



WWE Lawsuit vs. Jakks Pacific and THQ Continues

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STAMFORD, Conn.--(BUSINESS WIRE)--

The United States District Court for the Southern District of New York today clarified that its dismissal of WWE's amended complaint in the lawsuit World Wrestling Entertainment, Inc. v. Jakks Pacific, Inc. et al. does not include WWE's state law claims, which will now be transferred to and heard in the state court action between the parties.

The lawsuit was filed by WWE in October 2004 against Jakks Pacific, Inc. ("Jakks"), two foreign subsidiaries of Jakks, THQ, Inc. ("THQ"), a purported joint venture involving Jakks and THQ, Stanley Shenker & Associates, Inc. ("SSAI") and Bell Licensing, LLC. The suit also named as defendants certain individuals employed by the corporate defendants, including specifically Jack Friedman, Stephen Berman and Joel Bennett, the three highest-ranking executives of Jakks, and Stanley Shenker and James Bell. Shenker was WWE's licensing agent and Bell was WWE's Senior Vice President of Licensing and Merchandising at the time the unlawful conduct occurred. The suit alleged that, on the orders of Jakks' highest ranking officers, payments were made to Shenker secretly via a series of transactions involving foreign subsidiaries of Jakks during the time licensing rights were being sought, including the right to WWE lucrative videogame license. Shenker and Bell have both subsequently plead guilty to being dishonest servants and are currently incarcerated, and the court in Connecticut previously ruled that Shenker perjured himself and obstructed justice by concealing the payments he took from Jakks and then split with Bell.

In the federal case, the Jakks defendants argued that a release, given to it after a royalty audit of the toy license, operated to somehow preclude WWE from pursuing its state law claims. Today, Judge Kenneth Karas indicated that he found that the release specifically did not bar any of these claims.

In a statement issued today, Vince McMahon, the Chairman of WWE, stated: "We are pleased that we now finally have the opportunity to litigate the merits of our state law claims in state court and to place our evidence before a jury of how Jakks and its partners conducted themselves. WWE's intellectual property is a valuable asset of the Company, and this lawsuit is necessary to preserve the integrity of our licensing process and essential to ensure that WWE receives appropriate and fair compensation for the grant of a license to use our intellectual property."

Additional information on World Wrestling Entertainment, Inc. (NYSE: WWE) can be found at wwe.com and corporate.wwe.com. For information on our global activities, go to <http://www.wwe.com/worldwide/>.

Trademarks: All WWE programming, talent names, images, likenesses, slogans, wrestling moves, and logos are the exclusive property of World Wrestling Entertainment, Inc. ECW is a trademark of WWE Libraries, Inc. All other trademarks, logos and copyrights are the property of their respective owners.

Forward-Looking Statements: This news release contains forward-looking statements pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties. These risks and uncertainties include the conditions of the markets for live events, broadcast television, cable television, pay-per-view, Internet, feature films, entertainment, professional sports, and licensed merchandise; acceptance of the Company's brands, media and merchandise within those markets; uncertainties relating to litigation; risks associated with producing live events both domestically and internationally; uncertainties associated with international markets; risks relating to maintaining and renewing key agreements, including television distribution agreements; and other risks and factors set forth from time to time in Company filings with the Securities and Exchange Commission. Actual results could differ materially from those currently expected or anticipated. In addition to these risks and uncertainties, our dividend is based on a number of factors, including our liquidity and historical and projected cash flow, strategic plan, our financial results and condition, contractual and legal restrictions on the payment of dividends and such other factors as our board of directors may consider relevant.

Source: World Wrestling Entertainment, Inc.

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