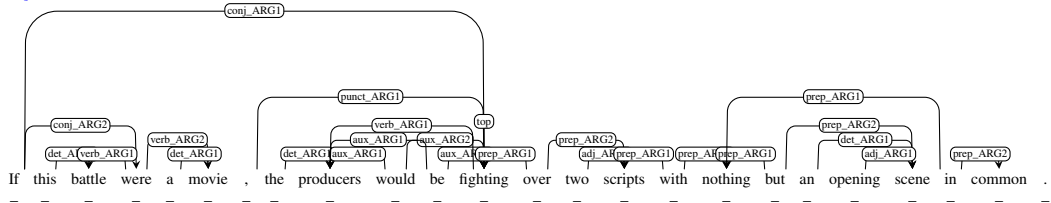
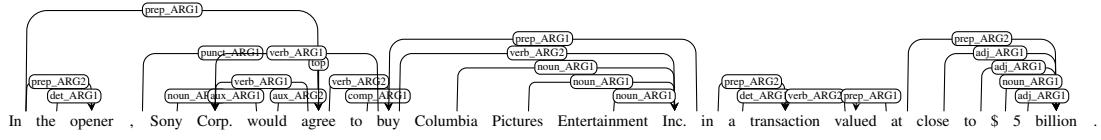


Document 0578

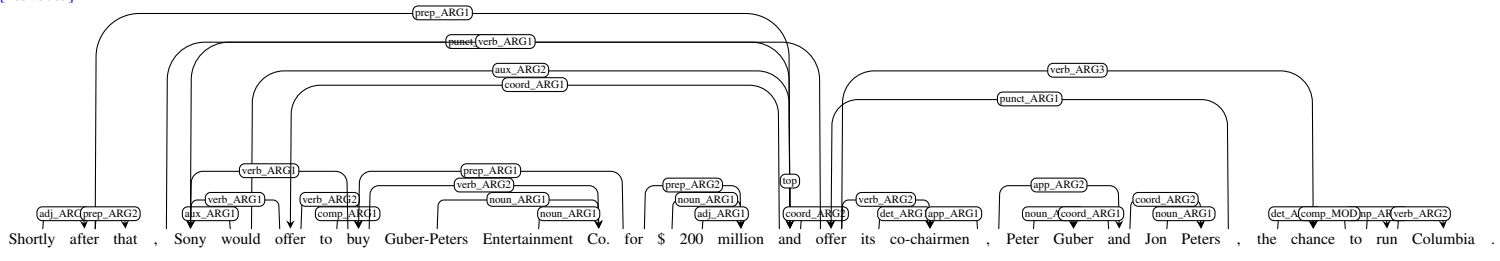
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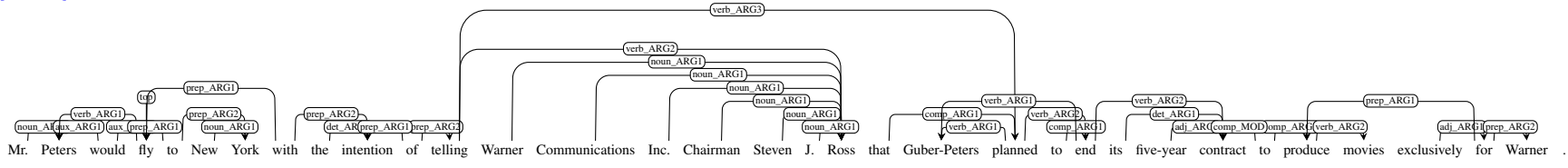
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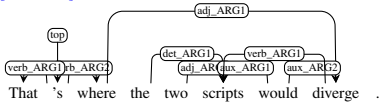
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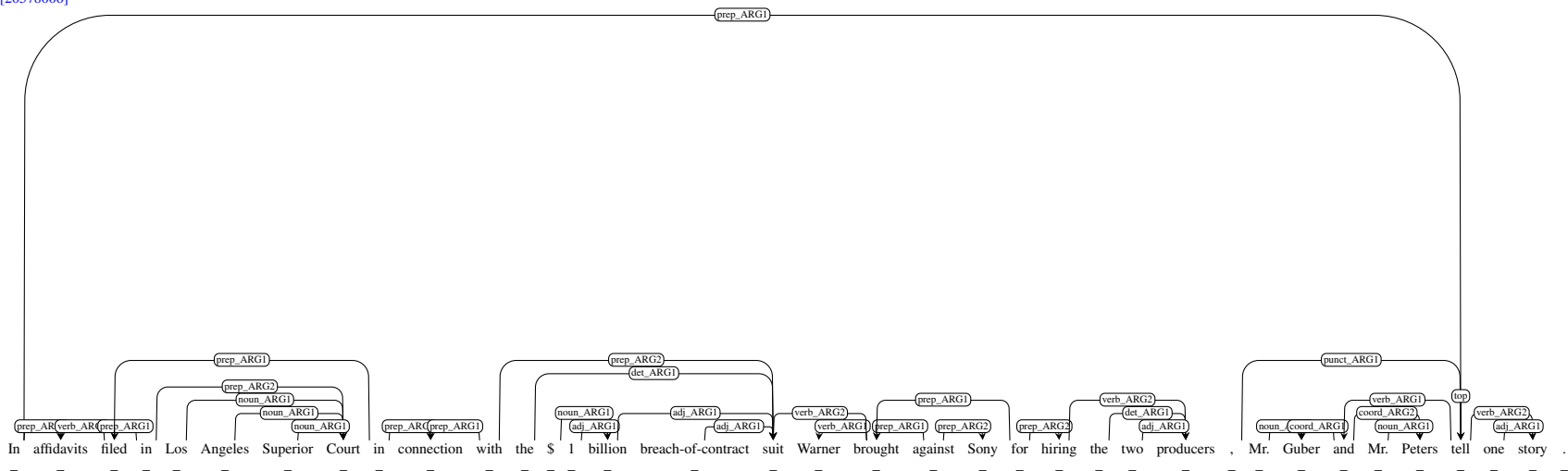
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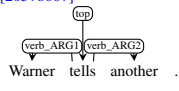
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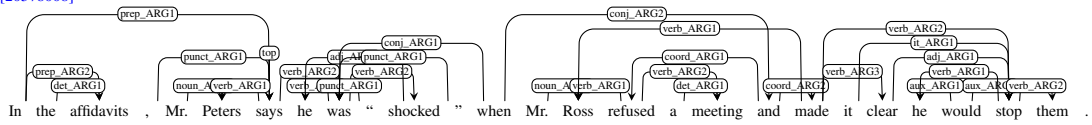
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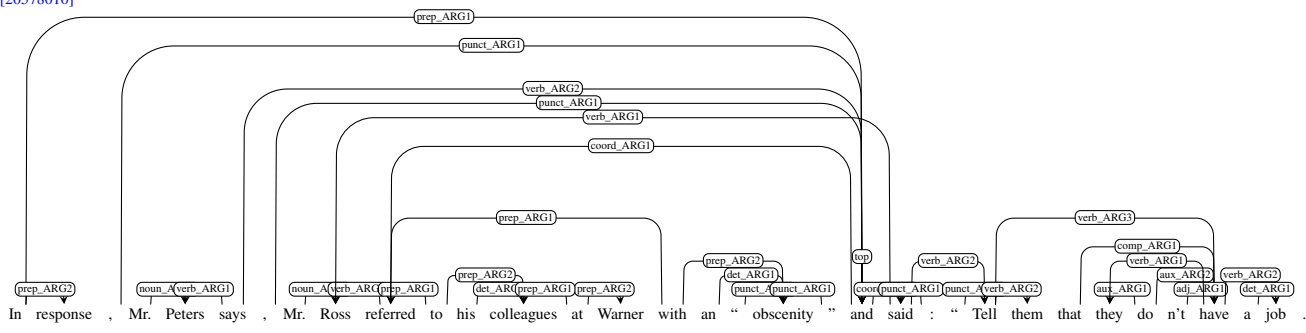
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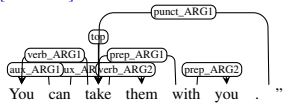
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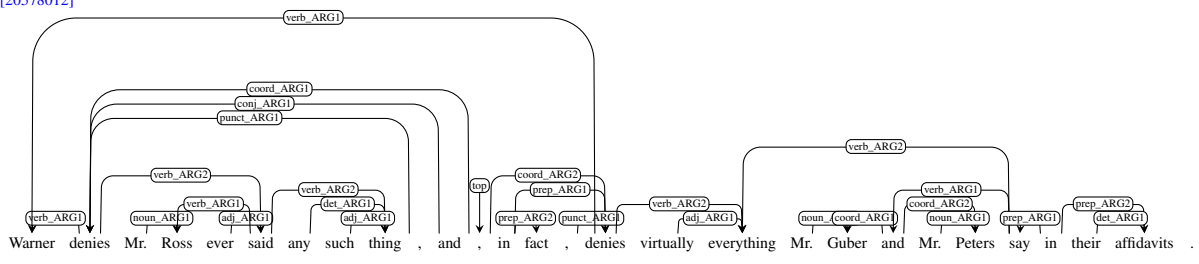
[20578010]



[20578011]



[20578012]



[20578013]

Tomorrow , Warner will file another batch of documents contending that “ the essence of everything these guys are saying is basically lies , ” says Warner ’ s chief outside counsel , Stuart Rabinowitz .

[20578014]

Thursday , a judge is scheduled to rule on Warner ’ s motion seeking to block the Guber-Peters duo from going to Columbia .

[20578015]

The battery of legal documents filed in the past week in connection with the suit provide a peek into the inner workings of this Hollywood dogfight .

[20578017]

The matter may never even be tried in court .

[20578018]

Warner says that what it really wants is for the producers to fulfill their contractual obligations , but the bitterness of this battle and the accusations flying on both sides make it unlikely that the decade-long relationship between Warner and its two most prolific producers can ever be repaired .

[20578019]

Warner , which is in the process of merging with Time Warner Inc. , says it is willing to settle the matter out of court .

[20578020]

So far , however , Sony has n’t been willing to meet its considerable financial demands .

[20578021]

Mr. Guber and Mr. Peters do n’t have much to gain from a protracted battle .

[20578022]

Sony , for its part , could decide that the cost of a Warner settlement or court fight is too high , choosing instead to find someone else to run Columbia , although that too would be costly given the financial arrangement already guaranteed to Mr. Guber and Mr. Peters .

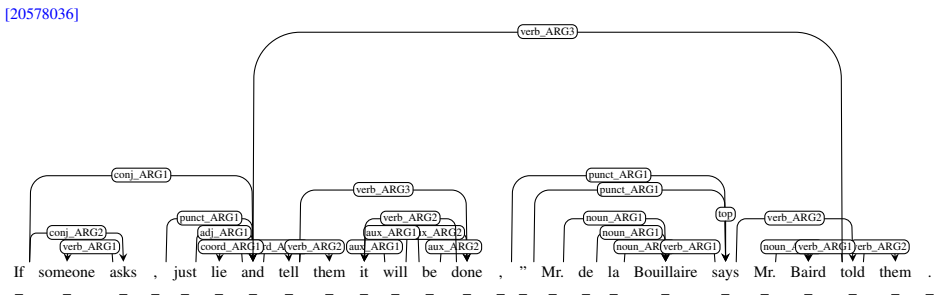
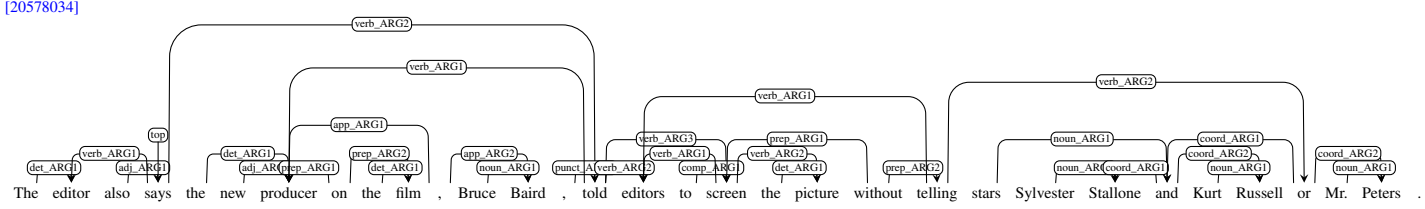
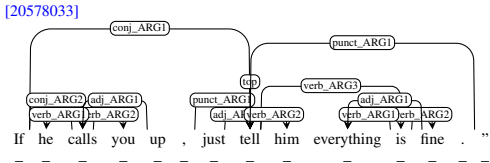
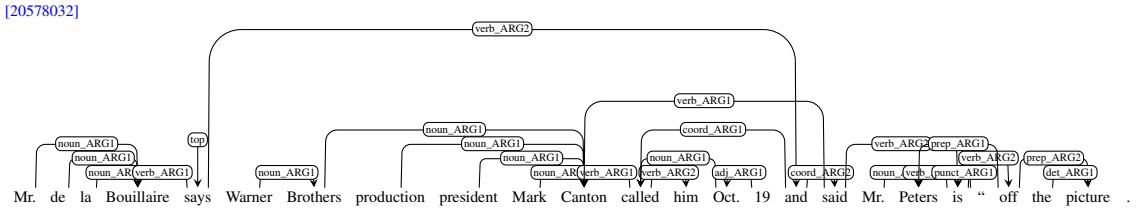
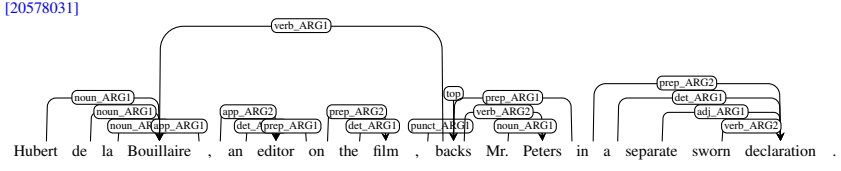
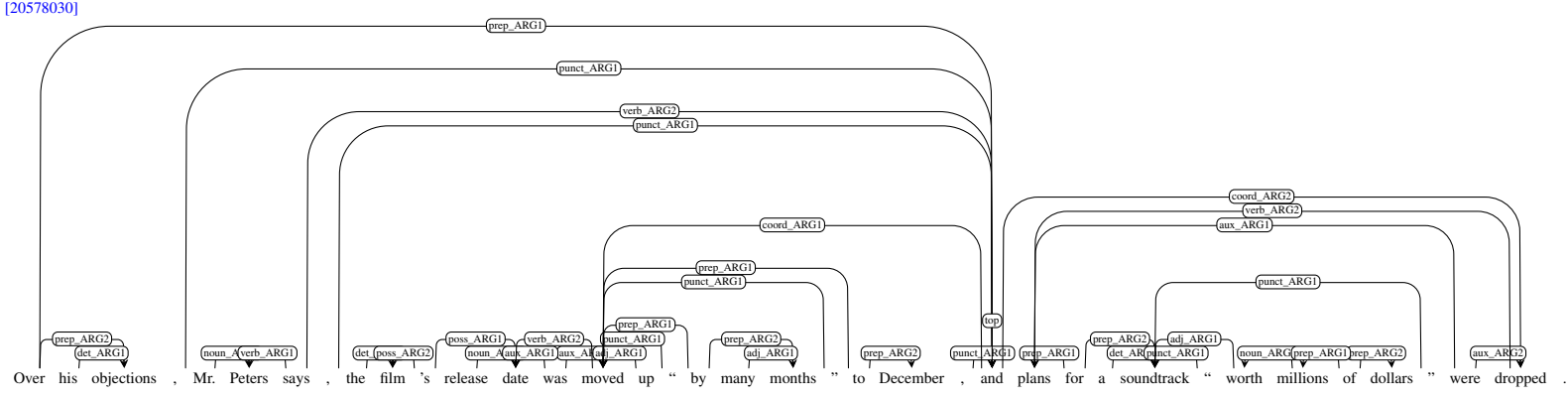
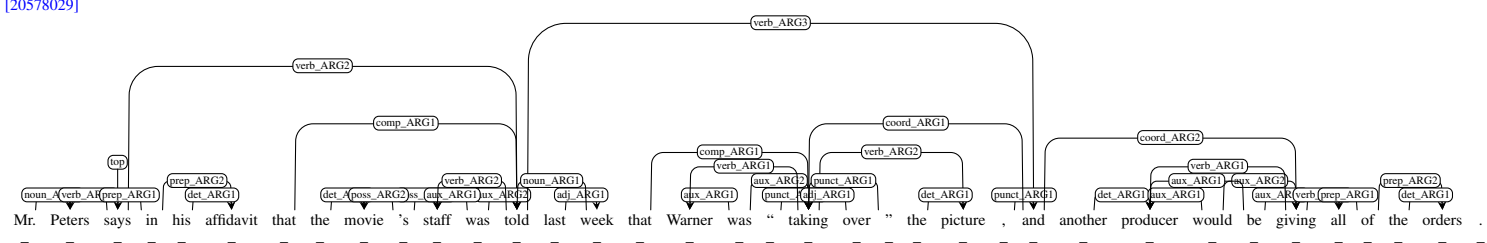
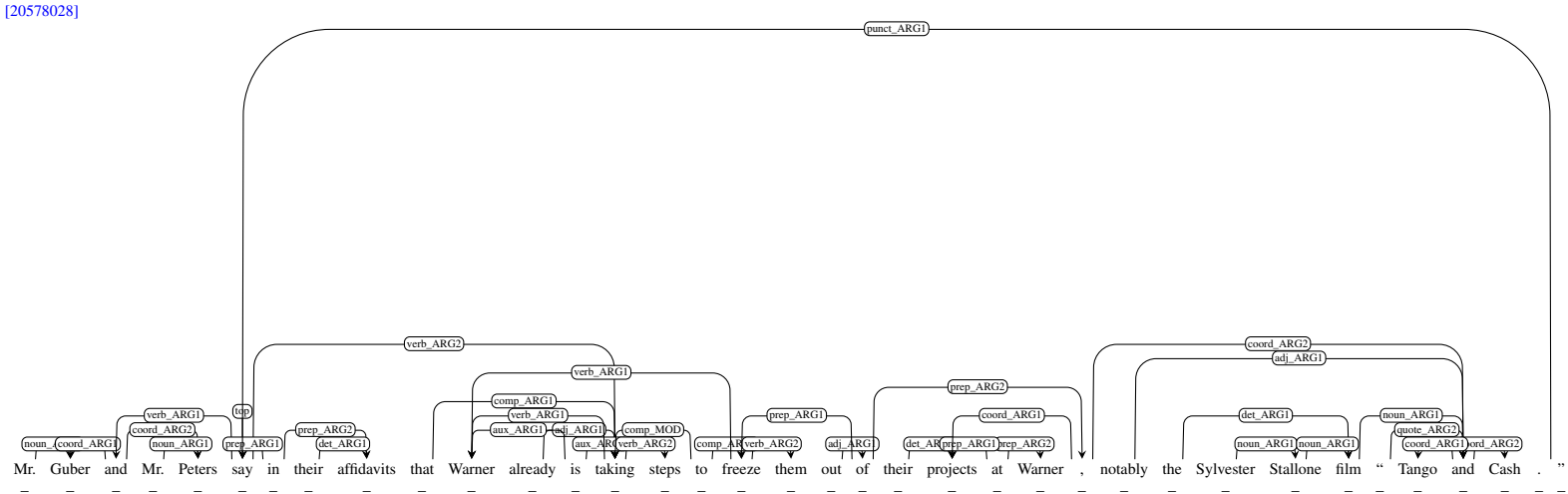
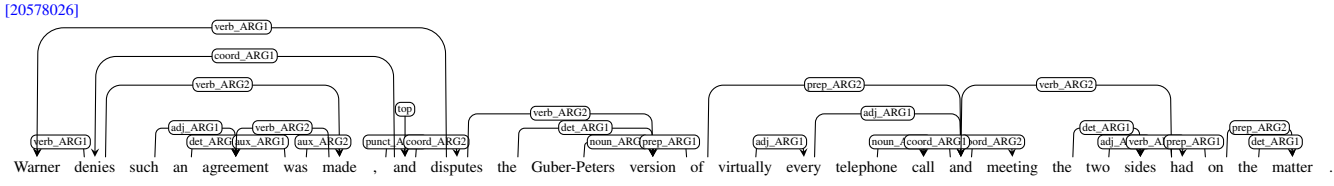
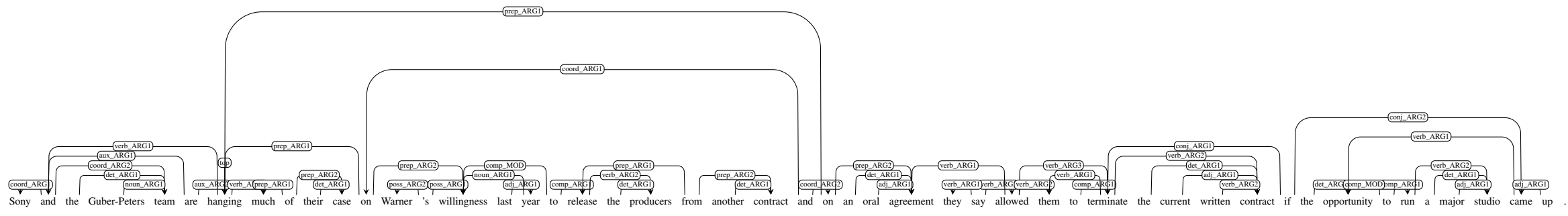
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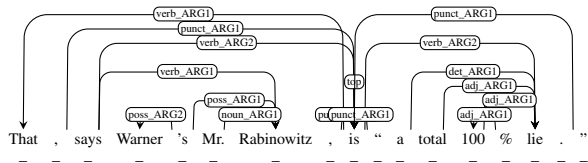
In that case , Mr. Guber and Mr. Peters might not suffer financially , but they would be left without their dream job of running a studio and with a considerably scarred relationship with Warner .

[20578024]

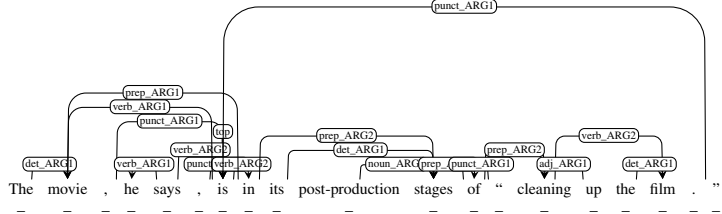
At the center of any court fight will be the differing interpretations of the written contract between Warner and the two producers , but other murkier issues will play a big role .

[20578025]

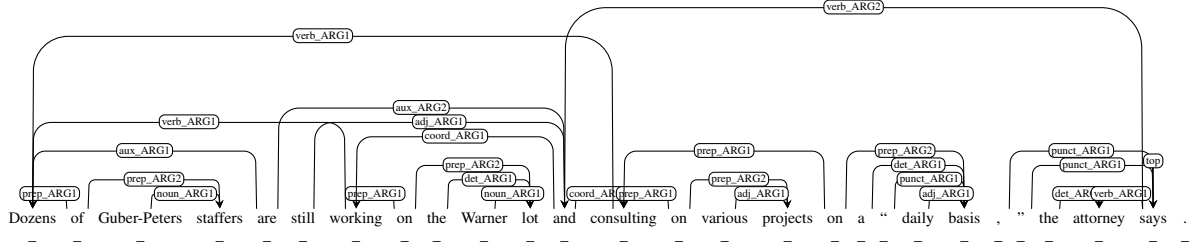




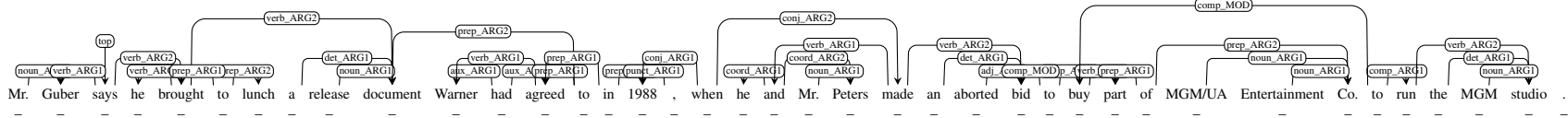
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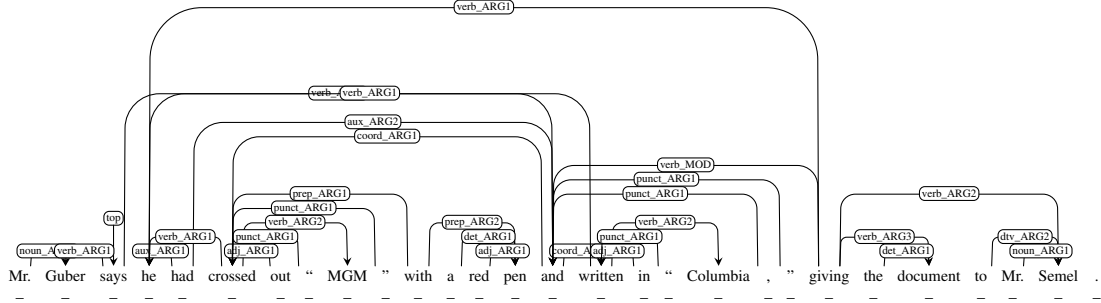
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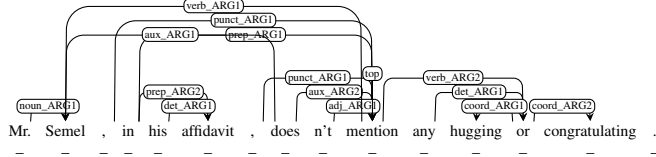
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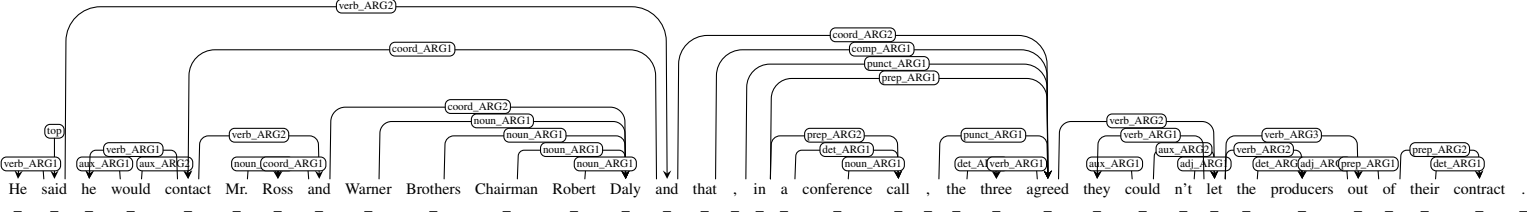
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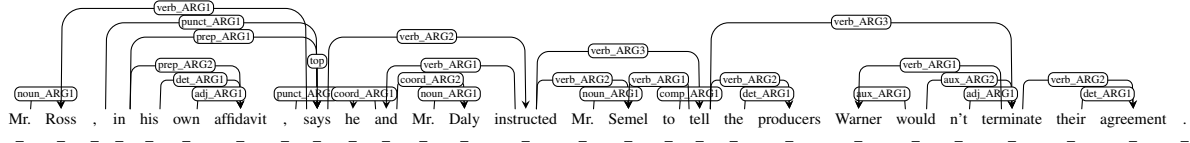
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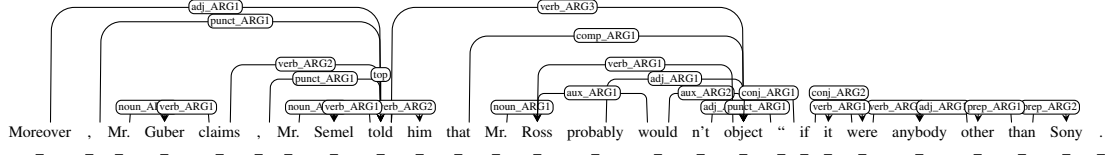
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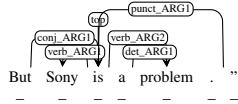
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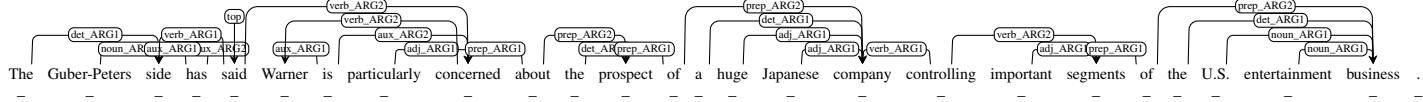
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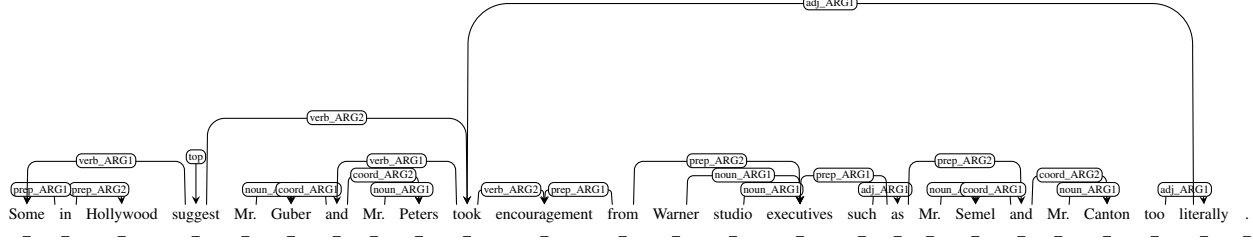
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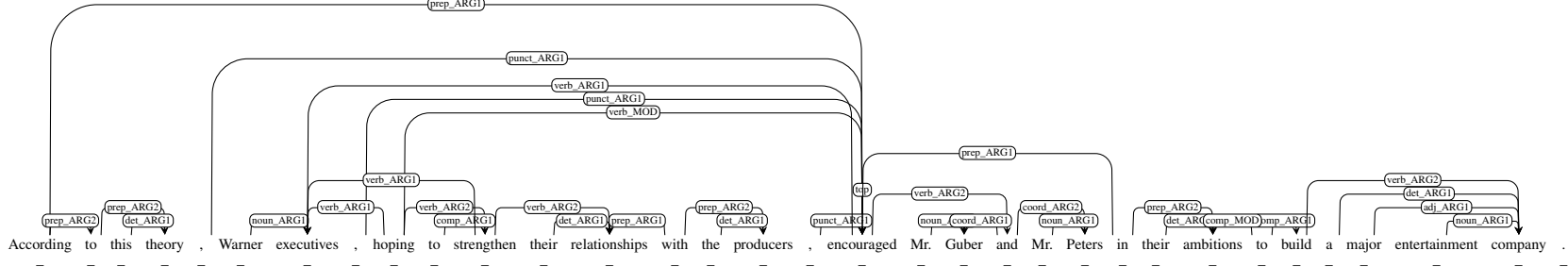
[20578053]



[20578054]



[20578055]



But the Warner executives in their affidavits deny ever telling the producers they could get out of their written contract.

Mr. Rabinowitz, the Warner attorney, says the studio still wants the producers to come back and fulfill their contract

[illegible][illegible]

For example , he says that since 1985 , he and Mr. Peters have developed over 85 movie projects , and Warner has " passed " or chosen not to produce at least 76 .

As for the projects remaining at Warner , Mr. Guber says , " Mr. Semel informed me that Warner 's producers have already started a feeding frenzy for our projects