

Prospect Park's Jeff Kwatinetz Takes Company To Court Over Non-Compete Clauses

BY DOMINIC PATTEN | Tuesday December 3, 2013 @ 12:06pm PST

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EXCLUSIVE: Prospect Park's multi-million dollar legal battle with ABC over licensed soaps *All My Children* and *One Life To Live* isn't the only courtroom drama the production company is now facing. Co-Founder Jeff Kwatinetz has filed a complaint against the company and ABRY Senior Equity IV, L.P., ABRY Investment Partnership, L.P., and ABRY Senior Equity Co-

Investment Fund IV. The producer and talent manager is seeking a declaratory judgment over non-compete clauses in a December 31, 2012 employment agreement he signed with Prospect Park when the Boston-based investors came on board late last year. Long story short, Kwatinetz wants a judge to decide if the "unenforceable non-competition and non-solicitation provision" would actually prevented him from working for another company for 5 years and if Prospect and ABRY could get an injunction to force him to work for them for 5 years if he attempted to leave. "In addition, the Guarantee contains what is essentially a \$5,000,000 liquidated damages penalty for a 'breach' of the unenforceable non-competition provision and employment term requirements in the Agreement," the 10-claim complaint filed on November 21 in LA Superior Court adds ([read it here](#)).



Related: [Prospect Park Now Seeking \\$125M In ABC Soap Lawsuit](#)

The catalyst of the complaint was a difference of opinion that Kwatinetz has with ABRY over the direction of the company, sources tell me.

Specially, that disagreement has to do with the future of AMC and OLTL and whether they will continue or not. Kwatinetz was advocating the continuation of the two series. having said that,

the producer had his lawyer Michael Taitelman file the complaint not because he intends to leave Prospect Park, I'm told, but because he wants to explore his options in what is a very complicated and multi-tiered agreement. Otherwise, all parties seem to be in sync right now at the busy Prospect Park and Kwatinetz continues to work there. Besides the online soaps, whose legal machinations could drag on for years, PP currently has *Wilfred* on FX and *Royal Pains* on USA with drama *Salem* debuting on WGN America in the spring of 2014. The company also has 10 sold scripted pilots in various states of development on both cable and broadcast TV and a music management and label revenue stream. Kwatinetz formed PP with ex-Walt Disney Studios president Richard Frank in 2008. A spokesperson for Kwatinetz declined to comment on the November 21st complaint when contacted by Deadline.

Related: [OLTL May Become Casualty Of Prospect Park-ABC Legal Dispute](#)

For the most part, non-compete clauses are redundant in California unless the individual in questions is an owner of a company and even then they can be voided. That is distinctly not the case in other states such as New York. Hence, Kwatinetz's complaint notes its disagreement with PP and ABRY's desire to have the Empire State and its laws used as a venue for the non-compete provisions.

"Furthermore, the Agreement and the Guarantee attempt to impose New York law and venue on the parties even though the Agreement was negotiated in California, with a California resident, for his employment in California at two California-based companies, and none of the parties are based in New York," the 109-page filing notes. By filing in LA Superior Court, the complaint seeks a judicial determination that the Golden State's laws and jurisdiction will apply in the matter.

Attorney Michael Taitelman's firm Freedman & Taitelman have also served as outside counsel to Deadline's parent company PMC.



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