

# Media moguls' court fight heats up

By Josh Chetwynd  
USA TODAY

Mudslinging, Hollywood style, began Monday as lawyers for DreamWorks' Jeffrey Katzenberg faced off against his former employer, Walt Disney.

In opening statements for the damages phase of the lawsuit, lawyers for Katzenberg ques-

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tioned whether Disney CEO Michael Eisner acted fraudulently out of spite toward Katzenberg. This case "is (partially) about the animus of one man," Katzenberg lawyer Bert Fields said of Eisner.

But Disney lawyer Louis Meisinger strongly refuted that notion, saying, "This case is anything but that," and accused Fields of throwing around allegations of fraud "as casually as Michael Jordan pops a jumper

from the top of the key."

Although some thought a settlement was possible, the second phase of the case, pitting two of Hollywood's most powerful men against each other, began at Fields' Los Angeles law offices to a full house of about 30 journalists and lawyers.



Fred Prouser, Reuters

Katzenberg



By Chris Pizzello, AP

Eisner

Katzenberg claimed in his lawsuit that he was owed 2% of profits derived from movies and television shows created during his tenure at Disney from 1984-94. Just before going to trial in 1997, Disney conceded liability. Katzenberg is asking for \$250 million in compensation at these hearings, presided over by Judge Paul Breckenridge.

Fields says Katzenberg oversaw the development of 700 products while at Disney, including *Beauty and the Beast* and *The Lion King*. The film unit's operating income rose from \$2.3 million in 1984 to \$856.1 million 10 years later, according to a chart displayed by Katzenberg's lawyers.

Throughout his presentation, Fields hewed to a single theme: that Eisner had been loose with the truth in this matter.

In discussing a discrepancy between Eisner's deposition and a memo written for former Disney president Frank Wells that allegedly guaranteed the 2%, Fields said "Either Wells was misleading Katzenberg or Mr. Eisner is making it up." Fields later said about Eisner: "Here, again, we have a real credibility problem with this fellow."

An animated Meisinger disagreed with Fields' characterization, saying: "Clearly Mr. Eisner didn't engage in any deceptive conduct."

He also lobbed barbs at Katzenberg. "Any contract which is not read to Mr. Katzenberg's liking is the product of deception and fraud," Meisinger said.

He also added that whatever percentage Katzenberg was owed did not include all forms of merchandise and was generally far more limited than Fields suggested.

Katzenberg listened intently throughout the proceeding. During breaks, he appeared relaxed and talked with reporters.

The hearing is expected to continue today. It is unclear how long the proceeding will last.