

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY OF COOK, LAW DIVISION**

HENRY VAUGHN,
Plaintiff,

vs.

ROBERT KELLY

Defendant.

Case No.

JURY DEMAND

COMPLAINT AT LAW

NOW COMES the Plaintiff, HENRY VAUGHN, by and through his attorneys, HORWITZ, RICHARDSON, & BAKER, LLC, and LAW OFFICE OF MARC N. BLUMENTHAL, and refiles this cause of action formerly filed in this Court as Case Number 2006 L 010450. This cause of action was removed to the United States District Court for the Northern District of Illinois before Judge Manning as Case Number 06-C-6427. On March 31, 2008, Judge Manning dismissed all federal claims with prejudice and dismissed all remaining state law claims without prejudice for refile in state court. Plaintiff now brings his state law claims in this Court, and complaining of the Defendant ROBERT KELLY, states as follows:

FACTS COMMON TO ALL COUNTS

1. At all times material, the Plaintiff, Henry Vaughn, a.k.a. "Henry Love" (hereinafter "Vaughn") resided in the City of Chicago, County of Cook, State of Illinois.
2. At all times material and relevant, the Defendant, Robert Kelly, (hereinafter "Kelly") resided in the Village of Olympia Fields, County of Cook, State of Illinois.
3. Vaughn and Kelly had a long-standing relationship dating back to the time that Kelly was a teenager, having met when Kelly's mother introduced Vaughn to Kelly.

4. For a limited time in the late 1990's and early 2000's Vaughn served as a mentor to Kelly.

5. At various times, Vaughn was employed by Kelly in security.

COUNT I
(Breach of Verbal Contract)

6. Vaughn is a song writer, vocalist and accomplished musician, known in Chicago, Illinois and in certain musical circles. Vaughn is also an accomplished dancer. Vaughn has expertise in a particular style of dance called "Steppin'."

7. Vaughn and Kelly have known each other for between twenty and twenty-five years.

8. Vaughn and Kelly had briefly worked together professionally in or about 1986, 1987, in Chicago. At that time, Vaughn was recording two songs. One of the songs, "It's The Right Move", which Vaughn had co-written and on which he sang lead vocals, was written to pitch to the re-election campaign of the former Mayor Harold Washington. Kelly was hired to sing back-up.

9. In or about the late 1990's Vaughn began to work on a song he wrote called "Let's Go Stepping Tonight."

10. In or about the late 1990's, when Vaughn and Kelly had been reunited, Vaughn gave a copy of a tape of "Let's Go Stepping Tonight" to Kelly, and pitched a concept that involved doing a song about Steppin'.

11. The tape which Vaughn gave to Kelly featured Vaughn playing congas, and Rahmlee Davis, the former member of the group Earth, Wind & Fire and Phil Collins' horn section, singing vocals.

12. Vaughn's concept, was more than just a song; it was a three-part project, which

included a song, a video and a movie, all of which he told Kelly in the late 1990's.

13. Kelly listened to the tape and did nothing further at that time.

14. Vaughn worked in security for Kelly on and off for a number of years.

15. Vaughn was affectionately referred to as Uncle Henry Love, although he was not related to Kelly but is his senior by about twenty years.

16. In or about late 2001, Vaughn, along with many of Kelly's staff, and Kelly's family, accompanied Kelly to Europe for a musical tour, where Kelly performed in concerts in many cities in Europe, before returning to the United States.

17. During that extended trip, approximately the time Kelly's entourage had left Stuttgart, Germany, and was traveling by bus to its next destination, Vaughn and Kelly had a conversation, in which Kelly sought advice from Vaughn, and as a result Vaughn reintroduced the Steppin' concept to Kelly.

18. The advice Kelly sought from Vaughn was how he could get out of a difficult situation in which he had become embroiled due to serious and damaging criminal allegations that had been made against him. Vaughn suggested that appealing to a more mature audience would help his reputation and the situation.

19. Vaughn suggested the release of a song involving Steppin' for the purpose of expanding Kelly's fan base to a more mature audience that previously had not been attracted to Kelly's music.

20. This discussion occurred in Germany, and the two returned to the United States in or about mid October 2001.

21. When the tour ended and the entourage returned to Chicago, the entourage traveled from the airport to Chicago Trax Recording Studio.

22. Everyone left the studio except for Kelly and Vaughn.

23. That night, in October 2001, Kelly announced to Vaughn he wanted to begin to work on

the concept that Vaughn had proposed involving Steppin’.

24. Vaughn agreed to collaborate with Kelly on a song involving Steppin.’ This collaboration resulted in the hit song “Step in the Name of Love” (the “Song”) and the video by the same name (the “Video”).

25. The Song, including a remix of the Song, was included on and helped drive sales for Kelly’s very popular *Chocolate Factory* album and was also included on a collection of greatest hits by Kelly.

26. The Song reached number one in the United States on the R&B charts, and also reached number nine on the pop charts.

27. The Song was also a hit internationally.

28. On the night the two began to give life to Vaughn’s concept, Vaughn told Kelly that he needed to make some money.

29. In response, Kelly told Vaughn he would give him half of what the Song and Video made.

30. Vaughn and Kelly entered into a verbal contract whereby Vaughn agreed to assist Kelly, and collaborate with him, for the purpose of creating a song and video revolving around the “Steppin” dance.

31. During the conversation at Chicago Trax the night the two returned from Europe, Kelly requested that Vaughn assist him in developing a song and video that incorporated the “Steppin” dance. Specifically, Kelly requested that Vaughn:

- a. Teach him the “Steppin” dance;
- b. Collaborate on the Song;
- c. Collaborate on the Video;

32. After the parties entered into the above-referenced verbal contract, Vaughn and

Kelly commenced the process of creating a song revolving around the “Steppin’” dance.

33. After the parties entered into the above-referenced verbal contract, Vaughn and Kelly commenced the process of preparing for a video that revolved around the “Steppin’” dance.

34. After the parties entered into their verbal contract, Vaughn taught Kelly how to “step.”

35. After the parties entered into their verbal contract, Vaughn taught Kelly about the culture behind the “Steppin’” movement, including elements such as proper dress and conduct.

36. By virtue of Vaughn’s contribution to the Song and the Video, neither of which would have been conceived, developed, nurtured or completed without his input, his instruction, his knowledge, experience and stewardship, Vaughn made significant contributions, without actually writing the lyrics or the music.

37. Kelly has publicly acknowledged Vaughn on numerous occasions for his part, including in a magazine article, and on Mike Love’s radio show on WGCI 107.5 FM in Chicago, in which Kelly states he had “two left feet”, referring to the dance instruction given by Vaughn to enable Kelly to ably perform the dance during the video.

38. Kelly also acknowledges Vaughn by dedicating “Step In The Name of Love” to him. The following words are part of the lyrics and are spoken at the end of the lyric:

“Dedicated to Uncle Henry Love:

Thank you! Ohh, I love you Thank you.”

39. Vaughn, is the individual referred to as “Uncle Henry Love” in the lyrics of the single “Step in the Name of Love.”

40. Despite the parties’ verbal contract, and the money Kelly earned and continues to

earn from the Song and Video, Kelly has not paid Vaughn any money in breach of their verbal contract.

41. Kelly has breached the parties' verbal contract.

42. Vaughn has performed all obligations required under the parties' verbal contract.

43. Vaughn fulfilled his obligations under the verbal contract by doing the following:

- a. Taught Kelly how to do the Steppin' dance, with moves and steps that were particular to Vaughn's Steppin' method;
- b. Worked with Kelly to develop a concept for the Video revolving around the Steppin' dance. Vaughn provided guidance, and made suggestions.
- c. Assisted Kelly with the Song by discussing with Kelly the history and culture behind the dance Steppin' and making statements about Steppin' which Kelly indirectly incorporated into his lyrics. For example, in the talking part of the remix of the Song, Kelly states the following:
"see u got to understand stepping is not just a dance its a its a culture- -it its the way we live- -"

44. Vaughn has sustained damages on account of Kelly's breach of the parties' verbal contract.

45. Vaughn has not received the compensation Kelly promised to him.

46. On information and belief, Bass Productions Ltd. is a for profit Illinois corporation, owned entirely by Kelly that receives compensation for Kelly's efforts as an entertainer, and has received and will continue to receive compensation from the Song and the Video.

47. On information and belief, Kelly is also the sole owner of R. Kelly Publishing

Corporation, a for profit Illinois corporation which receives compensation for Kelly's efforts as an entertainer and song writer, and has received and will continue to receive compensation from the Song and the Video.

48. The monies paid to these two corporations for the Song and the Video are part of the monies Kelly received and must be calculated for purposes of determining damages.

49. Vaughn trusted Kelly and expected Kelly to compensate him and to honor the verbal contract according to the compensation term of the verbal contract to which the two had agreed.

50. Vaughn's expectations were entirely reasonable given his contributions, his relationship with Kelly and Kelly's public acknowledgment of Vaughn. That public acknowledgement is set forth above in Par. 38 of this Complaint, and also in the lyrics of the remix, when Kelly specifically acknowledges Vaughn again.

51. Vaughn has repeatedly asked Kelly to be paid the money he has earned through their collaboration on the Song and the Video.

52. While Kelly had assured Vaughn that he would be compensated in this regard, Kelly has failed to pay Vaughn anything pursuant to the terms of their verbal contract and for his contribution to the Song and the Video.

53. Vaughn has lost significant sums of money due to Kelly's breach.

WHEREFORE, the Plaintiff, Henry Vaughn, respectfully requests that this Honorable Court enter judgment in favor of the Plaintiff in a sum in excess of Fifty-Thousand Dollars (\$50,000.00), including compensatory damages, the costs incurred in this matter and any further relief that this Honorable Court deems just.

COUNT II
(Unjust Enrichment)
The Song and Video

54. The Plaintiff repeats and realleges each and every allegation made in Paragraphs 1 to 4 and Paragraphs 6 to 27 and 38 of this Complaint as if made in this Paragraph 54 of Count II of this Complaint.

55. Vaughn provided services and benefits to Kelly with respect to the single “Step in the Name of Love” and the video for that single.

56. In that regard, Vaughn provided Kelly with the concept for a song about and featuring “Steppin’,” taught Kelly, over a period of months, how to “step”, taught Kelly the culture behind the “Steppin’” movement, which indirectly provided Kelly with ideas for lyrics for the Song.

57. Without Vaughn tendering Kelly the concept for a song revolving around “Steppin’,” and without Vaughn’s efforts, talents, time and assistance, as set forth above, the Song and the Video could not have been created, developed or released.

58. Vaughn’s role in this very successful “R. Kelly venture” is undeniable and publicly acknowledged.

59. Indeed, Kelly dedicates the single “Step in the Name of Love” to Vaughn as set forth verbatim in this Complaint, above in Par. 40.

60. Moreover, Kelly has publicly acknowledged Vaughn for his contribution to the song on numerous occasions, including in a magazine article and on Mike Love’s radio show on WGCI 107.5 FM in Chicago.

61. Kelly’s acceptance of all the compensation paid to him, or to one or more of his

business entities, has been and is unjust, and is the retention of a benefit, as well as the amounts he is yet to receive.

62. Kelly's retention of this benefit - the compensation - is to Vaughn's detriment.

63. Kelly's retention of this benefit - the compensation - is against the fundamental principles of justice, equity and good conscience.

64. Through Vaughn's efforts, Kelly has been unjustly enriched.

65. On information and belief, Kelly accepted and retained the full amount of compensation, and has kept and continues to keep compensation due Vaughn.

66. Vaughn is entitled to a recovery in an amount to be determined at trial.

WHEREFORE, the Plaintiff, Henry Vaughn, respectfully requests that this Honorable Court enter judgment in favor of the Plaintiff an award in excess of Fifty-Thousand Dollars (\$50,000.00), including compensatory damages, the costs incurred in this matter, and any further relief that this Honorable Court deems just.

COUNT III
(Unjust Enrichment)
R. Kelly's Career

67. The Plaintiff repeats and realleges each and every allegation made in Paragraphs 1 to 4 and Paragraphs 6 to 27 and 38 of this Complaint as if made in Paragraph 67 of Count III of this Complaint.

68. At the time the Song and Video were created and released, Kelly faced serious allegations of morally questionable conduct.

69. Kelly's reputation had been diminished as a result of allegations made by various persons regarding improper behavior.

70. In Europe, Kelly had questioned Vaughn as to how he could regain what he had lost.

71. Vaughn suggested appealing to a more mature audience; the Steppin' movement was one way to do that.

72. This was the precursor of the Song and the Video, as well as the theory behind developing it.

73. The Song was an international hit, and identified Kelly with a wholesome dance form and culture to which many could relate and were proud.

74. The Song and Video showed a different side of Kelly and enabled him to reach the more mature audience Vaughn had advised could be reached.

75. Kelly gained much more than money from this very popular Song and Video. He gained respect and through the successes of Chocolate Factory, whose sales were in part driven by the Song, Kelly's reputation also greatly benefited.

76. Kelly also gained a new concept and sound on which he could and did capitalize.

77. In the "Happy People" video released in or about 2004, the song "Happy People" is mostly about Steppin', and shows many well-dressed couples in a lavish ballroom doing that dance. It also shows a man that looks exactly like Vaughn, but is instead, Vaughn's twin brother, Harold Vaughn, also known as "Life."

78. Also, on the album, *Happy People* Kelly included yet another song in the new-found genre, "Steppin' Into Heaven." The Song and Video brought in much more than a considerable amount of money to Kelly, it created a new image, which is attributable to Vaughn's foresight, advice and his assistance to Kelly.

79. The *Happy People* album also contains a song entitled "Love Signals." In the song, Kelly acknowledges Vaughn's talents with the following lyrics:

*"Chocolate Factory y'all
Sending out love signals to all those that may be lacking love*

*It's the Kellz, your music weatherman
Wayne Williams our in house DJ y'all, uh
Uncle Life, Uncle Love, the stepping twins
I see you"*

As stated before in this Complaint, Vaughn is also known as Uncle Henry Love, and his twin brother, Harold Vaughn, is also known as Life.

80. Vaughn's role in this career enhancement is undeniable.

81. Vaughn has received no compensation for the contributions made in the development of the Song, the teaching of the dance Steppin' so Kelly could perform in the Video, or the ultimate and most beneficial result, the assist all of this provided to a tarnished career.

82. Kelly's retention of these benefits without compensation to Vaughn is against the fundamental principles of justice, equity and good conscience.

83. Through Vaughn's advice, hard work, experience and caring, Kelly has been unjustly enriched.

84. Vaughn is entitled to benefit from the assistance to Kelly for not just one Song and one Video, but for the predicted difference it would and did have on Kelly's career.

85. Vaughn is entitled to recover an amount commensurate with his contribution to Kelly's tarnished career, to be determined at trial.

WHEREFORE, the Plaintiff, Henry Vaughn, respectfully requests that this Honorable Court enter judgment in favor of the Plaintiff in an award in excess of Fifty-Thousand Dollars (\$50,000.00), costs incurred in this matter, and any further relief that this Honorable Court deems just.

COUNT IV
(Common Law Fraud)

86. Plaintiff repeats and realleges each and every allegation made in Paragraphs 1 to 4

and Paragraphs 6 to 40 as if made in this Paragraph 86 of Count IV of this Complaint.

87. Vaughn and Kelly made a verbal contract obligating each to the other.

88. Vaughn provided Kelly the concept for a song about and featuring “Steppin’,” collaborated with Kelly during the creation of the song, taught Kelly how to do the “Steppin’” dance, and provided Kelly with ideas for lyrics for the song “Step in the Name of Love.”

89. Pursuant to their verbal contract, Vaughn provided his time, talents and experience and helped Kelly to create the Song and the Video.

90. In return, and before Vaughn’s contributions, Kelly told Vaughn that he would give him half of what the Song and Video made.

91. This was a statement of material fact which induced Vaughn to provide his talents, experience, musical and dancing ability to Kelly.

92. This statement of material fact made to Vaughn was false and remains false.

93. This statement of material fact was made under pretenses then unknown to Vaughn.

94. Kelly knew this statement was false, which time has proved.

95. In the five years since the release of the Song and the Video, the Song and the Video have made a significant amount of money.

96. It is now apparent that Kelly had no intention to give Vaughn half of what the Song and Video made, but Kelly intended Vaughn to rely on this promise made to compensate Vaughn.

97. Vaughn did rely on Kelly’s promise.

98. Vaughn’s reliance was justified.

99. Kelly has paid Vaughn nothing.

100. Kelly misled Vaughn by making promises he did not intend to keep, and did not

