

EXHIBIT J

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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3

4 MARVEL WORLDWIDE, INC.,)
MARVEL CHARACTERS, INC.,)
5 and MVL RIGHTS, LLC,)

6 Plaintiffs,)

7 vs.)

) Case No. 10-141-CMKF

8 LISA R. KIRBY, BARBARA J.)
KIRBY, NEAL L. KIRBY and)
9 SUSAN N. KIRBY,)

10 Defendants.)
_____)
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15 CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

16 VOLUME II

17 DEPOSITION OF STAN LEE

18 LOS ANGELES, CALIFORNIA

19 WEDNESDAY, DECEMBER 8, 2010
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24 REPORTED BY:

Alejandria E. Kate

25 CSR NO. 11897, HI 448, RPR, CLR

JOB NO.: 35197

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DECEMBER 8, 2010

9:11 A.M.

Deposition of STAN LEE, held at the offices of VENABLE LLP, 2049 Century Park East, Suite 2100, Los Angeles, California, pursuant to agreement before Alejandria E. Kate, a Registered Professional Reporter and Certified Shorthand Reporter of the State of California.

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1 A P P E A R A N C E S:

2
3 ATTORNEY FOR THE PLAINTIFFS:

4 WEIL, GOTSHAL & MANGES

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9 -AND-

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22 Los Angeles, California 90067

23 FOR THE WITNESS:

24 GANFER & SHORE

25 BY: ARTHUR LIEBERMAN, ESQ.

(APPEARANCE VIA VIDEO CONFERENCE)

360 Lexington Avenue

14th Floor

New York, NY 10017

ALSO PRESENT:

ELI BARD, Marvel Entertainment

1 MR. TOBEROFF: Paragraph 4-G.

2 Q. So pursuant to this subparagraph, in addition
3 to your stock options and your million-dollar salary,
4 you are to receive 125,000 per year to author the
5 syndicated Spider-Man newspaper strip; is that correct?

6 A. Well, that's what this says, yeah.

7 Q. And do you receive money from Marvel to author
8 the Spider-Man newspaper strip?

9 A. I don't think I'm getting that anymore.

10 Q. Were you being paid 125,000 a year to author
11 the Spider-Man strip?

12 A. Well, I must have been if it says it here.

13 Q. Okay. It also says, in Paragraph 4-G, that
14 you had been -- you had been receiving, prior to the
15 1998 agreement, 125,000 a year.

16 When did you first start receiving that
17 amount?

18 A. I don't remember.

19 Q. Do you know whether it was a few years before
20 or one year before?

21 A. No.

22 Q. But you did receive the amount prior to the
23 1998 agreement?

24 A. Well, I must have if it says it here.

25 Q. Okay.

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1 (Whereupon, Defendants' Exhibit Number
2 LEE 23 was marked for identification.)

3 MR. TOBEROFF: Exhibit 23 is an amendment
4 dated as of May 2, 2008 to the agreement dated June 11,
5 2007, called a "Cooperation Agreement," between Marvel
6 Entertainment and Stan Lee. Bates Numbers 16141 to 42.

7 Q. Can you please turn to Page 2 of this
8 document, Mr. Lee. Just turn to Page 2.

9 A. Page 2?

10 Q. Yes.

11 A. That's my signature.

12 Q. That was my -- how did you guess that was my
13 question. Thank you. You're a quick study.

14 Now, let's turn back to what was marked as
15 Exhibit 1 in your prior deposition. It's your
16 June 11th, 2007, affidavit.

17 MR. QUINN: It's in here somewhere. I'll find
18 it.

19 THE WITNESS: Oh. Thanks, Jim.

20 BY MR. TOBEROFF:

21 Q. Putting the agreement aside for a second.

22 When did you first start working for Marvel
23 years ago?

24 A. Before it was Marvel.

25 Q. Before it was Marvel.

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1 I know Marvel has had various names like
2 Timely and other names.

3 A. Yeah. When I first really started, I was
4 about 17 or 18 years old. So -- what's 17 from -- 22
5 and 17 is, what 32? 35?

6 Q. 39.

7 A. 39. Somewhere around there. 1930s.

8 Q. Does -- does 1940 ring a bell?

9 A. Maybe, yeah.

10 Q. And at the end of 1941, you were promoted to
11 the position of editorial director?

12 A. Right.

13 Q. Please turn to Paragraph 8 of the affidavit.

14 MR. QUINN: On Page 5.

15 THE WITNESS: Got it. That's the easiest
16 part, finding the numbers.

17 BY MR. TOBEROFF:

18 Q. If you go down three-quarters of the way down
19 the page, in that paragraph, you see the sentence that
20 reads, "Although I had no written agreement with
21 Timely, it was our mutual understanding and agreement
22 throughout the 23-year period."

23 Do you see that sentence?

24 A. Yes. That my creative contributions were made
25 as a result of my having been commissioned by Timely to

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1 create the works and that Timely would, therefore, own
2 whatever rights existed to any materials I created or
3 co-created for publication by it, including any new
4 characters that I created for publication by Timely and
5 that I had no right to claim" --

6 Q. You don't have to read the whole sentence.

7 MR. QUINN: Well, it's good for the record.

8 THE WITNESS: Yeah. That was for the record.

9 MR. TOBEROFF: You keep saying the document
10 speaks for itself.

11 Q. In any event, what I was getting at here is
12 it's correct that you had no written agreement with
13 Marvel for at least the first 23 years you worked
14 there; is that correct?

15 A. You mean I had no agreement before this?

16 Q. You had no written agreement with Marvel for
17 at least the first 23 years that you worked there?

18 A. I don't know. How do you know?

19 Q. Well, we previously looked at an agreement --
20 a '72 agreement with Cadence, and no earlier agreement
21 has been produced.

22 And I asked you whether you had an earlier
23 agreement with Cadence or Marvel.

24 A. Okay.

25 Q. So it could have been -- actually, since you

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1 started working at Marvel in about 1940, 1972, it could
2 have been longer than 23 years, it could have been 32
3 years that you had no written agreement; is that
4 correct?

5 A. I'm trying to remember. I don't know if I had
6 a contract when Cadence took over. If they gave me a
7 contract. There was a contract because -- am I allowed
8 to say this?

9 Q. Yes.

10 MR. QUINN: Whatever your testimony is.

11 THE WITNESS: There was a contract because
12 Cadence wouldn't buy the company unless Martin had me
13 under contract.

14 And I remember him saying to me, "Stan, you've
15 got to sign a contract with me or I won't be able to
16 sell the company."

17 And then he sold the company, so I assume I --
18 I know I signed something. Now, I don't have a copy of
19 it. I don't know where it is or what it is. But I
20 know something was signed in order for Cadence to buy
21 the company.

22 Q. So based on that, is it your belief that the
23 first agreement, written agreement you had with Marvel,
24 was shortly before Cadence bought the company?

25 A. I would think so, yes.

1 of the work, using a rubber stamp and ink pad."

2 A. Uh-huh.

3 Q. Do you believe that Millie prepared the text
4 on these rubber stamps?

5 A. That she prepared what?

6 Q. Did Millie prepare the text on the rubber
7 stamps?

8 A. I have no idea who did what.

9 Q. Do you believe that Marvel would have a
10 bookkeeper prepare the text on its rubber stamps?

11 A. I don't know.

12 Q. You did not prepare --

13 A. Oh, no.

14 Q. -- the language on Marvel's rubber stamps, did
15 you?

16 A. I had nothing to do with it.

17 Q. Were you involved with -- in the period 1958
18 to 1963, were you in charge of payroll at Marvel?

19 A. I was never in charge of payroll. I was just
20 in charge of the artists and the writers, the letters,
21 the inkers and the colorists. The people who did the
22 work.

23 Somewhere there was a door, and behind that
24 door were a lot of people at desks with adding
25 machines. And that was the payroll or the bookkeeping

1 department. And I have no idea what went on there.

2 I know there was a girl named Millie who
3 worked there. And there was another guy whose name I
4 forget. And I would call them if a check was late or
5 if an artist called and said, "I didn't get my check."
6 That's all I know about that part of it.

7 Q. Do you know Dick Ayers?

8 A. Yes.

9 Q. And he worked as a freelance comic book artist
10 for Marvel; correct?

11 A. Right.

12 MR. TOBEROFF: I'd like to mark the next
13 exhibit as Lee Exhibit 27, comprising -- it's a
14 two-page exhibit, comprising of copies of two checks
15 from Marvel Comics Group to Richard B. Ayers.

16 (Whereupon, Defendants' Exhibit Number
17 LEE 27 was marked for identification.)

18 BY MR. TOBEROFF:

19 Q. Mr. Lee, these checks, front and back, to
20 Mr. -- to Dick Ayers, aka Richard B. Ayers, were
21 produced by Marvel in this action.

22 I'd like to read to you the legend that
23 appears on the first page, on the back of the first
24 check.

25 A. Uh-huh.

1 over here. I get the one thing where they're all out
2 of order.

3 MR. TOBEROFF: Now, I know why they didn't let
4 you do the payroll.

5 THE WITNESS: I wish you hadn't made it look
6 so easy. Thank you.

7 MR. QUINN: You're very welcome.

8 THE WITNESS: Okay.

9 BY MR. TOBEROFF:

10 Q. I'm just drawing your attention to something
11 that I'm going to read. You can read along with me.

12 On Page 214, the first column, about eight
13 lines down, the interviewer asks, "A little bit of
14 history here."

15 And you reply, "Oh, I'm not good at that. I
16 have no memory."

17 Do you see that?

18 A. Yes.

19 Q. That's it.

20 MR. TOBEROFF: The next exhibit I'd like to
21 mark as Lee 29 -- for now -- I'd like to mark as Lee
22 Exhibit 29, it is entitled "Excerpts from the 1975
23 Stan Lee Panel." And it says, "Held at the 1975
24 San Diego Comic-Con."

25 This is a document Bates Number 1298 to 1302

1 that we produced -- that was produced by Marvel in this
2 action. Excuse me. It was produced by the defendants
3 in this action, not by Marvel.

4 (Whereupon, Defendants' Exhibit Number
5 LEE 29 was marked for identification.)

6 BY MR. TOBEROFF:

7 Q. So I'm just going to draw your attention to
8 the first page, the first column near the top. You see
9 it says, "Stan Lee," and then there are audience
10 questions, and then you respond. So the second
11 audience question, it says, "How did you get started?"

12 Do you see that?

13 A. Yes.

14 Q. And then you respond, and in the third
15 paragraph of your response, it says, "Then I heard
16 there was a job open at Marvel Comics, which was then
17 called Timely Comics, for a reason that nobody has
18 figured out. Jack Kirby and Joe Simon were practically
19 the whole staff, and they -- I better watch what I say
20 because I never know. Jack may be here. I'm not noted
21 for always telling the truth, but at least people don't
22 usually catch me at it. But Jack may remember this, so
23 I'll be careful."

24 MR. QUINN: And then there was laughter.

25 ///

1 BY MR. TOBEROFF:

2 Q. Do you have any reason to believe you were
3 misquoted in this article?

4 A. I was kidding around with the audience. This
5 was not a serious lecture.

6 Q. I'm just asking whether you said that.

7 MR. QUINN: You heard his testimony.

8 THE WITNESS: You heard my answer.

9 BY MR. TOBEROFF:

10 Q. Did you say this?

11 A. Yes.

12 MR. QUINN: That will show, you don't kid
13 around. 35 years later, it will come back to haunt
14 you.

15 BY MR. TOBEROFF:

16 Q. Mr. Lee, by asking that question, I wasn't
17 implying that you weren't kidding around. I think it
18 stands for -- the interview stands -- Marvel's counsel
19 said it speaks for itself.

20 MR. TOBEROFF: The next exhibit is Exhibit 30.

21 (Whereupon, Defendants' Exhibit Number

22 LEE 30 was marked for identification.)

23 BY MR. TOBEROFF:

24 Q. And this is an interview of you entitled
25 "Stan Lee TV Archives, 2004," which was produced by Roy

1 Thomas in this case. Bates Number 365 to 82.

2 This is an interview that you appeared to have
3 given with the American Archive of American Television
4 on March 22, 2004.

5 Did you give this interview with the American
6 Archive of American Television?

7 A. Yes.

8 Q. Please turn to Page 3, second column.

9 A. I'm sorry. Did you say Page 3?

10 Q. Page 3, second column. All the way down in
11 your response on the second column -- excuse me, all
12 the way down the second column of that page, you see
13 the questioner is Lisa Tarata, and she asked the
14 following question: "Can you talk a little bit
15 about -- and you mentioned that what the comic book
16 industry was like there. It didn't have a great
17 reputation at the time. But can you just talk a little
18 bit of what the industry looked like in the early
19 '40s."

20 And you respond, "Well, in the early '40s --
21 and, again, I'm not really good at this, I have the
22 word's worst memory for detail," and then you continue.

23 Do you see that?

24 A. Yes.

25 MR. TOBEROFF: I'd just like to show you one

1 villain. He's Thor's half brother. He's jealous of
2 Thor. He has enchanting powers."

3 I just wanted you to be aware of that
4 deposition testimony.

5 And I want to go back to Exhibit 12, which is
6 "Origins of Marvel Comics," by Stan Lee.

7 A. It's the big thick one. Got it.

8 Q. On Page 185 of that exhibit -- note that
9 Page 184 is blank. On Page 185 --

10 A. Okay. 185 is the script. Right? It's this
11 (indicating).

12 Q. Right.

13 A. No. That's 186.

14 MR. QUINN: No. It's 185.

15 THE WITNESS: 185 is the first page.

16 MR. TOBEROFF: Actually, I'm going to
17 short-cut this. We don't have to go over this.

18 MR. QUINN: Okay.

19 MR. TOBEROFF: You can put it aside.

20 MR. QUINN: He's going to move on.

21 BY MR. TOBEROFF:

22 Q. I'd like to go back to "Son of Origins of
23 Marvel Comics."

24 Chapter 1 of this book is entitled "Make Way
25 for the Mutants."

1 A. The Memory Mutants.

2 Q. And that refers to the X-Men characters?

3 A. Uh-huh.

4 Q. Is that "yes"?

5 A. Pardon me?

6 Q. That refers to the X-Men characters?

7 A. Oh right. Yes.

8 MR. QUINN: What page are we on?

9 BY MR. TOBEROFF:

10 Q. Turn to Page 14, second full paragraph. It
11 states, "Why not create a group of characters who are
12 born with their unique abilities. We would create a
13 team of mutants."

14 And then further down the page, at the fifth
15 full paragraph, you write, "No sooner did I discuss the
16 basis premise with Jack, then we were off and running.
17 We decided to create two groups of mutants, one evil
18 and the other good. One would be eternally striving to
19 subjugate mankind and the other would be ceaselessly
20 battling to protect the human race."

21 Did you write that?

22 A. Uh-huh. Yes.

23 Q. I'd like to turn to a new exhibit. This is
24 your fault for being so prolific.

25 MR. TOBEROFF: I'd like to mark as Exhibit 38

1 excerpts from "Five Fabulous Decades of the World's
2 Greatest Comics." And then it states, "Marvel, by
3 Les Daniels, with an introduction by Stan Lee."

4 This book was published in 1991 by Marvel
5 Comics Group.

6 (Whereupon, Defendants' Exhibit Number
7 LEE 38 was marked for identification.)

8 BY MR. TOBEROFF:

9 Q. Are you familiar with this Marvel book?

10 A. I'm not really familiar with it. I've gotten
11 it.

12 Q. Who is Les Daniels?

13 A. I guess he was a guy we hired to write this.
14 I don't really remember him.

15 Q. On Page 111 -- turn to Page 111, second column
16 in 111, the last paragraph on the page.

17 A. Must be here. Okay.

18 Q. On that page, it's written, "Once again
19 Jack Kirby joined Lee as co-creator of the comic book.

20 "'Jack was the best guy to work with, you can
21 imagine,' says Lee. 'Any idea I would give him, he
22 could make it better. When Jack brought in the first
23 story, it opened with all the X-Men fighting in the
24 place they called The Danger Room, where they were
25 trained. That was Jack's idea. And it was the most

1 brilliant opening because it started with action and
2 showed all their abilities immediately.'"

3 Do you have any reason to believe you did not
4 say that?

5 A. Absolutely true.

6 Q. Now, switching gears to Spider-Man.

7 In your deposition, you stated that you
8 originally asked Jack Kirby to draw Spider-Man. This
9 is on Page 75 lines 6 through 9.

10 Do you recall that?

11 A. Oh, yes.

12 Q. And that you also stated that his work was not
13 used?

14 A. Was not what?

15 Q. That Jack -- the pages Jack Kirby did for
16 Spider-Man were not used in the original issue.

17 A. That's right.

18 Q. During this period, you were the editor of
19 Marvel; is that right?

20 A. Oh, yes.

21 Q. And who handled -- at that time, do you recall
22 who handled -- strike that.

23 MR. TOBEROFF: I'd like to mark the next
24 exhibit as Exhibit 39, exhibit --

25 MR. LIEBERMAN: Did I miss something? Was

1 there a question?

2 MR. TOBEROFF: No. There's no question. I'll
3 ask the next question when I'm ready.

4 Exhibit 39 is an excerpt from the magazine
5 Comic Scene, which was also retrieved from the Stan Lee
6 Archives of the American Heritage Center of the
7 University of Wyoming. It is an interview of Stan Lee
8 conducted by Clifford Meth, M-E-T-H, and Daniel -- Dick
9 Holtz, H-O-L-T-Z.

10 (Whereupon, Defendants' Exhibit Number
11 LEE 39 was marked for identification.)

12 BY MR. TOBEROFF:

13 Q. Now, these documents that we've retrieved from
14 the Stan Lee archives of the University of Wyoming, are
15 these things that you once had and you donated to the
16 university?

17 A. Yes.

18 Q. Do you recall giving this interview?

19 A. Pardon me?

20 Q. Do you recall giving this interview? This
21 particular interview.

22 A. Peter Paul was doing the interview? I didn't
23 hear what you said.

24 Q. No, no. Let me short-circuit.

25 Do you have any reason to believe you didn't

1 give this interview?

2 A. Well, let me look at it.

3 No, probably -- if you got it from the
4 archive, I must have done it. Yeah, it looks like an
5 interview I have given. I've given a million
6 interviews, but this looks like one.

7 Q. Now, if you go to page -- please go to
8 Page 36. I'd like to read something from this
9 interview.

10 A. Got it.

11 Q. Halfway down, on the right-hand column of the
12 page, it reads as follows: "To this day, I don't know
13 who made up the Spider-Man costume. It might have been
14 Kirby who did those first few pages and Ditko might
15 have copied Kirby's costume or Ditko might have just
16 made up the costume and disregarded what Kirby did. I
17 can't remember."

18 Now, when you refer here to Kirby's costume,
19 you're speaking of Spider-Man's costume in the first
20 Spider-Man pages that Jack Kirby did before you brought
21 in Steve Ditko?

22 A. Yes.

23 MR. QUINN: Object to the form.

24 You can answer.

25 THE WITNESS: Yes, those were the pages I had

1 rejected.

2 MR. TOBEROFF: I'd like to mark as Exhibit 40
3 an excerpt from David Anthony Kraft's Comic Interview,
4 Number 5, dated July 1983.

5 (Whereupon, Defendants' Exhibit Number
6 LEE 40 was marked for identification.)

7 THE WITNESS: Well, I'm guessing it's got to
8 be around Page 46.

9 MR. QUINN: Don't guess. Let him do it.

10 THE WITNESS: Well, that's what the contents
11 page said.

12 BY MR. TOBEROFF:

13 Q. On Page 46, is that a picture of you --

14 A. As soon as I get to Page 46.

15 Q. -- on the phone?

16 A. Oh, it's in the beginning. Yes.

17 Q. Okay. Do you have any reason to believe that
18 you didn't give this interview?

19 A. No.

20 Q. On page 49 -- I'd like you to turn to Page 49,
21 in the middle of the right-hand column.

22 A. Yes.

23 Q. It says the following: "I don't know whether
24 this is the case or not, but maybe when Ditko did the
25 story" --

1 A. The right-hand column? Oh, there it is. I
2 see it.

3 MR. TOBEROFF: Bear with me.

4 Q. You're being questioned about Spider-Man and
5 Spider-Man's costume in the interview.

6 A. Right.

7 Q. And in the -- on the right-hand column,
8 approximately in the middle, you say the following: "I
9 don't know whether this was the case or not, but maybe
10 when Ditko did the story, he used the costume that Jack
11 created. I don't remember."

12 Did -- do you believe you made this statement
13 in the interview?

14 A. Yes.

15 Q. I'd like to go back to exhibit -- what was
16 marked in your prior deposition as Exhibit 12, "Origins
17 of Marvel Comics."

18 A. Back to that book?

19 Q. Yes, please.

20 A. Got it.

21 Q. Now, if you turn to Page 139 of the book,
22 there appears to be a reprint of the first Spider-Man
23 story as it originally appeared.

24 Do you see that?

25 A. Yes.

1 Q. Do you believe that's the first Spider-Man
2 story?

3 A. Yes.

4 Q. Now --

5 MR. QUINN: Sorry. What page are we on?

6 THE WITNESS: Page 139, I believe.

7 MR. QUINN: Okay. All right.

8 THE WITNESS: Yes.

9 MR. QUINN: Thank you.

10 BY MR. TOBEROFF:

11 Q. And this story is "Amazing Fantasy,"
12 Number 15.

13 That's when Spider-Man first appeared?

14 A. That's right.

15 Q. If you look at the cover of "Amazing Fantasy,"
16 Number 15, there's a blurb that says, "Also in this
17 issue, an important message to you from the editor
18 about the new amazing," exclamation point, end quote.

19 Do you see that?

20 A. Yes.

21 Q. Now, turn to the last page of the Spider-Man
22 story on Page 150, please.

23 A. 150. Okay.

24 Q. Do you see where it says, "Be sure to see the
25 next issue of Amazing Fantasy for the further amazing

1 exploits of America's most different new teenage idol,
2 Spider-Man."

3 Do you see that?

4 A. Yes.

5 Q. So the next issue would have been Amazing
6 Fantasy, Number 16?

7 A. Right.

8 Q. Now, going back to your May 13 deposition --
9 I'm now switching to a new character. The character of
10 Galactus?

11 A. Galactus. Okay.

12 Q. In your May 13 deposition, on Page 71, at
13 lines 4 through 11, you say the following: "We had so
14 many villains who were so powerful, I was looking for
15 somebody who would be more powerful than any. So I
16 figured somebody would be" -- excuse me. "So I figured
17 somebody who was a demigod, who rides around in space
18 and destroys planets. I told Jack Kirby about it and
19 told him how I wanted the story to go generally. And
20 Jack went home and drew it."

21 A. Right.

22 Q. Do you recall saying that in your deposition?

23 A. Yes.

24 Q. Then later in the deposition, on Page 128,
25 lines 14 through 25, you confirmed as true a statement

1 Martin was in a pretty gloomy mood that day, and he
2 said to me, 'You know, what they don't realize, they
3 don't realize the risk that I'm taking. Because if the
4 books don't sell, it costs. I lose a lot of money, and
5 I have no guarantee the books will sell. And we have
6 periods for months after month after month where I'm
7 losing money, where the books don't sell. But I don't
8 cut their rate. I don't fire them. I try to keep
9 going as much as possible.' And he gave me this whole
10 thing from the publisher's point of view."

11 This is you speaking.

12 Do you remember saying that at your
13 deposition?

14 A. Yes. Now, I do, yes.

15 Q. I'd like to read you an excerpt from the book
16 "Excelsior: The Amazing Life of Stan Lee," by Stan Lee
17 and George Mair. M-A-I-R.

18 A. Mair, I think.

19 Q. This book was published in 2002.

20 MR. TOBEROFF: And please mark it as
21 Exhibit 48.

22 (Whereupon, Defendants' Exhibit Number
23 LEE 48 was marked for identification.)

24 THE WITNESS: We're only up to 48? It feels
25 like we've done a thousand.

1 BY MR. TOBEROFF:

2 Q. Did you write this book, Mr. Lee?

3 A. I wrote the part that wasn't in italics.

4 Q. And the part in italics was written by
5 George Mair?

6 A. Yeah. George Mair wrote the italics part.

7 Q. Okay. So if you could turn to Page 80, I'd
8 just like to read from the last full paragraph on
9 Page 80.

10 A. Okay.

11 Q. I'll read.

12 "So when a slump would hit, I kept paying our
13 best people to continue doing strips that we really
14 didn't need at the time, knowing we'd eventually have
15 use for them. I simply stored the strips in a large
16 office closet after they were done. To me it was an
17 investment both in people and in inventory.

18 "When Martin one day learned of all the
19 material I had been accumulating for later use, he took
20 an extremely dim view of what I had done. In fact, a
21 dim view is putting it mildly. For starters, he told
22 me that he was running a business and not a charitable
23 institution. Then as he kept warming to the subject, a
24 light suddenly went on inside his head. Martin
25 realized that he had an expensive bullpen being paid

1 every week and a closet full of complete unpublished
2 strips.

3 "He instantly decided he didn't need both. I
4 suppose from a business point of view, it was a
5 rational decision. But I hated it. The bullpen was
6 immediately disbanded. Most of the salaried creative
7 people were let go, while I was ordered to use up all
8 the inventory material.

9 "Martin decided that we would only work with
10 artists and writers on a freelance basis from that day
11 forward, not assigning any strips unless they were
12 definitely scheduled to be used."

13 Do you recall writing that?

14 A. Oh, yes.

15 Q. Is that accurate?

16 A. Yes.

17 Q. And previously you mentioned that in some
18 publicity you would refer to the Marvel bullpen when
19 there wasn't a bullpen.

20 The time when there was not a bullpen refers
21 to the time shortly after all of these Marvel employees
22 were let go; is that right?

23 A. Say that again.

24 Q. Previously, you said that in publicity --

25 A. Yes.

1 Q. I'm not just speaking in general.

2 A. Right.

3 Q. In the passage I just read, you speak about
4 how, because you had stockpiled an inventory of
5 material, Mr. Goodman felt, Why do we have to keep
6 people on salary, and they were fired -- and I'm
7 paraphrasing -- and he said, From now on we're going to
8 work freelance; correct?

9 A. Well, we had very few artists on salary. I
10 think what it might have meant was he had given some
11 artists guarantees. They would get so much work to do
12 each month. Whether we could -- we always used it, but
13 whether we could use it or not.

14 And I think what he meant when he said to me
15 we're just going to go freelance, we would only buy
16 what we needed, and it wouldn't -- I would never have
17 an opportunity to build up an inventory of unused stuff
18 again.

19 Q. And -- but you did have certain artists and
20 writers who were on staff at Marvel before you
21 converted to a complete freelance model; correct?

22 A. Maybe John Romita was on staff, and
23 Marie Severin was on -- I think as a colorist then, or
24 maybe an artist. But that's about all as far as
25 artists go.

1 Q. And then they were let go --

2 A. Yes.

3 Q. -- after this edict?

4 A. Yeah. Well, they were no longer -- well, see,
5 again, I don't remember. Romita might have been kept
6 on as art director because we needed somebody to do
7 covers and to do whatever had to be done.

8 But we didn't any longer have guarantees to
9 anybody. And I wasn't just buying things that maybe
10 we'd use and maybe we didn't use.

11 He was just -- he just got very strict with me
12 because I -- I had built up that inventory, which there
13 were strips I liked and I thought we would use them,
14 not realizing the business would be bad and we couldn't
15 publish as many books as we wanted to.

16 Q. I'd like to go to another, Page 94, which is
17 part of this Exhibit 48.

18 A. Got it.

19 Q. You write, "Naturally, as a result of
20 Wertham's War, the market for comic books
21 disintegrated, with artists and writers being fired by
22 the baleful. I was amazed that Martin kept me on, but
23 then he had to have somebody to fire all those other
24 people for him.

25 "Again, it was indescribably difficult for me.

1 EXAMINATION

2 BY MR. QUINN:

3 Q. You recall that Mr. Toberoff asked you some
4 questions in connection with Spider-Man, and there was
5 some testimony that you gave regarding the fact that
6 you -- the original pages that Kirby had drawn --
7 Mr. Kirby had drawn with regard to Spider-Man, that you
8 had rejected them?

9 A. Right.

10 Q. And you decided to use Ditko, Steve Ditko,
11 instead?

12 A. Right.

13 Q. Did Mr. Kirby get paid for those rejected
14 pages?

15 A. Sure.

16 Q. And did you have a practice at that time with
17 regard to paying artists even when the pages were
18 rejected by you or required large changes?

19 A. Any artists that drew anything that I had
20 asked him or her to draw at my behest, I paid them for
21 it. If it wasn't good, we wouldn't use it. But I
22 asked them to draw it, so I did pay them.

23 Q. I'm going to jump around a little bit.

24 A. You have some filing system.

25 Q. I do.

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1 Q. Now, when you -- when you were serving as an
2 editor at Marvel, in the period 1958 to 1963, you were
3 paid a salary as an editor?

4 A. Yes.

5 Q. And how were you paid for your work as a
6 writer on the comics?

7 A. I was paid on a freelance basis, like any
8 freelance writer.

9 Q. And does that mean you were paid by the page?

10 A. Yes.

11 Q. And was it your belief that because Marvel had
12 bought that work from you, that they owned all right,
13 title and interest in the work?

14 A. Yes, I did believe that.

15 MR. TOBEROFF: I'm done.

16 MR. QUINN: Okay. I have nothing further.

17 MR. LIEBERMAN: You may leave, Mr. Lee.

18 THE COURT REPORTER: No stipulation, then?
19 It's Code?

20 MR. TOBEROFF: In California, we do a
21 stipulation.

22 MR. LIEBERMAN: Mr. Lee, leave. We're
23 finished.

24 MR. FLEISHCHER: Why don't we go off the
25 record, Marc, and tell us what stipulation you want to