UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT GEORGIA ATLANTA DIVISION

PERRI "PEBBLES" REID,

Plaintiff,

- against -

VIACOM INTERNATIONAL INC. and VIACOM INC.,

Defendants.

Case No. 1:14-cv-01252-JEC

VIACOM'S ANSWER TO COMPLAINT

TRIAL BY JURY DEMANDED

Defendants Viacom International Inc. and Viacom Inc. (collectively, "Viacom"), by its attorneys, Walter H. Bush and Christopher B. Freeman of Carlton Fields Jorden Burt, P.A. of counsel, and Elizabeth A. McNamara and Jeremy A. Chase of Davis Wright Tremaine LLP of counsel, Answer the Complaint of Plaintiff Perri "Pebbles" Reid ("Reid" or "Plaintiff"), as follows:

INTRODUCTION

1. This Complaint arises from publication by Defendants, Viacom International Inc. and Viacom Inc. (collectively referred to herein as "Viacom"), of multiple false and defamatory statements of and concerning Perri "Pebbles" Reid ("Ms. Reid") in the VH1 original movie, *Crazysexycool: The TLC Story* ("the TLC movie"), and in promotional materials for the TLC movie.

Answer: To the extent the allegations of Paragraph 1 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 1 of the Complaint, except admits that its subsidiary, VH1 produced the original movie, *Crazysexycool: The TLC Story* ("the TLC movie").

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2. The false and defamatory statements published by Viacom conveyed to the average viewer, listener, and reader that Ms. Reid is an unethical and dishonest businesswoman.

<u>Answer</u>: To the extent the allegations of Paragraph 2 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 2 of the Complaint.

3. The movie told a story of Ms. Reid as a conniving and dishonest business woman who hoodwinked three innocent girls and exploited their talent for her own personal gain and in the process negatively influenced their personal lives and deprived them of fair compensation.

Answer: Viacom denies the allegations set forth in Paragraph 3 of the Complaint.

4. This story is false. For example, Ms. Reid (a) never had control over or influenced TLC's attorneys or accountants, (b) never withheld contract terms from TLC, (c) always paid TLC members what they were owed under their industry-standard contracts and oftentimes more than they were owed, and (d) rever encouraged group members to put their health before business.

Answer: Viacom denies the allegation set forth in Paragraph 4 of the Complaint that the story portrayed in the TLC movie is false. Viacom further denies on information and belief that Reid "never" had control over or influenced TLC's attorneys or accountants and "never" withheld contract terms from TLC. Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations that TLC members' contracts were "industry standard," that Reid "always paid TLC members what they were owed under their . . . contracts," that Reid "oftentimes" paid TLC members more than they were owed under their contracts, or that Reid "never encouraged group members to put their health before business."

5. The false and defamatory statements were published by Viacom on an international television broadcast of the TLC movie that was subsequently rebroadcast on many occasions, including during traditionally high viewership times, such as holiday evenings, as well as being made available by Viacom on the Internet for online viewing.

Answer: To the extent the allegations of Paragraph 5 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegation set forth in Paragraph 5 of the Complaint, except admits that the TLC movie was telecast, that it was telecast on more than one occasion, and that it was made available on the Internet for online viewing.

6. The false and defamatory statements assassinated Ms. Reid's character and damaged her reputation as a business woman and entertainer.

Answer: To the extent the allegations of Paragraph 6 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 6 of the Complaint.

7. In publishing the false and defamatory accusations against Ms. Reid, Viacom abandoned journalistic and literary integrity and ignored fundamental canons of journalistic and literary conduct by publishing false and laparatory accusations with actual malice.

Answer: To the extent the allegations of Paragraph 7 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 7 of the Complaint.

8. The false and defamatory publication fits VH1's *modus operandi* to assassinate the character of females, particularly African-American females, such as in other popular VH1 programs.

Answer: To the extent the allegations of Paragraph 8 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 8 of the Complaint.

9. While Ms. Reid does not downplay the role of the media in reporting on public figures, Viacom and other members of the media are not granted an unfettered right or

privilege under the First Amendment to injure the reputations of public figures by publishing and broadcasting false and defamatory accusations with actual malice.

Answer: To the extent the allegations of Paragraph 9 of the Complaint are deemed to be allegations of law or rhetorical hyperbole, Viacom is not required to plead thereto.

10. As a result of its conduct as herein described, Viacom crossed the threshold from speech protected by the First Amendment to enter the arena of actionable defamation of a public figure for which Viacom must be held legally accountable.

Answer: To the extent the allegations of Paragraph 10 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 10 of the Complaint.

PARTIES

11. Ms. Reid is an individual who resides in Atlanta, Georgia.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 11 of the Complaint.

12. Viacom is a corporation organized and existing under the laws of the State of Delaware with its principal place of business being located at 1515 Broadway, New York, New York 10036.

Answer: Viacom admits the allegations set forth in Paragraph 12 of the Complaint.

13. Among its corporate activities, Viacom owns, operates, and controls VH1.

Answer: Viacom admits the allegations set forth in Paragraph 13 of the Complaint.

JURISDICTION AND VENUE

Ms. Reid is a citizen of the State of Georgia for purposes of diversity jurisdiction under 28 U.S.C. § 1332.

Answer: To the extent the allegations of Paragraph 14 of the Complaint are deemed to be allegations of law Viacom is not required to plead thereto. To the extent such allegations are

deemed to be allegations of fact, Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 14 of the Complaint.

15. Viacom is a citizen of either Delaware or New York for purposes of diversity jurisdiction under 28 U.S.C. § 1332.

Answer: To the extent the allegations of Paragraph 15 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom admits that it is a citizen of either Delaware or New York.

16. This Count has original subject matter jurisdiction of this action pursuant to 28 U.S.C. § 1332 as there exists complete diversity of citizenship between Ms. Reid and Viacom and the amount in controversy exceeds Seventy-Five Thousand Dollars (\$75,000.00), exclusive of interest and costs.

Answer: To the extent the allegations of Paragraph 16 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 16 of the Complaint.

Viacom is subject to the jurisdiction of this Court pursuant to 28 U.S.C. § 17. 1332.

Answer: To the extent the allegations of Paragraph 17 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto.

Venue is proper in this Court pursuant to 28 U.S.C. § 1391.

Answer: To the extent the allegations of law, Viacom is not required to plead thereto.

FACTUAL BACKGRO

Reid Answer: To the extent the allegations of Paragraph 18 of the Complaint are deemed to be

FACTUAL BACKGROUND

Ms. Reid is an internationally renowned singer and performer. She is a business woman and the mother of two.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 19 of the Complaint concerning the number of Reid's children, except admits that Reid was a famous singer and performer and a business woman.

20. Ms. Reid is responsible for creating and developing the all-female musical group of TLC, recognized as one of the best-selling female musical groups of all time.

Answer: Viacom denies on information and belief the allegation set forth in Paragraph 20 of the Complaint that Reid is solely or primarily responsible for creating and developing the all-female musical group of TLC, except admits that Reid was involved in the group's formation and early development, and that TLC is recognized as one of the best-selling female musical groups of all time.

21. Ms. Reid was thrust onto the world stage in 1987 when she recorded her first album, "Pebbles."

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 21 of the Complaint, except admits on information and belief that Reid's first album "Pebbles" was recorded in 1987.

22. Ms. Reid sold over 4 million records and performed hundreds of live concerts over her singing career as an MCA artist.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 22 of the Complaint.

23. Ms. Reid is best known for such musical hits as "Girlfriend" and "Mercedes Boy."

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 23 of the Complaint, except admits that Reid recorded the songs, "Girlfriend" and "Mercedes Boy."

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Reid's Vision of an All-Female Musical Group

24. In 1990, having achieved her own personal success as a solo recording artist, Ms. Reid was striving to help her then husband, Antonio "L.A." Reid, with his record company, LaFace (a division of Arista Records), which he co-founded with Kenneth "Babyface" Edmonds.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 24 of the Complaint, except admits on information and belief that LaFace was a division of Arista Records co-founded by Reid's then husband Antonio "L.A." Reid and Kenneth "Babyface" Edmonds.

25. Though they were successful writers and producers, at the time, L.A. and BabyFace were just beginning their record label business, which was a new endeavor for them.

<u>Answer:</u> Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 25 of the Complaint.

26. In the midst of her efforts to help her hasband, Ms. Reid had a vision to create an all-female musical group. Ms. Reid wanted to help develop other young, female talent and help them thrive in the then male-dominated musical entertainment industry as well as help the LaFace record label.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 26 of the Complaint, including whether Reid had a "vision," except admits on information and belief that Reid was involved in the formation of TLC which was/is an all-female musical group.

Reid's Chooses Singers to Fulfill Her Vision

27. After spreading the word that she was looking to recruit singers, Ms. Reid held many auditions to find potential members to form the group she envisioned.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 27, but admits on information and belief

that Reid "spread the word" that she was looking to recruit singers and held auditions to find potential members to form the group.

28. After receiving a tip from her hair stylist who knew Tionne "T-Boz" Watkins, who worked at the salon at the time, Ms. Reid agreed to audition T-Boz.

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 28 of the Complaint.

29. When T-Boz came to her audition, she brought Lisa "Left Eye" Lopez [sic] with her. The two ladies auditioned together and informed Ms. Reid that there was another female, Crystal Jones, who was part of a group with them called "Second Nature." Second Nature was a local undiscovered, unknown female group.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 29 of the Complaint, except admits on information and belief that T-Boz brought Lisa "Left Eye" Lopes to her audition, they auditioned together, and there was another member of their then group, "Second Nature," named Crystal Jones.

30. Ms. Reid felt it was the best business practice to develop the group and make her vision a reality through herself and her own production company, Pebbitone, Inc.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 30 of the Complaint.

31. Ms. Reid gave LaFace a right of first refusal to serve as the record label for the group.

<u>Answer:</u> Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 31 of the Complaint.

32. In most music deals, there are five basic players: artists (the performers), manager, producer, publisher, and record label. One individual or company may play one or more roles.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 33 of the Complaint regarding Reid's

characterization of the basic structure or players in "most music deals." Viacom denies the remaining allegations set forth in Paragraph 32 of the Complaint.

33. Typically, revenues from any album are divided among these basic players. If there is more than one artist-for example in a three person group like TLC-no additional points are allocated to the artist share of the revenues. As a result, multi-member groups typically have smaller individual shares of album revenues than solo artists.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 33 of the Complaint regarding Reid's characterization of how revenues from an album are "typically" divided, or whether multimember groups "typically" have smaller individual shares of album revenues than solo artists, except admits on information and belief that no additional points were allocated to the artist share of the revenues for each member of TLC. Viacom denies the remaining allegations set forth in Paragraph 33 of the Complaint.

34. And for new artists, the shares are typically lower because there is a risk that the unproven new artists will not generate a dime of revenue and the established producers and record labels will lose their up-front investment completely.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 34 of the Complaint regarding Reid's characterization of whether new artists' shares are "typically" lower or the purported reason why such shares are "typically" lower. Viacom denies the remaining allegations set forth in Paragraph 34 of the Complaint.

35. Standard industry practice is that after new artists have achieved success, contracts are typically re-negotiated to increase the artists' share to acknowledge both the artists' then proven role and the fact that producers and record labels may have recouped their up-front investment.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 35 of the Complaint regarding Reid's

characterization of "standard industry practice" or what is "typically" done regarding the re-negotiation of contracts. Viacom denies the remaining allegations set forth in Paragraph 35 of the Complaint.

36. To develop and protect her vision, Ms. Reid knew she had to take a hands-on role in the management and production of the group, which she did through her company Pebbitone.

Inc.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 36 of the Complaint, except admits that Reid managed and produced the group through her company Pebbitone, Inc.

37. Ms. Reid knew that she had found musical talent that she could develop to create her vision of a successful all-female musical group, but she also knew that it would take an extensive investment of her own time, proney, and industry resources to get to that point.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 37 of the Complaint.

38. To protect and nurture her vision, Ms. Reid became the manager for Lisa Lopez [sic], Tionne Watkins, and Crystal Jones.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 38 of the Complaint, except admits that Reid became the manager for Lisa Lopes and Tionne Watkins.

39. Ms. Reid's large commitment of time and money to the group caused her to essentially put her own successful singing career on hold. But she believed in what they were building together and was willing to take the risk.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 39 of the Complaint.

40. Initially, Ms. Reid, Lisa Lopez [sic], Tionne Watkins, and Crystal Jones did not enter into a formal agreement.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 40 of the Complaint.

41. Ms. Reid did not think the name "Second Nature" appropriately personified the group she envisioned so she developed the name TLC – "T" for Tionne, "L" for Lisa, and "C" for Crystal.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 41 of the Complaint regarding whether Reid thought the name "Second Nature" appropriately personified the group, but admits on information and belief that the name "Second Nature" was replaced with "TLC" for the first initial of each member of the group. Viacom denies the remaining allegations set forth in Paragraph 41 of the Complaint.

42. Ms. Reid did not charge the group a licensing fee for the use of the name she created, although she had the right to do so.

Answer: To the extent the allegations of Paragraph 42 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 42 of the Complaint.

43. In January of 1992, Ms. Reid secured a trademark for the name "TLC."

Answer: Viacom denies the allegation that Reid secured a trademark for the name "TLC" in January 1992, as public records indicate that Reid filed an application for the trademark "TLC" (registration number 1765008) on July 30, 1992, and the mark was published to the Principal Register on April 13, 1993.

44. Ms. Reid introduced the then members of TLC to L.A. and BabyFace and held an audition for LaFace to consider signing TLC for its music label.

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 44 of the Complaint.

45. At first, LaFace declined to sign TLC. L.A. did not recognize the raw talent that Ms. Reid knew existed in the group and could be developed with a visionary's hard work.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 45 of the Complaint.

46. When LaFace at first declined to work with the group, Ms. Reid called Irving Azoff, who at one time was the head of MCA Records, a leading record label, to discuss signing TLC to his new music label. Mr. Azoff knew Ms. Reid's track record as an MCA artist and creator and was willing, based only on Ms. Reid's recommendation, to sign TLC before even seeing or hearing from the group.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 46 of the Complaint, except admits on information and belief that Irving Azoff was at one time the head of MCA Records and that MCA Records was a leading record label.

47. When L.A. overheard Ms. Reid conversation with Mr. Azoff, he had a change of heart and LaFace eventually signed on as the record label for TLC.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 47 of the Complaint, except admits that L.A. Reid signed TLC to his record label, LaFace.

48. The decision was made to replace Crystal and while Ms. Reid began the search for the new third member of TLC, formal contracts were drawn up, negotiated, and eventually signed.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 48 of the Complaint, except admits on information and belief that a decision was made to replace Crystal, and that contracts were drawn up and eventually signed. Viacom denies on information and belief that the formal contracts were subject to negotiation.

49. Ms. Reid's attorney at the time (and from the beginning of her singing career) was Jody Graham Dunitz with the law firm of Manatt, Phelps and Phillips in Los Angeles.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 49 of the Complaint, except admits on information and belief that Jody Graham Dunitz of the law firm Manatt, Phelps and Phillips in Los Angeles has represented Reid in various engagements.

50. Ms. Dunitz drafted proposed management, production, and publishing contracts between Ms. Reid and Lisa Lopez [sic] and Tionne Watkins.

Answer: Viacon denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 50 of the Complaint, except admits on information and belief that Reid's representatives drafted the management, production and publishing contracts between Reid and the members of TLC.

51. In an effort to assist the group members, Ms. Reid reached out to the Atlanta firm of Katz & Cherry, P.C. to help facilitate a meeting between an attorney at the firm and Ms. Lopez [sic] and Ms. Watkins. Ms. Reid did not have a business relationship with any attorney at the Katz and Cherry firm, but knew of the firm because L.A.'s personal attorney, Joel Katz, was a member of the firm.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 51 of the Complaint, except admits on information and belief that Reid arranged for Katz & Cherry, P.C., the law firm representing her then husband L.A. Reid, to also represent the members of TLC. Viacom denies that Reid did not have a business relationship with any attorney at Katz & Cherry, P.C., as she admits that Joel Ratz, a name partner at Katz & Cherry, P.C., was her then husband's attorney.

Ms. Reid knew that without a recommendation from a trusted member of the music industry, it was unlikely that Ms. Lopez or Ms. Watkins would be granted a meeting, much less representation, by reputable entertainment attorneys.

Answer: Viacom denies the allegations set forth in Paragraph 52 of the Complaint.

53. Ms. Reid wanted professionals involved and wanted TLC to have independent and competent legal advice.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of what Reid may have wanted. Viacom denies the remaining allegations set forth in Paragraph 53 of the Complaint.

54. The Katz & Cherry firm represented TLC and the individual group members during the contract negotiations.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 54 of the Complaint, except admits on information and belief that the Katz & Cherry firm represented TLC.

55. The contracts executed were standard industry contracts and were all subject to negotiation.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of whether the contracts were "standard industry contracts." Viacom denies on information and belief the remaining allegations set forth in Paragraph 55 of the Complaint.

56. Everyone had independent representation and no concerns were raised about the fairness of the contracts before they were signed.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegation that "no concerns" were raised about the fairness of the contracts before they were signed. Viacom denies on information and belief the remaining allegations set forth in Paragraph 56 of the Complaint.

57. Ms. Reid and TLC executed formal contracts in February of 1991.

Answer: Viacom admits the allegations set forth in Paragraph 57 of the Complaint.

58. At no time did Ms. Reid have the same attorney as TLC or any of its individual members.

Answer: Viacom denies the allegations set forth in Paragraph 58 of the Complaint as Reid admits at Paragraph 51 of her Complaint that her then husband, L.A. Reid, was represented by the same law firm as TLC and each of its individual members.

59. Ms. Reid never refused to provide copies of any contracts to TLC or its individual members.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 59 of the Complaint that Reid "never" refused to provide copies of any contracts to TLC or its individual members, and affirms and states that the individual band members have represented that on multiple occasions, Reid, as their manager, did not provide them with copies of their contracts upon request.

60. And group members could have always accessed their contracts through their own counsel.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 60 of the Complaint that the group members could have "always" accessed their contracts through their counsel, except admits that the members of TLC eventually obtained access to their contracts through their attorneys.

61. Ms. Reid had no control over attorneys engaged by TLC or its individual members and never attempted to exercise any such control over them.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 61 of the Complaint, that Reid had "no control" over attorneys engaged by TLC or its individual members and "never" attempted to exercise such control over them as Reid admits at Paragraph 51 of her Complaint that she arranged for Katz & Cherry, P.C., the same law firm representing her then husband L.A. Reid, to also represent the members of TLC.

Ms. Reid also had no control over accountants engaged by TLC or its individual members and never attempted to exercise any such control over them.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 62 of the Complaint regarding whether

Reid had control over or attempted to exercise control over "accountants engaged by TLC or its individual members," but denies on information and belief that Reid had no control over or never attempted to exercise control over accountants engaged by Pebbitone, Inc., LaFace, or other entities with authority over calculating and remitting royalties to TLC or its individual members, determining and making expenditures on behalf of TLC or its individual members, and recouping expenses from TLC or its individual members percentage of earned royalties.

63. At all times, the individual members of TLC had complete control and 100% ownership of merchandising materials for the group. This was atypical in the industry, but Ms. Reid wanted the group to have merchandising rights as a way to provide what she believed would be a strong future revenue stream for them.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 63 of the Complaint, as Reid owned the trademark "TLC" and the sale of any merchandizing materials with the TLC trademark required Reid's prior approval. Further, on information and belief, as TLC's manager and owner of the TLC trademark, Reid declined various merchandizing opportunities for the group, thus preventing the group from monetizing any purported "merchandizing rights," to such a degree that in 1997, the U.S. Bankruptcy Court for the Northern District of Georgia found that this "so-called 'ancillary income' is prospective only. It is speculative at best." *In re Watkins*, 210 B.R. 394, 400 (Bankr. N.D. Ga. 1997).

64. The publishing contracts also provided another source of revenue for the group.

Although the group members were not established or avid writers, Ms. Reid wanted them to have this additional source of revenue. And the publishing contract was structured so that group members would be paid regardless of the volume or timing of their writings.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 64 of the Complaint.

Reid held auditions to find a third member of the group (to replace Crystal Jones).

On a tip from L.A., Ms. Reid auditioned Rozanda [sic] Thomas and she was eventually added to TLC.

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 65 of the Complaint.

66. Because Ms. Thomas needed a name to match the "C" in the name The the group gave Ms. Thomas the nickname "Chilli."

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 66 of the Complaint.

67. In her excitement to be part of the group, Chilli wanted to sign a contract with Ms. Reid without consulting an attorney, but Ms. Reid insisted that Chilli speak with an attorney first, which she did, engaging the same firm that represented the other members of TLC.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 67 of the Complaint, except admits on information and belief that Reid arranged for Katz & Cherry, P.C., the same firm representing the other members of TLC and her then-husband, L.A. Reid, to represent Chilli.

68. Ms. Reid put the group on a rigorous development schedule to make them into the group she envisioned and get them ready to perform publicly.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 68 of the Complaint regarding whether the development schedule was "rigorous" or what Reid "envisioned," except admits on information and belief that the group embarked on a development schedule in order to get ready to perform publicly.

69. Ms. Reid worked with the individual group members for approximately one year before the public ever saw or heard from the group.

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 69 of the Complaint.

Reid Develops TLC to Fulfill her Vision

70. When TLC began recording its first album, the group members began to clash. Such turmoil is not unusual. After all, the group members were learning to work together for the

first time and did not all know each other before being thrust into a pressure filled work environment necessary to meet industry standards.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 70 of the Complaint with respect to Reid's assertion that the group members began to "clash," or experienced "turmoil" when TLC began recording its first album since those terms are undefined and subjective, except admits on information and belief that the group members did not all know each other before the group formed and that the group members were learning to work together for the first time. Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegation that a "pressure-filled work environment" is "necessary to meet industry standards."

71. Ms. Reid suggested that the group members meet regularly to foster dialogue and to hash out intragroup issues and concerns with one another.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 71 of the Complaint, except admits on information and belief that the group members met regularly.

72. To aid in the development of group structure. Ms. Reid also suggested that TLC set group rules and that group members hold each other accountable to those rules.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 72 of the Complaint, except admits on information and belief that Reid imposed a set of rules on the group members and held the individual group members accountable to those rules.

73. One of the rules developed by the group members was no intimate relationships with team members, including individual producers.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 73 of the Complaint.

After the rules were set, Chilli began an intimate relationship with Dallas Austin, the individual producer on many of TLC's songs.

Answer: Viacom denies the allegations set forth in Paragraph 74 of the Complaint, except admits on information and belief that Chilli had an intimate relationship with Dallas Austin, the producer on many of TLC's songs.

75. Ms. Reid was originally unaware of the relationship. She learned of it only when the other group members came to her extremely upset about it.

Answer: Viacom denies on information and belief the allegation set forth in Paragraph 75 of the Complaint that Reid learned of Chilli's relationship with Dallas Austin "only when the other group members came to her extremely upset about it," and denies knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations set forth in Paragraph 75 of the Complaint.

76. The other members of TLC wanted to remove Chilli from the group because they felt she was using her relationship with Mr. Austin to gain a more prominent role in the group's songs and her relationship was against group rules.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 76 of the Complaint.

77. Ms. Reid encouraged T-Boz and Lisa to consider putting Chilli on probation instead of removing her from the group because Ms. Reid thought Chilli was the perfect third member of TLC.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 77 of the Complaint.

78. Ms. Reid hoped that the other members would reconsider removing Chilli from the group. But they did not want to put Chilli on probation; they only wanted to remove her.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 78 of the Complaint.

Against her own personal opinion, in June of 1991, Ms. Reid agreed to deliver the news to Chilli that she was removed from the group so that Chilli would not be permanently

upset with the other group members. Ms. Reid hoped that the group members would reconcile their differences.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 79 of the Complaint, except admits that Reid delivered the news to Chilli that she was removed from the group in or about June of 1991.

80. After several weeks of being unable to find a suitable replacement, Ms. Reid again implored the group to reconsider and allow Chilli back in the group, which they eventually did.

Answer: Viacon denies on information and belief the allegations set forth in Paragraph 80 of the Complaint, except admits that the group was unable to find a suitable replacement and that Chilli was allowed back in the group.

81. At no time during her relationship with Chilli and TLC was Ms. Reid aware that Chilli was pregnant. In fact, Ms. Reid did not find out until years later that Chilli was ever pregnant.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 81 of the Complaint.

Ms. Reid was herself a teen mother and although she would have been upset for Chilli to have to endure the difficult life of a single, teenage mother, she would not have removed her from the group for being pregnant.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 82 of the Complaint.

83. Ms. Reid never encouraged or assisted Chilli in obtaining an abortion.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 83 of the Complaint.

Ms. Reid was unaware that T-Boz had sickle cell anemia until well after the contracts were signed and the first album was released.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 84 of the Complaint.

85. Ms. Reid never suggested that T-Boz should put her health before TLC performance schedule.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of whether Reid ever suggested that T-Boz should put her health before TLC's performance schedule.

The Rise of TLC

86. In February of 1992, TLC released its first album, "Ohh on the TLC Tip."

Answer: Viacom denies the allegations set forth in Paragraph 86 of the Complaint, except admits that in February of 1992, TLC released its first album "Ooooooohhh . . . On the TLC Tip."

87. TLC promoted their first album as the opening act for MC Hammer on his national tour. Ms. Reid handled all details of and facilitated TLC's participation in the tour.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 87 of the Complaint, except admits that TLC promoted their first album as an opening act for MC Hammer on his national tour.

88. At this time, TLC was the largest asset of LaFace Records, and Ms. Reid was intimately involved in every detail of the group.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 88 of the Complaint, except denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegation that TLC was the largest asset of LaFace Records.

89. Ms. Reid personally edited videos and designed and coordinated wardrobes and image concepts. She also wrote and co-directed certain videos.

<u>Answer:</u> Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 89 of the Complaint, except denies on

information and belief that Reid was solely responsible for designing and coordinating wardrobes and image concepts for the group.

90. Ms. Reid negotiated, planned, and staffed all of TLC concert tours.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 90 of the Complaint, except admits on information and belief that Reid played a role in negotiating, planning, and staffing TLC's concert tours in promotion of the group's first album.

91. Ms. Reid handled all art direction and marketing.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 91 of the Complaint.

92. Ms. Reid was the vocal producer for TLC's Christmas song, *Sleigh Ride*.

<u>Answer:</u> Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 92 of the Complaint.

93. Ms. Reid was involved in the writing, production, direction, and editing of TLC's videos.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 93 of the Complaint, except admits on information and belief that Reid played a role in the creation of TLC's videos for songs off of the group's first album.

94. Ms. Reid negotiated TLC's deals with directors, photographers, videographers, and other third party vendors. Using her own industry relationships and business savvy, Ms. Reid often saved the group hundreds of thousands of dollars on third party costs.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 94 of the Complaint, except admits on information and belief that Reid negotiated certain deals with certain third party vendors on the group's behalf.

All reasonable tour and other group expenses were paid per the terms of the group's contract

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 95 of the Complaint except that Arista, LaFace, Pebbitone, and Reid controlled all tour and other group expenditures, and the group's contract permitted these parties to recoup all expenses from the individual group members' shares of royalties.

96. On many occasions, Ms. Reid personally advanced expenses on behalf of TLC and was never fully reimbursed by the group out of her own generosity.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 96 of the Complaint, as any expenses Reid purportedly advanced on behalf of TLC were deducted from TLC's share of royalties as all such royalties flowed directly through the hands of Reid, Pebbitone, and LaFace, who controlled the source and payment of the group's royalties.

97. At all times, Ms. Reid compensated TLC per the terms of the contracts, which terms were standard in the industry.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 97 of the Complaint, except denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations that "at all times" Reid "compensated TLC per the terms of the contracts" or that the terms of the contracts were "standard/in the industry."

98. On many occasions, Ms. Reid compensated TLC over and above amounts due under the terms of the contract.

Answer: Viacom denies the allegations set forth in Paragraph 98 of the Complaint, except admits that LaFace and/or Pebbitone, Inc., offered the members of TLC advances against future royalties to enable them to meet their monthly payment obligations. *See In re Watkins*, 210 B.R. 394, 398-99 (Bankr. N.D. Ga. 1997).

99. Ms. Reid often looked after the group members' personal needs, including providing housing at times, so that they could focus on their musical development.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 99 of the Complaint, except admits on

information and belief that Reid arranged for housing and other accommodations while the group was on tour, all of which was expensed to the group and recouped from their royalty payments.

100. Drawing upon her own personal experience in the music industry, Ms. Reid counseled the group members to be frugal in their spending as new artists.

<u>Answer:</u> Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 100 of the Complaint.

101. Ms. Reid was not only the business manager for TLC, but she nurtured and groomed the individual members, helping them to grow into successful professionals.

Answer: Viacon denies on information and belief the allegations set forth in Paragraph 101 of the Complaint, except admits on information and belief that Reid was not only the business manager for TLC, as she and her company Pebbitone, Inc. were producers, and her then-husband L.A. Reid's company, DaFace was the record label for the group.

Greed Overtakes TLC

102. Before the first album was completely released, TLC began to try to change the contract terms, including cutting Ms. Reid out of the deal completely. This action came as a complete shock to Ms. Reid given that she planned to renegotiate TLC's deal with LaFace following the full release of the first album, which is industry standard.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 102 of the Complaint.

103. Typically, new artists will renegotiate their contract terms before the creation of a second album, but not before that time.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations regarding Reid's characterization of what is "typical" for the time frame for renegotiating contract terms. Viacom denies the remaining allegations set forth in Paragraph 103 of the Complaint.

104. Such re-negotiations typically lead to the artists obtaining more of the revenue share from the record label, not those managing and producing music.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations regarding Reid's characterization of what "typically" results from such re-negotiations. Viacom denies the remaining allegations set forth in Paragraph 104 of the Complaint.

105. For example, in the case of TLC, such a re-negotiation may have resulted in TLC obtaining more of the revenue share at the expense of the revenue share inuring to the benefit of LaFace and Arista under the original contracts.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations regarding Reid's characterization of what "may have resulted" had she attempted to renegotiate TLC's contracts with LaFace and Arista. Viacom denies the remaining allegations set forth in Paragraph 105 of the Complaint.

106. TLC began to conspire with LaFace to cut Ms. Reid out of the contracts so that TLC could enter more lucrative contracts for the benefit of the group members and LaFace, and to the detriment of Ms. Reid.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 106 of the Complaint, except admits that TLC terminated Reid as its manager in 1993, sought to renegotiate the production agreement or negotiate a buy-out of their production agreement with Pebbitone, Inc., and, with Pebbitone's permission, attempted to renegotiate a fairer contract with LaFace than the original contracts they entered with her then-husband's company when Reid was TLC's manager. TLC did not enter a "more lucrative contract" until after each individual member was forced to file for bankruptcy, and a settlement was reached with LaFace, Pebbitone, Inc., and Reid.

107. In the midst of the contractual dispute, in November of 1994, TLC released its second album, "CrazySexyCool."

Answer: Viacom admits on information and belief the allegations set forth in Paragraph 107 of the Complaint.

108. In July of 1995, TLC filed for bankruptcy. The industry speculation was that the group did so as a legal ploy to renege on, and be released from, its contractual obligations to Ms. Reid.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 108 of the Complaint, except denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations concerning industry speculation, and admits on information and belief that TLC filed for bankruptcy in July of 1995.

109. The entire music industry watched the bankruptcy case closely because it would potentially set ground-breaking precedent in the industry. If TLC members were allowed to be released from all contractual obligations as a result of a bankruptcy filing, then producers, record labels, and other industry executives could all be in danger of taking risk on new talent only to find themselves unable to recoup the losts of developing raw talent.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 109 of the Complaint.

110. Ms. Reid had poured her heart and soul into the group for over five years and did not want to walk away from TLC or her personal investment in the group and its success and her vision that she created and developed.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 110 of the Complaint.

111. After plucking the individual members of TLC from obscurity, Ms. Reid groomed and shepherded them through the process of forming an extremely successful musical group.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 111 of the Complaint, except admits that Reid helped form the group TLC, that she managed and produced them in their early years, and that the group became extremely successful.

Ms. Reid made personal financial sacrifices for TLC, but she believed in what she and the members were building and was proud to be the creator of and visionary for the all-female musical group.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 112 of the Complaint.

113. Ms. Reid further made personal sacrifices for TLC by working to develop and nurture the group instead of focusing on her individual music performing career.

Answer: Viacom denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations set forth in Paragraph 113 of the Complaint.

Despite Ms. Reid's efforts on behalf of TLC, ultimately a settlement was reached between all parties, and Ms. Reid's relationship with TLC ended.

Answer: Viacom denies on information and belief the allegations set forth in Paragraph 114 of the Complaint, except admits that a settlement was reached between all parties and Reid's relationship with TLC ended.

CAUSE OF ACTION FOR DEFAMATION

Ms. Reid incorporates by reference paragraphs 1-114 of this Complaint as though 115. the same were set forth herein in their entirety.

Answer: Viacom repeats and realleges the responses set forth in Paragraphs 1 through 114 of this Answer as though they were fully set forth herein.

CrazySexyCool: the TLC Story, an Original VH1 Movie

On October 21, 2013, Viacom and VH1 aired the original movie, CrazySexycool: 116. the TLC Story ("the TLC movie").

Answer: Viacom admits the allegations set forth in Paragraph 116 of the Complaint.

XYOUN ON O 117. Viacom and VH1 promoted the movie as a true story and as the biographical story of TLC.

Answer: Viacom denies the allegations set forth in Paragraph 117 of the Complaint, except admits that the TLC movie is a docudrama that reflects the true story of TLC as told from the perspective and first hand recollections of the surviving members of TLC, and was promoted as such.

118. The TLC movie's premiere generated 4.5 million viewers, making it the highest-rated television film premiere of 2013, as well as the highest-rated original film premiere in VH1 history.

Answer: Viacom admits the allegations set forth in Paragraph 118 of the Complaint.

119. After the initial broadcast of the TLC movie, it has been re-broadcast by Viacom on multiple occasions, as recently as the month of the filing of this Complaint.

<u>Answer:</u> Viacom admits that after the initial telecast, the TLC movie was re-telecast by Viacom on multiple occasions, including during April of 2014.

120. In addition, the TLC movie continues to be actively promoted at http://www.vh1.com/shows/grazysexycool_tlc_story/series.jhtml as of date of the filing of this Complaint.

Answer: Viacom denies the allegations set forth in Paragraph 120 of the Complaint, except admits that the movie is presently available for viewing at http://www.vhl.com/shows/crazysexycool tlc Story/series.jhtml.

121. The TLC movie conveys a grossly inaccurate and false impression of Ms. Reid.

Answer: To the extent the allegations of Paragraph 121 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 121 of the Complaint.

122. The TLC movie falsely accuses Ms. Reid of being an unethical and dishonest businesswoman who took unfair and improper advantage of three young girls.

Answer: To the extent the allegations of Paragraph 122 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 122 of the Complain.

123. The gist of the TLC movie is false and defamatory per se in conveying accusations that Ms. Reid is an unethical and dishonest businesswoman.

Answer: To the extent the allegations of Paragraph 123 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 123 of the Complaint.

- 124. The TLC movie includes the following false and defamatory statements and scenes, which when put in the context of the movie as a whole, convey a false and defamatory image of Ms. Reid:
 - (a) Statements and scenes directly and/or implicitly conveying that TLC members and Ms. Reid had the same attorneys.
 - (b) Statements and scenes directly and/or implicitly conveying that Ms. Reid exercised control over TEC members' attorneys for her personal benefit and to the detriment of the members of TEC.
 - (c) Statements and scenes directly and/or implicitly conveying that Ms. Reid exercised control over TLC members' accountants for her personal benefit and to the detriment of the members of TLC.
 - (d) Statements and scenes directly and/or implicitly conveying that Ms. Reid pressured TLC members to sign contracts without reading them or having them reviewed by TLC's counsel.
 - (e) Statements and scenes directly and/or implicitly conveying that Ms. Reid failed or refused to provide copies of contracts to TLC members.
 - (f) Statements and scenes directly and/or implicitly conveying that Ms. Reid had the ability to prevent, and did prevent, TLC members from obtaining copies of contracts relevant to the group.
 - (g) Statements and scenes directly and/or implicitly conveying that Ms. Reid only paid TLC members Twenty-Five Dollars (\$25.00) per week.
 - (h) Statements and scenes directly and/or implicitly conveying that Ms. Reid made the decision to remove "Chilli" from TLC.

- (i) Statements and scenes directly and/or implicitly conveying that "T-Boz" had disclosed her health issues to Ms. Reid prior to TLC signing any contracts
- (j) Statements and scenes directly and/or implicitly conveying that Ms. Reid asked or caused "T-Boz" to put money before her health.
- (k) Statements and scenes directly and/or implicitly conveying that Ms. Reid improperly deducted expenses from TLC members' payments.
- (l) Statements and scenes directly and/or implicitly conveying that Ms. Reid forced or coerced TLC members into contracts that created a "windfall" or unearned fees benefiting Ms. Reid to the detriment of the members of the group.
- (m) Statements and scenes directly and/or implicitly conveying that Ms. Reid did not make a personal investment in TLC or its members.
- (n) Statements and scenes directly and/or implicitly conveying that Ms. Reid did not earn fees received from contracts she had with TLC.
- (o) Statements and scenes directly and/or implicitly conveying that Ms. Reid was aware that "Chilli" had an abortion and was involved in her decision to have the abortion performed.

Answer: To the extent the allegations of Paragraph 124 of the Complaint and the accompanying subparagraphs are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 124 of the Complaint.

125. The TLC movie constitutes libel and/or slander per se in that it directly and/or implicitly imputes actions to Ms. Reid that injure her professional business reputation.

Answer: To the extent the allegations of Paragraph 125 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 125 of the Complaint.

126. The TLC movie constitutes libel and/or slander per se in that in directly and/or implicitly imputes actions to Ms. Reid that are defamatory and injurious to her reputation on their face and can be so understood without reference to any additional or extrinsic facts.

Answer: To the extent the allegations of Paragraph 126 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 126 of the Complaint.

PUBLICATION WITH ACTUAL MALICE

127. On September 5, 2013, nearly two months prior to the publication of the movie, L. Lin Wood, on behalf of Ms. Reid, sent a letter to Viacom informing Viacom that the promotional materials for the TEC movie established that Viacom was planning to produce and broadcast a movie that was false and defamatory as to Ms. Reid. Evidencing a reckless disregard for truth or falsity, Viacom intentionally disregarded and ignored this information. A true and correct copy of the letter of September 5, 2013 sattached hereto as Exhibit A and by reference made a part hereof.

Answer: Viacom refers the Court to Exhibit A to the Complaint for the contents thereof and otherwise Viacom denies the allegations set forth in Paragraph 127 of the Complaint.

128. On October 9, 2013, L. Lin Wood, on behalf of Ms. Reid, sent a follow-up letter to Viacom wherein he again informed Viacom that the planned movie was false and defamatory as to Ms. Reid. Evidencing a continuing reckless disregard for truth or falsity, Viacom intentionally disregarded and ignored this information. A true and correct copy of the letter of October 9, 2013 is attached hereto as Exhibit B and by reference made a part hereof.

Answer: Viacom refers the Court to Exhibit B to the Complaint for the contents thereof and otherwise Viacom denies the allegations set forth in Paragraph 128 of the Complaint.

Prior to the publication, and evidencing a reckless disregard of truth or falsity, Viacom failed and refused to provide Ms. Reid with an opportunity to respond to the accusations made against her in the TLC movie.

Answer: To the extent the allegations of Paragraph 129 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 129 of the Complaint.

130. Evidencing a reckless disregard for truth or falsity, Viacom knowingly and purposely avoided the truth and ignored evidence establishing the falsity of the TLC movie prior to publishing them.

Answer: To the extent the allegations of Paragraph 130 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 130 of the Complaint.

131. Evidencing a reckless disregard for truth or falsity, Viacom published accusations against Ms. Reid that were so inherently improbable on their face as to raise serious doubts about their truth.

Answer: To the extent the allegations of Paragraph 132 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 131 of the Complaint.

132. Evidencing a reckless disregard for truth or falsity, Viacom published accusations against Ms. Reid that were so outrageous on their face as to raise serious doubts about their truth.

Answer: To the extent the allegations of Paragraph 132 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are beemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 132 of the Complaint.

Evidencing a reckless disregard for truth or falsity, Viacom published accusations against Ms. Reichat clearly contradicted known facts.

Answer: To the extent the allegations of Paragraph 133 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 133 of the Complaint.

134. Evidencing a reckless disregard for truth or falsity, Viacom published accusations against Ms. Reid based solely on sources who were known to have a history of engaging in vicious personal attacks against Ms. Reid and therefore, were known to be biased and unreliable sources.

Answer: To the extent the allegations of Paragraph 134 of the Complaint are deemed to be allegations of law, Viacon is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 134 of the Complaint.

135. Evidencing a reckless disregard for truth or falsity, Viacom published accusations against Ms. Reid without conducting even a cursory investigation, which failure constitutes gross negligence.

Answer: To the extent the allegations of Paragraph 135 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 135 of the Complaint.

136. Viacom had actual knowledge that the accusations against Ms. Reid were false prior to publication.

Answer: To the extent the allegations of Paragraph 136 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 136 of the Complaint.

137. On October 31, 2013, L. Lin Wood, on behalf of Reid, sent a letter to Viacom wherein he again informed Viacom that the TLC movie was false and defamatory as to Ms. Reid,

including a list of the false and defamatory scenes from the movie, and demanded a retraction and correction. A true and correct copy of the letter of October 31, 2013 is attached hereto as Exhibit C and by reference made a part hereof.

Answer: Viacom refers the Court to Exhibit C to the Complaint for the contents thereof and otherwise Viacom denies the allegations set forth in Paragraph 137 of the Complaint.

138. Evidencing a continued reckless disregard for truth or falsity, Viacom failed and refused to publish a retraction and correction of the TLC movie's false and defamatory accusations against Ms. Reid and instead continued to promote and re-broadcast the TLC movie.

Answer: To the extent the allegations of Paragraph 138 of the Complaint are deemed to be allegations of law, Viacon is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 138 of the Complaint, except admits that it did not publish a retraction and correction related to the TLC movie because it did not believe that the movie was false and defamatory and continued to promote and re-telecast the TLC movie.

139. Viacom falsely promoted the movie as the true story of the discovery and development of TLC as the best-selling female R&B group of all time.

Answer: Viacom denies the allegations set forth in Paragraph 139 of the Complaint, except admits that the TLC movie is a docudrama that reflects the true story of TLC as told from the perspective and first hand recollections of the surviving members of TLC, and was promoted as such.

140. The end of the credits of the movie shows a fast moving slew of characters, in different font and size from the credits, wherein Viacom attempts to disclaim the story as fiction.

Answer: Viacom denies the allegations set forth in Paragraph 140 of the Complaint as the TLC movie is a docudrama that reflects the true story of TLC as told from the perspective and first hand recollections of the surviving members of TLC, and states that the end credits of the movie contained the disclaimer "This is TLC's story, however in certain cases incidents, characters and timelines have been changed for dramatic purposes. Certain characters may be

composites, or entirely fictitious and no statement or inference of fact regarding any person is intended." This disclaimer is accurate, as the movie is a docudrama that distills real life events occurring over the course of more than a decade into a 117 minute feature length film.

141. Viacom financially benefited from record-breaking viewership of the TLC [sic] resulting in large part from its false promotion of the TLC movie as the true story of TLC.

Answer: To the extent the allegations of Paragraph 141 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 141 of the Complaint.

142. In a November 11, 2013 letter, sent after Ms. Reid demanded through her attorney that a retraction and correction of the false and defamatory statements about her in the TLC movie, Viacom changed its description of the TLC movie as a true story to claim that the TLC movie was merely a "fictionalized portrayal" and "no reasonable person would view it as a literal recreation of historical events." A true and correct copy of the letter of November 11, 2013 is attached hereto as Exhibit D and by reference made a part hereof.

Answer: Viacom refers the Court to Exhibit D to the Complaint for the contents thereof and otherwise Viacom denies the allegations set forth in Paragraph 142 of the Complaint.

DAMAGES

143. The false and defamatory TLC movie was published to third parties and was, in fact, viewed by third parties all across the United States.

Answer: To the extent the allegations of Paragraph 143 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 143 of the Complaint, except admits that the TLC movie was telecast and viewed by individuals nationwide.

144. As a direct and proximate result of the false and defamatory statements about her in the TLC movie, Ms. Reid's personal reputation and her reputation as a business woman have been permanently damaged.

Answer: To the extent the allegations of Paragraph 144 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 144 of the Complaint.

145. As a direct and proximate result of the false and defamatory statements about her in the TLC movie, Ms. Keid has suffered stress, emotional distress, embarrassment, humiliation, anger, and other mental pain and suffering.

Answer: To the extent the allegations of Paragraph 145 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 145 of the Complaint.

146. As a direct and proximate result of the false and defamatory statements about her in the TLC movie, Ms. Reid has suffered public hatred, contempt, scorn, and ridicule.

Answer: To the extent the allegations of Paragraph 146 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forthin Paragraph 146 of the Complaint.

147. As a direct and proximate result of the false and defamatory statements about her in the TLC movie, Ms. Reid has suffered special damages.

Answer: To the extent the allegations of Paragraph 147 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 147 of the Complaint.

148. As set forth above, the TLC movie is defamatory and libelous per se entitling Ms. Reid to presumed damages.

Answer: To the extent the allegations of Paragraph 148 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 148 of the Complaint.

Ms. Reid in the TLC movie were false and defamatory and demanding that the statements be retracted and corrected Viacom has failed to retract or correct its false and defamatory statements.

Answer: To the extent the allegations of Paragraph 149 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 149 of the Complaint, except admits that it has not retracted or corrected anything related to the TLC movie because it does not believe that the movie is false and defamatory, and refers the Court to Exhibits A through D of the Complaint.

150. The conduct of Viacom demonstrates willful misconduct and an entire want of care that raises a conscious indifference to consequences.

Answer: To the extent the allegations of Paragraph 150 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 150 of the Complaint.

151. The false and defamatory accusations were published with Constitutional actual malice thereby entitling Ms. Reid to an award of punitive damages.

Answer: To the extent the allegations of Paragraph 151 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are

deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 151 of the Complaint.

152. Ms. Reid is also entitled to an award of punitive damages from Viacom in order to publish it for its unlawful conduct and to penalize and deter it from repeating such unlawful and egregious conduct.

Answer: To the extent the allegations of Paragraph 152 of the Complaint are deemed to be allegations of law, Viacom is not required to plead thereto. To the extent such allegations are deemed to be allegations of fact, Viacom denies the allegations set forth in Paragraph 152 of the Complaint.

To the extent that the headings contained in the Complaint constitute allegations, such allegations are denied.

With respect to the Wherefore clauses in the Complaint, Viacom denies that Plaintiff is entitled to any relief, including damages, punitive damages, a retraction, injunctive relief, the costs of suit or any other relief.

SEPARATE AND ADDITIONAL DEFENSES

By alleging the Separate and Additional Defenses, set forth below, Viacom is not in any way acknowledging or conceding that it has the burden of proof for any issue for which applicable law places the burden on Plaintiff.

FIRST SEPARATE AND ADDITIONAL DEFENSE

1. Plaintiff's complaint fails to state a cause of action, in whole or in part, upon which relief can be granted.

SECOND SEPARATE AND ADDITIONAL DEFENSE

2. Plaintiff's claim is barred, in whole or in part, by the doctrines of unclean hands, laches, waiver and estoppel.

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THIRD SEPARATE AND ADDITIONAL DEFENSE

3. Plaintiff's claim for relief against Viacom is barred by the First and Fourteenth Amendments to the United States Constitution and Article 1, Section 1, Paragraphs V and VI of the Georgia Constitution.

FOURTH SEPARATE AND ADDITIONAL DEFENSE

4. Plaintiff's claim for relief against Viacom fails because Viacom was not aware of and did not intend or endorse the alleged defamatory implications complained of by Plaintiff.

FIFTH SEPARATE AND ADDITIONAL DEFENSE

5. Some or all of the allegedly defamatory statements complained of by Plaintiff are true or substantially true, and thus cannot give rise to any claim against Viacom.

<u>SIXTH SÉPARATE AND ADDITIONAL DEFENSE</u>

6. Some or all of the allegedly defamatory statements complained of by Plaintiff do not assert verifiably false facts, and/or constitute rhetorical hyperbole or subjective statements of opinion, and thus cannot give rise to any claim against Viacom.

SEVENTH SEPARATE AND ADDITIONAL DEFENSE

7. Plaintiff's claims against Viacom are barred, in whole or in part, because she cannot prove that she has suffered any compensable damage as a result of any actionable statement published by Viacom.

EIGHTH SEPARATE AND ADDITIONAL DEFENSE

8. Plaintiff's cause of action is barred in whole or in part because the challenged statements cannot be reasonably understood by a reasonable reader to have the defamatory meaning or implication that Plaintiff strains to allege.

NINTH SEPARATE AND ADDITIONAL DEFENSE

9. Plaintiff's causes of action are barred in whole or in part, because if Plaintiff was harmed, which Viacom denies, Plaintiff impliedly assumed the risk of that harm.

TENTH SEPARATE AND ADDITIONAL DEFENSE

10. Some or all of Plaintiff's claims are barred because Plaintiff fails to allege a single

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false statement of fact with the requisite accuracy and specificity to state a cause of action for defamation.

ELEVENTH SEPARATE AND ADDITIONAL DEFENSE

11. The allegedly defamatory statements in the TLC movie were published without the degree of fault required by the First and Fourteenth Amendments to the United States

Constitution and Article 1, Section 1, Paragraphs V and VI of the Georgia Constitution, and thus cannot give rise to any claim against Viacom.

TWELFTH SEPARATE AND ADDITIONAL DEFENSE

12. The allegedly defamatory statement, statements, or implications complained of by Plaintiff cannot provide a basis for any recovery by Plaintiff because she is a public figure and Viacom did not act with actual malice.

THIRTEENTH SEPARATE AND ADDITIONAL DEFENSE

13. The allegedly defamatory statement, statements or implications complained of by Plaintiff are protected by the doctrine of fair comment, and therefore cannot provide a basis for any recovery by plaintiff.

FOURTEENTH SEPARATE AND ADDITIONAL DEFENSE

14. Plaintiff's claim for relief against Viacom is barred by the doctrine of neutral reportage.

FIFTEENTH SEPARATE AND ADDITIONAL DÉFENSE

15. Plaintiff's claim for relief against Viacom is barred, in whole or in part, because the damages allegedly suffered by Plaintiff, if any, were not proximately caused by Viacom.

SIXTEENTH SEPARATE AND ADDITIONAL DEFENSE

16. Plaintiff's claim for relief against Viacom is barred, in whole or in part, because of Plaintiff's failure to mitigate her alleged damages, if any.

SEVENTEENTH SEPARATE AND ADDITIONAL DEFENSE

17. Plaintiff's claim for relief against Viacom is barred, in whole or in part, because any damages allegedly suffered by Plaintiff were the result, in whole or in part, of Plaintiff's own

legal fault, and any recovery by Plaintiff should be reduced in proportion to Plaintiff's fault.

EIGHTEENTH SEPARATE AND ADDITIONAL DEFENSE

18. Plaintiff's claim for relief against Viacom is barred, in whole or in part, because any damages allegedly suffered by Plaintiff were either wholly or in part the legal fault of persons, firms, corporations, or entities other than Viacom, and that legal fault reduces the percentage of responsibility, if any, to be borne by Viacom.

NINETEENTH SEPARATE AND ADDITIONAL DEFENSE

19. Plaintiff's claim against Viacom is barred, in whole or in part, because any award of damages would unjustly enrich Plaintiff.

TWENTIETH SEPARATE AND ADDITIONAL DEFENSE

20. Plaintiff's claim for relief against Viacom is barred, in whole or in part, because Plaintiff has not pleaded either libel *perse* or special damages with sufficient particularity.

TWENTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

21. Plaintiff's claim for relief against Viacom is barred, in whole or in part, because Plaintiff has failed to state a claim upon which punitive damages can be awarded against Viacom.

TWENTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

22. Plaintiff is not entitled to recover punitive damages because the statement or statements complained of involved a matter of public concern and no statement was made with actual malice.

TWENTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

23. The Complaint, to the extent that it seeks punitive damages against Viacom, Violates Viacom's right to procedural and substantive due process under the Fourteenth Amendment to the United States Constitution and Article 1, Section 1, Paragraph I of the Georgia Constitution because, among other things, of the vagueness and uncertainty of the criteria for the imposition of punitive damages and the lack of fair notice of what conduct will result in the imposition of such damages. Therefore, Plaintiff cannot recover punitive damages

against Viacom in this case.

TWENTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

24. The Complaint, to the extent that it seeks punitive damages against Viacom, violates Viacom's right to procedural and substantive due process under the Fifth and Fourteenth Amendments to the United States Constitution and Article 1, Section 1, Paragraph I of the Georgia Constitution because, among other things, there is no legitimate state interest in punishing Viacom's alleged conduct at issue here, or in deterring its possible repetition.

Therefore, Plaintiff cannot recover punitive damages against Viacom in this case.

TWENTX-FIFTH SEPARATE AND ADDITIONAL DEFENSE

25. The Complaint, to the extent that it seeks punitive damages against Viacom, violates Viacom's right to procedural and substantive due process under the Fifth and Fourteenth Amendments to the United States Constitution and Article 1, Section 1, Paragraph I of the Georgia Constitution because, among other things, the alleged conduct at issue here is not sufficiently reprehensible to warrant any punitive damage recovery. Therefore, Plaintiff cannot recover punitive damages against Viacom in this case

TWENTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

26. The Complaint, to the extent that it seeks punitive damages against Viacom, violates Viacom's right to procedural and substantive due process under the Fifth and Fourteenth Amendments to the United States Constitution and Article 1, Section 1, Paragraph I of the Georgia Constitution because, among other things, any punitive damages award would be grossly out of proportion to the alleged conduct at issue here. Therefore, Plaintiff cannot recover punitive damages against Viacom in this case.

TWENTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

27. Plaintiff's claim against Viacom is barred, in whole or in part, because plaintiff's damages, if any, are vague, uncertain, imaginary, and speculative.

TWENTY-EIGHTH SEPARATE AND ADDITIONAL DEFENSE

28. Plaintiff's claim against Viacom is barred, in whole or in part, because Viacom's conduct was reasonable, justified, and in good faith.

TWENTY-NINTH SEPARATE AND ADDITIONAL DEFENSE

29. Plaintiff's claim against Viacom is barred, in whole or in part, because the challenged statements are not offensive to a reasonable person.

THIRTIETH SEPARATE AND ADDITIONAL DEFENSE

30. Viacom has insufficient knowledge or information upon which to form a belief as to whether it may have additional, as yet unstated, separate defenses available to them. Viacom reserves its right to assert additional separate defenses in the event discovery indicates that such defenses would be appropriate.

THIRTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

31. Some or all of the statements challenged by Plaintiff are fair, true and impartial accounts of judicial proceedings or other official proceedings, and thus cannot give rise to any claim against Viacom.

WHEREFORE, defendants Viacom International Inc. and Viacom Inc. respectfully seek an Order of this Court as follows:

- 1. Dismissing the complaint in its entirety and with prejudice;
- Awarding Viacom its costs and disbursements incurred in defending this action;
 - 3. Granting such other and further relief as this Court deems just and proper.

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Dated: New York, New York June 12, 2014

Respectfully submitted,

By: <u>/s/</u>

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