

Dr. Phil's Media Company Files Lawsuit Against TBN Amid Bankruptcy

On the same day it filed for Chapter 11 bankruptcy, Dr. Phil McGraw's media venture, Merit Street Media, launched a breach of contract lawsuit against the Trinity Broadcasting Network, alleging sabotage and financial misconduct that the company claims led to its financial collapse.

The lawsuit, filed in the U.S. Bankruptcy Court for the Northern District of Texas, accuses TBN of failing to meet contractual obligations and intentionally undermining the partnership.

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Merit Street, a joint venture formed in 2023 between McGraw's Peteski Productions and TBN, launched Merit TV in April 2024 with the goal of becoming a major player in the cable and streaming landscape through programming like Dr. Phil Primetime.

As reported by Ministry Watch, the complaint claims that TBN failed to provide the promised national distribution of Merit Street's content, which was allegedly "the linchpin of the agreement." The suit further states that TBN's actions "were a conscious, intentional pattern of choices made with full awareness that the consequence of which was to sabotage and seal the fate of a new but already nationally acclaimed network."

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The filing also accuses TBN of abusing its position as majority stakeholder by imposing unsustainable financial obligations on Merit Street and failing to provide adequate production services. Examples cited include “comically dysfunctional” production support such as faulty video editing equipment and malfunctioning teleprompters.

Merit Street claims these issues contributed to significant operational disruption, leading to the June 2025 layoff of 40 employees and the hiatus of its flagship show.

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The case will continue in bankruptcy court, where Merit Street is also pursuing claims against TCT Ministries, another TBN-affiliated entity. A separate hearing will determine whether a \$25-million promissory note assigned to TCT was an improper preferential payment. Proceedings on that claim are expected to continue through the end of July.

James Lasher is staff writer for Charisma Media.