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UTA Fires Back at CAA Defections Lawsuit: "A Flailing and Desperate Attempt to Save Face" (Exclusive)



Illustration by: Taylor Gallery



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So begins United Talent Agency's official response to the lawsuit filed in April by Creative Artists Agency over the defection of about 12 agents, one of the biggest Hollywood talent agency shakeups in years. In dual demurrers and motions to strike filed Wednesday in Los Angeles Superior Court and obtained by *The Hollywood Reporter*, UTA comes out swinging against its cross-town rival, accusing it of manufacturing a bogus lawsuit "riddled with falsehoods, inconsistencies, unsubstantiated allegations and glaring omissions" in "a flailing and desperate attempt to save face" when key members of its comedy department bolted for UTA, bringing with them top clients including **Will Ferrell**, **Chris Pratt** and **Ed Helms**.

"CAA's complaint is nothing more than a thinly-veiled attempt to illegally restrict competition through the court system and stands in direct contravention of California's strong public policy favoring free and open competition, and employee mobility," reads UTA's demurrer ([read here](#)), which is an attempt to have key portions of the lawsuit dismissed on their face at this early stage of the litigation. A similar filing ([read here](#)) was made on behalf of agents **Gregory Cavic** and **Gregory McKnight** and a hearing is set for Dec. 11.

In early April, CAA [filed suit against](#) UTA and the two defecting agents for what it called a "lawless midnight raid." Cavic and McKnight, both of whom worked for CAA for a decade before abruptly jumping ship to UTA, were alleged to have conspired with UTA to induce powerhouse agents **Jason Heyman** and **Martin Lesak** as well as a number of other CAA agents and employees to abruptly terminate their employment with CAA to join UTA. Heyman and Lesak were under contract to CAA (and the contracts had arbitration clauses) so were thus targeted separately in an arbitration proceeding against them.

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Now UTA and the agents are responding to the claims, which include intentional interference with contractual relations, intentional interference with prospective advantage, breach of fiduciary duty, conspiracy to breach fiduciary duty, breach of duty of loyalty, conspiracy to breach duty of loyalty, and unfair competition. In separate responses on behalf of UTA ([read here](#)) and Cavic and McKnight ([read here](#)), the agency outlines what its key arguments will be in the litigation.

As *THR* predicted when the suit was filed, UTA is attempting to invoke California's so-called "seven-year rule," which provides that no personal services contract can last longer than seven years. (For some background on the law and its implications in Hollywood, [click here](#).) Specifically, UTA points out that CAA's lawsuit claims Heyman and Lesak began their employment in 2009 but "CAA entirely suppresses the fact that it first entered into a written employment agreement with both Lesak and Heyman on July 8, 2005. The omission was no honest mistake or simple oversight," UTA claims, it was done to avoid having to deal with the seven-year rule, and in fact the arbitration filed against Heyman and Lesak admits that the duo was hired in 2005.

"As CAA is well aware, those employment contracts have collectively long exceeded the seven-year rule," UTA argues. "Heyman and Lesak's contracts are therefore unenforceable, rendering CAA's causes of action for interference with those contracts legally unsustainable."

The arguments don't end there. UTA goes on to point out that Heyman and Lesak once worked for UTA before they were poached by CAA in a manner that eerily echoes the current situation. CAA hired the duo in 2005, when they were UTA partners, and back then, "CAA even went so far as to indemnify Heyman and Lesak in 2005 for their breach of the UTA agreements and for their anticipated solicitation of UTA's clients. In other words, CAA induced these very agents to terminate their employment with UTA in 2005, yet now allege that UTA's hiring back of those agents is somehow actionable."

The filings go on to allege that the causes of action for conspiracy and breach of fiduciary duty fail as a matter of law (employees generally do not owe fiduciary duties if they are not partners) and that UTA cannot be a conspirator because it owes no duty to CAA as a chief competitor. It also asks the court to take judicial notice of several key documents, including the Heyman and Lesak employment agreements (with salary info redacted, unfortunately).

THR has reached out to CAA for comment. The agency will have a chance to oppose the demurrer before a hearing in front of judge **Lisa Hart Cole**.

UTA is represented by **Bryan Freedman**, **Brian Turnauer** and **Sean Hardy** of Freedman & Taitelman.

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