

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 06/16/17

DEPT. 52

HONORABLE Susan Bryant-Deason

JUDGE

M.F. LOPEZ

DEPUTY CLERK

HONORABLE #8

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

T. ISUNZA, C.A.

Deputy Sheriff

REPORTER IN PRO TEMPORE:
CINDY CAMERON, CSR #10315 Reporter

8:30 am

BC643237

Plaintiff	PATRICIA GLASER	(X)
Counsel	PAUL B. SALVATY	(X)
Defendant	BRYAN A. MERRYMAN	(X)
Counsel	MICHAEL E. WEINSTEN	(X)
	PHILIP M. KELLY	(X)

ITV GURNEY HOLDING INC ET AL
VS
SCOTT GURNEY ET AL
(This is Lead Case)
Consolidated with BC646298
Defendant 170.6 Judge B. Meiers

NATURE OF PROCEEDINGS:

DEFENDANTS AND CROSS-COMPLAINANTS SCOTT GURNEY AND DEIRDRE GURNEY AND CROSS-COMPLAINANT LITTLE WIN, LLC'S MOTION FOR ORDER TO SHOW CAUSE FINDING CROSS-DEFENDANTS IN CONTEMPT OR, IN THE ALTERNATIVE, ISSUE SANCTIONS PURSUANT TO CCP SECTION 177.5;

Matter is called for hearing.

The Order Appointing Court Approved Reporter as Official Reporter Pro Tempore is signed and filed this date.

Hearing on motion (as captioned above) is held.

The court having read the papers and heard the arguments rules as follows:

Plaintiffs' objection to the declarations filed in support of the reply is OVERRULED.

The evidentiary objections are ruled upon as marked.

Defendants and Cross-Complainants represent that they no longer seek the setting of an order to show cause re: contempt; therefore, the motion for an OSC re: contempt is MOOT. The court announced that it will then proceed on the sanctions request only and entertained argument.

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NATURE OF PROCEEDINGS:

Based on review of the evidence and hearing oral argument, the court rules as follows:

Pursuant to CCP §177.5, the court imposes monetary sanctions against Plaintiffs, payable to the court in the amount of \$12,000.00, for the following eight (8) violations of the March 21, 2017 preliminary injunction order (in the amount of \$1,500.00 each) committed without good cause or substantial justification:

- (1) Not reinstating the Gurneys as managers of Gurney Productions, LLC with all rights to perform without the approval of all managers the management of the day-to-day business and affairs of the company consistent with the past practice of the Gurneys (except as otherwise restricted in the Operating Agreement) in violation of Section 5.7(a)(i) of the Operating Agreement;
- (2) Transferring the funds of Gurney Productions, LLC without the unanimous approval of the Board, in violation of Section 5.7(n) of the Operating Agreement;
- (3) Prohibiting the Gurneys from having access to all the funds of Gurney Productions, LLC inconsistent with past practice of the Gurneys, evidenced in part by Plaintiffs'

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unjustified creation of an escrow account to which the Gurneys do not have check-signing authority;

- (4) Providing the Gurneys less than \$500,000 to spend on development on or around April 26, 2017, in violation of Section 5.7(a)(iv) of the Operating Agreement;
- (5) Board member Brent Montgomery's interference with the Gurneys' rights to manage day-to-day business and communicate with the television networks after the Court of Appeal's April 10, 2017 ruling, in violation of Section 5.7(a)(i) of the Operating Agreement, evidenced by an email from Montgomery threatening Deirdre Gurney that he would cancel the deal with Discovery for Lost Cage if the Gurneys would not agree to have the show finished in New York;
- (6) Delaying in providing the Gurneys access to the full active version of QuickBooks in violation of Section 9.5 of the Operating Agreement;
- (7) Delaying in providing the Gurneys access to the emails of Gurney Productions, LLC, including access to the archive server;
- (8) Hindering the rights of the Gurneys to

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hire and fire employees other than the chief financial officer as the Gurneys are entitled to under Section 5.7(a) (ii) of the Operating Agreement, evidenced by Plaintiffs' attempt to require that the Gurneys' hiring decisions be approved by a majority of board managers;

Plaintiffs assert that they made their best efforts to comply with the preliminary injunction, but the court finds otherwise.

The court having imposed \$12,000 in sanctions suspends the imposition of the \$12,000.00 sanctions award under CCP §177.5 on the condition that no further violations of the Operating Agreement, including the violations described above, occur.

Parties are ordered to comply with the June 2, 2017 order of the Court of Appeal.

The moving party is to submit a proposed order for the court's signature.

Counsel Patricia Glaser is to give notice.

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