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Filing date: **10/29/2009**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92046853
Party	Plaintiff Stephen Slesinger, Inc.
Correspondence Address	ANDREW D. SKALE Mintz Levin Cohn Ferris Glovsky & Popeo, P.C. 3580 Carmel Mountain Road, Suite 300 San Diego, CA 92130 UNITED STATES adskale@mintz.com, sckalamaras@mintz.com
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Filer's Name	Andrew D. Skale
Filer's e-mail	adskale@mintz.com
Signature	/Andrew D. Skale/
Date	10/29/2009
Attachments	505.pdf (6 pages)(209946 bytes) Slesigner PTO Exhibits.pdf (83 pages)(3840120 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Application Ser. No. 74/519838 et al. for the marks: POOH et. al.

STEPHEN SLESINGER, INC.,

Opposer,

v.

DISNEY ENTERPRISES, INC.,

Applicant.

Cancellation No. 92046853

Trademark Assistance Center
Madison East, Concourse Level Room C 55
600 Dulany Street
Alexandria, Virginia 22314

**OPPOSER'S RESPONSE TO APPLICANT'S NOTICE OF FINAL DETERMINATION
IN CIVIL ACTION**

Opposer Stephen Slesinger, Inc. ("Opposer"), by undersigned counsel and pursuant to Trademark Rule 2.117 (37 C.F.R. § 2.117), hereby files this Response to the erroneous Notice of Final Determination in Civil Action filed by Applicant Disney Enterprises, Inc. ("Applicant") on October 8, 2009, in misplaced reliance upon an Order dated September 25, 2009 (the "Order"; Ex. A to Applicant's submission) from a civil litigation in the United States District Court for the Central District of California, *Milne, et al. and Disney Enterprises, Inc. v. Stephen Slesinger, Inc.*, Case No. 2:02-cv-08508-FMC-PLAx, (the "Action"). That Order did not determine ownership of the Marks.

Opposer requests either that (1) the suspension immediately be lifted so this matter may proceed or (2) the proceeding remain in suspension pending the final disposition of the Civil Action which formed the basis for the original suspension, including Opposer's appeal and any appeal filed by Applicant.

A. Opposer Owns the Trademark Rights Related to Pooh in the United States

There is nothing inconsistent in the Order with any of the following facts, and Applicant has no basis to dispute them:

- Opposer's predecessor, Stephen Slesinger, entered into a 1930 Agreement with A.A. Milne, author of four Pooh books; the 1930 Agreement was assigned to Opposer shortly afterward.
- Pursuant to the 1930 Agreement, as amended, Opposer obtained the sole and exclusive rights to develop Milne's literary works, including WINNIE-THE-POOH, in commerce as trademarks in connection with a wide variety of goods and services.
- Opposer's rights included the right to register trademarks in Opposer's name, and Opposer did make such registrations.
- Opposer exercised its exclusive rights for over 30 years (before Applicant), creating and developing nationwide goodwill for the Marks, which Applicant now uses under license.
- In 1961, Opposer licensed certain rights in the Pooh marks to Applicant; in a 1983 Agreement, the 1961 Agreement was revoked and Opposer again licensed to Applicant certain rights in the Pooh marks. On their face, neither agreement assigns Opposer's trademark rights to Applicant.

- Applicant has repeatedly admitted that it received a license --not an assignment-- from Opposer. (See examples attached as Exhibit 1.)
- No assignment from Opposer to Applicant of Opposer's trademark rights has ever been filed with the PTO.
- In royalty statements regularly furnished by Applicant to Opposer relating to the Winnie-the-Pooh characters, Applicant consistently referred to Opposer as its "Licensor." (See, e.g., Exhibit 1-8 ("Licensor: Stephen Slesinger, Inc.")).
- Applicant did not apply to register any Pooh-related trademarks with the PTO until the mid-1990s, after Opposer had commenced litigation against Applicant in California state court.

For these reasons and others, the evidence shows that Opposer owns trademark rights to Pooh-related marks in the United States.

B. Applicant's Notice of Final Determination in Civil Action is Erroneous Because the Order Did Not Resolve the Issue of Ownership

The Order reflects the Court's finding in the Civil Action that Applicant's use of Opposer's trademark and copyright rights did not constitute an infringement of those rights, and that Opposer is entitled to royalties for "all uses." (Order, attached as Exhibit to Applicant's Notice, p. 17, line 14). The Court did not, however, resolve the issue of ownership of the Marks -- in the Order or otherwise -- which is the issue before this tribunal. The Order finds only that Applicant was licensed to use the trademarks and other properties at issue and that Opposer was not entitled to recover damages for infringement; the "transfer" of rights referred to in the Order refers to a licensing of those rights, not an assignment of those rights. The Order did not resolve the issue of what rights, if any, were solely and exclusively licensed to Applicant.

If the suspension is lifted, these proceedings should be allowed to go forward to a

determination without further delay, because the issue of ownership was not decided in the Action.

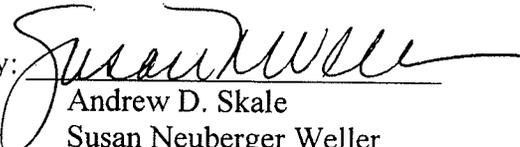
C. In The Alternative, If These Proceedings Are Not Permitted to Immediately Go Forward to a Determination, the Suspension Should Remain in Effect Until Appeals are Exhausted, Consistent with the Suspension Order and the Trademark Rules.

The TTAB's Suspension Order in this proceeding notes that the "proceedings are suspended pending *final* disposition of the civil action." (Suspension Order, at 1) (emphasis added). Trademark Rule 2.117(a), (37 C.F.R. § 2.117(a)) even states as follows:

(a) Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or other Board proceeding.

The Action is still pending; the time for filing a Notice of Appeal from the district court's judgment has not expired. The Action will not be concluded until such time as all appeals have been exhausted or the matter is settled. Thus, if these proceedings are not permitted to go forward to a determination at this time, then consistent with the Suspension Order and the Trademark Rules, these proceedings should remain in suspension until final disposition of the Action, at which time this matter may then be determined by this Tribunal.

Respectfully submitted,

By: 
Andrew D. Skale
Susan Neuberger Weller
Mintz, Levin, Cohn, Ferris, Glovsky,
and Popeo, P.C.
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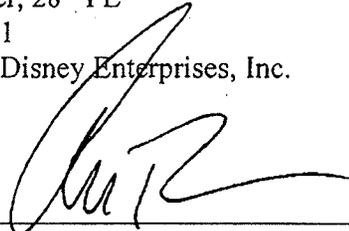
Attorneys for Opposer
Stephen Slesinger, Inc.

Dated: October 29, 2009

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **OPPOSER'S RESPONSE TO APPLICANT'S NOTICE OF FINAL DETERMINATION IN CIVIL ACTION AND REQUEST FOR CONTINUED SUSPENSION OF PROCEEDINGS** was served by U.S. mail, first class, postage prepaid, on this 29th day of October 2009 on the Applicant at the address listed in the current U.S. Trademark Office Records as follows:

Mark E. Miller
O'Melveny & Mers LLP
Two Embarcadero Center, 28th FL
San Francisco, CA 94111
Attorneys for Applicant Disney Enterprises, Inc.



Andrew D. Skale

EXHIBIT 1-1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

STEPHEN SLESINGER, INC.,)
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Plaintiff,)
)
vs.)
)
THE WALT DISNEY COMPANY,)
)
Defendant.)
_____)

No. BC 022365

REPORTER'S TRANSCRIPT OF PROCEEDINGS
BEFORE RETIRED JUSTICE DAVID N. EAGLESON

TUESDAY, APRIL 12, 1994
1:40 P.M.

300 South Grand Avenue
36th Floor
Los Angeles, California

REPORTED BY:
Corinne L. Horne,
CSR 8712
Our File No. 16666

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APPEARANCES OF COUNSEL

FOR PLAINTIFF STEPHEN SLESINGER:

MORGAN & WENZEL
BY TODD J. WENZEL
and
THOMAS H. VICKERS
3435 Wilshire Boulevard
27th Floor
Los Angeles, California 90010

FOR DEFENDANT THE WALT DISNEY COMPANY:

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
BY GINA LIMANDRI
and
JEFFREY B. VALLE
300 South Grand Avenue
Los Angeles, California 90071-3144

ALSO PRESENT: JOHN COSTELLO
Independent Auditor
Ernst & Young

BARNEY, UNGERMANN & ASSOCIATES 818/226-5900

1 permit royalties.

2 Their expert -- I can predict it -- will say,
3 "There is no such custom and practice, et cetera, et
4 cetera." You, as an identifier of an issue of fact, are
5 going to say, "I've got opposing expert opinions. I've
6 got to let a jury look at this. I can't decide before
7 anything is taken."

8 So then we roll back to the scope and the
9 policy that favors discovery in order to prove our case.

10 MS. LIMANDRI: Your Honor, Mr. Vickers is
11 incorrect that paragraph 10-A of that agreement grants the
12 rights.

13 Paragraph 5 of the 1983 agreement is the
14 paragraph under which SSI has granted the rights to
15 Disney. And it's clear from paragraph 5 that SSI only has
16 television, radio, and merchandising rights.

17 If you go back to the 1961 agreement that we
18 entered into, Milne trust, it's clear we were granted
19 rights directly from the Pooh Properties Trust to
20 advertise or otherwise exploit and promote the Pooh
21 property -- that they do not have those rights. We have
22 those rights.

23 It's a question of the interpretation of the
24 licensing agreements existing between the parties and no
25 reason to engage in the discussion until issues are

1 lucky, we can find a case that will tell the Court what
2 those words mean.

3 MS. LIMANDRI: I think that's a red herring
4 because that paragraph does not contain the grant of
5 rights that SSI received.

6 MR. WENZEL: It contains payment provisions.

7 MS. LIMANDRI: You can't get paid on
8 something you don't have the right to. You have to go by
9 what rights SSI was granted and what rights Disney was
10 granted. And that paragraph is only referring to what
11 royalties Disney will pay as aside from the rights it
12 has.

13 JUSTICE EAGLESON: Let's say you have ten
14 items. And you're saying hypothetically that as to --
15 five of those royalties are payable; five are not
16 payable?

17 MS. LIMANDRI: Correct.

18 JUSTICE EAGLESON: All right. It would be
19 good to know from the standpoint of pinching in the broad
20 scope of discovery to know what it is that everybody is
21 concerned about.

22 Rather than royalty output on ten items,
23 you're only entitled to know what the royalties are on
24 five items. But each of you has a different view of
25 whether you're entitled, under my hypothetical of royalty,

1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES) ss.

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I, Corinne L. Horne, Certified Shorthand Reporter in and for the State of California, do hereby certify:

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That the foregoing 95 pages were taken down by me in shorthand at the time and place named therein and was thereafter reduced to typewriting under my supervision; that this transcript contains a full, true, and correct report of the proceedings which took place at the time and place set forth in the caption hereto as shown by my original stenographic notes.

I further certify that I have no interest in the event of the action.

EXECUTED this 15th day of April, 1994.

Corinne L. Horne
CORINNE L. HORNE, CSR 8712

EXHIBIT 1-2

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CERTIFIED
COPY

STEPHEN SLESINGER, INC.,
PLAINTIFF,
VS.
THE WALT DISNEY COMPANY,
ET AL.,
DEFENDANTS.

NO. BC022365

DISCOVERY HEARING

BEFORE THE HONORABLE DAVID N. EAGLESON,
ASSOCIATE JUSTICE (RET.) SUPREME COURT OF CALIFORNIA

WEDNESDAY, JANUARY 15, 1992

2:10 P.M.

REPORTED BY:
RETTA PARSONS
C.S.R. NO. 6122

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A P P E A R A N C E S

FOR THE PLAINTIFF:

BARRY B. LANGBERG & ASSOCIATES
BY: DEBORAH DROOZ, ATTORNEY AT LAW
2049 Century Park East
Suite 3030
Los Angeles, California 90067

FOR THE DEFENDANTS:

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
BY: JEFFREY B. VALLE, ESQ.
-AND-
GINA LI MANDRI, ATTORNEY AT LAW
300 South Grand Avenue
Los Angeles, California 90071

ALSO PRESENT:

RAVI N. SHESHADRI, AUDITOR

1 sitting here. Would it be beneficial if you were to take
2 time to look at this and without putting all this palaver
3 on the record to see whether you have any objections? If
4 you do, then she can go into more detailed explanation
5 than she has here. You may say, "well this looks
6 reasonable" and so forth and so on.

7 MR. VALLE: I think it's useful to go
8 category by category because the broad categories of
9 documents are sometimes difficult unless you know the
10 specific document. For example, I don't know -- in fact,
11 I don't think there is a master list of all licensees.
12 One of the difficult issues here is we have worldwide
13 distribution through many, many subsidiaries and foreign
14 subsidiaries not integrated into a way where we can just
15 print out a computer-generated list of all licensees.
16 We're happy to do our best to provide as complete a list
17 as we can of all the approved licensees in some form.

18 MS. DROOZ: Gina and I discussed this in
19 one of the conferences we had to try to simplify the
20 plaintiff's demand. And I think all documents that
21 reflect the identity of every licensee, and I said let's
22 make this do-able. We may not have a master list, but
23 I'm sure in order to satisfy contractual commitments to
24 licensors such as Slesinger there has to be a way to
25 identify everyone, otherwise it would be in breach of the

1 STATE OF CALIFORNIA)

2 COUNTY OF LOS ANGELES)

3

4 I, RETTA PARSONS, C.S.R. NO. 6612, A CERTIFIED
5 SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, DO
6 HEREBY CERTIFY:

7 THAT SAID DISCOVERY HEARING WAS TAKEN BEFORE ME AT
8 THE TIME AND PLACE THEREIN SET FORTH, WAS TAKEN DOWN BY
9 ME IN STENOTYPE, AND THEREAFTER TRANSCRIBED BY MEANS OF
10 COMPUTER-AIDED TRANSCRIPTION UNDER MY DIRECTION AND
11 SUPERVISION, AND I HEREBY CERTIFY THE FOREGOING
12 DEPOSITION TRANSCRIPT IS A FULL, TRUE AND CORRECT
13 TRANSCRIPT OF SAID PROCEEDINGS.

14 I FURTHER CERTIFY THAT I AM NEITHER COUNSEL FOR NOR
15 RELATED TO ANY PARTY TO SAID ACTION, NOR IN ANYWAY
16 INTERESTED IN THE OUTCOME THEREOF.

17 IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY
18 NAME THIS 13TH DAY OF JANUARY, 1992.

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RETTA PARSONS, C.S.R. 6122

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EXHIBIT 1-3

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

BEFORE HONORABLE JUSTICE DAVID N. EAGLESON, RETIRED

STEPHEN SLESINGER, INC.,)

Plaintiff,) Case No.

VS.) BC 022365

THE WALT DISNEY COMPANY,)

Defendant.)

-----)

PROCEEDINGS

MONDAY, JULY 19, 1999

1:35 P.M.

REPORTED BY:

SUSAN NELSON

CSR No. 3202

1 Proceedings held on MONDAY, JULY 19, 1999,
2 1:35 P.M., at 2029 Century Park East, Los Angeles,
3 California, before SUSAN NELSON, CSR No. 3202.

4
5 APPEARANCES OF COUNSEL

6
7 FOR THE PLAINTIFF:

8 McCAMBRIDGE, DEIXLER & MARMARO, LLP
9 BY: JONATHAN E. RICH, ESQ.
10 2029 Century Park East
11 Suite 2700
12 Los Angeles, California 90067
13 Telephone No. (310) 788-5800

14
15 FOR THE DEFENDANT THE WALT DISNEY COMPANY:

16 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
17 BY: JOHN DONOVAN, ESQ.
18 LANCE A. ETCHEVERRY, ESQ.
19 300 South Grand Avenue
20 Los Angeles, California 90071-3144
21 Telephone No. (213) 687-5000

22
23 ALSO PRESENT:

24 JUSTICE DAVID N. EAGLESON, RETIRED
25

1 evidentiary objections, and then you have filed on
2 behalf of SSI evidentiary objections to the
3 declarations of Peter Nolan and Jeffrey Valle.

4 Is that the universe of documents
5 we're concerned with here today?

6 MR. RICH: That's my understanding,
7 yes.

8 MR. DONOVAN: Yes, it is your Honor.

9 THE COURT: Okay. I think the first
10 thing to do is to take a look at these objections
11 and see which are good and which are not good.

12 Here we have the SSI's evidentiary
13 objections to declarations of Peter F. Nolan and
14 Jeffrey B. Valle in support of Disney's opposition
15 to SSI's submission re: Discovery of Disney's
16 transaction with the Milne Trust. So let's turn to
17 the declaration of Mr. Nolan.

18 I don't think I have to read this into
19 the record. You're objecting to paragraphs 2,
20 lines 10 dash 15. My tentative ruling is to deny
21 that.

22 You want to be heard, Mr. Richardson?

23 MR. RICH: No, your Honor. Let me
24 rephrase that I'll reserve any --

25 THE COURT: Okay.

1 LOS ANGELES, CALIFORNIA; MONDAY, JULY 19, 1999;
2 1:35 P.M.

3
4 THE COURT: We're on the record. You
5 have the appearances?

6 THE REPORTER: Yes.

7 THE COURT: This is -- Mr. Richardson
8 calls this a submission by Plaintiff Stephen
9 Slesinger, Inc., to the discovery referee in
10 support of discovery of Disney's transaction with
11 the Milne Trust. I'm treating that as a motion.

12 MR. RICH: That's fine, your Honor.

13 THE COURT: And then you have -- I've
14 read that. Obviously, I've read -- let's see
15 here -- your declaration with exhibits. I've read
16 the Disney's opposition.

17 MR. DONOVAN: Okay.

18 THE COURT: I read the declaration of
19 Peter Nolan and Jeffrey Valle, Valle. What is it?
20 Valle?

21 MR. DONOVAN: It's Valle.

22 THE COURT: Valle?

23 I've read your reply, and there's a
24 supplemental declaration from you, Mr. Richardson.
25 And then there is objections from Disney,

1 MR. RICH: Since many of these
2 objections are founded upon the arguments on the
3 merits, then I'll just reserve any argument.

4 THE COURT: Okay. The next objection
5 has to do -- relates to paragraph 3, lines 15 to
6 19. My tentative ruling on that is to deny the
7 motion.

8 The next one is paragraph 4, lines 20
9 to 26. And I'm going to -- let's see here. Excuse
10 me. Excuse me.

11 On 1 and 2, I'm overruling your
12 objections, not denying. I'm overruling your
13 objections.

14 On number 3, which is paragraph 4,
15 lines 20 to 26 -- take a look here --

16 MR. DONOVAN: I take it that the
17 objections are those on page 4 of that submission,
18 which is that's speculative --

19 THE COURT: Which is what, sir?

20 MR. DONOVAN: Which is -- is that it
21 is speculative? The way I read it is --

22 THE COURT: Paragraph 4, lines 20 to
23 26.

24 MR. DONOVAN: And also paragraph --

25 THE COURT: Well, there are -- there

1 1930 and 1932.
 2 THE COURT: Period.
 3 MR. RICH: Through a series of
 4 agreements.
 5 THE COURT: Do you have those rights
 6 in perpetuity?
 7 MR. RICH: For all those decades in
 8 between, correct.
 9 THE COURT: I don't know.
 10 MR. RICH: And there was -- then
 11 Disney went to both parties to acquire the rights
 12 in exchange for certain royalty obligations, and
 13 then in 1983, there was a reversion and a
 14 consolidation of rights in order to regrant the
 15 rights to Disney.
 16 THE COURT: By SSI.
 17 MR. RICH: By SSI and by Milne.
 18 THE COURT: Oh, another '83 by Milne
 19 also.
 20 MR. DONOVAN: '83 agreement was a
 21 three-party agreement, your Honor, and what
 22 occurred in there, and I would respectfully
 23 disagree, I don't think we -- we can necessarily
 24 resolve it today, but I would respectfully disagree
 25 with Mr. Rich about the rights he's talking about.

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1 laws.
 2 THE COURT: I did not read, by the
 3 way, the papers that were sent to me concerning the
 4 unsealing of the records. I just didn't think they
 5 had any relevance to what I was concerned about.
 6 So I thank you for sending them to me, but I didn't
 7 read them.
 8 MR. DONOVAN: The -- Judge Hiroshige
 9 has ruled.
 10 THE COURT: Was that motion decided?
 11 MR. DONOVAN: Yes, it was, your Honor.
 12 MR. RICH: Yes.
 13 THE COURT: What happened?
 14 MR. DONOVAN: Judge Hiroshige ruled
 15 against SSI's position and declined to unseal the
 16 record.
 17 MR. RICH: Which, in our mind, does
 18 have a bearing, of course, on the outcome here when
 19 you mentioned --
 20 THE COURT: I didn't know that.
 21 MR. RICH: -- that this is intrusive.
 22 THE COURT: That what, sir?
 23 MR. RICH: In your observation that --
 24 THE COURT: That's what the code says.
 25 MR. RICH: -- that you believe SSI's

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1 It wasn't a sale. There was a license
 2 of a copyright -- well, no, it's a very different
 3 thing. And what the 1983 agreement did was to
 4 revoke the license that had been granted previously
 5 and relicense to both SSI and to Disney different
 6 streams of rights.
 7 But there is -- there are -- the
 8 rights that are in question are copyrights that
 9 have a certain sunset period to them, and there are
 10 various things that can occur under the copyright
 11 laws that might change the situation. So I
 12 wouldn't take a position with you right now as to
 13 whether there are reversionary interests or what
 14 exactly that situation is. I don't think it's
 15 necessary. But I would disagree, just for the
 16 record, with Mr. Rich's characterization as having
 17 purchased this agreement of rights.
 18 THE COURT: My inquiry was extrinsic
 19 to what we're here to talk about today, but I just
 20 want to get a broader understanding of what's going
 21 on here.
 22 MR. DONOVAN: Well, it was a
 23 three-party agreement in which Milne revoked the
 24 SSI license and then granted a new license having
 25 to do with technical issues under the copyright

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1 request is intrusive. This case remains under
 2 seal. There will be an appeal. We're filing a
 3 petition challenging Judge Hiroshige's order, but
 4 the fact of the matter is this case has been and
 5 always apparently will be, unless we're successful
 6 in our petition, that this case is -- every
 7 document is under seal. Why this transaction
 8 between Disney and Milne is any more or less
 9 confidential than others that have already been
 10 disclosed -- there is protection to Disney in this
 11 instance.
 12 THE COURT: Well, we do the best we
 13 can, Mr. Rich. And you've done the best you can,
 14 and Mr. Donovan has done the best he can. I've
 15 given you the -- my best thinking on it. As I said
 16 before, and I'll say it again, I have no interest
 17 in how this case comes out. I have no stock in
 18 Disney. And I don't have any interest in any --
 19 personal interest in what goes on in this lawsuit,
 20 a professional interest, other than doing the best
 21 I can.
 22 MR. RICH: Thank you for -- for your
 23 time.
 24 MR. DONOVAN: Thank you so much.
 25 (Whereupon, at 2:47 the

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EXHIBIT 1-4

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

STEPHEN SLESINGER, INC.,)
Plaintiff,)
vs.) No. BC 022365
THE WALT DISNEY COMPANY,) VOLUME I
Defendant.)

Transcript of proceedings taken at
1999 Avenue of the Stars, Seventh Floor,
Los Angeles, California, commencing at
10:04 A.M., Monday, September 10, 2001,
before Ricki Q. Melton, CSR No. 9400,
RPR No. 45429.

PAGES 1 - 159

1 APPEARANCES OF COUNSEL:
2
3 PRESIDING:
4
5 HONORABLE DAVID N. EAGLESON,
6 ASSOCIATE JUSTICE (RETIRED)
7
8 FOR THE PLAINTIFF:
9
10 GREENBERG, GLUSKER, FIELDS, CLAMAN,
11 MACHTINGER & KINSELLA, LLP
12 BY: BETRAM FIELDS, ESQ.
13 BONNIE E. ESKENAZI, ESQ.
14 ELISABETH A. MORIARTY, ESQ.
15 1900 Avenue of the Stars
16 21st Floor
17 Los Angeles, California 90067
18 (310) 553-3610
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1 PROCEEDINGS
2
3 JUSTICE EAGLESON: You wanted to talk, first 10:04:34
4 of all, about the scheduling. Let me tell you where 10:04:36
5 I am. 10:04:39
6 This case is not ready for trial. You've 10:04:40
7 given your discovery plans. Obviously they are 10:04:46
8 tentative. I don't intend to sanctify or validate 10:04:50
9 all of the requests that you've made in terms of "I 10:04:55
10 want to take so-and-so's deposition. I want this 10:04:59
11 kind of discovery." Those are going to have to rise 10:05:02
12 and fall of their own merits, but in a general sense. 10:05:05
13 notwithstanding this case is about ten years old and 10:05:10
14 has been going on for ten years, it isn't ready yet 10:05:15
15 for trial unless the judge wants to spend an enormous 10:05:19
16 amount of time handling matters that should be 10:05:23
17 handled at the discovery stage. 10:05:26
18 Having said all that, I'm ready to recommend 10:05:28
19 a continuance of the liability cutoff date, which 10:05:31
20 seems to be the critical thing. 10:05:36
21 I don't know that I've been asked to set 10:05:39
22 dates for the presentation of your so-called 10:05:41
23 dispositive motions -- dispositive, I guess, of the 10:05:46
24 jury trial and maybe summary judgment again -- and 10:05:50
25 there's one other item. I forgot what it is. Fraud? 10:05:56

1 APPEARANCES OF COUNSEL (CONTINUED):
2
3 FOR THE DEFENDANT:
4
5 O'MEL VENEY & MYERS, LLP
6 BY: DANIEL M. PETROCELLI, ESQ.
7 CARLA J. CHRISTOFFERSON, ESQ.
8 AMBER JENE SAYLE, ESQ.
9 1999 Avenue of the Stars
10 Seventh Floor
11 Los Angeles, California 90067
12 (310) 553-6700
13
14
15
16
17
18
19
20
21
22
23
24
25

1 You were trying to kick out the fraud. 10:06:01
2 MR. PETROCELLI: Right. 10:06:04
3 JUSTICE EAGLESON: I don't know how I can 10:06:05
4 divine when those are going to be ready for hearing. 10:06:06
5 I'm just saying that, in a general sense, this case 10:06:09
6 is not ready. 10:06:12
7 Having said that, have you been talking 10:06:13
8 about how much longer you think you need to get 10:06:16
9 beefed up on the liability issues? 10:06:19
10 MR. FIELDS: I would think -- 10:06:23
11 MS. ESKENAZI: Your Honor, I think that. 10:06:26
12 working very hard through the Christmas holidays and 10:06:28
13 all, we can probably be ready the beginning of 10:06:30
14 January with our liability discovery cutoff. 10:06:35
15 JUSTICE EAGLESON: And that would be 10:06:40
16 liability on the so-called disputed issues? 10:06:41
17 MR. FIELDS: Yes. 10:06:44
18 JUSTICE EAGLESON: Let's leave that there 10:06:45
19 and drop over to something else. 10:06:47
20 These papers that I've been reading seem to 10:06:49
21 indicate that you want discovery on the damage 10:06:51
22 components. 10:06:54
23 MR. FIELDS: Correct. 10:06:55
24 JUSTICE EAGLESON: Even though -- whether or 10:06:56
25 not SSI is entitled to recover at all under any or 10:06:59

1 Not the way I read this. 13:35:11
 2 Have you said something like this? "We 13:35:13
 3 agree" -- "Disney agrees that Slesinger is entitled 13:35:19
 4 to a royalty on advances for guaranteed minimums in 13:35:25
 5 the following categories, and we have paid thus and 13:35:31
 6 so. We disagree that they are entitled to advances 13:35:36
 7 or guaranteed minimums in these categories and 13:35:44
 8 consequently have paid nothing." 13:35:49
 9 Have you said something as simple as that? 13:35:52
 10 Isn't that it, Mr. Fields? 13:35:55
 11 MR. FIELDS: Well, one additional thing, 13:35:57
 12 Your Honor, is how they allocate. 13:35:58
 13 JUSTICE EAGLESON: Well, the allocation is 13:36:02
 14 not part of subject 12. 13:36:03
 15 MS. ESKENAZI: It's 11. 13:36:06
 16 JUSTICE EAGLESON: We have been through 11. 13:36:07
 17 MR. FIELDS: You are right. 13:36:10
 18 JUSTICE EAGLESON: Have you said something 13:36:12
 19 like that? 13:36:12
 20 MS. CHRISTOFFERSON: I believe -- 13:36:15
 21 JUSTICE EAGLESON: Let me go on here. 13:36:17
 22 In your objections, you referred to second 13:36:19
 23 set of special interrogatories No. 131 to 136. 13:36:27
 24 MS. CHRISTOFFERSON: In response to 13:36:32
 25 interrogatory No. 88, they talk -- 13:36:33

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1 not. 13:37:50
 2 It's basically asking Disney to redo an 13:37:50
 3 audit of the entire 18-year period in order to come 13:37:53
 4 up with an answer on advances. 13:37:59
 5 That is the same as throwing out the 13:38:01
 6 accounting reference. It would be starting over 13:38:03
 7 because it encompasses all categories, all years, and 13:38:05
 8 across the board licensees. It is -- we then may as 13:38:10
 9 well start over without an accounting reference. 13:38:15
 10 JUSTICE EAGLESON: Well, you have told me 13:38:22
 11 that Disney did not contest the right to entitlement 13:38:26
 12 to certain revenue streams and that you answered 13:38:32
 13 something along the lines we agreed that certain 13:38:37
 14 revenue streams they are entitled to royalties based 13:38:41
 15 on advances or guaranteed minimums. You said that. 13:38:46
 16 MS. CHRISTOFFERSON: Yes. 13:38:49
 17 JUSTICE EAGLESON: Next question is: How 13:38:50
 18 much? Aren't they entitled to that? 13:38:52
 19 They say you haven't paid. What is your 13:38:56
 20 proof that you have? What are you going to tell the 13:38:58
 21 court? "Your Honor, we have paid it all." 13:39:02
 22 "You have? How do you know?" 13:39:04
 23 MR. FIELDS: The answer is I don't think 13:39:06
 24 you've paid a dime on advances unless they are 13:39:07
 25 100 percent Winnie the Pooh, as I understand your 13:39:09

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1 JUSTICE EAGLESON: I'm looking at your 13:36:36
 2 paperwork here. 13:36:38
 3 MS. CHRISTOFFERSON: We do say that Disney 13:36:39
 4 is not contending that they -- we do say that Disney 13:36:41
 5 pays royalties on advances related to whatever 13:36:46
 6 merchandise or items that otherwise are entitled to 13:36:53
 7 royalties, and in our responses to discovery, we 13:36:57
 8 refer to the explanation given in Fred Allen's 13:37:01
 9 declaration because that's explains more fully when 13:37:05
 10 and how advances on royalties are paid. 13:37:09
 11 JUSTICE EAGLESON: All right. Do you give 13:37:13
 12 the amount? 13:37:13
 13 MS. CHRISTOFFERSON: No, you don't get the 13:37:15
 14 amount. 13:37:16
 15 JUSTICE EAGLESON: Statement of any and all 13:37:17
 16 payments? 13:37:18
 17 MS. CHRISTOFFERSON: No. 13:37:19
 18 JUSTICE EAGLESON: Then that can be handled 13:37:20
 19 by a writing, can it not? 13:37:22
 20 MS. CHRISTOFFERSON: I actually think that 13:37:29
 21 is a much more complicated answer. It won't be able 13:37:31
 22 to be handled by a writing in that that is asking 13:37:34
 23 Disney to go back for a 18-year period and come up 13:37:37
 24 with all advances that were paid, which will then 13:37:40
 25 include whether those are recouped, whether they are 13:37:45

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1 position. 13:39:18
 2 JUSTICE EAGLESON: Maybe you can't get the 13:39:18
 3 information. You have to be frank enough to say so. 13:39:19
 4 I don't expect you are going to pick out 13:39:33
 5 what happened in 1984. There's going to be an 13:39:33
 6 evidentiary void. 13:39:33
 7 Aren't they entitled to know the amount 13:39:33
 8 of -- the amount, not the right. You've already 13:39:36
 9 conceded the right to royalties on advances to 13:39:42
 10 guaranteed minimums. As to the uncontested revenue 13:39:47
 11 streams, what is the amount? 13:39:52
 12 MS. CHRISTOFFERSON: I don't mean to be 13:39:55
 13 switching. It's when we are talking about the right 13:39:56
 14 to royalties on advances, it should be clarified that 13:39:59
 15 the reason we are saying they are entitled to a right 13:40:02
 16 on the advance is because an advance is just a 13:40:05
 17 guarantee of the underlying royalties, and what Fred 13:40:07
 18 Allen testifies to and what Disney's position is it's 13:40:11
 19 Disney's general practice not to pay licensors on any 13:40:15
 20 portions of advances because the licensor is likely 13:40:21
 21 to receive its full entitlement by the end of the 13:40:24
 22 first accounting period. 13:40:27
 23 JUSTICE EAGLESON: Then say so. 13:40:29
 24 MS. CHRISTOFFERSON: We did. 13:40:30
 25 JUSTICE EAGLESON: Then don't pay. 13:40:32

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1 Disney network and Pooh comes out before every 14:16:21
 2 program and says "Watch this next program. It's 14:16:25
 3 really terrific." they are getting hugely valuable 14:16:27
 4 use of that character. 14:16:30
 5 JUSTICE EAGLESON: Well, who is giving 14:16:32
 6 Disney any revenue? 14:16:35
 7 MR. FIELDS: Disney is getting revenue from 14:16:39
 8 advertisers for those programs. It's making huge 14:16:40
 9 revenue, and it's why the ratings are high - I don't 14:16:45
 10 know this. I'm making up these facts - why the 14:16:50
 11 rating is high is because Pooh is in front of every 14:16:53
 12 program, saying, "It's terrific, kids." 14:16:57
 13 You put an expert on the stand that says, in 14:17:00
 14 my experience in similar situations, a fair royalty 14:17:03
 15 would be 1 1/2 percent of the advertising revenue 14:17:06
 16 because you are using Pooh. 14:17:12
 17 JUSTICE EAGLESON: They are showing their 14:17:17
 18 own movie. 14:17:18
 19 MR. FIELDS: Showing their own movie, but 14:17:20
 20 advertising it using Pooh. 14:17:23
 21 JUSTICE EAGLESON: This is something I'm not 14:17:25
 22 familiar with. It kind of ties into this Internet. 14:17:26
 23 MS. CHRISTOFFERSON: We disagree with that 14:17:30
 24 position, but that's just something we will fight. 14:17:31
 25 MR. FIELDS: Sure. 14:17:34

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1 and the backup information. 14:19:23
 2 What they are looking to get at is the 14:19:25
 3 negotiation of those agreements, and that has been 14:19:27
 4 briefed before this court and ruled on by this court. 14:19:29
 5 and Judge Hiroshigi looked at this and found that the 14:19:33
 6 negotiation of a buyout of all of the rights is not 14:19:36
 7 sufficiently relevant to what the 1983 agreement was. 14:19:40
 8 which was the licensing of a right, and so the 14:19:44
 9 negotiations as to a later agreement with the Milne 14:19:47
 10 Trust about a complete buyout isn't relevant to what 14:19:53
 11 is at issue in this case, which is what was the deal 14:19:56
 12 in 1983 when they were licensing. 14:19:58
 13 JUSTICE EAGLESON: Why did you give them the 14:20:01
 14 buyout, Milne? 14:20:04
 15 MS. CHRISTOFFERSON: Because the deal became 14:20:05
 16 closed. 14:20:07
 17 JUSTICE EAGLESON: What makes it relevant 14:20:08
 18 today? 14:20:09
 19 MS. CHRISTOFFERSON: It became - it was 14:20:10
 20 closed, and they asked for it. And frankly, you 14:20:11
 21 know, we thought it had some information on the 14:20:14
 22 accounting issue because an audit had been done in 14:20:17
 23 relation - 14:20:25
 24 JUSTICE EAGLESON: How does this bear on a 14:20:26
 25 contract that may be subject to the parol evidence 14:20:27

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1 JUSTICE EAGLESON: On 18, we have made a 14:17:35
 2 determination, have we? It's a motion granted, but 14:17:37
 3 on the condition they file some interrogatories that 14:17:39
 4 kind of hit it a little more cleanly. 14:17:42
 5 MR. FIELDS: We will do that. Yes. 14:17:45
 6 JUSTICE EAGLESON: Okay. Negotiation of any 14:17:47
 7 agreements between - this is No. 19. 14:17:50
 8 The negotiation of any agreements between 14:17:54
 9 Disney and any or all of the trustees for any trust 14:17:56
 10 relating to the rights or interests in the Pooh 14:18:01
 11 characters, including without limitation Michael 14:18:03
 12 Brown; Peter Janson-Smith, s-o-n; Roger H. Morgan; or 14:18:07
 13 David M. Carey relating to a buyout of any and all 14:18:19
 14 rights in any or all of the Pooh characters. 14:18:23
 15 This breaks out in two parts, number one, 14:18:47
 16 ongoing negotiations not yet submitted or, two, 14:18:49
 17 finished negotiations that result in a contract. 14:18:56
 18 What else is there? 14:19:02
 19 MR. FIELDS: That's it. 14:19:04
 20 JUSTICE EAGLESON: The ones that they are 14:19:05
 21 still negotiating on like the Hong Kong deal, we have 14:19:06
 22 ruled on that, but let's say they have entered into a 14:19:10
 23 contract with - I guess they did with Milne. 14:19:14
 24 MS. CHRISTOFFERSON: This is gone, Your 14:19:19
 25 Honor, and we have provided them with the contract 14:19:20

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1 rule objected to in 1983? 14:20:32
 2 MR. FIELDS: It goes to prove at least what 14:20:35
 3 we think is out there is Disney's own calculation of 14:20:40
 4 the revenue stream from each of these disputed 14:20:46
 5 issues. 14:20:49
 6 JUSTICE EAGLESON: You are talking about 14:20:50
 7 future revenue stream. 14:20:51
 8 MR. FIELDS: I'm talking about present and 14:20:53
 9 future. In other words, what Disney does when they 14:20:55
 10 buy something from somebody is they have every 14:20:58
 11 department make an analysis of how much revenue they 14:21:00
 12 are paying out in royalties and whether it makes 14:21:04
 13 sense to buy that and what they should pay. 14:21:06
 14 We have seen these summaries in other 14:21:09
 15 situations, and I would bet anything they are out 14:21:13
 16 there here. Those can be very valuable tools for an 14:21:17
 17 expert witness in looking at Disney's own calculation 14:21:21
 18 for the referees that it expects from, let's say, 14:21:25
 19 video, highly contested, but if it's highly 14:21:28
 20 contested, why is Disney valuing it in determining 14:21:32
 21 what it will pay to Milne who has the same provision. 14:21:36
 22 JUSTICE EAGLESON: I just don't see it. We 14:21:44
 23 are talking about a specific contract here between 14:21:48
 24 SSI and Disney, and the rights of the parties are 14:21:51
 25 fixed by that contract. 14:22:04

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EXHIBIT 1-5

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended September 30, 2002

Commission File Number 1-11605



Incorporated in Delaware
500 South Buena Vista Street, Burbank, California 91521
(818) 560-1000

I.R.S. Employer Identification No.
95-4545390

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value	New York Stock Exchange Pacific Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Rule 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

As of November 26, 2002, the aggregate market value of common stock held by non-affiliates (based on the closing price on such date as reported on the New York Stock Exchange-Composite Transactions) was \$38.8 billion. All executive officers and directors of the registrant and all persons filing a Schedule 13D with the Securities and Exchange Commission in respect to registrant's common stock have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

There were 2,042,158,130 shares of common stock outstanding as of November 26, 2002.

Documents Incorporated by Reference

Certain information required for Part III of this report is incorporated herein by reference to the proxy statement for the 2003 annual meeting of the Company's shareholders.

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A subsidiary of the Company owns approximately 51 acres of land and 1.9 million square feet of office, studio, and warehouse space in Burbank, California, on which the Company's studios and executive and administrative offices are located. The studio facilities are used for the production of both live-action and animated motion pictures and television products. In addition, Company subsidiaries lease approximately 1.1 million square feet of office and warehouse space and own one 400,000 square foot building in Burbank, which are used for certain studio and corporate activities.

A subsidiary of the Company owns approximately 2.5 million square feet of office and warehouse buildings on approximately 115 acres in Glendale, California. The buildings are used for the Company's operations and also contain space leased to third parties. Subsidiaries of the Company also lease approximately 316,000 square feet of office and warehouse space in Glendale, which is used for the Company's operations.

A subsidiary of the Company owns approximately 22 acres of land in Los Angeles, California, on which production, technical, and studio facilities are located. A subsidiary of the Company also has a long-term lease on a theater in Los Angeles, and owns space adjacent to the theater.

The Company's Media Networks segment corporate offices and technical operations are located in buildings owned by a subsidiary of the Company in New York City, totaling approximately 1.5 million square feet. Other subsidiaries of the Company also have long-term leases on a theater in New York City which is used for the Company's live theatrical productions, and a studio facility in Times Square which is used for television broadcasting. In addition, subsidiaries of the Company lease approximately 912,000 square feet of office, studio, and warehouse space in New York City. The Company's 80%-owned subsidiary, ESPN, Inc., owns ESPN Plaza in Bristol, Connecticut, from which it conducts its technical operations. The Company owns and leases other broadcast studios, offices, and broadcast transmitter sites elsewhere.

Subsidiaries of the Company lease space elsewhere in the United States and Canada, including retail space for the Disney Stores and office and warehouse space for the Company's operations. The Company's acquisition of Fox Family Worldwide, Inc. in October 2001 included approximately 523,000 square feet of domestic owned and leased facilities.

A U.K. subsidiary of the Company owns buildings on a four-acre parcel under long-term lease in London, England. The mixed-use development consists of office space occupied by subsidiary operations and office and retail space leased by third parties. In 2002, a subsidiary of the Company disposed of the non-Disney-occupied sections of the parcel, including a retail mall and a development site. Company subsidiaries also lease office and retail space in other parts of Europe and in Asia, Australia, and Latin America.

ITEM 3. Legal Proceedings

In re The Walt Disney Company Derivative Litigation. William and Geraldine Brehm and 13 other individuals filed an amended and consolidated complaint on May 28, 1997 in the Delaware Court of Chancery seeking, among other things, a declaratory judgment against each of the Company's directors as of December 1996 that the Company's 1995 employment agreement with its former president, Michael S. Ovitz, was void, or alternatively that Mr. Ovitz's termination should be deemed a termination "for cause" and any severance payments to him forfeited. On October 8, 1998, the Delaware Court of Chancery dismissed all counts of the amended complaint. Plaintiffs appealed, and on February 9, 2000, the Supreme Court of Delaware affirmed the dismissal but ruled also that plaintiffs should be permitted to file an amended complaint in accordance with the Court's opinion. The plaintiffs filed their amended complaint on January 3, 2002. The Company's directors have moved to dismiss the amended complaint.

Similar or identical claims have also been filed by the same plaintiffs (other than William and Geraldine Brehm) in the Superior Court of the State of California, Los Angeles County, beginning

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with a claim filed by Richard and David Kaplan on January 3, 1997. On May 18, 1998, an additional claim was filed in the same California court by Dorothy L. Greenfield. On September 25, 2001, Ms. Greenfield sought leave to amend her claim, but withdrew her request to amend on January 3, 2002. All of the California claims have been consolidated and stayed pending final resolution of the Delaware proceedings.

All Pro Sports Camps, Inc., Nicholas Stracick and Edward Russell v. Walt Disney Company, Walt Disney World Co., Disney Development Company and Steven B. Wilson. On September 16, 2002, the Company and the plaintiffs settled this previously reported lawsuit, which the plaintiffs brought in 1997 in the Circuit Court for Orange County, Florida.

Stephen Slesinger, Inc. v. The Walt Disney Company. In this lawsuit, filed on February 27, 1991 and pending in the Los Angeles County Superior Court, the plaintiff claims that a Company subsidiary defrauded it and breached a 1983 licensing agreement with respect to certain Winnie the Pooh properties, by failing to account for and pay royalties on revenues earned from the sale of Winnie the Pooh movies on videocassette and from the exploitation of Winnie the Pooh merchandising rights. The plaintiff seeks damages for the licensee's alleged breaches as well as confirmation of the plaintiff's interpretation of the licensing agreement with respect to future activities. The plaintiff also seeks the right to terminate the agreement on the basis of the alleged breaches. The Company disputes that the plaintiff is entitled to any damages or other relief of any kind, including termination of the licensing agreement. The claim is currently scheduled for trial in March 2003. If each of the plaintiff's claims were to be confirmed in a final judgment, damages as argued by the plaintiff could total as much as several hundred million dollars and adversely impact the value to the Company of any future exploitation of the licensed rights. However, given the number of outstanding issues and the uncertainty of their ultimate disposition, management is unable to predict the magnitude of any potential determination of the plaintiff's claims.

Milne and Disney Enterprises, Inc. v. Stephen Slesinger, Inc. On November 5, 2002, Clare Milne, the granddaughter of A. A. Milne, author of the Winnie the Pooh books, and the Company's subsidiary Disney Enterprises, Inc. filed a complaint against Stephen Slesinger, Inc. ("SSI") in the United States District Court for the Central District of California. On November 4, 2002, Ms. Milne served notices to SSI and the Company's subsidiary terminating A. A. Milne's prior grant of rights to Winnie the Pooh, effective November 5, 2004, and granted all of those rights to the Company's subsidiary. In their lawsuit, Ms. Milne and the Company's subsidiary seek a declaratory judgment, under United States copyright law, that Ms. Milne's termination notices were valid; that SSI's rights to Winnie the Pooh in the United States will terminate effective November 5, 2004; that upon termination of SSI's rights in the United States, the 1983 licensing agreement that is the subject of the *Stephen Slesinger, Inc. v. The Walt Disney Company* lawsuit will terminate by operation of law; and that, as of November 5, 2004, SSI will be entitled to no further royalties for uses of Winnie the Pooh.

Kohn v. The Walt Disney Company et al. On August 15, 2002, Aaron Kohn filed a class action lawsuit against the Company, its Chief Executive Officer and its Chief Financial Officer in the United States District Court for the Central District of California on behalf of a putative class consisting of purchasers of the Company's common stock between August 15, 1997 and May 15, 2002. Subsequently, at least nine substantially identical lawsuits were also filed in the same court, each alleging that the defendants violated federal securities laws by not disclosing the pendency and potential implications of the *Stephen Slesinger, Inc.* lawsuit described above prior to the Company's filing of its quarterly report on Form 10-Q in May 2002. The plaintiffs claim that this alleged nondisclosure constituted a fraud on the market that artificially inflated the Company's stock price, and contend that a decline in the stock price resulted from the May 2002 disclosure. The plaintiffs seek compensatory damages and/or rescission for themselves and all members of their defined class. Several of the plaintiffs have filed motions asking the court to appoint lead plaintiffs and counsel, and to consolidate the related actions into a single case.

EXHIBIT 1-6

1

2

Hearing before the Honorable David N.

3

Eagleson, taken on Wednesday, November 20, 2002,

4

10:10 A.M. At 1900 Avenue of the Stars, 21st

5

Floor, Los Angeles, California 90067, reported by

6

GINA M. CLOUD, CSR No. 6315, pursuant to NOTICE.

7

8

APPEARANCES OF COUNSEL:

9

FOR PLAINTIFFS:

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MACHTINGER & KINSELLA LLP

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FOR DEFENDANTS:

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BY: AMBER JENE SAYLE, ESQ.

21

CARLA J. CHRISTOFFERSON, ESQ.

22

RALPH J. SHAPIRA, ESQ. (VIA TELEPHONE)

23

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24

Suite 700

25

Los Angeles, California 90067

2

1 wouldn't be paid royalties if you hadn't had a
2 license or they hadn't given them a license, you
3 wouldn't have gotten any money at all.

4 MS. ESKENAZI: But maybe Disney is
5 defining license not in its ordinary and popular
6 sense, but according to some unique, bizarre
7 sense where they're excluding a series of
8 licenses, so for example maybe they license some
9 merchandising services and they're excluding
10 those. I don't know the answer to that.

11 THE REFEREE: Why do you think that
12 your client got royalties for 34 years? That is
13 the underlying right or fact that generates money
14 that's paid to your client. It's a license,
15 isn't it?

16 MS. ESKENAZI: It's the license
17 agreement between Slesinger and Disney.

18 THE REFEREE: Can that be a subject of
19 dispute that there is a license?

20 MS. ESKENAZI: It shouldn't be.

21 THE REFEREE: That's the point.

22 MS. ESKENAZI: That is the point.

23 THE REFEREE: You're not contending
24 there's no license. Have you ever heard them say
25 there's no license?

1 MS. ESKENAZI: No.

2 THE REFEREE: Are you ever going to
3 hear anybody say there's no license?

4 MS. ESKENAZI: No. Then it won't be on
5 their list. I guess all I'm saying, Your Honor,
6 is it doesn't really matter who filed suit, there
7 aren't -- there just aren't different discovery
8 rules. Contention interrogatories to say what do
9 you contend, and it doesn't matter what I contend
10 as to what they contend.

11 THE REFEREE: I understand. It makes
12 no difference who filed suit, you're right
13 there. It's each term, not just the ones that
14 are in dispute, each term. So when they say here
15 are the terms that are not -- each term in
16 contention not understood, all they have to
17 answer are the ones that are not to be understood
18 in the ordinary and popular sense, right?

19 MS. ESKENAZI: Right.

20 THE REFEREE: Just to make life simple,
21 why don't you go down this list here, add
22 anything else that you think should not be
23 construed in the ordinary and popular sense,
24 whatever that means. I guess you go to Webster's
25 dictionary or maybe have some expert tell you

1 they got from Milne after they entered into the
2 license agreement with Disney?

3 MS. CHRISTOFFERSON: Correct.

4 THE REFEREE: They're on the zero-zero,
5 they have nothing else to grant, is that it?

6 MS. CHRISTOFFERSON: Correct.

7 THE REFEREE: So you're concerned with
8 their conduct prior to 1930?

9 MS. CHRISTOFFERSON: Prior to 1960.

10 THE REFEREE: Doing their own thing, is
11 that basically where we are.

12 MS. CHRISTOFFERSON: Prior to 1961.

13 THE REFEREE: What do you say to that.

14 MS. ESKENAZI: I say it's entirely
15 irrelevant. I point you back to what the case is
16 about. This case is about the 1983 agreement
17 between SSI and Disney. Is Disney paying a
18 royalty it owes to SSI, and when --

19 THE REFEREE: I understand that.
20 That's the generic term, but what they're saying
21 is that the construction of commercialization,
22 for example, you folks, your client has a
23 construction on commercialization and other
24 things, other I don't know what they are, but you
25 obviously are in disagreement, your client and

1 certainly was around before 1960 and she
2 certainly would have understood how the licensing
3 was occurring before she entered into the
4 contract with Disney.

5 THE REFEREE: How old is she now, 50.

6 MS. CHRISTOFFERSON: She's in her
7 seventies. Miss Laswell.

8 THE REFEREE: She's close to 80, I
9 think.

10 MS. CHRISTOFFERSON: So she was around
11 prior to the time of entering into the agreement
12 with Disney and would have had the knowledge of
13 what was done in the past, but beyond that, on
14 the right side, on what was ultimately granted in
15 the first instance to SSI, that has nothing to do
16 with what the state of mind was.

17 For example, putting it down to a
18 concrete example, new technology. Our position
19 is that SSI doesn't have those rights, and that
20 any rights that Disney got it got from Milne and
21 they certainly do not have to pay anything to
22 SSI, for example, for computer software. If back
23 when they were negotiating with Parker Brothers,
24 they tried to negotiate, they being SSI, whether
25 it's Mr. Slesinger himself or someone else, if

1 It's a new technology.

2 THE REFEREE: That's expressly
3 identified.

4 MS. ESKENAZI: It's in the contract.

5 THE REFEREE: Expressly identified.

6 MS. ESKENAZI: Expressly identified,
7 not in those words, they use different words but
8 they use the same concept.

9 MS. CHRISTOFFERSON: Your Honor, we
10 disagree.

11 THE REFEREE: That's what I mean. I'm
12 demonstrating that there is disagreement over the
13 scope and the meaning, which is reflected by the
14 conduct of the parties and the positions they
15 took at a time when they were not in current
16 litigation.

17 MS. ESKENAZI: I understand that, Your
18 Honor, but none of that has to do with what
19 Disney owes us royalties on because, for example,
20 just as an example, everybody is quite clear that
21 Slesinger did not have worldwide rights. It only
22 had domestic and Canadian rights, North American
23 rights as we've referred to it. It's not in
24 dispute that Disney clearly owes Slesinger a
25 royalty on worldwide rights, that the rights go

1 well beyond specifically what was granted by
2 Slesinger to Disney, so it's not relevant what
3 right Slesinger came in with, because that's not
4 relevant to what Disney owes us on. That wasn't
5 part of the agreement.

6 THE REFEREE: I don't quite understand
7 that. How can you grant more than you've got?

8 MS. ESKENAZI: We didn't, but we got in
9 return a royalty payment, a piece of the whole
10 except for a few exclusions. That whole being
11 worldwide on all commercial uses except for
12 theatrical motion picture and a couple of other
13 specifically exclusions.

14 THE REFEREE: So you're saying the
15 contract language is broad enough to encompass
16 concepts and ideas and inventions not even in
17 existence at the time of the grant, is that what
18 you're saying?

19 MS. ESKENAZI: Yes.

20 THE REFEREE: All right, here is what
21 we're going to do, I'm going to grant the motion
22 on 47 and 48. The others are going to go off
23 calendar without prejudice. Let's see what these
24 agreements show up with. There's just no use
25 getting into payments and all that unless there's

1 firm operates that way, I guess. You can't keep
2 records forever.

3 MS. ESKENAZI: And that's fair, just
4 let us know that the numbers don't exist
5 separately. That's fine.

6 THE REFEREE: Finally, I come to this
7 11th set of interrogatories. Is that it?

8 MS. CHRISTOFFERSON: On Disney or
9 Slesinger?

10 THE REFEREE: Disney's. These are
11 contention interrogatories also. Let me ask you
12 this, Disney is a licensee, it sub-licenses to
13 somebody else to manufacture and sell a Pooh
14 product. Is that reality?

15 MS. CHRISTOFFERSON: Okay.

16 THE REFEREE: So this other company
17 manufactures and/or sells a product, I guess ten
18 bucks. Let's make it 50, and they pay Disney a
19 royalty.

20 MS. CHRISTOFFERSON: Okay.

21 THE REFEREE: Let's say it's five
22 percent, so it's \$2.50, right?

23 MS. CHRISTOFFERSON: Right.

24 THE REFEREE: So that's okay for Disney
25 and Disney pays five percent to SSI?

1 I, GINA M. CLOUD, a certified shorthand
2 reporter for the state of California, do hereby
3 certify:

4 That said Hearing was taken before me
5 pursuant to notice, at the time and place therein
6 set forth, and was taken down by me in shorthand
7 and thereafter reduced to typewriting via
8 computer-aided transcription under my direction;

9 I further certify that I am neither counsel
10 for, nor related to, any party to said action,
11 nor in anywise interested in the outcome thereof.

12 IN WITNESS WHEREOF, I have hereunto
13 subscribed my name this 26 day of
14 November, 2002.

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GINA M. CLOUD
CSR No. 6315

EXHIBIT 1-7

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2 Hearing before the Honorable David N.
3 Eagleson, taken on Tuesday, November 26, 2002,
4 10:00 A.M. At 1900 Avenue of the Stars, 21st
5 Floor, Los Angeles, California 90067, reported by
6 GINA M. CLOUD, CSR No. 6315, pursuant to NOTICE.

7

8 APPEARANCES OF COUNSEL:

9 FOR PLAINTIFFS:

10 GREENBERG, GLUSKER, FIELDS, CLAMAN,

11 MACHTINGER & KINSELLA LLP

12 BY: BONNIE ESKENAZI, ESQ.

13 JULIA HAYE, ESQ.

14 1900 Avenue of the Stars

15 21st Floor

16 Los Angeles, California 90067

17 FOR DEFENDANTS:

18 O'MELVENY & MYERS

19 BY: AMBER JENE SAYLE, ESQ.

20 CARLA J. CHRISTOFFERSON, ESQ.

21 1999 Avenue of the Stars

22 Suite 700

23 Los Angeles, California 90067

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1 able to cross-examine for essentially prior
2 inconsistent acts by Disney to see if Disney has,
3 in fact, and my guess is they have, otherwise
4 this would be a very simple question to answer,
5 terminated a licensee for material breach for
6 failure for pay royalties.

7 THE REFEREE: It has nothing to -- it's
8 a separate issue completely. You have a license
9 between Pooh and Disney that's going to stand on
10 its own two feet, and you have a license between
11 Disney and its sub-licensee, whoever they are,
12 they're going to stand on their own two feet.

13 MS. ESKENAZI: You're correct, stand on
14 its own two feet in terms of what the
15 interpretation of the agreement is. Here is
16 where the difference is --

17 THE REFEREE: For interpretation of the
18 Disney agreement with a sub-licensee.

19 MS. ESKENAZI: Here is where the
20 difference is, Your Honor. As far as we're
21 concerned, it is a very broad general basic tenet
22 of contract law, at least in California, that a
23 licensor can terminate a license for a material
24 failure to pay royalties. Disney is taking issue
25 with that, and saying regardless of what this

1 particular contract says, one cannot do that,
2 it's not possible.

3 THE REFEREE: You mean this contract
4 meaning?

5 MS. ESKENAZI: The Disney/Slesinger,
6 yes. Because you just can't do that in
7 California, under California law, and what we're
8 seeking is some evidence on which we can
9 cross-examine them by saying how can you take the
10 position in this lawsuit when you have engaged in
11 a pattern of practice of terminating other
12 licenses for failure to pay royalties, material
13 failure.

14 THE REFEREE: Maybe they didn't fight
15 it.

16 MS. ESKENAZI: That's part -- the
17 question only is have they done that. Have they
18 taken the position, inconsistent positions with
19 respect to their licensees that they can
20 terminate for a material breach.

21 THE REFEREE: Then it's in the
22 contract.

23 MS. ESKENAZI: That's a different
24 issue, and I guess with Miss Christofferson that
25 if the contract has a provision whereby there's

1 I, GINA M. CLOUD, a certified shorthand
2 reporter for the state of California, do hereby
3 certify:

4 That said Hearing was taken before me
5 pursuant to notice, at the time and place therein
6 set forth, and was taken down by me in shorthand
7 and thereafter reduced to typewriting via
8 computer-aided transcription under my direction;

9 I further certify that I am neither counsel
10 for, nor related to, any party to said action,
11 nor in anywise interested in the outcome thereof.

12 IN WITNESS WHEREOF, I have hereunto

13 subscribed my name this 10 day of

14 December, 2002.

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GINA M. CLOUD
CSR No. 6315

EXHIBIT 1-8

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 9/30/87

PRODUCT TITLE: WINNIE THE POOH
 LICENSOR: STEHPEN SLESINGER, INC.
 CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/87	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC MERCHANDISE	\$ 1,107,748	\$ 7,133,783
CANADIAN MERCHANDISE	36,210	489,148
FOREIGN MERCHANDISE	200,462	1,227,828
TOTAL MERCHANDISE	1,344,420	8,850,759
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	33,611	221,269
DOMESTIC PUBLICATIONS	60,499	755,744
FOREIGN PUBLICATIONS	232,264	587,919
COMIC STRIP	18,914	205,424
TOTAL PUBLICATION	311,677	1,549,087
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	7,543	37,488
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	63,183	209,878
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	1,529	5,079

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 3/31/88

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/88	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL.)		
DOMESTIC MERCHANDISE	\$ 390,184	\$ 7,523,967
CANADIAN MERCHANDISE	18,509	507,697
FOREIGN MERCHANDISE	376,106	1,603,934
TOTAL MERCHANDISE	784,799	9,635,598
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	19,620	240,889
DOMESTIC PUBLICATIONS	59,816	815,560
FOREIGN PUBLICATIONS	169,242	757,161
COMIC STRIP	14,535	219,959
TOTAL PUBLICATION	243,593	1,792,680
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	5,895	43,383
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	72,201	282,079
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	1,747	6,826

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 9/30/88

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/88	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC MERCHANDISE	\$ 816,488	\$ 8,340,455
CANADIAN MERCHANDISE	(18,509)	489,148
FOREIGN MERCHANDISE	204,666	1,808,600
TOTAL MERCHANDISE	1,002,645	10,638,203
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	25,066	265,955
DOMESTIC PUBLICATIONS	215,929	1,031,489
FOREIGN PUBLICATIONS	284,572	1,041,733
COMIC STRIP	12,972	232,931
TOTAL PUBLICATION	513,473	2,861,222
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	12,426	55,809
DISNEYLAND VISIA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	12,037	294,116
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	291	7,118

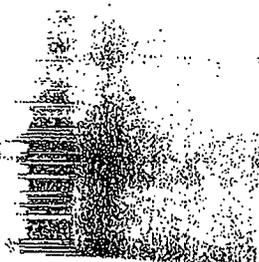
THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 3/31/89

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/89	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC MERCHANDISE	\$ 632,451	\$ 8,966,510
CANADIAN MERCHANDISE	120,952	610,100
FOREIGN MERCHANDISE	485,059	2,293,659
TOTAL MERCHANDISE	1,238,462	11,870,269
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	30,962	296,757
DOMESTIC PUBLICATIONS / US & CANADA	175,094	1,252,259
FOREIGN PUBLICATIONS	3,742	999,796
COMIC STRIP	7,087	240,018
TOTAL PUBLICATION	185,923	2,492,073
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	4,499	60,308
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	15,867	309,983
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	384	7,502



FSSI001670

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 9/30/89

PRODUCT TITLE: WINNIE THE POOH
 LICENSOR: STEPHEN SLESINGER, INC.
 CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/89	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 577,720	\$ 9,544,230
CANADIAN LICENSING	41,749	651,848
FOREIGN LICENSING	937,762	3,231,420
TOTAL LICENSING	1,557,231	13,427,498
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	38,931	335,687
DOMESTIC & CANADIAN PUBLICATION	217,601	1,469,860
FOREIGN PUBLICATION	263,063	1,262,859
COMIC STRIP	8,671	248,689
TOTAL PUBLICATION	489,335	2,981,408
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	11,842	72,150
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	3,898	313,881
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	94	7,596



FSSI001690

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 3/31/90

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/90	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 903,407	\$ 10,447,638
CANADIAN LICENSING	92,265	744,114
FOREIGN LICENSING	621,597	3,853,018
TOTAL LICENSING	1,617,269	15,044,770
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	40,432	376,119
DOMESTIC & CANADIAN PUBLICATION	165,427	1,635,288
FOREIGN PUBLICATION	198,088	1,460,947
COMIC STRIP	7,425	256,114
TOTAL PUBLICATION	370,940	3,352,349
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	8,977	81,127
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	579	314,460
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	14	7,610

FSSI001711

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 9/30/90

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/90	10/1/82 TO DATE
	-----	-----
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		

DOMESTIC LICENSING	\$ 1,165,438	\$ 11,613,076
CANADIAN LICENSING	25,233	769,347
FOREIGN LICENSING	2,362,068	6,215,086
-----		-----
TOTAL LICENSING	3,552,739	18,597,509
ROYALTY RATE	2.50%	2.50%
-----		-----
ROYALTY EARNED	88,818	464,938
-----		-----
DOMESTIC & CANADIAN PUBLICATION	386,496	2,021,784
FOREIGN PUBLICATION	305,908	1,766,855
COMIC STRIP	0	256,114
-----		-----
TOTAL PUBLICATION	692,404	4,044,753
ROYALTY RATE	2.42%	2.42%
-----		-----
ROYALTY EARNED	16,756	97,883
-----		-----
DISNEYLAND VISTA RECORDS & TAPES		

LICENSED PHONOGRAPH RECORDS/TAPES	7,192	321,652
ROYALTY RATE	2.42%	2.42%
-----		-----
ROYALTY EARNED	174	7,784
-----		-----

FSSI001728

ALLENBERG TEL NO. 1-313-501-7010 NOV 22 11 41 AM 1983

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/1/82 THROUGH 3/31/91

PRODUCT TITLE: WINNIE THE POOH
 LICENSOR: STEPHEN SLESINGER, INC.
 CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/91	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 1,496,814	\$ 13,109,890
CANADIAN LICENSING	109,031	878,378
INTERNATIONAL LICENSING	1,343,853	7,558,939
TOTAL LICENSING	2,949,698	21,547,207
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	73,742	538,680
DOMESTIC & CANADIAN PUBLICATION	314,394	2,336,178
INTERNATIONAL PUBLICATION	198,915	1,965,770
COMIC STRIP	11,620	267,734
TOTAL PUBLICATION	524,929	4,569,682
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	12,703	110,586
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	151,412	473,064
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	3,664	11,440

SLESINGER&RYDER

- TEL 1-813-837-8773

NOV

91 18:06 No. 005 P. 03

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THE WALT DISNEY COMPANY
ROYALTY STATEMENT
PERIOD 10/1/82 THROUGH 9/30/91

PRODUCT TITLE: WINNIE THE POOH

LICENSEE: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/91	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 847,173	\$ 14,038,043
CANADIAN LICENSING	9,735	688,113
INTERNATIONAL LICENSING	2,316,745	9,875,684
TOTAL LICENSING	3,173,653	24,601,840
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	79,341	620,046
DOMESTIC & CANADIAN PUBLICATION	485,732	2,821,910
INTERNATIONAL PUBLICATION	183,125	2,148,895
COMIC STRIP	10,012	277,746
TOTAL PUBLICATION	678,869	5,248,551
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	16,429	127,015
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	35,862	508,926
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	868	12,316

FSSI001755

/SLESINGER&RYDER

TEL No. 1-813-857-8773

MAY 21 1982 11:23 AM NO. 004 P. 01

THE WALT DISNEY COMPANY
ROYALTY STATEMENT
PERIOD 10/1/82 THROUGH 3/31/92

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/92	10/1/82 TO DATE
THE WALT DISNEY COMPANY: (PLEASE SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 1,164,022	\$ 15,202,068
CANADIAN LICENSING	16,482	904,595
INTERNATIONAL LICENSING	2,611,096	12,466,780
TOTAL LICENSING	3,791,600	28,593,443
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	94,790	714,836
DOMESTIC & CANADIAN PUBLICATION	260,609	3,082,519
INTERNATIONAL PUBLICATION	236,069	2,384,964
COMIC STRIP	0	277,746
TOTAL PUBLICATION	496,678	5,745,229
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	12,020	139,035
DISNEYLAND VISTA RECORDS & TAPES		
LICENSED PHONOGRAPH RECORDS/TAPES	9,077	518,003
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	220	12,536

FSSI001768

SLESINGER&RYDER

TEL No. 1-813-837-8773

Mar 12, 93 17:38 No.002 P.02

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/01/82 THROUGH 9/30/92

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/92	10/1/82 TO DATE
THE WALT DISNEY COMPANY SEE ATTACHED DETAILS		
DOMESTIC LICENSING	\$ 2,112,067	\$ 17,314,136
CANADIAN LICENSING	473,823	1,378,418
INTERNATIONAL LICENSING	2,587,578	15,074,358
TOTAL LICENSING	5,173,468	33,766,912
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	129,337	844,173
DOMESTIC & CANADIAN PUBLICATION	241,766	3,324,285
INTERNATIONAL PUBLICATION	1,702,338	4,087,302
COMIC STRIP	0	277,746
✓ TOTAL PUBLICATION	1,944,104	7,689,333
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	47,047	186,082
TRADEBOOK PUBLISHING (MANUFACTURED BY DISNEY)	1,025,369	1,025,369
✓ ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	13,637	13,637
DISNEYLAND VISTA RECORDS & TAPES LICENSED PHONOGRAPH RECORDS/TAPES	274,576	792,579
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	6,645	19,180

FSSI001780

THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 PERIOD 10/01/82 THROUGH 3/31/93

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/93	10/1/82 TO DATE
THE WALT DISNEY COMPANY (SEE ATTACHED DETAILS)		
DOMESTIC LICENSING	\$ 1,620,081	\$ 18,934,218
CANADIAN LICENSING	137,588	1,516,006
INTERNATIONAL LICENSING	2,696,922	17,771,280
TOTAL LICENSING	4,454,591	38,221,504
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	111,365	955,538
DOMESTIC & CANADIAN PUBLICATION	417,651	3,741,936
INTERNATIONAL PUBLICATION	637,359	4,724,661
COMIC STRIP	0	277,746
TOTAL LICENSED PUBLICATION	1,055,010	8,744,343
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	25,531	211,613
(MANUFACTURED BY DISNEY)		
DOMESTIC PUBLICATION	767,943	1,793,312
INTERNATIONAL PUBLICATION	1,573,635	1,573,635
TOTAL MANUFACTURED PUBLICATION	2,341,578	3,366,947
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	31,143	44,780
DISNEY AND VISTA RECORDS & TAPES LICENSED PHONOGRAPH RECORDS/TAPES		
	25,336	817,915
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	613	19,794

13102743937 P.02

TO

MAY-29-1993 10:15 FROM FRED CASABELL

FSSI001795

NOV-16-1993 15:00 FROM FRED LASSMELL

TO

13102743937 P.01

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
PERIOD 10/01/82 THROUGH 9/30/93**

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	<u>SIX MONTHS ENDED 9/30/93</u>	<u>10/1/82 TO DATE</u>
THE WALT DISNEY COMPANY (SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 2,143,100	\$ 21,077,319
CANADIAN LICENSING	289,752	1,805,758
INTERNATIONAL LICENSING	<u>3,745,539</u>	<u>21,516,819</u>
TOTAL LICENSING	6,178,391	44,399,896
ROYALTY RATE	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>154,460</u>	<u>1,109,997</u>
DOMESTIC & CANADIAN PUBLICATION	203,538	3,945,474
INTERNATIONAL PUBLICATION	336,389	5,061,050
COMIC STRIP	<u>0</u>	<u>277,746</u>
TOTAL LICENSED PUBLICATION	539,927	9,284,270
ROYALTY RATE	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>13,066</u>	<u>224,679</u>
(MANUFACTURED BY DISNEY)		
DOMESTIC PUBLICATION	1,364,757	3,158,069
INTERNATIONAL PUBLICATION	1,182,058	2,755,693
TOTAL MANUFACTURED PUBLICATION	2,546,815	5,913,762
ROYALTY RATE	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>33,873</u>	<u>78,653</u>
DISNEYLAND VISTA RECORDS & TAPES LICENSED PHONOGRAPH RECORDS/TAPES:		
LICENSED PHONOGRAPH RECORDS/TAPES:	96,106	914,021
ROYALTY RATE	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>2,326</u>	<u>22,119</u>

FSSI001810

MAY-19-1994 10:13 FROM FRED LASSWELL TO 13102743937 P.03

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
PERIOD 10/01/82 THROUGH 3/31/94**

PRODUCT TITLE: WINNIE THE POOH

LICENSOR: STEPHEN SLESINGER, INC.

CONTRACT DATE: APRIL 1, 1983

	<u>SIX MONTHS ENDED 3/31/94</u>	<u>10/1/82 TO DATE</u>
DISNEY DISNEY COMPANY		
DOMESTIC LICENSING	\$ 1,510,205	\$ 22,587,524
CANADIAN LICENSING	240,317	2,046,075
INTERNATIONAL LICENSING	<u>3,809,757</u>	<u>25,326,576</u>
TOTAL LICENSING	5,560,279	49,960,176
ROYALTY RATE	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>139,007</u>	<u>1,249,004</u>
DOMESTIC & CANADIAN PUBLICATION	363,638	4,309,111
INTERNATIONAL PUBLICATION	264,336	5,325,386
COMIC STRIP	<u>0</u>	<u>277,746</u>
TOTAL LICENSED PUBLICATION	627,974	9,912,243
ROYALTY RATE	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>15,197</u>	<u>239,876</u>
(MANUFACTURED BY DISNEY)		
DOMESTIC PUBLICATION	2,144,820	5,302,912
INTERNATIONAL PUBLICATION	700,750	3,456,443
TOTAL MANUFACTURED PUBLICATION	2,845,570	8,759,355
ROYALTY RATE	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>37,846</u>	<u>116,499</u>
DISNEY DISNEY COMPANY		
DISNEY DISNEY COMPANY	12,331	926,352
ROYALTY RATE	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>298</u>	<u>22,418</u>

FSSI001829

DEC-13 94 16:52 FROM: SLESINGER&RED RYDER 813-831-5126

TO: PATTY OFFICE

PAGE: 02

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
PERIOD 10/01/82 THROUGH 9/30/94**

**PRODUCT TITLE: WINNIE THE POOH
LICENSOR: STEPHEN SLESINGER, INC.
CONTRACT DATE: APRIL 1, 1983**

	<u>SIX MONTHS ENDED 9/30/94</u>	<u>10/1/82 TO DATE</u>
RECORDING RIGHTS FROM EARLY RECORDING RIGHTS FROM EARLY		
DOMESTIC LICENSING	\$ 2,141,079	\$ 24,728,603
CANADIAN LICENSING	227,192	2,273,267
INTERNATIONAL LICENSING	5,367,892	30,694,468
TOTAL LICENSING	<u>7,736,163</u>	<u>57,696,338</u>
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	<u>193,404</u>	<u>1,442,408</u>
DOMESTIC & CANADIAN PUBLICATION	592,038	4,901,149
INTERNATIONAL PUBLICATION	454,147	5,779,533
COMIC STRIP	0	277,746
TOTAL LICENSED PUBLICATION	<u>1,046,185</u>	<u>10,958,428</u>
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	<u>25,318</u>	<u>265,194</u>
(MANUFACTURED BY DISNEY)		
DOMESTIC PUBLICATION	2,532,723	7,835,635
INTERNATIONAL PUBLICATION	1,568,250	5,024,693
TOTAL MANUFACTURED PUBLICATION	<u>4,100,972</u>	<u>12,860,327</u>
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	<u>54,543</u>	<u>171,042</u>
RECORDING RIGHTS FROM EARLY RECORDING RIGHTS FROM EARLY		
ROYALTY RATE	66,268	992,620
ROYALTY EARNED	<u>1,604</u>	<u>24,021</u>
RECORDING RIGHTS FROM EARLY RECORDING RIGHTS FROM EARLY		
ROYALTY RATE	406,199	11,220,886
ROYALTY EARNED	<u>6,893</u>	<u>168,313</u>

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FSSI001848

MAY-16 95 11:13 FROM:FRED LASSWELL, INC. 813-286-3893

TO: PATI HOME FAX

PAGE: 03

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 3/31/95**

PRODUCT TITLE: WINNIE THE POOH
LICENSOR: STEPHEN SLESINGER, INC.
CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/95	10/1/82 TO DATE
DISNEY LICENSING (SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 4,434,424	\$ 29,163,027
CANADIAN LICENSING	330,698	2,603,965
INTERNATIONAL LICENSING	5,693,376	36,387,844
TOTAL LICENSING	10,458,498	68,154,836
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	261,462	1,703,871
PUBLICATIONS (SEE ATTACHED DETAIL)		
LICENSED:		
DOMESTIC & CANADIAN PUBLICATION	416,482	5,317,630
INTERNATIONAL PUBLICATION	1,409,326	7,188,860
COMIC STRIP	0	277,746
TOTAL LICENSED PUBLICATION	1,825,808	12,784,236
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	44,185	309,379
MANUFACTURED BY DISNEY:		
DOMESTIC PUBLICATION	2,725,481	10,561,116
INTERNATIONAL PUBLICATION	460,532	5,485,225
TOTAL MANUFACTURED PUBLICATION	3,186,013	16,046,340
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	42,374	213,416
WALT DISNEY RECORDS & TAPES (SEE ATTACHED DETAIL)		
LICENSED:		
ROYALTY RATE	143,354	1,135,974
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	3,469	27,491
MANUFACTURED BY DISNEY:		
ROYALTY RATE	590,082	11,810,968
ROYALTY RATE	1.50%	1.50%
ROYALTY EARNED	8,852	177,164

FSSI001863

MAR-27 96 14:18 FROM: SLESINGER&RED RYDER 813-831-3100

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 9/30/95**

PRODUCT TITLE: WINNIE THE POOH
LICENSOR: STEPHEN SLESINGER, INC.
CONTRACT DATE: APRIL 1, 1983

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	SIX MONTHS ENDED 9/30/95	10/1/82 TO DATE
DISNEY LICENSING		
DOMESTIC LICENSING	\$ 8,566,689	\$ 37,729,727
CANADIAN LICENSING	406,983	3,011,010
INTERNATIONAL LICENSING	9,247,191	45,635,052
TOTAL LICENSING	18,220,863	86,375,789
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	455,522	2,159,395
PUBLICATION		
LICENSED:		
DOMESTIC & CANADIAN PUBLICATION	452,044	5,769,675
INTERNATIONAL PUBLICATION	866,922	8,055,781
COMIC STRIP	0	277,746
TOTAL LICENSED PUBLICATION	1,318,966	14,103,202
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	31,919	341,297
MANUFACTURED BY DISNEY:		
DOMESTIC PUBLICATION	3,951,290	14,512,406
INTERNATIONAL PUBLICATION	1,988,289	7,473,513
TOTAL MANUFACTURED PUBLICATION	5,939,579	21,985,919
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	78,996	292,413
WALT DISNEY RECORDS & TAPE		
LICENSED:	121,117	1,257,091
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	2,931	30,422
MANUFACTURED BY DISNEY:		
ROYALTY RATE	256,263	12,067,232
ROYALTY RATE	1.50%	1.50%
ROYALTY EARNED	3,844	181,008

JUN-19 96 14:09 FROM: SLESINGER&RED RYDER 813-831-5126 TO: PATI OFFICE PAGE: 03

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 3/31/96**

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PRODUCT TITLE: WINNIE THE POOH
LICENSOR: STEPHEN SLESINGER, INC.
CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 3/31/96	10/1/82 TO DATE
DISNEY LICENSING		
(SEE ATTACHED DETAILS)		
DOMESTIC LICENSING	\$ 21,936,174	\$ 59,665,901
CANADIAN LICENSING	971,755	3,982,766
INTERNATIONAL LICENSING	14,269,207	59,904,258
TOTAL LICENSING	<u>37,177,136</u>	<u>123,552,925</u>
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	<u>929,428</u>	<u>3,088,823</u>
PUBLICATIONS		
(SEE ATTACHED DETAILS)		
LICENSED:		
DOMESTIC & CANADIAN PUBLICATION	1,139,126	6,908,801
INTERNATIONAL PUBLICATION	996,179	9,051,960
COMIC STRIP	0	277,746
TOTAL LICENSED PUBLICATION	<u>2,135,305</u>	<u>16,238,507</u>
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	<u>51,674</u>	<u>392,972</u>
MANUFACTURED BY DISNEY:		
DOMESTIC PUBLICATION	4,924,682	19,437,087
INTERNATIONAL PUBLICATION	1,495,235	8,968,748
TOTAL MANUFACTURED PUBLICATION	<u>6,419,916</u>	<u>28,405,835</u>
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	<u>85,385</u>	<u>377,798</u>
WALT DISNEY RECORDS & TAPES		
(SEE ATTACHED DETAILS)		
LICENSED:	337,142	1,594,232
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	<u>8,159</u>	<u>38,580</u>
MANUFACTURED BY DISNEY:		
ROYALTY RATE	5,505,216	17,572,447
ROYALTY RATE	1.50%	1.50%
ROYALTY EARNED	<u>82,578</u>	<u>263,587</u>

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 9/30/96**

PRODUCT TITLE: WINNIE THE POOH
LICENSOR: STEPHEN SLESINGER, INC.
CONTRACT DATE: APRIL 1, 1983

	SIX MONTHS ENDED 9/30/96	10/1/82 TO DATE
DISNEY EDUCATIONAL PRODUCTIONS		
EDUCATIONAL MATERIALS	526	4,768,677
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	7	63,423
WALT DISNEY ATTRACTIONS		
DISNEYLAND	4,895,212	25,185,854
DISNEYLAND PARIS	485,233	3,685,036
WALT DISNEY WORLD - MAGIC KINGDOM	9,909,392	48,543,157
TOTAL WALT DISNEY ATTRACTIONS	15,289,837	77,414,047
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	203,355	1,029,607
BUENA VISTA HOME VIDEO MERCHANDISE TIE-INS		
DOMESTIC & INTERNATIONAL	418,596	4,232,159
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	5,567	56,288
DISNEY STORE & CATALOG		
THE DISNEY STORE	46,999,079	218,858,928
THE DISNEY CATALOG	2,816,271	14,012,499
TOTAL DISNEY STORE & CATALOG	49,815,350	232,871,427
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	662,544	3,097,191
TELEVISION		
WELCOME TO POOH CORNER	0	24,000
NEW ADVENTURES OF WINNIE THE POOH	0	16,400
	0	40,400
TOTAL ROYALTIES EARNED	2,055,300	9,652,497
LESS: OTHER PARTICIPATIONS (DERN, MASON, ET AL)		12,774
LESS: AMOUNT PREVIOUSLY PAID		7,564,421
CURRENT AMOUNT DUE	\$ 2,055,300	\$ 2,055,302

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**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 3/31/97**

(2)

PRODUCT TITLE: WINNIE THE POOH
LICENSOR: STEPHEN SLESINGER, INC.
CONTRACT DATE: APRIL 1, 1983

	<u>SIX MONTHS ENDED 3/31/97</u>	<u>10/1/82 TO DATE</u>
DISNEY LICENSING (SEE ATTACHED DETAIL)		
DOMESTIC LICENSING	\$ 43,574,119	\$ 125,759,314
CANADIAN LICENSING	2,905,045	8,269,454
INTERNATIONAL LICENSING	<u>25,429,008</u>	<u>100,133,396</u>
TOTAL LICENSING	71,908,173	234,162,164
ROYALTY RATE	2.50%	2.50%
ROYALTY EARNED	<u>1,797,704</u>	<u>5,854,054</u>
PUBLICATIONS (SEE ATTACHED DETAIL)		
LICENSED:		
DOMESTIC & CANADIAN PUBLICATION	3,790,564	12,243,253
INTERNATIONAL PUBLICATION	3,245,264	13,248,764
COMIC STRIP	0	277,746
TOTAL LICENSED PUBLICATION	<u>7,035,828</u>	<u>25,769,763</u>
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	<u>170,267</u>	<u>623,628</u>
MANUFACTURED BY DISNEY:		
DOMESTIC PUBLICATION	9,554,531	38,042,842
INTERNATIONAL PUBLICATION	940,992	10,347,608
TOTAL MANUFACTURED PUBLICATION	<u>10,495,523</u>	<u>48,390,451</u>
ROYALTY RATE	1.33%	1.33%
ROYALTY EARNED	<u>139,590</u>	<u>643,593</u>
WALT DISNEY RECORDS & TAPES		
LICENSED:		
	152,206	1,771,321
ROYALTY RATE	2.42%	2.42%
ROYALTY EARNED	<u>3,683</u>	<u>42,866</u>
MANUFACTURED BY DISNEY:		
	2,407,911	21,920,633
ROYALTY RATE	1.50%	1.50%
ROYALTY EARNED	<u>36,118</u>	<u>328,809</u>

61-713
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THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 9/30/97

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 9/30/97	10/1/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 56,298,442	\$ 182,057,755
Canadian Licensing	2,100,356	10,369,810
International Licensing	19,520,601	119,653,997
Total Licensing	77,919,399	312,081,563
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	1,947,985	7,802,039

THE DISNEY CHANNEL MERCHANDISE		
Licensed	49,827	49,827
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	663	663

PUBLICATIONS (See Attached Detail)		
Licensed:		
Domestic & Canadian Publication	3,075,166	15,318,419
International Publication	909,281	14,158,045
Comic Strip	0	277,746
Total Licensed Publication	3,984,447	29,754,210
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	96,424	720,052

Manufactured by Disney:		
Domestic Publication	8,629,110	34,165,102
International Publication	714,839	11,062,447
Total Manufactured Publication	9,343,949	45,227,549
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	124,275	601,526

DISNEY ART CLASSICS		
Licensed	1,590,368	1,590,368
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	39,759	39,759
Manufactured by Disney		
	3,357,365	15,864,215
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	44,653	210,994



THE WALT DISNEY COMPANY
 ROYALTY STATEMENT
 FOR THE PERIOD OF 10/1/82 THROUGH 3/31/98

Product Title: WINNIE THE POOH
 Licensor: STEPHEN SLESINGER, INC.
 Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 3/31/98	10/1/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 96,194,215	\$ 278,251,970
Canadian Licensing	4,909,090	15,278,900
International Licensing	32,412,554	152,066,551
Total Licensing	133,515,859	445,597,421
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	3,337,896	11,139,935

THE DISNEY CHANNEL MERCHANDISE		
Licensed	109,675	159,502
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	1,459	2,122

PUBLICATIONS (See Attached Detail)		
Licensed:		
Domestic & Canadian Publication	3,425,341	18,743,759
International Publication	1,972,638	14,663,670
Comic Strip		277,746
Total Licensed Publication	5,397,979	33,685,175
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	130,631	815,181
Manufactured by Disney:		
Domestic Publication	10,149,956	44,315,058
International Publication	798,701	11,861,148
Total Manufactured Publication	10,948,657	56,176,206
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	145,617	747,143

DISNEY ART CLASSICS		
Licensed	1,265,613	2,855,981
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	31,640	71,399
Manufactured by Disney		
	6,279,407	22,143,622
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	83,516	294,510

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**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/1/82 THROUGH 9/30/98**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 9/30/98	10/1/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 88,512,191	\$ 366,764,161
Canadian Licensing	3,369,042	18,647,942
International Licensing	30,400,272	182,466,823
Total Licensing	122,281,505	567,878,926
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	3,057,038	14,196,973
THE DISNEY CHANNEL MERCHANDISE		
Licensed	128,226	287,728
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	1,705	3,827
PUBLICATIONS (See Attached Detail)		
Licensed:		
Domestic & Canadian Publication	2,730,891	21,474,650
International Publication	933,253	15,596,923
Comic Strip	0	277,746
Total Licensed Publication	3,664,144	37,349,319
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	88,672	903,854
Manufactured by Disney:		
Domestic Publication	9,697,669	54,012,727
International Publication	452,912	12,314,060
Total Manufactured Publication	10,150,581	66,326,787
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	135,003	882,146
DISNEY ARTICLES CLASSICS		
Licensed	2,756,873	5,612,854
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	68,922	140,321
Manufactured by Disney	8,944,281	31,087,903
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	118,959	413,469



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/99**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 03/31/99	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 111,402,319	\$ 478,166,480
Canadian Licensing	5,799,663	24,447,605
International Licensing	45,643,926	228,110,748
Total Licensing	162,845,908	730,724,833
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	4,071,148	18,268,121

THE DISNEY CHANNEL MERCHANDISE		
Licensed	139,512	427,240
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	1,856	5,682

PUBLICATIONS (See Attached Detail)		
Licensed Publishing:		
Domestic Publications	2,264,147	22,668,526
Canadian Publications	207,379	1,277,649
International Publications	3,192,755	18,789,678
Comic Strip	0	277,746
Total Licensed Publications	5,664,281	43,013,599
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	137,076	1,040,928
Manufactured by Disney:		
Domestic Publications	6,893,956	60,906,683
International Publications	2,950,655	15,264,715
Total Manufactured Publications	9,844,611	76,171,398
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	130,933	1,013,080

DISNEY ART CLASSICS		
Licensed Merchandise	1,748,290	7,361,144
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	43,707	184,029
Manufactured by Disney	5,408,372	36,496,275
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	71,931	485,400



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/1999**

Product Title: WINNIE THE POOH
 Licensor: STEPHEN SLESINGER, INC.
 Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 09/30/99	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 71,082,263	\$ 549,248,743
Canadian Licensing	3,221,509	27,669,114
International Licensing	47,913,312	276,024,061
Total Licensing	<u>122,217,084</u>	852,941,918
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	<u>3,055,427</u>	<u>21,323,548</u>

THE DISNEY CHANNEL MERCHANDISE		
Licensed	110,586	537,826
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>1,471</u>	<u>7,153</u>

PUBLICATIONS (See Attached Detail)		
Licensed Publishing:		
Domestic Publications	3,326,903	25,995,429
Canadian Publications	114,411	1,392,060
International Publications	2,544,897	21,334,575
Comic Strip	0	277,746
Total Licensed Publications	5,986,211	48,999,810
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	<u>144,866</u>	<u>1,185,794</u>
Manufactured by Disney:		
Domestic Publications	9,815,235	70,721,918
International Publications	1,822,716	17,087,430
Total Manufactured Publications	11,637,951	87,809,348
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>154,785</u>	<u>1,167,864</u>

DISNEY ARTICLES CLASSICS		
Licensed Merchandise	2,296,741	9,657,885
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	<u>57,419</u>	<u>241,446</u>
Manufactured by Disney	5,176,548	41,672,823
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>68,848</u>	<u>554,249</u>



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2000**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 03/31/00	10/01/82 TO DATE
DISNEY HISTORIC (See Attached Detail)		
Domestic Licensing	\$ 86,368,778	\$ 635,617,521
Canadian Licensing	5,242,821	32,911,936
International Licensing	66,013,923	342,037,984
Total Licensing	157,625,522	1,010,567,439
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	3,940,638	25,264,186

THE DISNEY CHANNEL MERCHANDISE		
Licensed	154,523	692,350
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	2,055	9,208

PUBLICATIONS (See Attached Detail)		
Licensed Publishing:		
Domestic Publications	3,567,780	29,563,209
Canadian Publications	65,199	1,457,259
International Publications	3,525,620	24,860,196
Comic Strip	0	277,746
Total Licensed Publications	7,158,599	56,158,409
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	173,238	1,359,032
Manufactured by Disney:		
Domestic Publications	10,392,582	81,114,500
International Publications	2,643,501	19,730,930
Total Manufactured Publications	13,036,083	100,845,430
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	173,380	1,341,244

DISNEY ART CLASSICS		
Licensed Merchandise	1,139,103	10,796,988
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	28,478	269,924
Manufactured by Disney	4,416,185	46,089,008
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	58,735	612,984



THE WALT DISNEY COMPANY
ROYALTY STATEMENT
 FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2000

Product Title: WINNIE THE POOH
 Licensor: STEPHEN SLESINGER, INC.
 Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 09/30/00	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 48,101,491	\$ 683,719,011
Canadian Licensing	2,306,157	35,218,093
International Licensing	58,051,410	400,089,394
Total Licensing	108,459,058	1,119,026,498
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	2,711,476	27,975,662

THE DISNEY CHANNEL MERCHANDISE		
Licensed	23,960	716,311
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	319	9,527

PUBLICATIONS (See Attached Detail)		
Licensed Publishing:		
Domestic Publications	4,730,438	34,293,647
Canadian Publications	0	1,457,259
International Publications	2,962,439	27,822,635
Comic Strip	0	277,746
Total Licensed Publications	7,692,877	63,851,287
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	186,168	1,545,200
Manufactured by Disney:		
Domestic Publications	7,431,377	88,545,877
International Publications	1,843,875	21,574,804
Total Manufactured Publications	9,275,252	110,120,681
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	123,361	1,464,605

DISNEY ART/CLASSICS		
Licensed Merchandise	1,588,592	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	39,715	309,639
Manufactured by Disney	4,073,880	50,162,888
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	54,183	667,166



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2001**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	<u>SIX MONTHS ENDED 09/30/01</u>	<u>10/01/82 TO DATE</u>
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 44,826,808	\$ 789,976,247
Canadian Licensing	3,395,105	43,203,945
International Licensing	63,992,126	537,745,481
Total Licensing	<u>112,214,039</u>	<u>1,370,925,673</u>
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	<u>2,805,351</u>	<u>34,273,142</u>

THE DISNEY CHANNEL MERCHANDISE

Licensed	349,900	1,114,526
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>4,654</u>	<u>14,824</u>

PUBLICATIONS
(See Attached Detail)

Licensed Publishing:		
Domestic Publications	4,324,228	42,355,154
Canadian Publications	0	1,457,259
International Publications	3,231,431	34,076,778
Comic Strip	0	277,746
Total Licensed Publications	<u>7,555,658</u>	<u>78,066,936</u>
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	<u>182,847</u>	<u>1,889,219</u>
Manufactured by Disney:		
Domestic Publications	504,861	92,717,582
International Publications	1,421,504	24,515,221
Total Manufactured Publications	<u>1,926,365</u>	<u>117,232,802</u>
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>25,621</u>	<u>1,559,197</u>

DISNEY ART CLASSICS

Licensed Merchandise	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	<u>0</u>	<u>309,639</u>
Manufactured by Disney	1,185,406	55,812,146
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>15,766</u>	<u>742,302</u>



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2002**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 03/31/02	10/01/82 TO DATE
DISNEY LICENSING		
<i>(See Attached Detail)</i>		
Domestic Licensing	\$ 58,528,617	\$ 848,504,864
Canadian Licensing	4,094,803	47,298,748
International Licensing	73,096,824	610,842,305
Total Licensing	135,720,244	1,506,645,917
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	3,393,006	37,666,148

THE DISNEY CHANNEL MERCHANDISE

Licensed	0	1,114,526
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	14,824

PUBLICATIONS

(See Attached Detail)

Licensed Publications:		
Domestic Publications	2,738,176	44,993,330
Canadian Publications	0	1,457,259
International Publications	3,336,486	37,413,264
Comic Strip	0	277,746
Total Licensed Publication	6,074,662	84,141,599
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	147,007	2,036,226

Manufactured by Disney:

Domestic Publications	848,681	93,566,263
International Publications	715,507	25,230,728
Total Manufactured Publications	1,564,188	118,796,991
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	20,804	1,580,001

DISNEY ART CLASSICS

Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney	73,804	55,885,950
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	982	743,284



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2002**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 09/30/02	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 51,599,078	\$ 900,103,942
Canadian Licensing	2,646,956	49,945,704
International Licensing	74,924,091	685,766,396
Total Licensing	129,170,125	1,635,816,042
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	3,229,253	40,895,401

THE DISNEY CHANNEL MERCHANDISE		
Licensed	8,950	1,123,476
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	119	14,943

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	7,035,468	52,028,798
Canadian Publications	0	1,457,259
International Publications	4,534,184	41,947,448
Comic Strip	0	277,746
Total Licensed Publication	11,569,652	95,711,251
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	279,986	2,316,212

Manufactured by Disney:		
Domestic Publications	1,415,699	94,981,962
International Publications	1,989,264	27,219,992
Total Manufactured Publications	3,404,963	122,201,954
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	45,286	1,625,287

DISNEY TRU CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney:		
Royalty Rate	58,408	55,944,358
ROYALTY EARNED	777	744,061



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2003**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 03/31/03	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 60,347,800	\$ 960,451,742
Canadian Licensing	4,505,379	54,451,083
International Licensing	82,954,352	768,720,748
Total Licensing	147,807,531	1,783,623,573
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	3,695,188	44,590,589

THE DISNEY CHANNEL MERCHANDISE		
Licensed	25,193	1,148,669
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	335	15,278

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	4,695,186	56,723,984
Canadian Publications	0	1,457,259
International Publications	7,803,529	49,750,977
Comic Strip	0	277,746
Total Licensed Publication	12,498,715	108,209,966
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	302,469	2,618,681
Manufactured by Disney:		
Domestic Publications	1,251,801	96,233,763
International Publications	1,771,138	28,991,130
Total Manufactured Publications	3,022,939	125,224,893
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	40,205	1,665,492

DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney		
	326,976	56,271,334
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	4,349	748,410

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2003**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: March 31, 1983

	SIX MONTHS ENDED 09/30/03	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 47,711,056	\$ 1,008,162,803
Canadian Licensing	3,049,638	57,500,730
International Licensing	95,156,241	863,876,987
Total Licensing	145,916,935	1,929,540,520
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	3,647,923	48,238,512

THE DISNEY CHANNEL MERCHANDISE		
Licensed	29,770	1,178,439
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	396	15,674

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	3,036,592	59,760,577
Canadian Publications	0	1,457,256
International Publications	6,436,982	56,187,957
Comic Strip	0	277,746
Total Licensed Publications	9,473,574	117,683,536
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	229,261	2,847,942

Manufactured by Disney:		
Domestic Publications	1,105,693	97,339,460
International Publications	3,126,874	32,118,005
Total Manufactured Publications	4,232,567	129,457,465
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	56,293	1,721,785

DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney		
	174,340	56,445,674
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	2,319	750,729



**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/04**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 03/31/04	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 45,891,384	\$ 1,054,054,187
Canadian Licensing	4,530,291	62,031,021
International Licensing	104,627,100	968,504,087
Total Licensing	155,048,775	2,084,589,295
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	3,876,219	52,114,731

THE DISNEY CHANNEL MERCHANDISE		
Licensed	0	1,178,439
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	15,674

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	3,155,959	62,916,536
Canadian Publications	0	1,457,256
International Publications	4,565,951	60,753,908
Comic Strip	0	277,746
Total Licensed Publication	7,721,910	125,405,446
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	186,869	3,034,812
Manufactured by Disney:		
Domestic Publications	855,310	98,194,770
International Publications	6,208,425	38,326,430
Total Manufactured Publications	7,063,735	136,521,200
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	93,948	1,815,733

DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney	-	56,445,674
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	750,729

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2004**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: March 31, 1983

	<u>SIX MONTHS ENDED 09/30/04</u>	<u>10/01/82 TO DATE</u>
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 46,886,103	\$ 1,100,940,290
Canadian Licensing	2,760,014	64,791,035
International Licensing	<u>95,710,256</u>	<u>1,064,214,343</u>
Total Licensing	145,356,373	2,229,945,668
Royalty Rate	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>3,633,908</u>	<u>55,748,640</u>
 THE DISNEY CHANNEL MERCHANDISE		
Licensed	0	1,178,439
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>0</u>	<u>15,674</u>
 PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	2,174,103	65,090,639
Canadian Publications	110,706	1,567,962
International Publications	6,081,548	66,835,456
Comic Strip	<u>0</u>	<u>277,746</u>
Total Licensed Publications	8,366,357	133,771,803
Royalty Rate	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>202,467</u>	<u>3,237,279</u>
 Manufactured by Disney:		
Domestic Publications	547,678	98,742,448
International Publications	<u>5,899,096</u>	<u>44,225,526</u>
Total Manufactured Publications	6,446,774	142,967,974
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>85,741</u>	<u>1,901,474</u>
 DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>0</u>	<u>309,639</u>
 Manufactured by Disney		
	0	56,445,674
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>0</u>	<u>750,729</u>

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2005**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: March 31, 1983

	SIX MONTHS ENDED 03/31/05	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 44,352,212	\$ 1,145,292,502
Canadian Licensing	4,656,100	69,447,135
International Licensing	120,130,137	1,184,344,480
Total Licensing	169,138,449	2,399,084,117
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	4,228,461	59,977,101

THE DISNEY CHANNEL MERCHANDISE		
Licensed	46,800	1,225,239
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	622	16,296

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	2,535,624	67,626,263
Canadian Publications	205,458	1,773,420
International Publications	5,684,126	72,519,582
Comic Strip	0	277,746
Total Licensed Publications	8,425,208	142,197,011
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	203,890	3,441,169

Manufactured by Disney:		
Domestic Publications	303,032	99,045,480
International Publications	5,419,078	49,644,604
Total Manufactured Publications	5,722,110	148,690,084
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	76,104	1,977,578

DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney:		
	0	56,445,674
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	750,729

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2005**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 09/30/05	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 49,350,341	\$ 1,194,642,843
Canadian Licensing	2,964,746	72,411,881
International Licensing	95,081,345	1,279,425,825
Total Licensing	147,396,432	2,546,480,549
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	3,684,909	63,662,010

THE DISNEY CHANNEL MERCHANDISE		
Licensed	0	1,225,239
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	16,296

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	2,447,307	70,073,570
Canadian Publications	140,697	1,914,117
International Publications	5,415,957	77,935,539
Comic Strip	0	277,746
Total Licensed Publication	8,003,961	150,200,972
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	193,696	3,634,864
Manufactured by Disney:		
Domestic Publications	918,229	99,963,709
International Publications	5,348,927	54,993,531
Total Manufactured Publications	6,267,156	154,957,240
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	83,353	2,060,931

DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney		
Royalty Rate	1.33%	56,445,674
ROYALTY EARNED	0	750,729

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2006**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: March 31, 1983

	SIX MONTHS ENDED 03/31/06	10/01/82 TO DATE
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 42,184,763	\$ 1,236,827,606
Canadian Licensing	4,459,648	76,871,529
International Licensing	109,231,389	1,388,657,214
Total Licensing	155,875,800	2,702,356,349
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	3,896,898	67,558,908

THE DISNEY CHANNEL MERCHANDISE		
Licensed	0	1,225,239
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	16,296

PUBLICATIONS (See Attached Detail)		
Licensed Publications:		
Domestic Publications	2,658,089	72,731,659
Canadian Publications	193,994	2,108,111
International Publications	6,706,620	84,642,159
Comic Strip	0	277,746
Total Licensed Publications	9,558,703	159,759,675
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	231,319	3,866,183

Manufactured by Disney:		
Domestic Publications	270,974	100,234,683
International Publications	5,007,244	60,000,775
Total Manufactured Publications	5,278,218	160,235,458
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	70,200	2,131,131

DISNEY ART CLASSICS		
Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639
Manufactured by Disney		
	0	56,445,674
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	750,729

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2006**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 09/30/06	10/01/82 TO DATE
Domestic Licensing	\$ 28,317,676	\$ 1,265,145,282
Canadian Licensing	9,253,422	80,124,951
International Licensing	82,924,638	1,471,581,852
Total Licensing	114,495,736	2,816,852,085
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	2,862,392	70,421,300

Licensed		
Royalty Rate	0	1.225,239
ROYALTY EARNED	1.33%	1.33%
	0	16,296

Licensed Publications:		
Domestic Publications		
Canadian Publications	4,529,708	77,261,367
International Publications	360,315	2,468,426
Comic Strip	5,245,934	89,888,093
Total Licensed Publication	0	277,746
Royalty Rate	10,135,957	169,895,632
ROYALTY EARNED	2.42%	2.42%
	245,291	4,111,474

Manufactured by Disney:		
Domestic Publications		
International Publications	519,594	108,754,277
Total Manufactured Publications	5,689,198	65,689,973
Royalty Rate	6,208,792	166,444,250
ROYALTY EARNED	1.33%	1.33%
	82,577	2,213,708

Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	0	309,639

Manufactured by Disney	0	56,445,074
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	0	750,729

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2006**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: March 31, 1983

	<u>SIX MONTHS ENDED 03/31/06</u>	<u>10/01/82 TO DATE</u>
DISNEY LICENSING (See Attached Detail)		
Domestic Licensing	\$ 42,184,763	\$ 1,236,827,606
Canadian Licensing	4,459,648	76,871,529
International Licensing	<u>109,231,389</u>	<u>1,388,657,214</u>
Total Licensing	155,875,800	2,702,356,349
Royalty Rate	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>3,896,898</u>	<u>67,558,908</u>

THE DISNEY CHANNEL MERCHANDISE

Licensed	0	1,225,239
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>0</u>	<u>16,296</u>

PUBLICATIONS (See Attached Detail)

Licensed Publications:		
Domestic Publications	2,658,089	72,731,659
Canadian Publications	193,994	2,108,111
International Publications	6,706,620	84,642,159
Comic Strip	<u>0</u>	<u>277,746</u>
Total Licensed Publications	9,558,703	159,759,675
Royalty Rate	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>231,319</u>	<u>3,866,183</u>

Manufactured by Disney:

Domestic Publications	270,974	100,234,683
International Publications	<u>5,007,244</u>	<u>60,000,775</u>
Total Manufactured Publications	5,278,218	160,235,458
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>70,200</u>	<u>2,131,131</u>

DISNEY ART CLASSICS

Licensed	0	12,385,580
Royalty Rate	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>0</u>	<u>309,639</u>
Manufactured by Disney	0	56,445,674
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>0</u>	<u>750,729</u>

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 09/30/2007**

**Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983**

	SIX MONTHS ENDED 09/30/07	10/01/82 TO DATE
Domestic Licensing	\$ 30,498,445	\$ 1,333,065,976
Canadian Licensing	2,779,989	87,327,323
International Licensing	84,208,857	1,679,773,610
Total Licensing	<u>117,487,291</u>	<u>3,100,166,909</u>
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	<u>2,937,182</u>	<u>77,504,173</u>

Licensed	173,250	1,398,489
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>2,304</u>	<u>18,600</u>

Licensed Publications:		
Domestic Publications	829,473	79,967,497
Canadian Publications	103,075	2,853,593
International Publications	5,534,833	102,466,107
Comic Strip	<u>0</u>	<u>277,746</u>
Total Licensed Publication	6,467,381	185,564,943
Royalty Rate	<u>2.42%</u>	<u>2.42%</u>
ROYALTY EARNED	<u>156,511</u>	<u>4,490,672</u>

Manufactured by Disney:		
Domestic Publications	36,490	100,867,828
International Publications	<u>5,069,783</u>	<u>77,064,601</u>
Total Manufactured Publications	5,106,273	177,932,429
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>67,913</u>	<u>2,366,501</u>

Licensed	0	12,385,580
Royalty Rate	<u>2.50%</u>	<u>2.50%</u>
ROYALTY EARNED	<u>0</u>	<u>309,639</u>
Manufactured by Disney	0	56,445,674
Royalty Rate	<u>1.33%</u>	<u>1.33%</u>
ROYALTY EARNED	<u>0</u>	<u>750,729</u>

**THE WALT DISNEY COMPANY
ROYALTY STATEMENT
FOR THE PERIOD OF 10/01/1982 THROUGH 03/31/2008**

Product Title: WINNIE THE POOH
Licensor: STEPHEN SLESINGER, INC.
Contract Date: MARCH 31, 1983

	SIX MONTHS ENDED 03/31/08	10/01/82 TO DATE
Domestic Licensing	\$ 29,377,240	\$ 1,362,443,216
Canadian Licensing	3,384,929	90,712,252
International Licensing	98,616,103	1,778,389,713
Total Licensing	<u>131,378,272</u>	<u>3,231,545,181</u>
Royalty Rate	2.5%	2.5%
ROYALTY EARNED	<u>3,284,457</u>	<u>80,788,630</u>

Licensed	0	1,398,489
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>0</u>	<u>18,600</u>

Licensed Publications:		
Domestic Publications	1,746,558	81,714,055
Canadian Publications	133,155	2,986,748
International Publications	5,735,009	108,201,116
Comic Strip	0	277,746
Total Licensed Publication	<u>7,614,722</u>	<u>193,179,665</u>
Royalty Rate	2.42%	2.42%
ROYALTY EARNED	<u>184,276</u>	<u>4,674,948</u>

Manufactured by Disney:		
Domestic Publications	123,971	100,991,799
International Publications	5,049,428	82,114,029
Total Manufactured Publications	<u>5,173,399</u>	<u>183,105,828</u>
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>68,806</u>	<u>2,435,308</u>

Licensed	0	12,385,580
Royalty Rate	2.50%	2.50%
ROYALTY EARNED	<u>0</u>	<u>309,639</u>

Manufactured by Disney	0	56,445,674
Royalty Rate	1.33%	1.33%
ROYALTY EARNED	<u>0</u>	<u>750,729</u>