

WORK-FOR-HIRE AGREEMENT

This agreement, dated as of June 17, 2010 (the "Agreement"), by and between Full Fathom Five, LLC ("Company") and Suzanne Mozes ("Writer") is in connection with Company's engagement of Writer on the writing of the initial book in a possible series of books based upon a story idea owned by Company currently entitled the "Untitled Magic Painting Project" (the "Book"). (The Book and any subsequent book in the series are collectively referred to as the "Series"). In consideration of the compensation set forth in Paragraph 4, Company's contribution of original creative material to the Book, Company's efforts to secure a publisher for the Book, the mutual promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of Company and Writer agree as follows:

1. Engagement / Services. Company hereby engages Writer on a work-for-hire basis, under the supervision of and in collaboration with Company, to write an outline of the Book (the "Outline") and an initial manuscript of the Book (the "Initial Draft") and any revisions to the Book as requested by Company. Writer will incorporate into the Book all notes, instructions, additions and/or changes (collectively "Notes") as Company may request. Company and Writer shall from time to time jointly review the Book in progress and shall consult on a regular basis about the form and content of the Book and Company's editorial comments in connection therewith. Company shall have final creative control over the Book, including, but not limited to, approval over the final text of the Book. All of the services and obligations of Writer described in this Paragraph 1 are defined herein as the "Services". Writer acknowledges that it is a material term of this Agreement for Writer to incorporate all of Company's Notes into the Outline, Initial Draft and Book as a whole. In the event Writer fails to incorporate Company's Notes to Company's satisfaction into the Outline, Initial Draft, or Book as whole, such failure will constitute a material breach by Writer of this Agreement.

2. Delivery Dates.

2.1 Writer shall deliver the Outline no later than July 17, 2010

2.2 Writer shall deliver the Initial Draft no later than December 17, 2010.

2.3 Following receipt of the Initial Draft, Company may, at its election, provide Writer with a delivery date for the final manuscript of the Book.

2.4 If Company exercises its option, pursuant to Paragraph 7 below, to engage Writer to write one (1) or more subsequent book(s) in the Series, the schedule of delivery for the initial and subsequent drafts of such subsequent book(s), shall be determined by Company in its sole discretion.

3. Third Party Submissions / Transfer of Rights. Company shall have the sole and exclusive right to submit the Book to any publishers, studios, production companies, financiers or any other third parties (collectively "Buyers") as determined by Company in its sole discretion. Company alone, with its representatives, shall negotiate the sale, transfer or other

disposition (collectively, the “Transfer”) of the rights to the Book to any Buyers on terms acceptable to Company in its sole discretion. In no event shall Company incur any liability based upon a claim that Company has failed to maximize the profit from the negotiation of the Transfer of rights to the Book. Company has no duty to affirmatively seek a Transfer of rights in and to the Book and/or Series and is under no obligation to enter into an agreement with any Buyers with respect to a Transfer of rights in and to the Book and/or Series. All business and creative decisions relating to the Book and/or the Series and/or the Transfer or exploitation thereof shall be determined by Company in its sole discretion.

4. Compensation. Provided Writer is not in material breach or default hereunder and Writer fulfills Writer’s material obligations hereunder, Writer shall be entitled to the following:

4.1 Writing Fee: Two Hundred Fifty Dollars (\$250) payable one-half (1/2) upon commencement of the Book and one-half (1/2) upon delivery of the final version of the Book, as approved by Company; and

4.2 Contingent Compensation: Forty Percent (40%) of all money derived from the disposition or other exploitation of rights to the Book as a published book, film and/or television project (including merchandise revenues derived from film and/or television projects), that Company retains after deduction of all direct, out-of-pocket, third party costs incurred by Company in connection with the negotiation of agreements for the Transfer of rights to the Book (including without limitation, legal fees, agency commissions and management commissions) and any other actual costs and expenses of Company related to the Book. In the event Company enters into a Transfer of rights with respect to the Series, Writer shall only be entitled to that portion of the monies that can be reasonably allocated to the rights for the Book. In the event Writer is engaged to write a subsequent book in the Series, this Paragraph 4.2 shall apply to each such subsequent book actually written and completed by Writer pursuant to the terms of this Agreement. In the event Writer does not write a subsequent book, Writer will not be entitled to any monies derived from such subsequent book. For the avoidance of doubt, in the event James Frey (“Frey”) is engaged, as an individual, through Company or through a separate entity, to perform services in connection with any production (e.g. film and/or television) based on the Book and/or Series, Writer shall not be entitled to any portion of monies (whether guaranteed or contingent) paid to Company, Frey, or other entity providing Frey’s services in connection with such services.

5. Credit. Company shall determine, in its sole discretion, all matters pertaining to credits on the Book. For the avoidance of doubt, Company may use one or more fictitious names when submitting the Book to Buyers or on the Book as publicly released, as determined by Company in its sole discretion.

6. Ownership of Material; Work for Hire.

6.1 Company is and shall be the sole and exclusive owner throughout the universe in perpetuity of the Book, the Series and all of the results and proceeds of Writer’s Services, including without limitation all right, title, and interest in and to the Services, including all work product, derivatives, modifications, off-shoots thereof, ideas, suggestions, themes, plots, stories,

characterizations, dialogue, titles and other material, whether in writing or not in writing, at any time heretofore or hereafter created by Writer which in any way relate to the Book and/or the Series, as well as all intellectual property which Writer may develop or otherwise create as a function of Writer's engagement (collectively, the "Proceeds"), free and clear of any and all claims, liens or encumbrances.

6.2 Unless otherwise specified in a writing duly signed and authorized by Company, all Proceeds and all tangible expressions of any Confidential Information (as hereinafter defined) shall constitute a "work for hire" exclusively for Company, under Section 201 of Title 17 of the United States Code, and Company shall be deemed to be the sole exclusive owner and author thereof in all territories and for all purposes.

6.3 All work product developed or generated by Writer in connection with the Services shall automatically be the sole property of Company upon their creation or fixation in a tangible medium of expression, including, but not limited to (i) all reproductions, copies, derivatives, in whole or in part, text, data, images, photographs, illustrations, animations and graphics, video or audio segments of any nature, whether existing now or hereafter created, in any media or embodiment, whether now known or hereafter to become known, including, but not limited to, all formats of computer readable electronic magnetic, digital, laser or optical-based media; and (ii) rights, if any, to United States and foreign trademarks, trademark registrations, service marks, service mark registrations, copyrights, copyright registrations and all applications for such licenses, permits, trademarks, service marks and copyrights, wherever issued or pending shall be owned One Hundred Percent (100%) by Company, and Writer shall have no right, title or interest therein or in the results and proceeds derived therefrom. Writer hereby grants to Company the right to change, add to, subtract from, rearrange, edit, adapt, translate, reformat, reprocess and/or combine with any other material the Services in any manner Company may in its sole discretion determine. To the fullest extent allowable under any applicable law, Writer hereby irrevocably waives or assigns to Company all of Writer's so-called moral rights. To the extent that any right, title or interest in and to any such Proceeds, assets or rights, including all intellectual property rights, may not, by operation of law or otherwise, vest in Company, Writer hereby irrevocably assigns all such assets and rights to Company. Writer hereby acknowledges that Company shall be the sole and exclusive owner of all rights in and to the Services and any derivative thereof, and hereby disclaims any rights of ownership. Writer further agrees to execute any and all documents as may reasonably be required by Company to further evidence or effectuate Company's rights and ownership to any of the Services for the benefit of Company under this Agreement. Writer hereby irrevocably appoints Company as Writer's attorney-in-fact (which appointment is coupled with an interest) with full power of substitution to execute, verify, acknowledge and deliver any documents Writer fails to promptly execute, verify, acknowledge and/or deliver after Company's request therefor. Company shall have no obligation to use any of the results and proceeds of Writer's Services.

6.4 For the avoidance of doubt, the terms of this Paragraph 6 shall survive expiration and/or termination of Writer's engagement.

7. Subsequent Books. Company shall have the irrevocable option, exercisable in its sole discretion, to engage Writer to write one (1) or more subsequent book(s) in the Series. In the

event Writer is engaged to write any subsequent book in the Series, all of the provisions of this Agreement, shall apply to each such subsequent book. For the avoidance of doubt, Company will determine, in its sole discretion, whether any subsequent books in the Series will be written.

8. Independent Contractor; Powers. It is expressly understood and agreed by the parties that Writer is an independent contractor, and not an employee or partner of Company. Writer shall have no power hereunder to bind Company to any contract or obligation, transact any business in Company's name or on behalf of Company in any manner or form, except as may be specifically authorized by Company in writing. Writer acknowledges and agrees that, as an independent contractor, the benefits, if any, provided by Company to its employees, if any, are not available to Writer. Writer agrees that Writer is responsible for obtaining Writer's own worker's compensation insurance and such other insurances as Writer deems appropriate, and Writer hereby waives and releases any and all claims and causes of action of whatever nature that Writer may have against Company on account thereof. Writer agrees that Writer shall be responsible to pay all applicable taxes on the compensation, if any, paid to Writer by Company.

9. Representations and Warranties / Indemnification. Writer hereby represents, warrants and agrees that:

9.1 Writer has no other contractual commitments which will interfere or conflict with the performance of Writer's obligations hereunder for the Book.

9.2 All material written by Writer shall be original to Writer and shall not infringe upon or violate any copyright or proprietary right, or right of publicity, or constitute a libel or slander against or violate any common law right of any person, firm, or corporation.

9.3 Writer will indemnify, defend and hold Company, Frey and their successors, executors, administrators, heirs, licensees, assigns and any entity owned or controlled by Company and/or Frey harmless from any and all claims, demands, suits, losses, costs (including attorneys' fees), and expenses which may be brought, obtained against, imposed upon, or suffered by Company and/or Frey, their successors, executors, administrators, licensees, assigns and any entity owned or controlled by Company and/or Frey which arise out of the breach or alleged breach by Writer of Writer's representations and warranties hereunder.

9.4 All warranties and representations by Writer shall survive the expiration or termination of this Agreement.

10. Termination

10.1 In the event that: (i) Writer fails to deliver any manuscript within thirty (30) days following the applicable delivery date; (ii) Writer otherwise materially defaults in performing Writer's services hereunder and such default is not cured, on a one-time basis, within five (5) days of notice to Writer of such default; (iii) the manuscript is rejected by the publisher of the Book; (iv) the Outline is unacceptable to Company and Writer is unable to revise the Outline within seven (7) business days of Company's request for revisions; and/or (v) the Initial Draft is unacceptable to Company and Writer is unable to revise the Initial Draft within fourteen (14)

business days of Company's request for revisions, then, in any such event, Company shall have the right to terminate this Agreement with no further obligation to Writer. In such event, Writer will promptly repay any amounts received by Writer pursuant to any publishing agreement for the Book.

10.2 In the event of Writer's death or Writer's incapacity for more than three (3) consecutive weeks, or five (5) weeks in the aggregate, subsequent to commencement of Services but prior to completion of the Book, Company shall have the right to terminate this Agreement and to engage a third party to complete the Book. In such event, Company shall have no further obligation to Writer or Writer's estate.

11. Confidentiality. For purposes of this Agreement, "Confidential Information" means Company's and/or Frey's personal, confidential or proprietary information, including, but not limited to, the terms of this Agreement including Writer's involvement with the preparation of the Book, and any personal experience relating to Company, Frey, Frey's family, Frey's friends, Frey's and Company's agents, attorneys or other representatives and information relating to any entity owned or controlled by Company and/or Frey (collectively, the "Related Parties"). Writer acknowledges that Writer may have access to certain Confidential Information regarding Company, Frey, the Related Parties and the Book. Writer shall not use in any way, directly or indirectly, for Writer's own benefit or the benefit of any third party, or disclose to any third party, any of the Confidential Information. Writer agrees to maintain the Confidential Information in the strictest confidence. Writer agrees that any disclosure of Confidential Information will result in substantial damages and injury to Company, the precise amount of which would be extremely difficult or impracticable to determine, even after the parties have made a reasonable effort to estimate fair compensation for such potential losses and damages to Company. Therefore, in the event Writer discloses any Confidential Information to any third party, Writer will be obligated to pay to Company, and agrees to pay to Company, the full amount of any and all money or other consideration paid to Writer in connection with the disclosure by Writer of any Confidential Information in violation of the terms hereof, and the sum of Fifty Thousand Dollars (\$50,000) as a fair and reasonable amount of liquidated damages to compensate Company for any loss or damage resulting from each disclosure of Confidential Information, which sum bears a reasonable and proximate relationship to the actual damages that Company will suffer from each such disclosure. The terms of this Paragraph 11 shall survive expiration or termination of this Agreement.

12. Name and Likeness. Writer hereby grants to Company the perpetual right to issue and authorize the issuance of publicity concerning Writer, and to use Writer's name, likeness and biographical material in a reasonable and customary manner in connection with the distribution, advertising and other exploitation of the Book and/or Series. For the avoidance of doubt, Company will determine, in its sole discretion, whether any publicity using Writer's name, likeness or biographical material will be issued.

13. No Partnership or Joint Venture / No Fiduciary Duty. Nothing in this Agreement shall create a partnership or joint venture between the parties. Nothing in this Agreement shall create a fiduciary relationship between Company and Writer and Company shall have no fiduciary duties whatsoever to Writer.

14. Assignment. This Agreement shall not be assignable by Writer, and any purported assignment shall be null and void. Company shall have the right to assign this Agreement at any time, in whole or in part, to any party.

15. Remedies.

15.1 In the event of any failure or omission by Company constituting a breach hereunder, Writer's rights and remedies shall be limited to the right, if any, to obtain damages at law, and Writer shall have no right in such event to seek or obtain injunctive or other equitable relief or to rescind or terminate this Agreement, any of Company's rights hereunder, or to enjoin the development, production, distribution or exploitation of the Book (and any subsequent Books) or any element thereof.

15.2 Writer agrees that it would be difficult to measure the damage to Company from any breach by Writer of the terms set forth herein, that injury to Company from any such breach may be impossible to calculate, and that money damages may therefore be an inadequate remedy for any such breach. Accordingly, Writer agrees that if Writer breaches any term of this Agreement, Company shall be entitled, in addition to and without limitation of all other remedies it may have, to obtain injunctive or other relief to restrain any such breach without showing or proving any actual damage to Company.

15.3 Writer agrees that the terms of this Paragraph 15 shall survive expiration and/or termination of Writer's engagement.

16. Dispute Resolution. If any disputes shall arise concerning the interpretation or application of this Agreement, or the rights or liabilities of the parties arising hereunder, such dispute shall be determined solely by arbitration before a single neutral arbitrator in accordance with the rules of the JAMS with full rights of discovery. The arbitration shall be held only in Los Angeles, California. Such determination by the sole arbitrator shall be final, binding and conclusive upon the parties hereto and shall be rendered in such form that it may be judicially confirmed under the laws of the State of California. The arbitration will be confidential and conducted in private, and will not be open to the public or media. No matter relating to the arbitration (including but not limited to, the testimony, evidence or result) may be (i) made public in any manner or form (ii) reported to any news agency or publisher (iii) disclosed to any third party not involved in the arbitration.

17. Interpretation / Counsel. This Agreement has been the subject of negotiations and discussions between the parties and has been, and shall be construed to have been, drafted by all of the parties so that the rule of construing ambiguities against the drafter shall have no force or effect and the parties waive the right to plead such a defense to the contract. The parties to this Agreement acknowledge that they have had ample opportunity to seek and receive advice from their counsel about this Agreement and its legal effect prior to its execution and that they have received such advice or have freely elected to waive their opportunity for such advice.

18. Notices / Payments.

18.1 All notices and payments which Company may be required or may desire to give to Writer hereunder may be delivered personally or by U.S. mail, overnight courier or e-mail to Writer at the following address:

Suzanne Mozes
[Redacted]
[Redacted]

18.2 All notices which Writer may be required or may desire to give to Company hereunder may be delivered personally or by U.S. mail, overnight courier, e-mail or facsimile to Company at the following address:

Full Fathom Five, LLC
c/o Morris Yorn Barnes Levine
Krintzman Rubenstein & Kohner
Attn: David Krintzman, Esq.
2000 Avenue of the Stars
3rd Floor, North Tower
Los Angeles, CA 90067
[Redacted]
[Redacted]

19. Severability. The provisions of this Agreement are severable and, in the event that any provision hereof shall be found by any court to be unenforceable, in whole or in part, the remainder of this Agreement shall nonetheless remain enforceable and binding upon Company and Writer.

20. Counterparts; Facsimile Signature. This Agreement may be executed in one or counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. A facsimile signature shall be accepted as an original.

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21. Entire Agreement; No Amendment; No Waiver. This Agreement constitutes the entire agreement and understanding between Company and Writer with respect to the terms and conditions of Writer’s engagement with Company and supersedes all prior and contemporaneous written or verbal agreements, representations and understandings of the parties relating to such subject matter. No amendment of this Agreement shall be binding unless executed in writing by Writer and Company. No waiver of any provision of this Agreement shall be deemed to be a waiver of any other provision, whether or not similar. No such waiver shall constitute a continuing waiver and no waiver shall be binding unless executed in writing by the party charged with the waiver.

ACCEPTED AND AGREED:

Full Fathom Five, LLC

By: _____

Its: _____

ACCEPTED AND AGREED:

Suzanne Mozes