

# National Lampoon's \$3M Fraud Suit Against Ex-Prez No Joke

By **Hannah Albarazi**

Law360 (November 6, 2020, 5:59 PM EST) -- National Lampoon has sued its former president for fraud, alleging in New York federal court that he owes more than \$3 million for surreptitiously funneling the company's intellectual property and money from deals with Quibi, Disney+ and Comedy Central Digital into companies he controls.

NLI Holdings LLC's suit filed on Thursday comes days after its former president, Evan Shapiro, launched a New York state court suit against the company and its attorneys at Freedman & Taitelman LLP.

NLI, which does business as National Lampoon, claimed on Thursday that Shapiro violated federal racketeering law, breached his fiduciary duty, committed wire fraud and stole from the company by working with his wife for a year and a half on a scheme to steal its assets and conceal the theft.

"Evan Shapiro acted with the utmost bad faith, willfully looting NLI, seizing company intellectual property, and intentionally re-directing funds and business deals from NLI to his own competing companies while functioning as President of NLI," National Lampoon said in its complaint alleging violations of the Racketeer Influenced and Corrupt Organizations Act.

But Shapiro's attorney, Peter Cane of CaneLaw LLP, told Law360 on Friday that Shapiro filed a summons on Oct. 26 in New York state court alleging National Lampoon's attorneys at Freedman & Taitelman LLP sent a letter to Shapiro's new employer containing false statements and false representations.

National Lampoon's attorneys sent the letter "in an attempt to bully" his client, Cane said.

Shapiro's summons alleges tortious interference with contract, tortious interference with prospective economic advantage and seeks declaratory judgment and an injunction restraining National Lampoon and its attorneys from further interference with Shapiro's ability to work, as well as at least \$1.5 million in damages.

The National Lampoon brand gained notoriety in the 1970s with its wildly popular magazine and subsequent films, such as "National Lampoon's Animal House." Today, the National Lampoon brand is a comedy collective that produces a wide array of projects, including television series, podcasts and films.

Shapiro, who served as executive producer on shows including "Portlandia," became National Lampoon's president in March 2019.

But National Lampoon claims that Shapiro's emails on the company server revealed that he had been stealing funds by channeling third-party production deals to his own companies, instead of

to National Lampoon, via a "carefully constructed fraudulent scheme."

Shapiro instructed National Lampoon's corporate counsel to form LGA Productions LLC and name Shapiro its sole member, National Lampoon alleges in its complaint.

Shapiro then entered into or altered production deals and settlements with third-parties including online video platform Quibi, Disney+ and Comedy Central Digital, National Lampoon claims.

Through a settlement with Quibi, Shapiro allegedly redirected \$263,288 intended for National Lampoon to LGA Productions, which he controlled, according to National Lampoon.

National Lampoon seeks to "reclaim monies and intellectual property that defendants stole as part of this fraudulent scheme."

But National Lampoon went further, telling the court that Shapiro has moved on to his "next victim," alleging that he has attempted to transfer projects owned by National Lampoon to a Finnish production company called Yellow Film & TV.

"This fraudulent conduct creates an actual and ongoing threat to any other production companies who may still be enticed by the prospect of working with Evan Shapiro," National Lampoon alleges.

Cane told Law360 via email Friday afternoon that Shapiro left National Lampoon "well after they stopped paying him and the creative teams he put together" and chocked up National Lampoon's suit as "a cynical tactic to defame Mr. Shapiro and distract from the real claims he has asserted in the state court and in the arbitration."

This isn't the first time a former executive of National Lampoon has been accused of fraud.

Former financier and National Lampoon CEO Timothy Durham was **sentenced to 50 years** in prison in 2012. The **Seventh Circuit ruled** in April that Durham couldn't use his ineffective assistance of counsel argument in his criminal case to undo a \$620,000 civil judgment for defrauding more than 5,000 investors.

Representatives for National Lampoon and attorneys at Freedman & Taitelman LLP did not immediately respond to requests for comment.

NLI Holdings LLC d/b/a National Lampoon is represented by Andrew Gerber of Kushnirsky Gerber PLLC.

Shapiro is represented by Peter Cane of CaneLaw LLP.

The case is NLI Holdings, LLC v. LGA Productions, LLC et al., case number 1:20-cv-0929, in the U.S. District Court for the Southern District of New York.

--Editing by Nicole Bleier.