

Fired Activision execs in games deal with rival EA

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(AP) -- Two studio executives recently fired by Activision and accused of inappropriately meeting with a rival company said Monday that they will create games to be distributed exclusively by one such competitor, Electronic Arts Inc.

Jason West and Vince Zampella have formed a development studio, Respawn Entertainment, and its games will be published and distributed by EA. As the heads of Respawn Entertainment, West and Zampella will own the intellectual property they create. "Respawn" is a video game term used to describe a dead character coming back to life.

The two had sued Activision Blizzard Inc. for more than \$36 million in March, claiming that Activision fired them to avoid paying hefty royalties for their work on the popular "Call of Duty" franchise.

The latest game, "[Call of Duty: Modern Warfare 2](#)," has reaped more than \$1 billion in sales after breaking [entertainment industry](#) records at its launch last fall.

Last week, Activision filed a countersuit against West and Zampella, saying they were fired for good cause for insubordination and for attempts to poach key employees from the company. In its lawsuit, Activision claims the two had met with a key gaming rival, in violation of their employment contract.

Although the lawsuit does not name the rival, it states that were flown by

the rival to Northern California. [Electronic Arts](#), which is Activision's main rival and produces a competitor franchise "Medal of Honor," is based in Northern California's Redwood City.

West and Zampella's attorney, Robert M. Schwartz, called the countersuit's claims "false and outrageous" on Friday.

Financial terms were of the deal with EA were not disclosed.

Shares of [Activision](#), which is based in Santa Monica, Calif., fell 5 cents to \$12.43 in midday trading Monday, while shares of EA rose 13 cents to \$19.49.

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