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Superior Court of California  
County of Los Angeles

JAN 11 2018

Sherri R. Carter, Executive Officer/Clerk  
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6 Attorneys for Plaintiffs

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

9

COUNTY OF LOS ANGELES - CENTRAL DISTRICT

10

11 WORLDVIEW ENTERTAINMENT  
12 HOLDINGS LLC, a Delaware limited liability  
13 company; WORLDVIEW ENTERTAINMENT  
14 HOLDINGS INC., a Delaware corporation;  
15 WORLDVIEW ENTERTAINMENT  
16 CAPITAL LLC, a Delaware limited liability  
17 company; WORLDVIEW ENTERTAINMENT  
18 CAPITAL II LLC, a Delaware limited liability  
19 company; WORLDVIEW ENTERTAINMENT  
20 FINANCING LLC, a Delaware limited liability  
21 company; WORLDVIEW ENTERTAINMENT  
22 PARTNERS III LLC, a Delaware limited  
23 liability company; WORLDVIEW  
24 ENTERTAINMENT PARTNERS IV LLC, a  
25 Delaware limited liability company;  
26 WORLDVIEW ENTERTAINMENT  
27 PARTNERS V LLC, a Delaware limited  
28 liability company; WORLDVIEW  
ENTERTAINMENT PARTNERS VI LLC, a  
Delaware limited liability company; and  
WORLDVIEW ENTERTAINMENT  
PARTNERS VIII LLC, a Delaware limited  
liability company,

Plaintiffs,

23

v.

24

25 CREATIVE ARTISTS AGENCY LLC, a  
26 Delaware limited liability company, and DOES  
27 I through 25, inclusive

26

Defendants.

27

28

Case No. BC 689800

COMPLAINT FOR DAMAGES AND  
EQUITABLE RELIEF

- (1) BREACH OF FIDUCIARY DUTY
- (2) CONSTRUCTIVE FRAUD
- (3) FRAUD
- (4) NEGLIGENT MISREPRESENTATION
- (5) UNFAIR BUSINESS PRACTICES  
(CAL. BUS. & PROF. CODE § 17200)

Jury Trial Demanded

1 Plaintiffs Worldview Entertainment Holdings LLC, Worldview Entertainment Holdings  
2 Inc., Worldview Entertainment Capital LLC, Worldview Entertainment Capital II LLC,  
3 Worldview Entertainment Financing LLC, Worldview Entertainment Partners III LLC,  
4 Worldview Entertainment Partners IV LLC, Worldview Entertainment Partners V LLC,  
5 Worldview Entertainment Partners VI LLC, and Worldview Entertainment Partners VIII LLC,  
6 bring claims for (1) breach of fiduciary duty, (2) constructive fraud, (3) fraud, (4) negligent  
7 misrepresentation, and (5) unfair competition against Defendant Creative Artists Agency LLC.  
8 Plaintiffs allege the following:

9 **INTRODUCTION**

10 1. This lawsuit arises from fraud and corruption at the highest level of one of the  
11 most respected talent agencies in the world, Creative Artists Agency LLC (“CAA” or the  
12 “Agency”). CAA has long held itself out as a trustworthy agent and advocate for its partners and  
13 clients. When Plaintiffs entered the world of film finance, they chose to work with CAA based  
14 on CAA’s stellar reputation, its purported knowledge and industry expertise, and its promises to  
15 Plaintiffs to act as their honest and honorable business partner. Unfortunately, Plaintiffs’ reliance  
16 on CAA’s promises was misplaced, and their decision to partner with CAA in connection with  
17 the financing of numerous independent films was a disastrous mistake. Plaintiffs have recently  
18 obtained overwhelming proof that, rather than advancing Plaintiffs’ interests and advocating on  
19 their behalf, CAA systematically engaged in predatory practices toward Plaintiffs that were  
20 intended to deprive them and their investors of tens of millions of dollars in order to benefit CAA  
21 and its more favored partners and clients. Plaintiffs seek damages to compensate them for the  
22 harm caused by CAA’s unlawful predation and to punish and deter CAA from subjecting its  
23 clients and business partners to similar financial abuse in the future.

24 2. Plaintiffs Worldview Entertainment Holdings LLC, Worldview Entertainment  
25 Holdings Inc., Worldview Entertainment Capital LLC, Worldview Entertainment Capital II LLC,  
26 Worldview Entertainment Financing LLC, Worldview Entertainment Partners III LLC,  
27 Worldview Entertainment Partners IV LLC, Worldview Entertainment Partners V LLC,

1 Worldview Entertainment Partners VI LLC, and Worldview Entertainment Partners VIII LLC  
2 (collectively, "Plaintiffs") bring this action against CAA for its scheme to defraud Plaintiffs and  
3 their investors. CAA, one of Hollywood's biggest power brokers, promised to provide Plaintiffs  
4 with a "first look" at its best opportunities and to render services to Plaintiffs on a preferred basis.  
5 The goal of the partnership that Plaintiffs had with CAA was to finance high-quality,  
6 commercially appealing independent films that would earn all parties money. But CAA violated  
7 its promises and obligations to Plaintiffs. While pretending to provide strategic advice and good  
8 financing opportunities to Plaintiffs, CAA, its employees, and their industry accomplices  
9 (including the now-discredited Harvey Weinstein), were in fact conspiring to fleece Plaintiffs for  
10 the benefit of themselves and other CAA clients.

11 3. Plaintiffs and CAA began their relationship with an agency agreement in 2010, but  
12 they quickly abandoned the formal written agreement and instead entered a different kind of  
13 partnership.<sup>1</sup> Under the guise of a partnership, CAA purported to provide Plaintiffs with  
14 opportunities and services, including investment advice regarding films designed to provide solid  
15 returns. CAA communicated in writing and verbally to Plaintiffs that it was presenting them with  
16 projects that were desirable to other investors and that it expected to perform well. CAA also told  
17 Plaintiffs that they were receiving opportunities to invest before such opportunities were  
18 presented to other potential investors. Relying on CAA's promises, expertise and advice,  
19 between 2010 and 2015, Plaintiffs invested more than \$55 million in more than twenty different  
20 film projects that were suggested by CAA. The projects were attached to well-known CAA  
21 clients, but, contrary to CAA's representations, they were not films that other financiers were  
22 willing to fund. On information and belief, for some of the films, Plaintiffs were the financier of  
23 last resort—not the recipients of a first look—because others had passed on the films. CAA  
24 misled Plaintiffs and their investors about projected returns to line its own pockets and that of its  
25 more favored clients. The list of poor-performing films that Plaintiffs funded at CAA's urging is  
26 lengthy: "Child 44," "Joe," "Blood Ties," "The Green Inferno," "The Immigrant," "Devil's

27 <sup>1</sup> Plaintiffs are not alleging breach of the 2010 written agreement, which expired before the activities giving  
28 rise to this action.

1 Knot,” “The Sacrament,” “Song One,” “Wish I Was Here,” “Jimmy P,” and “Rules Don’t  
2 Apply.”

3 4. Plaintiffs are informed and believe, and thereon allege, that CAA received many  
4 millions of dollars in fees from these and other projects financed by Plaintiffs, including fees  
5 collected directly and indirectly from other CAA clients. CAA betrayed Plaintiffs to curry favor  
6 with other CAA clients because CAA benefited no matter what. It stood to receive millions of  
7 dollars in fees, regardless of box office performance.

8 5. Plaintiffs’ purported “partnership” with CAA has been disastrous for Plaintiffs.  
9 The deals that CAA misled Plaintiffs about, including costly and litigation-spawning projects  
10 with The Weinstein Company (“TWC”) and Wild Bunch AG, accelerated losses and helped  
11 decimate Plaintiffs’ ability to continue operations. Although Plaintiffs achieved a modest return  
12 on some projects, most of the others that CAA presented and that CAA advised Plaintiffs to back  
13 struggled financially, resulting in substantial losses for Plaintiffs and their investors. This was not  
14 just a matter of risky investments losing money; these were losses that CAA foresaw and  
15 nevertheless pushed on Plaintiffs to benefit the Agency and other CAA partners and clients.  
16 CAA had promised Plaintiffs that they would receive the “first look” at the best independent film  
17 projects that CAA could package. On information and belief, CAA promised that it would  
18 present Plaintiffs with films that were well-vetted for both creative *and* financial success. But as  
19 the relationship progressed, CAA repeatedly advised Plaintiffs to finance films that, it turns out,  
20 CAA had offered first to other financiers—only to have those other financiers decline to provide  
21 funding because the films’ projected returns were insufficient or unrealistic. CAA also attempted  
22 to induce financing commitments from Plaintiffs with false promises that providing financial  
23 support for such projects would help Plaintiffs establish and/or strengthen relationships with  
24 CAA’s prominent clients and would ensure access to numerous top-tier investment opportunities  
25 in the future. Plaintiffs eventually learned that CAA employees were boldly bragging among  
26 themselves about their scheme.

27 6. But long before Plaintiffs uncovered proof of actual and constructive fraud, they  
28

1 were concerned about the poor financial performance of their investments in CAA-packaged  
2 projects and, more broadly, with their overall relationship with CAA. On February 20, 2014,  
3 after repeated pressure from CAA President Richard Lovett to finance the movie "Term Life," an  
4 executive of Plaintiff Worldview Entertainment Holdings LLC ("Holdings LLC"), the manager of  
5 Plaintiff funds, emailed him and Roeg Sutherland, a film finance executive, to express Plaintiffs'  
6 frustration with the film and with the CAA relationship as a whole. ("Term Life" was important  
7 to actor Vince Vaughn, who at the time was a valued CAA client, because Vaughn's sister,  
8 Victoria Vaughn, was a producer of the film.) His email reads in relevant part as follows:

9           It is clear from our conversation, and after speaking to Roeg how important this movie is  
10          to the agency, to Vince [Vaughn] and to yourself. Hearing this is something that we take  
11          very seriously for [Plaintiffs' executives] and our investors . . . .

12          That being said, it see[m]s to be a consistent pattern that we are being asked to do 'favors'  
13          for the agency. As I am sure you are well aware, 100% of our business currently resides  
14          in financing pictures that come out of CAA. To further add to that, other agencies have  
15          chosen not to send us projects due to our long standing and loyal relationship. . . .

16          After 22 movies our investors are starting to wake up to the end results of each of the  
17          movies. And while we move forward with the new fund (and current deployment of the  
18          current fund), they have added some checks and balances that they want put into place.  
19          This includes outside advisors, ten-year ultimate modeling and a consistent update as  
20          deals change. . . .

21          Over the past three years, we have put money into the packages at CAA and many of them  
22          haven't had great financial success, including THE IMMIGRANT, DEVILS KNOT,  
23          BLOOD TIES, THE GREEN INFERNO, THE SACREMANET [sic], JIMMY P, SONG  
24          ONE and BLONDE. Not to mention backing offers for other director clients.

25          At the end of the day, we made many of these decisions and we stand behind our  
26          decisions to green light them. Several of them were favors to the agency as well.  
27          However, we would hope that having the power of CAA behind us and us always there to  
28          say 'yes' to 22 movies would hopefully result in a few big winners.

          Richard, a call from you does not fall on deaf ears. However, I would hope that when you  
          read this email, you will clearly realize that this is not us backing out of a deal, but rather  
          us being given a deal that was one thing and is now another. But most important, a deal  
          that simpl[y] no longer makes sense on paper.

          If at the end of the day the agency needs a 'favor' to make this happ[en], then we need to  
          figure out a way to protect us and possibly give us something that is a chance at bigger

1 returns.

2 We want to continue working with CAA and would like to schedule a call with you and  
3 Roeg to try to find an amicable resolution to this matter.

4 7. In light of the long-term partnership that existed between CAA and Plaintiffs at the  
5 time of the February 20, 2014, email, as well as the substantial revenues that CAA received as a  
6 result of the relationship, Plaintiffs expected CAA to respond favorably to Plaintiffs' plea that  
7 CAA live up to its end of the partnership. Instead, there was silence. Plaintiffs recently learned  
8 why: Sutherland, Lovett, and others at CAA had never intended to honor the partnership  
9 agreement with Plaintiffs but instead planned to simply take Plaintiffs' (and their investors')  
10 money with no regard for their promises or fiduciary responsibilities. Plaintiffs have  
11 documentary proof of CAA's predatory business activities and misconduct toward Plaintiffs,  
12 which they intend to present in the course of these proceedings. At present, Plaintiffs are not able  
13 to present publicly all of the evidence supporting their claims because CAA has taken steps to  
14 prevent or, at least, to delay Plaintiffs' ability to disclose such evidence in this litigation. Once  
15 Plaintiffs remove CAA's frivolous and unfounded road blocks to public disclosure of the  
16 documentary proof, they intend to amend their pleading to include additional details concerning  
17 CAA's fraud, which are reflected in these currently non-public materials.

18 8. Plaintiffs are informed and believe and thereon allege that CAA employees, whom  
19 Plaintiffs had been led to believe were partnering with them, were instead maliciously back-  
20 stabbing Plaintiffs and conspiring to take them for millions of dollars. It worked. CAA extracted  
21 tens of millions of dollars from Plaintiffs over the course of several years. Having lost those  
22 sums and the confidence of key investors because of CAA's betrayal, Plaintiffs ultimately  
23 unraveled in a whirlwind of litigation, which continues to this day. Although Plaintiffs have  
24 continued to manage what remains of their investments and intellectual property, Plaintiffs have  
25 not been able to take on new projects, either with CAA or with another more honest partner, since  
26 2014. Plaintiffs' standing has been further damaged by recent revelations regarding CAA's  
27 conduct with respect to TWC. Recent reporting suggests that CAA was not only aware of

1 numerous complaints about the sexual misconduct of Harvey Weinstein but that it played an  
2 active and despicable role in his “complicity machine.” Yet CAA repeatedly pushed Plaintiffs to  
3 partner with TWC on numerous projects, without any regard for the potentially devastating  
4 financial losses or the severe reputational harm that these arrangements would cause Plaintiffs.  
5 Plaintiffs’ investigation has exposed the conflicts of interest that motivated CAA to place the  
6 interests of itself, TWC and its other more “important” clients and partners over the interests of  
7 less “important” partners such as Plaintiffs who placed their trust and confidence in CAA and  
8 who believed that CAA had their best interests at heart.

9           9. The wrongful and unlawful conduct of CAA, which to a large extent only recently  
10 came to light, inflicted catastrophic harm on Plaintiffs and their investors, necessitating this  
11 action.

12  
13 **BACKGROUND**

14 **A. The Parties**

15           10. Worldview Entertainment Holdings LLC is a Delaware limited liability company  
16 with a principal place of business in New Jersey. It manages several investment pools, including  
17 the other Plaintiffs, which were created to invest in individual films or groups of films.

18           11. Worldview Entertainment Holdings Inc. is a Delaware corporation with a principal  
19 place of business in New Jersey. It is a wholly-own subsidiary of Worldview Entertainment  
20 Holdings LLC and serves as a contract and business management entity for Worldview  
21 Entertainment Holdings LLC.

22           12. Worldview Entertainment Capital LLC is a Delaware limited liability company  
23 with a principal place of business in New Jersey. It invested approximately \$16.5 million in the  
24 films “Child 44,” “The Green Inferno,” “Joe,” “Song One,” and “Wish I Was Here.”

25           13. Worldview Entertainment Capital II LLC is a Delaware limited liability company  
26 with a principal place of business in New Jersey. It invested approximately \$9.7 million in the  
27 films “Manglehorn,” “Strangerland,” and “Triple Nine.”

1           14.     Worldview Entertainment Financing LLC is a Delaware limited liability company  
2 with a principal place of business in New Jersey.

3           15.     Worldview Entertainment Partners III LLC is a Delaware limited liability  
4 company with a principal place of business in New Jersey. It invested approximately \$3.6 million  
5 in the film "The Immigrant."

6           16.     Worldview Entertainment Partners IV LLC is a Delaware limited liability  
7 company with a principal place of business in New Jersey. It invested approximately \$4.5 million  
8 in the film "Devil's Knot."

9           17.     Worldview Entertainment Partners V LLC is a Delaware limited liability company  
10 with a principal place of business in New Jersey. It invested approximately \$3.5 million in the  
11 film "Blood Ties."

12          18.     Worldview Entertainment Partners VI LLC is a Delaware limited liability  
13 company with a principal place of business in New Jersey. It invested approximately \$1.75  
14 million in the film "The Sacrament."

15          19.     Worldview Entertainment Partners VIII LLC is a Delaware limited liability  
16 company with a principal place of business in New Jersey. It has been deemed to have invested  
17 \$750,000 in the film "Jimmy P."

18          20.     CAA is a Delaware limited liability company with a principal place of business in  
19 Los Angeles, California. In addition to its relationship with Plaintiffs, CAA had and has agency  
20 relationships with numerous other players in the entertainment industry, including actors,  
21 directors, and producers. CAA's President is Richard Lovett, who is responsible for CAA's day-  
22 to-day operations. CAA's Head of Film Finance is Roeg Sutherland, a high-profile industry  
23 insider who is related to actors Donald Sutherland and Kiefer Sutherland, and who was primarily  
24 responsible for determining which opportunities were offered to Plaintiffs for financing and for  
25 providing strategic advice and agency services to Plaintiffs in connection with their film finance  
26 investments. Plaintiffs are informed and believe and thereon allege that other present and former  
27 CAA agents, including but not limited to Dan Steinman and Benjamin Kramer, participated with



1 Lovett and Sutherland in CAA's scheme to fleece Plaintiffs and their investors.

2 21. Plaintiffs do not know the true names and capacities of defendants DOES 1  
3 through 25, inclusive, and therefore sue these defendants by such fictitious names. Plaintiffs will  
4 amend this Complaint, if necessary, to allege the true names and capacities of DOES 1 through  
5 25, inclusive, when they are ascertained. Plaintiffs are informed and believe, and on that basis  
6 allege that each of the fictitiously named defendants is responsible for and caused in some manner  
7 the injuries alleged herein. Whenever in this Complaint any allegation is made against defendants  
8 or any of them, it shall also be deemed to be alleged against DOES 1 through 25, inclusive.

9

10 **B. Overview of Relationship Between CAA and Plaintiffs.**

11 22. When Worldview Entertainment Holdings Inc. was launching in 2009, the  
12 company was looking for business relationships that would help improve the investment  
13 prospects of its film funds. Early on, the company negotiated with other industry insiders, but  
14 ultimately it entered an arrangement with CAA in 2010. The relationship quickly evolved into a  
15 close partnership – or so Plaintiffs thought.

16 23. At the time the relationship began (as is the case today), CAA billed itself as the  
17 most powerful talent agency in Hollywood, representing many of the most successful  
18 professionals in film, television, music, theatre, sports, and various other industries. Its diverse  
19 reach and “resources and experts under one roof” were part of what drew Worldview  
20 Entertainment Holdings Inc. to CAA. The Agency renders “services” in its capacity as “a full-  
21 service entertainment and sports agency to its clients in connection with their activities in the  
22 entertainment and sports industries” and, in exchange, it collects fees from numerous revenue  
23 streams. As CAA itself admits, it receives money from many sources. The Agency has explained  
24 publicly that “CAA receives commissions on monies and other consideration that CAA's clients  
25 receive for their services as a result of contracts of employment entered into, substantially  
26 negotiated, renegotiated, or renewed during the term of CAA's representations, including  
27 compensation to be earned or received, even if such compensation is received after the

1 termination of CAA's representation, and including on direct and indirect renewals, substitutions,  
2 replacements, extensions and modifications." It has a financial interest in ensuring that as many  
3 deals get done as possible, even with disreputable producers like Weinstein, because CAA always  
4 gets a cut. According to public reports, despite several recent setbacks with agent and high-  
5 profile client departures and increased competition from other leading talent agencies such as  
6 WME/IMG, CAA continues to be highly profitable, generating "\$647 million in revenue and  
7 \$121 million in Pro Forma adjusted EBITDA" in fiscal 2014.

8           24. When Worldview Entertainment Holdings Inc. entered into its relationship with  
9 CAA as both a client and a strategic partner, it was already developing and financing independent  
10 films of its own, but Worldview Entertainment Holdings Inc. believed CAA would bring it  
11 additional quality projects and could provide expertise and advice based on its longstanding  
12 experience in the entertainment business. Plaintiffs trusted in CAA's expertise—and placed  
13 confidence in its loyalty—which has had devastating effects.

14  
15           C. CAA's Public Claim That "Everything We Do Is For and About Our  
16 Clients."

17           25. Throughout the parties' relationship, CAA has held itself out as an "ethical"  
18 company with a high-quality "culture" that benefits its clients by encouraging agents to share  
19 information and collaborate. Similarly, CAA and its leaders, including Lovett and Sutherland,  
20 have repeatedly claimed publicly that their primary goal is not to line their own pockets but rather  
21 to provide the highest quality services to clients such as Plaintiffs. For example, Sutherland who,  
22 together with Micah Green, served as co-head of CAA's Film Finance and Sales Group has  
23 claimed publicly, *"Our role at CAA is to help advise financiers of all the possible risks and  
24 rewards, so that they walk into an investment fully informed. . . We are here to serve our  
25 clients' best interests and help investors best understand each project. So we look at each film  
26 independently, with its own opportunities and challenges."* Lovett has made similar statements  
27 regarding CAA's purported concern for its clients. In one interview, Lovett claimed: *"We began  
28 with a culture and notion of collaborative work. So we had that foundational piece. . . We*

1 *decided to just be authentic, be who we are and that connects to a leadership philosophy. We*  
2 *believe to lead is to serve.”* In another interview, Lovett reiterated CAA’s purported commitment  
3 to its clients, stating, *“We are behind-the-scenes players. We are uninteresting and are meant*  
4 *to be, as everything we do is for and about the clients.”*

5         26. In another interview, CAA Managing Partner Kevin Huvane characterized CAA’s  
6 “collaborative culture” and dedication to clients as follows:

7             “Our culture is everything here and collaboration is everything -- people sharing  
8 information and everyone helping out is really important and it’s always clients first.  
9 That’s why we don’t do a lot of interviews because it should be about them, not us. But  
10 I’m very proud that as we’ve grown larger, we’ve still kept the culture here, which is to  
11 treat everyone with respect, be kind and work harder than anybody. You can be  
aggressive, but you have to be aggressive with substance and handle your business in a  
fair, intelligent and kind manner. I know that sounds crazy for an agent to say.”

12 More recently, after being exposed for having placed its own interests and those of Weinstein and  
13 TWC over the interests and physical safety of several of its clients, CAA took the extraordinary  
14 step of issuing a “public apology” in which it proclaimed, “We are here to serve, fight for, and  
15 protect our clients.” But despite all of CAA’s public statements over the years about its high  
16 ethical standards and its foremost concern for *all* of its clients, CAA and its top executives have  
17 shown themselves to be far more interested in their bottom line than their clients’ well-being.  
18 CAA breached its fiduciary obligations to Plaintiffs, and it actively pursued a fraudulent scheme  
19 over the course of several years that was intended to deprive—and which in fact did deprive—  
20 Plaintiffs and their investors of tens of millions of dollars.

21             **D. The Two Faces of CAA: Statements to Plaintiffs and Statements Behind**  
22             **Plaintiffs’ Backs.**

23         27. In the course of CAA’s relationship with Plaintiffs, it repeatedly promised to act as  
24 Plaintiffs’ “strategic partner” and to present Plaintiffs with carefully vetted investment  
25 opportunities on a “first look” and a preferred basis. Plaintiffs understood that they were both a  
26 client and a “key finance and production partner” of CAA. They believed that CAA was working  
27 in their interests to provide them with access to top-tier financing opportunities—ones for which  
28 actual analysis had been done—involving CAA’s top clients and business partners. But that

1 simply was not the case. Several projects that CAA presented to Plaintiffs as “first looks” and  
2 solid investments were ones that, unbeknownst to Plaintiffs, had already been presented to and  
3 passed over by other CAA-partner financiers. And on numerous occasions, CAA induced  
4 Plaintiffs to provide financing for projects based on false promises of future benefits that CAA  
5 had no intention of conferring. For example, on several occasions, CAA promised Plaintiffs that  
6 if they agreed to finance films that were recommended by CAA—and which would benefit CAA  
7 by keeping its talent clients and other business partners happy—then CAA would help Plaintiffs  
8 cement their relationships with other prominent industry players and ensure access to films that  
9 had the best prospects and projections for critical and financial success. Throughout the parties’  
10 relationship, CAA and its agents repeatedly used this explanation to induce Plaintiffs to put  
11 money into CAA-packaged films and other projects that were being proposed by and developed  
12 for other CAA clients, even though they had no intention of making good on their promises.

13         28. In early 2014, Plaintiffs began facing pressure from investors who were unsatisfied  
14 with the returns on their CAA investments. At the same time, Plaintiffs began receiving pressure  
15 from CAA to continue to support the movie “Term Life” on terms that were unreasonable and  
16 that differed materially from the terms that originally had been proposed. Although the project  
17 had a blown budget and despite the fact that a CAA-arranged “co-financier” had withdrawn its  
18 commitment, Lovett repeatedly called Plaintiffs to pressure them to continue to fund the project  
19 even though Plaintiffs had virtually no chance of making a profit on the film or even recouping  
20 their investment. To try to address the situation, a Holdings LLC executive reached out to Lovett  
21 and Sutherland by email to express Plaintiffs’ concerns and to ask that CAA work collaboratively  
22 with Plaintiffs to ensure that their interests were protected and that the terms of the deal were fair  
23 and reasonable to all sides. His February 20, 2014 email is quoted above. Rather than  
24 responding to this email in good faith or taking any steps to assist their “strategic partner,”  
25 Plaintiffs were met by silence, and they now know why: CAA had no intention of fulfilling its  
26 role as a partner and agent. In fact, CAA and its employees were actively betraying Plaintiffs and  
27 intentionally deceiving and manipulating them to advance CAA’s own agenda and to serve the

28

1 interests of the Agency's more important and favored clients and business partners.

2 29. CAA's predatory scheme to defraud Plaintiffs went on for years. On information  
3 and belief, CAA arranged and promoted several deals that CAA knew were likely to inflict  
4 financial harm on Plaintiffs. These CAA-arranged deals put Plaintiffs in risky positions while  
5 advantaging and protecting other CAA clients. CAA sometimes advised Plaintiffs to work with  
6 financing partners that it knew would not come through, leaving Plaintiffs to bear the brunt of the  
7 downside risk. For example, Sutherland and CAA connected Plaintiffs with mezzanine funder  
8 Venture Forth—another CAA client—to fund the movies "Song One" and "Devil's Knot." When  
9 the productions fell behind, the lenders took steps to reduce and eliminate credit lines. Venture  
10 Forth was able to back out of the deal, avoiding any financial losses resulting from the production  
11 problems. Ordinarily, a partner like CAA takes steps to ensure all of the necessary funding  
12 remains in place, protecting its clients from financial harm. But that is not what happened on  
13 those two films. While Sutherland downplayed potential losses, Plaintiffs' film funds lost  
14 millions of dollars on "Devil's Knot" and "Song One"—losses that could have been avoided if  
15 CAA had fulfilled its obligations and acted in Plaintiffs' best interests.

16 30. CAA was acutely aware that Plaintiffs trusted it as a good partner and advisor and  
17 that they relied heavily on CAA's investment advice and recommendations regarding which  
18 projects to finance. CAA kept up the ruse, advising Plaintiffs that they were CAA's preferred  
19 partner because they always kept their promises. CAA's misrepresentations kept up the façade  
20 that it would make good on its promises to send Plaintiffs films that had reasonable prospects for  
21 success on a "first look" and preferred basis. When Plaintiffs suggested that the parties -  
22 renegotiate to share the risk of unprofitable movies, CAA defiantly rejected the suggestion and  
23 instead surreptitiously moved to ensure CAA would retain its fees, even while Plaintiffs suffered  
24 substantial losses.

25 31. CAA's ruthlessness toward Plaintiffs—and, particularly, CAA's willingness to sell  
26 out Plaintiffs if doing so would benefit CAA and its more favored clients—has been further  
27 demonstrated by its handling of certain disputes between Plaintiffs and a foreign distributor, Wild

1 Bunch. In mid-2014, a disagreement arose between Plaintiffs and Wild Bunch with respect to the  
2 parties' alleged financing arrangement for the film, "The Search." Although the former CEO of  
3 Holdings LLC, Christopher Woodrow, and Wild Bunch had preliminary discussions about  
4 possible terms, the parties had not yet entered into a contract for "The Search" nor agreed upon  
5 important material terms when Woodrow was terminated. A disagreement subsequently arose as  
6 to the existence and terms of the deal. From Plaintiffs' perspective, it made no financial sense to  
7 enter the deal, and they were not required to do so because there was no agreement. But as the  
8 relationship between Plaintiffs and Wild Bunch became increasingly strained, CAA made it clear  
9 that, unless Plaintiffs caved to Wild Bunch's demands, CAA would unequivocally support Wild  
10 Bunch in connection with the dispute. In an email, Sutherland told Plaintiffs and Wild Bunch: "I  
11 was part of every conversation with [Plaintiffs] making this deal. *Every conversation recorded.*  
12 *And every email saved. You don't back out of a deal* because the movie wasn't reviewed the  
13 way you wished it would have been." The threat to use conversations illegally recorded without  
14 Plaintiffs' knowledge to pressure Plaintiffs to accede to the demands of Wild Bunch, another  
15 CAA client, instead of honestly highlighting the lack of an agreement, as any reasonable agent  
16 would do, constituted a blatant conflict of interest and yet another gross breach of CAA's  
17 fiduciary duties to Plaintiffs. Not surprisingly, Wild Bunch was emboldened by CAA's support  
18 and began taking increasingly aggressive positions toward Plaintiffs, which eventually led to  
19 litigation. After Plaintiffs fell out of favor and were tossed aside by CAA, the Agency and Wild  
20 Bunch continued to expand their own relationship. In May 2015, for example, Wild Bunch and  
21 CAA launched "Insiders," which is a Los Angeles-based international sales company  
22 spearheaded by Wild Bunch co-founder Vincent Maraval.

23 32. It was not until approximately August 2016 that CAA's wrongful conduct toward  
24 Plaintiffs finally came to light.

25 **FIRST CAUSE OF ACTION FOR BREACH OF FIDUCIARY DUTY**

26 33. Plaintiffs reallege and incorporate herein by reference the allegations of  
27 paragraphs 1 through 32 above, as though fully set forth herein.

1           34.   CAA was an advisor and partner of Plaintiffs. It purported to act on Plaintiffs'  
2 behalf in arranging and negotiating film financing contracts, and it promised to provide  
3 opportunities to Plaintiffs on a "first look" and "preferred" basis, as well as providing advice on  
4 the financing deals themselves. CAA, which had superior expertise and knowledge regarding the  
5 investments, did not act loyally or as a reasonably careful partner would have under the same  
6 circumstances.

7           35.   To the contrary, CAA blatantly disregarded its duties of loyalty by engaging in the  
8 conduct herein alleged, including advising Plaintiffs to invest in projects that others had rejected  
9 while pretending to offer the opportunities on a "preferred" basis, pressuring or deceiving  
10 Plaintiffs into agreeing to deals that were financially disadvantageous to Plaintiffs, failing to take  
11 steps to protect Plaintiffs in connection with its investments, assisting others in their negotiations  
12 against Plaintiffs, actively favoring other clients over Plaintiffs, and pressuring Plaintiffs to make  
13 concessions that would benefit CAA's other partners. Moreover, CAA violated its duty of loyalty  
14 by agreeing without Plaintiffs' knowledge that they would not act for the benefit of Plaintiffs but  
15 instead pursue a course of conduct that was intended to harm them financially.

16           36.   CAA additionally knowingly acted against Plaintiffs' interests and acted on behalf  
17 of film directors, production companies, and other entities that had interests that were adverse to  
18 Plaintiffs' interest in securing profitable investments. Plaintiffs did not give informed consent for  
19 CAA to act against Plaintiffs' interests.

20           37.   As a direct and proximate result of CAA's failure to fulfill its fiduciary duties of  
21 care and loyalty, Plaintiffs have been damaged and continue to suffer damages in an amount to be  
22 proven at trial.

23           38.   Its conduct was malicious, willful, and oppressive, and was taken with the intent to  
24 defraud Plaintiffs. Accordingly, Plaintiffs are entitled to punitive and exemplary damages in an  
25 amount to be proven at trial.

26                           **SECOND CAUSE OF ACTION FOR CONSTRUCTIVE FRAUD**

27           39.   Plaintiffs reallege and incorporate herein by reference the allegations of

1 paragraphs 1 through 38 above, as though fully set forth herein.

2 40. CAA was an advisor and partner of Plaintiffs. CAA promised to provide Plaintiffs  
3 with its carefully vetted financing opportunities on a "first look" and a "preferred" basis and  
4 agreed to act on Plaintiffs' behalf in arranging and negotiating film financing contracts. It also  
5 provided advice to Plaintiffs on film investment opportunities, supposedly as a partner acting in  
6 Plaintiffs' best interests.

7 41. CAA repeatedly failed to disclose material facts to Plaintiffs, including but not  
8 limited to the fact that CAA and its agents were not acting to assist Plaintiffs but, instead, were  
9 acting in a manner that was intended to harm Plaintiffs and, in fact, did harm Plaintiffs both  
10 financially and reputationally. CAA also failed to disclose that it was intentionally acting against  
11 Plaintiffs' interests when presenting financing opportunities, negotiating and arranging financing  
12 deals, and advising Plaintiffs regarding the same; and it failed to disclose that it was acting on  
13 behalf of other clients and entities that had interests adverse to Plaintiffs' interests in a manner  
14 that was intentionally designed to harm Plaintiffs.

15 42. By its nondisclosures, CAA deceived Plaintiffs into partnering with CAA and into  
16 investing in projects that were not in Plaintiffs' best interest and that proved to be financially  
17 disastrous. As a direct and proximate result of CAA's failure to disclose material facts as  
18 described above, Plaintiffs have been damaged and continue to suffer damages in an amount to be  
19 proven at trial.

20 43. Its conduct was malicious, willful, and oppressive, and was taken with the intent to  
21 defraud Plaintiffs. Accordingly, Plaintiffs are entitled to punitive and exemplary damages in an  
22 amount to be proven at trial.

23 **THIRD CAUSE OF ACTION FOR FRAUD**

24 44. Plaintiffs reallege and incorporate herein by reference the allegations of  
25 paragraphs 1 through 43 above, as though fully set forth herein.

26 45. CAA and its employees on numerous occasions, starting in 2010 and continuing  
27 throughout the relationship, made affirmative representations to Plaintiffs concerning the nature



1 and terms of partnership, and they failed to disclose material facts that they had a duty to disclose.  
2 Specifically, CAA repeatedly represented to Plaintiffs that CAA would provide and had provided  
3 them with the "first look" at projects that had solid financial projects and clear market strategies  
4 and with advice that CAA claimed was intended to assist Plaintiffs to achieve successful results,  
5 and CAA further represented that its executives and agents had Plaintiffs' best interests at heart  
6 and were acting in a manner that was intended to advance Plaintiffs' financial and business goals.

7 46. In addition to their affirmative misrepresentations, CAA made the numerous  
8 material omissions concerning CAA's activities and true intentions. In reality, CAA had no  
9 intent to provide legitimate opportunities or advisory services to Plaintiffs but rather willingly  
10 accepted fees while acting in a manner that was intentionally designed to take Plaintiffs' money  
11 for itself. CAA's material omissions included but are not limited to the following:

12 a. CAA and its agents failed to disclose that they intended to use their  
13 position of trust with Plaintiffs to make investments that would benefit CAA and other clients at  
14 Plaintiffs' expense;

15 b. CAA and its agents failed to disclose that they knew some of the films that  
16 they presented as "first look" opportunities had been passed on by numerous other investors and  
17 were, in fact, undesirable and unlikely to be commercially successful;

18 c. CAA and its agents failed to disclose that some of the projects it was  
19 encouraging Plaintiffs to invest in were projects that no one else was willing to finance;

20 d. CAA and its agents failed to disclose that, behind Plaintiffs' back, they  
21 were collaborating with other CAA clients and business partners to take advantage of Plaintiffs in  
22 connection with many different negotiations and projects.  
23  
24

25 47. CAA knew these misrepresentations and omissions were false or made them with  
26 reckless disregard to the truthfulness when it made them to Plaintiffs. CAA made the  
27 misrepresentations for the purpose and with the intent to defraud and deceive Plaintiffs by  
28

1 inducing Plaintiffs to provide financing that CAA could use for its own purposes and projects  
2 primarily to benefit itself.

3 48. Plaintiffs were unaware, despite diligence and care, of the falsity of CAA's  
4 misrepresentations. They did not become aware of CAA's deception until after August 2016. If  
5 Plaintiffs had known the true facts or the true facts had been disclosed to them, they would not  
6 have invested more than \$55 million in deals arranged by CAA and would have ended their  
7 relationship with CAA immediately.

8 49. Plaintiffs have expended significant amounts of money in actual and justifiable  
9 reliance on CAA's misrepresentations and omissions. But for the misrepresentations and  
10 omissions, Plaintiffs would not have entered into a partnership or any business relationship with  
11 CAA, would not have relied on CAA for advice, would not have invested in the films that they  
12 ultimately lost money on, and would not have agreed to financing arrangements that put their  
13 investments at a high risk for loss.

14 50. As a direct and proximate result of CAA's conduct as alleged above, Plaintiffs  
15 have been damaged and continue to suffer damages in an amount to be proven at trial.

16 51. By engaging in the above-described conduct, CAA is guilty of actual fraud,  
17 corruption, and actual malice. More specifically, CAA's conduct was carried out with a  
18 conscious intent to deceive, vex, annoy, or harm Plaintiffs by inducing them to make investments  
19 in films likely to lose money. CAA engaged in such conduct for the purpose of enriching  
20 themselves to the detriment of Plaintiffs.

21 52. Its conduct was malicious, willful, and oppressive, and was taken with the intent to  
22 defraud Plaintiffs. Accordingly, Plaintiffs are entitled to punitive and exemplary damages in an  
23 amount to be proven at trial.

24 **FOURTH CAUSE OF ACTION FOR NEGLIGENT MISREPRESENTATION**

25 53. Plaintiffs reallege and incorporate herein by reference the allegations of  
26 paragraphs 1 through 52 above, as though fully set forth herein.

27 54. CAA, Plaintiffs' partner and fiduciary, repeatedly made affirmative  
28

1 misrepresentations and omitted material information. CAA and its agents induced Plaintiffs to  
2 rely upon their misrepresentations, as described above. CAA misled Plaintiffs into believing that  
3 CAA was giving Plaintiffs a "first look" at the most desirable film projects, that Plaintiffs would  
4 get access to desirable films with high-profit potential, and that CAA would make a good faith  
5 effort to advance and protect Plaintiffs' financial interests.

6 55. At the time of the misrepresentations, Plaintiffs were unaware, despite diligence  
7 and care, of the falsity thereof, or the facts constituting the misrepresentations. Plaintiffs would  
8 not have relied upon CAA and would not have done business with CAA or entered CAA-  
9 arranged financing agreements or backed CAA's client directors if the true facts and  
10 circumstances had been disclosed to them.

11 56. Plaintiffs have expended significant amounts of money in actual and justifiable  
12 reliance on CAA's misrepresentations and omissions.

13 57. But for the misrepresentations and omissions, Plaintiffs would not have invested in  
14 many of the films backed by CAA, would not have relied on CAA for advice, and would not have  
15 agreed to financing arrangements that put their investments at a high risk for loss.

16 58. As a direct and proximate result of CAA's conduct as alleged above, Plaintiffs  
17 have been damaged and continue to suffer damages in an amount to be proven at trial.

18 **FIFTH CAUSE OF ACTION FOR UNFAIR AND FRAUDULENT BUSINESS**  
19 **PRACTICES (CAL. BUS. & PROF. CODE § 17200 ET SEQ.)**

20 59. Plaintiffs reallege and incorporate herein by reference the allegations of  
21 paragraphs 1 through 58 above, as though fully set forth herein.

22 60. California Business and Professions Code § 17200, et seq. (the "Unfair  
23 Competition Law") prohibits business practices that are unfair, unlawful and/or fraudulent.

24 61. CAA violated California's Unfair Competition Law by engaging in fraud and the  
25 otherwise unlawful and unfair conduct described above, thereby depriving Plaintiffs of the funds  
26 that they invested. Accordingly, CAA's actions and omissions are unfair and fraudulent within  
27 the meaning of the statute. Furthermore, because CAA's actions and omissions are actionable

1 under various legal theories set forth in this Complaint, it is also unlawful within the meaning of  
2 the statute.

3           62. CAA has improperly and unlawfully taken advantage of Plaintiffs and their  
4 investors. Plaintiffs are informed and believe that CAA was aware of the wrongful nature of its  
5 actions. CAA should be compelled to restore all monies, investments, revenues, earnings, profits,  
6 compensation, and benefits they have obtained in violation of Cal. Bus. & Prof. Code sections  
7 17200, et seq.

8           63. Its conduct was malicious, willful, and oppressive, and was taken with the intent to  
9 defraud Plaintiffs. Accordingly, Plaintiffs are entitled to punitive and exemplary damages in an  
10 amount to be proven at trial.

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1 **PRAYER FOR RELIEF**

2 Plaintiffs request a trial by jury on all triable issues.

3 WHEREFORE, Plaintiffs pray for judgment as follows

- 4 1. For compensatory and punitive damages to be proven at trial;
- 5 2. For prejudgment interest at the highest legal rate;
- 6 3. For costs of suit and attorneys' fees incurred herein;
- 7 4. For restitution of all ill-gotten gains unjustly retained by CAA through the acts
- 8 complained of herein;

9 5. For a declaratory judgment determining the parties' rights and obligations; and

10 6. For any other legal and equitable relief as the Court deems just and proper under

11 the circumstances.

12

13 Dated: January 11, 2018

HOGAN LOVELLS US LLP

14

15 By: 

16 Paul B. Salvaty  
17 Michelle Roberts Gonzales  
18 Attorneys for Plaintiffs  
19 Worldview Entertainment Holdings LLC,  
20 Worldview Entertainment Holdings Inc.,  
21 Worldview Entertainment Capital LLC,  
22 Worldview Entertainment Capital II LLC,  
23 Worldview Entertainment Financing LLC,  
24 Worldview Entertainment Partners III  
25 LLC, Worldview Entertainment Partners  
26 Partners IV LLC, Worldview Entertainment  
27 Partners V LLC, Worldview Entertainment  
28 Partners VI LLC, and Worldview Partners  
VIII LLC