



# Famed Reporter Sues Big-Time TV Exec

[MATT REYNOLDS](#) / February 4, 2015

LOS ANGELES (CN) – Former “60 Minutes” producer Lowell Bergman sued film producer Mervyn Adelson in a complaint of malicious prosecution over a decades-old article in which Bergman reported that Adelson had Mafia ties. Bergman sued Adelson and real estate developer Irwin Molasky in Superior Court on Jan. 30, claiming they harassed him with a multimillion-dollar libel lawsuit to discredit his 1975 Penthouse article, “La Costa: The Hundred-Million-Dollar Resort with Criminal Clientele.” As co-founder of Lorimar Entertainment, Adelson was once one of Hollywood’s biggest players, an executive behind TV shows “The Waltons,” “Dallas,” “Knots Landing,” “Falcon Crest,” and “Eight Is Enough.” Bergman wrote the article at issue with non-party journalist Jeff Gerth. They reported that Adelson and Molasky had built the high-end resort Rancho La Costa in Carlsbad, California using mob money. The article reported that the two businessmen had close ties to mobster Morris “Moe” Dalitz, with whom they had done business in Las Vegas. In his lawsuit, Bergman claims the defendants exploited the mob’s close ties to the Teamsters to use pension funds for the resort. The Teamsters loaned \$4 million to fund development of the resort and over time contributed close to \$97 million, Bergman says in the complaint. The resort was frequented by gangsters, criminals and corrupt union members, Bergman wrote in his article. After Penthouse published the piece, Adelson denied connections to organized crime. “We are not gangsters. We have not been gangsters. We do not conspire with gangsters. We are not in business with gangsters,” Adelson said, according to the complaint. Bergman says it was not until a 2013 interview with Vanity Fair that Adelson conceded that he once had a close relationship with Dalitz. The Vanity Fair article, Bergman’s Penthouse article and Adelson’s lawsuit against Bergman are attached as exhibits to Bergman’s complaint. Adelson and Mosley sued Bergman, Gerth and Penthouse in 1975 for \$630 million. “They proceeded to lie under oath, elicit false testimony from their cronies, and co-opt the discovery process as a tool for harassment. As a result of these actions and their continued fraud, defendants succeeded in chilling speech about their mob connections for decades, despite never recovering a single penny from plaintiff, his co-author, or his publisher,”

Bergman's Jan. 30 lawsuit states. Bergman says he suffered through six years before settling with the businessman in 1981. A jury in May 1982 returned a verdict in Penthouse's favor, which was reversed by trial Judge Kenneth Gale a few months later. Ten years after the businessman filed the suit, the parties settled. By that time costs of the litigation ran to \$20 million, Bergman says in the lawsuit. Penthouse paid \$15 million in attorney fees. In a joint letter to the court proposing to settle the case, Adelson and Molasky's counsel said the case had created "the longest, costliest, largest and probably the most complex libel case that has ever been before the American courts," according to Bergman's new lawsuit. Bergman says he "devoted hundreds of hours" to the case, was deposed for nine days and spent 6 years defending against the false claim that he was a libeler. He seeks damages for lost income, reputational harm and emotional distress, and punitive damages for "intentional misuse of the judicial process to chill the freedom of the press." In addition to Molasky and Adelson, named defendants are La Costa Land Co., La Costa Management and Paradise Homes. A Pulitzer Prize-winning journalist, Bergman was director of investigative reporting at ABC News and CBS News. He is director and chairman of investigative journalism at UC Berkeley Graduate School of Journalism. Bergman is represented by David Zifkin with Boies, Schiller & Flexner. Neither Molasky nor Adelson could immediately be reached for comment.

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