

## Hip Hop Label Judgment Leads Lydia Harris Back to Court

Written by Robert ID4507

Tuesday, 26 August 2008 07:35 -

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Lydia Harris will be in court again over her \$107,000,000 judgment against hip hop mogul Marion 'Suge' Knight and hip hop / rap powerhouse Death Row Records. Lydia Harris is best known for being the ex-wife to incarcerated drug kingpin Michael "Harry O" Harris. She is sometimes referred to as 'the woman who brought down Death Row'.

Helen Ryan Frazer, Chapter 7 Trustee in Case No. SV-96-15521-GM filed in United States Bankruptcy Court in California has named Lydia Harris, New Image Corporation, Michael Ray Harris (Harry O), Conquest Media Group, LLC and Wasserman, Comden & Castleman, LLP., as defendants in another lawsuit. The case is a Complaint for Declaratory Judgment.

This stems from the \$107,000,000 judgment against hip hop / rap label Death Row Records, started by hip hop mogul Marion 'Suge' Knight, which was awarded to her.

In this case the Jurisdictional Allegations are:

1. The instant case was commenced by Lydia Harris ("Lydia") on May 20, 1996, by the filing of a voluntary petition under Chapter 7 of Title 11 of the United States Code. Helen Ryan Frazer (hereinafter "Trustee") was appointed and accepted appointment as the Chapter 7 Trustee for the Bankruptcy Estate.
2. Lydia's case was closed on December 15, 1999 without the administration of any assets.
3. By Order filed August 21, 2007. Lydia's case was re-opened and Helen Ryan Frazer was re-appointed as Chapter 7 Trustee in the re-opened case.
4. The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. sections 157 and 1334 et. Seq.

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5. This action is a core proceeding under 28 U.S.C. section 157(b) (2). This proceeding is related to the above captioned case presently pending in the United States Bankruptcy Court for the Central District of California.

6. To the extent that the Trustee asserts claims under Section 544(b) of the Bankruptcy Code, the Trustee is informed and believes and on the basis alleges that there exists in this case one or more creditors holding unsecured claims allowable under Section 502 of the Bankruptcy Code or that are not allowable under Section 502 (e) of the Bankruptcy Code, which can avoid the respective transfers as set forth hereafter under California or other applicable law.

### THE PARTIES

7. Defendant LYDIA HARRIS (“Lydia”) is the individual debtor herein and currently resides in Texas.

8. Plaintiff is informed and believes and thereon alleges that Defendant NEW IMAGE CORPORATION is a California corporation owned and controlled by Lydia.

9. Plaintiff, HELEN RYAN FRAZER, is the duly appointed Chapter 7 Trustee in the within bankruptcy case.

### THE \$107,000,000 JUDGMENT

10. Lydia claimed a 50% ownership interest in defendant Death Row Records, Inc. (“Death Row”) or a predecessor of defendant Death Row at the time her Chapter 7 Petition was filed in May 1996. Lydia did not list or otherwise disclose her interest as an asset in her bankruptcy scheduled. Because of Lydia’s failure to disclose her interest, her Chapter 7 Trustee had no knowledge of Lydia’s claimed interest when the case was closed without the administration of any assets in 1999.

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11. On February 26, 2002, Lydia filed a complaint in the Superior Court against Death Row, Marion "Suge" Knight ("Knight") and others, for, inter alia, breach of contract, intentional interference with prospective economic advantage and defamation, case number BC268857 (the "Death Row Case"). The claims alleged in the Death Row Case arose from events that began in or about 1989, as set forth in the Complaint filed by Ms. Harris in the Death Row Case.

12. On March 9, 2005, judgment was entered by the Honorable Ronald M. Sohigian in the Death Row Case in favor of Lydia and against Knight and Death Row in the amount of \$107 million (the "Judgment").

### **LYDIA RECEIVES \$1,000,000 AS PARTIAL PAYMENT ON JUDGMENT**

13. Plaintiff is informed and believes that on or about May 20, 2005, Lydia received payment from the judgment debtors in the amount of \$10,000 as partial payment on the Judgment.

14. Plaintiff is informed and believes that on or about May 27, 2005, Lydia received payment from the judgment debtors in the amount of \$990,000 as partial payment on the Judgment.

15. The \$1,000,000 received by Lydia in or about May 2005 was property of Lydia's bankruptcy estate.

16. Lydia has not turned over said \$1,000,000 or any part thereof, to the Plaintiff for administration in her Chapter 7 case.

### **LYDIA'S CASE IS RE-OPENED UPON DISCOVERY OF THE JUDGEMENT**

17. In or about June 2007, Plaintiff in her capacity as Lydia's former Chapter 7 Trustee learned about the \$107,000,000 judgment against Death Row and Knight. The Trustee promptly filed a Motion to Re-open Lydia's case to administer the newly discovered asset(s) (the Judgment and

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Claims) for the benefit of Lydia's creditors. By Order filed August 21, 2007, Lydia's case was re-opened and Plaintiff Helen Ryan Frazer was re-appointed as Chapter 7 Trustee in the re-opened case.

### FIRST CLAIM FOR RELIEF

(For Turnover of Estate Property)

18. Plaintiff incorporates paragraphs 1 through 17 of this Complaint as though set forth herein in full.

19. Defendants have failed and refused to turnover to Plaintiff the \$1,000,000 she received in or about May 2005.

### SECOND CLAIM FOR RELIEF

(For Damages)

20. Plaintiff incorporates paragraphs 1 through 19 of this Complaint as though set forth herein in full.

21. Plaintiff is entitled to judgment against Defendants for the value of the property of the estate that Defendants have failed and refused to turnover to the Trustee, which property has a value of 1,000,000.

WHEREFORE, Plaintiff prays judgment as follows:

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1. ON THE FIRST CLAIM FOR RELIEF, for an order requiring defendants to turn over to the Trustee the \$1,000,000 received in or about May 2005;
2. ON THE SECOND CLAIM FOR RELIEF, for judgment against defendants in the amount of \$1,000,000 together with interest thereon at the legal rate from May 20, 2005 until paid;
3. ON ALL CALAIMS FOR RELIEF for attorneys fees and costs of suit incurred herein and for such other and further relief as the Court may deem just and proper.

Dated August 20, 2008

By Patrick K. McClellan

Attorney for Helen Ryan Frazer, Chapter 7 Trustee.

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