

Chris Columbus' 1492 Facing Counter Suit In Payments Dispute With Ocean Blue – Update



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by Dominic Patten
January 20, 2017 10:58am

UPDATED, 10:58 PM: Calling the breach of contract and fraud complaint filed yesterday by [Chris Columbus' 1492 Entertainment](#) "meritless," [Ocean Blue Entertainment](#) said today that they plan to strike back in the courts themselves soon. Read the company's full statement [here](#).

PREVIOUSLY, January 19: In a case of overhead and obligation, Chris Columbus' 1492 Entertainment today filed a breach of contract and fraud complaint against Ocean Blue Entertainment and its executives for not paying their bills – literally.

"Despite having a written obligation to fund the overhead of 1492, Ocean Blue never intended to honor the terms of that agreement," said the 11-page, multiple-claim complaint filed today in LA Superior Court ([read it here](#)) of a situation that has seen Columbus' company have to let several pivotal employees go. "1492 has given Defendants the opportunity to reinstate overhead payments, which would provide for the rehiring of certain operational employees whose salaries and health benefits depended on Defendants' funding," the wide-ranging but unspecified damages-seeking filing adds of the investor, with which 1492 has had a financing deal since October 2012.

"Rather than honor its contractual obligations, Defendants have continued to breach the agreement by spending the last six (6) months stalling and delaying rather than making the required sixty-seven thousand dollar (\$67,000) monthly overhead payments to 1492," the complaint claims of the now-shuttered deal.

Besides the overhead clause, the agreement of almost five years between the *Pixels* director and Ocean Blue and previous rights holder Rise Entertainment also dealt with a payment of \$1 million in annual development funds to 1492. There also was another \$1 million in play for an adaption of the 2013 children's novel *House of Secrets*, which Columbus co-wrote.

Before today's suit, Ocean Blue and 1492 had a seemingly smooth business deal, [co-producing the Matt Lieberman-penned Christmas pic 12/24](#) and the post-WWII film *Exodus 47*, among other projects. With Thursday's filing alleging that Ocean Blue lacks the access to "investor capital" it promised 1492 and "were intentionally misrepresenting" themselves, those projects might see some changes – to put it lightly.

"Unilaterally breaching contractual responsibilities to fund overhead which has a direct effect on employees economic well being is not only legally wrongful but morally reprehensible," 1492 lawyer Bryan Freedman said in a statement today. "There will be significant consequences for Ocean Blue." Ocean Blue did not respond to Deadline's request for comment on the complaint

Along with Ocean Blue Entertainment and Rise Entertainment, executives Tracy Price and William Andrew also are named as defendants in the complaint.

1492 Entertainment is represented by by Freedman and Adam Pugatch of Freedman + Taitleman, LLP. In full disclosure, Freedman and the firm has done and does do work for Deadline's parent company PMC

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