

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

DAVID ICKE, <i>et al.</i> ,)	
)	
Plaintiffs,)	
)	Cause No: 4:06CV00685 ERW
vs.)	
)	
ROYAL ADAMS, <i>et al.</i> ,)	
)	
Defendants.)	

JUDGMENT AND INJUNCTION

This matter is before the Court for the entry of a judgment and injunction in favor of Plaintiffs David Icke ("Icke") and Bridge of Love ("BOL UK") (collectively, "Plaintiffs") and against Defendants Royal Adams ("Adams"), Bridge of Love ("BOL") and Royal Personnel, Inc. ("Royal Personnel") (collectively, "Defendants"). This Judgment and Injunction is being entered by this Court pursuant to a Stipulation of Facts, including the Court's factual findings in its November 14, 2008, Memorandum and Order granting summary judgment to Plaintiffs ("Stipulation") agreed to by the parties and admitted into evidence in this cause.

Based upon the Stipulation now admitted into evidence, this Court makes the following Findings of Fact and Conclusions of Law, and enters its Judgment and Injunction in favor of Plaintiffs and against Defendants as follows:

Findings of Fact

1. Icke is a well-known author of books distributed and sold throughout the United States and in the United Kingdom.

2. Icke is the sole author and contributor to books entitled Alice In Wonderland And The World Trade Center Disaster; And The Truth Shall Set You Free; And The Truth Shall Set You

Free – 21st Century Edition; The Biggest Secret; Children Of The Matrix; Tales From The Time Loop; I Am Me I Am Free; Infinite Love Is The Only Truth; Everything Else Is Illusion (collectively referred to hereinafter as the “Works”).

3. Certificates of Copyright Registration have been applied for and duly issued by the Register of Copyrights for each of the respective Works.

4. Royal Adams (“Adams”) represented to Icke that he was engaged in the business of representing authors in connection with the printing and distribution of their books, and identified himself as someone who could assist Icke with the printing and distribution of Icke’s Works within the United States.

5. Icke entered into an oral agreement with Royal Adams in 1998 (the “Agreement”).

6. The Agreement provided that Adams would arrange for the printing and distribution of Icke’s Works in the United States and reprint the Works to keep warehouses stocked with the Works. In return, Adams would keep 25% of the net profits from sales of the Works and pay the remaining 75% of the net profits to Icke.

7. The Agreement did not transfer right, title or interest in or to any of the Works to Adams or any of the Defendants.

8. Icke retained sole possession and ownership of the copyrights in the Works and Adams does not have any ownership interest in any of the copyrights.

9. Adams had no input into the production of the Works.

10. The Agreement merely permitted Adams to act as an agent to arrange for the printing and distribution of the Works.

11. At all relevant times since the Agreement’s inception, it was the intent and understanding of Adams and Icke that all rights relating to the Works would be owned by Icke and

that the Defendants, or any entity affiliated with or owned by Adams, would have no ownership rights to the Works.

12. Icke has never executed any document effecting a transfer of rights to Adams, or any entity affiliated or owned by him, including BOL and/or Royal Personnel.

13. Adams arranged for all copies of Icke's Works to be printed, first by Bertlesmann and then by Patterson Printing, in the United States for distribution in the United States (by Adams) and outside of the United States (by Icke).

14. Adams also arranged for Icke's Works to be distributed and sold in the United States by Bookworld Companies.

15. BOL UK is responsible for the distribution and sale of the Works throughout Europe and through a website owned and operated by BOL UK. Neither Adams nor any other Defendant is affiliated with BOL UK.

16. Because printing costs are less expensive in the United States than in the United Kingdom, all printing for Icke's books was done in the United States by Patterson.

17. The expense of securing an inventory in the United Kingdom for distribution by BOL UK (including costs of purchasing and shipping the inventory) was incurred solely by Icke, and did not in any way involve Defendants.

18. Similarly, website orders for the Works were placed by BOL UK directly with Bookworld, the distributor of the Works.

19. Bookworld filled website orders directly and invoiced BOL UK for 20% of the cover price of the books with shipping paid by the customer.

20. When the full cost of the book plus shipping was received by BOL UK from the customer, BOL UK remitted all invoiced amounts to Bookworld.

21. Defendants had no involvement with respect to the distribution of the Works via internet sales.

22. During the first two years of the agreement, Adams represented to Icke that the U.S. operations were struggling, and that Adams was keeping up by charging expenses to his credit card. Believing these assertions, Icke began sending any requests for foreign translations of the books to Adams to allow more money to flow through the U. S. operation.

23. In mid-2005, Icke requested that Defendants supply to him for review the books and records related to the printing and distribution of the Works, and the revenues derived there from, throughout the term of the Agreement.

24. Based upon a limited review by Icke's accountant of the books and records relating to the first ten months of 2005, Icke learned that Adams was not remitting the full 75% of net profits to which Icke was entitled under the Agreement.

25. When Icke requested an opportunity to review all books and records related to the printing and distribution of the Works from the inception of the Agreement, Adams refused to provide Icke with access to the books and records for the years through and including 2004.

26. When Icke inquired about the money received from foreign publishers, Adams stated that the money was minimal despite knowing when he made that statement that he had in fact been paid substantial sums in connection with foreign translations, that 75 percent of such funds were owed to Icke, and that he had appropriated Icke's portion of the funds to his own use.

27. Icke later learned that the French publisher alone had remitted at least \$64,000 to Adams for Icke's books.

28. Icke also learned that Adams claimed to be holding \$10,000.00 in a trust account that was accumulated from foreign sales.

29. Adams contacted the printer, Patterson, and the distributor, Bookworld, of Icke's Works and instructed them not to provide Icke with any information relating to his Works.

30. Shortly after Icke's request to review all books and records relating to the Works, on or about March 16, 2006, Adams advised Icke that he is not obligated to remit monies derived from the sale of the Works to Icke.

31. Despite having no right to do so, Adams threatened to take previously published books authored by Icke, as well as any new book authored by Icke, and print and distribute them in Adams' sole discretion despite testifying at the hearing on Plaintiffs' motion for a preliminary injunction that he did not assert any copyright interests in or to Icke's Works.

32. Adams continued to print and sell the Works subsequent to March 16, 2006, but he did not remit Icke's share of the monies.

33. Since 1998, Adams has not paid Icke the full 75% of the net profits due under the Agreement from sales of the Works.

34. In light of the Defendants' material breaches of the Agreement, by letter dated April 10, 2006, Icke terminated the Agreement (the "Notice of Termination"), effective immediately.

35. Despite receipt of the Notice of Termination, Adams continued to print and sell the Works.

36. Adams did not remit any portion of Icke's share of the net profits to Icke subsequent to March 16, 2006.

37. In the Notice of Termination, Icke demanded that, by April 18, 2006, Adams, and any entity affiliated with or owned by him: (1) cease all activities related to the printing, distributing and sale of Icke's Works, or any other products containing or incorporating the Works, and confirm such cessation in writing to Icke's counsel; (2) immediately provide Icke's counsel with copies of all

books and records related to the printing, distribution and sales of the Works in the United States from 1998 to the present; (3) remit to Icke's counsel a check, payable to David Icke, in the amount equal to 75% of net profits derived from the Works since March 2006; and (4) deliver to Icke's counsel all remaining inventory of the Works.

38. Defendants did not acknowledge receipt of the Notice of Termination until April 24, 2006, when Defendants reiterated that they intended to continue selling the Works.

39. By letters dated April 24, 2006, Icke notified Patterson and Bookworld of his termination of the Agreement.

40. Notwithstanding having been put on notice of the termination, Bookworld continued to sell Icke's Works on its company website and to distribute the Works throughout the United States.

41. In a letter dated April 26, 2006, Patterson took the position that it recognized Adams as the owner of the Works and the party authorized to direct the printing of the Works and refused to return computer discs and other materials relating to the Works to Icke.

42. Adams also expressed to Icke his intent to cease all payments to Icke, shut down the website, and prevent shipments of books to BOL UK.

43. As a result of Defendants' unauthorized use of Icke's Works, Plaintiffs have been and continue to be irreparably harmed in that Icke's income has been severely compromised, and rendered him unable to finance research on additional books or to finance his current operations.

44. Additionally, Defendants' improper wresting of control of the Works from Icke has caused him irreparable harm in that he lost control of the printing, distribution and sale of the Works to the general public.

45. Similarly, Patterson's and Bookworld's failure at Adams' direction to cease all

printing and distribution of the Works, return all materials relating to the Works to Icke, and remit monies owed to Icke resulting from the sale of the Works, have also irreparably harmed Plaintiffs in that Plaintiffs cannot control the printing, distribution and sale of the Works to the general public and were hampered in their efforts to engage a new printer or distributor.

46. Icke has not received any income from the sales of his Works in the United States or with respect to foreign royalties, since in or about February, 2006.

47. Michael Wedlock, an accountant for Icke, testified at the preliminary injunction hearing that, from August 2001 through May 31, 2006, Adams received net profits of approximately \$1,622,000 which should have been divided among Icke and Adams per the Agreement.

48. Icke's 75% share of the \$1,622,000 net revenues received by Adams for that period amounted to roughly \$1,200,000. However, Adams paid Icke only \$263,505, resulting in a shortfall of approximately \$953,000 for the period August 2001 through May 31, 2006.

49. The records provided to Mr. Wedlock had not been well-kept and were incomplete.

50. Adams has admitted that he failed to maintain business records pertaining to Icke's Works, that he mismanaged Icke's share of the profits, and that he commingled the business' money with his personal money.

51. Adams spent Icke's share of the profits on items such as Adams' home sewer bill (\$310), production and recording costs for a CD of Adams' music (\$3,900), music lessons for Adams (\$4,633), renovations to Adams' home (\$35,000), spiritual advice for Adams (\$11,000), a fireplace for Adams' home (\$6,722), Adams' child support obligations (\$9,583), Adams' mortgage (\$24,808) and credit card payments (\$155,298), an irrigation system for Adams' home (\$3,804), Adams' Harley-Davidson motorcycle (\$12,777) and a car lease (\$7,245).

52. When Icke entered into the Agreement with Adams, he entrusted his Works and the

income from such Works to Adams as a fiduciary who was supposed to hold them in an express trust for the benefit of Icke; however, Adams knowingly misappropriated such funds to his own benefit and intentionally deceived Icke as to the true amount of the net profits owed to Icke.

53. At all times, Adams' actions in misappropriating the funds belonging to Icke under the Agreement were done intentionally and deliberately and with intent to deprive Icke of monies that were rightfully due to Icke.

54. The Court, by Orders of June 9, 2006, and December 14, 2006, directed Defendants to cause escrow monies to be deposited into a trust account.

55. On April 17, 2007, Plaintiffs' counsel received a check for \$100,000 from Bookworld. No accounting accompanied the check; therefore, Plaintiffs' counsel did not know what that amount represented.

56. Adams deposited no money into the escrow account from any trust accounts.

57. Without income from sales of his Works, Icke is facing extreme financial hardship and is unable to produce additional books, films and other projects.

58. Bookworld ceased operations in September 2007.

59. Adams failed to comply with this Court's orders by not providing complete books, records, and monies to Plaintiffs and by continuing to hold himself out as a representative or agent for David Icke.

60. Bookworld provided to Adams monthly summaries of all of Icke's books sold and distributed through Bookworld. Bookworld has not produced these summaries to Plaintiffs.

61. Under the Court's April 5, 2007 Order, Defendants were enjoined from holding themselves out as agents or representatives for David Icke or his Works or from further alienating Icke's Works.

62. Nevertheless, after Bookworld ceased operations, Adams caused Bookworld to transfer its inventory of Icke's books to AtlasBooks (a division of BookMasters), to whom Adams held himself out as the publisher or agent for Icke.

63. AtlasBooks did not assume all of Book World's inventory, but signed up publishers of Bookworld for distribution services by AtlasBooks.

64. The president of BookMasters confirmed that the transfer of inventory including Icke's Works was specifically authorized by Adams.

65. As a result of Defendants' actions, BookMasters is holding inventory of ninety-four (94) of Icke's Works and has asserted that it is owed approximately \$3,500 before it will release such inventory.

66. Adams was indicted on charges of, inter alia, tax evasion and filing of false income tax statements in connection with the tax years 2001, 2002 and 2003.

67. On or about June 8, 2008, Adams entered into a plea agreement with the United States, pursuant to which he pleaded guilty to three counts of filing false tax returns.

68. The criminal charges of tax evasion and filing false income tax returns were based, in large part, on the allegation that Adams failed to properly report his income, a large portion of which was money paid to Adams from the sale of Icke's Works, 75 percent of which should have been delivered to Icke.

69. The Court on November 14, 2008, granted Plaintiffs' motion for summary judgment on its claims against Defendants for a declaratory judgment, copyright infringement, breach of contract, unjust enrichment, conversion, breach of the covenant of good faith and fair dealing, an accounting, a permanent injunction, tortious interference with economic advantage, and business relations and/or contract. In its Memorandum and Order, the Court also granted summary judgment

in Plaintiffs' favor on Defendants' counterclaims for breach of contract, fraud and tortious interference with prospective business relationships. The Court's Memorandum and Order (Docket 84) are incorporated herein by reference as though set forth fully herein.

Conclusions of Law

I. Adams and Icke entered into a valid oral contract whereby Adams would arrange for printing and distribution of Icke's Works in the United States in exchange for a 25/75 split of net profits between Adams and Icke, respectively.

II. The Agreement between Icke and Adams was properly and effectively terminated by Icke on April 10, 2006.

III. Icke is the sole owner of all copyrights in his Works.

IV. Icke's copyright registrations are valid.

V. Adams did not contribute to the creation of any Works in any way.

VI. Adams infringed on Icke's copyrights by continuing to print, distribute and sell each of Icke's Works after termination of their oral agreement.

VII. Adams' infringement of Icke's copyrights was committed willfully.

VIII. Adams breached the oral agreement by failing to pay 75% of the net profits from sales of Icke's Works to Icke from the beginning of the agreement in 1998 through at least February 2006.

IX. Adams further breached the oral agreement by failing to pay any money to Icke since February 2006.

X. Adams also breached the oral agreement and converted Icke's monies by using Icke's share of net profits to pay personal expenses.

XI. Icke has suffered extreme financial loss due to Adams' mismanagement and theft of the net profits from sales of Icke's Works and Adams' failure to pay Icke 75% of net profits. Additionally, Adams' failure to pay Icke his share of the net profits has prevented Icke from being financially capable of beginning new projects and creative works.

XII. Icke conferred a benefit on Adams—from 1998 until March 2006, Adams had the benefit of printing and distributing Icke's Works in the United States while receiving 25% of the net profits from the sales of Icke's Works.

XIII. In addition to the 25% to which he is entitled, Adams unjustly and willfully kept a large portion of Icke's share of the profits.

XIV. Adams admits that he has not paid Icke the full 75% share of the profits.

XV. Icke suffered a minimum loss of \$953,000 as a result of Adams' willful actions; however, the full extent of Icke's loss beyond the minimum loss is unknown at this time.

XVI. Adams is unjustly and willfully retaining considerable sums of money that belong to Icke because he does not have any legal claim to more than 25% of the net profits from sales of Icke's Works in the United States.

XVII. Adams has deprived Icke of his rightful share of the profits entitling Plaintiffs to a judgment in their favor for conversion.

XVIII. Adams deliberately usurped Icke's Works for himself and improperly engaged in publishing activities related to the Works for his sole and exclusive benefit.

XIX. Defendants' failure to remit monies derived from the sale of the Works to Icke, their improper seizure of inventory and Adams' misguided claim regarding ownership of the Works amply demonstrate that Defendants have breached the covenant of good faith and fair dealing between the parties.

XX. Icke and Adams had a fiduciary relationship whereby Icke entrusted Adams with his copyrighted Works for the purpose of arranging for those Works to be distributed throughout the United States.

XXI. Adams willfully breached his fiduciary duty to Icke by refusing to provide Icke with information concerning the sales and revenues of the Works and even instructing the printer and the distributor to withhold such information from Icke.

XXII. Adams also willfully breached his fiduciary duty to Icke by failing to keep proper business records, and by commingling his personal funds with those of BOL USA and using the company's money to pay his personal expenses.

XXIII. Plaintiffs have demonstrated they are entitled to an accounting.

XXIV. Defendants intentionally interfered with Plaintiffs' business and business relations with its customers by instructing Bookworld not to fulfill orders for books placed by Plaintiffs' UK operation.

XXV. Defendants violated the Court's April 5, 2007, Order by holding itself out as the agent or publisher of Icke's Works and by causing the transfer of Bookworld's inventory of Icke's Works to BookMasters. By such actions, Defendants caused an indebtedness to BookMasters of approximately \$3,500 which must be satisfied before BookMasters will voluntarily release its inventory of Icke's Works to Icke.

XXVI. Icke has suffered irreparable harm and legal remedies alone are inadequate to resolve Icke's injuries.

Order, Judgment and Injunction:

Accordingly,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Court finds in favor of Plaintiffs and against Defendants on Defendants' Counterclaims for breach of contract, fraud and tortious interference and hereby enters judgment in Plaintiffs' favor and dismisses each of Defendants' Counterclaims in their entirety and with prejudice.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Court finds in favor of Plaintiffs and against Defendants and hereby enters judgment in Plaintiffs' favor as to all claims in the Complaint.

IT IS FURTHER ORDERED, ADJUDGED, DECREED AND DECLARED that: (i) the Agreement between David Icke and Royal Adams has been terminated, effective April 10, 2006; (ii) David Icke is the owner of all right, title and interest in and to the Works, including the copyrights in the Works, (iii) Defendants, or any other entity affiliated or owned by Adams, have no rights in and to the Works or the copyrights in the Works and cannot engage in any printing, distribution or sales activities related to the Works, and (iv) David Icke is entitled to possession and control of and all proceeds earned from the future sale or distribution of any existing inventory whether held by BookMasters or any other person or entity.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Plaintiffs shall recover a money judgment from and against Defendants in the minimum sum of (1) Nine Hundred Fifty Three Thousand Dollars (\$953,000.00) for Defendants' willful fraudulent appropriation of the funds rightfully due to Plaintiffs, plus (2) any and all sums owed by Adams or any of his companies to BookMasters (approximately an additional \$3,500) incurred as a result of Adams' false representations to BookMasters regarding his relationship with Icke, plus (3) statutory damages for

Defendants' willful infringement of Icke's copyrights in the Works of \$150,000 for each of the eight Works, to wit \$1,200,000, plus (4) 25 percent of all monies remitted to Adams by foreign publishers (the \$953,000 along with the roughly \$3,500 owed to BookMasters, the \$1.2 million in statutory damages and the 25 percent of monies remitted by foreign publishers hereinafter shall be collectively referred to as the "Money Judgment"), and the Money Judgment shall constitute an indebtedness that will be excepted from discharge under 11 U.S.C. §523(a)(4) and 11 U.S.C. §523(a)(6) in any case under Title 11 which may be filed by or against Defendants.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based on Defendants' representation that they do not have the financial wherewithal to pay any portion of the Money Judgment at this time, Plaintiffs will not execute on said judgment unless (1) Plaintiffs receive information that any of Defendants' representations contained in the joint Stipulation of Facts submitted concurrently herewith and/or the Settlement Agreement untrue, including but not limited to any representations regarding the proceeds from the sale of the property located at 1825 Shiloh Valley Drive, Wildwood, Missouri 63005, the use or transfer of the proceeds from the sale of the property located at 1825 Shiloh Valley Drive, Wildwood, Missouri 63005, the funds used to purchase the property located at 235 Old Manchester Road, Pacific, Missouri 63069, the value of or Adams' equity in the property located at 1825 Shiloh Valley Drive, Wildwood, Missouri 63005, or the property located at 235 Old Manchester Road, Pacific, Missouri 63069, the identity of foreign publishers of any of Icke's Works and/or the number of such contracts, agreements or relationships; and/or the amount of monies remitted to Defendants by foreign publishers in connection with Icke's Works and/or (2) Defendants breach any provision of this Consent Judgment and Injunction; and/or (3) Defendants breach any provision of the Settlement Agreement dated effective November 30, 2008, between Plaintiffs and Defendants and/or (4) Defendants' financial condition changes in

the future and Defendants, or any of them, possess the wherewithal to satisfy all or a portion of the Money Judgment; however, Plaintiffs may immediately upon entry of this Consent Judgment and Injunction place a lien on the property located at 235 Old Manchester Road, Pacific, Missouri 63069, and may at such time as the property is sold execute on said lien up to the amount of any equity interest of any Defendant or successor of any Defendant, even if all terms of this Judgment and Injunction and the Settlement Agreement between the parties are satisfied (including Defendants' financial and other representations).

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, in addition to the Money Judgment, Plaintiffs are entitled to recover the entirety of the \$100,000.00 amount contained in the escrow account and that Plaintiffs may withdraw such amount and close the escrow account immediately and without further notice.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Royal Adams, Bridge of Love USA, under the control of Adams, and Royal Personnel, Inc., and all persons and entities acting in concert and participation with them are hereby permanently enjoined from holding themselves out as the representative, publisher, distributor or agent in any capacity of David Icke or any of his works, and/or from any copying, printing, advertising, distributing, selling or offering for sale or otherwise alienating the copyrighted works as evidenced by the Certificates of Registration of United States Copyrights in the name of David Icke, or any other written or oral works of David Icke in any format or medium, or from receiving any proceeds, sums, royalties or other monies in connection with Icke's Works, or from further operating under the name or representing themselves as Bridge of Love.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that within five (5) days upon entry of this Consent Judgment and Injunction, Defendants (1) shall deliver to Plaintiffs'

counsel of record a complete and accurate list identifying and providing complete contact information for all persons and entities who Defendants engaged to copy, sell, distribute or publish any of the Works, including foreign translations, and (2) provide notice to all such persons and entities that all proceeds, sums, royalties and other monies shall be payable solely to David Icke.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Plaintiffs are entitled to further accounting and discovery, including a judgment debtor exam, in connection with their claims against Defendants.

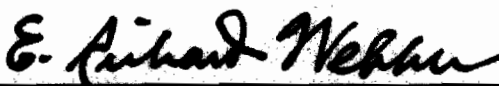
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Plaintiffs and Defendants may disseminate, file and disclose this Consent Judgment and Injunction and the Court's November 14, 2008, Memorandum and Order regarding summary judgment without restriction.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that each party shall bear its own respective costs of this litigation.

The Court shall retain jurisdiction to enforce this Consent Judgment and Injunction and the Settlement Agreement between the parties, and to add to the Money Judgment upon submission of further evidence by or on behalf of Plaintiffs.

THE CLERK OF COURT IS HEREBY ORDERED TO ENTER THIS JUDGMENT.

Dated: December 21st, 2008



E. RICHARD WEBBER
UNITED STATES DISTRICT JUDGE