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Promoter says articles false; PD defends accuracy

By **HARRY STAINER**
and **DON BEAN**

STAFF WRITERS

James H. Foster told a Cuyahoga County Common Pleas jury yesterday that articles in 1984 and 1985 probing the operations of the Budweiser Cleveland Grand Prix auto race were full of falsehoods.

Foster and Charles K. Newcomb, the partners who promoted the race, are suing The Plain Dealer and former PD investigative reporter Gary Webb for \$7.5 million.

A PD lawyer defended the articles as accurate.

Webb is now a reporter at a San Jose, Calif., newspaper. Walt

Bogdanich, another former PD reporter, was also a defendant but was dismissed from the case.

Foster denied that Newcomb and his associates paid themselves close to \$1 million out of race proceeds, which an article stated. He also denied that the promoters made nearly \$100,000 by hiring themselves to sell concessions at the race instead of using local charities as required by an agreement with the city.

Foster said the net proceeds were far less than \$100,000 and that the promoters used people from charities and paid them. He denied that the agreement with the city called for the concessions to be actually turned over to charities.

He also said the promoters leased radios instead of using volunteer ham operators because of convenience and safety in the racing pits. He denied it was an attempt to boost costs and reduce profits in which the city would share.

Foster said he tried to talk to Webb before the series appeared but was rudely rebuffed. He and Newcomb also talked to executive and managing editors before the first article appeared and were told they would be contacted, but were not, Foster said.

Foster said the first article appeared the Sunday before the 1984 race and was very damaging.

In an opening statement Tuesday,

Jerome Kalur, lead lawyer for Newcomb and Foster, denied the city was shortchanged.

The two men were forced out of business because the newspaper wanted to be partners in promoting the race, Kalur said. He said the two men lost sponsors for the race.

"Webb engaged in selective reporting," Kalur said. "He knew ahead of time what he wanted the story to say. He interviewed people for the series of stories not to determine the truth, but to enhance his own standing as an investigative reporter."

Louis A. Colombo, lead lawyer for The PD, in an opening statement yesterday disputed Kalur on each point and said that lawyers,

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through the judicial process of discovery, uncovered more damaging information than Webb did.

Webb's articles "only touched the tip of the iceberg," Colombo said.

"We got the story right," Colombo said. "It was carefully written and edited. There were no damages."

Colombo also said Foster and Newcomb sold the rights to the race at a profit.

The libel suit was filed in June 1985. Kalur and Colombo both noted the time it took to go to trial. Common Pleas Judge Joseph F. McManamon told the jury the time was not wasted and showed jurors stacks of documents before him on motions, the discovery process and pretrial testimony.

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Jury rules against PD in race promoters' suit

By JOHN F. HAGAN
STAFF WRITER

A Cuyahoga County Common Pleas jury yesterday awarded \$13.5 million in a libel case against The Plain Dealer filed by two former promoters of the Budweiser Cleveland Grand Prix, who claimed they were defamed in stories about their financial dealings that appeared beginning July 1, 1984.

An eight-person jury decided in a unanimous verdict in favor of Charles K. Newcomb and James H. Foster, who promoted the race when it was called the Budweiser Cleveland 500.

Alex Machaskee, PD publisher, said the paper would "vigorously" pursue appropriate legal pro-

ings to overturn the verdict."

Newcomb and Foster sat nearly still as the jury's verdict was read by Judge Joseph F. McManamon, who presided over the eight-week trial. Later, they exchanged hugs with their wives and lawyers.

Newcomb and Foster declined comment.

The jury, which deliberated for a day and a half, found against The PD and Gary Webb, who wrote the articles. Webb now works for a San Jose, Calif., newspaper.

The jury awarded Newcomb and Foster's company, C.K. Newcomb and Associates, \$2.2 million in compensatory damages and \$2 million

in punitive damages. It awarded Newcomb \$1.9 million in compensatory damages and \$3.5 million in punitive damages and Foster \$400,000 in compensatory damages and \$3.5 million in punitive damages. Newcomb and Foster had asked the jury for \$16 million.

The jury foreman said in an in-

terview that the facts in the articles did not support the allegations.

"As a result of these articles, two men's reputations were harmed," said the juror, who asked that his name not be used. "As a result, it is the justice system's duty to see that these men were compensated for the injustice done to them. It was obvious and apparent to the whole jury that these articles did defame the reputations of these men."

The PD argued that the stories were accurate.

Webb's stories said Newcomb and Foster had been the main beneficiaries of the auto race. The stories also detailed other financial dealings the partners had with the city.


The articles said the promoters "paid themselves" nearly \$1 million from race proceeds for management fees, salaries, commissions, legal and accounting fees and equipment rental fees in violation of the lease they had with the city.

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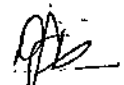
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