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8 IN THE MATTER OF THE ARBITRATION OF

9 MOTLEY CRUE, INC. ("MCI"), ) Case ID: 01-23-0000-6852  
10 Claimant/Counter-Respondent, )  
11 v. ) FINAL AWARD  
12 MICK MARS, ) Hon. Patrick J. Walsh (Ret.)  
13 Respondent/Counter-Claimant. )  
14

15 I, THE UNDERSIGNED ARBITRATOR, having been designated in  
16 accordance with the arbitration agreement entered into between the  
17 above-named parties and having been duly sworn, and having heard the  
18 proofs and allegations of the Parties, hereby AWARDS as follows:

19 In my initial Interim Award (which is attached hereto and  
20 incorporated herein), I held that Mick Mars' decision to stop touring  
21 precluded him from sharing in the band's touring revenues. I also  
22 upheld Nikki Sixx, Tommy Lee, and Vince Neil's decision to terminate  
23 Mars as an officer and director of MCI for "legal cause." Finally, I  
24 concluded that Mars was required to sell his shares of MCI to Sixx,  
25 Lee, and Neil at book value (though I did not make a determination of  
26 book value at that time).

27 In my Second Interim Award, also attached hereto and incorporated  
28 herein, I found that Mars was required to pay back the pro rata

1 portion of the advance he received for shows that he did not perform  
2 in (though the number of shows was not provided at the time of the  
3 Second Interim Award).

4 In this third and Final Award, I now find that the value of Mars'  
5 shares in MCI is \$505,737 based on the opinion proffered by the band's  
6 expert Jeff A. Neumeister. (Mars elected not to submit any evidence  
7 regarding valuation.)

8 I also now find that the total recoupment that Mars owes the band  
9 is \$750,030, based on the fact that the band has performed 69 shows  
10 since Mars left the band and that each show resulted in a recoupment  
11 of \$10,870 per band member. Subtracting the \$505,737 the band owes  
12 Mars for his shares in MCI from the \$750,030 he owes the band for the  
13 recoupment results in a net award of \$244,293 in favor of MCI and  
14 against Mars.

15 These three awards are in full settlement of all claims and  
16 counterclaims submitted to this Arbitration. All claims not expressly  
17 granted therein are hereby denied.

18 IT IS SO ORDERED.

19 DATED: January 13, 2026

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21  
22 HON. PATRICK J. WALSH (Ret.)  
23 Arbitrator  
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28

1 Hon. Patrick J. Walsh (Ret.)  
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8 IN THE MATTER OF THE ARBITRATION OF

9 MOTLEY CRUE, ) Case ID: 01-23-0000-6852  
 )  
10 Claimant/Counter-Respondent, )  
 ) INTERIM AWARD  
11 v. )  
 )  
12 MICK MARS, ) Hon. Patrick J. Walsh (Ret.)  
 )  
13 Respondent/Counter-Claimant. )  
 )  
14

15 I, THE UNDERSIGNED ARBITRATOR, having been designated in  
16 accordance with the arbitration agreement entered into between the  
17 above-named parties and having been duly sworn, and having duly heard  
18 the proofs and allegations of the Parties, hereby AWARDS as follows:

19 I.

20 INTRODUCTION

21 In 2022 Motley Crue lead guitarist Mick Mars informed his  
22 bandmates Nikki Sixx, Tommy Lee, and Vince Neil that he was unable to  
23 perform on tour any longer due primarily to severe pain stemming from  
24 a life-long chronic condition. In response, Sixx, Lee, and Neil  
25 terminated him as an officer and director of Motley Crue Inc. ("MCI")  
26 and refused to pay him 25% of the profits from the remaining tour.  
27 This suit followed. In it, Motley Crue seeks:  
28



1 conjunction with the Shareholder Agreement, the members entered into  
2 employment contracts/service agreements with MCI. Under these two  
3 agreements, the band members agreed to provide their personal services  
4 exclusively to the band. The contracts specifically carved out  
5 services connected with live performances, song writing, and solo  
6 performances. The band created a separate corporation, Motley Crue  
7 Touring, Inc., to manage the band's touring and live concert business.

8 In 1992, Neil left the band. In 1999, Lee left the band. Though  
9 still shareholders in the corporation, neither received any income  
10 generated by the band from touring while they were gone. Both  
11 subsequently returned.

12 In 2005, Mars, Sixx, and Lee created a new corporation, Red,  
13 White & Crue, Inc., which operated the band's touring business.

14 In 2008, at Mars' insistence, Mars, Sixx, and Lee amended the  
15 1987 Shareholder Agreement as follows:

16 In the event that any Shareholder resigns from performing and/or  
17 rendering services in MC ("Resigning Shareholder") he shall not  
18 be permitted to continue to use the [band's] Trademarks for any  
19 purpose whatsoever and the use of all Trademarks shall continue  
20 to be used by the remaining members of MC provided they are  
21 performing together as "Motley Crue."

22 . . .

23 Notwithstanding anything contained herein to the contrary, in no  
24 event shall any Resigning Shareholder be entitled to receive any  
25 monies attributable to any live performances (i.e., tours).

26 As Sixx made clear in his testimony, Mars proposed this amendment  
27 because he was concerned that Neil and/or Lee would again choose to  
28

1 leave the band and he wanted it to be clear to all that anyone who  
2 left would not share in revenue from touring.

3 In 2014, as the band prepared for its final tour, the band  
4 members entered into a contract that would ostensibly prevent them  
5 from touring again. Part promotion, part business agreement, this  
6 "Cessation of Touring Agreement" provided that they would not use the  
7 name Motley Crue in connection with any live performances after the  
8 final tour unless the four band members unanimously agreed to do so in  
9 writing. The band successfully completed that final tour in 2015.

10 In 2019, the band was approached by Live Nation with a lucrative  
11 offer to go back on the road again and tour. All four members agreed  
12 to accept the deal and entered into a contract with Live Nation to  
13 perform 12 dates in the U.S. Each also signed a personal services  
14 contract with Live Nation and were paid an advance. In connection  
15 with announcing the new tour, the band released a video, showing the  
16 Cessation Agreement being blown up.

17 The Live Nation tour was delayed due to COVID. But, in 2022, the  
18 band again agreed to go out on the road for the Live Nation tour and  
19 signed a new contract with Live Nation, this time for 150 shows. Each  
20 member also signed a separate personal services contract.

21 The first portion of the Live Nation tour, dubbed the "Stadium  
22 Tour," consisted of 36 shows. Prior to the start of the Stadium Tour,  
23 in June 2022, Mars realized that he would not be able to perform in  
24 all 150 scheduled Live Nation concerts due to the pain he was  
25 suffering from Ankylosing Spondylitis ("AS") and informed the band  
26 that he would not be performing with the band after the Stadium Tour.  
27 According to Mars, he made it clear that he was not retiring from the  
28 band and would be available for recording sessions, residencies, "one-

1 offs," promotions, and other band-related activities. According to  
2 Motley Crue, the message they received from Mars and his counsel was  
3 that he would no longer perform any services for the band.

4 Mars shared with the band's manager Allen Kovac that he was  
5 concerned that his failure to complete the tour would render him in  
6 breach of the contract he had signed with Live Nation. With Kovac's  
7 help, Mars negotiated a deal with Live Nation that allowed him to be  
8 replaced if he was unable to perform.

9 Mars performed in 36 shows between June 16, 2022 and September 9,  
10 2022. During these shows, the other band members as well as the  
11 band's technicians and other staff noticed that Mars' playing was off.  
12 At times, he would forget what song he was playing, play the wrong  
13 song, or play the right song but the wrong part of the song. This  
14 caused concern among the band's members and the band's management.  
15 Their solution was to have sound engineer Brent Carpenter closely  
16 monitor Mars' guitar playing during the show and, when he strayed,  
17 turn the volume on Mars' guitar down and the volume on a pre-recorded  
18 track up. At the merits hearing, Motley Crue played a number of  
19 excerpts from various concerts in which it was plain even to the  
20 untrained ear that Mars' guitar playing was off.

21 After the Stadium Tour was over, Mars repeatedly stated in and  
22 out of the press that he was retiring because he could no longer  
23 handle the rigors of the road. With Mars' concurrence, at a  
24 subsequent MCI board meeting on November 4, 2022, the band voted to  
25 replace Mars with guitarist John 5. At that same board meeting, over  
26 the objections of Mars and his lawyer, who was present, Sixx, Lee, and  
27 Neil (by proxy) "accepted" Mars' "resignation" from the band and voted  
28 to terminate him as an officer and director of MCI. They based this

1 decision on their finding that Mars had engaged in conduct constitu-  
2 ting "legal cause" for termination under the Shareholder Agreement,  
3 citing the fact that Mars: (1) was unable to perform with the band  
4 because his guitar playing had deteriorated; (2) had quit the band;  
5 and (3) was requesting to be paid for touring even though he was not  
6 touring, in violation of the 2008 Amendment to the Shareholder  
7 Agreement.

8 As a result, Mars has not received any money from live  
9 performances since he stopped touring and his revenue share from the  
10 sale of merchandise using his name, likeness, or image has been  
11 reduced from 25% to 12.5%.

### 12 III.

#### 13 ANALYSIS

#### 14 1. Mars' Decision to Stop Performing on Tour Made Him a "Resigning 15 Shareholder" Under the 2008 Amendment to the 1987 Agreement and 16 Barred Him From Receiving Tour Money

17 The parties' dispute is grounded in the interpretation of three  
18 or four contracts of the more than twenty that they entered into over  
19 the years.<sup>1</sup> In resolving this dispute, I seek to give effect to the  
20 intention of the parties, *State v. Cont'l Ins. Co.* (2012) 55 Cal. 4th  
21 186, 195, to arrive at an interpretation that is "lawful, operative,  
22 definite, [and] reasonable." Cal. Civ. Code Section 1643. In doing  
23 so, I take into consideration, among other things, the course of

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25 <sup>1</sup> These include the 1987 Shareholder Agreement; the individual  
26 personal services agreements that were executed in tandem with it; the  
27 1987 touring contract; the 2005 touring contract; the 2008 Amendment  
28 to the 1987 Agreement; the 2014 Cessation Agreement; the 2019 Live  
Nation contract; the personal service contracts signed in connection  
with it; the 2022 Live Nation contract; the personal service contracts  
that were signed in connection with that contract; and the 2022, Red,  
White and Crue touring contract.



1 dealings between the parties over the years. *Dillingham-Ray Wilson v.*  
2 *City of Los Angeles* (Cal. Ct. App. 2010) 182 Cal. App. 4th 1396, 1404.

3 The 1987 Shareholder Agreement established that each of the four  
4 band members were equal members of the band and entitled to equal  
5 shares of the profits of the band. The 2008 Amendment to that  
6 contract provided that if a band member "resigned" from performing  
7 live shows he was not entitled to receive any money from the live  
8 shows. In September 2022, on his own volition, Mars stopped  
9 performing live shows. As a result, he is not entitled to any money  
10 from the live shows.

11 Mars disagrees. He proffers a series of legal, factual, and  
12 equitable arguments why he is still entitled to share in the profits  
13 from the live shows even though he no longer performs in them. For  
14 the reasons set forth below, these arguments are rejected.

15 Mars points to what he believes are a number of technical  
16 problems/deficiencies with the 1987 Shareholder Agreement and the 2008  
17 Amendment to that agreement and the band's reliance on them. He  
18 notes, for example, that the 1987 Shareholder Agreement was created  
19 solely for the purpose of vesting the Motley Crue trademark in MCI so  
20 that the company could control it and that touring was intentionally  
21 left out of that agreement. He contends that, since the 1987  
22 agreement did not touch upon touring, the 2008 amendment to that  
23 contract could not address touring, either. He argues that the band's  
24 reliance on the 1987 contract and the 2008 Amendment are misplaced  
25 because there are at least eight separate entities that were created  
26 in connection with the band and its touring contracts over the years,  
27 none of which takes precedence over the others.

1 To the extent that the band members and the entities that they  
2 owned and controlled to operate this business were mixed and matched  
3 and mashed throughout the life of the band does not undermine the  
4 actions the band members took in regard to operating the business or  
5 terminating Mars. Mars himself did not honor the corporate  
6 formalities in his interactions with the band and the corporate  
7 entities that were formed to conduct the band's business. This is  
8 evidenced by the fact that Mars and his lawyer were present at the MCI  
9 shareholders' meeting in November 2022 when the band members/officers  
10 and directors, including Mars, voted to replace Mars on the tour with  
11 John 5. Obviously, this vote had solely to do with touring, which, as  
12 Mars points out, is not addressed in the Shareholder Agreement and,  
13 therefore, in Mars' view, had nothing to do with MCI. This undermines  
14 Mars' arguments that the band's failure to honor the corporate form is  
15 fatal to their arguments herein.

16 Mars argues that he never resigned from the band but merely  
17 retired from touring. Even were I to accept this explanation, it  
18 would not alter the outcome. By all accounts, the point of the 2008  
19 Amendment was to codify the band members' agreement that, if you do  
20 not perform on tour, you do not get paid for touring, whatever the  
21 reason. The fact that a band member stops performing because he  
22 retires, as opposed to resigns, does not change the ultimate fact that  
23 he stops getting up on stage and performing, which is a prerequisite  
24 to being paid.

25 Mars contends that he was available for "one-offs" and/or  
26 residencies. But, as the evidence established, there were no  
27 residencies or one-offs in the fall of 2022 when the other band  
28 members voted him out. More importantly, as was clear from the

1 evidence, even if there had been, it is not reasonable to assume that  
2 Mars could have simply parachuted onto the stage and resumed his role  
3 as lead guitarist for the band after a lengthy period off the road.  
4 The band members, including Mars, explained that the band does not  
5 simply go on stage and improvise. The band members practice/rehearse  
6 together for months prior to a tour and then play together on stage as  
7 a band for dozens and dozens of shows over the course of a year or  
8 two. Mars' suggestion that, even though he would not have  
9 participated in any of that for an extended period of time, he could  
10 have simply rejoined the band and taken up where he left off makes no  
11 sense. This is particularly true based on the fact that, even after  
12 rehearsing for months and playing dozens of shows, Mars still at times  
13 had difficulty playing the right songs at the right times.

14 Mars points to his willingness to write songs and collaborate  
15 with the band as a reason for finding that his decision to stop  
16 touring was not tantamount to retiring from the band. But song  
17 writing was specifically carved out of the 1987 contract and was not  
18 addressed in the other contracts at issue here. As to his proposal  
19 that he could continue to collaborate, the contract defines a  
20 "resigning shareholder" as a band member who resigns from performing  
21 *and/or* rendering services. Thus, even assuming that Mars was willing  
22 to continue to collaborate, his decision to resign from performing  
23 rendered him a resigning shareholder and barred him from being paid.

24 Mars argues that the 2008 Amendment expired by its own terms  
25 because there was a clause within the amendment that provided that the  
26 members would render services to the band "on a non-exclusive, first  
27 priority basis" for three album cycles, which was suggested is in the  
28 neighborhood of five to ten years. In Mars' view, this means that,

1 once those three album cycles were completed, the contract dissolved  
2 by its own accord. This argument is rejected for two reasons. First,  
3 the contract does not state that it was ending after three cycles and  
4 the fact that it provided for non-exclusive services for three albums  
5 does not imply that it ended on its own accord after they were  
6 finished. The fact that the band members would no longer have to give  
7 first priority to the band after the third album cycle does not mean  
8 that they no longer had any obligations to the band. Second, even if  
9 it did and the ending date was the completion of the three album  
10 cycles, band manager Kovac testified that the three album cycles have  
11 still not been completed.

12 Mars argues that the 2014 Cessation Agreement superseded the 2008  
13 Amendment. This argument, too, is rejected. First, the 2014  
14 Agreement does not refer to the 2008 Amendment at all. It makes no  
15 sense that the parties intended to replace the 2008 contract with the  
16 2014 contract but chose not to say so. Further, none of the band  
17 members testified that they thought that the Cessation Agreement was  
18 intended to alter or replace the 2008 Amendment. Finally, the terms  
19 of the Cessation Agreement cannot reasonably be construed to supersede  
20 the 2008 Amendment because the 2014 Cessation Agreement addressed only  
21 the band's agreement not to tour when the farewell tour was over. It  
22 did not address a situation such as here, where the band did, in fact,  
23 agree to tour, again.<sup>2</sup>

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25 <sup>2</sup> Mars also contends that the 2014 Cessation Agreement is still  
26 in effect and the band's public relations campaign to "blow it up" did  
27 not alter the contract. I agree that the band's video depicting them  
28 symbolically blowing up the contract was insufficient to void it but I  
find that the band members' actions and words, including signing  
contracts with Live Nation to tour, performing dozens of shows on  
tour, and accepting millions of dollars in exchange for those

1 In the end, I find that Mars' legal arguments addressed above  
2 (and the numerous others contained in Mars' briefing that I am  
3 rejecting *sub silentio*) are not persuasive. Mars was the architect of  
4 the 2008 Amendment and that agreement encompassed his design, i.e.,  
5 that band members who did not tour did not get paid. All four  
6 understood that that was the purpose of the 2008 Amendment. By  
7 applying the most reasonable interpretation to the language of that  
8 agreement I am simply giving effect to the parties' mutual intention  
9 in entering into it. See *Cont'l Ins. Co.* 55 Cal. 4th at 195; and Cal.  
10 Civ. Code Section 1643.

11 This finding is further supported by the course of dealing  
12 between the parties. See *Dillingham-Ray Wilson*, 182 Cal. App. 4th at  
13 1404. Throughout the many decades that this band was together, the  
14 band did not pay members for touring unless they toured. It is  
15 completely consistent with that course of dealing that Mars is barred  
16 from touring revenues when he does not tour.

17 The equities, too, lean in favor of the band. As the band  
18 members, including Mars, testified, being out on the road can be,  
19 among other things, rigorous, monotonous, and onerous. It requires  
20 them to be separated from their family and friends for long stretches  
21 of time and sleep in a bed not their own night after night. In fact,  
22 these are some of the very reasons why Mars elected to stop touring.  
23 It seems inequitable that three members of a band would be subjected  
24 to the hardships of the road yet all four would share in the spoils.

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26  
27 performances, is. I further find that, once the band members tacitly  
28 agreed to void the Cessation Agreement and start touring again, the  
Cessation Agreement was no longer operative and none of the band  
members could rely on it to veto any subsequent shows.

1 Mars proffered uncontroverted testimony that other rock bands,  
2 like Earth, Wind & Fire and The Beach Boys, have provided for their  
3 founding/legacy members even after they stopped performing with the  
4 band. I do not doubt that that is true and, had the parties agreed to  
5 such an arrangement, whether formally or informally, I certainly would  
6 have upheld it. But they did not. And I am not at liberty to simply  
7 create such an arrangement out of whole cloth.<sup>3</sup>

8 Mars argues that it is immoral for him to be cast aside after  
9 forming the backbone of this group for more than four decades merely  
10 because his age and AS symptoms precluded him from performing. I am  
11 not unsympathetic to this argument but it is not for me in the context  
12 of this arbitration to weigh in on the morality of the band's  
13 decision. To be clear, I am not suggesting that what the band did was  
14 immoral; I am merely saying that morality is not a justiciable issue  
15 and, therefore, I am not empowered to address it.

16 In the end, I find that the contracts, the law, and the equities  
17 lead to the conclusion that band members who stop touring are not  
18 entitled to share in the proceeds from touring. Mars voluntarily  
19 stopped touring and, as a result, he is not entitled to share in the  
20 tour proceeds.<sup>4</sup>

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24 <sup>3</sup> There was evidence throughout these proceedings that the band  
25 had offered to pay Mars 5% of the touring revenues after he stopped  
26 touring but Mars rejected that offer. I have not focused on those  
27 discussions because I believe that they were in the context of  
settlement negotiations.

28 <sup>4</sup> The 2008 Amendment further provided that resigning  
shareholders were only entitled to one-half of their 25% share in  
merchandise sales, which applies to Mars as a resigning shareholder.

1 2. Respondent Was Properly Terminated As a Director and Officer of  
2 MCI

3 At a November 2022 shareholder meeting, Sixx, Lee, and Neil (by  
4 proxy) voted to terminate Mars as an officer and director of MCI  
5 pursuant to Section 1(g) of the 1987 Shareholder Agreement, which  
6 authorizes termination for "conduct constituting legal cause." In a  
7 January 2023 resolution, they explained the basis for their decision:

- 8 1. Mars was unable to perform with the band because his  
9 guitar playing had deteriorated;
- 10 2. Mars had quit the band; and
- 11 3. Mars was requesting to be paid for touring even though  
12 he was not touring, in violation of the 2008 amendment  
13 to the 1987 shareholder agreement.<sup>5</sup>

14 Mars argues that the alleged inability to play the guitar does  
15 not constitute "conduct constituting legal cause" for termination, and  
16 especially not cause for termination as an officer and director of the  
17 corporation. He contends that his allegedly poor guitar playing could  
18 not really be the reason for his termination because his playing had  
19 not changed over the years and his bandmates had never tried to remove  
20 him before. Mars claims that, even during the stadium tour, none of  
21 the other band members suggested that he should be terminated for not  
22 playing well. In Mars' view, the decision to terminate him was driven  
23  
24

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25 <sup>5</sup> Motley Crue points to a number of other justifications  
26 supporting the band's decision to terminate Mars, including the fact  
27 that he falsely claimed in a pleading that Sixx had not played live  
28 during the Stadium Tour and that he routinely disparaged other members  
of the band when they were on tour together. I have not considered  
these other bases for termination as they were not considered by the  
band members in rendering their votes in November 2022.

1 solely by greed in that the others wanted his share of the concert  
2 revenues.

3 As with any company, the decision of officers/directors Sixx,  
4 Lee, and Neil to terminate Mars is entitled to deference. See *Berg &*  
5 *Berg Enters., LLC v. Boyle* (Cal. Ct. App. 2009) 178 Cal. App. 4th  
6 1020, 1048 (describing the judicial policy of deference "to the  
7 exercise of good faith business judgment in management decisions").  
8 This is equally true in the context of this case, where the  
9 corporation consists of members of a rock band who make their living  
10 performing together live on stage.

11 The testimony established that they terminated Mars because they  
12 believed that his guitar playing had so deteriorated that they had to  
13 make provisions to cover for his mistakes when he strayed during  
14 concerts. They also believed that he had quit the band. And they  
15 understood that he wanted an equal share of the proceeds from touring  
16 despite the fact that he was no longer touring. Even were I convinced  
17 that the evidence was to the contrary--which I am not--I would still  
18 uphold their decision to terminate Mars as an officer and director  
19 because their decision cannot be overturned simply because it was  
20 based on faulty findings. Under the contract, they had the power to  
21 define "conduct constituting legal cause" and to determine whether  
22 Mars' conduct fit within that definition. They did so and their  
23 decision to terminate Mars as a result was a proper exercise of that  
24 power.<sup>6</sup>

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25  
26 <sup>6</sup> I can conceive of a situation where I would not grant  
27 deference to officers and directors of a corporation who exercised  
28 their power to terminate another officer or director, for example,  
where a director/officer was terminated due solely to her race or  
gender. Such a termination would be against public policy and would  
not be countenanced. But that is not what occurred here.



1       3.   Claimant is Entitled to Specific Performance but Mars Will  
2       Be Given the Opportunity to Provide Evidence Regarding  
3       Valuation

4       Under Section 1(g) of the Shareholder Agreement:

5       [T]he terminated Shareholder agrees to sell to the other  
6       Shareholders, and the other Shareholders agree to purchase ...  
7       the shares of MC then owned by such terminated Shareholders at a  
8       purchase price determined and upon terms as set forth in Section  
9       7 hereof.

10       Section 13(j) of the Shareholder Agreement provides that the  
11       “parties agree that in addition to all other rights and remedies  
12       available at law or in equity, the parties shall be entitled to obtain  
13       specific performance of the obligations of each party to this  
14       Agreement[.]” Thus, under the agreement, since Mars has been  
15       terminated, he is required to sell his shares to the other members of  
16       Motley Crue and they are entitled to specific performance.

17       Motley Crue argues that I should set the price based on the  
18       testimony of its valuation expert, which was, essentially,  
19       uncontroverted because Mars did not present valuation testimony of his  
20       own. Mars proffers that valuation is beyond the scope of these  
21       proceedings because, in its pleadings, Motley Crue merely requested  
22       declaratory relief in the form of a ruling that Mars had to sell his  
23       shares and did not seek a ruling on the fair market price of those  
24       shares. He asks that in the interests of fairness I allow him to  
25       present evidence on that issue now. He also contends that I should  
26       not weigh in on whether Mars is required to pay back any of the  
27       advance he received from Live Nation but that if I am so inclined I  
28       should rule that he is not.

1 Motley Crue counters that it produced its expert's valuation in  
2 October 2023, clearly putting Mars on notice that valuation was in  
3 issue and giving Mars sufficient time to retain an expert to counter  
4 the testimony.

5 I am siding with Mars on this issue. I accept his counsel's  
6 representation that he did not believe that valuation was on the table  
7 and agree that there is some ambiguity in the demand. In the interest  
8 of fairness, I will allow him to present evidence on valuation. I  
9 will do so in tandem with the issue of reimbursement for the advance  
10 from Live Nation. Whether or not the pleadings properly signaled that  
11 valuation was in issue, it is now clear to both sides that it is and  
12 it would be a disservice not to rule on the issue and, instead, tee it  
13 up for what would clearly be the next lawsuit between the parties. As  
14 such, I am designating this decision as an interim award and will  
15 address valuation/reimbursement in future proceedings.

16 4. Mars' Counterclaims Are Without Merit

17 Mars initially raised several counterclaims in this suit, most of  
18 which were mirror images of Motley Crue's and others that he has  
19 apparently abandoned. For the reasons set forth herein, Mars'  
20 counterclaims are denied.

21 IV.

22 CONCLUSION

23 Mars' decision to stop touring precludes him from receiving  
24 revenues from touring. The decision by Sixx, Lee, and Neil to  
25 terminate him as an officer and director for legal cause is entitled  
26 to deference. Finally, Mars is ordered to sell his shares to Sixx,  
27 Lee, and Neil for book value, which will be determined in future  
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1 proceedings, as will the issue of whether he is required to pay back a  
2 portion of the advance he received for the Live Nation tour.

3 IT IS SO ORDERED.

4 DATED: February 27, 2025

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7 HON. PATRICK J. WALSH (Ret.)  
8 Arbitrator  
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IN THE MATTER OF THE ARBITRATION OF

MOTLEY CRUE, ) Case ID: 01-23-0000-6852  
 )  
 Claimant/Counter-Respondent, )  
 ) SECOND INTERIM AWARD  
 v. )  
 )  
 MICK MARS, ) Hon. Patrick J. Walsh (Ret.)  
 )  
 Respondent/Counter-Claimant. )

I, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into between the above-named parties and having been duly sworn, and having duly heard the proofs and allegations of the Parties, hereby AWARDS as follows:

I.

# INTRODUCTION

In a prior decision, I found that Motley Crue's former lead guitarist Mick Mars was not entitled to receive tour revenues after he was forced to stop touring due to a medical condition. The parties now seek a ruling on whether Mars is required to return a portion of the advance that he received for the band's Live Nation tour for concerts in which he did not perform. For the reasons set forth below, I find that he is. Mars is required to repay that portion of

1 the \$1,108,696 remaining that is due and owing as of the date of this  
2 decision.

3 II.

4 SUMMARY OF FACTS

5 In 2019, Motley Crue was approached by Live Nation with a  
6 lucrative offer to go back on the road and tour. All four members of  
7 the band agreed to accept the deal. That same year, the band's  
8 company, Red, White & Crue, Inc. ("RWC"), signed a contract with Live  
9 Nation for 150 shows. That number was later reduced to 138 shows  
10 under a 2022 agreement.<sup>1</sup> The contract included a \$7,000,000 advance.  
11 (Exh. 33, 2022 Live Nation Contract, para. 4(b)(I).) All four members  
12 of the band signed personal guarantees that were incorporated into the  
13 contract, promising to perform on the tour or pay back the advance if  
14 they didn't:

15 I hereby irrevocably, unconditionally and without any  
16 limitation or qualification whatsoever, except as provided  
17 herein, guarantee to Live Nation the prompt and complete  
18 payment and performance when due of all of Company's  
19 agreements and obligations under the Tour Agreement (the  
20 'Obligations'), including without limitation, the re-payment  
21 to Live Nation of any portion of the Initial Advance [\$7  
22 million tour advance] required thereunder.

23 (See Exh. 46, Mars' Guarantee.)

24 Live Nation advanced \$7,000,000 to RWC, which RWC treated as a  
25 loan from Live Nation. RWC executed a promissory note in favor of  
26

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27 <sup>1</sup> Due to COVID, the tour was postponed. In 2022, RWC and Live  
28 Nation entered into a new agreement for 138 shows. The agreement  
included the same recoupment provision from the 2019 contract. (Exh.  
33.)

1 Live Nation for the \$7,000,000, agreeing to pay back the tour advance  
2 if the band did not complete the tour. RWC then advanced \$6,000,000  
3 of the \$7,000,000 to the band members, \$1,500,000 each. The band  
4 members, including Mars, understood that the money was an advance that  
5 would be recouped pro rata during the tour. As Mars testified at the  
6 hearing:

7 Q. Okay. You received a \$1.5 million advance in connection  
8 with the Live Nation agreement?

9 A. Yes.

10 Q. And you understood that that amount needed to be  
11 recouped; right?

12 A. Yes.

13 Q. And I asked you in your deposition if you understood what  
14 recoupment was, and you said "yes." Do you still understand  
15 what recoupment is?

16 A. Yes.

17 Q. Okay. And you understood, sir, that you had to perform  
18 each show to fully recoup the advance; right?

19 A. Yes.

20 (Hearing Transcript at 937:18-938:2.)

21 The tour was set to begin in the summer of 2022. Prior to the  
22 start of the tour, Mars shared with the band's manager Allen Kovac  
23 that he was experiencing severe complications from his Ankylosing  
24 Spondylitis and did not know if he would be able to perform all 138  
25 concerts on the schedule. Mars was concerned that his failure to  
26 complete the tour would render him in breach of the contract he had  
27 signed with Live Nation and subject him to liability for failing to  
28

1 perform. With Kovac's help, Mars negotiated a deal with Live Nation  
2 that allowed him to be replaced if he was unable to perform.

3 From June to September 2022, the band performed the first 36  
4 shows of what the parties have referred to as the "Stadium Tour."  
5 Mars performed in every one of those shows. At the end of the Stadium  
6 Tour, Mars made it clear that he would not be able to perform in the  
7 remainder of the shows.

8 In response, on November 4, 2022, Motley Crue, Inc. ("MCI") held  
9 a board meeting in which Mars and his lawyer were present. (Mars,  
10 Nikki Sixx, Tommy Lee, and Vince Neil were the officers, directors,  
11 and shareholders of MCI.) With Mars' concurrence, the band voted to  
12 replace Mars with guitarist John 5. At that same board meeting, over  
13 the objections of Mars and his lawyer, Sixx, Lee, and Neil (by proxy)  
14 "accepted" Mars' "resignation" from the band and voted to terminate  
15 him as an officer and director of MCI. (Mars' termination did not  
16 become effective until January 25, 2023. The delay was due to the  
17 parties seeking to work out a deal to resolve their differences.)

18 On May 8, 2023, Nu Crue, Inc. was created to replace RWC. On  
19 June 22, 2023, RWC assigned "its rights and interests in and to, and  
20 obligations arising under the Touring Agreement, to Nu Crue, Inc."  
21 That agreement was conditioned on Live Nation consenting to the  
22 assignment. On August 31, 2023, Live Nation consented. (Exh. 106.)  
23 On September 23, 2023, RWC and Nu Crue entered into an amendment to  
24 the assignment, backdating it to January 25, 2023.

25 At some point, RWC assigned Mars' obligation to repay the advance  
26 to MCI:

27 [A]ll remaining indebtedness of Mars that arose under, pursuant  
28 to, or is otherwise related to the Touring Agreement, which was

1 not previously assigned to Nu Crue. Specifically, RWC assigns to  
2 MCI Mars' portion of the unrecouped \$7 million advance that the  
3 band received from Live Nation in 2019, which equates to payable  
4 amount of \$1,108,696.00 currently due and owing by Mars to RWC,  
5 to the Live Nation touring agreement to Nu Crue.

6 The assignment was dated January 25, 2023, but Mars contends that  
7 it was actually executed no earlier than August 2023 and was  
8 backdated. (MCI does not dispute that the assignment was backdated  
9 but does not say when the assignment was actually executed.)

### 10 11 III.

#### 12 ANALYSIS

13 The \$1,500,000 tour advance that Mars received from RWC in 2019  
14 was exactly that, an advance. It was not a payment for services. It  
15 was not a gift. It was not an honorarium. It was an advance. And  
16 Mars knew it and knew that he had to pay it back through recoupment or  
17 through payment. In fact, he twice signed a guarantee acknowledging  
18 that fact. Mars's failure to perform all of the shows triggered his  
19 obligation to pay back the advance. For that reason, he is required  
20 to repay the unearned portion of the advance.

21 Mars disagrees. He introduces a series of legal and equitable  
22 arguments as to why he believes that he should not have to pay it  
23 back. He argues that the payment was not an advance but was  
24 consideration for his agreement to go on tour and was earned when he  
25 signed off on the deal. This argument is not persuasive. If the  
26 \$1,500,000 had been earned when he signed onto the tour there would  
27 have been no requirement of recoupment. Nor would there have been any  
28 need for him to twice guarantee his performance on the tour or his



1 payback of the advance. Nor would RWC have had to sign a note  
2 promising to pay back the advance if Mars and the others had not  
3 completed the tour.

4 Mars notes that RWC never required him to sign a promise to repay  
5 the advance when it advanced him the \$1,500,000. And he points out  
6 that the guarantee he did sign was with Live Nation, not RWC. In his  
7 view, that means that he doesn't owe RWC (or MCI) anything.<sup>2</sup>

8 This argument is rejected. The fact that there is no written  
9 agreement between Mars and RWC--of which he was one of four officers,  
10 directors, and shareholders when the Live Nation deal was inked and  
11 when he received the advance--does not mean that he doesn't have to  
12 pay it back. There is no dispute that RWC advanced him the money and  
13 that that advance was based on a mutual understanding that it was an  
14 advance and that he would have to pay it back if he didn't complete  
15 the tour. By accepting the advance under the terms of the Live Nation  
16 deal he also accepted the obligation to pay it back.

17 MCI notes that RWC booked the advance as a loan to Mars and  
18 argues that that is proof that it was a loan. Mars complains that he  
19 never saw the books and, even if he did, he contends that the fact  
20 that RWC booked the advance as a loan does not create an obligation on  
21 his part to repay it. I agree with Mars that RWC did not create an  
22 obligation on Mars' part to repay it simply by booking the advance as  
23 a loan. But that is not why I am finding that Mars has to repay the  
24 advance. I am finding that Mars has to repay it because that is what  
25 he agreed to do when he accepted the advance. At the time, everyone  
26 involved--Mars, his bandmates, everyone at RWC, and everyone at Live  
27

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28 <sup>2</sup> Presumably, under this theory, he wouldn't owe Live Nation  
anything, either, because RWC paid him the advance, not Live Nation.

1 Nation--knew that the \$7,000,000 advanced to RWC, \$1,500,000 of which  
2 was then advanced from RWC to Mars, was an advance that had to be paid  
3 back through recoupment by the band's performances or repayment if  
4 they failed to perform.

5 Mars notes that MCI was not a party to the Live Nation tour  
6 contract and played no role in receiving or distributing the advance.  
7 This is true. But RWC assigned its rights to MCI to collect the  
8 advance from Mars and the others, which is perfectly legal and  
9 enforceable.

10 Mars argues that the RWC-MCI assignment was infirm because MCI  
11 did not pay consideration for the assignment. MCI disagrees. It  
12 notes that it took on the burden of collecting the advance from Mars  
13 and the risk it would not be paid and argues that this is  
14 consideration under state law, citing, among others, 1 Witkin, Summary  
15 of Cal. Law, Contracts § 209 (11<sup>th</sup> ed. 2025).

16 I might be more receptive to Mars' argument regarding the lack of  
17 consideration if it were being made by RWC. But I don't find it all  
18 persuasive coming from Mars, who is now seeking to use it as both a  
19 sword and a shield to defend against MCI's efforts to collect the  
20 advance that Mars promised to repay. RWC assigned its rights to  
21 repayment to MCI and MCI seeks to enforce those rights. RWC is not  
22 objecting and, of course, MCI is not, either. For these reasons, this  
23 argument is rejected.

24 Mars complains that RWC backdated the assignment to MCI. He  
25 contends that this is another reason why MCI's claims should fail.  
26 MCI responds that there is nothing per se wrong with backdating an  
27 assignment and no harm to Mars resulted. I agree with Mars that it  
28 appears that the assignment was backdated from August or September of

1 2023 to January of 2023. But the law does not prohibit parties from  
2 backdating an agreement unless it was done for an improper purpose  
3 and/or there is a showing of prejudice. Mars has not established  
4 either.

5 Here, again, Mars disagrees. He claims the backdating is  
6 significant here because, by the time RWC assigned its rights to MCI,  
7 it had already assigned all of its interests in the Live Nation tour  
8 to Nu Crue. Thus, it had nothing left to assign to MCI.

9 MCI disputes this claim. It points out that RWC only assigned  
10 its rights to the Live Nation tour and argues that that did not  
11 include RWC's advance to Mars or Mars' obligation to repay the  
12 advance.

13 MCI has the better argument, here. When RWC transferred its  
14 rights and obligations under the Live Nation contract to Nu Crue, it  
15 was not transferring Mars' obligation to repay RWC the advance. As  
16 such, it did not transfer the right to collect from Mars to Nu Crue  
17 and still possessed that right when it assigned it to MCI in 2023 and  
18 backdated it to January 2023.<sup>3</sup>

19 Mars makes a series of equitable arguments that he believes  
20 compel a finding that he should not have to repay the advance. He  
21 points out that the Live Nation tour has generated tens of millions of  
22 dollars for the band and that Sixx, Lee, and Neil are already  
23 realizing a windfall because the profit generated from the tour is now  
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25 <sup>3</sup> Mars' argument that when RWC transferred its rights and  
26 obligations under the Live Nation tour to Nu Crue it transferred its  
27 rights to recover Mars' advance--since that was part of the Live  
28 Nation tour deal--undermines Mars' argument that he shouldn't have to  
pay RWC back because the advance from RWC was not part of the Live  
Nation deal nor was it encompassed in his guarantee to pay Live Nation  
back.

1 being split three ways instead of four. This is true. Sixx, Lee, and  
2 Neil stand to gain greater profits from the tour because Mars is no  
3 longer splitting the money with them. But that is not a compelling  
4 reason to release Mars from his obligation to repay the advance he  
5 received and promised to repay.

6 Mars notes the maxim that equity forbids a forfeiture. He  
7 contends that to require him to repay the advance would amount to a  
8 forfeiture. He notes, too, that RWC assigned its right to collect the  
9 advance from Mars only after the Superior Court ruled that RWC was not  
10 subject to arbitration. He points out that RWC then "covertly"  
11 manipulated the date of the assignment. His argument, it seems, seeks  
12 to wrap an unclean hands defense around his forfeiture defense.

13 I don't see the equities the way that Mars does. Requiring him  
14 to pay back an advance that he promised to pay back is not  
15 inequitable. The fact that RWC backdated its assignment is not a  
16 reason to reach a different result.

17 Mars argues that it is inequitable to require him to repay the  
18 band for concerts that he missed when the band did not require Tommy  
19 Lee to repay the band when he failed to perform due to a rib injury.  
20 The evidence undermines this argument. Though Lee did suffer a rib  
21 injury and was not able to perform the entire show at times, he still  
22 performed at all of the shows and used a replacement drummer only when  
23 the pain prevented him from completing the entire show.

24 Mars points out that not all of the recoupment is due because not  
25 all of the tour dates have arrived. Mars is right. The tour is not  
26 over and, therefore, the total payment is not due. Were Mars required  
27 to pay now for future shows he could, conceivably, be required to pay  
28 twice if the band didn't finish the tour and Live Nation sought to

1 enforce his guarantee. Mars will not be required to pay the  
2 recoupment for future shows because repayment is not due yet.

3 IV.

4 CONCLUSION

5 Mars was given a \$1,500,000 advance in exchange for his agreement  
6 to perform 138 shows. He understood when he received the advance that  
7 it was an advance and that he had to pay it back if he stopped  
8 touring. Mars stopped touring. Therefore, he must pay it back. Mars  
9 is ordered to pay to MCI the pro rata rate for the shows he missed  
10 between September 2021 and today. He is not required to pay for shows  
11 that have not taken place.

12 IT IS SO ORDERED.

13 DATED: December 20, 2025

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16 HON. PATRICK J. WALSH (Ret.)  
17 Arbitrator  
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