

## Why did Fox and Murphy sign 'non-disclosure agreements' with 38 Studios?

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PROVIDENCE, R.I. -- Questions remain about why the top leaders in the Rhode Island House of Representatives -- William J. Murphy and Gordon Fox -- and lawyer Michael Corso all signed "non-disclosure agreements" with 38 Studios on the same day in October 2009.

None of the three or their lawyers have responded to questions about the nature of their relationship with 38 Studios at this early point in the saga of the state's failed \$75 million investment in ex-Red Sox player Curt Schilling's doomed video-game company.

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All three are named on a list of 1,000-plus companies and individuals who signed "executed non-disclosure agreements," according to a log the chairwoman of the House Oversight Committee obtained from a "38 Studios insider" and provided The Journal last month.

The log, cited in a WJAR-10 news report last week, reflects agreements that 38 Studios executives apparently reached with the Red Sox, NESN, NECN, the Boston FBI, Sony Computer Entertainment America and scores of others, including Steve Nappa, of Nappa Construction, on dates that reach back as far, in some cases, as 2006.

In the case of Corso, then-House Speaker Murphy and then-House Majority Leader Fox, the apparent "10/8/2009" signings pushes the timeline for the first known interaction by top Rhode Island officials with 38 Studios back one more time.

When former Red Sox pitcher Curt Schilling's state-backed video game company began to implode in spring 2012, a timeline emerged that traced the company's ill-fated arrival in Rhode Island to March 2010, when then- Republican Governor Donald Carcieri paid a visit to Schilling's mansion in Massachusetts for a fundraiser in support of a World War II documentary.

An avid video gamer, Schilling had retired in 2009, after playing on a second World Series championship team in 2007, and formed his own video-game company in Massachusetts, named 38 Studios for his Red Sox uniform number.

At the fundraiser at Schilling's house, on March 6, 2010, Carcieri found himself chatting with the ex-baseball star about his video-game company. "I said, 'You should be right there in Providence,'" recalled Carcieri, in a 2010 interview. "I wasn't thinking anything would come of it."

Early in 2010, Corso also helped arrange a pivotal meeting between Fox and Schilling in his downtown Providence law office. That led Fox and his ally, then-House Finance Chairman Steven Costantino, to add \$75 million to a \$50-million job-creation loan guarantee bill that was approved by the legislature and backed by Carcieri.

Or so the story went.

More recently, Murphy confirmed to WPRI-TV -- and The Journal -- that he had a role in introducing Schilling to Massachusetts House Speaker Robert DeLeo in December 2009.

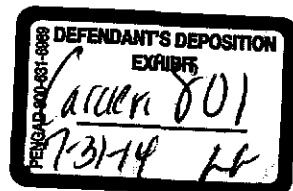
Murphy would not elaborate, but said his role was unpaid and he had "absolutely" nothing to do with 38 Studios' subsequent entreaties to Rhode Island for a state-backed loan in exchange for moving here, with a promised 450 jobs.

State lawmakers will soon have to decide again -- for the second year in a row -- whether to pay the \$89 million in principal and interest owed the investors who purchased the high-yield, state-backed bonds that financed Schilling's doomed video-game venture.

Murphy stepped aside as Speaker in February 2010. His top deputy, Fox, had already taken his place at the rostrum by the time state lawmakers voted on the loan-guarantee bill that paved the way for the state's failed \$75- million investment.

The log identifies the date of the "executed non-disclosure agreements" with Fox, Murphy and Corso as "10/8/2009," and the 38 Studios signator in each case as 38 Studios President Bill Thomas.

Corso, the Rhode Island lawyer and tax-credit broker credited with helping to bring 38 Studios to Providence through his friendship with Fox, stood to make millions of dollars from the deal, according to other documents House Oversight Committee Chairwoman Karen MacBeth has made public.



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