

# **EXHIBIT 2**

1                   UNITED STATES DISTRICT COURT  
2                   SOUTHERN DISTRICT OF NEW YORK  
3  
4                   MARVEL WORLDWIDE, INC.,         )  
5                   MARVEL CHARACTERS, INC.,         )  
6                   and MVL RIGHTS, LLC,             )  
7   )  
8                   Plaintiffs,                         )  
9   )  
10                  vs.                                 ) Case No. 10-141-CMKF  
11   )  
12                   LISA R. KIRBY, BARBARA J.     )  
13                   KIRBY, NEAL L. KIRBY and        )  
14                   SUSAN N. KIRBY,                 )  
15   )  
16                   Defendants.                        )  
17   )  
18   )  
19   )  
20   )  
21   )  
22   )  
23   )  
24                   REPORTED BY:  
25                   Alejandria E. Kate  
                 CSR NO. 11897, HI 448, RPR, CLR  
                 JOB NO.: 35197

15                   CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER  
16                   VOLUME II  
17                   DEPOSITION OF STAN LEE  
18                   LOS ANGELES, CALIFORNIA  
19                   WEDNESDAY, DECEMBER 8, 2010  
20   )  
21   )  
22   )  
23   )  
24   )  
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5 DECEMBER 8, 2010

6 9:11 A.M.

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9 Deposition of STAN LEE, held at the offices  
10 of VENABLE LLP, 2049 Century Park East, Suite  
11 2100, Los Angeles, California, pursuant to  
12 agreement before Alejandria E. Kate, a  
13 Registered Professional Reporter and  
14 Certified Shorthand Reporter of the State of  
15 California.

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

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3 ATTORNEY FOR THE PLAINTIFFS:

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WEIL, GOTSHAL & MANGES

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BY: JAMES W. QUINN, ESQ.

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-AND-

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BY: MARC TOBEROFF, ESQ.

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FOR THE WITNESS:

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GANFER & SHORE

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BY: ARTHUR LIEBERMAN, ESQ.

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(APPEARANCE VIA VIDEO CONFERENCE)

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New York, NY 10017

30

ALSO PRESENT:

31

ELI BARD, Marvel Entertainment

32

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. -- you issued, you would refer to the Marvel  
2 bullpen.

3           A. Oh, yeah.

4           Q. And you said at that time there wasn't a  
5 bullpen.

6           A. Right.

7           Q. Does that refer to the period when people were  
8 working on freelance?

9           A. It referred to all the period. We never had a  
10 big bullpen. The kind of bullpen people thought we  
11 had.

12          Q. But before all these people were let go --

13          A. Right.

14          Q. -- that you refer to in the passage I just  
15 quoted, you did have more employees; correct?

16          A. We had a lot of artists, freelance, that we  
17 were keeping busy. And we had -- we had a production  
18 person on staff. We had a colorist or so. We had a  
19 few people, yeah.

20          Q. But I'm referring to the passage I just read.

21          A. To the what?

22           MR. QUINN: The passage.

23 BY MR. TOBEROFF:

24          Q. This particular passage that I just read.

25          A. Right.

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       For a second time I was forced to lay off talented,  
2       hardworking people who were more than just fellow  
3       employees to me. I remember the dark day when Martin  
4       told me, 'Stan, we have to let the whole staff go. I  
5       want you to fire everybody.'

6                 "I said, 'I can't do that.'

7                 "He replied, 'You have to. I'm going to  
8       Florida on vacation, and someone's got to do it.' And  
9       that was that."

10               Do you remember writing that?

11               A. Yes.

12               Q. Is that accurate?

13               A. Yes.

14               MR. TOBEROFF: All right. I have no further  
15       questions, but I reserve the right to ask questions  
16       following your redirect, if you have any.

17               MR. LIEBERMAN: Let us take up a conversation  
18       because there's something you wanted that I want to  
19       talk to Jim about. So it's a good time for a break.  
20       Let me talk to Jim, see if we can accommodate you  
21       during the break, during a five-minute break.

22               MR. QUINN: Just let me talk to Arthur.

23               MR. LIEBERMAN: Off the record, Counsel?

24               THE WITNESS: Should I sit here?

25               MR. QUINN: You can.