EXCLUSIVE: Michael Ovitz Sued For Owing $203K Legal Fees In Pellicano Scandal

By NIKKI FINKE, Editor in Chief | Friday May 20, 2011 @ 11:24am PDT

Tags: Lawsuit, Michael Ovitz

Anita Busch Vs Michael Ovitz: Status Report

UPDATE: The complaint was filed today in Los Angeles Superior Court on behalf of the law firm Dreier Stein Kahan Browne Woods George and the estate of attorney Marc Dreier for breach of contract against Michael Ovitz and his shell company CKE Associates (aka the "Ovitz Parties"). Pitbull litigator Bryan Freedman of the Century City showbiz law firm Freedman Taitelman writes in the complaint that "Michael Ovitz once said 'If you're not being sued by someone, then you must be doing something wrong.' It is no secret that Ovitz has been a litigation magnet, attracting numerous high-profile lawsuits ... [including] Ovitz was accused of being instrumental in the infamous Anthony Pellicano wire-tapping scandal. That is, former entertainment journalist Anita Busch alleged that Ovitz and other defendants threatened her life. Busch claimed that Ovitz was somehow involved in an eerie incident whereby dead fish and a rose were left on Busch's windshield along with a cryptic note stating 'Stop!' To combat these and other lawsuits, Ovitz retained DSKBWG and litigation heavyweight Eric George. Even though there is no real dispute that DSKBWG's and George's legal representation was top notch and that George remained Ovitz' 'hired gun' even after Ovitz and George parted ways with DSKBWG in early 2009, Ovitz conveniently failed to pay DSKBWG over $200,000 for legal services that the firm provided to Ovitz. Staying true to his mantra, Ovitz would apparently rather fight for a 'litigation discount' than pay what is rightfully owed."

[Full Disclosure: Attorney Bryan Freedman is outside counsel for Deadline's parent company Penske Media Corp.]

The Los Angeles law firm DSKBWG's causes of action arise out of Dreier's Chapter 7 bankruptcy. Dreier used to be DSKBWG's sole member when he held a 100% equity interest in DSKBWG and DSKBWG's assets, including DSKBWG's claims against former clients. On Jan. 26, 2009, an involuntary petition was filed against Dreier in connection with the bankruptcy, and on March 2, 2009, trustee Salvatore LaMonica was appointed to administer the the Dreier Chapter 7 Bankruptcy estate with authorization to prosecute DSKBWG claims, including the claims alleged in this complaint.

So the lawsuit alleges that, on or about November 2005, the Ovitz Parties retained Dreier's firm to perform certain legal services on their behalf pursuant to a written fee agreement. As a result, the Ovitz Parties entered into an attorney-client relationship with DSKBWG including several high-profile matters. The biggest was the Busch civil lawsuit that the former Hollywood journalist is pursuing against Ovitz for damages in connection with the Anthony Pellicano wiretapping scandal. Additionally, DSKBWG represented the Ovitz Parties in another dispute involving claims against Ovitz's longtime employee and business partner whom Ovitz accused of breaching confidentiality and telling a third party inside information about Ovitz's business investments. That matter was ultimately settled.

Today's lawsuit alleges there remains an outstanding balance of $203,881.77 that the Ovitz Parties owe to DSKBWG. "The [Bankruptcy] Trustee previously attempted to collect this balance from the Ovitz Parties through informal means. The Ovitz Parties, however, failed to provide any adequate legal or factual basis for not paying DSKBWG. On or about May 16, 2011, the Ovitz Parties were provided with written Notice of its Right to Arbitrate... On numerous occasions, DSKBWG has duly demanded that the Ovitz Parties make payment. The Ovitz Parties are in breach of contract by failing to pay the amount due and owing to DSKBWG for services rendered."