
News from Attorney General Robert Abrams

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'BALM IN GILEAD' PRODUCERS BARRED FROM THEATRICAL
PRODUCTIONS PENDING RESTITUTION

Attorney General Robert Abrams announced today (Thursday) that the producers of the play "Balm in Gilead," James C. Ezzes and Brent Peek, have been barred from offering interests in any further theatrical syndications until they make restitution to those who invested in the play, which lost more than \$325,000.

The Attorney General said he requested the order, signed by Justice Jawn A. Sandifer of Manhattan Supreme Court, because Ezzes and Peek had violated the New York Theatrical Syndication Financing Act in financing and producing "Balm in Gilead."

Mr. Abrams charged that under the terms of the offering plan filed by the defendants in 1984, production of "Balm in Gilead" was supposed to begin only if the producers had sold syndication interests in the amount of \$400,000 by October 15, 1984.

The syndicators of theatrical productions are required by law to hold investors' funds in trust until the minimum capitalization has been attained, unless they have prior written approval from the investors authorizing earlier expenditures. The Attorney General charged that Ezzes and Peek began to expend funds on the production though they had written authorization of only three of eight investors. By September 20, 1984, when the play opened at the Minetta Lane Theater, Mr. Abrams said, they had only succeeded in raising \$229,000.

When the show closed, after 142 performances, on January 6, it had lost more than \$326,000.

The defendants consented to the order barring them from offering syndication interests in future shows until they have offered restitution, or arrived at a settlement, with investors in "Balm in Gilead" and complied fully with the Theatrical Syndication Financing Act. They were also required to pay \$2,000 in costs to the State of New York.

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The matter was handled for the Attorney General by Assistant Attorney General Patricia A. Pallinayan and Special Deputy Attorney General Martin S. Weber under the supervision of ~~Grover J. Mibaly~~, chief of the Bureau of Investor Protection and Securities.