CANE v. PHILLIPS — THE NEVADA FRAUD SCHEME

A Forensic Brief Re: The Baseless Defamation Complaint Filed While on Federal Bond for a $300 Million Pump-and-Dump Conspiracy

Kyleen E. Cane (f/k/a Michael A. Cane) v. Mark E. Phillips, Case No. A-16-743194-C (Clark Cnty., Nev.)

This chapter presents a complete forensic rebuttal to every material allegation in Cane's September 9, 2016 defamation complaint, filed while Cane was on pre-trial release for a $300 million securities fraud conspiracy. The analysis demonstrates that the complaint was not a legitimate legal action but an instrument of witness intimidation, prosecuted through perjury, fraud on the court, and extortive settlement—each constituting separate predicate acts under RICO.

I. EXECUTIVE SUMMARY

On September 9, 2016, Kyleen E. Cane—a Nevada attorney who had been federally indicted twenty-six months earlier for orchestrating a $300 million pump-and-dump securities fraud conspiracy—filed a defamation complaint against Mark E. Phillips and James M. Seyler in Clark County, Nevada.[1] At the time of filing, Cane was on pre-trial release in *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y.), subject to bond conditions that expressly prohibited her from committing additional crimes and from attempting to influence the testimony of any witness.[2]

Every allegation in Cane's complaint is demonstrably false, legally insufficient, or both. The "defamatory" statements she identifies were: (1) true statements of documented fact, supported by SEC filings, court records, and law enforcement reports; (2) statements made in the course of federal whistleblower complaints to the FBI, SEC, and IRS, which are absolutely privileged; (3) statements contained in court filings in prior litigation, which are absolutely privileged under the judicial proceedings doctrine; or (4) statements published by third-party journalists—not Phillips—based on their own independent investigation.[3]

The complaint was not a legitimate attempt to vindicate reputation. It was an instrument of witness intimidation, designed to silence a federal witness who possessed extensive documentary evidence of Cane's forty-year pattern of securities fraud, identity concealment, and racketeering. The filing was preceded by a campaign of death threats and rape threats delivered by Cane's agent, convicted felon William Hearn, Jr.,[4] and followed by a perjured affidavit of service fabricated by the same agent to obtain a nearly $5 million default judgment without Phillips's knowledge.[5]

Cane's own defense attorney admitted to the federal court, fourteen months before the complaint was filed, that "the government's published allegations have destroyed Ms. Cane's law practice, and thus she now earns nothing from it."[6] Yet Cane claimed $4.8 million in damages from Phillips—for statements that merely repeated publicly available facts about her federal indictment and documented fraud history. This contradiction alone establishes the fraudulent nature of the complaint.

This chapter presents the complete factual rebuttal to every material allegation in Cane's complaint, organized around five central themes:

1. **Every allegedly defamatory statement was true**, supported by Cane's own SEC filings, court records, FBI reports, and international press coverage.
2. **The complaint was filed while Cane was on federal bond**, in violation of her release conditions and in furtherance of witness intimidation.
3. **Cane used a convicted felon to threaten, fabricate service, and obtain a fraudulent judgment**, in violation of her signed pre-trial release conditions prohibiting criminal conduct and contact with witnesses, constituting fraud on the court, perjury, and wire fraud.
4. **Cane's fingerprints are on the underlying fraud**, through her own emails, SEC filings signed under a defunct identity, corporate documents, and statements to the FBI.
5. **Cane concealed her federal indictment from the Nevada court**, filing the complaint *pro se* without disclosing that she was under bond for a $300 million conspiracy.

II. THE COMPLAINT: CORE CLAIMS REQUIRING DEFEAT

Cane's complaint, filed September 9, 2016 as Case No. A-16-743194-C in the Eighth Judicial District Court, Clark County, Nevada, asserts three causes of action: (1) defamation; (2) interference with prospective economic advantage; and (3) invasion of privacy / false light.[1]

The complaint identifies the following categories of allegedly defamatory statements:

[1] Complaint, *Cane v. Phillips*, No. A-16-743194-C (Clark Cnty., Nev. Eighth Jud. Dist. Ct. filed Sept. 9, 2016) [hereinafter NV Complaint]. *See also* IPFS Archive.

[2] Bond Conditions, *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y. July 28–29, 2014); Arraignment Transcript at 6–8 (setting bail conditions including prohibition on criminal activity and witness tampering). *See also* IPFS Archive.

[3] *See infra* Sections IV, IX, X (documenting truth and privilege of each statement).

[4] Seattle Police Dep't Report GO# 2016-91451 (documenting hundreds of threatening contacts from Hearn to Phillips, Mar. 15–19, 2016); Consolidated Transcripts (preserving text messages and approximately six voicemails containing explicit threats).

[5] Affidavit of Personal Service, *Cane v. Phillips*, No. A-16-743194-C (filed Dec. 2, 2016) (Hearn claiming service on Phillips at 2318 2nd Ave. #204, Seattle, WA on Oct. 20, 2016 at 3:30 PM). *See also* Motion to Set Aside, Ex. 2.

[6] Def.'s Mot. to Modify Bail Conditions at 3, *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y. filed June 26, 2015).

A. Statements Cane Characterizes as Defamatory

Cane alleges at ¶~22 that Phillips and co-defendants “published and disseminated a false theory that Phillips was the victim of a fraud ring, led by Plaintiff, set on taking over MOD and looting the company.”[7] The complaint then enumerates at ¶~26 over twenty categories of purportedly defamatory statements, which can be grouped as follows:

1. Statements that Cane was involved in securities fraud, money laundering, and corporate predation spanning multiple companies. ¶~26(6)-(8), (11)-(13), (15).
2. Statements that Cane concealed a decades-long relationship with Jan Wallace from the MOD Systems board. ¶~26(5), (9), (16).
3. Statements that Cane used her former male identity (Michael Cane) to conceal beneficial ownership of securities. ¶~26(14) (“Plaintiff has previously operated under the name ‘Michael Eiselman’ and uses ‘Michael Cane’ as an aka to defraud others”).
4. Statements that Cane and Wallace operated offshore shell companies through LOM Securities in Bermuda. ¶~26(8), (12), (17), (19).
5. Statements referencing Cane’s federal indictment for the $300 million CodeSmart/Cubed pump-and-dump scheme. ¶¶~24–25.
6. Republication of Panamanian press articles describing an FBI investigation into Cane Clark LLP’s receipt of funds from former Panamanian President Ricardo Martinelli. ¶~26(1)-(4).
7. Statements that Cane was “unfit” to serve on MOD Systems’ Demand Review Committee. ¶~26(1).

B. Cane’s Claimed Damages

Cane alleged damages at ¶~44 “in excess of Five Million Dollars ($5,000,000)” for injury to her business reputation and at ¶~45 “special damages in excess of One Million Dollars ($1,000,000).”[8] At ¶~47, she sought a temporary and permanent injunction ordering defendants and “offending website publishers to remove Defendants false and fraudulent internet postings” and prohibiting defendants “from making any such further postings on the internet involving Plaintiff in any manner.”[8] The “offending website publishers” Cane targeted were not fringe platforms—they were the world’s dominant search engines and hosting providers: **Google** (Google Search), **Microsoft** (Bing), **Yahoo**, and **WordPress** (Automattic, Inc.). The resulting default judgment explicitly ordered these companies by name to de-index and remove content documenting Cane’s criminal history from their search results.[9]

C. The Fatal Threshold Problem

Before addressing any individual allegation, the court must confront the threshold absurdity of this complaint: **every statement Cane identifies as defamatory is either demonstrably true, absolutely privileged, or both.** The sections that follow establish this with documentary precision.

III. THE CONCEALED FEDERAL INDICTMENT: CANE FILED WHILE ON $300 MILLION BOND

A. The Indictment

On July 17, 2014, a federal indictment was unsealed in the Eastern District of New York charging Kyleen Cane in connection with a $300 million pump-and-dump conspiracy involving CodeSmart Holdings, Inc. and Cubed, Inc.[10] The indictment alleged that Cane and co-defendants—including Abraxas J. Discala, Justin Wexler, Matthew Bell, Craig Josephberg, and Ira Shapiro—fraudulently inflated stock prices and sold unrestricted shares at a profit. During the first pump-and-dump (May 13–August 21, 2013), the stock price was manipulated from $1.77 to $6.94 (291% increase) before crashing to $2.19. During the second (August 21–September 20, 2013), the price was raised from $2.19 to $4.60 (104% increase) before dropping to $2.13.[9]

The shell company used in the CodeSmart reverse merger was prepared using Cane Clark LLP’s EDGARizer license for SEC filings.[11]

B. Bond Conditions and the Court’s Warning

On July 28–29, 2014, the Eastern District of New York set Cane’s bail conditions. The bond agreement required a $2 million bond secured by two properties and cosigned by three suretors, with travel restrictions and restrictions against communicating with co-defendants except in the presence of counsel.[12] Cane was placed under the express supervision of the Pretrial Services Agency, subject to random home and workplace visits, and required to report in person on the first Monday of every month.[13]

[7] NV Complaint ¶~22.

[8] NV Complaint ¶¶~44–48.

[9] Default Judgment at 2–3, *Cane v. Phillips*, No. A-16-743194-C (Clark Cnty., Nev. Eighth Jud. Dist. Ct. June 22, 2017), docket entry 9 (“IT IS HEREBY ORDERED ADJUDGED AND DECREED that these websites and blog posts, including, but not limited to, https://kyleenandmichaelcane.wordpress.com/; https://janmarywallace.wordpress.com/; http://www.quickmeme.com/p/3vyk61, and all subsidiary-related sites… be removed from their existing host on the internet and delisted by the various search engines (including Google, Yahoo and Bing) so as to no longer be provided in their search engine results.”). *See also* Exhibit, 01_court_filings/200_cane-v-phillips/20170619-judgment-6edba58b.pdf.

[10] Indictment, *United States v. Discala*, No. 1:14-cr-00399 (E.D.N.Y. filed June 17, 2014); Superseding Indictment (filed Nov. 2015); *see also* Press Release, U.S. Dep’t of Justice, E.D.N.Y. (July 17, 2014).

[11] Northwest Resources, Inc. / Cubed, Inc., Registration Statement (Form S-1) (filed 2010), SEC EDGAR Accession No. 0001507718-10-000003 (“Licensed to: Cane Clark LLP”).

[12] Bail Conditions, *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y. July 28, 2014) (Norkin: “The bail package that’s proposed is a $2 million bond secured by two properties including—and cosigned by three suretors.”). *See also* IPFS Archive.

[13] Pre-Trial Release Reporting Instructions and Conditions of Release, *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y. July 18, 2014) (signed by Defendant Kyleen Cane and United States Pretrial Services Officer Kamu Kapanui) (“You shall not commit a federal, state, or local crime during the period of release”; “The defendant shall avoid all contact directly or indirectly with any person who is or may become a victim or potential witness in the investigation or prosecution”; “While on release, if you commit a federal felony offense the punishment is an additional prison term of not more than ten years”). *See also* Exhibit, 01_court_filings/001_us-v-cane/20150526-exhibit-9cb1b081.pdf. *See also* IPFS Archive.

On July 18, 2014, Cane personally signed the Pre-Trial Release Reporting Instructions, which stated[63]:

> "You shall not commit a federal, state, or local crime during the period of release. You shall inform the Pretrial Services Officer immediately if you are charged with an offense or questioned by law enforcement."

The signed conditions further prohibited contact with witnesses and co-defendants:

> "The defendant shall avoid all contact directly or indirectly with any person who is or may become a victim or potential witness in the investigation or prosecution."

Cane acknowledged these conditions in writing:

> "I understand the above stated instructions and understand that failure to comply will be reported to the Court and may result in the revocation of my bond and my detention pending the outcome of my case."

The penalty warning was explicit: "While on release, if you commit a federal felony offense the punishment is an additional prison term of not more than ten years and for a federal misdemeanor offense the punishment is an additional prison term of not more than one year. This sentence will be consecutive (i.e., in addition to) to any other sentence you receive."[63]

Cane's subsequent deployment of convicted felon William Hearn, Jr.—a man with a felony forgery conviction—to deliver death threats, rape threats, and ultimately to execute a perjured affidavit of service, violated every material condition of her pre-trial release: the blanket prohibition on committing crimes, the prohibition on contacting witnesses, and the prohibition on conduct that would constitute witness tampering. Each of Hearn's hundreds of threatening contacts, and the fabricated affidavit itself, constituted separate federal felonies committed while Cane was on bond for a $300 million conspiracy.

The court warned Cane explicitly on the record about the consequences of violating bond:

> "If you commit any crimes when you're out on release, that's a violation of the bond. [You will face charges] at trial plus face charges [for the new crimes].
>
> If you attempt to influence the testimony of any witness against you, that is a violation of the bond."

The court continued[14]:

> "It's also witness tampering. [You'll face] charges plus face a charge of witness tampering on top.
>
> And if you do not come to court when you're supposed to, that's a violation of the bond. You'll be detained on these charges until your trial and you'll face a charge of bail jumping on top of what you already face."

C. Cane Concealed the Indictment from the Nevada Court

Cane filed the Nevada defamation complaint *pro se*, representing herself as "Kyleen E. Cane, Esq., Nevada Bar No. 5900, Law Offices of K.E. Cane."[1] At no point in the complaint or any subsequent filing did Cane disclose to the Clark County court that she was:

- Under federal indictment for a $300 million securities fraud conspiracy;
- On pre-trial release with conditions prohibiting criminal activity and witness tampering;
- Targeting a federal whistleblower who possessed evidence relevant to her criminal case;
- Subject to reporting requirements to Pre-Trial Services.

This concealment constitutes fraud on the court. Nevada Rule of Professional Conduct 3.3 requires candor toward the tribunal. An attorney who conceals a pending federal indictment while filing a lawsuit targeting a witness in that same prosecution violates the most fundamental obligation of the legal profession.

D. Cane's Defense Attorney: "The Government's Published Allegations Have Destroyed Ms. Cane's Law Practice"

On June 26, 2015—fourteen months before filing the Nevada complaint—Cane's criminal defense attorney told the federal court[6]:

> "...the government's published allegations have destroyed Ms. Cane's law practice, and thus she now earns nothing from it."

This admission is fatal to Cane's Nevada complaint on multiple grounds:

1. **Causation**: If "the government's published allegations" destroyed Cane's practice, then Phillips's statements—which merely repeated publicly available facts about the indictment—could not have caused the claimed $4.8 million in damages.
2. **Damages**: Cane cannot claim $5 million in business damages when her own attorney told a federal judge she "earns nothing" from her practice.
3. **Fraud**: Cane knew when she filed the Nevada complaint that her claimed damages were false, because her own attorney had admitted the truth to a federal court fourteen months earlier.

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[14] Transcript of Arraignment and Bail Hearing at 8–10, *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y. July 28, 2014). *See also* Exhibit, *id.* (filed May 28, 2015) (reproducing court's oral admonition regarding bond violations). *See also* IPFS Archive.

IV. REBUTTAL OF EVERY ALLEGATION: EVERY STATEMENT WAS TRUE

A. Allegation: Phillips Published a "False Theory" of a Fraud Ring

Cane's complaint alleges that Phillips published "a false theory that Phillips was the victim of a fraud ring, led by Plaintiff, set on taking over MOD and looting the company."[7]

The Truth: This was not a "theory." It was documented fact, confirmed by:

- **The U.S. Department of Justice**, which indicted Cane on July 17, 2014 for orchestrating a $300 million fraud.[9]
- **The FBI**, which conducted multiple interviews of Cane (November 8, 2010; January 5, 2011) in which she acknowledged her long-standing relationship with Wallace and their joint activities at Dynamic Associates, Legal Access Technologies, MW Medical, Davi Skin, and SDI—"excluding key information regarding her securities fraud, money laundering, and tax evasion schemes."[15]
- **The IRS**, which received a detailed Form 211 whistleblower complaint on June 10, 2010, identifying the enterprise principals and their pattern of securities manipulation across multiple entities.[16]
- **The SEC**, which filed a civil complaint in *SEC v. Discala*, No. 1:14-cv-04346 (E.D.N.Y. July 17, 2014), alleging securities fraud, market manipulation, and related violations.[17]
- **Judge Erlick** (King County Superior Court, Washington), who found Cane "unfit" to serve on MOD Systems' Demand Review Committee in his November 12, 2009 order—a judicial determination that Cane was conflicted and not independent.[18]
- **Attorney Harmeet K. Dhillon**, who circulated a detailed letter to MOD Systems shareholders on March 4, 2010, exposing the Cane-Wallace relationship spanning decades and documenting fraud across multiple companies.[19]

B. Allegation: Phillips Falsely Stated Cane Concealed Her Relationship with Wallace

The Truth: Cane's concealment of her relationship with Wallace is documented in Cane's own FBI interview. On January 5, 2011, Cane told FBI agents about her "long-time relationship with Wallace and their activities together at Dynamic Associates, Legal Access, MW Medical, Davi Skin, and SDI."[13] Yet when Cane was appointed to the MOD Systems board in June 2008, she did not disclose this relationship to the board, investors, or shareholders. The concealment is established by:

- The MOD Systems board minutes containing no disclosure of the Cane-Wallace relationship;
- Cane's own FBI statements acknowledging the relationship;
- The Dhillon letter of March 4, 2010 stating that Cane's relationship with Wallace "was concealed from the MOD Board of Directors and shareholders."[17]

C. Allegation: Phillips Falsely Stated Cane Used Her Former Male Identity to Conceal Ownership

The Truth: Cane's use of the name "Michael A. Cane" after her June 28, 2001 legal name change is documented in Cane's own SEC filings, state corporate formation documents,[20][21][22] and SOX certifications—filings she personally signed:

Table 1. SEC Filings and Corporate Documents Signed Under "Michael Cane" After June 28, 2001 Legal Name Change

Date	Document	Signed As	Post-Change
June 26, 2001	SC 13D (Legal Access Techs.)[18]	Michael A. Cane	–2 days
June 28, 2001	*Legal Name Change Effective*	—	*0*
July 2, 2001	SC 13D/A Amendment (Legal Access Techs.)[19]	Michael A. Cane	+4 days
July 5, 2001	Las Vegas Gaming Director Appointment[20]	Michael Cane	+7 days
July 31, 2002	MW Fitness Inc. Articles of Incorporation[21]	Michael Cane	13 months
Oct. 2, 2002	Savannah Corp. Certificate of Amendment[21]	Michael Cane	15 months
Nov. 14, 2003	Las Vegas Gaming 10-Q SOX Certification[22]	Michael A. Cane	29 months
Apr. 14, 2004	Las Vegas Gaming 10-K SOX Certification[23]	Michael A. Cane	34 months
May 17, 2004	Las Vegas Gaming 10-Q SOX Certification[24]	Michael A. Cane	35 months
July 22, 2004	**Form 5 (First SEC Disclosure of Name Change)**[25]	**Kyleen E. Cane**	**37 months**

For thirty-seven months after her legal name change, Cane continued signing SEC filings, SOX certifications carrying criminal penalties under 18 U.S.C. sections 1350, corporate documents, and court filings under the legally defunct name "Michael A. Cane." The SEC EDGAR system confirms that searching for "Michael Cane" returns "now Cane Kyleen E."[23] Phillips's statement of this

[15] Complaint at 43, *Phillips v. Cane* (filed Oct. 5, 2012) ("On and about November 8, 2010, the FBI interviewed Cane again. She told them about her long-time relationship with Wallace and their activities together at Dynamic Associates, Legal Access, MW Medical, Davi Skin, and SDI. Excluding key information regarding her securities fraud, money laundering, and tax evasion schemes.").

[16] IRS Form 211 at 1 (filed June 10, 2010) (identifying the enterprise principals: "Kyleen Elisabeth Cane ('Cane'), formerly known as Michael Cane . . . is a partner with the law firm Cane Clark, LLP"). *See also* IPFS Archive.

[17] Complaint, *SEC v. Discala*, No. 1:14-cv-04346 (E.D.N.Y. filed July 17, 2014).

[18] Order, *Phillips v. Cane* (King Cnty. Super. Ct. Nov. 12, 2009) (finding Cane "unfit" to serve on MOD Systems Demand Review Committee).

[19] Letter from Harmeet K. Dhillon to MOD Systems Shareholders (Mar. 4, 2010) ("Kyleen Elisabeth Cane is a corporate securities attorney who represented the Board of Directors of Davi Skin, Incorporated… What is not commonly known, because it was concealed from the MOD Board of Directors and shareholders, is that Kyleen Cane and Jan Wallace have a long-standing business and personal relationship spanning multiple companies and numerous alleged fraudulent schemes.").

[20] Las Vegas Gaming, Inc., Current Report (Form 8-K) (filed July 20, 2001), SEC EDGAR Accession No. 0001075793-01-500119 ("Michael Cane. Mr. Cane became a director of Las Vegas Gaming on July 5, 2001.").

[21] Investigative Exhibit (Dec. 18, 2006), *Artist House Holdings, Inc. v. Davi Skin, Inc.* ("Michael (Kyleen) Cane position: Signed for . . . articles of incorporation for MW Fitness July 31, 2002"; "Signed for Certificate of Amendment for name change Oct. 2, 2002 as Michael Cane.").

[22] Las Vegas Gaming, Inc., Quarterly Report (Form 10-QSB) (filed Nov. 19, 2003), SEC EDGAR Accession No. 0001255294-03-000057 (SOX §~302 Certification signed "Michael A. Cane").

[23] Mot. in Opp'n to Dismiss at 3, *Phillips v. Cane* (filed Sept. 3, 2013) ("it is also public record that Kyleen E. Cane was formerly Micheal A. Cane sharing the same US SEC #1144030 Regulator number. SEC filings with this information have been public since June 28, 2001. Likewise, searching the SEC for Michael Cane returns 'now Cane Kyleen E.' ").

fact was not defamation—it was a description of Cane's own documented conduct.

D. Allegation: Phillips Falsely Stated Cane Operated Offshore Shell Companies

The Truth: The offshore nominee structure operated through LOM Securities in Bermuda is documented in Wallace's own email and in investigative reports. On June 3, 2007, Wallace emailed instructions regarding the offshore accounts[24]:

> "I have the instructions. Please go to a fax and call me when you are ready to receive. I moved it to Hepburn Holdings (from ARCH Ltd.) it's been around for a long time, less obvious.. Please keep the facts hidden."

The four offshore nominees—Arch Ltd., Sunshine Ltd., Hepburn Holdings Ltd., and The Chloe Group of Companies (named after Wallace's daughter Chloe Cutler)—were all registered at the LOM Building, 27 Reid Street, Hamilton, Bermuda.[25] On July 13, 2007, the peak day of the Davi Skin pump-and-dump, these four LOM nominees held 2,295,388 shares (38.7% of free-trading stock), while Cane's holdings via CEDE/DTC held approximately 2,249,825 shares (38.0%)—a combined Cane-Wallace control of approximately 85% of free-trading Davi Skin stock.[26]

An investigative analysis dated April 3, 2007 concluded[27]:

> "Kyleen Cane, uses trans-sexual change, CEDE Depository Trusts, and Tele-lawyer and other derivative agencies, to control and benefit shares while creating the appearance of independence. Michael Cane places shares into CEDE DTC 2,249,825 (50% total volume), Wallace through LOM Securities Nominee Companies comprise of the other 50% free trading volume."

Cane served as securities attorney for every entity in this chain. Her claim that statements about offshore shells were "defamatory" is contradicted by her own client's financial records, SEC filings she prepared, and Wallace's own written instructions.

E. Allegation: Phillips Defamed Cane by Referencing Her Federal Indictment

The Truth: Cane's federal indictment is a public record. The U.S. Department of Justice issued a press release on July 17, 2014 announcing the indictment.[9] Reporting the existence of a public federal indictment is not defamation under any legal standard. Truth is an absolute defense to defamation, and the existence of an indictment is an objective, verifiable fact.

F. Allegation: Phillips Published or Caused Publication of Panama Press Articles

Cane's complaint targets press articles published by Panamanian and Dominican media outlets regarding an FBI investigation into Cane Clark LLP's receipt of funds from former Panamanian President Ricardo Martinelli.[28]

The Truth: Phillips did not write, publish, or cause the publication of these articles. They were published by independent journalists at three separate news organizations based on their own investigation of Panama Securities Market Commission (SMV) records:

Article 1 – TVN Noticias (September 2, 2015): Reported that the Panama Securities Market Commission had referred evidence to the Supreme Court of Justice regarding irregularities at Financial Pacific brokerage house, including transfers from Martinelli to Cane Clark LLP[29]:

> "For this reason, one of the law firms with which Martinelli made transactions is in the sights of the federal authorities in the United States. This is the law firm Cane Clark LLP, which is 'related in a lawsuit of the United States Securities Commission' (SEC) and under investigation by the Federal Bureau of Investigation (FBI)."

The article documented that through Martinelli's Financial Pacific account, "transfers to third parties were made for figures of more than four digits. One was registered on February 1, 2010—when Martinelli was in power—for an amount of $50,000, in favor of the questioned law firm Cane Clark, now under investigation by the SEC."[32] A second transfer of $50,000 was documented on April 23, 2010.[32]

Article 2 – La Prensa (September 3, 2015): Reported the FBI investigation of the Martinelli transfers[30]:

> "The forensic firm also received another $50,000 transfer from Panama, on April 23, 2010. The law that regulates the stock market in Panama establishes that it is forbidden to receive and send money to unidentified third parties."

Article 3 – Dominicanos Hoy (September 4, 2015): Reported that federal police were investigating Cane and six others for artificially inflating share values on U.S. exchanges[31]:

[24] Wallace Email (June 3, 2007) (from jardin.wallace@gmail.com: "I have the instructions. Please go to a fax and call me when you are ready to receive I moved it to Hepburn Holdings (from ARCH Ltd.) it's been around for a long time, less obvious.. Please keep the facts hidden.").

[25] Investigative Summary at 6 (June 15, 2007) (documenting placement of 573,847 shares each into Arch Ltd., Sunshine Ltd., Chloe Group of Companies, and Hepburn Holdings Ltd., all at LOM Building, 27 Reid St., Hamilton, Bermuda).

[26] Pleading at 37, *Artist House Holdings, Inc. v. Davi Skin, Inc.* (filed Jan. 22, 2010) ("the combined off-shore nominee companies and CEDE & CO depository certificates comprise of a total of 85% of the DAVI Skin free trading stock"); Investigative Analysis at 1 (Apr. 3, 2007).

[27] Investigative Analysis at 1 (Apr. 3, 2007) ("Kyleen Cane, uses trans-sexual change, CEDE Depository Trusts, and Tele-lawyer and other derivative agencies, to control and benefit shares while creating the appearance of independence.").

[28] NV Complaint ¶¶~22–25 (alleging defamation based on internet publications including Panama press coverage).

[29] TVN Noticias (Panama) (Sept. 2, 2015) (reporting SMV referral to Supreme Court of Justice regarding Financial Pacific irregularities and Cane Clark LLP; documenting $50,000 transfer on Feb. 1, 2010 from Martinelli Financial Pacific account to Cane Clark LLP; documenting second $50,000 transfer on Apr. 23, 2010).

[30] *La Prensa* (Panama) (Sept. 3, 2015) (reporting FBI investigation of Martinelli transfers to Cane Clark LLP and noting violation of Panamanian securities law prohibiting transfers to unidentified third parties).

[31] *Dominicanos Hoy* (Sept. 4, 2015) (reporting FBI investigation of Cane and six others for artificially inflating share values on U.S. exchanges; citing TVN Noticias letter documenting Martinelli's July 1, 2010 transfer of $50,000 to Cane Clark LLP).

> "The possible link of the former president with the American law firm Cane Clark LLP, could be the target of the Federal Bureau of Investigation (FBI) of that country, said the newspaper La Prensa."

And further[34]:

> "The local channel TVN Noticias cited the letter that informed the justice system that Martinelli on July 1, 2010 made a transfer of 50 thousand dollars to Cane Clark LLP, which in turn has a lawsuit from the United States Securities Commission, which is being investigated by the FBI."

These three articles—published by independent journalists in Panama and the Dominican Republic based on official Securities Market Commission records—are not Phillips's speech. Their contents are independently verifiable through Panamanian court records. Cane's complaint against Phillips for the existence of international press coverage of her firm's receipt of funds from a foreign head of state is frivolous on its face.

G. Allegation: Phillips Published That Cane Was "Unfit"

The Truth: The characterization of Cane as "unfit" originated from corporate law expert Charles R. T. O'Kelley, who submitted a sworn expert declaration in the MOD Systems litigation. Judge Erlick adopted this finding in his November 12, 2009 order.[16] Phillips's reference to this judicial finding is privileged as a fair and accurate report of a judicial proceeding.

V. THE REAL PURPOSE: WITNESS INTIMIDATION AND OBSTRUCTION OF JUSTICE

A. The March 2016 Terror Campaign

Six months before filing the Nevada complaint, Cane deployed convicted felon William Hearn, Jr. to terrorize Phillips. Beginning March 15, 2016, Hearn delivered hundreds of threatening contacts to Phillips over a five-day period via text message, voicemail, and caller-ID-spoofed phone calls. Seattle Police Department Report GO# 2016-91451 documents the sustained campaign; approximately six voicemails containing explicit threats are preserved, along with the text messages.[32]

The threats included explicit rape threats with financial details[33]:

> "When u get back in, Ill have a rape fund set up 4 u, $25,000. worth. Ull luv it as the party favor especially with ur teeth knockd out hummn away."

Death threats[34]:

> "Where is my money you fucking dirty cock-sucking bitch. I gave you a break, man. Don't worry, you are going back fuck-face. I am taking you out."

Religious-themed threats[35]:

> "I'm the punishment of GOD. If you havn't committed great SIN, God would never have sent a punishment like ME upon you... Get ready bitch."

And combined extortion with threats of prison violence[36]:

> "you are one fuckn sorry cocksuckn bitch. You owe me $25,000.00 for saving your ass in prison. I hear your going to be violated soon and my boys will b waitn."

At the time of these threats, Cane was on pre-trial release in a federal criminal case carrying 20 years per count. Phillips was a potential witness possessing extensive documentary evidence of Cane's fraud methodology. Under 18 U.S.C. §~1512(b)(1), the elements of witness tampering are satisfied: (1) an official proceeding existed (*U.S. v. Discala*); (2) threats and intimidation were knowingly used; (3) the intent was to influence testimony; and (4) interstate commerce was involved (phone calls and texts crossing state lines between Washington and Nevada).

B. The "Amnesty Offer" Websites: Demands to Stop Investigating and Filing Complaints

On April 25, 2016—one month after Hearn's threat campaign—Cane and Hearn published a WordPress page at `markephillipsamnestyoffer.wordpres` titled "Offer to End the Harassment," which explicitly demanded that Phillips cease filing government complaints and investigating Cane's criminal activities.[37] The website's text, preserved in archived copies, reveals the enterprise's true objective—silencing a federal witness and halting law enforcement cooperation[40]:

> "We understand that you may feel comfortable hiding behind privileged government complaints, frivolous court actions, and anonymous blogs, taking pot shots and harassing us. After all, this has worked for you over the past six years and may even have become a lifestyle choice for your future."

[32] Seattle Police Dep't Report GO# 2016-91451 (documenting hundreds of threatening contacts from Hearn to Phillips over five-day period, Mar. 15–19, 2016); approximately six voicemails containing explicit threats preserved along with text messages.

[33] Text Message, Hearn to Phillips (Mar. 15, 2016) (preserved in Consolidated Transcripts and Seattle Police Report GO# 2016-91451).

[34] Voicemail, Hearn to Phillips (Mar. 15–19, 2016) (documented in Seattle Police Report GO# 2016-91451).

[35] Text Message, Hearn to Phillips (Mar. 14, 2016) (preserved in Consolidated Transcripts).

[36] Text Message, Hearn to Phillips (Mar. 19, 2016) (preserved in Consolidated Transcripts).

[37] WordPress Publication, "Offer to End the Harassment," markephillipsamnestyoffer.wordpress.com (Apr. 25, 2016) (archived at https://markephillipsamnestyoffer.wordpress.com/2016/04/25/offer-to-end-the-harassment/; containing full text of demands including "hiding behind privileged government complaints, frivolous court actions, and anonymous blogs"; "No more false and frivolous lawsuits, no more government complaints and no more internet blogs or fake press releases"; "If you don't stop, we will respond and you should by now have a good idea how that response might look and feel"; "We will be in your life and the lives of all your friends, families and business associates"). *See also* Archived Copy, 10_web_archives/20160925-webpage-6762f804.pdf.

The characterization of federal whistleblower complaints as "privileged government complaints" and federal lawsuits as "frivolous court actions" is a direct admission that the enterprise's targets are Phillips's protected communications with the FBI, SEC, IRS, and federal courts. The website continued with explicit threats and demands:

> "But while we have dutifully ignored you in the past hoping you would just move on, we now realize that you will not cease these illegal and senseless acts without us providing you with a good reason. So here it is: If you don't stop, we will respond and you should by now have a good idea how that response might look and feel."

The phrase "you should by now have a good idea how that response might look and feel" is a direct reference to Hearn's March 2016 death threats and rape threats—a veiled promise of additional violence if Phillips continued cooperating with law enforcement. The website then demanded total cessation of all reporting and investigation:

> "No more false and frivolous lawsuits, no more government complaints and no more internet blogs or fake press releases. Nothing. You forget us and we will forget you. It's as simple and sane as that."

The demand for "no more government complaints" is obstruction of justice. Phillips's complaints to the FBI, SEC, and IRS were protected whistleblower activity. Demanding that a federal witness cease filing government complaints—while the witness's antagonist is on federal bond for a $300 million conspiracy—constitutes witness tampering under 18 U.S.C. §~1512.

The website further threatened to infiltrate every aspect of Phillips's life:

> "We will be in your life and the lives of all your friends, families and business associates making sure you cannot escape your past. We will post blogs containing information on your past and current status (crimes?) in every place you live, and more. Forever...."

On September 25, 2016—sixteen days after filing the Nevada complaint—a second WordPress page titled "Phillips/Seyler Amnesty Offer" was published at the same site, characterizing Phillips and Seyler as "convicted felons" and "scam artists" operating "Seattle Scam Detectives" and demanding they cease investigating Cane.[38] The page concluded:

> "Phillips partner in crime, it is your best move. We await your response. The Victims of Mark E Phillips."

The coordination between the WordPress publications and the Nevada lawsuit—both demanding Phillips stop investigating Cane and remove websites documenting her crimes—establishes the agency relationship between Cane and Hearn and the shared objective of silencing a federal witness. The "Offer to End the Harassment" page was published April 25, 2016; the Nevada complaint was filed September 9, 2016; the "Phillips/Seyler Amnesty Offer" was published September 25, 2016. This sequence demonstrates coordinated escalation: threats, then litigation, then renewed demands.

An additional WordPress site was published at `markephillipsjailhousesnitch.wordpress.com` titled "Mark Phillips in the Federal Prison System," further demonstrating the coordinated defamation campaign.[39]

C. The Fabricated Affidavit of Service

On October 20, 2016, William Hearn executed an "Affidavit of Personal Service" declaring under penalty of perjury[40]:

> "I served the following person(s) personally: MARK EDWARD PHILLIPS...
>
> Address where served: 2801 1ST AVE, SEATTLE WA 98121
>
> Date of service: OCTOBER 20, 2016 at 3:30 PM"

This affidavit was false in every material respect:

1. **Phillips was not in Seattle.** He was approximately 1,800 miles away in Southern California. At 2:45 PM on October 20, 2016—forty-five minutes before Hearn claimed to have served Phillips—Phillips took a photograph in the Santa Monica Mountains, California, with EXIF metadata establishing the date, time, and GPS coordinates proving his actual location.[41]
2. **The address was incorrect.** Phillips had not resided at 2801 1st Ave, Seattle, WA for years.
3. **Hearn was simultaneously threatening Phillips with death and rape**, making voluntary personal contact with Phillips implausible.
4. **Hearn had a felony forgery conviction.** On February 28, 2008, Hearn pled guilty to forgery in Washington State Superior Court, Cause No. 07-1-03575-5.[42] His criminal history of creating false documents made him the ideal agent for fabricating service affidavits.

[38] WordPress Publication, "Phillips/Seyler Amnesty Offer," markephillipsamnestyoffer.wordpress.com (Sept. 25, 2016) (archived at https://markephillipsamnestyoffer.wordpress.com/2016/09/25/phillipsseyler-amnesty-offer/). *See also* Archived Copy, 10_web_archives/20250623-webpage-42e98d03.txt ("Phillips partner in crime, it is your best move. We await your response. The Victims of Mark E Phillips."). *See also* IPFS Archive.

[39] WordPress Publication, "Mark Phillips in the Federal Prison System," markephillipsjailhousesnitch.wordpress.com (Apr. 21, 2016) (archived at https://markephillipsjailhousesnitch.wordpress.com/2016/04/21/mark-phillips-in-the-federal-prison-system/).

[40] Affidavit of Personal Service, *Cane v. Phillips*, No. A-16-743194-C (filed Dec. 2, 2016) ("I served the following person(s) personally: MARK EDWARD PHILLIPS… Address where served: 2801 1ST AVE, SEATTLE WA 98121… Date of service: OCTOBER 20, 2016 at 3:30 PM"). *See also* Motion to Set Aside, Ex. 2.

[41] Geo-tagged photograph, Santa Monica Mountains, California (Oct. 20, 2016, 2:45 PM PST) (EXIF metadata establishing date, time, and GPS coordinates—45 minutes before alleged service and approximately 1,800 miles from claimed service location at 2801 1st Ave, Seattle, WA).

[42] Washington State Superior Court, *State v. Hearn*, Cause No. 07-1-03575-5 (Feb. 28, 2008) (guilty plea to forgery).

Based on this perjured affidavit, the Nevada court entered a default judgment on June 22, 2017 for $4,888,924.78—comprising $2,888,924.78 in compensatory damages and $2,000,000.00 in exemplary damages.[43] The same fraudulent scheme was deployed against James Seyler, resulting in a second fraudulent judgment for an identical amount. Total fraudulent judgments: $9,777,849.56.[44]

On June 29, 2023, Cane renewed the fraudulent judgment—seven years after the initial perjured service—with full knowledge that it was based on Hearn's false affidavit.[45]

D. The Default Judgment: De-Indexing as Censorship of Public Records

The true purpose of the fraudulent judgment was not the collection of money—it was the censorship of public records documenting Cane's criminal history. The June 22, 2017 default judgment ordered the removal and de-indexing of websites from all major search engines[59]:

> "Additionally, because of the false, offensive and defamatory nature of the offending websites and blog posts published by Defendants, IT IS HEREBY ORDERED ADJUDGED AND DECREED that these websites and blog posts, including, but not limited to, https://kyleenandmichaelcane.wordpress.com/; https://janmarywallace.wordpress.com/; http://www.quickmeme.com/p/3vyk61, and all subsidiary-related sites such as https://kyleenandmichaelcane.wordpress.com/about/ (Collectively the 'Offending Websites'), wherever published, be removed from their existing host on the internet and delisted by the various search engines (including Google, Yahoo and Bing) so as to no longer be provided in their search engine results. The Parties are hereby ordered to accomplish this delisting and removal of the Offending Websites by whatever means possible and are hereby enjoined from re-posting or republishing any of the materials contained on the Offending Websites."

This order—obtained through perjury and fraud on the court, without Phillips's knowledge or opportunity to respond—directed Google, Yahoo, and Bing to censor public documentation of Cane's criminal activities from their search results. The websites targeted contained factual information about Cane's federal indictment, SEC filings, and documented fraud patterns—all matters of public record. The scheme weaponized a state court default judgment to achieve what Cane could never accomplish through legitimate means: the erasure of her criminal history from the internet.

The de-indexing order transformed a fraudulent state court judgment into a censorship instrument with nationwide effect, silencing a federal whistleblower and removing from public view the documentary evidence of the Cane-Wallace enterprise's forty-year pattern of racketeering.

E. Cane's April 16, 2020 Email: Admission Destroying Her Own Case

On April 16, 2020, Cane sent an email to Phillips admitting she had no contact with him since 2010.[46] This email is devastating to Cane's case on multiple grounds:

1. **Admission of no contact**: If Cane had no contact with Phillips since 2010, she could not have been harmed by any post-2010 publications, undermining her claimed $4.8 million in damages.
2. **Concealment of the judgment**: Cane deliberately failed to mention the multi-million dollar judgment she had obtained against Phillips three years earlier. A person who had been genuinely defamed to the tune of nearly $5 million would mention the judgment in any communication with the defendant.
3. **Consciousness of guilt**: By contacting Phillips while concealing the judgment's existence, Cane demonstrated awareness that the judgment was fraudulently obtained and would not withstand scrutiny.
4. **Evidence of no service**: If Cane had legitimately served Phillips with a lawsuit in October 2016, Phillips would have known about the case. Cane's need to contact Phillips in 2020 without referencing the lawsuit confirms that Phillips was never served and never had notice of the proceedings.

VI. CANE'S OWN FINGERPRINTS: THE DOCUMENTARY EVIDENCE TRAIL

A. SEC Filings Signed Under "Michael Cane" After Identity Change

Cane's use of her former male identity to conceal beneficial ownership is not allegation—it is documented in SEC EDGAR, signed by Cane herself. The following accession numbers are publicly verifiable:

Schedule 13D (June 26, 2001): Filed two days before the legal name change, signed "Michael A. Cane," reporting 48.7% beneficial ownership of 2,871,051 shares of Legal Access Technologies, Inc. SEC EDGAR Accession No. 0001075793-01-500095.[47]

Schedule 13D/A Amendment (July 2, 2001): Filed four days after the legal name change, still signed "Michael A. Cane" as "Beneficial Owner." SEC EDGAR Accession No. 0001075793-01-500108.[48]

[43] Default Judgment, *Cane v. Phillips*, No. A-16-743194-C (Clark Cnty., Nev. Eighth Jud. Dist. Ct. June 22, 2017) ($4,888,924.78). *See also* IPFS Archive.

[44] *See also* Default Judgment, *Cane v. Seyler* (same scheme, identical amount, total fraudulent judgments $9,777,849.56).

[45] Renewal of Judgment, *Cane v. Phillips*, No. A-16-743194-C (filed June 29, 2023). *See also* IPFS Archive.

[46] Email from Kyleen Cane to Mark Phillips (Apr. 16, 2020) (Cane admitting she had no contact with Phillips since 2010, while deliberately failing to mention the multi-million dollar judgment she had obtained against him three years earlier). *See also* Comprehensive Criminal Referral at 14, *U.S. v. Cane* (filed Sept. 25, 2025) (documenting Cane's April 2020 email as evidence of concealment).

[47] Kyleen E. Cane, Schedule 13D (filed June 26, 2001), SEC EDGAR Accession No. 0001075793-01-500095 (signed "Michael A. Cane"; reporting 48.7% beneficial ownership of 2,871,051 shares).

[48] Kyleen E. Cane, Schedule 13D/A (filed July 2, 2001), SEC EDGAR Accession No. 0001075793-01-500108 (amendment signed "Michael A. Cane" as "Beneficial Owner" four days after June 28, 2001 legal name change).

Las Vegas Gaming 10-QSB SOX Certification (November 14, 2003): SOX Section 302/906 certification signed "Michael A. Cane"—twenty-nine months after the name change. SOX certifications carry criminal penalties for false statements under 18 U.S.C. §§~1350. SEC EDGAR Accession No. 0001255294-03-000057.[22]

Las Vegas Gaming 10-KSB SOX Certification (April 14, 2004): Signed "Michael A. Cane"—thirty-four months after the name change. SEC EDGAR Accession No. 0001255294-04-000096.[49]

Las Vegas Gaming 10-QSB SOX Certification (May 17, 2004): Signed "Michael A. Cane"—thirty-five months after the name change. SEC EDGAR Accession No. 0001255294-04-000167.[50]

Form 5 – First SEC Disclosure of Name Change (July 22, 2004): Three years and twenty-four days after the June 28, 2001 legal name change, Cane finally disclosed the change to the SEC. SEC EDGAR Accession No. 0001255294-04-000216.[51]

Phillips's statements about this identity concealment scheme were descriptions of Cane's own SEC filings. They are verifiable by any person with access to SEC EDGAR. They are not defamation—they are truth.

B. Emails from Cane

Cane's direct involvement in the enterprise is documented in her own emails and those of her agents:

- **March 17, 2010**: Cane sent a threatening letter to attorney Harmeet Dhillon demanding retraction of the March 4, 2010 shareholder letter that exposed the Cane-Wallace relationship. The letter did not deny the specific factual assertions; it characterized the disclosure of documented facts as "defamatory" and threatened litigation—the same playbook deployed against Phillips six years later.[52]
- **Wallace Email (June 3, 2007)**: Wallace's email from `jardin.wallace@gmail.com` directing movement of offshore shares—"Please keep the facts hidden"—was sent in connection with entities where Cane served as securities counsel.[27]
- **Wallace Email (September 12, 2007)**: Wallace and Cane acquired Phillips's Social Security number by duping Phillips's assistant. Wallace wrote: "The sec attorney need your SSN for the form 3 filing with the SEC for your Davi shares."[53] The "sec attorney" was Cane.

C. NV Filings: The Fabricated Affidavit

The most damning Nevada filing is Hearn's perjured Affidavit of Personal Service. Cane filed this document with the Clark County court, used it to obtain a default, and then used the resulting judgment to demand de-indexing of public records from Google and Microsoft. The affidavit was filed by Cane's agent, in Cane's lawsuit, for Cane's benefit. Cane—a licensed attorney—bears responsibility for every document filed in her case.

D. The Cane Clark LLP EDGARizer License

The shell company used in the CodeSmart reverse merger—the $300 million pump-and-dump for which Cane was indicted—was prepared using Cane Clark LLP's EDGARizer license for SEC filings. The Northwest Resources, Inc. / Cubed, Inc. Registration Statement (Form S-1), SEC EDGAR Accession No. 0001507718-10-000003, bears the notation "Licensed to: Cane Clark LLP."[10]

VII. THE LIE TO THE FBI

A. Cane's FBI Interviews

Cane was interviewed by the FBI on at least two occasions: November 8, 2010 and January 5, 2011. In these interviews, documented in FBI Form 302 reports, Cane described her relationship with Wallace and their joint activities at Dynamic Associates, Legal Access Technologies, MW Medical, Davi Skin, and SDI.[13]

However, Cane systematically excluded key information regarding her securities fraud, money laundering, and tax evasion schemes. She told the FBI on January 5, 2011 that "Jan Wallace resigned as an officer and director, and sold all of her shares in the company. From that time forward, Wallace had no involvement in the company."[54] This statement was false. Wallace continued to hold offshore nominee accounts at LOM Securities containing 2,295,388 shares of Davi Skin stock—shares that were sold during the July 2007 pump-and-dump for estimated proceeds of over $6 million.[29]

Cane also told the FBI that "WALLACE never told CANE where her offshore money was or how much money was in the accounts" and that "CANE does not have any ownership in" the offshore accounts.[55] This statement is contradicted by the investigative

[49] Las Vegas Gaming, Inc., Annual Report (Form 10-KSB) (filed Mar. 30, 2004), SEC EDGAR Accession No. 0001255294-04-000096 (SOX §~302 Certification signed "Michael A. Cane").

[50] Las Vegas Gaming, Inc., Quarterly Report (Form 10-QSB) (filed May 17, 2004), SEC EDGAR Accession No. 0001255294-04-000167 (SOX §~302 Certification signed "Michael A. Cane").

[51] Kyleen E. Cane, Annual Statement of Changes in Beneficial Ownership (Form 5) (filed July 22, 2004), SEC EDGAR Accession No. 0001255294-04-000216 (first SEC filing disclosing name change from Michael A. Cane to Kyleen E. Cane—37 months after June 28, 2001 effective date).

[52] Letter from Kyleen E. Cane to Harmeet K. Dhillon (Mar. 17, 2010) ("This letter constitutes formal notice that the statements contained in your March 4, 2010 letter are false, defamatory, and calculated to injure Ms. Cane's professional reputation.").

[53] Wallace Email (Sept. 12, 2007) ("The sec attorney need your SSN for the form 3 filing with the SEC for your Davi shares. If you want, Jamee can call Kayla at Cane Clark 1(702)312-255 and submit the necessary info.").

[54] FBI Form 302, Interview of Kyleen Cane (Jan. 5, 2011) ("Jan Wallace resigned as an officer and director, and sold all of her shares in the company. From that time forward, Wallace had no involvement in the company.").

[55] FBI Form 302, Interview of Kyleen Cane (Nov. 8, 2010) ("WALLACE told CANE that WALLACE had some offshore trading accounts. CANE has also read about WALLACE's offshore trading accounts as she has read about the investigation of PHILLIPS. WALLACE never told CANE where her offshore money was or how much money was in the accounts. CANE does not have any ownership in" the offshore accounts.).

analysis showing that Cane controlled 50% of free-trading Davi Skin stock through CEDE/DTC while Wallace controlled the other 50% through LOM nominees—a coordinated structure that required knowledge and cooperation between both parties.[30]

Making materially false statements to FBI agents violates 18 U.S.C. §~1001 and carries penalties of up to five years imprisonment per false statement.

VIII. THE BOND PERIOD: CRIMES COMMITTED WHILE ON PRE-TRIAL RELEASE

The following criminal activity occurred while Cane was on pre-trial release in *United States v. Discala*, subject to bond conditions prohibiting criminal conduct and witness interference. The pattern began as early as January 5, 2015, when Cane published a defamatory document on Scribd targeting Phillips:[56]

Table 2. Criminal Activity During Pre-Trial Release in *United States v. Discala*

Date	Activity	Bond Violation
Jan. 5, 2015	Published defamatory document on Scribd titled "Convicted Felon Mark E. Phillips"[52]	Criminal conduct (defamation, harassment)
2014–2015	Loaned $10,700 to "Voters for Hillary" Super PAC connected to Cross-Click Media pump-and-dump[53]	Participation in securities fraud while on bond
Mar. 15–19, 2016	Hearn delivers hundreds of death/rape threats to Phillips[35]	Witness tampering via agent
Sept. 9, 2016	Files fraudulent defamation complaint in Nevada[1]	Fraud on court, witness intimidation
Sept. 25, 2016	Joint publication of "Amnesty Offer" website with Hearn[41]	Harassment, coordination with criminal agent
Oct. 20, 2016	Hearn executes false affidavit of service[42]	Perjury via agent, fraud on court
June 22, 2017	Default judgment entered based on perjured affidavit[45]	Wire fraud, obtaining money by fraud

The Super PAC fraud is particularly damning. While on bond for a $300 million pump-and-dump conspiracy, Cane participated in another securities manipulation scheme involving CrossClick Media (XCLK), a worthless Las Vegas penny stock. ProPublica's investigation documented that the PAC spent no money supporting any political candidate; instead, it operated as a vehicle for pump-and-dump fraud, with CrossClick's stock rising approximately 1,200% following Hillary Clinton's presidential announcement before collapsing to near-worthlessness.[57]

IX. THE PANAMA CONNECTION: THREE SPANISH-LANGUAGE ARTICLES

Cane's complaint targets references to international press coverage of an FBI investigation into Cane Clark LLP's receipt of $100,000 in transfers from former Panamanian President Ricardo Martinelli through the Financial Pacific brokerage house. Three separate news organizations published reports based on Panama Securities Market Commission (SMV) records referred to the Supreme Court of Justice and the Public Ministry.

A. TVN Noticias – September 2, 2015

The Panama television network TVN Noticias reported on SMV findings regarding Financial Pacific irregularities. The original Spanish-language report documented[32]:

> "Por esta razón, una de las firmas de abogados con las que Martinelli hizo transacciones está en la mira de las autoridades federales de Estados Unidos. Se trata de la firma Cane Clark LLP, que está 'relacionada en una demanda de la Comisión de Valores de Estados Unidos' (SEC) y bajo investigación del Buró Federal de Investigaciones (FBI)."
>
> [Translation: "For this reason, one of the law firms with which Martinelli made transactions is in the sights of the federal authorities in the United States. This is the law firm Cane Clark LLP, which is 'related in a lawsuit of the United States Securities Commission' (SEC) and under investigation by the Federal Bureau of Investigation (FBI)."]

The article documented that through Martinelli's Financial Pacific account[32]:

> "A través de la cuenta, se realizaron 'transferencias a terceros' por cifras de más de cuatro dígitos. Una fue registrada el 1 de febrero de 2010 – cuando Martinelli estaba en el poder – por un monto de $50,000, a favor de la cuestionada firma de abogados Cane Clark, ahora bajo investigación de la SEC."
>
> [Translation: "Through the account, transfers to third parties were made for figures of more than four digits. One was registered on February 1, 2010—when Martinelli was in power—for an amount of $50,000, in favor of the questioned law firm Cane Clark, now under investigation by the SEC."]

B. La Prensa – September 3, 2015

Panama's leading newspaper La Prensa reported on the FBI investigation of the Martinelli transfers[33]:

[56] Scribd Publication, "Convicted Felon Mark E. Phillips" (Jan. 5, 2015) (metadata analysis via ExifTool confirmed Cane as author; published while on pre-trial release in *U.S. v. Discala*).

[57] Robert Faturechi & Derek Willis, *On Like Donkey Kong: How a Dubious Super PAC Boosted a Questionable Penny Stock*, ProPublica (May 27, 2016) (documenting Cane's $10,700 loan to "Voters for Hillary" PAC while under federal indictment; PAC spent no money supporting any political candidate; CrossClick stock rose 1,200% then collapsed).

> "La firma forense también recibió otra transferencia de $50,000 desde Panamá, el 23 de abril de 2010. La ley que regula el mercado de valores en Panamá establece que está prohibido recibir y enviar dinero a terceros no identificados."
>
> [Translation: "The forensic firm also received another $50,000 transfer from Panama, on April 23, 2010. The law that regulates the stock market in Panama establishes that it is forbidden to receive and send money to unidentified third parties."]

C. Dominicanos Hoy – September 4, 2015

The Dominican Republic news outlet reported on the broader investigation[34]:

> "La posible vinculación del expresidente con la firma de abogados estadounidense Cane Clark LLP, podría ser objetivo del Buró Federal de Investigaciones (FBI) de ese país, señaló el diario La Prensa."
>
> [Translation: "The possible link of the former president with the American law firm Cane Clark LLP, could be the target of the Federal Bureau of Investigation (FBI) of that country, said the newspaper La Prensa."]

And[34]:

> "El canal local TVN Noticias citó la carta que informó al sistema de justicia que Martinelli el 1 de julio de 2010 realizó una transferencia de 50 mil dólares a Cane Clark LLP, que a su vez tiene una demanda de la Comisión de Valores de Estados Unidos, que está siendo investigada por el FBI."
>
> [Translation: "The local channel TVN Noticias cited the letter that informed the justice system that Martinelli on July 1, 2010 made a transfer of 50 thousand dollars to Cane Clark LLP, which in turn has a lawsuit from the United States Securities Commission, which is being investigated by the FBI."]

D. Significance

These articles were published by independent journalists based on official government records. Phillips did not write them, commission them, or cause their publication. Their existence confirms the international scope of Cane Clark LLP's entanglements with foreign heads of state under investigation for corruption. Cane's complaint against Phillips for the existence of this press coverage is, quite literally, an attempt to sue one person for the journalistic output of three independent foreign news organizations reporting on official government records.

X. PRIVILEGE: WHISTLEBLOWER COMPLAINTS AND LITIGATION FILINGS

A. Federal Whistleblower Complaints

Phillips filed complaints with the FBI Internet Crime Complaint Center (IC3), the Securities and Exchange Commission, and the Internal Revenue Service. These filings are protected activity under multiple federal statutes:

- **IRS Form 211 (filed June 10, 2010 and May 23, 2011)**: Detailed the Cane-Wallace enterprise and identified specific tax evasion through offshore nominee accounts at LOM Securities.[14]
- **SEC complaints**: Described securities fraud patterns across multiple entities.
- **FBI IC3 complaints**: Reported wire fraud, mail fraud, and racketeering.

Communications to government agencies in connection with suspected criminal activity are absolutely privileged and cannot form the basis of defamation claims. *See Sahara Gaming Corp. v. Culinary Workers Union Local 226*, 115 Nev. 212, 984 P.2d 164 (1999) (recognizing absolute privilege for communications to government agencies).

B. Litigation Privilege

Phillips filed a federal civil RICO lawsuit on March 10, 2014, *Phillips v. Cane*, detailing decades of fraud by the Cane-Wallace enterprise.[58] Every statement made in that complaint is absolutely privileged under the judicial proceedings doctrine. *See Fink v. Oshins*, 118 Nev. 428, 49 P.3d 640 (2002) (absolute privilege for statements in judicial proceedings).

Cane's own attorneys recognized this privilege in prior litigation. In the 2013 federal case, Cane's counsel argued[59]:

> "As set forth in defendant Kyleen Cane's Motion to Dismiss or for Summary Judgment, the claims plaintiff Mark Phillips asserts against her are barred by the release provision in the Binding Settlement Term Sheet ('Settlement') he signed with MOD Systems..."

If that settlement barred Phillips from suing Cane, it equally bars Cane from suing Phillips—a principle known as judicial estoppel.

XI. THE PATTERN: RETALIATORY LAWSUITS AS ENTERPRISE TOOL

A. Cane v. Dhillon (2011): The First SLAPP Suit

On September 16, 2011, Cane filed a retaliatory defamation lawsuit against Mark Phillips, Charles O'Kelley, Dennis Mandel, and Harmeet Dhillon—every person who had submitted evidence or expert testimony exposing the Cane-Wallace enterprise.[60] The

[58] Complaint, *Phillips v. Cane* (filed Mar. 10, 2014) (federal civil RICO lawsuit detailing decades of fraud by the Cane-Wallace enterprise).
[59] Def.'s Mot. to Dismiss at 2, *Phillips v. Cane* (filed 2013) (arguing settlement barred Phillips's claims against Cane).
[60] Complaint, *Cane v. Dhillon*, No. A-11-648485-C (Nev. 8th Jud. Dist. Ct., Clark Cnty. filed Sept. 16, 2011).

lawsuit was based entirely on privileged court filings and expert declarations. It was involuntarily dismissed on October 18, 2012, for Cane's failure to prosecute.[61]

The dismissal for failure to prosecute reveals the true nature of the suit: it was never intended to reach trial. It accomplished its harassment purpose through the filing itself and the legal fees imposed on defendants.

B. Cane v. Phillips (2016): The Second SLAPP Suit

The Nevada complaint follows the identical playbook: file a lawsuit based on privileged speech and true facts, use fraudulent service to obtain a default judgment, and deploy the judgment to censor public records and intimidate witnesses. The only escalation was the addition of violent threats through Hearn and the fabrication of service to obtain a judgment without the defendant's knowledge.

C. The Seyler Extortive Settlement: Contractually Barring Investigation

The most revealing evidence of the enterprise's purpose comes from the Seyler settlement. When Cane filed the Nevada complaint against Phillips and Seyler, Seyler—a licensed private investigator who had been documenting the Cane-Wallace enterprise's activities—was named as a co-defendant. The sequence of events reveals a calculated extortion:

On August 29, 2025, Seyler retained attorney Joseph A. Dragon, Esq. of Dragon Law Group, PLLC and filed a Motion to Set Aside the default judgment, challenging the fraudulent service and the void judgment.[62] In response, Cane retained attorney **John J. Savage** to oppose the motion and enforce the fraudulent judgment. On **October 23, 2025**, a Stipulation and Order of Settlement was entered, under which Seyler—after incurring approximately $10,000 in defense costs—signed an agreement promising never to investigate Cane or Wallace again and to take affirmative steps to conceal Cane's frauds.[63]

The settlement's terms reveal Cane's true objective. The agreement demanded no payment to Cane—the extortion was not financial. What Cane extracted was far more valuable than money: a contractual prohibition on future investigation and affirmative acts of concealment. By coercing Seyler into an agreement to cease all investigation of Cane and Wallace, the enterprise accomplished through extortive litigation what it could not accomplish through Hearn's death threats—the permanent silencing of a professional investigator who possessed the skills and knowledge to document ongoing criminal activity. This pattern—suing everyone peripheral to a target individual to make that person "toxic" so others refuse to work with them for fear of being sued—has been deployed systematically against everyone associated with Phillips.

Savage's Role as Co-Conspirator Attorney John J. Savage bears independent liability as a co-conspirator under 18 U.S.C. §~2. Upon accepting representation of Cane in this matter, Savage had a professional duty under Nevada Rules of Professional Conduct to become familiar with the facts of the case, evaluate the validity of his client's claims, and assess the integrity of the judgment he was hired to enforce. Even a cursory review of the docket would have revealed:

1. **The judgment was obtained by default** based on an affidavit of service executed by William Hearn, Jr.—a convicted felon with a documented forgery conviction (Cause No. 07-1-03575-5, Feb. 28, 2008).
2. **No summons was ever issued by the court.** The docket contains no entry for issuance of summons, a fatal jurisdictional defect rendering the judgment void on its face.
3. **Seyler's Motion to Set Aside** presented unrebutted evidence of fraudulent service, including Hearn's criminal history and the absence of any legitimate basis for default.
4. **The underlying complaint** was filed by a federal criminal defendant on bond for a $300 million securities fraud conspiracy—a fact disclosed in Seyler's motion and readily verifiable through public records.

Savage's obligation was clear: upon discovering that the judgment rested on perjured service by a convicted forger, with no summons ever issued, he was required to decline involvement or withdraw under Nevada Rule of Professional Conduct 1.16(a)(1) (requiring withdrawal when representation will result in violation of law). Instead, Savage negotiated and executed the extortive settlement, extracting a contractual prohibition on investigation from a licensed private investigator—the precise objective of the fraudulent lawsuit. By facilitating the enforcement of a judgment he knew or should have known was void, Savage violated Nevada Rules of Professional Conduct 8.4(c) (conduct involving dishonesty, fraud, deceit, or misrepresentation), 8.4(d) (conduct prejudicial to the administration of justice), and 3.1 (bringing or defending a proceeding without basis in law and fact).

Savage's participation transformed what Cane could not accomplish *pro se*—forcing Seyler to settle after Seyler had retained counsel and filed a meritorious challenge—into a completed act of obstruction. The October 23, 2025 stipulation is not a legitimate legal resolution. It is the product of an attorney knowingly or recklessly enforcing a void judgment to silence a witness and obstruct investigation of an active criminal enterprise.

The Settlement as Obstruction of Justice This settlement is obstruction of justice. Cane, through her attorney Savage, used a fraudulent lawsuit—based on perjured service and false allegations—to coerce a private investigator into contractually abandoning investigation of an active criminal enterprise. The agreement served to further conceal from the court and law enforcement Cane's ongoing criminal conduct by removing a trained investigator from the field.

[61] Order of Dismissal, *Cane v. Dhillon*, No. A-11-648485-C (Nev. 8th Jud. Dist. Ct., Clark Cnty. Oct. 18, 2012) (involuntarily dismissed for failure to prosecute).

[62] Motion to Set Aside Default Judgment, *Cane v. Seyler*, No. A-16-743194-C (Nev. 8th Jud. Dist. Ct. filed Aug. 29, 2025). *See also* Exhibit, 01_court_filings/200_cane-v-phillips/20250820-motion-44bfcd25.pdf. *See also* IPFS Archive.

[63] Motion to Set Aside Default Judgment, *Cane v. Seyler*, No. A-16-743194-C (Nev. 8th Jud. Dist. Ct. Aug. 29, 2025) (challenging fraudulent service and extortive settlement terms; documenting that Seyler incurred approximately $10,000 in defense costs and was coerced into signing an agreement prohibiting further investigation of Cane or Wallace and requiring affirmative acts to conceal Cane's frauds; settlement demanded no payment to Cane—the extortion was silencing and concealment, not financial). *See also* Ch. 15 (Systematic Harassment, Threats, and Retaliation) Section XI (describing Seyler settlement).

Cane originally filed the complaint *pro se* as “Kyleen E. Cane, Esq., Nevada Bar No. 5900, Law Offices of K.E. Cane,” meaning no separate attorney served as intermediary between the fraudulent objective and its initial execution. By filing the lawsuit herself, prosecuting it through perjured service, and obtaining the default judgment, Cane violated Nevada Rules of Professional Conduct 8.4(c) and 3.1, in addition to the federal criminal statutes identified throughout this chapter. Her subsequent retention of Savage to enforce the fraudulent judgment and extract the coerced settlement extended the conspiracy to include a second attorney whose professional obligations independently required him to investigate and refuse participation.

D. Cane v. Dhillon: All Whistleblowers Named in a Single Retaliatory SLAPP Suit

The 2011 lawsuit—*Cane v. Dhillon*, No. A-11-648485-C (Nev. 8th Jud. Dist. Ct., Clark Cnty.)—was not separate actions against individual defendants. Cane filed a single retaliatory lawsuit naming all four whistleblowers and their counsel as defendants: Mark Phillips, Charles O’Kelley, Dennis Mandel, and Harmeet Dhillon.[56] Every person who had submitted evidence, expert testimony, or legal advocacy exposing the Cane-Wallace enterprise was targeted in one coordinated action. The consolidation of all targets in a single lawsuit demonstrates calculated enterprise-level retaliation, not individual grievances.

E. The Common Thread: Silence Witnesses

Both lawsuits targeted individuals who exposed Cane’s fraud. Both were filed without genuine intent to litigate on the merits. Both demanded removal of public information about Cane’s criminal history. Both served the enterprise’s objective of maintaining omerta through legal terrorism. And the Seyler settlement demonstrates that the enterprise’s ultimate objective is not money—it is the permanent silencing of those who possess the evidence and expertise to document its crimes.

XII. STATUTE OF LIMITATIONS: THE OVERT ACT TIMELINE

A. The Kingpin Act: Cane’s Last Personal Overt Act – June 29, 2023 Judgment Renewal

Under 18 U.S.C. §~1962(c) (RICO), the statute of limitations is four years from the last act of racketeering. Under the wire fraud statute (18 U.S.C. §~1343), the limitations period is five years. Cane’s June 29, 2023 renewal of the fraudulent judgment constitutes the most recent overt act committed by Cane personally, resetting the statute of limitations for the entire scheme and bringing all predicate acts within the prosecutable window.

The renewal was not a ministerial act. It required Cane to affirmatively represent to the court that the underlying judgment was valid—a representation she knew to be false. The renewal was filed via interstate wire (electronic filing), constituting a new count of wire fraud. It extended the fraudulent judgment’s enforcement power for another period, perpetuating the fraud. And it occurred with full knowledge that the underlying service was perjured and the judgment void.

The court submission itself constitutes wire fraud. By filing renewal documents electronically with the Clark County court, Cane affirmatively represented that the underlying judgment was valid and enforceable. This representation was false—Cane knew the judgment rested on Hearn’s perjured affidavit of service, that Phillips had never been served, and that the default was obtained through fraud on the court. The electronic filing transmitted via interstate wire satisfies the jurisdictional element of 18 U.S.C. §~1343.

Following the renewal, Cane submitted the renewed judgment to third-party technology companies—Google, Microsoft (Bing), Yahoo, and WordPress (Automattic, Inc.)—demanding de-indexing and removal of content documenting her criminal history from their search results and platforms. Each submission to each company constitutes a separate predicate act of wire fraud: Cane transmitted a court order she knew to be fraudulently obtained, affirmatively representing it as a valid legal instrument, to coerce compliance from companies that had no reason to question its legitimacy. The submissions crossed state lines via electronic communication, and each resulted in the suppression of public records documenting Cane’s criminal conduct.

The conspiracy remains ongoing. If Cane discovers new websites, blog posts, or publications documenting her criminal history, the renewed judgment provides the instrument for initiating new enforcement actions against additional platforms and publishers. Each future submission of the fraudulent judgment to compel de-indexing will constitute a new overt act and a new count of wire fraud, further extending the statute of limitations. The enterprise’s censorship apparatus is not a completed act—it is a continuing scheme that generates new predicate acts with each enforcement action.

B. Complete Overt Act Timeline

The following timeline establishes the chain of overt acts, each constituting a separate predicate act under RICO and/or a separate count of wire fraud:

Table 3. Complete RICO Overt Act Timeline (2015–2025)

Date	Overt Act	Criminal Violation	Significance
Jan. 5, 2015	Published “Convicted Felon Mark E. Phillips” on Scribd	Wire fraud, defamation	First post-indictment publication
2014–2015	$10,700 loan to Voters for Hillary Super PAC	Securities fraud while on bond	Ongoing criminal conduct
Mar. 15–19, 2016	Hundreds of death/rape threats via Hearn	Witness tampering, interstate threats	Terror campaign targeting federal witness
Apr. 25, 2016	“Offer to End the Harassment” website published	Obstruction, witness tampering	Demanded cessation of govt. complaints
Sept. 9, 2016	Filed fraudulent defamation complaint	Wire fraud, fraud on court	Formal legal retaliation
Sept. 25, 2016	“Phillips/Seyler Amnesty Offer” website published	Harassment, obstruction	Renewed demand to stop investigating

Date	Overt Act	Criminal Violation	Significance
Oct. 20, 2016	Hearn executed perjured service affidavit	Perjury, wire fraud	Obtained jurisdiction through fraud
June 22, 2017	Default judgment entered: $4,888,924.78	Wire fraud, fraud on court	Judgment based on perjured service
Apr. 16, 2020	Cane email to Phillips (no mention of judgment)	Consciousness of guilt	Admitted no contact since 2010; concealed judgment
June 29, 2023	**Renewed fraudulent judgment**	**Wire fraud (new count)**	**Kingpin act resetting SOL**
2023–Present	Submitted renewed judgment to Google, Microsoft, Yahoo, WordPress for de-indexing enforcement	Wire fraud (multiple counts)	Each submission a separate predicate act
June 18, 2025	Phillips discovers judgment	—	Discovery triggers equitable tolling
Aug. 29, 2025	Seyler files Motion to Set Aside	—	Challenge to fraudulent judgment
Oct. 23, 2025	**Stipulation/Order of Settlement—Seyler extortive settlement via Savage**	**Obstruction of justice, wire fraud, Hobbs Act extortion**	**Most recent conspiracy overt act; contractually barred investigator**

C. Statute of Limitations Analysis

The statute of limitations analysis proceeds on two tracks: (1) Cane's last personal overt act, and (2) the conspiracy's most recent overt act through co-conspirator Savage.

Track 1: Cane's Personal Kingpin Act — June 29, 2023 Judgment Renewal

Cane's June 29, 2023 renewal of the fraudulent judgment is the last overt act committed by Cane herself. She personally filed the renewal *pro se*, affirmatively representing to the court that the underlying judgment was valid—a representation she knew to be false.

Table 4: Statute of Limitations – Cane's Personal Kingpin Act (June 29, 2023 Judgment Renewal)

Statute	Limitations Period	Expiration	Status
RICO (18 U.S.C. § 1962)	4 years	June 29, 2027	**Within SOL**
Wire Fraud (18 U.S.C. § 1343)	5 years	June 29, 2028	**Within SOL**
Conspiracy (18 U.S.C. § 371)	5 years	June 29, 2028	**Within SOL**
Witness Tampering (18 U.S.C. § 1512)	5 years	Ongoing	**Within SOL**
Obstruction (18 U.S.C. § 1503)	5 years	Ongoing	**Within SOL**

Track 2: Conspiracy's Most Recent Overt Act — October 23, 2025 Seyler Extortive Settlement

The October 23, 2025 Stipulation and Order of Settlement—executed through Cane's co-conspirator attorney John J. Savage—constitutes the most recent overt act of the conspiracy. Cane retained Savage, directed the strategy, and achieved the enterprise's objective: contractually barring a licensed private investigator from documenting ongoing criminal activity. Under Pinkerton liability (*Pinkerton v. United States*, 328 U.S. 640 (1946)), Cane is liable for the foreseeable acts of her co-conspirator Savage committed in furtherance of the conspiracy.

Table 5: Statute of Limitations – Conspiracy's Most Recent Overt Act (Oct. 23, 2025 Seyler Extortive Settlement)

Statute	Limitations Period	Expiration	Status
RICO (18 U.S.C. § 1962)	4 years	Oct. 23, 2029	**Within SOL**
Wire Fraud (18 U.S.C. § 1343)	5 years	Oct. 23, 2030	**Within SOL**
Conspiracy (18 U.S.C. § 371)	5 years	Oct. 23, 2030	**Within SOL**
Hobbs Act Extortion (18 U.S.C. § 1951)	5 years	Oct. 23, 2030	**Within SOL**
Obstruction (18 U.S.C. § 1503)	5 years	Oct. 23, 2030	**Within SOL**

Additionally, equitable tolling applies because Cane's fraudulent concealment—through perjured service ensuring Phillips never received notice—prevented Phillips from discovering the judgment until June 18, 2025. Under the fraudulent concealment doctrine, the statute of limitations is tolled during the period a defendant actively conceals wrongdoing from the plaintiff. Cane's April 16, 2020 email—in which she contacted Phillips while deliberately concealing the judgment's existence—constitutes an affirmative act of concealment.

D. The October 23, 2025 Seyler Settlement as the Conspiracy's Most Recent Overt Act

The October 23, 2025 Stipulation and Order of Settlement—in which Seyler, after incurring approximately $10,000 in defense costs, contractually agreed to cease all investigation of the Cane-Wallace enterprise and take affirmative steps to conceal Cane's frauds—constitutes the most recent overt act of the conspiracy. The settlement was negotiated by Cane's attorney John J. Savage and Seyler's attorney Joseph A. Dragon and entered as a court order, generating interstate wire communications that independently satisfy the jurisdictional element of 18 U.S.C. §~1343.

By extracting a contractual prohibition on investigation, the enterprise accomplished an ongoing act of obstruction that persists as long as the agreement remains in force. The settlement demonstrates the enterprise's continuing vitality as of October 2025—more than nine years after the fraudulent complaint was filed—and its unchanged objective: silencing witnesses and eliminating investigative capacity directed at the Cane-Wallace enterprise.

The October 23, 2025 date is significant for a second reason: it occurred after Seyler had retained counsel and filed a meritorious Motion to Set Aside. Seyler's motion presented unrebutted evidence of fraudulent service, void judgment, and lack of personal jurisdiction. Rather than allow the motion to proceed to hearing—where the fraud would be exposed to judicial scrutiny—Cane, through Savage, moved to settle. The timing reveals consciousness of guilt: Cane knew the judgment would not survive challenge and chose extortive settlement over judicial examination.

E. Savage's Independent Liability: Attorney as Co-Conspirator

Attorney John J. Savage's participation in the October 23, 2025 settlement gives rise to independent criminal liability under multiple theories.

Duty to Investigate. Upon accepting representation of Cane to enforce the default judgment and oppose Seyler's Motion to Set Aside, Savage had an affirmative professional obligation to evaluate the validity of the judgment he was hired to enforce. Nevada Rule of Professional Conduct 3.1 prohibits an attorney from asserting or controvering an issue unless there is a basis in law and fact for doing so that is not frivolous. Rule 8.4(c) prohibits conduct involving dishonesty, fraud, deceit, or misrepresentation. These duties required Savage to review, at minimum:

1. **The docket.** The Clark County docket for Case No. A-16-743194-C contains no entry for issuance of summons—a fatal jurisdictional defect rendering the default judgment void on its face under NRCP 4.
2. **The affidavit of service.** The affidavit was executed by William Hearn, Jr.—a convicted felon whose February 28, 2008 forgery conviction (Cause No. 07-1-03575-5) was documented in Seyler's Motion to Set Aside, which Savage received and was obligated to review.
3. **Seyler's motion.** The Motion to Set Aside presented unrebutted evidence that the judgment was void—fraudulent service, no summons, and a convicted forger as process server. Savage's response was not to rebut the evidence but to negotiate a settlement extracting the precise concession the fraudulent lawsuit was designed to obtain.
4. **Public records of Cane's criminal history.** Cane's July 17, 2014 federal indictment for a $300 million securities fraud conspiracy (*United States v. Discala*, No. 14-cr-399, E.D.N.Y.) is a matter of public record, readily discoverable through standard due diligence.

Failure to Withdraw. Upon discovering—or upon the point at which reasonable diligence would have revealed—that the judgment rested on perjured service by a convicted forger, with no summons ever issued, Savage was required to decline involvement or withdraw under Nevada Rule of Professional Conduct 1.16(a)(1) (requiring withdrawal when continued representation will result in violation of the rules of professional conduct or other law). Instead, Savage negotiated and executed the extortive settlement.

Aiding and Abetting. Savage's facilitation of the settlement constitutes aiding and abetting under 18 U.S.C. §~2. By negotiating the terms, drafting the stipulation, and presenting the settlement to the court for entry as an order, Savage provided the professional mechanism through which the enterprise accomplished its objective. An attorney who knowingly or recklessly enforces a void judgment to extract a coerced non-investigation agreement from a licensed investigator is not engaged in the practice of law—the attorney is engaged in obstruction of justice.

Hobbs Act Extortion. The Seyler settlement independently constitutes extortion under the Hobbs Act, 18 U.S.C. §~1951. Cane, through Savage, obtained property—a contractual agreement to cease investigation—through the wrongful use of fear. The fear was not abstract: it was grounded in Hearn's documented death threats and rape threats, the fraudulent $4.8 million judgment, and the demonstrated willingness to fabricate court documents. The implicit threat was clear: accept settlement or face continued enforcement of a judgment Seyler could not afford to satisfy. The settlement's non-investigation clause further constitutes obstruction of justice under 18 U.S.C. §~1503, as it was designed to prevent the discovery and reporting of ongoing criminal activity to law enforcement.

Cane's Liability for Savage's Acts. Under Pinkerton liability, Cane is fully responsible for the foreseeable acts of her co-conspirator Savage committed in furtherance of the conspiracy. Cane retained Savage, directed the litigation strategy, and achieved the enterprise's objective through his professional services. Each element—Cane's original filing of the fraudulent complaint *pro se*, the perjured service through Hearn, the default judgment, the judgment renewal, and the coerced settlement through Savage—constitutes a separate predicate act under RICO. Together they form a pattern of racketeering activity spanning from September 9, 2016 through October 23, 2025, directed at silencing witnesses and obstructing investigation of the Cane-Wallace enterprise.

Tracking Cane's Personal Acts Separately. While the October 23, 2025 settlement is attributable to Cane under conspiracy and Pinkerton liability, Cane's last personal overt act remains the **June 29, 2023 judgment renewal**—an act she committed herself, *pro se*, by filing renewal documents electronically with the Clark County court. This distinction matters for purposes of individual criminal liability: the June 29, 2023 renewal establishes that Cane personally committed wire fraud within five years of the present date, independent of any co-conspirator attribution.

XIII. CONCLUSION

Kyleen Cane's Nevada defamation complaint is not a legitimate legal action. It is an instrument of a criminal conspiracy to obstruct justice, intimidate witnesses, and perpetuate fraud on the court. Every material allegation in the complaint is rebutted by documentary evidence—much of it bearing Cane's own signature, filed in Cane's own SEC filings, documented in Cane's own FBI interviews, and admitted by Cane's own defense attorney.

The complaint was filed by a federal criminal defendant on bond for a $300 million securities fraud conspiracy, in violation of bond conditions that expressly prohibited criminal activity and witness interference. It was preceded by a campaign of death threats and rape threats delivered by Cane's agent, convicted felon William Hearn. It was prosecuted through a perjured affidavit of service—fabricated by the same agent—to obtain a $4,888,924.78 default judgment ($2,888,924.78 compensatory plus $2,000,000.00 exemplary) without the defendant's knowledge. And it has been renewed and maintained for seven years despite Cane's knowledge that it rests on a foundation of perjury and fraud.

The resulting judgment was weaponized to censor public records—ordering Google, Yahoo, and Bing to de-index websites documenting Cane's criminal history. The Cane-Hearn "Amnesty Offer" websites demanded, in explicit terms, that Phillips cease filing "government complaints" and "frivolous court actions"—a direct demand that a federal witness stop cooperating with law enforcement. And the extortive settlement with investigator James Seyler—in which Seyler incurred approximately $10,000 in defense costs and was coerced into signing an agreement never to investigate Cane or Wallace again—demonstrates that the enterprise's ultimate objective is not money but the permanent elimination of investigative capacity.

The court that entered the default judgment was deceived. Cane concealed her federal indictment, concealed her bond conditions, concealed her agent's criminal history, concealed the fabricated service, and concealed the fact that her own attorney had told a federal judge that her practice was already "destroyed" by the government's allegations—not by anything Phillips said or did. Three years after obtaining the judgment, Cane emailed Phillips on April 16, 2020 without mentioning the judgment's existence—an admission that she knew the judgment was fraudulently obtained and would not survive scrutiny.

The facts documented in this chapter—drawn from SEC EDGAR filings, FBI Form 302 reports, court transcripts, police reports, international press coverage, email communications, EXIF-verified photographic evidence, archived website publications, and Cane's own sworn statements—demonstrate that Cane's Nevada complaint is utterly baseless. It is, and always was, a weapon of intimidation deployed by a criminal defendant against the witness who documented her crimes. The June 29, 2023 renewal of the fraudulent judgment establishes the most recent overt act, bringing all conduct within the applicable statutes of limitations through at least June 2028.

FOOTNOTES

Document prepared January 31, 2026. All SEC EDGAR accession numbers hyperlinked to filing index pages. Court documents referenced from PACER, bankruptcy court records, Seattle Police Department records, FBI Form 302 reports, and public investigative filings. CIK identifiers: Dynamic Associates/Legal Access Technologies (0000878146); MW Medical/Davi Skin (0001059577); Kyleen E. Cane (0001144030); Las Vegas Gaming (0001103993).