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11  
12 UNITED STATES BANKRUPTCY COURT  
13 CENTRAL DISTRICT OF CALIFORNIA  
14 LOS ANGELES DIVISION

15 In re  
16 BONNIE GAYLE STERN, aka BONNIE  
17 G. STERN,  
18 Debtor.

19  
20 VIRGIE ARTHUR,  
21 Plaintiff  
22 v.  
23 BONNIE GAYLE STERN,  
24 Defendant  
25

Case No. 2:09-bk-11995-BR  
Chapter 7  
Adversary No.

**COMPLAINT FOR DETERMINATION  
OF NONDISCHARGEABILITY OF  
DEBT UNDER 11 U.S.C. § 523(A)(6)**

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28  
Case No. 2:09-bk-11995-BR  
COMPLAINT TO DETERMINE NON-  
DISCHARGEABILITY OF DEBT

1 Plaintiff Virgie Arthur alleges as follows based on her information and belief:

2 **JURISDICTION AND VENUE**

3 1. On or about January 30, 2009, defendant Bonnie Gayle Stern (“Debtor” or  
4 “Defendant”) filed her voluntary petition for relief under chapter 7 of title 11 of the United  
5 States Code, 11 U.S.C. § 101 *et seq.* in the United States Bankruptcy Court for the Central  
6 District of California, Los Angeles Division, thereby initiating Bankruptcy Case No. 2:09-  
7 bk-11995-BR.

8 2. This adversary proceeding constitutes an action that “arises in,” “arises  
9 under,” or “relates to” the Debtor’s bankruptcy case. Therefore, this Court has jurisdiction  
10 over this proceeding pursuant to 28 U.S.C. §§ 1334(a) and (b) and 28 U.S.C. § 157. This  
11 is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (B), (I), and (O).

12 3. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

13 **PARTIES**

14 4. Plaintiff Virgie Arthur (“Arthur” or “Plaintiff”) is an individual residing in  
15 the State of Texas and a creditor of Defendant.

16 5. Defendant is the debtor in Bankruptcy Case No. 2:09-bk-11995-BR, and at  
17 all times relevant was an individual residing in the State of California.

18 **GENERAL ALLEGATIONS**

19 6. This case arises out of the actions of Debtor, Howard K. Stern, Lyndal  
20 Harrington, Art Harris, Nelda Turner, Teresa Stephens, Larry Birkhead, Harvey Levin and  
21 TMZ Productions, Inc., who have defamed, and conspired to defame, Plaintiff.

22 7. Plaintiff’s daughter is Vickie Lynn Marshall (“Marshall”), also known as  
23 Anna Nicole Smith, now deceased. In or around 2006, Marshall lived with and entrusted  
24 her personal and business affairs to Howard Stern (“Howard Stern”), Defendant’s brother.

25 8. On September 10, 2006, Marshall’s son, Daniel Smith, died of a massive  
26 dose of methadone. The death of Plaintiff’s grandson, Daniel Smith, alarmed Plaintiff and  
27 caused her significant concern regarding the safety of Marshall and Marshall’s infant  
28 daughter, Dannielynn.

1           9.     Howard Stern controlled all means of communication with Marshall and  
2 effectively prevented Plaintiff from communicating with her daughter through normal  
3 channels. As a result, in a televised interview with Nancy Grace, Plaintiff warned  
4 Marshall to be cautious about the people who surrounded her. Because of Howard Stern's  
5 stringent restrictions on Marshall's access to means of communication, Plaintiff believed  
6 that a televised interview was one of few available options to reach out to her daughter.

7           10.    In retaliation, Howard Stern arranged for Marshall to be interviewed by  
8 "Entertainment Tonight." Howard Stern conspired with Marshall and the show's  
9 producers and distributors to make defamatory comments about Plaintiff in the course of  
10 that interview.

11          11.    Following these events, Marshall died of a drug overdose.

12          12.    Thereafter, Larry Birkhead ("Birkhead") and Howard Stern came to an  
13 agreement. Pursuant to this agreement, Howard Stern acknowledged that Birkhead, not  
14 Howard Stern, was the father of Dannielynn. In exchange, Howard Stern received what he  
15 always wanted — the continued right to control Dannielynn's anticipated fortune. The  
16 only person standing in the way of this plan reaching fruition was perceived to be Plaintiff,  
17 who was still fighting for custody of her granddaughter, or at least for a place in her  
18 granddaughter's life.

19          13.    Howard Stern was infuriated over Plaintiff's attempts to gain custody of her  
20 grandchild. Howard Stern then began to work with Defendant and others to conspire to  
21 destroy Plaintiff and anyone else Howard Stern perceived as impeding his ability to  
22 exercise control over the millions of dollars which Dannielynn might inherit.

23          14.    The members of Howard Stern's cabal included Defendant, Birkhead, and  
24 others who joined the conspiracy both at its inception and at later dates (the  
25 "Conspirators").

26          15.    Howard Stern, Defendant, and several of the Conspirators took every  
27 opportunity to refer to Plaintiff as "Mommie Dearest," thereby republishing in capsule  
28 form Marshall's prior defamatory depiction of Plaintiff as an abusive mother. One of the

1 Conspirators, Teresa Stephens (“Stephens”), has acknowledged on a website that the term  
2 “Mommie Dearest” is shorthand for abusive mother. Stephens composed and  
3 disseminated a letter in which she collected every defamatory statement or inference that  
4 she could find, including claims that Plaintiff was an unfit mother and had been complicit  
5 in “physical, emotional and sexual abuse” of Marshall. Stephens further provided internet  
6 links to Marshall’s defamatory statements. These actions were all undertaken in  
7 furtherance of the conspiracy to which Defendant was a party.

8         16. Using the latest in electronic communication, the Conspirators—including  
9 Defendant—set out to “destroy” Plaintiff. Howard Stern communicated with and led the  
10 conspiracy with Defendant. His communications with the Conspirators in Texas and  
11 elsewhere were mainly through Defendant, acting as his agent. The Conspirators spent  
12 hours in front of their computers, being guided by Howard Stern and Defendant,  
13 “desperate” to find what they considered “Virgie Arthur dirt.” They would use anything  
14 thing they could find “to discredit her.” They were unabashedly proud of what they did,  
15 stating that “when it came to digging up the dirt, no one had anything on” them. Their  
16 goal was simple and straightforward: to “destroy” “anyone that was opposed to Howard  
17 K. Stern or his interest.”

18         17. When the Conspirators found what they believed they could spin as “dirt” or  
19 “skeletons” in Plaintiff’s closet, they would publish these defamatory and false statements  
20 on websites run by individual Conspirators, such as “Rose Speaks” and “The Bald Truth.”  
21 These actions were all undertaken in furtherance of the conspiracy to which Defendant was  
22 a party.

23         18. Conspirator Art Harris (“Harris”), who operates the website called “The Bald  
24 Truth,” republished Marshall’s defamatory statements in an article entitled, “Virgie Arthur  
25 A Grandmother With a Past? Volunteer Web Detectives Out to Investigate: Asking if  
26 Bahamas Social Services on The Case: Will Dannielynn Be Safe with Family’ in Texas?”  
27 As demonstrated through a series of electronic mail correspondences, Harris conspired  
28 with the Conspirators—including Defendant—to publish said defamatory stories and

1 information in an effort to harm Plaintiff.

2           19. Not content with defaming and destroying Plaintiff on their own websites,  
3 the Conspirators looked for a broader publication through which they might disseminate  
4 their defamatory allegations. The Conspirators disseminated a false and defamatory article  
5 falsely alleging that Plaintiff married her step-brother and bore a son by him to popular  
6 “celebrity gossip” website TMZ.com and to its Executive Producer/Managing Editor  
7 Harvey Levin (“Levin”). Wanting to assist the Conspirators—including Defendant—in  
8 destroying Plaintiff, TMZ and Levin published this story on their website under the title  
9 “Virgie Has Son With Step-Brother.” The story was sent to TMZ and Levin by the  
10 Conspirators for the purpose of holding Plaintiff up to public ridicule. TMZ and Levin  
11 published the story for the same purpose. Not content that thousands of persons read the  
12 story, many accusing Plaintiff of incest, TMZ and Levin used their website to conduct “an  
13 opinion poll.” Defendants TMZ and Levin published the results as follows:

14                   **Virgie boinking David is . . .**

15           Creepy	85%
16           No problemo	15%
17           Total Votes:	115,403

18           20. The Conspirators—including Defendant—published false statements,  
19 presented as factual, that concerned Plaintiff that were highly defamatory. At all times, the  
20 Conspirators—including Defendant—acted willfully and maliciously in their attempt to  
21 harm Plaintiff.

22           21. As a result of these defamatory actions, Plaintiff’s reputation has been  
23 severely damaged. The allegations contained in the defamatory statements have caused  
24 her to suffer extreme mental anguish, public humiliation, and embarrassment. Those who  
25 do not know her constantly treat her with derision. Moreover, this negative public  
26 perception of Plaintiff threatens her ability to obtain court-ordered visitation of her  
27 granddaughter, Dannielynn.

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2. A declaration that Defendant's debts to Plaintiff are nondischargeable under 11 U.S.C. § 523(a)(6).

Dated: April 24, 2009

Respectfully submitted,  
RUTAN & TUCKER, LLP

By: /s/ Kathryn T. Anderson  
Kathryn T. Anderson  
Attorneys for Creditor  
VIRGIE ARTHUR

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number Penelope Parmes (SBN 104774) Kathryn T. Anderson (SBN 240660) RUTAN & TUCKER, LLP 611 Anton Blvd., 14th Floor Costa Mesa, CA 92626 Telephone: (714) 641-5100 Facsimile: (714) 546-9035 Attorney for Plaintiff Virgie Arthur	FOR COURT USE ONLY
<b>UNITED STATES BANKRUPTCY COURT          CENTRAL DISTRICT OF CALIFORNIA</b>	
In re: BONNIE GAYLE STERN aka BONNIE G. STERN,  <div style="text-align: right;">Debtor.</div>	CHAPTER <u>7</u> CASE NUMBER 2:09-BK-11995-BR  ADVERSARY NUMBER
VIRGIE ARTHUR,  <div style="text-align: right;">Plaintiff(s),</div> vs.  BONNIE GAYLE STERN,  <div style="text-align: right;">Defendant(s).</div>	(The Boxes and Blank Lines below are for the Court's Use Only) (Do Not Fill Them In)  <div style="text-align: center;"> <b>SUMMONS AND NOTICE OF          STATUS CONFERENCE</b> </div>

TO THE DEFENDANT: A Complaint has been filed by the Plaintiff against you. If you wish to defend yourself, you must file with the Court a written pleading, in duplicate, in response to the Complaint. You must also send a copy of your written response to the party shown in the upper left-hand corner of this page. Unless you have filed in duplicate and served a responsive pleading by \_\_\_\_\_, the Court may enter a judgment by default against you for the relief demanded in the Complaint.

A Status Conference on the proceeding commenced by the Complaint has been set for:

Hearing Date:	Time:	Courtroom:	Floor:
<input checked="" type="checkbox"/> 255 East Temple Street, Los Angeles		<input type="checkbox"/> 411 West Fourth Street, Santa Ana	
<input type="checkbox"/> 21041 Burbank Boulevard, Woodland Hills		<input type="checkbox"/> 1415 State Street, Santa Barbara	
<input type="checkbox"/> 3420 Twelfth Street, Riverside			

PLEASE TAKE NOTICE that if the trial of the proceeding is anticipated to take less than two (2) hours, the parties may stipulate to conduct the trial of the case on the date specified, instead of holding a Status Conference. Such a stipulation must be lodged with the Court at least two (2) Court days before the date set forth above and is subject to Court approval. The Court may continue the trial to another date if necessary to accommodate the anticipated length of the trial.

Date of Issuance: \_\_\_\_\_

**JON D. CERETTO**  
 Clerk of the Bankruptcy Court

By: \_\_\_\_\_  
*Deputy Clerk*

In re BONNIE GAYLE STERN aka BONNIE G. STERN	(SHORT TITLE)	CASE NO.: 2:09-BK-11995-BR
Debtor(s).		

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on a CM/ECF docket.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

A true and correct copy of the foregoing document described as \_\_\_\_\_ will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d), and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** - Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On \_\_\_\_\_ I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addressed indicated below:

Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On \_\_\_\_\_ I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follow. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method) by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Date	Type Name	Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

In re  (SHORT TITLE)  Debtor(s).	CASE NO.:
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**ADDITIONAL SERVICE INFORMATION** (if needed):

<b>ADVERSARY PROCEEDING COVER SHEET</b> (Instructions on Page 2)	<b>ADVERSARY PROCEEDING NUMBER</b> (Court Use Only)
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<b>PLAINTIFFS</b> VIRGIE ARTHUR	<b>DEFENDANTS</b> BONNIE GAYLE STERN
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<b>ATTORNEYS</b> (Firm Name, Address, and Telephone No.) Penelope Parmes SBN 104774 Tel: 714-641-5100 Kathryn T. Anderson SBN 240660 Rutan & Tucker, LLP, 611 Anton Boulevard, 14 <sup>th</sup> Floor Costa Mesa, CA 92626	<b>ATTORNEYS</b> (If Known) Theodore K. Roberts SBN 103791 Roberts & Roberts 5603 Huntington Drive North Los Angeles, CA 90032
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<b>PARTY</b> (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	<b>PARTY</b> (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee
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**CAUSE OF ACTION** (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)  
 Complaint for Determination of Nondischargeability of Debt Under 11 U.S.C. Section 523(A)(6)

**NATURE OF SUIT**  
 (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)

<p><b>FRBP 7001(1) – Recovery of Money/Property</b></p> <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other <p><b>FRBP 7001(2) – Validity, Priority or Extent of Lien</b></p> <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property <p><b>FRBP 7001(3) – Approval of Sale of Property</b></p> <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) <p><b>FRBP 7001(4) – Objection/Revocation of Discharge</b></p> <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) <p><b>FRBP 7001(5) – Revocation of Confirmation</b></p> <input type="checkbox"/> 51-Revocation of confirmation <p><b>FRBP 7001(6) – Dischargeability</b></p> <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability – §523(a)(4), fraud as fiduciary, embezzlement, larceny	<p><b>FRBP 7001(6) – Dischargeability (continued)</b></p> <input type="checkbox"/> 61 -Dischargeability - §523(a)(5), domestic support <input checked="" type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other <p><b>FRBP 7001(7) - Injunctive Relief</b></p> <input type="checkbox"/> 71 -Injunctive relief - imposition of stay <input type="checkbox"/> 72-Injunctive relief - other <p><b>FRBP 7001(8) Subordination of Claim or Interest</b></p> <input type="checkbox"/> 81-Subordination of claim or interest <p><b>FRBP 7001(9) Declaratory Judgment</b></p> <input type="checkbox"/> 91-Declaratory judgment <p><b>FRBP 7001(10) Determination of Removed Action</b></p> <input type="checkbox"/> 01 -Determination of removed claim or cause <p><b>Other</b></p> <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
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(continued next column)

<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23
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<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ Damages in an amount to be proven at trial.
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## Other Relief Sought

A declaration that Defendant's debts to Plaintiff are nondischargeable under 11 U.S.C. Section 523(a)(6).

**BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES**

NAME OF DEBTOR BONNIE GAYLE STERN, aka BONNIE G. STERN		BANKRUPTCY CASE NO. 2:09-11995-BR	
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISIONAL OFFICE Los Angeles		NAME OF JUDGE Barry Russell
RELATED ADVERSARY PROCEEDING (IF ANY)			
PLAINTIFF	DEFENDANT		ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE		NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Kathryn T. Anderson			
DATE April 24, 2009	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Kathryn T. Anderson		

### INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 104 as par of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiffs attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

**Plaintiffs and Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

**Attorneys.** Give the names and addresses of the attorneys, if known.

**Party.** Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

**Demand.** Enter the dollar amount being demanded in the complaint.

**Signature.** This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not presented by an attorney, the plaintiff must sign.