



Penthouse Must Face Dismissal Suit by Guccione, Judge Says

By Lindsay Fortado

Aug. 9 (Bloomberg) -- **Robert Guccione**, former chairman of Penthouse Media Group Inc., can sue the publisher of adult men's magazines over his dismissal, a New York state judge in Manhattan ruled.

Guccione sued Penthouse Media Group and its principals, **Marc Bell** and **Daniel Staton**, claiming breach of contract for not keeping him on as a \$500,000-a-year consultant after they brought the company out of bankruptcy in 2004, when it was known as General Media International Inc.

Bell and Staton offered to give Guccione the post for 10 years in exchange for his conveying ownership of Penthouse trademarks and not filing a claim for severance, according to the complaint Guccione filed in 2005. When he didn't give up his rights to U.K. trademarks shortly after GMI emerged from bankruptcy, the principals used that as a "contrived" reason to fire him, Guccione alleged, according to court documents.

New York State Supreme Court Judge **Charles Ramos** denied Penthouse's motion to throw out the case in an Aug. 1 ruling, while rejecting two of Guccione's claims against the company, Bell and Staton.

"The pleadings sufficiently describe the manner in which Bell and Staton schemed to convince and even coerce Guccione to support" GMI's plan to emerge from bankruptcy, Ramos said in the ruling.

In court papers filed with the U.S. Bankruptcy Court in New York in 2004, Guccione said Bell "threatened" him to support the reorganization plan or he wouldn't be paid.

Bell, 40, the managing director of Marc Bell Capital Partners and chief executive officer of Penthouse Media Group, said the suit was without merit.

'Nuisance-Type Thing'

"We offered him a consulting agreement, he turned it down," Bell said in a phone interview yesterday. "This is purely a nuisance-type thing."

Bell said he wouldn't enter into settlement discussions with Guccione. "We don't owe him anything," he said.

Guccione's lawyer, Jamie Brickell, said he was pleased with the ruling and called the dismissed claims "secondary."

"The judge recognized that Bell got the company and Bob got nothing and that was inappropriate," said Brickell, a partner with the law firm Pryor Cashman in New York.

Guccione served as publisher and editor-in-chief of Penthouse magazine, which in 2000 ran an interview with and nude pictures of **Paula Jones**, the former Arkansas state employee who accused former President **Bill Clinton** of sexual harassment.

Spitzer's Prostitute

In March, Penthouse offered **Ashley Alexandra Dupre**, the prostitute who was paid \$4,300 to have sex with then-New York governor **Eliot Spitzer**, the chance to pose on its Web site, host a video chat or take part in a live Web-cam session.

Penthouse Media Group, whose businesses include publishing, video, television and Internet sites, calls itself the world's largest adult entertainment company on its [Web site](#).

The Boca Raton, Florida-based company said in March that it planned to sell about \$250 million in stock in an initial public offering as it seeks to compete with [Playboy Enterprises Inc.](#) [Penthouse International Inc.](#) currently has a market capitalization of \$330,000 and its stock trades over the counter in New York, according to Bloomberg data.

The case is Robert Guccione v. Marc Bell, 604465/2008, New York State Supreme Court (Manhattan).

To contact the reporter for this story: [Lindsay Fortado](#) in New York State Supreme Court in Manhattan at lfortado@bloomberg.net.

Last Updated: August 9, 2008 00:01 EDT

