

Paradigm Hit With Blistering \$2M Breach Of Contract Suit By Debbie Klein; Sam Gores' Agency Says "False, Frivolous & Scurrilous" – Update



By **Dominic Patten**
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13
COMMENTS



EXCLUSIVE: UPDATE, 11:48 AM: It took almost half a day, but [Paradigm Talent Agency](#) has finally responded to the more than \$2 million lawsuit that [Debbie Klein](#) launched like a cruise missile late last night at the [Sam Gores](#)-run company for being unceremoniously axed last month after over two decades in the trenches.

And Paradigm is being almost as blunt as Klein, almost.

"We have seen Ms. Klein's complaint and it is littered with false, frivolous and scurrilous allegations, which, fortunately for her, are protected by the First Amendment, otherwise she would be facing a defamation suit," announced Paradigm's outside counsel Dale Kinsella late this morning after Deadline broke the news of the long time agent's scathing and sometimes salacious breach of oral contract complaint in the early hours of the morning. "Both Paradigm and Mr. Gores expect to be 100 percent vindicated, and our intention is to respond further in court filings," added the often pugilistic Kinsella, Weitzman, Iser, Kump & Aldisert partner.

So, where ever this goes next, strap in.

PREVIOUSLY, 12:23 AM Less than two weeks after Sam Gores dropped the hammer on scores of agents at Paradigm in what were termed temporary layoffs allegedly due to the asphyxiating effect of the [coronavirus](#) crisis on the industry, Debbie Klein has hit back with a devastating breach of oral contract lawsuit for "this reprehensible behavior."

Though Gores himself isn't actually named as a defendant in this initial version of the complaint from the 23-year veteran packaging agent for \$2 million and more, the Paradigm chairman is strewn all over the paperwork. Gores is cited in the tales of unrewarded loyalty, repeated claims of "his sexual dalliances with prostitutes" hired with company money, corporate funds used as a "personal piggy bank," a self-sabotaged big bucks deal for Paradigm to be bought by UTA and rampant sexism, among other allegations by one of his long time lieutenants.

"Despite Mr. Gores recently praising Ms. Klein as the 'best agent' at Paradigm, he rewarded her loyalty and consistent high-performance by terminating her employment via a phone call lasting less than one minute," the five-claim document filed last night in Los Angeles Superior Court ([read it here](#)) proclaims. Klein put together *black-ish*, its two spinoffs and much more over the years.



"This occurred less than an hour after he sent Ms. Klein a text message stating, 'don't know what's going to happen, but wanted to say hi and love you,'" the packed complaint from lawyers Bryan Freedman and Sean Hardy notes of the [March 20](#) axing, building a rather forceful narrative.

"Unfortunately for Mr. Gores and what remains of his Paradigm agency, he forgot that Paradigm had recently entered into a binding oral employment contract with Ms. Klein, under which she could only be terminated for good cause," the Freedman + Taitelman LLP attorneys charge in the 14-page filing for their well-connected client.

"Given this simple fact, Paradigm stands in direct breach of its employment contract with Ms. Klein, and now owes Ms. Klein the nearly \$2 million remaining under the term of her contract," the paperwork states of the late 2019 deal worked out between Klein and Paradigm. They claim this was a without-paperwork agreement in effect since the start of 2020, borne out by the former's altered take-home pay.

"Sam Gores hoped to avoid scrutiny by terminating Ms. Klein in the midst of the present pandemic," the lawsuit charges, calling it "the perfect opportunity to effectuate his long-planned, ruthless job cuts." Among the reasons alleged for Klein's firing after decades of work: Gores was supposedly enraged by Klein's expressed concerns over the illegality of sex workers being procured and paid through company accounts. Even though she had been on Paradigm's top tier for years, Klein says in the lawsuit that she only found out about the sex on the expense accounts scheme in early 2020, from a pink slipped executive assistant of the boss.

Among the many other bombshells is an alleged and ultimately unsuccessful strong arming of Klein earlier this year. The plan was to have Klein engage in a conspiracy to pay the agency \$500,000 from her salary so Gores "could show Paradigm's 'bank' that its income stream was consistent with his prior representations." Didn't go as planned, the suit makes clear.

"His gambit has failed, and Paradigm must now answer for its unlawful acts in a court of law," the filing from the one time partner summarizes.

Of specific note here — especially under the looming and tragic shadow of the COVID-19 crisis — Debbie Klein does not appear to have a force majeure clause in her most recent employment contract with Paradigm. That means that unlike many Paradigm agents cut loose last month with no severance, and health care that now terminates in June, Klein isn't held to having Paradigm's obligations to her altered or shifted status excused because of unforeseen conditions or circumstances beyond either parties' control.

Which really means the talent agency that just inked a new franchise agreement with the WGA on [March 23](#) can't not pay her what they seemingly owe her. And according to the suit, it means Paradigm won't be able to keep her hanging on for 90 or so days without pay and unable to seek new work.

This could also be far from the last such suit to batter Paradigm in the coming weeks. Along with chatter of a class action being launched, now ex-motion picture lit agent [Adam Kanter](#) has also retained Freedman + Taitelman, I've learned — with a clear eye to bringing his own action against Gores and Paradigm.

Klein's chief attorney tells Deadline this move is ultimately about more than just her.

"Sam Gores' firing more than two hundred of his company's most loyal employees while taking away the full benefit of their health insurance during a world health crisis strains credulity," Bryan Freedman said in a statement Thursday. "However, taking this knee-jerk action prematurely without offering to reduce his compensation and while keeping his private chef and personal driver on the company payroll, is outright despicable," noted the lawyer also currently representing Gabrielle Union in her on-going dispute with *America's Got Talent*.

"Debbie Klein has taken this action not just for her own benefit, but on behalf of all those Paradigm employees in order to ensure that some measure of justice is done and Gores is made to pay for his iniquitous deeds," Freedman concludes with little to no ambiguity in an already pretty stark and haunted COVID-19 landscape.

We reached out to Paradigm tonight for a response to the lawsuit and will update if and when we hear from them.

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