

From: Edwards, Don
Sent: Friday, March 03, 2000 6:19 PM
To: Busch, Bill
Cc: Myers, Diana
Subject: FW: Proposed Changes to Talent Payroll

Bill,

How could we?

Presently, with Hulk's and Flair's renegotiated contracts, we are at the \$40.35 million forecast amount we committed to in the 2000 Forecast.

Just figuring the impact of the below on a very high-level basis, the cost of these deals/renegotiations will cost WCW at least \$2.5 to \$3.0 million (on an annualized 12 month basis). (I plan to sit down Monday or Tuesday to complete a detailed estimate).

Per JJ, we are not planning to make any cuts that would offset these additional costs.

This is my initial read. Will get back with you with details later.

Don

-----Original Message-----

From: Dillon, JJ
Sent: Friday, March 03, 2000 5:32 PM
To: Edwards, Don
Cc: Busch, Bill; Juster, Gary ; Myers, Diana
Subject: Proposed Changes to Talent Payroll

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Bill asked me to submit suggested changes to you in order for you to prepare a summary for Bill of the overall financial impact of these changes. We are attempting to be consistent with talent at various levels and to elevate the compensation for talent that are rising through the ranks. With each new contract we are proposing deals with a base that includes additional incentives. Following are my suggested changes upon completing an overall study of all talent that was part of an evaluation process during our off site meeting last weekend:

JEFF JARRETT -

Amend existing agreement and continue base of \$275,000., however, start incentives immediately and continue them from day one for subsequent contract years.

The incentives stay the same: \$2500. per event, \$3000. after 184 events, \$7500. per PPV, however, due the increase we should build in 36 non-paid PR appearances in any contract year.

MARCUS BAGWELL -

Offer a new contract prior to the end of the existing contract which runs out approximately one year from now. The existing base of \$400,000. would be carried over. Incentives would kick in from day one of \$3000. per appearance (\$2000., if late) and \$7500. per PPV (\$5000., if late) with 36 non-paid PR appearances for any contract year. WCW has had an ongoing problem with Bagwell being late. We have addressed the problem, but haven't seen much improvement. This concept will reward or penalize Bagwell when late, depending on how we approach the deal in negotiations. WCW will have a new check-in system up and running by mid-March that includes a device at our security position that will become the basis for determining the exact arrival time. We consider a 30 minute "grace period" from the posted arrival time for talent to be reasonable for "house shows" and 60 minutes for PPV and TV events. One minute later would be considered "late" for purposes of this agreement.

RODDY PIPER -

Restructure the current deal with a \$300,000. one time bonus, in return for which WCW would receive an increase from 6 to 8 PPV dates in each remaining contract year and 70 other dates in each year, an increase from the current 45 dates. There may be other issues, but I have not seen Piper's actual contract. It is apparent that Piper cannot wrestle for

probably ten months following his recent arm surgery. However, WCW is interested in using Roddy in an ongoing interview segment on PPV or TV and possibly in a "manager" capacity for certain talent on sporadic occasions.

THE GREAT MUTA -

We are contemplating a storyline in which Muta would come to the United States to wrestle for six months (hiatus from New Japan Pro-Wrestling) during which time the storyline would play out. WCW may already have a visa in place to permit to work in the U.S.

We would pay Muta at the rate of \$5000. per week, plus cover his expenses, similar to what is provided for our wrestlers that perform in Japan.

HACKSAW JIM DUGGAN -

We can amend the current deal which has an anniversary date of 9/1, or create a new agreement. Duggan's base of \$175,000. would be maintained as compensation for the first 100 dates worked. After that we would pay Jim \$750. bonus per appearance over 100 dates, and give him a bonus of \$1000. per PPV. It would be to Jim's advantage to amend his current deal as the bonus money would probably already apply due to his anniversary date. We could execute a new agreement as of the next anniversary date if it would be advantageous to WCW.

MARK COLEMAN -

New contract to be offered to renowned "shoot fighter" that will be part of our "Knockout Club". He has an existing commitment in Japan in May. WCW would put him under contract prior to his Japan appearance and possibly show him in the audience at one of our TV shows. A two year deal with an option for a third at a base of \$104,000. with cycles and we would immediately pay \$1250. per appearance. Coleman would be an almost instant commodity in Japan and we would have to create some special language to cover our sending him there.

MARK ROBINSON -

Similar deal and circumstances as Coleman. Initially we would offer the same base and probably \$500. per appearance.

BRYAN JOHNSON -

Similar deal as Coleman, but Bryan is currently wrestling some with New Japan. Initially we would offer the same base and \$500. per appearance.

SHAWN STASIAK -

Appeared for a short time with the WWF. We have a full release on file. Two year deal with an option for a third at a base of \$78,000. plus \$500. per appearance with 36 non-paid PR appearances per year.

RAY LLOYD -

Rehire (formerly Glacier) and his primary duties will be as an instructor at the Power Plant. He would work under Omdorff as an independent contractor at a base of \$78,000. In addition Ray would be available to fill in as a wrestler for which WCW would pay an additional \$750. per appearance. We should do two years with cycles, with an option for a third and protect PR appearances.

DAVE TAYLOR -

Same deal at the Power Plant as Ray Lloyd with the same terms.

ROB KNAPIK -

Rehire of Rage of High Voltage. Two years with an option for a third at a base of \$78,000. plus \$500. per appearance with protection for PR dates.

STASIOWSKI -

Rehire of Kenny Kaos of high Voltage. Same deal and terms as Rob Knapik.

STEVE ARMSTRONG -

Rehire at a flat annual rate of \$52,000. to tie up his services.

JOHNNY SWINGER -

He was one of the original Power Plant trainees that asked for a release last year out of frustration with the lack of opportunity for advancement at that time. The creative team still sees potential and we would like an entry level offer of a base of \$52,000. and \$500. per appearance for two years with the option with cycles.

VAN HAMMER -

WCW served notice for the purpose of renegotiating Hammer's contract. We would like a new two year deal with an option at a base of \$78,000. plus \$750. per appearance.

HERMAN STEVENS -

He plays the attorney J. Biggs. WCW would like to give him a two year deal with an option at a base of \$52,000. plus \$500. per appearance and \$750. per PPV. We need to recognize that he is a practicing attorney and may have court dates that might preclude him from making a TV depending on the location of the show. To date these conflicts have been very minimal.

MICKEY HENSEN -

Has been a non-contracted referee on a daily. Mickey is regarded as the senior referee and is Sullivan's assistant at all TV and PPV. WCW would like to give him a two year deal with an option at a base of \$26,000. plus the same \$500. per appearance that he has been receiving and give him TV hotel and car (to be shared with other referees).

MISS HANCOCK -

Originally a "Nitro Girl" that has been moved into a talent role. Two year deal with an option for a base of \$52,000. plus \$500. per appearance and \$750. per PPV with a protection for PR dates.

PAISLEY-

Same situation as Miss Hancock. She is the valet for Prince and the deal would be the same as Hancock with the same terms.

DAFFNEY -

Originally hired by production as an actress. She enjoyed the work and we got a release from the agency. Daffney is with David Flair and Crowbar. Two year deal with an option at a base of \$52,000. and \$500. per appearance and \$750. per PPV plus non-paid PR consistent with our other deals.

NORMAN SMILEY -

Restructure his current deal with the same base of \$120,000., however we would pay \$750. per appearance and start from day one of the next contract year. We should protect 36 PR dates a year and issue a new contract if advisable.

BRAD CAIN -

He is Idol and we would like to amend his current deal to start paying him \$500. per appearance over his current base, except PR.

MIKE HAYNER -

TAFKA Prince and we would like to amend his current deal to pay him \$750. per appearance including from day one for the next contract year, protecting 36 PR days in the contract year.

KANYON -

Amend his current deal to start paying him \$500. per appearance including from day one of the next contract year. Protect 36 PR dates and give him TV hotel and car.

JEFF FARMER -

Amend his current deal to give him a bonus of \$1250. per week for each week we book him in Japan (or if we send him to Japan for a single event we would pay the weekly bonus of \$1250.) or \$500. per event for domestic or foreign events other than Japan. We can issue a new contract if advisable.

CROWBAR -

Amend his current contract to increase his base to \$104,000. and pay him \$500. per event with 36 PR dates protected.

THE WALL -

Same deal and terms as Crowbar.

In summary, the Hulk Hogan deal and Ric Flair deals were approved and are currently being negotiated. Sid was told by Bill that Bill was considering a performance bonus, but no amount or timeframe were mentioned. Sid also has been pushing for WCW to hire a friend, Byron Green as a wrestler at \$150,000., but we looked at Green in Reno and the creative team felt that he was not worthy of a contract to wrestle for WCW. Tony Schiavone and I received approval from Bill to offer Mark Madden an announcer contract at \$150,000. per year and Tony would be able to furnish any details. All of the above deals are subject to discussion, but we must continue to invest wisely in talent for WCW to continue to recover and grow. Thank you.