COMMONWEALTH OF MASSACHUSETTS

NORFOLK SS

SUPERIOR COURT DEPARTMENT
C.A.NO.

BARRY H. SCRIPPS, Plaintiff v. EDWARD W. SCRIPPS, BETTY KNIGHT SCRIPPS AND PULITZER COMMUNITY NEWSPAPERS, INC., f/k/a SCRIPPS LEAGUE NEWSPAPERS, INC., Defendants	)	COMPLAINT (Plaintiff demands trial by jury of all issues so triable)

INTRODUCTION

The plaintiff, Barry H. Scripps ("Barry"), formerly a minority shareholder and executive employee of Scripps League Newspapers, Inc. ("Scripps League"), alleges in this action that defendant Betty Knight Scripps ("Betty") formed and implemented a wrongful scheme to transfer the ownership of Scripps League outside the Scripps family in violation of the League's corporate mission and purpose and, as part of her implementation of this scheme, she (1) breached, and unlawfully induced defendant Edward W. Scripps ("Ed") to breach, their life-long promises to Barry to retain the ownership of Scripps League in the family and ultimately turn over its management and control to Barry; (2) engineered an unlawful freeze-out of Barry as a minority shareholder from Scripps League and its subsidiaries; and (3) tortiously caused Scripps League to breach its promise to Barry of permanent employment. These acts constitute violations of contractual and fiduciary obligations. As a result of these acts, Barry has sustained economic losses and dignitary injuries, for which he seeks compensatory damages and rescissory relief.

JURISDICTION

1. This court has subject matter jurisdiction over this matter as the amount in controversy exceeds $25,000.00.

2. This court has personal jurisdiction over each of the defendants in this matter by virtue of the fact that each has had significant contacts with this commonwealth through ownership of an interest in, and direct and regular involvement in the management of, a newspaper in Massachusetts, and that one or more of plaintiff's causes of action arise out of each defendant's transacting business in Massachusetts, and/or causing plaintiff tortious injury by an act or omission in this commonwealth, and/or causing plaintiff tortious injury in Massachusetts by an act or omission outside this commonwealth.

THE PARTIES

3. Plaintiff Barry H. Scripps ("Barry") is an individual residing at 21 Heath Hill Street, Brookline, Norfolk County, Massachusetts. Barry is 51 years old.

4. Defendant Edward W. Scripps ("Ed"), aged 87, is an individual residing in Charlottesville, Virginia and Palm Beach, Florida. Ed was a co-founder of Scripps League Newspapers, Inc. ("Scripps League") and, at all relevant times, was its majority

shareholder, Chairman of Board of Directors, President, CEO and Treasurer. Ed is the father of Barry.

5. Defendant Betty Knight Scripps ("Betty"), aged 70, is an individual residing in Charlottesville, Virginia and Palm Beach, Florida. Betty is the wife of Ed and Barry's mother. In 1976, when Ed gave Betty half of his voting shares of stock, Betty became majority shareholder of Scripps League. She had also served as the Secretary of the corporation.

6. Defendant Pulitzer Community Newspapers, Inc. ("Pulitzer-subsidiary"), is a Delaware corporation whose principal place of business, on information and belief, is at 900 North Tucker Boulevard, St. Louis, Missouri. Prior to July 1, 1996, Pulitzer Community Newspapers, Inc. was named Scripps League Newspapers, Inc. ("Scripps League") and its stock was owned by Ed and Betty as majority shareholders and by other members of the Scripps family, including Barry, as minority shareholders. On July 1, 1996, Pulitzer Publishing Company ("Pulitzer-parent") purchased all of the stock of Scripps League and changed its name to Pulitzer Community Newspapers, Inc..

FACTS COMMON TO ALL COUNTS

7. From the early 1920's and until July 1, 1996, Scripps League had been one of the two offshoots of the Scripps newspaper dynasty that was founded over a century ago by one of the legendary giants of American journalism and newspaper industry, E.W. Scripps. E.W. Scripps is credited with having launched the nation's first

major newspaper chain, establishing the tradition of low cost, mass circulation popular press, and co-founding the United Press International.

8. In the early 1920's, family conflict split E.W. Scripps' empire into two, but both offshoots faithfully preserved and continued his legacy on separate and distinctive but parallel tracks.

9. One of these off-shoots was the company that, upon its incorporation in 1931, was named "Scripps League Newspapers, Inc.". It was founded by a widowed daughter-in-law of E.W. Scripps and her two sons. After incorporation, one of the sons, Ed, then aged 21, became Scripps League's first President and Chairman of its Board of Directors and went on to become the dominant force in shaping the company's character as a business.

10. From its inception, through the ensuing decades of growth, crises, adjustments and evolution, and for as long as he had sufficient physical and mental vigor, Ed steadfastly maintained a vision of Scripps League as a long term investment that would be passed on to his heirs and future generations as a private company whose mission was to carry on the proud tradition of one of the premiere American newspaper families. Whatever his or other family shareholders' needs, Ed resisted any solution that might jeopardize his vision.

11. Barry joined the company after graduating from the University of Arizona School of Journalism in 1969. Although Barry

initially contemplated pursuing a journalistic career outside Scripps League, Ed persuaded him to enter the family business and began to groom Barry for a life-long career with Scripps League that would ultimately culminate in assuming the leadership and control of the company.

12. After completing on-the-job training in all facets of managing and operating the business, Barry was promoted, first to Publisher in charge of one of the daily newspapers within Scripps League, then to the position of Vice-President in charge of one of the newspaper divisions, and then, by 1976, to the position of Executive Vice-President of the entire company, with responsibilities similar to those of a Chief Operating Officer.

13. At approximately the same time, Scripps League was undergoing a severe crisis stemming from a difference between Ed on one side and his brother and sister on the other over whether to take the company public. Ed's siblings wanted to do so, while Ed, with Betty's support, resisted, out of fear that bringing in outside shareholders would undermine the family's financial and administrative control and the connection of the newspaper chain to the Scripps name. The resulting power struggle among the siblings and their executive allies caused financial difficulties and demoralization within Scripps League. To avoid the possibility that Scripps League would leave the control of the immediate Scripps family, Ed and Betty settled their dispute with Ed's siblings by turning over ownership and control of a number of

Scripps League subsidiary newspapers to his brother and paid substantial sums of money to his sister rather than taking the Scripps League company public.

14. Promising his parents to do everything in his power to save the company, Barry crisscrossed the country to work with the various newspapers in the chain, instituting austerity measures, responding to unionization drives, and shoring up staff morale.

15. Ed ultimately prevailed in his power struggle with his siblings by buying them out, by spinning off certain subsidiary papers to them, gaining complete control of Scripps League, and keeping it private. With this resolution and Barry's efforts, by 1984 Scripps League regained its strength.

16. Barry's work and related travel schedule put a severe strain on his marriage because his wife resented what she saw as his excessive sacrifices for his parents and the family business. Although Scripps League survived the crisis, Barry's marriage did not and ended in 1986.

17. In 1984, realizing that his father was ambivalent about, and not quite ready for, turning over the reigns of the company to him, Barry, after a number of disputes with Betty and Ed over the manner in which Scripps League was being operated, resigned from the position of Executive Vice-President to take on the task of the company's trouble shooter under the title of Executive Director for Special Projects.

18. Ed and Betty tried to persuade Barry to retain the Executive Vice Presidency and to tolerate their intrusions into Barry's exercise of authority in that position. As Ed wrote to Barry:

> Mom [Betty] brought up the point that in a family such as ours, where we are figuring that we still have many generations to go, that you yourself will probably face the same problems with Blake [Barry's son] in the future when Mom and I are both gone. He will in all probability want to do many things which your experience will tell you are wrong, and you will be over ruling [sic] him in much the same manner as I sometimes over rule you.
>
> But Barry, please believe me when I say that it will all come out right in the end -- and it will be basically fair.

19. When Barry persisted with his decision, Ed and Betty wrote to him on March 15, 1984:

> We are respecting your business wishes, and we now have everything in place.
>
> ...
>
> Barry, the door is open for an Executive Vice President of SCRIPPS LEAGUE or President if you should ever decide to walk through that door.

20. In 1995, out of loyalty to, and pride for, Scripps League, and to work towards its continued success, Barry uprooted and relocated his wife and two children from California to Massachusetts to undertake the turn-around of a troubled Scripps League newspaper in Haverhill, Massachusetts. Barry's willingness and decision to move to Massachusetts in order to undertake and save this paper was based on his reliance on Ed and Betty's promises that ownership and control of the company would remain in

the family, and that Scripps League would ultimately be turned over to him. Barry and his family have been residing in Massachusetts since 1995.

21. As part of his business plan for the Haverhill newspaper, Barry invested in it a substantial amount of his own funds, again in reliance on Ed and Betty's promises that ownership and control for the company would remain in the family and ultimately be turned over to him.

22. In February, 1989, Betty through her attorneys asked Barry to sell back his children's shares in Scripps League. Relying on Ed and Betty's promises that ownership and control of the company would remain in the family and ultimately be turned over to him, Barry agreed (with the exception of his daughter Kelly's shares), expecting to be in a position in the future to give his children an interest in the company if they were interested in joining the company.

23. From the time that they first asked Barry to join Scripps League, Ed and Betty regularly repeated to Barry that they intended and expected that Scripps League would remain in the family and that Barry would eventually become its Chairman and President, with full control of the company.

24. In each of his decisions -- from joining Scripps League and giving up the ambition of building an independent journalistic career, to making personal and family sacrifices for the sake of saving and cultivating the business, including uprooting his family

to move to Massachusetts, to investing personal capital, agreeing to sell back his children's shares, refraining from buying more Scripps League stock, and refraining from complaining over the years about Betty and Ed's excessive and improper use of corporate monies to fund personal expenses (thereby reducing profits available for distribution to Scripps League shareholders as dividends) -- Barry relied on Ed's and Betty's promises and representations that, some day the family business would be his to run and own. Betty and Ed never communicated anything to contradict these representations or to cause Barry to stop relying on them.

25. In 1992, Ed stated to an author, Jack Casserly, for publication in an upcoming book about the Scripps newspaper dynasty, that Scripps League was not for sale and that he and Betty had declined very substantial purchase offers. He further explained that as much as he stressed the profitability of his newspapers, money was not his personal priority in life: "In the end, for a newspaper person, the thing that counts is whether your newspapers and your life have a soul." Ed expressed confidence that, because of Betty's commitment to the same values, "the league, the inheritance of our children and grandchildren will best be preserved."

26. While Ed expressed these thoughts, and continued to repeat them to Barry at business and family occasions, and while Betty expressed her agreement and separately made the same promises

and representations to Barry, Betty secretly formed the intent and a scheme to sell Scripps League.

27. In January, 1991, Ed suffered a heart attack and thereafter began to require round-the-clock nursing care and attention. As a result of the ensuing rapid and drastic deterioration of his health, by the end of 1995, Ed had become physically, emotionally, and mentally frail.

28. To implement her scheme to sell Scripps League, Betty took advantage of Ed's frail physical, emotional and mental condition and further exacerbated it by isolating him from others, and particularly from his sons. Any meetings with Ed were closely guarded by Betty, who would not let his children meet or speak with Ed unless she was present.

29. Once Ed was in a sufficiently vulnerable state, Betty exerted undue influence upon him to obtain his cooperation with her scheme. Under her undue influence, Ed's will was dominated and overpowered by Betty's will and he apparently provided her with his cooperation in a passive and resigned manner and without actively comprehending the ramifications of her or his actions. During this time, Betty postponed and/or cancelled numerous corporate meetings, and signed Ed's name on corporate and other documents.

30. When rumors reached Barry in the fall of 1995 that Betty was attempting to sell Scripps League, he confronted her and she denied the rumors, again reassuring him that nothing had changed. During this time, Betty instructed others in Scripps League who

knew about the decision to sell Scripps League not to inform Barry of the decision or efforts being made to sell Scripps League. Ultimately, Barry learned from others in Scripps League of Betty's decision to sell, when letters relating to inventory accounting for the purposes of effecting a sale to the Pulitzer-parent were forwarded to each newspaper owned by Scripps League. For the purposes of effecting the sale to the Pulitzer-parent, which had tendered the highest bid to acquire 100% of the Scripps League stock, Barry and his brother Ed's cooperation became necessary, as they owned some of the stock, and served as officers in some of the Scripps League subsidiaries. Betty never disclosed her intention to sell Scripps League to Barry despite advice from her attorneys and others to the contrary.

31. Barry declined to participate in the sale of stock to Pulitzer-parent. To remove Barry as an obstacle, Betty exercised in Ed's name, but without proper authority, his decision-making and voting powers as the Chairman of the Board of Directors, President, and shareholder of Scripps League, to freeze Barry out as a shareholder in Scripps League and its subsidiaries by means of a series of mergers and exercises of stock buy-back agreements. Immediately upon the completion of the freeze-out, Betty consummated the sale of Scripps League stock to Pulitzer-parent.

32. Two days before the closing of the sale, Betty caused Scripps League to terminate Barry's employment effective June 30, 1996.

33. Following the closing on July 1, 1996, Pulitzer changed the name of Scripps League to Pulitzer Community Newspapers, Inc.

34. As a result of the sale of Scripps League and the termination of his employment, instead of enjoying the fulfilling career and place in the family legacy that Ed and Betty had promised him throughout all his adult life, Barry has suddenly found himself, at the age of 51 and with many productive years ahead of him, in the stressful and humiliating position of being unemployed, without a source of income, having received no severance pay, and with few opportunities and insufficient resources for starting anew in a highly competitive industry.

COUNT I

(Breach of promise vs. Ed)

35. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

36. The sale of the stock of Scripps League to Pulitzer constituted a breach of Ed's promises to Barry that he will assure that Scripps League remain a family-owned company and that Barry would ultimately succeed to the position of the head of the company.

37. Ed made these promises to induce Barry to make a financial and personal commitment to Scripps League and its subsidiaries, to the exclusion of other career options, and to provide Barry with a foundation for professional growth and

fulfillment and peace of mind about his own and his own family's future.

38. Barry reasonably relied on Ed's promises to his detriment.

39. As a result of the breach of Ed's promises, Barry has been deprived of the benefit of his bargain with Ed and has suffered loss of income and severe emotional distress.

WHEREFORE, plaintiff demands judgment against defendant Edward W. Scripps in an amount to be proven at trial, together with interest and attorneys' fees and costs.

COUNT II

(Breach of promise vs. Betty)

40. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

41. The sale of the stock of Scripps League to Pulitzer constituted a breach of Betty's promises to Barry that she would assure that Scripps League remain a family-owned company and that Barry would ultimately succeed to the position of the head of the company.

42. Betty made these promises to induce Barry to make a financial and personal commitment to Scripps League and its subsidiaries, to the exclusion of other career options, and to provide Barry with a foundation for professional growth and fulfillment and peace of mind about his own and his own family's future.

43. Barry reasonably relied on Betty's promises to his detriment.

44. As a result of the breach of Betty's promises, Barry has been deprived of the benefit of his bargain with Betty and has suffered loss of income and severe emotional distress.

WHEREFORE, plaintiff demands judgment against defendant Betty Knight Scripps in an amount to be proven at trial, together with interest and attorneys' fees and costs.

COUNT III

(Breach of Employment Contract vs. Pulitzer)

45. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

46. Through their promises, which they made in their capacity as officers, directors, and majority shareholders of Scripps League, Ed and Betty bound Scripps League to a contract of permanent employment with Barry.

47. Scripps League's termination of Barry's employment constitutes a breach of his permanent employment contract, for which breach the corporation, notwithstanding the change of the ownership of its stock and of its name, remains liable.

48. As a result of Scripps League's breach of Barry's permanent employment contract, Barry has sustained loss of income and other harm.

WHEREFORE, plaintiff demands judgment against defendant Pulitzer Community Newspapers, Inc. in an amount to be proven at trial, together with interest and attorneys' fees and costs

COUNT IV

(Tortious Interference with Contract vs. Betty)

49. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

50. Through her conduct, Betty has interfered with Barry's contractual relationships with Ed and with Scripps League, all without justification and for unlawful purposes and by unlawful means.

51. As a result of Betty's tortious interference, Barry has been deprived of the benefit of his bargain with Ed and with Scripps League and has suffered loss of income and severe emotional distress.

WHEREFORE, plaintiff demands judgment against defendant Betty Knight Scripps in an amount to be proven at trial, together with interest and attorneys' fees and costs.

COUNT V

(Breach of Fiduciary Duty vs. Betty)

52. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

53. Through her conduct in concealing her true intentions from Barry, freezing him out of Scripps League and its

subsidiaries, and causing the termination of his employment, Betty breached the duty she owed, as a majority shareholder, to Barry, as a minority shareholder, to exercise good faith, fairness, honesty and loyalty in her dealings with him.

54. Betty's conduct served solely her personal interests and desires and was in violation of Scripps League's time-honored mission, interests and purposes.

55. Betty employed unlawful means to accomplish her ends.

WHEREFORE, plaintiff demands judgment rescinding each of the actions that Betty caused to be taken to freeze Barry out as a stockholder in Scripps League and its subsidiaries and awarding him damages in an amount to be proven at trial, together with interest, attorneys' fees and costs.

COUNT VI

(Promissory Estoppel vs. Ed)

56. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

57. In all actions taken by Barry throughout his career with Scripps League and its subsidiaries, Barry reasonably relied on Ed's promises that he would assure that Scripps League remain a family-owned company and that Barry would ultimately succeed to the position of head of the company. In reliance on these promises, Barry made huge financial and personal commitments to Scripps League and its subsidiaries, to the exclusion of other career options.

58. Ed is estopped from denying these promises and the actual and foreseeable damages that have and will be caused by his breach of these promises.

WHEREFORE, plaintiff demands judgment against defendant Edward W. Scripps in an amount to be proven at trial together with interest and attorneys' fees and costs.

COUNT VII

(Promissory Estoppel vs. Betty)

59. Plaintiff hereby repeats and realleges the allegations contained in Paragraphs 3 through 34 as if fully set forth herein.

60. In all actions taken by Barry throughout his career with Scripps League and its subsidiaries, Barry reasonably relied on Betty's promises that she would assure that Scripps League remain a family-owned company and that Barry would ultimately succeed to the position of head of the company. In reliance on these promises, Barry made huge financial and personal commitments to Scripps League and its subsidiaries, to the exclusion of other career options.

61. Betty is estopped from denying these promises and the actual and foreseeable damages that have and will be caused by her breach of these promises.

WHEREFORE, plaintiff demands judgment against defendant Betty Knight Scripps in an amount to be proven at trial together with interest and attorneys' fees and costs.

Plaintiff,
Barry H. Scripps,
By his attorneys,
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