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## Adam Corolla Owes Former Podcast Partners \$4M, Jury Told

By **Daniel Siegal**

Law360, Los Angeles (September 03, 2014, 7:53 PM ET) -- Adam Carolla's former business partners in the world's most downloaded podcast told a California jury on Wednesday that the comedian owes them at least \$4 million of the podcast profits for violating their oral partnership agreement and forcing them out of the business.

During opening statements at a jury trial in Los Angeles, Gregory Doll of Doll Amir & Eley LLP, representing the plaintiffs, including Carolla's friend Donny Misraje, told the jury that Misraje had a 30 percent stake in the podcast, which was a partnership created in an oral agreement with Carolla, and that he is entitled to the value of that share at the time Carolla kicked him out of the business, a value of from \$4 million up to \$9 million, as the podcast's profits have topped \$14 million since its creation in 2009. Doll said that Misraje brought the idea for the podcast to Carolla, but that Carolla reneged on their deal because he resented having to share the profits.

"You'll hear my client say there's literally no one he trusted in the world more than Adam Carolla," he said. "The podcast, that was Donny's idea, there's no dispute about that."

Misraje — a high school friend of Carolla — his wife, Kathee Schneider-Misraje, and Sandy Ganz **filed suit** in January 2013, alleging that they provided the "innovative force" behind "The Adam Carolla Show" on the basis of Carolla's assurances that they were "all in this for the long haul" and would "all get rich." Carolla began podcasting after his syndicated radio show was canceled in 2009.

The suit said Misraje convinced the "computer illiterate" Carolla to immediately start a podcast to retain his fan base after his terrestrial show was canceled. Although the first episode of "The Adam Carolla Show" was rudimentary, according to the suit, "Misraje's vision was to build a 'multimedia podcast network.'"

Misraje and his wife had such faith in the project that they agreed to deferred partnership distributions, the suit said. Ganz, who initially provided technical support free of charge, was brought into the partnership in October 2010.

But in January 2012, Carolla announced on his show that he had fired Misraje. Since ousting Misraje and Ganz, his former partners alleged, he "has attempted to paint a picture for the public that Mr. Misraje was insubordinate, unable to 'get along' with anyone, unproductive and simply not 'up to the job.'"

According to the suit, Carolla has breached his partnership agreement with the plaintiffs by failing to distribute their pro rata share of the profits from his podcasts.

Under the alleged agreement, Carolla owned 60 percent of the partnership, executive producer Misraje 30 percent and Ganz 10 percent. The partnership "netted significant profits and by 2011 increased its profit margin by approximately 75 percent," the suit says.

On Wednesday, Mark Geragos of Geragos & Geragos APC, representing Carolla, told the jury that not only was there never any settled agreement between the parties about the ownership of the company, but that Misraje's efforts to assert his alleged ownership stake, and his suit, are both attempts to leech off the podcast's success, success based on Carolla's hard work.

"This was a built in a market that had nothing to do with [Misraje]," he said. "How do we know? The first show had 250,000 downloads, the most ever. ... Donny didn't build this; there was nothing he was doing but riding on Adam's coattails."

The Misrajes and Ganz are represented by Gregory L. Doll, Ronald M. St. Marie and L. Katie Fulsher of Doll Amir & Eley LLP.

Carolla is represented by Mark Geragos, Ben Meiselas and Vi Hohuynh of Geragos & Geragos APC and Sean E. Macias of Macias Counsel Inc.

The case is Misraje v. Carolla, case number BC499379, in the Superior Court of the State of California, County of Los Angeles.

--Additional reporting by Matthew Heller. Editing by Stephen Berg.

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