH induced Michel into signing the 2023 Tour Agreement and the Fugees Worldwide Agreement through fraudulent representations and omissions of material facts relating to the subject matter of those agreements.

75. Hill and MLH, who were fiduciaries of Michel, also omitted material information that should have been disclosed to Michel in order for him to make an informed decision as to the fairness of those agreements.

76. Prior to August 1, 2023, Hill and MLH made a material representation to Michel's manager, Ben Aubin, relating to the amount of the tour guarantee that Mammoth had agreed to pay MLH for the 2023 Fugees Tour.

77. Prior to August 1, 2023, Aubin had asked Boumel to provide him with written confirmation of the amount of the tour guarantees Mammoth was paying MLH for the 2023 Fugees Tour. Boumel told Aubin that Mammoth was paying MLH \$750,000 Per Performance. Boumel then confirmed that to Aubin by forwarding him a copy of a prepared letter dated August 3, 2023 sent to Boumel by Sean Striegel, President of Mammoth Northeast. That letter stated: "The Fugees (consisting of all three principal members – Ms. Lauryn Hill, Wyclef Jean and Michel Michel) will

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be receiving \$750,000.00 per performance. It is our understanding that this will be divided evenly between the three principals, and each receiving \$250,000.00 per performance."

78. The 2023 Tour Agreement dated "as of July 17, 2023" but executed by Michel on August 1, 2023, contained the same misrepresentation. It stated as follows: "Gross Income' means the total of all revenue actually received by Company solely with respect to each Fugees Performance, in the amount of Seven Hundred and Fifty Thousand Dollars (\$750,000) per Performance."

79. However, the "Per Performance" guarantee disclosed to Michel was 68% less than the actual amount Mammoth agreed to pay MLH.

80. Even worse, Hill and MLH also failed to disclose to Michel that the 2023 Fugees Tour accounting was set up so that Hill and MLH took a 40% cut of the tour guarantees and net profits "off the top" before calculating Michel's 1/3 share thereof.

81. For all of the foregoing, Hill and MLH had special knowledge or information regarding that information that was not ascertainable by the Michel.

82. Combined, these false representations and omissions lured Michel into believing that the advance MLH had agreed to pay him under the 2023 Tour Agreement was fair and reasonable. In fact, the advance promised to Michel amounted to approximately 50% of what he would have been entitled to had he known the truth about the Mammoth guarantee and the 60/40 split.

83. The representations and omissions by Hill and MLH were made by them knowing that Michel was relying on them in moving forward with the negotiations and execution of the 2023 Tour Agreement and Fugees Worldwide Agreement.

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84. Hill and MLH's representation that they would pay and account to Michel for his 1/3 share of the net profits of the 2023 Fugees Tour were made by them knowing, at the time they were made, that they never intended to comply with those representations.

85. In justifiable reliance on these false representations and omissions, and as a result of Defendants' deceitful conduct, Michel moved forward with the negotiation and execution of the 2023 Tour Agreement and Fugees Worldwide Agreement.

86. The statements and omissions by Hill and MLH thus negated the "meeting of the minds" required to form an enforceable contract.

87. As a result, Michel was fraudulently induced to enter into the 2023 Tour Agreement and Fugees Worldwide Agreement which, inter alia, caused Michel to unnecessarily relinquish valuable rights to the assets and proceeds of The Fugees artistic endeavors.

88. Therefore, and by reason of Defendants' unlawful conduct, Michel is entitled to a Court declaration rescinding the 2023 Tour Agreement and Fugees Worldwide Agreement, thereby recovering all of Michel's rights that were the subject matter of those agreements.

# SECOND CLAIM (Fraud)

89. Michel repeats and incorporates by reference the allegations set forth in paragraphs 1 through 88 as if fully set forth herein.

90. The budget document that Boumel sent to Aubin in late 2023 and 2024, which he represented was the "accounting" called for under the Governing Agreements, contained materially false statements of fact, including the costs incurred and/or purportedly paid by MLH for the 2023 Fugees Tour.

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91. Hill and MLH made and/or caused to be made improper, fraudulent, impermissible and/or fictitious deductions for purported tour production expenses that were applied to Gross Income to arrive at Michel's 1/3 share of "Net Profits" for the 2023 Fugees Tour.

92. The Fugees Worldwide Agreement defined Net Profits as revenues derived from the sale or exploitation of "Fugees Assets," which included "Merchandise bearing the name, image and likeness of all of the Artists as members of The Fugees." Michel was entitled to receive a 33.33% share of Net Profits realized by Fugees Worldwide from the sale of Fugees Merchandise (including any advances paid to Hill and/or MLH and/or Fugees Worldwide).

93. Ignoring these unambiguous contract provisions, Hill or MLH *unilaterally* took control of Fugees Worldwide, even though Michel, Wyclef and Hill were "deemed equal shareholders and directors of the [company]", and "[t]he representative(s) of [Fugees Worldwide] shall be mutually agreed upon by Artists in writing..." including, without limitation, entering into an agreement with a merchandise company to manufacture and sell Fugees Merchandise during the 2023 Tour.

94. Upon information and belief, in 2023 MLH or Fugees Worldwide were paid a substantial advance under a merchandise agreement (never disclosed to or approved by Michel) and were also paid revenues from the sale of Fugees Merchandise. No "representative" was ever appointed by Hill, Michel and Wyclef, and no accountings were ever rendered to Michel with regard to his Net Profits from the sale of Fugees Merchandise sold during the 2023 Tour, or at any other time.

95. At various times in August and September 2024, lawyers for Hill and MLH told Michel's lawyer that Michel was either "significantly unrecouped," or \$900,0000 unrecouped and, within a month or so of claiming that he was unrecouped "by at least \$1.6 Million." Apparently,

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they made these numbers up as needed to deflect Michel's lawyer and manager, all based on their false, non-existent and/or fictitious accountings.

96. Michel lacks knowledge of the exact amount of such improper, fictitious, fraudulent and impermissible deductions and cannot obtain such knowledge or ascertain the exact amount of same without a detailed accounting from Defendants, who have sole and exclusive knowledge of the documents and information necessary to calculate such amounts.

97. The foregoing statements were false at the time they were made and Hill and MLH knew they were false at that time.

98. The foregoing acts and omissions by Hill and MLH fraudulently deprived Michel of his full share of tour net profits by artificially reducing Michel's 1/3 share of net profits, by artificially reducing the amount of the advance that he should have been paid, and by artificially reducing the amount of net profits that should have been credited to him in order to recoup Michel's advance.

99. Michel respectfully requests that Michel be awarded his actual damages as against Hill and MLH, in an amount to be proven at trial, in addition to punitive damages, interest, court costs and attorneys' fees.

# <u>THIRD CLAIM</u> (Declaratory Judgment Voiding of 2023 Agreements)

100. Michel repeats and incorporates by reference the allegations set forth in paragraphs1 through 99 as if fully set forth herein.

101. Michel alleges and avers that the 2023 Tour Agreement and the Fugees Worldwide Agreement (hereafter sometimes referred to as the "Governing Agreements") are so infected and tainted by the aforementioned instances of fraud and breaches of fiduciary duty that, as such, they should be invalidated and rendered void.

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102. By reason of the foregoing, an actual controversy, ripe for adjudication, exists in respect of the parties' respective rights and obligations under the Governing Agreements.

103. Pursuant to 28 U.S.C. § 2201, Michel hereby requests that this Court render a judicial declaration that the Governing Agreements are infected by the aforementioned instances of fraud and breaches of fiduciary duty and that they should be invalidated and rendered void in their entirety, *ab initio*.

104. Accordingly, Michel hereby requests that this Court render a judicial declaration that, in light of their fraud and fiduciary defalcations and transgressions, Hill, and MLH be directed to disgorge to Michel all benefits, profits, advances and other payments and financial or other consideration they have received (and hereafter receive) from the Governing Agreements and pursuant to the exploitation of Fugee Assets.

# <u>FOURTH CLAIM</u> (Breach of Fiduciary Duty Against Lauryn Hill - Damages)

105. Michel repeats and incorporates by reference the allegations set forth in paragraphs1 through 104 as if fully set forth herein.

106. At all relevant times mentioned herein, Hill owed a fiduciary duty to Michel to ensure that all decisions she made in respect of the creative and business endeavors of The Fugees were made in furtherance of Michel's interests, uninfluenced and unencumbered by Hill's own interests, and that all agreements in which Michel entered, including the 2023 Tour Agreement and the Fugees Worldwide Agreement, were in the best interests of Michel.

107. The conduct and defalcations of Hill and MLH, as alleged herein, constitute a breach of Hill's fiduciary duties to Michel.

108. Michel has been damaged by reason of the aforesaid breaches of fiduciary duty in an amount to be determined at trial, including punitive damages, interest, court costs and attorneys' fees.

## FIFTH CLAIM

# (In the alternative, Breach of Contract Against Hill and MLH)

109. Michel repeats and incorporates by reference the allegations set forth in paragraphs1 through 108 as if fully set forth herein.

110. This claim for breach of the 2003 Tour Agreement and Fugees Worldwide Agreement is pled in the alternative to the First Claim for Rescission and Third Claim for Declaratory Judgments voiding the Governing Agreements.

111. Under the Governing Agreements, Hill and MLH were obligated to properly account to and pay and/or credit Michel in respect to his 1/3 share of Net Profits realized from the 2023 Fugees Tour and the exploitation of Fugees Assets, including Fugees Merchandise.

112. Hill and MLH have failed or refused to cure any of these breaches, to the extent they are curable.

113. Michel has been damaged by reason of the aforesaid material and wholesale breaches of the Governing Agreements in an amount to be determined at trial.

# <u>SIXTH CLAIM</u> (Accounting – Hill and MLH)

114. Michel repeats and incorporates by reference the allegations set forth in paragraphs1 through 113 as if fully set forth herein.

115. Hill and MLH have failed or refused to properly pay and account to Michel for his1/3 share of Net Profits realized from the Governing Agreements and the exploitation of FugeesAssets, including Fugees Merchandise.

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116. Apart from the contractual obligations of Hill and MLH, New York law also provides an additional basis for an accounting, premised upon the existence of a confidential or fiduciary relationship and a breach of the duty imposed by that relationship respecting property in which a party seeking the accounting has an interest.

117. Michel is without knowledge of the exact amount of monies due him with respect to the foregoing.

118. As a result, Michel is unable to determine the exact amount of monies he is owed and the full extent to which Hill and MLH have failed to account or have improperly accounted to him for income derived from the 2023 Fugees Tour and the exploitation of Fugees Assets, including Fugees Merchandise.

119. Michel cannot obtain such knowledge or ascertain the exact amount of such monies without a detailed accounting from Hill, MLH and Fugees Worldwide, who have sole and exclusive knowledge of the income derived from the 2023 Fugees Tour and the exploitation of Fugees Assets.

120. Upon a true and accurate accounting by Hill and MLH, Michel believes that substantial monies will be found to be due him from Hill, MLH and Fugees Worldwide.

121. Accordingly, Michel is entitled to an order of this Court directing that Hill, MLH and Fugees Worldwide provide an accurate accounting which specifies in complete detail the information and documents necessary for an audit of their books and records relating to revenues derived from the 2023 Fugees Tour and the exploitation of Fugees Assets.

## <u>SEVENTH CLAIM</u> (Refusal to Permit Audit)

122. Plus One repeats and realleges the allegations of Paragraphs 1 through 121 hereof as if fully set forth herein.

123. On August 19-20, 2024, Michel's counsel sent Hill and MLH a formal audit demand to allow Michel to audit their books and records in order to determine the full extent to which they have failed to account and/or have improperly accounted to Michel.

124. However, Hill and MLH refused and continue to refuse Michel the opportunity to audit their books and records.

125. Such failure and refusal to permit an audit of the books and records of Hill and MLH constitutes an additional material breach of the Governing Agreements and a violation of Michel's rights under New York law.

126. The failure and/or refusal of Hill and MLH to comply with their material obligation to permit Michel to audit their books and records was done in bad faith, and without any business or legal justification.

127. The unjustified and willful refusal and/or defalcations of Hill and MLH are clear evidence of their intent to conceal their abject failure to pay or credit Michel the amounts to which he entitled.

128. Accordingly, Michel is entitled to an order of this Court directing Hill and MLH to provide complete detailed information and documents necessary for an audit of their books and records relating to revenues derived from the 2023 Fugees Tour and the exploitation of Fugees Assets.

129. Also, Michel has been damaged as a result of Defendants' conduct in an amount to be determined at trial, including interest thereon and the costs of this action.

# **<u>EIGHTH CLAIM</u>** (In the Alternative, Unjust Enrichment Against Hill and MLH)

130. Michel repeats and realleges the allegations of Paragraphs 1 through 129 hereof as if fully set forth herein.

131. This claim is pled in the alternative to the Fifth Claim Breach of Contract.

132. Michel has conferred a benefit upon Hill and MLH by, among other things, permitting them to reap the financial benefits derived from the live performances of Michel during the concerts performed by the Fugees in 2023 and the Fugees Merchandise sold at those events.

133. It would be inequitable for Hill and MLH to retain almost all of the fruits of Michel's labor without having to pay the reasonable value therefore.

134. As a result, Michel respectfully requests this Court to enter judgment in his favor and against Hill and MLH for damages in an amount to be determined at trial, with interest thereon, and Michel's court costs and attorneys' fees.

WHEREFORE, Plaintiff Prakazrel Michel demands judgment as follows:

a. With respect to the <u>First Claim</u> (Fraud in the Inducement - Recission), a declaration that 2023 Tour Agreement and the Fugees Worldwide Agreement are so infected by fraud and breaches of fiduciary duties that they should be rescinded and rendered void in their entirety, *ab initio*, and, further, that Hill and MLH disgorge to Michel his rightful share of all benefits, profits, advances, and other payments and financial or other consideration they have received (and hereafter receive) relating to the 2023 Fugees Tour and under or pursuant to the exploitation of Fugees Assets, or otherwise.

b. With respect to the <u>Second Claim</u> (Fraud), awarding Michel his actual damages as against Hill and MLH in an amount to be proven at trial, in addition to punitive damages, interest, court costs and attorneys' fees.

c. With respect to the <u>Third Claim</u> (Declaratory Judgment Voiding of 2023 Agreements), declaratory judgment concerning the rights and other legal relations of the parties including, without limitation, a judicial declaration that, in light of their fraud and fiduciary defalcations and transgressions, Hill and MLH be directed to disgorge to Michel all benefits,

profits, advances and other payments and financial or other consideration they have received (and hereafter receive) from the 2023 Fugees Tour and pursuant to the exploitation of Fugee Assets.

d. With respect to the <u>Fourth Claim</u> (Breach of Fiduciary Duty Against Lauryn Hill), by reason of their breaches of fiduciary duty awarding Michel his actual damages as against Hill and MLH in an amount to be proven at trial, in addition to punitive damages, interest, court costs and attorneys' fees.

e. With respect to the <u>Fifth Claim</u> (in the alternative to the First and Third Claims, Breach of Contract Against Hill and MLH) awarding Michel actual damages in an amount to be determined at trial by reason of the aforesaid material and wholesale breaches of 2003 Tour Agreement and Fugees Worldwide Agreement.

f. With respect to the <u>Sixth Claim</u> (Accounting as Against Hill, MLH and Fugees Worldwide) an order of this Court directing Hill, MLH and Fugees Worldwide to provide an accurate accounting which specifies in complete detail the information and documents necessary for an audit of their books and records relating to revenues derived from the 2023 Fugees Tour and the exploitation of Fugees Assets, as well as judgment directing the payment of monies to Michel consistent with the foregoing, plus interest thereon and the costs of this action.

g. With respect to the <u>Seventh Claim</u> (Refusal to Permit Audit) an order of this Court directing Hill and MLH to provide Michel with complete detailed information and documents necessary for an audit of their books and records relating to revenues derived from the 2023 Fugees Tour and the exploitation of Fugees Asset, as well as Michl's actual damages resulting from defendants' conduct in an amount to be determined at trial, including interest thereon and the costs of this action.

h. With respect to the Eighth Claim (in the Alternative to the Fifth Claim for Breach

of Contract, Unjust Enrichment Against Hill and MLH) awarding Michel judgment as against

Hill and MLH for his actual damages in an amount to be determined at trial, with interest

thereon, and Michel's court costs and attorneys' fees.

i. On all Claims, applicable pre-judgment and post-judgment interest, the costs of this action, including attorneys' fees, as permitted by law; and

j. Such other and further relief as the Court may deem just and proper.

# JURY DEMAND

Plaintiff demands a trial by jury of all issues which are so triable.

Dated: October 1, 2024

# MELONI & MCCAFFREY APC

By:

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