

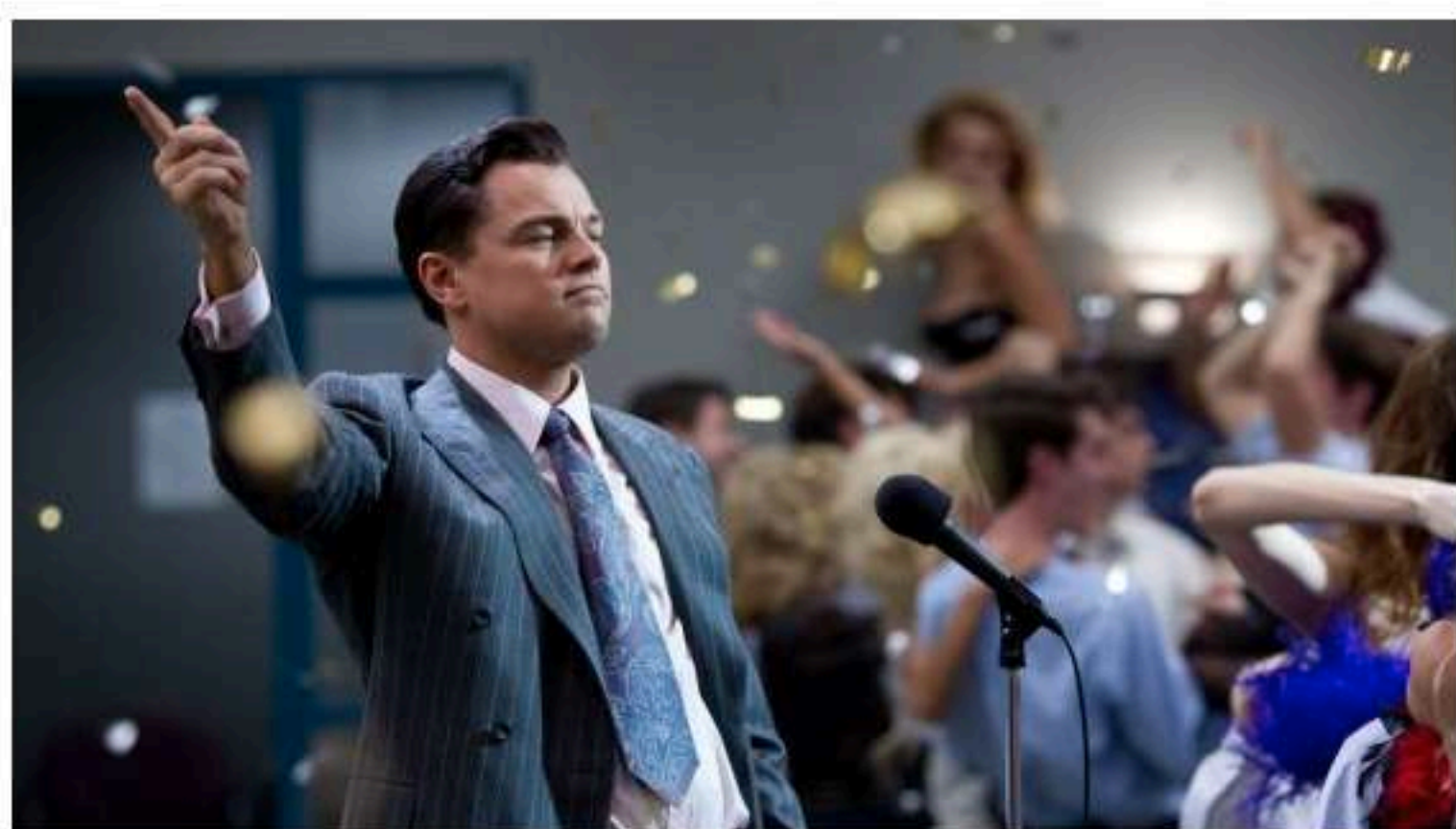
# 'Wolf of Wall Street' Producer Attacks Racketeering Claim (Exclusive)

6:33 PM PDT 4/29/2014 by Eriq Gardner

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In litigation over a "Dumb and Dumber" sequel, Red Granite is giving the other side an ultimatum.



Paramount

Red Granite, the producer of *Wolf of Wall Street* and the forthcoming sequel to *Dumb and Dumber*, has reacted strongly to allegations that its financing is sourced to embezzled foreign money.

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On Tuesday, the production house of **Riza Aziz** and **Joey McFarland** demanded that a Los Angeles Superior Court judge reject a racketeering claim made by **Brad Krevoy** and **Steve Stabler**, producers of the 1994 hit *Dumb and Dumber*. According to Red Granite's demurrer motion, its legal adversaries have 21 days to withdraw the RICO claim -- which it says was brought "solely to harass Defendants, smear their reputations, and pressure Red Granite into settling the contractual dispute with them on favorable terms" -- and if that doesn't happen, Red Granite will be filing a motion for sanctions.

The development is the latest in the heated battle over whether Krevoy and Stabler have a right to be part of the *Dumb and Dumber* sequel.

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Last July, both sides rushed to the courthouse to file dueling lawsuits. Red Granite **says** it has no contract with the two and has the right to sideline them. Krevoy and Stabler **claim** that their original deal with New Line included a "right of first negotiation for sequels and remakes on terms at least as favorable as their terms for producing the Original."

The dispute turned nuclear in March, when Krevoy and Stabler filed an amended complaint that attacked Aziz -- the stepson of Malaysian prime minister **Najib Abdul Razak** -- and his partner over investments from the Middle East and Asia.

According to the **amended complaint**, "Red Granite is funded with monies that include proceeds from offenses against a foreign nation that involve bribery of public officials, or misappropriation, theft, or embezzlement of public funds by a public official... [Aziz and McFarland have] engaged in a pattern of racketeering activity, in that they have engaged in multiple financial transactions within the United States -- including financing of *The Wolf of Wall Street* and then separately financing *Dumb and Dumber To ...* with knowledge that the transactions were designed to conceal the nature, location, source, ownership, or control of the proceeds of the illegal activity."

Red Granite and its new attorney **Patty Glaser** have now responded in court by saying such allegations are "relying only on gossip and speculation."

The production company says the RICO claim is deficient in that it lacks details like predicate activity as well as support for the proposition that Red Granite knew the funds were the product of illegal activity and how it was financing motion pictures to conceal the illegal proceeds.

"Conclusory allegations, devoid of facts, stating that Defendants used illicit funds to finance two movies do not come close to alleging a pattern of racketeering activity upon which a RICO claim could be based," says Red Granite's motion.

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In advance of a hearing on May 21, Red Granite also is looking to get the judge to dismiss two other claims -- one for tortious interference and one for breach of the covenant of good faith and fair dealing. The first is deficient, says Red Granite, because if the other side is arguing that it picked up contractual obligations after being assigned New Line's rights, that "Red Granite cannot interfere with its own contract" and also, there hasn't been any allegation that it "engaged in any acts to induce a breach."

In response to the demurrer, **Bryan Freedman**, the attorney for Krevoy and Stabler, tells *The Hollywood Reporter* that he has "full confidence that we will prevail on our claims and put this matter in front of jury."

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