

**FILED**  
LOS ANGELES SUPERIOR COURT

FEB 27 2009

JOHN A. CLARKE, CLERK

BY MARY GARCIA, DEPUTY

1 HENRY GRADSTEIN (BAR NO. 89747)  
GRADSTEIN & LUSKIN  
2 A Professional Corporation  
1100 Glendon Avenue, 14th Floor  
3 Los Angeles, California 90024  
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5 Attorneys for Plaintiffs FORESIGHT UNLIMITED, LLC, a California limited liability  
company; SIGNATURE ENTERTAINMENT GROUP, LLC, a California limited liability  
6 company; THREE STORIES PRODUCTIONS, LLC, a Louisiana limited liability  
company

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF LOS ANGELES**

BC408662

11 FORESIGHT UNLIMITED, LLC, a  
California limited liability company;  
12 SIGNATURE ENTERTAINMENT  
GROUP, LLC, a California limited  
13 liability company; THREE STORIES  
PRODUCTIONS, LLC, a Louisiana  
14 limited liability company,

15 Plaintiffs,

16 vs.

17 WILLIS BROTHERS FILMS, LLC, a  
California limited liability company;  
18 ACE BONE, INC., a California  
corporation; BRUCE WILLIS, an  
19 individual; and DOES 1 through 10,  
inclusive,

20 Defendants.

Case No.

**COMPLAINT FOR DAMAGES  
FOR BREACH OF CONTRACT**

23 Plaintiffs Foresight Unlimited, LLC; Signature Group, LLC and Three Stories  
24 Productions, LLC (collectively "Plaintiffs"), allege as follows:

**FIRST CAUSE OF ACTION**

**(Breach of Contract Against All Defendants)**

27 1. Plaintiff Foresight Unlimited, LLC ("Foresight") is a California limited  
28 liability company with its principal place of business in Los Angeles County, California.

CIT/CASE: BR408662 LEA/DEFA  
RECEIPT #: 0949205784  
DATE PAID: 02/27/09 11:09 AM  
PAYMENT: \$350.00  
RECEIVED:  
CHECK: 350.00  
CASH:  
CHANGE:  
CARD:

*D-47*  
*Awelio Munoz*

1           2.     Plaintiff Signature Group, LLC ("Signature") is a California limited liability  
2 company with its principal place of business in Los Angeles County, California.

3           3.     Plaintiff Three Stories Productions, LLC ("Three Stories") is a Louisiana  
4 limited liability company.

5           4.     Plaintiffs are informed and believe, and allege thereon, that at all relevant  
6 times, Defendant Willis Brothers Films, LLC ("WBF") was a California limited liability  
7 company with its principal place of business in Los Angeles County, California.

8           5.     Plaintiffs are informed and believe, and allege thereon, that at all relevant  
9 times, Defendant Ace Bone, Inc. ("Ace Bone") was a California corporation with its  
10 principal place of business in Los Angeles County, California.

11          6.     Plaintiffs are informed and believe, and allege thereon, that at all relevant  
12 times, Defendant Bruce Willis ("Willis") was an individual residing in Los Angeles  
13 County, California.

14          7.     Plaintiffs are informed and believe, and allege thereon, that at all relevant  
15 times, each of the named Defendants were the agents for the other.

16          8.     The true names and capacities whether individual, corporate or otherwise, of  
17 the defendants named herein as Does 1 through 10, inclusive, are unknown to Plaintiffs  
18 who therefore sue said defendants by such fictitious names. Plaintiffs are informed and  
19 believe, and allege thereon, that Does 1 through 10, inclusive, are affiliates, divisions,  
20 subsidiaries or agents of, or parties in privity with, the named Defendants and are  
21 responsible in some manner for the occurrences and damages alleged herein. Plaintiffs will  
22 seek leave of Court to amend this Complaint when the true names and capacities of such  
23 defendants have been ascertained. Reference herein to "defendants" without other  
24 limitation shall include both specifically and fictitiously named defendants in this cause of  
25 action.

26          9.     On or about September 26, 2008, Defendants executed and delivered to  
27 Plaintiffs a written letter agreement (the "Letter Agreement") in connection with a motion  
28 picture project entitled *Three Stories About Joan* (the "Picture"). Plaintiffs counter-signed

1 and returned the Letter Agreement to Defendants promptly thereafter. A true and correct  
2 copy of the Letter Agreement is attached hereto as Exhibit "A" and incorporated herein by  
3 reference as though set forth in full herein at this point. Although the Letter Agreement  
4 bears the date of July 1, 2008, it was, in fact, executed as and when alleged above.

5 10. Without limitation, the Letter Agreement, as understood by the parties,  
6 provided that:

- 7 a. WBF would assign all rights to the Picture to Plaintiffs;
- 8 b. Principal photography of the Picture would commence by October 31,  
9 2008;
- 10 c. WBF, through David Willis and Stephen Eads, would produce the  
11 Picture for a fixed fee of \$750,000, plus contingent compensation;
- 12 d. Willis would direct the Picture for salary in the amount of \$196,404,  
13 plus applicable Directors Guild of America ("DGA") fringes;
- 14 e. Ace Bone, Inc., would furnish the acting services of Willis in  
15 exchange for his fee to be escrowed seven (7) days prior to the date on  
16 which he was required to travel to commence acting services on the  
17 Picture;
- 18 f. *Three Stories* would secure financing for the Picture not to exceed \$20  
19 million;
- 20 g. Plaintiffs would recoup their out-of-pocket costs; and
- 21 h. Plaintiffs would distribute the Picture and receive sales fees (and  
22 producer fees for the services of Moshe Diamant and Mark Damon).

23 11. Plaintiffs have performed all of the covenants and conditions required on  
24 their part to be performed under the Letter Agreement, except for those that have been  
25 prevented, waived, modified and/or excused by Defendants or by operation of fact or law.  
26 For example, and without limitation, notwithstanding Defendants' impairment of  
27 Plaintiffs' ability to secure financing by waiting until September 26, 2008 to execute and  
28 deliver the Letter Agreement, failing to assign to them the rights to the Picture and

1 breaching the Letter Agreement as alleged below, the requisite commitments from  
2 financially responsible third-party financiers had been secured by the first week of October  
3 2008 and Plaintiffs had substantially performed. Moreover, Plaintiffs incurred nearly  
4 \$2,000,000 in out-of-pocket costs in connection with the pre-production of the Picture. At  
5 all relevant times, Plaintiffs remained ready, willing and able to perform their obligations  
6 under the Letter Agreement.

7 12. On September 29, 2008, just three days after the Letter Agreement was  
8 signed, and during pre-production, Willis abruptly and without notice terminated his  
9 services as director for personal reasons and walked off the set. Defendants thereafter  
10 repudiated the Letter Agreement without legal cause and have since failed and refused, and  
11 continue to fail and refuse, to honor the terms thereof.

12 13. As a direct and proximate result of Defendants' breach of the Letter  
13 Agreement, Plaintiffs have been damaged in an amount which is not as yet fully  
14 ascertained, but which Plaintiffs are informed and believe, and allege thereon, exceeds  
15 \$4,000,000, according to proof, based upon out-of-pocket costs incurred in connection with  
16 the Picture and the loss of sales fees and producer fees.

17 WHEREFORE, Plaintiffs pray for Judgment against Defendants, and each of them,  
18 as follows:

19 1. For compensatory damages against Defendants and Does 1-10 in an amount  
20 in excess of \$4,000,000, according to proof; and

21 2 For costs of suit incurred herein and for such other and further relief as the  
22 Court deems just and proper.

23 DATED: February 27, 2009

GRADSTEIN & MUSKIN  
A Professional Corporation

By: 

HENRY GRADSTEIN  
Attorneys for FORESIGHT UNLIMITED, LLC,  
a California limited liability company;  
SIGNATURE ENTERTAINMENT GROUP,  
LLC, a California limited liability company;  
THREE STORIES PRODUCTIONS, LLC, a  
Louisiana limited liability company



FORESIGHT  
UNLIMITED

July 1, 2008

David Willis & Bruce Willis  
c/o Ziffren, Brittenham et al.  
1801 Century Park West  
Los Angeles, CA 90067  
Attn: P.J. Shapiro, Esq.

**Re. "3 Stories About Joan"**

Dear P.J.,

The following confirms the basic terms of an agreement ("Agreement") between Three Stories Productions, L.L.C. ("Company") on the one hand, and Willis Brothers Films, LLC ("WB") f/s/o David Willis and Stephen Eads (collectively "Producer") on the other hand, regarding the production, finance and distribution of that certain feature-length motion picture project currently entitled "3 Stories About Joan", written by Sam Applebaum and Chris Alexander, and to be produced jointly by Company and WB (the "Picture").

1. **Conditions.** Company's obligations hereunder are subject to Company's review and approval of the chain of title for the Picture. Upon execution of this Agreement, subject to the terms hereof (i) WB assigns all rights pursuant to the underlying option agreement dated as of January 17, 2007 between WB and Sam Applebaum & Chris Alexander (the "Option Agreement"), and the agreement dated as of July 17, 2007 between WB and Julianne Hausler (the "Executive Producer Agreement") to Company, and (ii) Company assumes the executory obligations of WB pursuant to the Option Agreement and the Executive Producer Agreement, and agrees to reimburse WB's reasonable, actual, direct, out-of-pocket development expenses related to the Picture as detailed on the attached Exhibit 1 and verified by Company. Notwithstanding the foregoing, as between Company and WB, WB retains and does not assign to Company the first and last refusal on all rights reserved by the writers pursuant to the Option Agreement and any further rights assignment documentation between Company and WB will reflect this reservation of rights to WB.
2. **Picture/Budget.** The Picture will be a feature-length theatrical motion picture based on an original screenplay written by Sam Applebaum and Chris Alexander, to be produced by Producer and to star Bruce Willis, with an "all-in" budget not to exceed \$20 million (including contingency, actual, third party financing costs (interest and loan fees), and above-the-line fees as outlined below). Company shall secure an amount equal to the budget by a commitment letter ("Commitment Letter") in form and substance reasonably satisfactory to WB, from Aramid or another mutually acceptable, financially responsible third party financier no later than 30 days prior to the scheduled commencement of principal photography.
3. **Start Date.** Currently anticipated to be Fall 2008, but subject to Artist's (as defined in paragraph 10 below) approval (not to be unreasonably withheld or delayed). In any event, the start date will be not later than October 31, 2008.
4. **Director/Cast.** Following conclusion of an agreement between the parties, Company will make pay-or-play offers to actors mutually approved by Company and WB to co-star in the Picture, with the terms of all such agreements (including an agreement for the acting services of Bruce Willis) to be negotiated in good faith. Lender (as defined in paragraph 10 below) will be engaged to provide the services of Bruce Willis, on a pay-or-play basis, to direct the Picture for fixed compensation in the amount of \$196,404, plus applicable DGA fringes (which amount shall be applicable against the Contingent Compensation provided for in paragraph 10.b. herein), with all other terms to be negotiated in good faith pursuant to a separate agreement for such directing services, consistent with DGA minimum requirements and industry custom.

EAD

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Re: 3 Stories About Joan - Deal Memo

5. **Producers.** WB will be engaged to provide the services of David Willis and Stephen Eads to collectively produce the Picture for a fixed fee of \$750,000 ("Fixed Compensation"), plus contingent compensation in the amount of 25% of 100% of Company's Adjusted Gross Receipts ("AGR") derived from exploitation of the Picture in all media throughout the world ("Contingent Compensation"). "AGR" shall be defined as all gross receipts received by or credited to Company or any affiliated entity in connection with the distribution or other exploitation of the Picture (including any and all ancillary rights therein) in all media throughout the world remaining after such time as Company recoups from such gross receipts (i) distribution sales fees as provided in paragraph 6 below; (ii) all actual, direct, out-of-pocket distribution and delivery expenses paid to third parties plus interest thereon, (iii) the all-in budget of the Picture (including repayment to financiers of the production costs and/or loans, if any, or any participations payable in consideration of financing or equity contributions and including deferments actually paid), and (iv) any and all guild residuals actually paid. Mutually approved third party profit participations, including without limitation, the gross participation payable to Lender for the acting services of Bruce Willis hereunder, shall be computed "off the top", and there will be no cross-collateralization between the Picture and any other picture.
6. **Distribution.** Company will act as worldwide distributor of the Picture on terms to be negotiated in good faith, with Foresight handling the negotiation of distribution and licensing agreements for a sales fee (inclusive of subagents' fees, but not subdistributors' fees) in the amount of 15% of foreign (outside the U.S.) MG's and 20% of foreign overages, and 7.5% of domestic gross receipts.
7. **Reversion.** In the event principal photography of the Picture does not commence by November 15, 2008 (subject to extension for force majeure and subject to Artist performance of the required acting and directing services), all right, title and interest in the Picture shall automatically revert to WB subject to a lien in favor of Company for its actual, direct, out of pocket costs in the Picture plus interest (at prime plus 1.5%).
8. **Approvals/Consultation.** WB and Company shall have mutual approval over all key creative elements, including without limitation, the key cast and crew (i.e., department heads), budget, screenplay, writers, locations, and schedules, with no tie-breaker; provided, however, in the event of a disagreement with respect to the budget, locations and/or schedules, Company's decision shall be final. WB shall have a right of meaningful consultation with respect to the domestic distributor of the Picture, as well as the domestic ad campaign and release pattern for the Picture (subject to WB's reasonably prompt responses to any requests for input).
9. **Credit.** David Willis, Stephen Eads, Moshe Diamant and Mark Damon will be entitled to receive producer credits on the Picture, both on screen and in the billing block of paid ads, subject to customary distributor exclusions. WB will receive a shared production company credit on screen, above or before the regular title, in the main titles of the Picture and in the billing block of all paid advertising therefore, subject to customary distributor exclusions. Bruce Willis will have the right to elect, on a timely basis, to receive either producer or executive producer credit (or neither) on the Picture, in either case such credit to be on a shared card in the main titles on screen and in the billing block of paid ads, subject to customary distributor exclusions. Company will consult with WB with respect to other production company credits with whom WB is to share company credit (with Company being pre-agreed). Subject to the foregoing, Company may designate additional production, presentation and other credits as Company customarily receives and as necessary pursuant to the financing structure of the Picture.
10. **Acting Services.** Ace Bone, Inc. ("Lender") shall furnish the acting services of Bruce Willis ("Artist") in the role of Mr. Ryland for four (4) consecutive weeks during principal photography, plus up to five (5) "free" days of pre-production immediately prior to the mutually approved start date (e.g., rehearsal, wardrobe fittings, etc.) and three (3) "free" post-production days (e.g., ADR, voice-over, dubbing, re-shoots).
  - a. **Fixed Compensation.** For Artist's acting services, Lender shall receive a flat, all-in fee, on a pay-or-play basis, of US \$8,000,000 ("Fixed Compensation"), less all amounts payable to Lender for Artist's directing services as provided in paragraph 4 hereunder. The Fixed Compensation shall be applicable against the Contingent Compensation payable to Lender pursuant to paragraph 9.b. below



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Re: 3 Stories About Joan - Deal Memo

All other terms to be subject to the good faith negotiation of appropriate agreements within customary industry parameters, and consistent with the budget and the respective party's stature and precedent. If the foregoing is acceptable, please indicate your agreement by signing in the space provided below and we will proceed to prepare a more formal agreement. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in either a Tagged Image Format File ("TIFF") or Portable Document Format ("PDF") shall be equally effective as delivery of a manually executed counterpart of this Agreement. Thank you.

ACKNOWLEDGED AND AGREED:

AGREED TO AND ACCEPTED:  
WILLIS BROTHERS FILMS, LLC

\_\_\_\_\_  
David Willis

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Stephen Eads

THREE STORIES PRODUCTIONS, L.L.C.

ACE BONE, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

SIGNATURE ENTERTAINMENT GROUP and  
FORESIGHT UNLIMITED, LLC hereby guarantee  
the obligations of Three Stories Productions, LLC  
hereunder:

SIGNATURE ENTERTAINMENT GROUP

By: \_\_\_\_\_  
Its: \_\_\_\_\_

FORESIGHT UNLIMITED, LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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Page 4

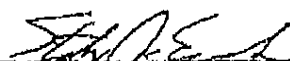
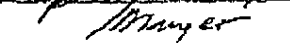
Re: 3 Stories About Joon - Deal Memo


All other terms to be subject to the good faith negotiation of appropriate agreements within customary industry parameters, and consistent with the budget and the respective party's stature and precedent. If the foregoing is acceptable, please indicate your agreement by signing in the space provided below and we will proceed to prepare a more formal agreement. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in either a Tagged Image Format File ("TIFF") or Portable Document Format ("PDF") shall be equally effective as delivery of a manually executed counterpart of this Agreement. Thank you.

ACKNOWLEDGED AND AGREED:

AGREED TO AND ACCEPTED:  
WILLIS BROTHERS FILMS, LLC

  
\_\_\_\_\_  
David Willis

By:   
Its: 

  
\_\_\_\_\_  
Stephen Eads

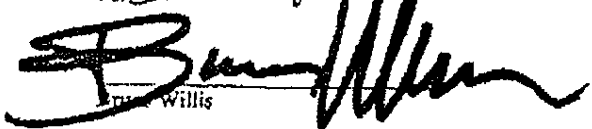
THREE STORIES PRODUCTIONS, L.L.C.

ACE BONE, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By:   
Its: \_\_\_\_\_

SIGNATURE ENTERTAINMENT GROUP and  
FORESIGHT UNLIMITED, LLC hereby guarantee  
the obligations of Three Stories Productions, LLC  
hereunder.

  
\_\_\_\_\_  
David Willis

SIGNATURE ENTERTAINMENT GROUP

By: \_\_\_\_\_  
Its: \_\_\_\_\_

FORESIGHT UNLIMITED, LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

09/24/2008 14:11 FAX

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08/24/2008 14:11 FAX

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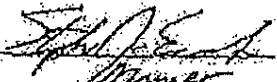
Re: 3 Stories About Joon - Deal Memo

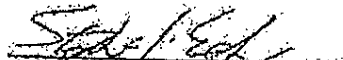
All other terms to be subject to the good faith negotiation of appropriate agreements within customary industry parameters, and consistent with the budget and the respective party's stature and precedent. If the foregoing is acceptable, please indicate your agreement by signing in the space provided below and we will proceed to prepare a more formal agreement. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in either a Tagged Image Format File ("TIFF") or Portable Document Format ("PDF") shall be equally effective as delivery of a manually executed counterpart of this Agreement. Thank you.

ACKNOWLEDGED AND AGREED:

AGREED TO AND ACCEPTED:  
WILLIS BROTHERS FILMS, LLC

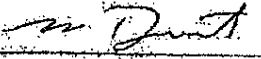
  
David Willis

By:   
Its: Manager

  
Stephen Eady

THREE STORIES PRODUCTIONS, L.L.C.

ACE BONE, INC.

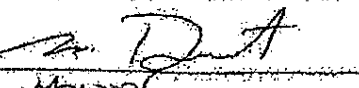
By:   
Its: Manager

By:   
Its: \_\_\_\_\_

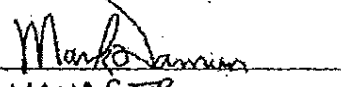
SIGNATURE ENTERTAINMENT GROUP and FORESIGHT UNLIMITED, LLC hereby guaranteed the obligations of Three Stories Productions, LLC hereunder.

  
David Willis

SIGNATURE ENTERTAINMENT GROUP

By:   
Its: Manager

FORESIGHT UNLIMITED, LLC

By:   
Its: MANAGER

2009/02/27