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Digital Domain loses termination suit

'Button' f/x company to pay \$2 mil in damages

By **DAVID S. COHEN**

A jury has awarded former Digital Domain prexy Christian Bradley "Brad" Call nearly \$2 million in his wrongful termination lawsuit against the visual effects shop.

Call was awarded \$659,500 for breach of contract and more than \$1.2 million for wrongful termination. Verdict in the trial, which lasted about two weeks, was handed down Thursday in Malibu Superior Court.

Call alleged that he was fired by executives of Digital Domain's parent company, Wyndcrest Holdings, after he tried to prevent Digital Domain from presenting to a potential investor financial projections he thought were fraudulent.

The jury was not asked to decide if Wyndcrest had actually committed fraud. Digital Domain went on to give those projections to the investor, Falcon Partners, and Falcon did make the loan to Digital Domain, but a Falcon representative testified he did not rely on those projections in making the loan.

On the wrongful termination claim, the jury voted 10-2 that "Brad Call's efforts to prevent Digital Domain from providing fraudulent projections to a potential lender were a motivating factor for Digital Domain's decision to discharge" the exec. The jury was instructed that for his claim to be upheld, Call only had to believe he was preventing a crime, not that an actual fraud was taking place.

Call had also charged Digital Domain with fraud, saying the company never intended to honor his contract, but that charge was rejected.

In a statement, Wyndcrest said it "stands by the company's revenue projections of 2006. The actual performance of the company after August 2006 was never presented to the court or to the jury." Wyndcrest also asserted that Digital Domain management "performed well in meeting our original growth expectations and has returned the company to a position of market prominence. While we

disagree with the decision regarding wrongful termination, we are pleased that each and every one of Mr. Call's fraud claims were rejected."

Call's lawyers said in a statement that he was "very pleased with the jury verdict. He feels he has been vindicated."

Digital Domain had countersued Call, claiming breach of fiduciary duty and breach of duty of loyalty. The jury rejected most of those claims but found Call broke his confidentiality agreement with Digital Domain by failing to return emails from his home office. He was ordered to pay \$60,000 to Digital Domain on that count. Some of those emails became evidence in the case after Call produced them.

The jury was unanimous on most findings.

Digital Domain VP and general counsel Joseph Gabriel said in a statement that the company is "evaluating its appellate options."

Gabriel said the ruling is "absolutely not going to put the company out of business," though the company declined to say whether it was prepared to pay the judgment if necessary.

Wyndcrest is a private investment firm whose investors include helmer Michael Bay and former pro quarterback Dan Marino. Neither was a defendant at trial. Falcon's other investments include Legendary Pictures.

Digital Domain was the lead shop on 2008's vfx Oscar winner, "The Curious Case of Benjamin Button," and contributed work to current smash "Transformers: Revenge of the Fallen."

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