

[21634002]



[21634010]



[21634016]

Mr. Peters is a high-school dropout who came to fame as Barbra Streisand's hairdresser.

[21634018]

And despite their share of duds, they make movies that make money.

[21634019]

That is a skill Sony badly needs - and Warner is loath to lose.

[21634021]

After five years of management turmoil, with four different studio heads, Columbia sorely needs a stable, savvy team to restore its credibility and get it back in the business of making hits.

[21634022]

Mr. Guber and Mr. Peters are n't universally loved in Hollywood but they are well connected.

[21634023]

Their stock in trade as "executive producers" is sniffing out hot properties, locking them up and then getting big studios to bankroll and distribute them.

[21634025]

It falls to others to do the writing, directing and producing.

[21634028]

In that case, Guber Peters acquired the rights in 1979, nursed the movie through a dozen scripts, and were on the set in London for 11 months hovering over the most minute changes in casting and production.

[21634029]

"They're the best production talent around," says Brian De Palma, beholden to Guber Peters for hiring him to direct the Warner movie of Tom Wolfe's novel "Bonfire of the Vanities."

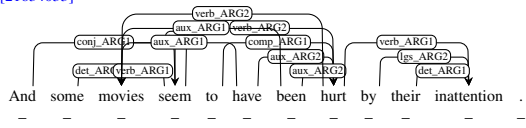
[21634030]

On that film, which is to start shooting in a few months, they've been very much involved, hiring talent and discussing the development of the script.

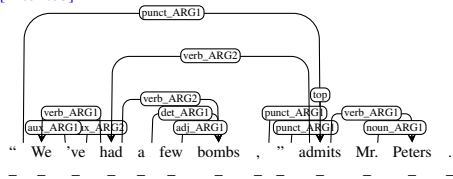
[21634032]

"I wish they were around 24 hours a day."

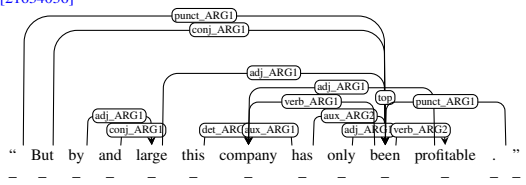
[21634033]



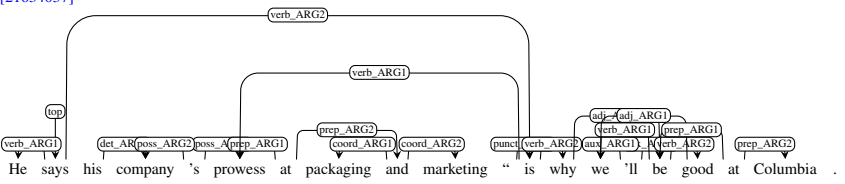
[21634035]



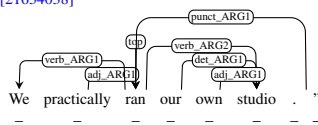
[21634036]



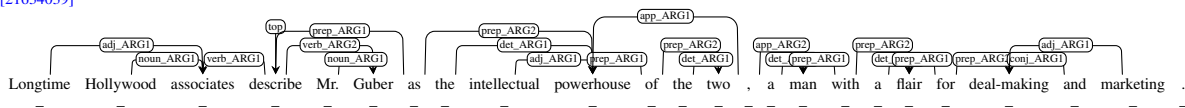
[21634037]



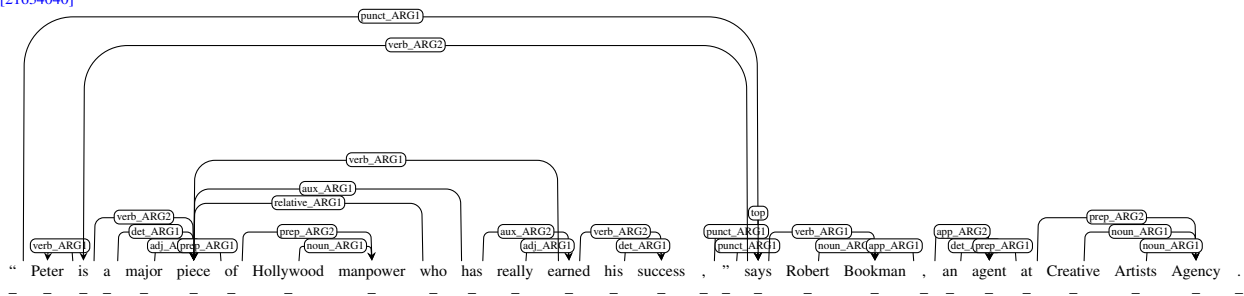
[21634038]



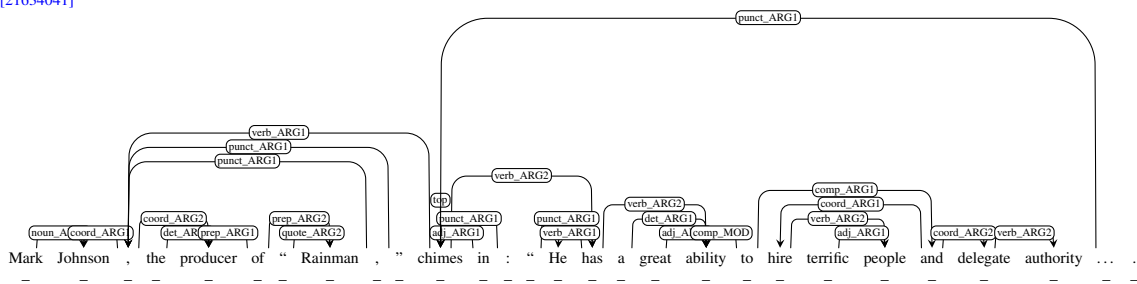
[21634039]



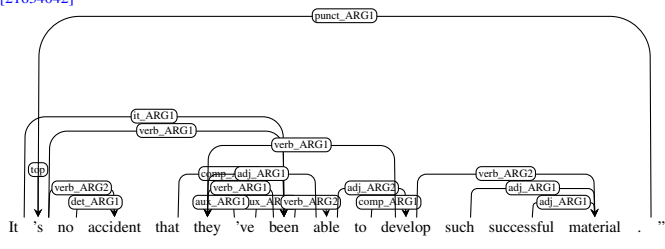
[21634040]



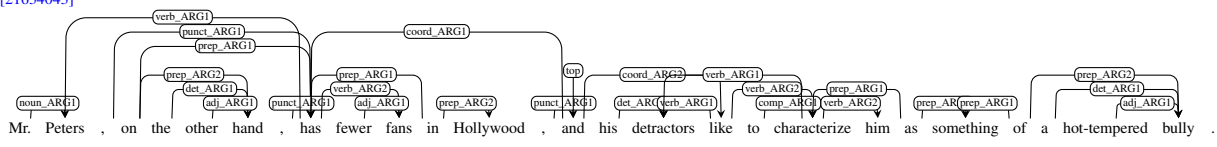
[21634041]



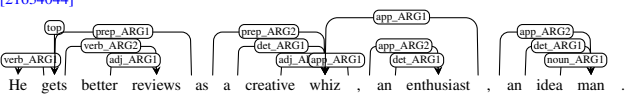
[21634042]



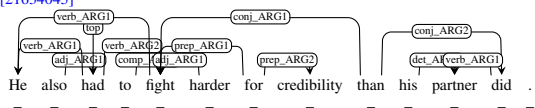
[21634043]



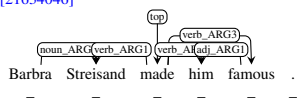
[21634044]



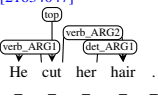
[21634045]



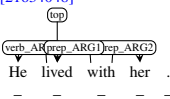
[21634046]



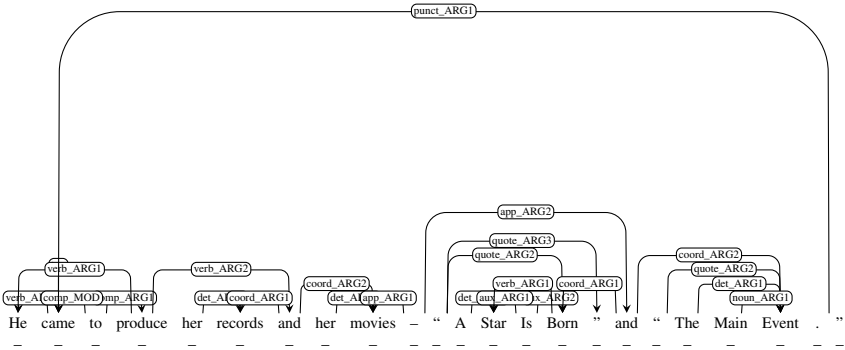
[21634047]



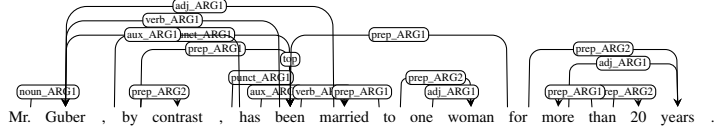
[21634048]



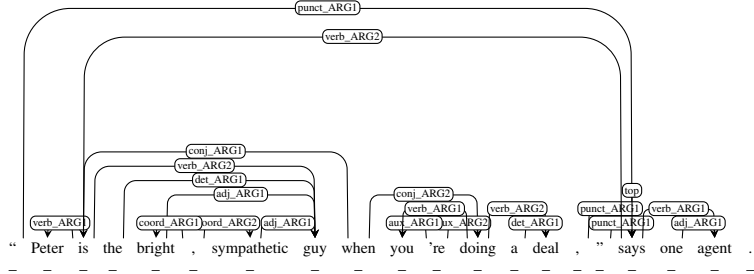
[21634049]



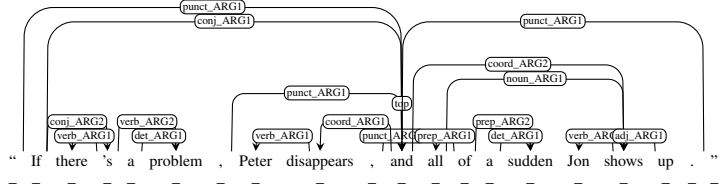
[21634051]



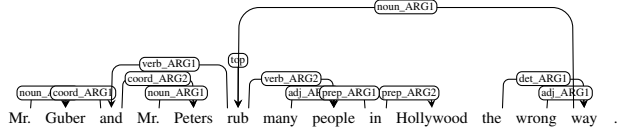
[21634053]



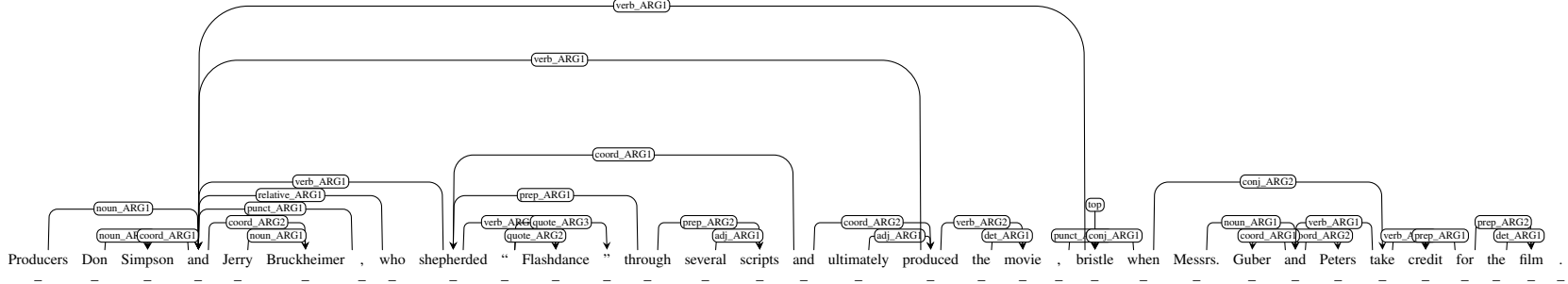
[21634054]



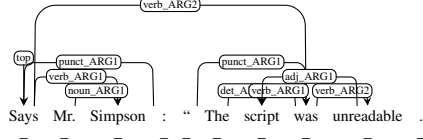
[21634055]



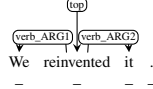
[21634056]



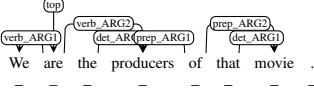
[21634057]



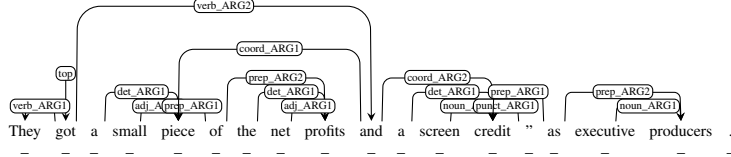
[21634058]



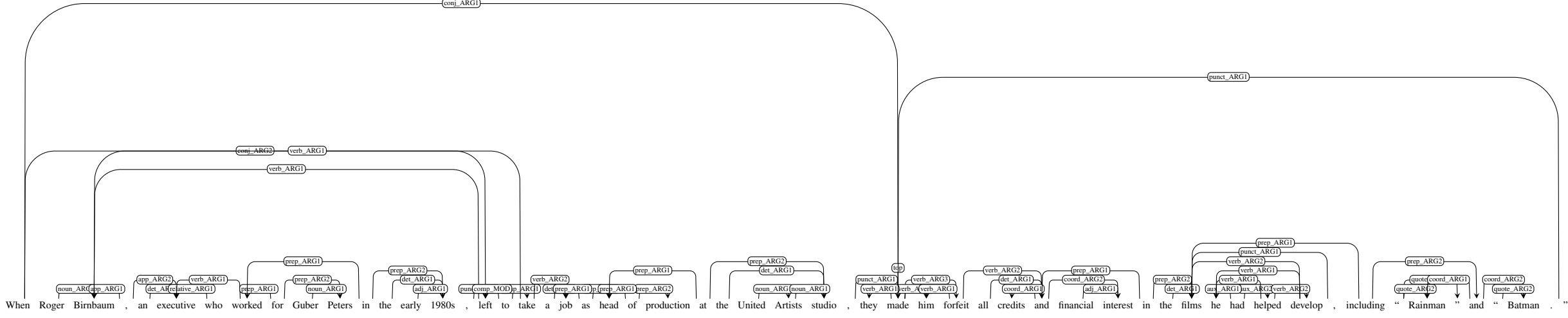
[21634059]



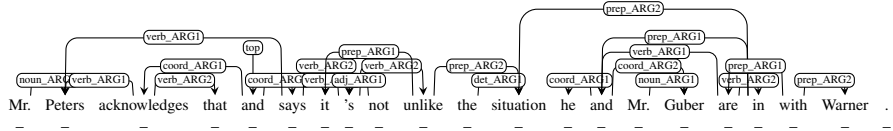
[21634060]



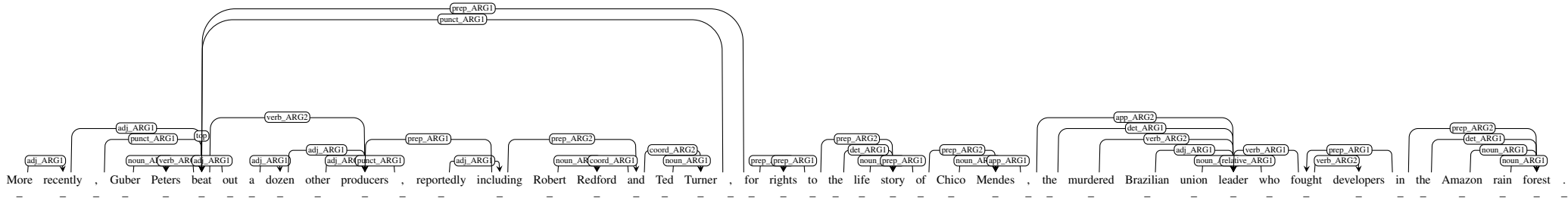
[21634061]



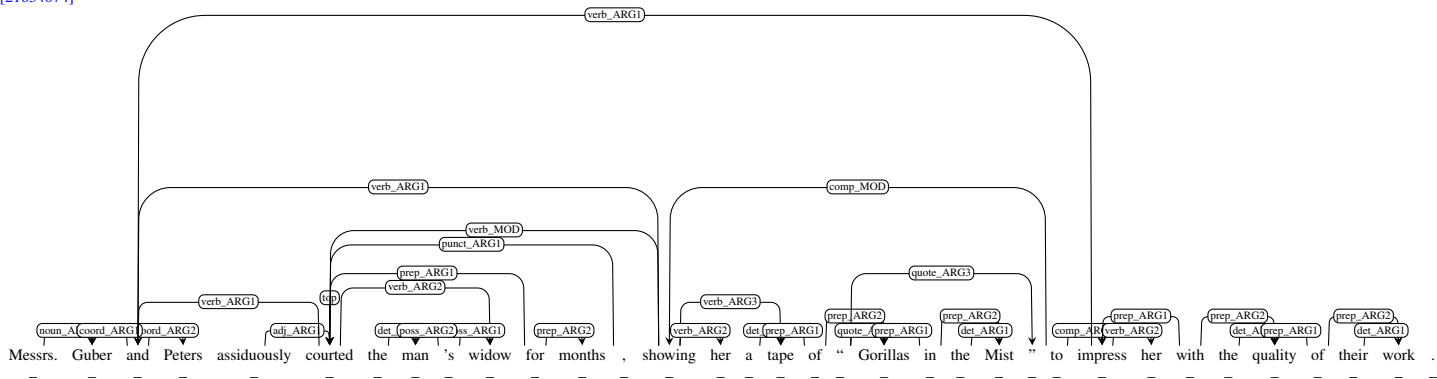
[21634062]



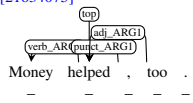




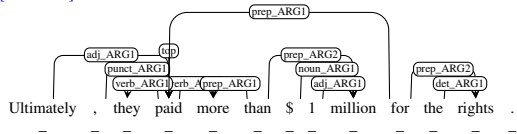
[21634074]



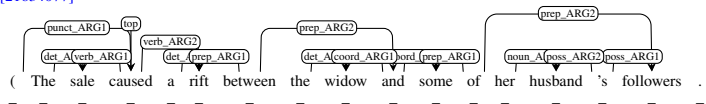
[21634075]



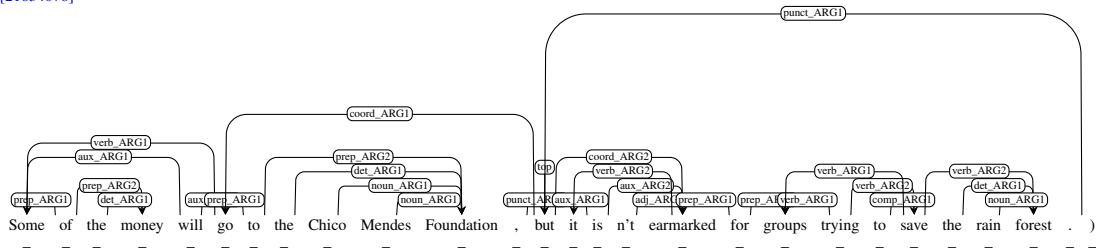
[21634076]



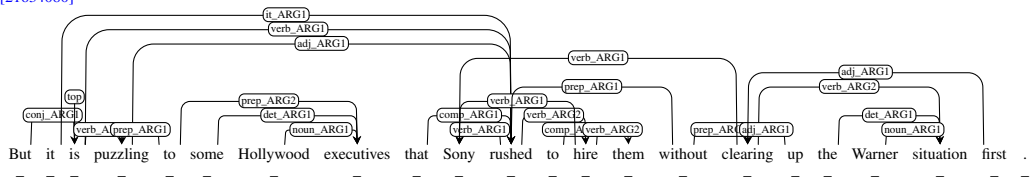
[21634077]



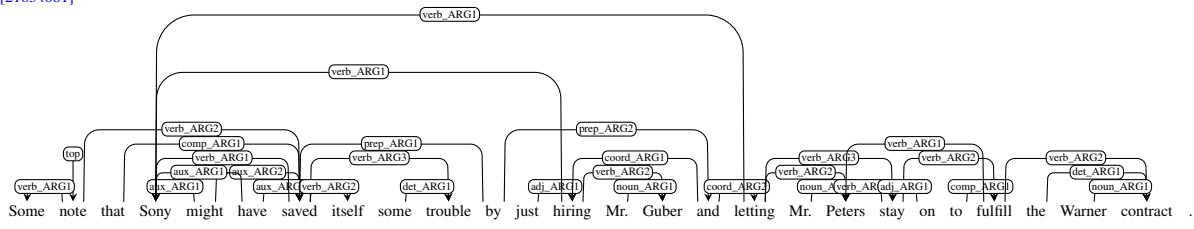
[21634078]



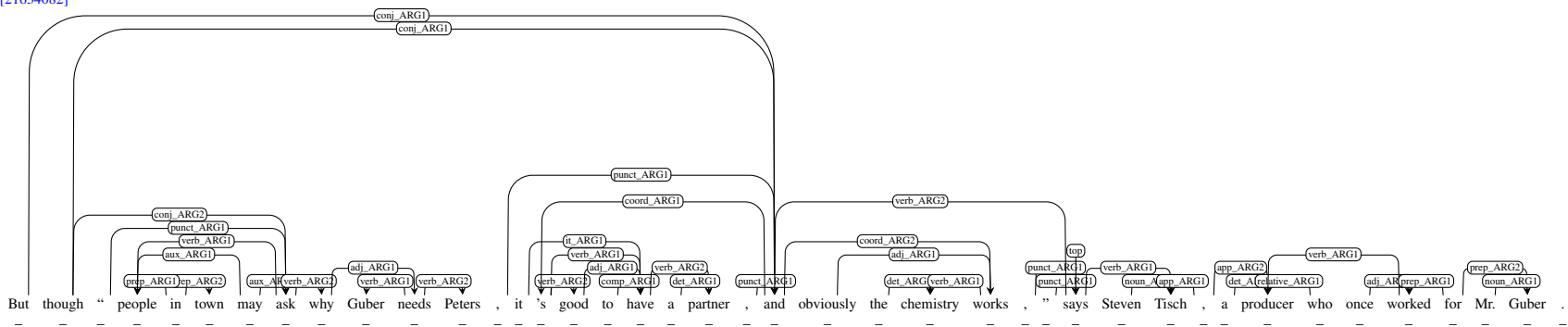
[21634080]



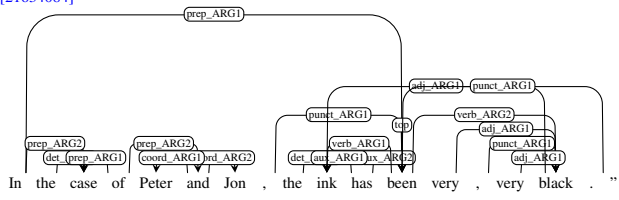
[21634081]



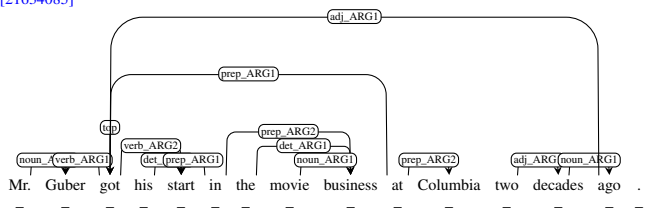
[21634082]



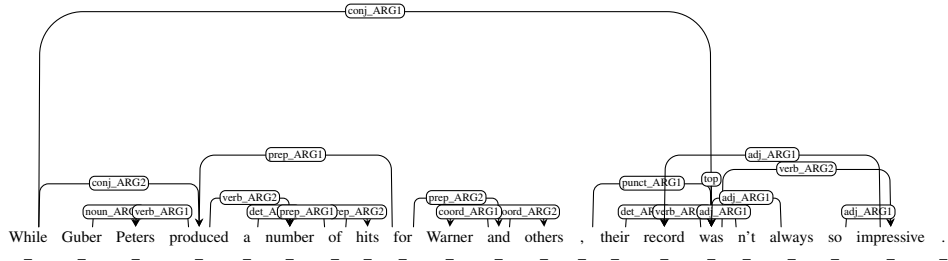
[21634084]



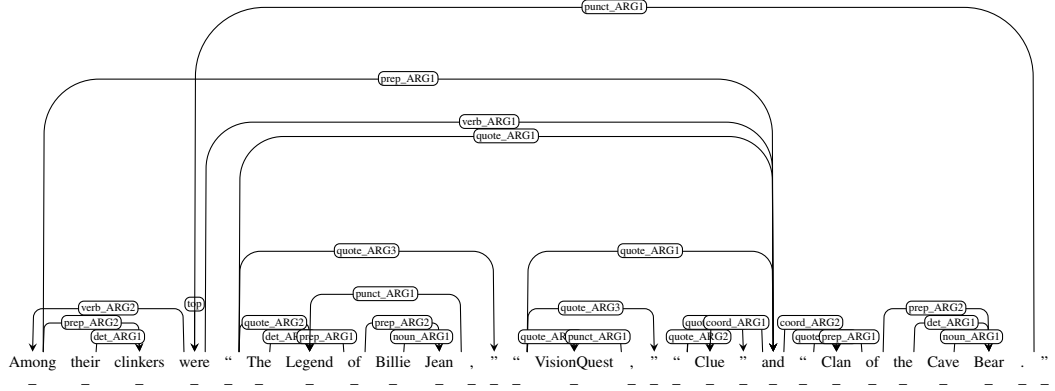
[21634085]



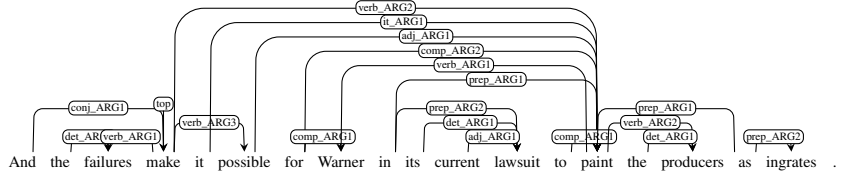
[21634089]



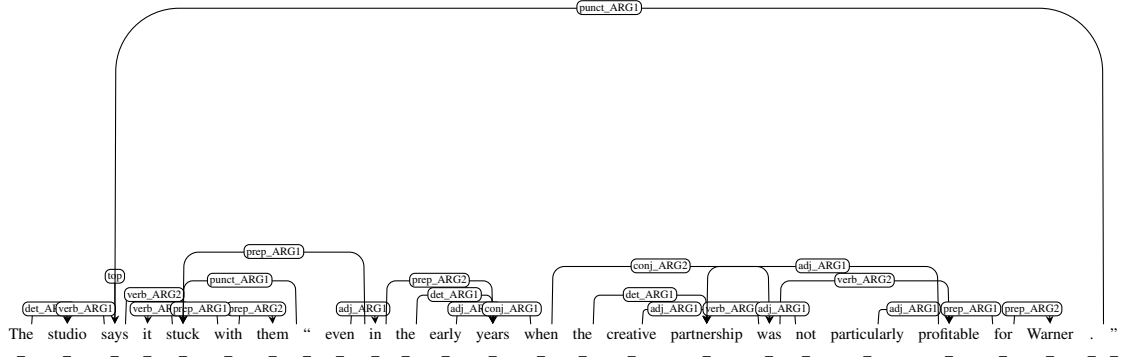
[21634090]



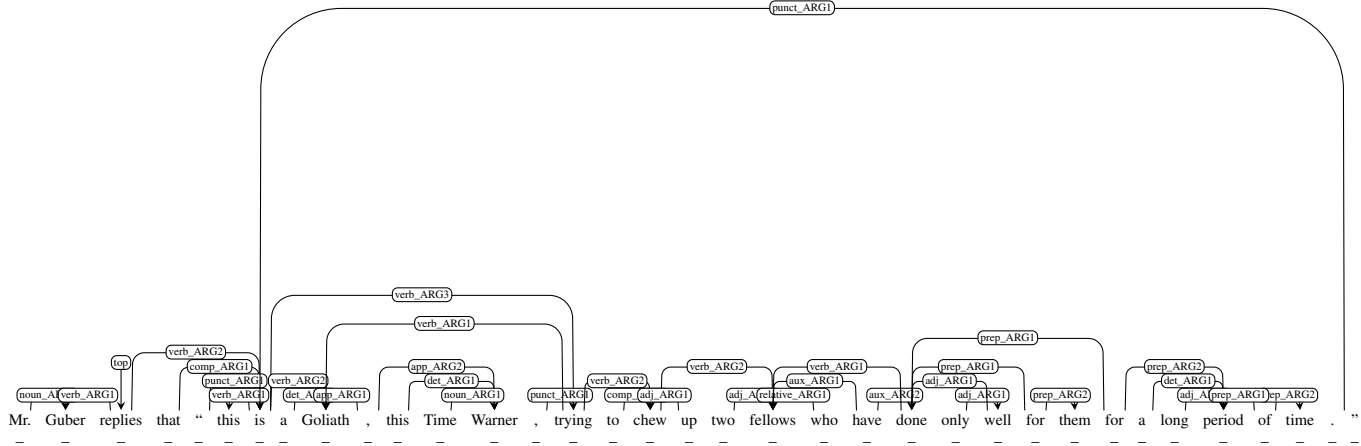
[21634091]



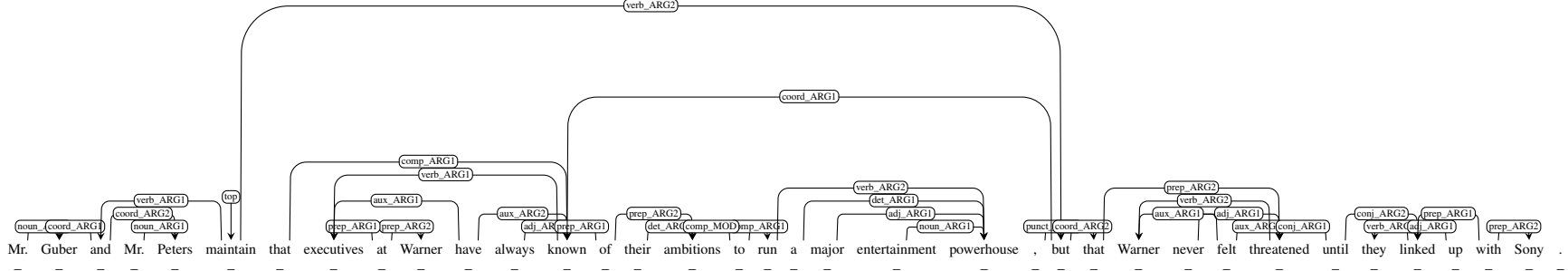
[21634092]



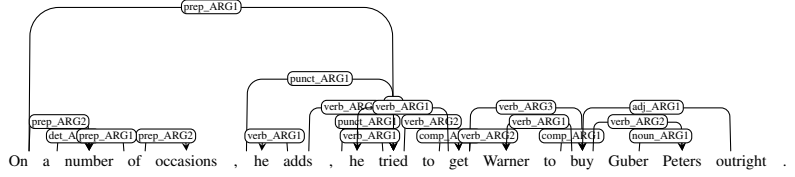
[21634093]



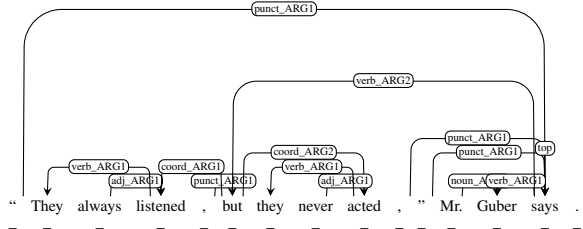
[21634094]



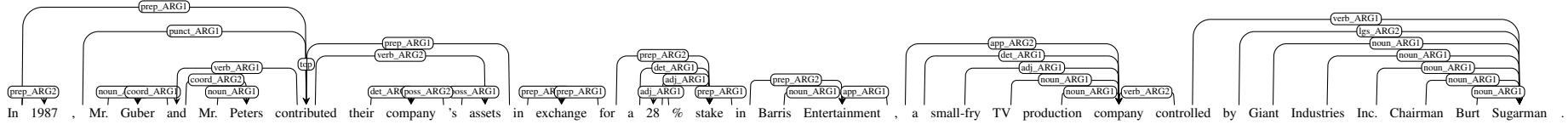
[21634096]



[21634097]



[21634098]



[21634099]



In July a year later , Warner agreed to release the producers from their old contract when Messrs. Guber , Peters and Sugarman made a \$ 100 million offer to buy 25 % of MGM/UA .

But the MGM plan collapsed just two weeks later .

Mr. Guber and Mr. Peters say they got a look at the books and balked at the price .

Their relationship with Mr. Sugarman soured shortly thereafter .

Last May , he sold his 24 % stake in Barris to a passive Australian investor and Barris was renamed Guber Peters Entertainment Co .

Meanwhile , Mr. Guber and Mr. Peters had agreed to extend their Warner agreement with the new five-year exclusive contract .

The new deal was considered the most generous of its kind , both financially and in terms of creative freedom .

The producers , 28 % share of publicly held Guber Peters would net them an additional \$ 50 million .

Sony also agreed to indemnify the producers against any liability to Warner .

Sony is paying a hefty price for a company that had revenue of only \$ 42 million last year .

And earnings have been erratic .

Guber Peters stock , which traded as low as \$ 6 a share last year , closed yesterday at \$ 16.625 .

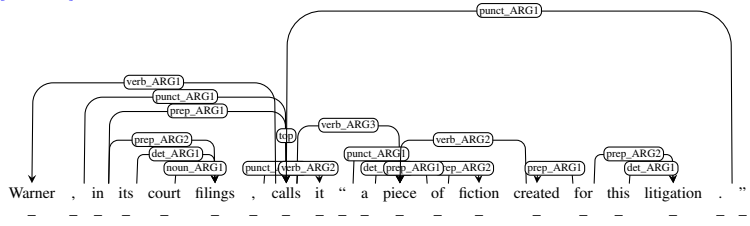
The two sides now are accusing each other of lying .

Mr. Guber and Mr. Peters claim they have an oral agreement with Warner executives that allows them to terminate their contract should the opportunity to run a major studio arise .

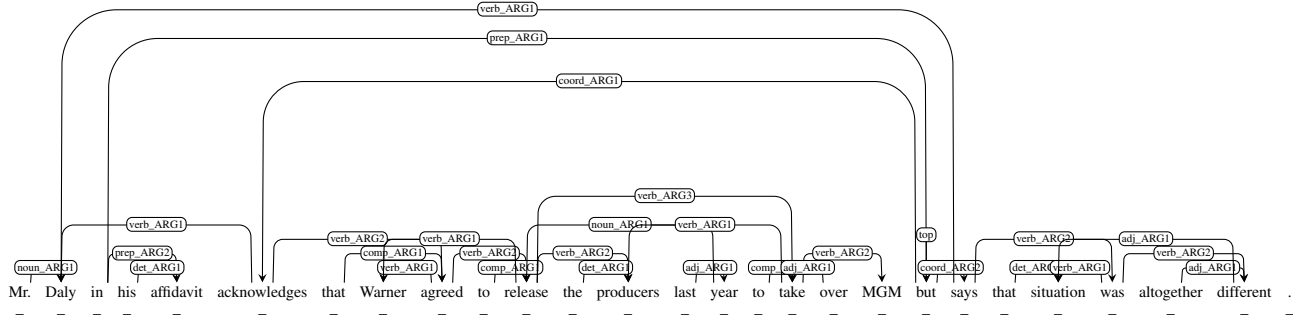
But in affidavits filed yesterday in the Los Angeles court , Mr. Ross , Warner Bros. Chairman Robert Daly and President Semel deny that such an oral agreement was ever made .



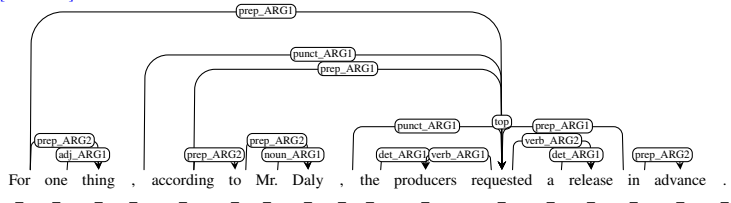
[21634117]



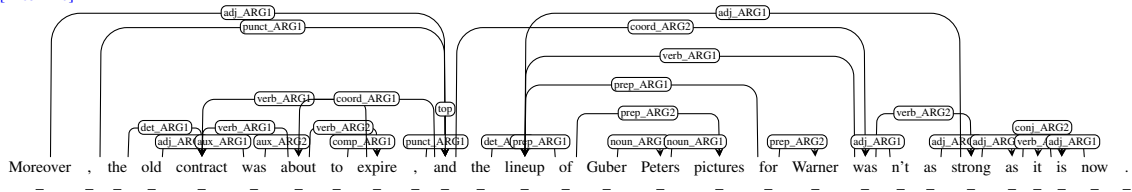
[21634118]



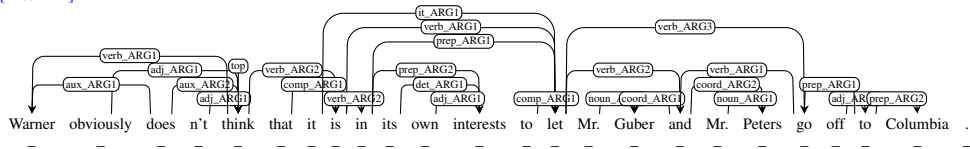
[21634119]



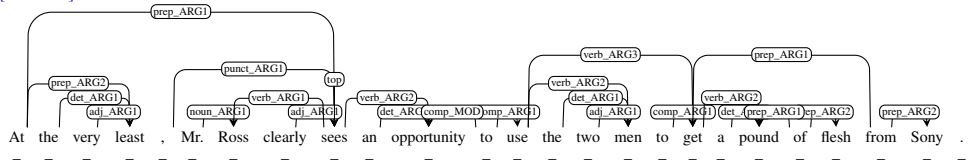
[21634120]



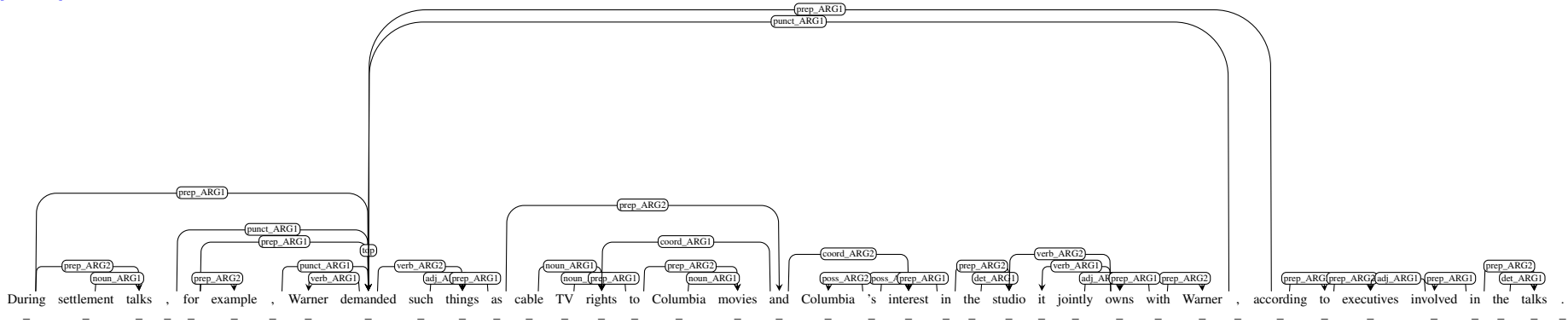
[21634122]



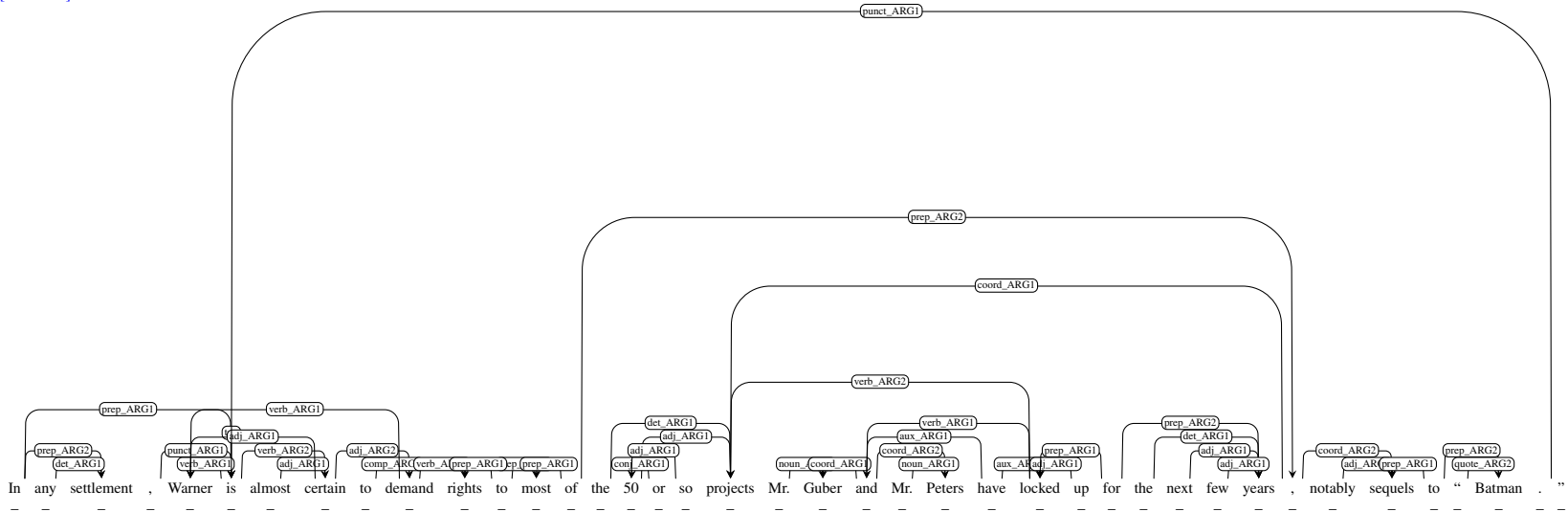
[21634123]



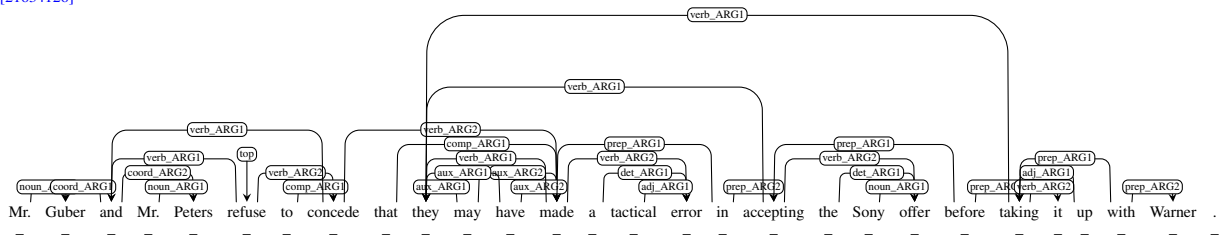
[21634124]



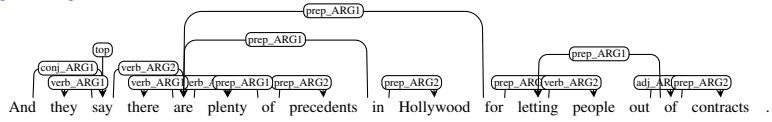
[21634125]



[21634126]



[21634127]



[21634129]

