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Judge Judy Goes Off in Profits Lawsuit: "CBS Had No Choice But to Pay Me"



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'Judge Judy'

In a deposition, Judy Sheindlin talks of how she went from powerless TV personality to a \$47 million-a-year star and details her salary talks with CBS. "This isn't a negotiation," she tells the network's execs.

If you think Judy Sheindlin is out of this world on *Judge Judy* and deserves every penny of the mammoth \$47 million a year in salary she gets, wait until you hear what she had to say in a deposition. In a transcript obtained by *The Hollywood Reporter*, Sheindlin sounds off on everything from the coup during the first season that she felt powerless to prevent to her current status as television's top money-maker. Regarding CBS, she says, "Their back's to the wall."

Her colorful testimony comes in a lawsuit brought by Rebel Entertainment Partners, which claims to have been denied profits thanks to creative accounting by CBS and Big Ticket Television. Specifically, in a [complaint filed](#) in Los Angeles Superior Court in March 2016, Rebel objects to the way Sheindlin's compensation is structured so that after deductions, net profits on *Judge Judy* are wiped out. The lawsuit also takes issue with how the syndicated show is licensed to CBS affiliates and why Rebel is not seeing money from the Sheindlin-created series *Hot Bench*.

Rebel is the successor-in-interest to the talent agency that allegedly packaged the show. For whatever work it did in the mid-1990s, it's entitled to a 5 percent share of net profits.

CBS and Big Ticket, in summary adjudication papers filed this month, don't think much of that work.

"Rebel did not conceive of, develop, or create *Judge Judy*," states a brief. "Rebel has never financed, produced, sold, licensed, distributed, exhibited, or marketed *Judge Judy*. Rebel's only connection with *Judge Judy* was its representation of three original show producers in 1995. For this, Rebel has collected nearly \$20 million in upfront commission and back-end participation payments. Indeed, Rebel has received more than \$1.1 million in payments in the year since it filed the Complaint in this action."

The chief argument from CBS is that Rebel's deal doesn't allow the agency to challenge production cost amounts. CBS' lawyers say Rebel can object to production cost types, but that the discretion on what to pay the show's star is something reserved for the producers.

"Rebel cannot dispute that the salary paid to Judge Sheindlin was the salary necessary to keep *Judge Judy* on the air, and, ironically, the salary necessary for Rebel to continue to earn millions of dollars in upfront commissions that would disappear were the show to end," continues the defendants' summary adjudication brief.

Is paying Sheindlin all that salary really necessary? Well, that's where her deposition comes into play.

In July 2016, Sheindlin was videotaped giving testimony. What she said hasn't been revealed publicly until now.

During questioning, Sheindlin discussed how she went from being a supervising judge in New York family court to becoming a TV star. It was in late 1994 or early 1995 when Sheindlin says she got a call from producer Sandi Spreckman, who worked with another producer named Kaye Switzer and who had seen a piece on her on CBS' *60 Minutes*. Spreckman asked whether Sheindlin had ever thought of becoming a television judge.

"I remember that conversation because it was a life-altering conversation for me," testified Sheindlin. "I said as a matter of fact I did. I thought I would make a great TV judge and I know that Joe Wapner had just gone off the air. Little did I realize that the reason they were making this call is because they were both unemployed because *People's Court* had gone off the air..."

Sheindlin then recounted her Hollywood courtship from producer Larry Lyttle and others with all sorts of details down to the drink — a Diet Coke with lemon — she had during meetings and the hotel near Universal's studio she stayed at ("I thought I'd died and went to heaven, it actually had a little tiny room in addition to a bedroom.") During the deposition, she continually referred to Spreckman and Switzer as "the girls" and expressed skepticism about those pitching her. For example, the agent for the host of *The People's Court*? She told him, "I don't know you from a hole in the wall, so I'm not certainly binding myself to you."

Told by Lyttle that she needed to give an answer within 24 hours to a proposed deal for a pilot, Sheindlin says she looked for representation. She retained her entertainment lawyer — Nancy Rose — after a recommendation from Laurie and Larry David, the latter being of *Seinfeld* and *Curb Your Enthusiasm* fame. Sheindlin says she's related to them through marriage. (Reportedly, an upcoming episode of *Curb Your Enthusiasm* features star David as a plaintiff in the *Judge Judy* courtroom.)

After intense negotiations, Big Ticket made its final offer. Sheindlin doesn't remember the name of the company's lawyer ("I think he's no longer vertical on this earth").

She recalls her response to the offer: 'If the girls are happy with their deals, if that's their last offer, it's three and a half times as much as I'm making now as a family court judge — I'll take it.'

The pilot was made. The show was sold. "The girls finally realized the possibility of getting the brass ring," testified Sheindlin.

Except that's not exactly true. When she got back to New York, she got a frantic call from Switzer, who had been fired and escorted off by security.

"At that time I really didn't know I had the power to say, 'You can't fire the girls,' to say to Larry Lyttle, 'You can't fire the girls. If you fire the girls, I'm not working,'" continues Sheindlin. "So I did what I was supposed to do contractually. I showed up for work the next week. The girls left the show sometime in late '95, early '96. Actually, the last time I saw the girls is when I testified on their behalf in a lawsuit. I've had limited communication with them."

Judge Judy has become an enormous success — and now Rebel demands what it says is its rightful piece. Rebel is run by Richard Lawrence. There's obviously some bad blood between the two that's festered for years that few knew about.

"I haven't seen him or heard from him in over 21 years," said Sheindlin in her testimony about Lawrence. "I think I said something like for him to complain about my salary when he's made ... 17 million dollars ... for what was perhaps two, three hours' worth of business, that, to me, is obscene. Especially since it has always been my view that Mr. Lawrence and Mr. Lyttle were in collusion right from the beginning, just as Mr. Lyttle was with Fred Fenster to screw the girls. ... I don't think he can ever suggest that he represented me, and if he did represent these two women, he did such an atrocious job as an agent in representing them, because while he made tens of millions of dollars, I had to give Kaye Switzer money several years ago because she couldn't pay her rent."

That's not all she has to say about the agent.

"Mr. Lawrence should actually be kissing this right in Macy's window because my contract with CBS for more than a decade now does not include a last look, which means the following," she said. "Which means they can't match another offer, which means I can produce this show myself for decades. I choose not to do that because of my age and because of the fact that I like the uncomplicated life I lead."

Sheindlin said someone once wisely told her that she was leaving \$20 million a year on the table by not producing *Judge Judy* herself.

She responded, "How much can you eat?" (Besides her enormous salary, she [recently sold the *Judge Judy* library to CBS](#) in a deal that was likely north of \$200 million.)

Sheindlin testified that if she ever decided to produce the show herself, Lawrence would be "getting bupkis."

"It's very important for you to know, because part of your complaint is that CBS conspired with me to deprive Mr. Lawrence of his backend profit," Sheindlin added in testimony. "CBS had no choice but to pay me what I wanted because otherwise I could take it wherever I wanted to take it or do it myself."

Sheindlin says that every three years, she sits down for a renegotiation with CBS and brings along a card with her demands. Sometimes, she wants a bump for the crew who work on *Judge Judy*. Sometimes, it's something different. But there's always the salary.

"And we go to the Grill on the Alley with the president of the company," says the tough-minded judge about CBS. "We sit across the table, and I hand him the envelope and I say, 'Don't read it now, let's have a nice dinner. Call me tomorrow. You want it, fine. Otherwise, I'll produce it myself.' That's the negotiation."

"The only one who tried something a little bit different was John Nogawski," continued Sheindlin, referring to the former president of CBS TV Distribution. "John Nogawski came to the meeting at the Grill on the Alley, and I handed him my envelope, and he said, 'Judy, I have my own envelope.' And I said, 'I don't want to look at it.' He said, 'Why not? Maybe it's more than what's in your envelope.' And I said, 'Well, John, if I look at your envelope, it's a negotiation. This isn't a negotiation.' And he put his envelope away and they gave me what I wanted; not a whole thing, not 30 pages, three things, whatever it was, done. So to suggest that the largest profit participant, which is CBS, would pay me willingly more money is so ludicrous. Their back's to the wall."

Sheindlin has come a long way from the time she couldn't stick up for her girls fired on *Judge Judy*. Here she is in an imaginary discussion with CBS:

"You have corporate stockholders to respond to," she testified. "I have nobody except my grandchildren. You're going to tell me you're going to close down my show because you will be making less money this year than you made last year if you double my salary or if you give me another 10 million dollars per year. You won't. We're just going to be partners. Because after almost a decade, that's the way it should be."

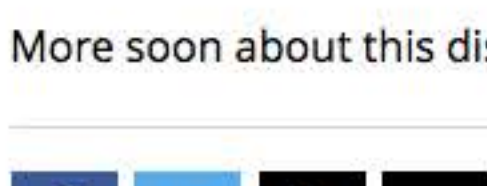
Her half-hour response to just one question from an attorney concludes in dynamic fashion.

She says, "They pay me the money that they do because they have no choice. They can't find another one. They've tried to find another Judy. If they find another Judy, good for them. So far they haven't. ... And until they do, they have their local news on all their O&Os [owned-and-operated stations]. They have international, which we're involved with the — the *Judy* program is all over the world, and even though they had to take a deep breath, they paid the money because they know otherwise. I'd take the same people with me that are producing the show now and I'd go and do it myself."

In response to CBS' summary adjudication motion, plaintiff's attorney Bryan Freedman calls it "laughable," asking, "Isn't it ironic that CBS waited to file this motion until after it agreed to pay Judge Sheindlin over \$95 million for the *Judge Judy* library — in addition to her salary of \$45 million?"

He continues: "As to the argument attempting to eliminate my client's claim for breach of the covenant of good faith and fair dealing — i.e., by stating that CBS had a right to set Judy's salary at any amount they wanted — that is an insult to every profit participant who has ever been involved in a show with CBS. By providing Judy Sheindlin with a \$45 million salary and essentially forcing profit participants to pay for it by eliminating their backend, CBS' conduct is clearly in bad faith and completely inconsistent with customary practice in the television industry. If a court allows CBS to force their profit participants to pay for the outrageous salaries of its talent, be forewarned that no one should ever do business with CBS."

More soon about this dispute.



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