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Chris Columbus' 1492 Entertainment Sues Investors

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Chris Columbus, Michael Barnathan and Mark Radcliffe

The production company is run by a trio of well-known filmmakers.

Investors in Christopher Columbus' 1492 Entertainment haven't paid overhead costs for more than six months and are putting the company's financial health at risk, according to a lawsuit filed Thursday in L.A. County.

1492 is run by Columbus, Michael Barnathan and Mark Radcliffe — a trio of filmmakers behind family hits like *Harry Potter and the Sorcerer's Stone*, *Home Alone* and *Night at the Museum*.

The company is suing Ocean Blue Entertainment, Rise Entertainment and two individuals for breach of contract and fraud, among other claims.

"[W]ithout warning Defendants ceased making required monthly overhead payments, which impacted 1492's day-to-day operations and put its employees' health care and financial future in jeopardy," writes attorney Bryan Freedman. "Simply put, such an egregious case of fraudulent business practices and breach of contract cannot go unpunished."

According to the complaint, 1492 entered into a **five-year agreement** with Rise Entertainment in 2012. Under the deal, Rise would fund 1492's overhead, development and potentially TV and film production in exchange for a percentage of ownership and fees from each developed project. Specifically Rise would pay up to \$1 million for project development and an additional \$1 million to fund *House of Secrets*.

In 2015, Ocean Blue, Rise's successor in interest, amended the agreement. Under that deal, Ocean Blue would provide \$800,000 a year for 1492's overhead costs.

The second deal was a result of fraud, 1492 claims. "Had 1492 known that [Tracy] Price and [William] Andrew were intentionally misrepresenting the status of their access to investor capital as well as their intention to continue to fund 1492's overhead for an additional five year period, 1492 would never have entered into the Amendment and would have never relieved the defendants of their original obligations," writes Freedman.

Monthly payments of \$67,000 stopped in August, according to the complaint, and 1492 terminated the agreement.

1492 is seeking at least a million dollars in restitution and damages.

Ocean Blue did not immediately respond to a request for comment.

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