UNFAIR COMPETITION - MURDER BY GUNSHOT

By Christopher Norgaard

Preface and Author’s Note

I am a business litigation lawyer in Los Angeles. One of the fortunate aspects of my career thus far, I suppose, is that I have been found by a number of cases markedly different from the more conventional business cases that have typified the careers of so many of my friends and colleagues. Most of these cases have included unfair competition, intellectual property, or complex financing issues. It is the bizarre, often tragic, dimension that distinguishes them. One involved gaming pioneers whose names are known to those who read the Las Vegas society pages, or the records of those accused of involvement with organized crime. Another involved a split down the middle of a prominent Los Angeles family. Still another involved the crash from riches of a well-known real estate developer who was victimized by a loan fraud scheme perpetrated by a corporation owned by--and that helped bring down--most of the savings and loan associations in a Midwestern state. The developer was then assaulted in a criminal conspiracy aimed at his friend, the daughter of an acting legend.

Perhaps the most bizarre of all, and certainly the most tragic, is the story told here. This is a true story. Indeed it’s a story of “truth is stranger than fiction.” Only the names of some of the witnesses have been changed.

The criminal events of May 1979 in Beverly Hills, California, changed the Cotsen family forever. Joanne Cotsen was the daughter of Emmanuel Stolaroff, the founder of
Natone Company, a small specialty cosmetics firm in Los Angeles that catered to the movie industry. Lloyd Cotsen had married her in 1952 and later became President and controlling shareholder of the company. After obtaining the rights to manufacture and sell Neutrogena soap in the United States and other parts of the Western Hemisphere in the late 1950’s, Cotsen changed Natone’s name to Neutrogena Corporation in 1963, and embarked on a drive to acquire worldwide ownership of the Neutrogena trademark.

Standing in his way was Arne Tali, the Managing Director of a Belgian company, Laboratoires Ed. Fromont Neutrogena International Corporation, S.A. (“LEF”), whose founder, Dr. Edmond Fromont, had invented the Neutrogena soap. Ten years after Lloyd married Joanne in Los Angeles, Arne Tali married Dr. Fromont’s mistress in Brussels, Belgium, and soon was leading the company.

LEF owned the Neutrogena trademark throughout most of the world, and Cotsen was determined to get it, by forcing an agreement with LEF, or by acquiring LEF, or by litigating LEF into submission.

For fifteen years, Cotsen and Tali would entertain, negotiate, and litigate with and against each other as they built their worldwide Neutrogena brand of soaps, shampoo, lotions and cosmetics. Cooperation alternated with rivalry, followed by threats and conspiracies, and mystery . . . and murder.

Even after blood had been shed, Cotsen and his Neutrogena were not about to go public with all they knew, as they accelerated their drive for dominance by obtaining confidential information from a fired LEF senior employee, engaged in surveillance and investigation, and conveyed a threat to Tali that if Cotsen were killed, Tali would in turn
be killed. Nor was information likely to come from Tali, who was taking out a secret credit line purportedly to pay ransom for his kidnapped daughter, writing a new will, hiring bodyguards, and traveling in mystery to the United States and elsewhere.

On June 19, Tali wrote a letter in English:

“My Dear Loyd, Mr. Jean-Claude BLIME announced me the dead of you wife and younger soon. Please accept my deepest sympathy, for you and your family.

“Haiving myself sufferd, with the loss of Helene, I now the courage you will need for yourself and for your children. Do never forget, that trough them, your wife is still living.

“Present my best regards to Manuel, Cordially yours, Arne.” The letter was stamped “Received” by “Neutrogena Accounting” in Los Angeles on June 25.

A little over a week earlier, Cotsen had received another letter in broken English, one with a distinctly different message. It was postmarked June 10 at Washington, D.C., in a letter-sized envelope with the typewritten notation “CONFITENTIAL PERSONAL” and addressed to “Mr. Lloyd-E Cotsen, 911 North Bedford Beverly Hills CALIFORNIA:

“Dear L E C, We make a deal, unfortunately we had an accident, because YOU MISINFORMED us.
“NOW, we wanna warn you:

“Don’t be a hero, but a wise man . . . Think to your Girls, and a good advise S H U T U P.”

As Lloyd Cotsen later said in a memorandum to Detective Miller of the Beverly Hills Police Department, “if someone was watching the house . . . they may have seen me come home around noon time on Monday [May 21] and perhaps Tuesday, and thus assumed I’d be there Wednesday.” The Beverly Hills Police noted at the beginning of their investigation the “theory [that] deals with the Cotsens (Mr. & Mrs.) six week trip to So. America in which packages were shipped to this country & numerous artifacts returned to this country. If the suspect would have sent something to this country with or without the Cotsens’ knowledge, this could account for the waiting for the return of Mr. Cotsen [or for an attempt to enter the home and retrieve something that had been shipped, before Cotsen or anyone else arrived home]. This could also account for the Mexican ammunition which is sold in Mexico & So. America.”

It is also possible, however, that someone was “misinformed” by Cotsen--to use the word of an eerie threat letter he would receive in June--that he and his wife would be out of town during that time period, because of the trip to South America followed by the trip to New York. Cotsen had told Tali that he was “sorry we couldn’t make the meeting earlier” than May 28. Joanne Cotsen had been away from the home on most of Monday and Tuesday, serving as a juror in the Beverly Hills criminal trial of an Iranian arrested in connection with anti-Shah demonstrations, called “riots” in one news account, on January
3. Lloyd Cotsen left for New York on Tuesday. Joanne left again on Wednesday morning to continue her jury service.

The Cotsens employed a housekeeper, Maria Molina, but she did not work on Sundays or Mondays. She also did not come to work on Tuesday, May 22, because she was ill, and Mrs. Cotsen sent her home immediately when she arrived Wednesday morning at 8:30 a.m., because she was still ill. Noah Cotsen was at school during the weekdays at the private Harvard School in Sherman Oaks. The other children were older and no longer lived at home . . . . Paul Jaeger lived in the guest house at the rear of the property, but was generally not home during the day, and when he came home, he parked in the alley behind the rear of the property and entered from the alley.

Someone might, as the police theorized, have seen or known about the flow of artifacts into the Cotsen home from South America. And someone seeking to take anything from the house, whether newly arrived artifacts, other valuables, or confidential business or financial information about Neutrogena, might well have concluded that no one would be home early Wednesday afternoon, and would have so concluded if he or they had observed the house closely. At most, he or they might have concluded that the only risk was that Joanne Cotsen would walk in. (Someone really in the know would have known that when not serving as a juror, Joanne normally took an afternoon nap.)

Lydia Defore saw someone watching the Cotsen home. Employed as a maid at 915 North Bedford Drive, the house immediately to the north of the Cotsens, Defore was described by her employer, Jean Simondson, as “a very intelligent and dependable employee.” She worked on Mondays through Thursdays, and on Saturdays, always
arriving for work “shortly before” 1:00 p.m., and working until 9:00 p.m. She always parked her car just north of the Cotsen property line.

On Saturday, May 19, Defore arrived at the north property line of the Cotsen residence at 12:50 p.m. She noticed a man standing near the parkway at the property line. She saw him again on Monday and Tuesday. Defore told police, “she felt he was watching the Cotsen house.” Each time she arrived, he turned away from her and walked toward the Cotsen residence. When she arrived on Wednesday, he was there again. This time, however, after first turning away, he turned back toward her and approached her Ford Falcon station wagon as she was parking. He seemed very hostile and told her not to park her car there, because that location was reserved for residents of 911 North Bedford (the Cotsen address). Defore also noticed something else: a white passenger car was parked facing southbound at the apex of the semi-circular driveway in front of the Cotsen residence.

Defore described the man as 5’10” to six feet tall, of medium build, with dark eyes and dark short to medium length, greasy hair, thinning as if starting toward baldness, combed straight back. His eyebrows had an unusual appearance; the hair was either very sparse or shaved. He wore a wool jacket and plaid shirt over a black turtleneck sweater. His pants were beige, possibly of Dacron material. . . He spoke English, but with a noticeable accent, which she thought might be Greek.

A man with plaid shirt and khaki pants was also seen, at 1:45 p.m. on--she thought--May 23, by Mrs. Rivkin in the house to the south of the Cotsens. He was possibly Spanish, six feet tall, had wavy hair, was clean shaven and good looking, in his
30’s. He was parked in front of the Cotsen house, got out on the passenger side when he saw Mrs. Rivkin, then got back in the car, made a U-turn, and parked on the other side of the street, where he remained. The car was a Navy blue two door.

Another suspicious man was seen “sort of loitering” on Bedford. He was 5’ 10” to six feet tall, slender, with a very skinny face having sharp features and a droopy black moustache. He was wearing a Stetson hat.

At 11:45 a.m. on May 23, Joanne Cotsen left the Beverley Hills court after the morning session of her trial, in her BMW Bavaria with the distinctive “Soap 1” license plates. There was a problem with one of the car’s tires. She drove to Westcoast Tire Warehouse, and then home. She arrived home at about 12:45 p.m., and was due back in court at 2:00 p.m. She may have tried to take a quick nap before returning to court. Her juror badge was in the master bedroom, and the bed appeared to have been slept in. At about 1:15 p.m. or shortly before, Greta Norquist called. Mrs. Cotsen told her someone was at the front door and put down the phone momentarily, then returned and ended the conversation. At 1:30 p.m., a UPS driver came to the front door to deliver a package, possibly another artifact. No one answered the door, and the driver left.

At 2:15 p.m., at the private Harvard School in Sherman Oaks (in the San Fernando Valley north of Beverley Hills), Chris Doering started up the 1974 Dodge Dart that the Cotsens provided him to drive Noah and himself to and from school. Harvard’s name was no coincidence. It was a self-conscious evocation of exclusivity and achievement.
Chris Doering was a long way from home. His family lived in West Covina, a middle-class suburb considerably east of Los Angeles, and even further east of Beverly Hills. His father, the Reverend Edgar Doering, was a minister at the California Lutheran Retirement Home in Alhambra. Chris had been a member of the elite California Boys’ Choir, and Noah had followed him as a member. The youngest of the Cotsen children, Noah had just returned from a six-week tour with the Choir in South America, with Joanne and Lloyd Cotsen.

At 3:00 p.m., postman Tommy Bolden delivered the mail. He knew the Cotsen family, but did not see anyone. Joanne Cotsen usually left a radio on in the kitchen when no one was home. Bolden did not hear the radio. Nor did he hear Joanne . . . or Noah, who had just arrived home. By then, the gags had probably been stuffed into their mouths.

Lloyd Cotsen had been due home the night of the murders. As he told police, he had flown to New York “for the specific purpose of voicing his opinion regarding money spent by an archiological [sic] assoc. of which he is president.” He did not return that night, however, nor, apparently, did he call home. He spent the night with a friend in New Jersey. It is safe to assume that the night he didn’t come home will never leave him, and haunted him through the Summer and into the Fall as he consulted a psychic, pursued various investigative leads (some apparently without the knowledge of the police), took out a secret apartment in Marina Del Rey, hired bodyguards, and even attempted to
convey to Tali a threat that if he were killed, Tali would meet the same fate. There was no need for such a threat. Shortly after it was initiated, another would die.

Cotsen returned from New York the next day, Thursday, on what must have seemed the longest airline flight ever. On Friday, the police took him to--and through--his house. He told police that “numerous rooms within the residence had been looked through with several articles out of place. A clay vase was removed from a shelf in the hall and taken to the living room where the V’s [victims] were tied.” He also confirmed that other artifacts and camera equipment had been moved into the living room. Cotsen said that all of the items had been moved from somewhere else within the house. Except one.

Either on his Friday visit or on a second visit over the weekend, Cotsen noticed something inside the powder room by the front door—a small, brown, octagon-shaped bottle. The police noted “Dutch” writing on one side (“Uitwendig Gebruik”) and French on the other (“Usage Externe”). Six and one-quarter inches high, with a two inch diameter, the bottle was slightly less than half full of a clear liquid. The liquid was later determined to be 90% chloroform, with a “trace contaminant not identified.” There were no identifiable fingerprints. On the bottom was the trademark “Neutroval.”

When the two Beverly Hills police detectives finally took their investigation to Belgium in October, they interviewed Pierre DePasse, a director of Verlipack S.A. He
examined the bottle and offered his opinion . . . On October 15, the detectives spoke with Mr. Desjardins, the man Tali had recently fired as an LEF employee. Four days later Desjardins would be meeting with Cotsen’s European agent Blime, to provide “absolutely secret” information about LEF and Tali to Cotsen and Blime, and to express his hope that Neutrogena would employ him if it were able to get control of LEF.

Chloroform is used in the production of chlorofluorocarbon refrigerants and pesticides. It is also used as an industrial solvent in the extraction and purification of some antibiotics, alkaloids, vitamins and flavors, and in photography, dry cleaning and a number of other industrial uses. It also has two other uses not often found in the published definitions, because they are illegal. The police had a clue to the first in their own files, but did not connect it with chloroform. We found the following note in the police files: “Cotsen. Committing a Res 211 [residential burglary] for gold, money etc. Set up by a female by the name of ‘Snow’ (street name)” and, at the end, with a star and double underlining, one word: “Cocaine.”

South America drug traffickers are known to have used chloroform as a solvent to purify cocaine. Chloroform dissolves the raw cocaine and then evaporates, with the result that only the pure cocaine crystals are left. Chloroform is also used in “free basing” and smoking crack cocaine, and in the production of synthetic cocaine.

Drug traffickers are known to use something else in their operations: artifacts, including pre-Columbian artifacts, to smuggle cocaine from South America. In 1975, for example, an informant told drug enforcement agents of a major shipment of cocaine
hidden in artifacts. Cocaine’s connection with artifacts is not new; cocaine has been found in ancient Egyptian mummies.

Among those importing cocaine into the United States, from Europe and from South America, were members of what has been called the Israeli mafia. They have been active in South America. In Europe, their operations have allegedly been conducted to a great extent from a city long known for smuggling—Antwerp, Belgium.

Chloroform’s other illegal use, at least in Los Angeles, was in a series of jewelry robberies to sedate the victims. In addition to distribution of cocaine, the Israeli mafia was involved in burglary and fencing. (And five years after the Cotsen murders, Joe Hunt and Dean Kany, recent graduates of the same Harvard School attended by Chris Doering and Noah Cotsen, would dress themselves in brown UPS uniforms, enter the Northern California home of Hedayat Eslaminia, a wealthy Iranian exile who had been a friend of the Shah, and apply chloroform to sedate him, in one of the “Billionaire Boys Club” murders.)

Among those known to have been cocaine distributors and believed to have trafficked in stolen jewelry were members of the Israeli mafia. Jehuda Avital told at least two people in late 1979 of a robbery he and another Israeli mafia member had attempted. In a home, in Beverly Hills. It did not go as planned. Unlike the murders in the Bonaventure Hotel in downtown Los Angeles, which went exactly as planned.
May 23, 1979, was a bit cool in Beverly Hills, with a slight breeze, and the temperature headed down into the 60’s in the hazy sunlight of late afternoon. At 5:30 p.m., Linda Hoover arrived in the alley that ran behind the Cotsen property. She was 31 years old, six feet tall, lived in Westwood, and worked as an administrative assistant and researcher in Studio City. She parked her car and walked through the back gate and directly to the guest house at the rear of the Cotsen property, where her boyfriend Paul Jaeger had lived for the past four years. Jaeger was not home yet, and Hoover began preparing dinner for both of them. At 6:15, Paul drove up through the alley to the rear of the property and parked his car. The only other car he saw in the alley was Linda’s.

Jaeger was a quiet 35 year old who had a degree in mechanical engineering and regarded himself as “very analytical.” He was thin and athletic, looking more like 27 or 28 than 35 years of age. After chatting with Linda for a few minutes, he wanted to walk to the main residence to pick up his mail.

Paul and Linda walked eastward along the north path to the rear kitchen door of the Cotsen residence. The house seemed unusually quiet as they approached. They noticed a key in the door lock with a yellow thread hanging from it. Linda thought this was odd, because she knew that the key was kept in a cupboard just to the left of the door and through a gate, in case someone were locked out. Jaeger tried to turn the door knob, but it was still locked, indicating it had been locked from the inside after entry. He opened the door with the key, and he and Linda walked into the kitchen . . . They walked into the breakfast room where Jaeger’s mail was normally placed, . . . then into the entry hall to see whether anyone was home, and, according to a police note, to check for packages.
Paul noticed that the powder room door was slightly ajar. He looked around and then back at the powder room. A man was standing in the powder room. Suddenly the man opened the door. He pointed a blue steel automatic pistol with a long barrel and a round device attached to the end of the barrel directly at Paul and Linda . . .

On May 29, police artist Ponce prepared a composite drawing of both the man and the gun (in a bare hand with no gloves, showing a long barrel and silencer) based on the descriptions of Hoover and Jaeger. The drawing of the man, with ski mask, closely resembles the police drawing of the man Lydia Defore had seen watching the Cotsen house on the morning of May 23 and on the previous Saturday, Monday and Tuesday. He has the same distinctive lips, a very similar nose, similar eyes, and similarly shaped head and ears (allowing for the ski mask).

Ponce also prepared another drawing, this one based on the description by Beverly Hills police officer Gould of a man he had seen about thirty minutes later at the intersection of Lomitas and Canon, four blocks from the Cotsen residence, where a trail of ammunition and one of the Cotsen cars were later found. Ponce then prepared a drawing of the man described by Gould with a ski mask over his face. Hoover and Jaeger said it was an even better likeness than the original drawing that looked like the man seen by Defore.

Hoover said the man’s voice “was exactly like that of” someone “she had heard speak.” And she knew who that was . . . someone who had visited the Cotsen home in the past. A police officer hearing Hoover, noted that the intruder “[k]new where bedroom was!!”
Under hypnosis, Linda Hoover revealed who “the voice of the suspect was exactly like,” someone “who she had heard speak.”

. . . .

And the man Officer Gould saw at the intersection of Lomitas and Canon, the man Hoover and Jaeger said looked like the man with the long gun, did not have the features of Arne Tali, but he did look like someone else, and the man under the mask talked like someone else. Like a darker complected man who was close to six feet tall, 25 years old but looking a few years older, trim and athletic looking, with curly hair and a close, curly beard. Who spoke with an Israeli accent. Eliahu Ruven, the Israeli mafia cocaine trafficker.