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J. Denham
DEPUTY

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11 and 9th STEP PRODUCTIONS

CASE MANAGEMENT CONFERENCE
JUN 28 2011 8:30 am
Date

PGA.P.

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 FOR THE COUNTY OF LOS ANGELES - WEST DISTRICT

14 CHARLIE SHEEN, an individual; and 9th)
15 STEP PRODUCTIONS, a California)
16 corporation,)

17 Plaintiffs,)

18 v.)

19 CHUCK LORRE, an individual; CHUCK)
20 LORRE PRODUCTIONS, INC., a)
21 California corporation; WB STUDIO)
22 ENTERPRISES, INC., a Delaware)
23 corporation; and DOES 1 through 20,)
24 inclusive,)

25 Defendants.)

CASE NO. SC111794

COMPLAINT FOR: ALLAN J. GOODMAN

- (1) INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS;
- (2) INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE;
- (3) BREACH OF CONTRACT;
- (4) BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING;
- (5) BREACH OF CONTRACT AS THIRD PARTY BENEFICIARY;
- (6) RECOVERY OF UNPAID WAGES;
- (7) VIOLATION OF CALIFORNIA LABOR CODE PRIVATE ATTORNEY GENERAL ACT;
- (8) VIOLATION OF FEHA; AND
- (9) RETALIATION

DEMAND FOR JURY TRIAL

26 Plaintiffs Charlie Sheen and 9th Step Productions (collectively sometimes referred to as
27 "Plaintiffs"), for their Complaint against Defendants Chuck Lorre, Chuck Lorre Productions,
28 Inc. and WB Studio Enterprises, Inc. (sometimes collectively referred to as "Defendants")
hereby allege as follows:

1 4. After years of Lorre humiliating, harassing, and disparaging Mr. Sheen, and
2 after Lorre unilaterally decided not to write scripts as required to complete the 2010/2011
3 season's contemplated episodes of the Series, Mr. Sheen deigned to criticize Lorre. Warner
4 Bros. capitulated to Lorre's egotistical desire to punish Mr. Sheen and to stop work on the
5 Series for the rest of the season, and used its powerful public relations machine to create a
6 myth to justify their conduct by wrongly blaming Mr. Sheen.

7 5. This action was necessitated by the wrongful interference with actor Charlie
8 Sheen's right to perform and receive compensation to which he is contractually entitled from
9 the popular prime time CBS Series. Series Producer WB Studio Enterprises, Inc. ("Warner
10 Bros." or "WB") suspended production of the Series, and breached Mr. Sheen's contract not
11 due to actions by Mr. Sheen as Defendants are trying to claim, but in order to placate the
12 massive ego and selfish demands of the co-creator and show runner, Defendant Chuck Lorre.
13 Because of his financial leverage with Warner Bros. and CBS by having two other profitable
14 series with them, Lorre convinced Warner Bros. to conspire with him and attribute the
15 suspension of the Series and termination of Mr. Sheen's contract on Mr. Sheen's alleged
16 statements, conduct and condition, despite the fact that Mr. Sheen is in compliance with his
17 contract and ready, willing and able to proceed. Moreover, even if the stated grounds for
18 terminating Mr. Sheen's contract actually existed (which Mr. Sheen denies), Warner Bros.'
19 actions would under the circumstances constitute wrongful termination and unlawful retaliation
20 in violation of California law.

21 6. Charlie Sheen has been lining Lorre's and Warner Bros. pockets with what will
22 amount to billions of dollars through Mr. Sheen's work on 177 episodes on the Series, and Mr.
23 Sheen had been ready, willing and able to continue to work to finish out the season. Although
24 Mr. Sheen was scheduled to return to work on February 14, 2011 as requested, he was
25 subsequently told that no scripts were available for shooting. Lorre unilaterally decided not to
26 write scripts as required for the full order of contemplated episodes of the Series. (CBS
27 ordered 24 episodes of the Series for the 2010/2011 season. Mr. Sheen has been informed that
28 by February 14, 2011, Lorre had delivered only 16 episodes.) Indeed, Lorre failed to work on

1 and produce shooting scripts so that the production could commence on February 14, 2011,
2 and then along with Warner Bros unilaterally truncated the production schedule and indicated
3 that no episodes would be produced after March 25, 2011 (for a total of four additional
4 episodes despite the fact that there was obviously time to produce at least six if not eight more
5 episodes before the schedule completion of production). Why? The decision to shut down the
6 Series early by Lorre, acquiesced to by Warner Bros. and Mr. Sheen, occurred prior to any
7 public criticism of Lorre by Sheen.

8 7. Since Lorre has a better deal and stands to make even more money on his other
9 current shows *The Big Bang Theory* and *Mike & Molly* if they flourish, Lorre has been
10 motivated in part by his own self interest and conflict of interest to make his other shows
11 flourish at the expense of the Series and because of his animus toward Mr. Sheen. To justify
12 Lorre's conduct, Lorre and Warner Bros. conspired to conjure up a pretext to first prematurely
13 end the Series on March 25, and subsequently suspend and then terminate Mr. Sheen, creating
14 a public relations fiction to make him their scapegoat despite the fact that Mr. Sheen was
15 sober, and was ready, willing and able to perform.

16 8. Yet, at a time when both felony and misdemeanor charges were pending against
17 Mr. Sheen, Warner Bros. actively pursued Mr. Sheen and negotiated a new deal with him as of
18 May 2010 for Mr. Sheen to perform in the Series for two additional seasons. Warner Bros.
19 did not suspend Mr. Sheen while felony charges loomed; to the contrary, the production
20 company was keen to persuade him to commit to work for two additional seasons on the
21 Series, even if it meant that a convicted felon would be starring in the Series, since it would
22 add to the billions that could ultimately be reaped by Warner Bros. and Lorre from Mr.
23 Sheen's work. In fact, Warner Bros. had pursued Mr. Sheen to appear in the Series for an
24 additional two years, since he had initially been uninterested in continuing for an additional
25 two years unless he received appropriate compensation to do so.

26 9. The suspension and termination of Mr. Sheen occurred only after Mr. Sheen
27 had finally been provoked into criticizing Lorre in response to his harassment and
28 disparagement campaign which had been going on for years. It was no coincidence that the

1 suspension and termination of Mr. Sheen occurred only after Mr. Lorre had himself failed to
2 write scripts needed to do the season's remaining episodes.

3 10. Significantly, Warner Bros. suspension and termination of Mr. Sheen came after
4 he had undergone private rehab treatment at Warner Bros.' request (performed at Mr. Sheen's
5 home to ensure his privacy) with a cadre of experts who included the expert recommended by
6 Mr. Lorre himself. When Mr. Sheen was sober, and had passed several drug tests, and was
7 ready, willing and able to return to work, he was told "No." Yet, although Warner Bros.
8 stands to make over \$1 billion as a result of Mr. Sheen's work on the Series, it is retaliating
9 against him by not only suspending and terminating him, but by also refusing to pay his "pay or
10 play" salary and back end compensation in anticipatory breach of its contractual obligations.
11 Warner Bros. has anticipatorily repudiated its contractual obligations to Plaintiff to pay Mr.
12 Sheen's salary and back end on the Series despite the fact that Mr. Sheen faithfully and fully
13 performed on 177 episodes.

14 11. Thus, not only has Warner Bros. pulled the plug on the episodes remaining for
15 the 2010-2011 season thereby putting the crew and cast including Mr. Sheen out of work, it is
16 retaliating against Mr. Sheen by refusing to pay his remaining guaranteed salary together with
17 his back end in anticipatory breach of its contractual obligations.

18 12. In fact, apparently not satisfied with just attempting to renege on paying Mr.
19 Sheen his remaining guaranteed salary and the back end compensation he earned through his
20 hard work on 177 episodes, Warner Bros. has gone even further in its retaliatory attempts to
21 punish him. Despite the fact that Warner Bros., Lorre, and CBS will earn billions of dollars
22 from Mr. Sheen's work, Warner Bros. has the temerity to indicate that Mr. Sheen ought to pay
23 Warner Bros. hundreds of millions of dollars.

24 13. In first announcing that production of the Series would be discontinued for the
25 remainder of the 2010/2011 season, and then subsequently announcing that Mr. Sheen had
26 been terminated, Warner Bros. and CBS sought to satisfy Lorre's wrongful and overreaching
27 demands. They did so because of Lorre's significant influence upon them as a result of his
28 role as creator of multiple prime time television programs from which Warner Bros. and CBS

1 Series. (Plaintiffs Charlie Sheen and 9th Step Productions are sometimes collectively
2 hereinafter referred to as "Plaintiffs")

3 18. Plaintiffs are informed and believe and thereon allege that Defendant Chuck
4 Lorre, whose real name on information and belief is Charles Michael Levine ("Lorre"), is an
5 individual who resides in West Los Angeles and conducts business in Los Angeles County,
6 California, and is a principal of Defendant Chuck Lorre Productions, Inc. Lorre is the co-
7 creator and Executive Producer of the Series.

8 19. Plaintiffs are informed and believe and thereon allege that Defendant Chuck
9 Lorre Productions, Inc. ("CLPI") is and at all times relevant hereto was a corporation duly
10 organized and existing under the laws of the State of California with its principal place of
11 business in Los Angeles County, and that CLPI primarily conducts its business from offices on
12 the lot of Defendant WB.

13 20. Plaintiffs are informed and believe and thereon allege that Defendant WB Studio
14 Enterprises Inc. ("WB") is and at all times relevant hereto was a corporation duly organized
15 and existing under the laws of the State of Delaware, and regularly conducts business in Los
16 Angeles County. Plaintiffs are further informed and believe and thereon allege that WB has
17 contracted with Plaintiff 9th Step Productions for Mr. Sheen's acting services on the Series
18 through its division "Warner Bros. Television."

19 21. Plaintiffs are informed and believe and thereon allege that the fictitiously-named
20 Defendants sued herein as Does 1 through 20, inclusive, and each of them, are in some manner
21 responsible for the occurrences, acts and omissions alleged herein and that Plaintiffs' damages
22 were proximately caused by their conduct. The true names and capacities of such
23 fictitiously-named Doe Defendants, whether individual, corporate, partnership, associate or
24 otherwise, are presently unknown to Plaintiffs, and Plaintiffs will seek leave of Court to amend
25 this Complaint to assert the true names and capacities of such fictitiously-named Defendants
26 when the same have been ascertained. For convenience, each reference to any of the named
27 Defendants herein shall also refer to Does 1 through 20, inclusive.

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1 22. Plaintiffs are informed and believe and thereon allege that Defendants, and each
2 of them, were and are the agents, employees, partners, joint venturers, co-conspirators,
3 owners, principals and/or employers of the remaining Defendants, and at all times herein
4 mentioned were and are acting within the course and scope of such agency, employment,
5 partnership, conspiracy, ownership and/or joint venture. Plaintiffs are further informed and
6 believe and based thereon allege that the acts and conduct herein alleged of each such
7 Defendant were known to, authorized by and/or ratified by the other Defendants, and each of
8 them.

9 **THE BASIC FACTS LEADING TO THIS DISPUTE**

10 23. As of May 17, 2010, Plaintiff 9th Step Productions entered into a written letter
11 agreement with WB, through a division of WB called Warner Bros. Television, for the acting
12 services of Plaintiff Charlie Sheen with respect to the 2010/2011 and 2011/2012 production
13 seasons of the Series (the "Acting Agreement"). The Acting Agreement provides for, among
14 other things, payment to 9th Step Productions of a specified fee per episode for Mr. Sheen's
15 acting services, on a "pay or play" basis, with a minimum guarantee of 24 episodes per
16 season. The Acting Agreement incorporated provisions from previous written agreements
17 relating to earlier seasons of the Series.

18 24. Plaintiffs are informed and believe and thereon allege that Defendants Lorre
19 and/or CLPI have also entered into an agreement with WB pursuant to which Defendants
20 agreed to act as show runner and to timely write and develop scripts for episodes of the Series,
21 in which it was always contemplated that Charlie Sheen would star pursuant to the Acting
22 Agreement (the "Show Runner Agreement"). The Show Runner Agreement was entered into
23 expressly for the benefit of Plaintiffs in that, among other things, the services of both Mr.
24 Sheen and Lorre were necessary in order for the Series to succeed. It was necessary for Lorre
25 to fully and timely discharge the obligations specified in the Show Runner Agreement in order
26 for both WB and Plaintiffs to obtain the rights and benefits of, and to properly discharge their
27 respective obligations under, the Acting Agreement.

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1 25. In early February 2011, production of the Series was briefly postponed due to
2 Mr. Sheen's hospitalization. On February 14, 2011, Mr. Sheen attempted to return to the set
3 in accordance with the agreed production schedule. However, he was informed that
4 production could not proceed because Lorre had not supervised or arranged for production of
5 shooting scripts, notwithstanding the fact that it was contemplated that Mr. Sheen would return
6 shortly to work. Mr. Sheen was informed that he should return to work the week of February
7 28, 2011, when production of the Series would resume.

8 26. The conduct of Lorre, on his own behalf and on behalf of CLPI, in refusing to
9 arrange for production of shooting scripts for the Series so that production could be continued
10 in mid-February, 2011 was a unilateral breach of the Show Runner Agreement, as well as a
11 direct interference with the Acting Agreement. Lorre had no right to unilaterally discontinue
12 the production of shooting scripts, and thereby interrupt the production schedule. His conduct,
13 moreover, significantly damaged not only Plaintiffs but the crew and other cast members
14 working on the Series. Plaintiffs are informed and believe and thereon allege that Defendants
15 Lorre and CLPI took this action to satisfy their own egotistical desires and damage Mr. Sheen.

16 27. Even with postponing production until the delayed February 28, 2011 date,
17 there was still adequate time under the agreed production schedule (which was to terminate on
18 or about April 8, 2011) to complete an additional six to eight episodes of the Series under the
19 original production schedule and the Acting Agreement. However, in mid-February, 2011,
20 Plaintiffs were informed that the production schedule would arbitrarily be terminated on or
21 about March 25, 2011, and that only four additional episodes of the Series would be produced
22 under the revised schedule. This arbitrary determination, which Plaintiffs are informed and
23 believe and thereon allege was at the urging and insistence of Defendants Lorre and CLPI and
24 agreed to by Defendant WB, constituted a breach by WB, and an unlawful and intentional
25 interference by Defendants Lorre and CLPI, of Plaintiffs' rights under the Acting Agreement.
26 Once again, this action also adversely affected numerous innocent people working on the
27 Series including the cast and crew.

28 ///

1 28. From time to time during the production of the Series, Defendant Chuck Lorre,
2 on his own behalf and on behalf of Defendant CLPI, engaged in conduct and made statements
3 to Mr. Sheen and publicly to others, including the media, in order to intentionally harass,
4 annoy and damage Plaintiffs. For no legitimate reason whatsoever, Lorre required Mr. Sheen
5 to perform multiple takes of scenes during filming solely to harass and frustrate Mr. Sheen and
6 exhibit that Lorre was in control. Lorre also engaged in a pattern and practice of
7 disseminating harassing, derogatory and highly inflammatory comments about Mr. Sheen
8 through the media and through the use of "vanity cards" broadcast at the end of each episode
9 of the Series.

10 29. Among the numerous harassing, derogatory and damaging statements that
11 Defendants Lorre and CLPI have publicly disseminated via the internationally broadcast vanity
12 cards that obviously refer to Mr. Sheen are the following:

13 • Under the heading "To Do List," Lorre wrote "Meditate using
14 new mantra, 'High ratings do not equate to high self-esteem,'" "Go to Al-Anon
15 meeting," and "Write a country song entitled, 'Hooker in the Closet.' (Chorus:
16 'There's a hooker in the closet, 'neath the monogrammed robes, don't know
17 how she got there and I can't find my clothes. Officer Krupke, how are you
18 tonight? I've misplaced my watch but I'm feeling alright.')

19 • Following statements about his own healthy lifestyle, Lorre
20 wrote: "If Charlie Sheen outlives me, I'm gonna be really pissed."

21 • Lorre suggested that persons viewing the show not drink to
22 excess and "avoid degrading yourself by having meaningless sex with strangers
23 in a futile attempt to fill the emptiness in your soul."

24 • Lorre suggested that the audience extend prayers to people
25 working on the Series and that viewers should "Feel free to pick whomever you
26 think is most in need. Just hurry."

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1 • He also wrote, "We employ a highly-paid Hollywood
2 professional who has years of experience with putting his life at risk. And sadly
3 no, I'm not talking about our stunt man."

4 30. When Mr. Sheen finally responded to Lorre's unrelenting derogatory statements
5 in the media during the week of February 21, 2011, Defendants Lorre and CLPI retaliated by
6 using their influence to prevail upon WB to terminate production of the Series for the
7 remainder of the 2010/2011 Season. On or about February 24, 2011, WB and CBS issued the
8 following joint statement: "Based on the totality of Charlie Sheen's statements, conduct and
9 condition, CBS and Warner Bros. Television have decided to discontinue production of *Two*
10 *and a Half Men* for the remainder of the season." On March 7, 2011, Plaintiffs were informed
11 that WB terminated the Acting Agreement and does not intend to pay Plaintiffs the
12 compensation due thereunder.

13 31. Notwithstanding the attempt to premise the cancellation of production of the
14 Series and the termination of the Acting Agreement upon Mr. Sheen's alleged conduct,
15 including his response to the campaign of harassment and derogatory statements by Lorre
16 about Mr. Sheen in the media, Defendants Lorre and CLPI had already refused to perform
17 their obligations under the Show Runner Agreement by, among other things, (a) refusing to
18 supervise production of shooting scripts in January and February in anticipation of Mr.
19 Sheen's imminent return to the set, and (b) demanding that production of the Series terminate
20 on March 25 instead of April 8, 2011, long before Mr. Sheen made any public statements
21 about Lorre. The lack of merit in Defendants' attempt to premise termination of production of
22 the Series and the Acting Agreement upon Mr. Sheen's alleged statements, conduct and
23 condition is further evidenced by the fact that all of the parties involved in production of the
24 Series, including Defendants, were fully prepared to proceed with Mr. Sheen in a starring role
25 on the Series – and in fact WB negotiated and entered into a new contract with Mr. Sheen – in
26 2010 at a time when Mr. Sheen was facing potential felony charges and jail time. At that time,
27 Mr. Sheen was informed that his involvement with the Series would not be jeopardized even if
28 he pleaded guilty to a felony and served jail time, as long as he was available to perform his

1 obligations under the Acting Agreement. Although WB attempted to attribute termination of
2 the Acting Agreement to Mr. Sheen's failure to perform his contractual obligations, Mr. Sheen
3 had performed his acting services flawlessly on episodes filmed shortly before the alleged
4 termination, including episodes filmed before a live audience, and received no complaints
5 about his performance at any time prior to his statements about Defendants in the press during
6 the week of February 21, 2001, shortly before Defendants terminated production of the Series.

7 32. Plaintiffs are informed and believe and thereon allege that the actions of
8 Defendants Lorre and CLPI as alleged herein were fueled not only by Lorre's ego, but also by
9 a material conflict of interest between the involvement of Lorre and CLPI on the Series and
10 their other projects at Warner Bros. and CBS. Among other things, Plaintiffs are informed
11 and believe that Lorre and CLPI have a significantly higher profit participation on their other
12 projects at WB and CBS than they do on the Series, and that writers who they originally hired
13 to work on the Series are now writing for their other shows, such that they were incentivized
14 to focus on their other shows as opposed to continuing their involvement on the Series as
15 required under the Show Runner Agreement.

16 33. Plaintiffs are informed and believe and thereon allege that WB has permitted
17 Defendants Lorre and CLPI to refuse to work and breach the Show Runner Agreement,
18 without taking any contractual or disciplinary action against them, and has permitted Lorre and
19 CLPI to interfere with Plaintiffs' rights under the Acting Agreement, because of the lucrative
20 business relationship between WB and CBS, on the one hand, and Defendants Lorre and CLPI,
21 on the other hand. Among other things, Defendants Lorre and CLPI are currently in
22 production on at least three separate prime time television programs that air on CBS and are
23 produced under the WB studio banner. Defendants Lorre and CLPI in fact maintain offices on
24 the WB lot. Because of the close and very lucrative business relationship between Defendants
25 Lorre and CLPI, on the one hand, and Defendant WB and CBS, on the other hand, Defendants
26 conspired with each other in breaching the obligations owed to Plaintiffs under the Acting
27 Agreement, and in tortiously interfering with Plaintiffs' rights. Plaintiffs are entitled to
28 recover significant compensatory and punitive damages, as well as costs and attorneys fees

1 incurred in enforcing their rights as recoverable under the Acting Agreement and other
2 amounts as a result of this conduct.

3
4 **FIRST CAUSE OF ACTION**

5 **(By Plaintiff 9th Step Productions for Intentional Interference**

6 **With Contractual Relations Against Defendants Lorre and CLPI)**

7 34. Plaintiffs incorporate herein by reference each and every allegation contained in
8 Paragraphs 1 through 33, inclusive, of this Complaint as if fully set forth herein.

9 35. At all relevant times, Defendants Lorre and CLPI knew of the existence of the
10 Acting Agreement between Plaintiff 9th Step Productions and WB as described above.

11 36. The participation of Defendants Lorre and CLPI, the show runner for the
12 Series, is critical to the production of the Series. Because of this, and the lucrative business
13 relationship that they share with WB and CBS, Defendants Lorre and CLPI knew at all
14 relevant times that neither WB nor CBS would proceed with the production of Series episodes
15 without their involvement.

16 37. Plaintiffs are informed and believe and thereon allege that, in an effort to
17 interfere with Plaintiff's rights under the Acting Agreement, Defendants Lorre and CLPI,
18 beginning in late January 2011 when Sheen was briefly hospitalized, failed and refused to
19 arrange for the production of shooting scripts for the Series notwithstanding that it was
20 anticipated that Mr. Sheen would shortly return to work. When Mr. Sheen attempted to return
21 for filming on February 14, 2011, he was informed that production would not be proceeding at
22 that time because of the unavailability of scripts. Subsequently, Mr. Sheen was informed that
23 he should return to work on or about February 28, 2011, but that there would be an early
24 termination of the production schedule for the Series, so that production would be completed
25 on or about March 25, 2011 instead of April 8, 2011. Plaintiffs are informed and believe and
26 thereon allege that this early termination date was unilaterally imposed by Defendants Lorre
27 and CLPI, who refused to participate in the production of any episodes of the Series beyond
28 the March 25, 2011 date. Plaintiffs are further informed and believe and thereon allege that

1 during the week of February 21, 2011, Defendants Lorre and CLPI stated that they would not
2 participate in any further episodes of the Series during the 2010/2011 season, and ultimately
3 persuaded WB and CBS to terminate any further production of the Series and to breach the
4 obligations owed to Plaintiff 9th Step Productions under the Acting Agreement. WB has
5 indicated that it does not intend to pay further episodic payments or other amounts due to
6 Plaintiff 9th Step Productions under the Agreement.

7 38. Defendants Lorre and CLPI engaged in the conduct alleged herein with the
8 intent to harm Plaintiff 9th Step Productions and its beneficiaries financially and to induce WB
9 to violate the Acting Agreement, and/or to make the contractual relationship between WB and
10 Plaintiffs less financially lucrative to Plaintiffs.

11 39. As a proximate result of the conduct of Defendants Lorre and CLPI as alleged
12 herein, Plaintiff 9th Step Productions was damaged in an amount in excess of One Hundred
13 Million Dollars, the exact amount of which will be proven at time of trial. When Plaintiff has
14 ascertained the full amount of its damages, it will seek leave of Court to amend this Complaint
15 accordingly.

16 40. The conduct of Defendants Lorre and CLPI as alleged herein was purposeful
17 and intentional and was engaged in for the purpose of depriving Plaintiffs of property or legal
18 rights or otherwise causing injury, and was despicable conduct that subjected Plaintiff 9th Step
19 Productions to cruel and unjust hardship in conscious disregard of its rights, and was
20 performed with fraud, oppression or malice so as to justify an award of exemplary or punitive
21 damages against such Defendants in an amount according to proof at trial.

22
23 **SECOND CAUSE OF ACTION**

24 **(By Plaintiffs Charlie Sheen and 9th Step Productions for Intentional Interference**
25 **With Prospective Economic Advantage Against Defendants Lorre and CLPI)**

26 41. Plaintiffs incorporate herein by reference each and every allegation contained in
27 Paragraphs 1 through 33, inclusive, of this Complaint as if fully set forth herein.

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1 42. Prior to engaging in the aforementioned conduct, Defendants Lorre and CLPI
2 were fully aware that Plaintiffs had business relationships with WB and CBS which were very
3 likely to result in economically-advantageous relationships between Plaintiffs, WB and CBS.
4 Plaintiffs are informed and believe and thereon allege that, in addition to the relationship
5 between Plaintiffs, on the one hand, and WB and CBS, on the other hand, with respect to the
6 Series, Defendants Lorre and CLPI were aware that Charlie Sheen had a right of first look/first
7 negotiation agreement with WB concerning literary properties that might be developed by or
8 on behalf of Mr. Sheen.

9 43. Defendants Lorre and CLPI engaged in the conduct alleged above with the
10 intent to interfere with and/or destroy the economically-advantageous relationships between
11 Plaintiffs, on the one hand, and WB and CBS, on the other hand, and to make those
12 relationships less financially lucrative for Plaintiffs. The conduct of these Defendants was
13 independently wrongful because, among other things, Defendants were engaging in unlawful
14 retaliation prohibited by the Fair Employment and Housing Act after Plaintiff Charlie Sheen
15 attempted to defend himself against Defendants' harassment.

16 44. As a proximate result of the conduct of Defendants Lorre and CLPI as alleged
17 herein, Plaintiffs have been damaged in an amount in excess of One Hundred Million Dollars,
18 the exact amount of which will be proven at the time of trial. When Plaintiffs have ascertained
19 the full amount of their damages, they will seek leave of Court to amend this Complaint
20 accordingly.

21 45. The conduct of Defendants Lorre and CLPI as alleged herein was purposeful
22 and intentional and was engaged in for the purpose of depriving Plaintiffs of property or legal
23 rights or otherwise causing injury, and was despicable conduct that subjected Plaintiffs to cruel
24 and unjust hardship in conscious disregard of its rights, and was performed with fraud,
25 oppression or malice so as to justify an award of exemplary or punitive damages against such
26 Defendants in an amount according to proof at trial.

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1 THIRD CAUSE OF ACTION

2 (By Plaintiff 9th Step Productions for Breach of
3 the Acting Agreement Against Defendant WB)

4 46. Plaintiffs incorporate herein by reference each and every allegation contained in
5 Paragraphs 1 through 33, inclusive, of this Complaint as if fully set forth herein.

6 47. Pursuant to the Acting Agreement between Plaintiff 9th Step Productions and
7 WB, 9th Step is entitled to be paid for Mr. Sheen's services on the Series on a pay-or-play basis
8 at a specified rate per episode, with a minimum guarantee of 24 episodes per production
9 season. In addition, Plaintiff 9th Step Productions is entitled to be paid back end compensation
10 and other amounts specified in the Acting Agreement.

11 48. Plaintiffs are informed and believe that WB intends to pay 9th Step Productions
12 for a maximum of 16 episodes for the 2010/2011 season of the Series, and in any event does
13 not intend to pay the episodic fee for a minimum of 24 episodes as required under the Acting
14 Agreement. WB has also stated that it is refusing to pay the back end compensation and other
15 amounts due and owing to Plaintiff under the Acting Agreement. WB's conduct in refusing to
16 pay the episodic fees owed under the Acting Agreement constitutes a breach of the Acting
17 Agreement, and its statements indicating that it does not intend to pay the back end
18 compensation due and owing to 9th Step despite the fact that Plaintiffs have faithfully rendered
19 services and fully performed their obligations on 177 episodes of the Series constitutes an
20 anticipatory breach of the Acting Agreement.

21 49. Plaintiffs have performed all conditions, covenants and promises required
22 pursuant to the Acting Agreement, except for those conditions, covenants and promises which
23 have been prevented or otherwise excused by WB's conduct.

24 50. WB has materially breached the Acting Agreement by, among other things,
25 failing and refusing to pay the episodic fee payments for 24 episodes of the Series and other
26 payments, including back end compensation required under the Acting Agreement.

27 51. As a proximate result of WB's breaches of contract, Plaintiff 9th Step
28 Productions has sustained damages in an amount in excess of One Hundred Million Dollars,

1 together with interest thereon at the maximum legal rate. In addition, the Acting Agreement
2 provides for recovery of "all costs, fees and expenses, including attorneys fees" incurred in
3 enforcing an award obtained pursuant to the Acting Agreement. Plaintiff seeks those amounts
4 as well. When Plaintiff has ascertained the full amount of its damages, it will seek leave of
5 Court to amend this Complaint accordingly.

6
7 **FOURTH CAUSE OF ACTION**

8 **(By Plaintiff 9th Step Productions for Breach of the Implied Covenant of**
9 **Good Faith And Fair Dealing Against Defendant WB)**

10 52. Plaintiffs incorporate herein by reference each and every allegation contained in
11 Paragraphs 1 through 33, and 47 through 50, inclusive, of this Complaint as if fully set forth
12 herein.

13 53. Implied in every contract is a covenant of good faith and fair dealing that neither
14 party will engage in any act or omission that is intended or has the natural tendency to deprive
15 the other party of the full benefits of its bargain. This covenant is implied into the Acting
16 Agreement, and imposes upon WB a duty not to engage in acts or omissions that would
17 frustrate the enjoyment of Plaintiff 9th Step Productions of any of the rights and benefits owed
18 or reasonably expected under the Acting Agreement.

19 54. By virtue of the relationship between Plaintiffs, on the one hand, and WB and
20 its division Warner Bros. Television, on the other hand, Plaintiffs have placed trust and
21 confidence in WB to perform all the duties and obligations owed and reasonably expected
22 pursuant to the terms of the Acting Agreement and to honor the implied covenant to act in
23 good faith and not to take any action which would unduly or unreasonably impair or harm any
24 rights or benefits owed or reasonably expected under the Acting Agreement.

25 55. WB has breached the implied covenant of good faith and fair dealing and denied
26 Plaintiff 9th Step Productions and its beneficiaries the rights and benefits to which they are
27 entitled or reasonably expected under the Acting Agreement by engaging in the aforementioned
28 conduct and by permitting and conspiring with Defendants Lorre and CLPI in interfering with

1 entered into expressly for the benefit of Plaintiffs in that, among other things, the services of
2 both Plaintiff Charlie Sheen and Defendant Chuck Lorre were necessary in order for the Series
3 to go forward and be successful, as it had been previously, and it was necessary to retain
4 Defendants' services and for Defendants to timely perform their obligations under the Show
5 Runner Agreement, for both Plaintiffs and WB to obtain the rights and benefits of, and to
6 properly discharge their obligations under, the Acting Agreement. Plaintiffs are, therefore,
7 entitled to enforce Defendants' obligations under the Show Runner Agreement as third party
8 beneficiaries of that contract.

9 60. Plaintiffs are informed and believe that Defendants' conduct as alleged above
10 constitutes a breach of the Show Runner Agreement.

11 61. Plaintiffs have performed all conditions, covenants and promises contractually
12 required of them in connection with the Series, except for those conditions, covenants and
13 promises that have been excused.

14 62. As a proximate result of Lorre's and CLPI's breaches of the Show Runner
15 Agreement, Plaintiffs have sustained damages in an amount to be proven at trial, but which
16 exceeds the jurisdictional minimum of this Court, together with interest thereon at the
17 maximum legal rate. Among other things, Plaintiffs are informed and believe that WB intends
18 to pay 9th Step Productions for a maximum of 16 episodes for the 2010/2011 season of the
19 Series because of Defendants' conduct, and in any event does not intend to pay the guaranteed
20 episodic fee for a minimum of 24 episodes. WB has also refused timely to pay back end
21 compensation and other amounts due and owing under the Acting Agreement. When Plaintiffs
22 have ascertained the full amount of their damages, they will seek leave of Court to amend this
23 Complaint accordingly.

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1 **SIXTH CAUSE OF ACTION**

2 **(By Plaintiffs Charlie Sheen and 9th Step Productions for**
3 **Recovery of Unpaid Wages Against Defendant WB)**

4 63. Plaintiffs incorporate herein and by reference each and every allegation
5 contained in Paragraph 1 through 33, inclusive, of this Complaint as if fully set forth herein.

6 64. Pursuant to the Acting Agreement between Plaintiff 9th Step Productions and
7 WB, WB is required to pay Plaintiff Charlie Sheen for his Acting Services on the Series on a
8 "pay or play" basis at a specified rate per episode, with a minimum guarantee of 24 episodes
9 per production season. In addition, Plaintiff Charlie Sheen through Plaintiff 9th Step
10 Productions is entitled to be paid back-end compensation and other amounts specified in the
11 Acting Agreement.

12 65. Effective as of March 7, 2011, WB gave notice that it was terminating Mr.
13 Sheen's services on the Series and his Acting Agreement. Plaintiffs are informed and believe
14 that WB intends to pay Charlie Sheen for only a maximum of 16 episodes for the 2010-2011
15 season of the Series, and WB does not intend to pay Charlie Sheen the episodic fee for a
16 minimum of 24 episodes as required under the Acting Agreement. WB has also refused to
17 timely pay the back-end compensation and other amounts due and owing to Plaintiff under the
18 Acting Agreement.

19 66. Plaintiffs are further informed and believe that when WB notified Mr. Sheen
20 that it was terminating his Acting Agreement, the WB failed and refused to pay all cast and
21 crew on the Series for the minimum guarantee of 24 episodes for the 2010-2011 season of the
22 Series. Thus, the WB intentionally deprived cast and crew members of the Series of their
23 wages for at least eight episodes (8) of the Series.

24 67. At the time the WB terminated Mr. Sheen, WB failed to pay the Plaintiffs all
25 amounts due and owing under the Acting Agreement. WB's failure to pay the full amount due
26 to Plaintiffs on termination violates the provisions of Labor Code § 201. There is now due and
27 owing to Plaintiffs a sum in an amount to be proven at trial. Defendants have failed and
28 refused, and continue to fail and refuse, to pay Plaintiffs' wages.

1 and the similarly-situated current and former employees of the Series and the State of
2 California concerning the WB's failure to pay wages upon termination of Mr. Sheen and the
3 penalties accruing to the State of California as a result of the WB's treatment of all of its
4 current and former aggrieved employees.

5 73. Mr. Sheen seeks penalties of violations of the Labor Code that provide for
6 penalties pursuant to Labor Code § 2699(a). Mr. Sheen also seeks penalties for violations of
7 Labor Code provisions that do not provide a penalty pursuant to Labor Code § 2699(f), which
8 provides:

9 For all provisions of this Code except those for which a
10 civil penalty is specifically provided, there is established a civil
11 penalty for violation of these provisions, as follow: ... (2) if, at
12 the time of the alleged violation, the person employs one or more
13 employees, the civil penalty is one hundred dollars (\$100) for
each aggrieved employee per pay period for the initial violation,
and two hundred dollars (\$200) for each aggrieved employee per
pay period for each subsequent violation.

14 74. Mr. Sheen also seeks civil penalties as provided under applicable Labor Code
15 sections for violations of the Labor Code alleged herein pursuant to Labor Code § 2699(a). To
16 the extent that any violation alleged herein does not carry a penalty, Mr. Sheen seeks civil
17 penalties pursuant to Labor Code § 2699(f) for Mr. Sheen's and other current and former
18 employees for violations of those sections.

19 75. Mr. Sheen is also entitled to an award of attorney fees and costs pursuant to the
20 applicable provisions of the Labor Code.

21 EIGHTH CAUSE OF ACTION

22 **(By Plaintiff Charlie Sheen for Violation of FEHA Against Defendant WB)**

23 76. Plaintiffs incorporate herein by reference each and every allegation contained in
24 Paragraphs 1 through 33, inclusive, of this Complaint as if fully set forth herein.

25 77. Defendant WB has accused Mr. Sheen of having physical and mental
26 disabilities. According to WB, health care experts have observed Mr. Sheen in an alleged
27 "manic" and/or "bi-polar" state; other health-care experts have described Mr. Sheen as
28

1 suffering from "hypomaniac" psychological state. WB further claims that Mr. Sheen has had a
2 rapid physical and mental deterioration of his condition. WB bluntly states that Mr. Sheen is
3 very ill.

4 78. On or about March 7, 2011, WB refused to reasonably accommodate Mr. Sheen
5 from Warner Bros. claim that Mr. Sheen has an alleged illness and need for medical care
6 and/or treatment when it terminated his employment contract. Rather than accommodate Mr.
7 Sheen for Warner Bros. claim that Mr. Sheen has alleged physical and mental disabilities, WB
8 instead terminated Mr. Sheen's employment agreement.

9 79. In mid-February 2011, Mr. Sheen advised WB that he was ready, willing and
10 able to perform his acting services such that production of the Series could resume filming and
11 production. However, WB, at the urging of Lorre, arbitrarily refused to allow production to
12 go forward to the scheduled completion date, and instead arbitrarily insisted on ending
13 production two weeks early so that only four additional episodes would be produced.
14 However, on or about February 28, 2011, WB cancelled production of the remaining episodes
15 of the current season of the Series, and on or about March 7, 2011, terminated the Acting
16 Agreement. At no time was Mr. Sheen's performance of his acting duties, with a reasonable
17 accommodation for Warner Bros. claim of his alleged physical and mental disabilities, a
18 danger to either Mr. Sheen or any other person's health or safety. Neither would an
19 accommodation of Mr. Sheen's medical needs based on Warner Bros. claim of Mr. Sheen's
20 alleged physical or mental disability have imposed an undue hardship on WB.

21 80. WB stated that Mr. Sheen's termination of his employment agreement was due
22 to his alleged inability to perform the essential duties of his position. The reasons given by
23 WB are a pretext for discrimination on account of Warner Bros. claim of Mr. Sheen's alleged
24 physical and mental disability.

25 81. WB's discriminatory actions against Mr. Sheen constitute unlawful
26 discrimination in employment on account of alleged physical and mental disabilities in
27 violation of Government Code § 12940(a). On March 9, 2011, Mr. Sheen filed a charge of
28 discrimination with the California Department of Fair Employment and Housing.

1 damaging statements about Mr. Sheen. On information and belief, Lorre believed, and has
2 stated publicly, that Mr. Sheen suffered from physical and mental maladies, but Lorre
3 nevertheless repeatedly made offensive, derogatory and damaging comments about Mr. Sheen
4 and his alleged physical and mental illness, and harassed Mr. Sheen on the set of the Series.
5 With the permission of WB, Mr. Lorre also spread outrageous insults and derogatory remarks
6 targeting Mr. Sheen in vanity cards at the end of Mr. Lorre's shows, specifically targeting Mr.
7 Sheen's alleged illness. Among the harassing statements Mr. Lorre made in those vanity cards
8 with an obvious reference to Mr. Sheen are the following:

9 • Under the heading "To Do List" Mr. Lorre wrote, "Meditate
10 using new mantra, 'high ratings do not equate to high self esteem'" "Go to Al-
11 Anon meeting" and "write a country song entitled, 'Hooker in the Closet'."
12 "(Chorus: 'There's a hooker in the closet, 'neath the monogrammed robes,
13 don't know how she got there and I can't find my clothes. Officer Krupke, how
14 are you tonight? I've misplaced my watch but I'm feeling all right.')

15 • Following statements about his own healthy lifestyle, Lorre
16 wrote: "If Charlie Sheen outlives me, I'm gonna be really pissed."

17 • Lorre suggested that persons viewing this shall not drink to
18 excess and "avoid degrading yourself by having meaningless sex with strangers
19 in a futile attempt to fill the emptiness in your soul."

20 • Lorre suggested that audience members extend prayers to people
21 working on the Series, and that viewers should "feel free to pick whomever you
22 think is most in need. Just hurry."

23 • Lorre wrote, "We employ a highly paid Hollywood professional
24 who has years of experience with putting his life at risk. And sadly no, I'm not
25 talking about our stuntman."

26 88. In response to Lorre's unlawful practices under the FEHA by harassing Mr.
27 Sheen about his alleged disabilities, and his public humiliation of Mr. Sheen and degrading
28 comments about him and his alleged disabilities, Mr. Sheen publicly protested the adverse

1 treatment and he tried to defend himself on or about February 24, 2011. Mr. Sheen pointedly
2 protested Mr. Lorre's unrelenting unlawful harassment. Mr. Sheen fought back against Lorre
3 by using the same court of public opinion that Lorre used. The fact that Mr. Sheen's defense
4 of himself was far more effective than Lorre's harassing and degrading comments caused both
5 Lorre and WB to take the ultimate retaliatory action against Mr. Sheen. Indeed, WB admits
6 that it was Mr. Sheen's alleged condition and his statements about Lorre that caused WB to
7 cancel the production of the Series for the remainder of the 2010-2011 season. In response to
8 WB's and Lorre's retaliatory actions against him by cancelling the remaining episodes for the
9 2010-2011 season of the Series, Mr. Sheen again publicly protested by granting radio and
10 television interviews to air his grievances with WB and Lorre. Mr. Sheen publicly protested
11 what he believed to be discriminatory animus directed towards him.

12 89. On March 7, 2011, WB engaged in the ultimate retaliatory action. It terminated
13 Mr. Sheen's employment agreement. WB's actions were caused by and were in retaliation for
14 Mr. Sheen's protected activity.

15 90. WB's discriminatory actions against Mr. Sheen constitute unlawful
16 discrimination of employment in violation of Government Code § 12940(h).

17 91. As a proximate result of WB's discriminatory actions against Mr. Sheen, Mr.
18 Sheen has been harmed in that he has suffered the loss of wages and salary, and additional
19 amounts of money Plaintiff would have received had the Series continued. As a result of such
20 discrimination and consequent harm, Plaintiff has suffered damages in an amount to be proven
21 at trial.

22 92. As a further proximate result of Defendants' discriminatory actions against Mr.
23 Sheen, Mr. Sheen harmed in that he has suffered the intangible loss of employment-related
24 opportunities such as the ability to continue in television's top-rated sitcom as well as the
25 attendant endorsements that come with being the lead character in that type of television series.
26 As a result of such discrimination and consequent harm, Mr. Sheen has suffered damages in an
27 amount to be proven at trial.

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1 **On the Fourth Cause of Action:**

2 7. For compensatory damages in the sum of One Hundred Million Dollars, or
3 according to proof at trial; and

4 **On the Fifth Cause of Action:**

5 8. For compensatory damages in an amount according to proof at trial;

6 **On the Sixth Cause of Action:**

7 9. For compensatory damages in an amount to be proven at trial, representing
8 wages and other compensation owed to Plaintiffs;

9 10. For interest on the amount of unpaid wages and other compensation owed to
10 Plaintiffs;

11 11. For penalties in an amount to be proven at trial pursuant to the applicable
12 provisions of the Labor Code; and

13 12. For reasonable attorneys' fees pursuant to the applicable provisions of the Labor
14 Code;

15 **On the Seventh Cause of Action:**

16 13. For compensatory damages in an amount to be proven at trial, representing
17 wages and other compensation owed to Plaintiffs and other similarly situated current and
18 former employees of Warner Bros.;

19 14. For interest on the amount of unpaid wages and other compensation owed to
20 Plaintiffs and other similarly situated current and former employees of Warner Bros.;

21 15. For penalties in an amount to be proven at trial pursuant to the applicable
22 provisions of the Labor Code; and

23 16. For reasonable attorneys' fees pursuant to the applicable provisions of the Labor
24 Code;

25 **On the Eighth Cause of Action:**

26 17. For compensatory damages in an amount according to proof at trial;

27 18. For exemplary or punitive damages in an amount according to proof at trial; and

28 19. For attorneys fees and other amounts recoverable under FEHA;

1 On the Ninth Cause of Action:

- 2 20. For compensatory damages in an amount according to proof at trial; and
3 21. For exemplary or punitive damages in an amount according to proof at trial; and
4 22. For attorneys fees and other amounts recoverable under FEHA;

5 On All Causes of Action:

- 6 23. For costs of suit incurred herein;
7 24. For attorneys fees as allowable by law; and
8 25. For such other and further relief as the Court may deem just and proper.

9 DATED: March 10, 2011

LAVELY & SINGER
PROFESSIONAL CORPORATION
MARTIN D. SINGER
PAUL N. SORRELL
WILLIAM J. BRIGGS II

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13 By: 
14 MARTIN D. SINGER
15 Attorneys for Plaintiffs CHARLIE SHEEN
16 and 9TH STEP PRODUCTIONS, INC.
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DEMAND FOR JURY TRIAL

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2 Plaintiffs Charlie Sheen and 9th Step Productions, Inc., hereby demand a trial by jury in
3 this matter.

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5 DATED: March 10, 2011

LAVELY & SINGER
PROFESSIONAL CORPORATION
MARTIN D. SINGER
PAUL N. SORRELL
WILLIAM J. BRIGGS-H

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8
9 By: 

MARTIN D. SINGER

10 Attorneys for Plaintiffs CHARLIE SHEEN
11 and 9TH STEP PRODUCTIONS, INC.
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