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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST DISTRICT**

COLIN HIGGINS PRODUCTIONS, LTD.,

Plaintiff,

v.

**PARAMOUNT PICTURES
CORPORATION, and DOES 1-100,**

Defendant.

Case No. **BC499179** (related to BC499181,
BC500040, BC499182, and BC540146)

*Assigned to the Honorable Elihu M. Berle,
Department 323*

CLASS ACTION

**[PROPOSED] ORDER AND JUDGMENT
GRANTING FINAL APPROVAL OF
PARAMOUNT PICTURES
CORPORATION CLASS ACTION
SETTLEMENT**

Date: November 7, 2016
Time: 10:00 a.m.
Dept.: 323

Action Filed: January 16, 2013
Trial Date: None

1 The Motion for an Order Granting Final Approval of Class Action Settlement came before this
2 Court, on November 7, 2016. The above captioned Action is a class action lawsuit brought by
3 Plaintiffs Colin Higgins Productions, Ltd. (“CHP”) and Michael Elias (“Elias”) (collectively,
4 “Plaintiffs”), against Defendant Paramount Pictures Corporation (“Paramount” or “Defendant”)
5 (collectively the “Parties”). Plaintiffs allege, inter alia, that the Profit Participation Contracts they
6 entered into require Paramount to account to and credit Class Members for 100% of the gross receipts
7 (i.e. revenues) derived by Paramount or its subsidiaries from the sale of Home Video and EST
8 Revenues. Plaintiffs claim that Paramount violated these Profit Participation Contracts by reporting
9 Home Video and EST Revenues based on 20% of the revenue received by its wholly owned
10 subsidiaries, rather than on 100% of these revenues as required by the contracts. Defendant denies any
11 and all alleged wrongdoing, and denies any liability to the Plaintiffs or to members of the putative
12 class.

13 On June 27, 2016, this Court entered an Order Granting Preliminary Approval of Settlement,
14 resulting in certification of the following provisional Settlement Class:

15 All persons and entities (and their successors-in-interest, assigns, and heirs) that are
16 parties to a “Class Profit Participation Contract” (defined by the Settlement Agreement
17 as a Profit Participation Contract entered into on or before July 5, 1980, or that
18 includes, references, or incorporates “Standard Terms” for the calculation and
19 accounting of Profit Participation dated prior to July 5, 1980). Where a person or entity
20 is a party to one or more Profit Participation Contracts that are not Class Profit
21 Participation Contracts and one or more Profit Participation Contracts that are Class
22 Profit Participation Contracts, that person or entity is a member of the Settlement Class
23 only with regard to the Class Profit Participation Contracts and not a part of the
24 Settlement Class with regard to any other Profit Participation Contracts.

25 Excluded from the Settlement Class are:

26 a. Paramount and any person, trust, firm, corporation or other entity Affiliated with or
27 related to Paramount;

28 b. Any persons or entities who excluded themselves by filing a timely Request for
Exclusion in accordance with the requirements set forth by the Court;

c. Persons or entities who have entered into an agreement with Paramount or its Affiliates
and their predecessors, subsequent to their Class Profit Participation Contract but regarding the same
motion picture, that includes express provisions regarding the calculation of the Profit Participant’s

1 Profit Participation with regard to Home Video Revenue and/or Electronic Sell-Through Revenue,
2 including but not limited to a settlement agreement, an amendment to the relevant Class Participation
3 Contract, a side letter, or any other writing that sets forth such provisions, and was made prior to the
4 date of the Preliminary Approval Order; and

5 d. Other motion picture studios and their Affiliates or predecessors in interest.

6 That Order Granting Preliminary Approval of Settlement further directed the Parties to provide
7 Notice to the Class, which informed absent class members of: (a) the proposed Settlement, and the
8 Settlement's key terms; (b) the date, time and location of the Final Approval Hearing; (c) the right of
9 any Class Member to object to the proposed Settlement, and an explanation of the procedures to
10 exercise that right; (d) the right of any Class Member to exclude themselves from the proposed
11 Settlement, and an explanation of the procedures to exercise that right; and (e) an explanation of the
12 procedures for class members to participate in the proposed settlement.

13 The Court, upon Notice having been given as required in the Preliminary Approval Order, and
14 having considered the proposed Settlement Agreement, attached hereto as Exhibit 1, as well as all
15 papers filed, hereby ORDERS, ADJUDGES AND DECREES AS FOLLOWS:

16 1. This Court has jurisdiction over the subject matter of the Actions and over all Parties to
17 the Actions, including all members of the Settlement Class.

18 2. The Court finds that the Settlement Class is properly certified as a class for settlement
19 purposes only.

20 3. The Notice provided to the Settlement Class conforms with the requirements of
21 California Code of Civil Procedure section 382, California Civil Code section 1781, California Rules
22 of Court 3.766 and 3.769, the California and United States Constitutions, and any other applicable
23 law, and constitutes the best notice practicable under the circumstances, by providing individual notice
24 to all Class Members who could be identified through reasonable effort, and by providing due and
25 adequate notice of the proceedings and of the matters set forth therein to the other Class Members.
26 The notice fully satisfied the requirements of due process.

27 4. The Court finds the Settlement was entered into in good faith, that the Settlement is
28 fair, reasonable and adequate, and that the Settlement satisfies the standards and applicable

1 requirements for final approval of this class action settlement under California law, including the
2 provisions of California Code of Civil Procedure section 382 and California Rules of Court, Rule
3 3.769.

4 5. No Class Members have objected to the terms of the Settlement.

5 6. No Class Members have requested exclusion from the Settlement.

6 7. Upon entry of this Order, compensation to the participating members of the Settlement
7 Class shall be effected pursuant to the terms of the Settlement Agreement.

8 8. In addition to any recovery that Plaintiffs may receive under the Settlement, and in
9 recognition of the Plaintiffs' efforts on behalf of the Settlement Class, the Court hereby approves the
10 payment of an incentive to the Plaintiffs, in the amount of \$_____ to each of the class
11 representatives.

12 9. The Court approves the payment of attorneys' fees to Class Counsel in the sum of
13 \$_____, and the reimbursement of litigation expenses in the sum of \$_____.

14 10. The Court approves and orders payment in the amount of \$_____ to Angeion
15 Group for performance of its settlement claims administration services.

16 11. The Parties are ordered to give notice to all Class Members in accordance with CRC
17 3.771(b).

18 12. Upon the Effective Date, the Plaintiffs and all members of the Settlement Class, except
19 the excluded individuals referenced in paragraph 6 of this Order, shall have, by operation of this Order
20 and the accompanying Judgment, fully, finally and forever released, relinquished, and discharged
21 Defendant from all claims as defined by the terms of the Settlement, whether or not such Settlement
22 Class members execute and deliver a Claim Form. Upon the Effective Date, all members of the
23 Settlement Class shall be and are hereby permanently barred and enjoined from the institution or
24 prosecution of any and all of the claims released under the terms of the Settlement.

25 13. Upon completion of administration of the Settlement, the parties shall file a declaration
26 stating forth that claims have been paid and that the terms of the settlement have been completed.

27 14. This Judgment is intended to be a final disposition of the above captioned action in its
28 entirety, and is intended to be immediately appealable. The Settlement Agreement, including the

1 releases stated therein, is incorporated by reference into this Final Judgment, and fully and finally
2 resolves all claims in this action.

3 15. This Court shall retain jurisdiction with respect to all matters related to the
4 administration and consummation of the Settlement, and any and all claims, asserted in, arising out of,
5 or related to the subject matter of the lawsuit, including but not limited to all matters related to the
6 settlement and the determination of all controversies relating thereto.

7

8 **IT IS SO ORDERED.**

9

10 DATED: _____

HON. ELIHU M. BERLE

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EXHIBIT “1”

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8 *Attorneys for Plaintiff and the Plaintiff Classes*
9 *(Additional Attorneys Listed on Signature Page)*

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST DIVISION**

12 **COLIN HIGGINS PRODUCTIONS, LTD.,**

13 **Plaintiff,**

14 **v.**

15 **PARAMOUNT PICTURES**
16 **CORPORATION, and DOES 1-100,**

17 **Defendant.**

Case No. BC499179

CLASS ACTION

**STIPULATION AND AGREEMENT OF
SETTLEMENT**

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STIPULATION AND AGREEMENT OF SETTLEMENT

Colin Higgins Productions, Ltd. and Michael Elias (“Plaintiffs”), on behalf of themselves and the Settlement Class,¹ and Paramount Pictures Corporation (“Paramount”) (collectively, “the Parties”), by and through their counsel, hereby stipulate to the settlement and release of the claims asserted by Plaintiffs and the Settlement Class against Paramount in *Colin Higgins Productions, Ltd. v. Paramount Pictures Corporation*, Los Angeles Superior Court Case Number BC499179 (the “Action”), upon and subject to the terms and conditions of this Stipulation and Agreement of Settlement (the “Stipulation”) set forth below, as of May 13, 2016, subject to the approval of the Court.

RECITALS

WHEREAS, on January 16, 2013, Colin Higgins Productions, Ltd., the loan-out company for Colin Higgins, filed a putative class action complaint against Paramount in the Action in the Superior Court for the State of California, County of Los Angeles (the “Court”);

WHEREAS, the Complaint was filed on behalf of a putative class of persons who entered into Profit Participation Contracts and who alleged breaches of those Profit Participation Contracts with respect to the calculation of Profit Participation relating to Home Video Revenue, Electronic Sell-Through Revenue and Streaming Revenue;

WHEREAS, on December 17, 2013, Plaintiffs filed a First Amended Complaint in the Action adding Michael Elias as a named plaintiff;

WHEREAS, on January 13, 2014, Paramount filed in the Action an answer to the First Amended Complaint that generally denied the allegations in the First Amended Complaint and asserted certain affirmative defenses;

WHEREAS, the parties have participated in an all-day mediation session with the Honorable Louis Meisinger (Ret.) of ADR Services, Inc. as well as numerous phone conferences and in-person meetings of counsel;

WHEREAS, the Parties have exchanged certain documents, calculations and analyses

¹ Capitalized terms, if not defined elsewhere, are defined in the “Definitions” section below.

1 relating to the issues raised in the First Amended Complaint;

2 WHEREAS, Paramount denies all allegations of wrongdoing, fault, or liability or that it
3 has acted improperly in any way; believes that the First Amended Complaint in this Action lacks
4 merit; would have continued to resist vigorously Plaintiffs' claims and contentions and would
5 have continued to assert its defenses thereto had this Stipulation not been reached; and has entered
6 into this Stipulation to put the claims to rest finally and forever solely for the purpose of avoiding
7 prolonged and expensive litigation, without acknowledging in any way any fault, wrongdoing or
8 liability whatsoever; and

9 WHEREAS, Plaintiffs and their counsel believe that the claims asserted in the Action are
10 meritorious, but they have considered and weighed the issues involved in establishing the validity
11 of their claims and have concluded that, in light of the uncertainty of the outcome as well as the
12 substantial risks and inevitable delay in proceeding to trial, compared to the benefits being
13 provided hereby, the terms and conditions set forth herein are fair and reasonable and should be
14 submitted to the Court for approval.

15 **NOW THEREFORE**, without any admission or concession on the part of Plaintiffs of
16 any lack of merit of the Action, and without any admission or concession on the part of Paramount
17 of any liability or wrongdoing or lack of merit in the defenses, **IT IS HEREBY STIPULATED**
18 **AND AGREED**, by and among the Parties to this Stipulation, through their respective attorneys,
19 subject to approval of the Court, in consideration of the benefits flowing to the Parties hereto from
20 the Settlement, that all Released Claims as against the Released Parties shall be compromised,
21 settled, released and judgment entered, upon and subject to the following terms and conditions.

22 **DEFINITIONS**

23 1. As used in this Stipulation, the following capitalized terms (not already defined
24 above or as may be defined below) shall have these meanings:

25 1.1 "Accounting Relief Fund" means the \$3,405,000 in accounting adjustments
26 Paramount will provide to the Unrecouped Class Members as set forth in Paragraph 5 below.

27 1.2 "Action" means the action entitled *Collin Higgins Productions Ltd., et al. v.*
28 *Paramount Pictures Corporation*, No. BC499179, now pending in the Superior Court for the State

1 of California, County of Los Angeles.

2 1.3 “Affiliate” means a second entity that is related in whole or in part to the
3 first entity as a direct or indirect parent or subsidiary, or is otherwise owned or controlled in whole
4 or in part by the first entity or by a direct or indirect parent or subsidiary of the first entity.

5 1.4 “Class Counsel” means Johnson & Johnson LLP; Boucher, LLP; Kiesel
6 Law LLP; and Pearson, Simon & Warshaw, LLP.

7 1.5 “Class Member” means a member of the Settlement Class.

8 1.6 “Class Profit Participation Contract” means a Profit Participation Contract,
9 entered into on or before July 5, 1980, or that includes, references, or incorporates “Standard
10 Terms” for the calculation and accounting of Profit Participation dated prior to July 5, 1980.

11 1.7 “Confidential Supplemental Agreement” means the agreement so entitled
12 and signed between the Parties concurrently herewith.

13 1.8 “Effective Date” means the date on which the Settlement contemplated by
14 this Stipulation shall become effective, as set forth in Paragraph 14 below.

15 1.9 “Electronic Sell-Through Revenue” means revenue derived from the sale of
16 digital copies of motion pictures that are delivered to the consumer via electronic transmission.
17 Electronic Sell-Through Revenue excludes Streaming Revenue.

18 1.10 “Home Video Revenue” means revenue derived from the sale of physical
19 copies of motion pictures that are delivered to the consumer in tangible products such as
20 Videocassettes, DVDs, and Blu-Ray discs.

21 1.11 “Named Plaintiffs” or “Plaintiffs” mean Colin Higgins Productions, Ltd.
22 and Michael Elias.

23 1.12 “Notice” means the Notice of Pendency of Class Action and Proposed
24 Settlement, which is to be sent to Class Members substantially in the form attached hereto as
25 Exhibit 1.

26 1.13 “Preliminary Approval Order” means the order to be entered by the Court,
27 *inter alia*, directing that Notice be provided to the Settlement Class, and scheduling a hearing
28 concerning final approval of the Settlement.

1 1.14 “Profit Participant” means a person or entity that has executed a Profit
2 Participation Contract.

3 1.15 “Profit Participation” means contingent compensation in the form of a
4 percentage of the gross or net revenue (as contractually defined) derived from exploitation of a
5 motion picture.

6 1.16 “Profit Participation Contract” means a contract between Paramount or its
7 Affiliates or their predecessors and an individual or entity granting the individual or entity Profit
8 Participation, excluding any contracts between Paramount or its Affiliates or their predecessors, on
9 the one hand, and any other motion picture studio and its Affiliates or predecessors, on the other
10 hand.

11 1.17 “Prospective Relief” means payment from the Settlement Fund Payout to
12 the Recouped Class Members for claims related to Profit Participation amounts to be calculated or
13 paid for periods after August 31, 2015, as described in Paragraph 4 below.

14 1.18 “Prospective Relief Fund” means 30% of the Settlement Fund Payout.

15 1.19 “Publication Notice” means the summary notice of proposed Settlement and
16 Hearing for publication, substantially in the form attached hereto as Exhibit 2.

17 1.20 “Released Claims” means any and all actions, suits, claims, demands,
18 rights, liabilities and causes of action, of every nature and description whatsoever, whether
19 individual, class, derivative, representative, legal, equitable or any other type or in any other
20 capacity, or concealed or hidden, that were asserted or that could have been asserted (including
21 without limitation claims for negligence, gross negligence, breach of contract, breach of duty of
22 care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or
23 federal common law, statutes, rules, or regulations), including both known claims and Unknown
24 Claims, that the Plaintiffs, the Settlement Class, or any Class Member in the past had, now has, or
25 might in the future have against the Released Parties on the basis of, connected with, or in any
26 way arising out of any allegation that (i) any past, present, or future Profit Participation on account
27 of Home Video Revenue or Electronic Sell-Through Revenue should have been in the past or
28 should in the future be calculated based on more than 20% of Home Video Revenue or Electronic

1 Sell-Through Revenue, whatever the theory and wherever in the world the transaction takes place,
2 and/or (ii) any past or present Profit Participation on account of Streaming Revenue should have
3 been calculated through the Effective Date based on more than 20% of Streaming Revenue,
4 whatever the theory and wherever in the world the transaction takes place.

5 1.21 “Released Parties” means Paramount, including its divisions and business
6 units, and any of its past, present, or future parent entities, associates, Affiliates, subsidiaries, and
7 licensees, and each and all of their past, present and future officers, directors, stockholders,
8 principals, employees, advisors, agents, attorneys, financial or investment advisers, consultants,
9 lenders, insurers, investment bankers, commercial bankers, representatives, Affiliates, associates,
10 parents, subsidiaries, joint ventures, general and limited partners and partnerships, heirs,
11 executors, trustees, personal representatives, estates, administrators, trusts, licensees, licensors,
12 distributors, subdistributors, predecessors, successors and assigns.

13 1.22 “Recouped Class Member” mean a Class Member who, as of August 31,
14 2015, is a Profit Participant on one or more motion pictures that have realized sufficient revenue to
15 require payment of Profit Participation to that Class Member under the terms of that person or
16 entity’s Class Profit Participation Contract. Where a person or entity is a Recouped Class Member
17 pursuant to one or more Class Profit Participation Contracts and an Unrecouped Class Member
18 and/or not a Class Member in regard to other Profit Participation Contracts, the person or entity
19 will be treated as a Recouped Class Member only in regard to the Class Profit Participation
20 Contracts for which the person or entity is recouped.

21 1.23 “Request for Exclusion” means a written request to be excluded from the
22 Settlement Class submitted by a member of the Settlement Class in such form, in such manner,
23 and within the time limitation as set forth by the Court.

24 1.24 “Retrospective Relief” means payment from the Settlement Fund Payout to
25 Recouped Class Members for claims related to profit participation amounts calculated or paid for
26 periods through August 31, 2015, as described in Paragraph 4 below.

27 1.25 “Retrospective Relief Fund” means 70% of the Settlement Fund Payout.

28 1.26 “Settlement” means the settlement contemplated by this Stipulation.

1 1.27 “Settlement Administrator” means a company specializing in the
2 administration of class action settlements.

3 1.28 “Settlement Check” means the checks prepared by the Settlement
4 Administrator for the benefit of the Recouped Class Members for their Retrospective Relief.

5 1.29 “Settlement Class” means the definition set forth in Paragraph 2 below.

6 1.30 “Settlement Class Information” means a list to be provided by Paramount to
7 the Settlement Administrator, for the sole purpose of effectuating this Settlement, with the
8 following information: (a) the names of the Recouped Class Members; (b) the last known street
9 address (or post office box) for each Recouped Class Member currently in the Paramount
10 participant database; (c) the total amount of Profit Participation paid or payable to each Recouped
11 Class Member pursuant to a Class Profit Participation Contract for all periods through August 31,
12 2015; (d) the total amount of Profit Participation paid or payable to each Recouped Class Member
13 pursuant to a Class Profit Participation Contract for the period from January 1, 2011, through
14 August 31, 2015; (e) the names of the Unrecouped Class Members; and (f) the last known street
15 address (or post office box number) for each Unrecouped Class Member currently in the
16 Paramount database.

17 1.31 “Settlement Fund” means the \$3,405,000 that Paramount will make
18 available for compensation to the Recouped Class Members, administrative and notice expenses,
19 any special compensation to the Named Plaintiffs, and attorneys’ fees and costs. Under no
20 circumstances will any portion of the Settlement Fund revert to Paramount.

21 1.32 “Settlement Fund Payout” means the amount of the Settlement Fund
22 remaining for distribution to the Recouped Class Members after the payment of administrative and
23 notice expenses, any special compensation to the Named Plaintiffs, and attorneys’ fees and costs.

24 1.33 “Settlement Hearing” means the final settlement hearing to be held to
25 determine, among other things, the fairness, reasonableness, and adequacy of the Settlement.

26 1.34 “Streaming Revenue” means revenue derived from digital streaming of
27 motion pictures, including through services commonly known as “video-on-demand” (“VOD”) or
28 “subscription video-on-demand” (“SVOD”), where the consumer does not obtain permanent

1 Profit Participation Contracts and one or more Profit Participation Contracts that are Class Profit
2 Participation Contracts, that person or entity is a member of the Settlement Class only with regard
3 to the Class Profit Participation Contracts and not a part of the Settlement Class with regard to any
4 other Profit Participation Contracts.

5 3. Exclusions from Settlement Class. Excluded from the Settlement Class are:

6 3.1 Paramount and any person, trust, firm, corporation or other entity Affiliated
7 with or related to Paramount;

8 3.2 Any persons or entities who exclude themselves by submitting a timely
9 Request for Exclusion in accordance with the requirements set forth by the Court.

10 3.3 Persons or entities who have entered into an agreement with Paramount or
11 its Affiliates and their predecessors, subsequent to their Class Profit Participation Contract but
12 regarding the same motion picture, that includes express provisions regarding the calculation of
13 the Profit Participant's Profit Participation with regard to Home Video Revenue, Electronic Sell-
14 Through Revenue, and/or Streaming Revenue, including but not limited to a settlement agreement,
15 an amendment to the relevant Class Profit Participation Contract, a side letter, or any other writing
16 that sets forth such provisions, and was made prior to the date of the Preliminary Approval Order.
17 Paramount shall identify the aforementioned persons or entities to Class Counsel in advance of the
18 filing of the motion for final approval of the settlement.

19 3.4 Other motion picture studios and their Affiliates or predecessors in interest.

20 **DISTRIBUTION OF THE SETTLEMENT FUND**

21 4. The Settlement Fund Payout shall be distributed to Recouped Class Members,
22 without the necessity of filing a claim, as follows:

23 4.1 Retrospective Relief. Each Recouped Class Member shall be entitled to the
24 percentage of the Retrospective Relief Fund equal to the ratio of the total amount of Profit
25 Participation paid or payable to the Recouped Class Member pursuant to one or more Class Profit
26 Participation Contracts through the period ending August 31, 2015, compared to the total amount
27 of Profit Participation paid or payable to all of the Recouped Class Members pursuant to Class
28 Profit Participation Contracts for all periods through the period ending August 31, 2015.

1 Through Revenue as it has done and currently does on the basis of 20% of such revenue.
2 Plaintiffs hereby waive any claims related to this accounting practice for Home Video Revenue
3 and Electronic Sell-Through Revenue in the calculation of Profit Participation for Class Members
4 in both the past and the future. Paramount agrees that, in the absence of an existing or future
5 agreement that includes express provisions regarding the calculation of Streaming Revenue,
6 Paramount will, beginning after the Effective Date, account to each Class Member for Streaming
7 Revenue, and any future methods of streaming now known or hereafter created, on the basis of
8 100% of such revenue received after the Effective Date in a manner otherwise consistent with the
9 terms of each Class Profit Participation Contract.

10 **PRELIMINARY APPROVAL AND NOTICE**

11 9. Preliminary Approval Order. As soon as practicable, Plaintiffs shall move the
12 Court for entry of the Preliminary Approval Order. Paramount agrees, solely for purposes of
13 effectuating the Settlement, not to oppose certification of the Settlement Class. Paramount does
14 not waive and expressly reserves the right to contest class action treatment of Plaintiffs' claims in
15 the Action if the Effective Date fails to occur for any reason including, without limitation, any
16 possible termination of this Settlement. If the Effective Date fails to occur for any reason, (i) the
17 certification of the Settlement Class shall be deemed null and void, and each Party shall retain all
18 of its respective rights as they existed prior to execution of this Stipulation; (ii) any findings or
19 stipulations regarding certification of the Settlement Class will be automatically vacated upon
20 notice to the Court of this Stipulation's termination or disapproval and the Action may proceed as
21 though no certification of the Settlement Class had occurred; (iii) Plaintiffs shall not raise or rely
22 upon any such findings, stipulations, or certification relating to the Settlement Class in connection
23 with any subsequent request for class certification; and (iv) neither this Stipulation, nor any of its
24 accompanying exhibits or any orders entered by the Court in connection with this Stipulation,
25 shall be admissible or used for any purpose.

26 10. Notice.

27 10.1 Settlement Class Member Information Exchange. Within ten (10) business
28 days after the Court's issuance of the Preliminary Approval Order, Paramount shall provide the

1 Settlement Class Information to the Settlement Administrator.

2 10.2 Notice by Mail. Within thirty (30) days after the Court’s issuance of the
3 Preliminary Approval Order, the Settlement Administrator shall mail the Notice to each Class
4 Member. *See*, Exhibit 1 attached hereto.

5 10.3 Publication Notice. Within thirty (30) days after the Court’s approval of the
6 Settlement, the Settlement Administrator shall also cause the Publication Notice, substantially in
7 the form attached hereto as Exhibit 2, to appear once in the *Variety* (in one-half page size) and
8 once in *The Hollywood Reporter* (in one-third page size). The Settlement Administrator shall
9 cause the Publication Notice, substantially in the form attached hereto as Exhibit 2, in the format
10 of an E-Newsletter, to be disseminated to subscribers of *Variety*, *The Hollywood Reporter* and *The*
11 *Wrap*. The Settlement Administrator may also cause online advertising in Facebook, Twitter and
12 LinkedIn. The Settlement Administrator shall issue a press release in the form of the Publication
13 Notice to be disseminated through the major media outlets. Nothing in this Agreement shall
14 prohibit Plaintiffs and Class Counsel from performing their duties and/or taking additional steps to
15 maximize notice to the Class.

16 10.4 Settlement Website. The Settlement Administrator shall create a website
17 (“Settlement Website”) with information about the Settlement. The Settlement Website shall
18 include copies of the relevant pleadings and provide updates to the Class Members regarding the
19 status of the Action.

20 10.5 Costs and Fees. All costs and fees associated with Notice shall be deducted
21 from the Settlement Fund.

22 **REQUESTS FOR EXCLUSION AND OPT-OUT TERMINATION RIGHTS**

23 11. Requests for Exclusion. Class Members who do not wish to participate in the
24 Settlement shall submit a Request for Exclusion within the deadline established by the Court.

25 12. Termination Option. Paramount may terminate the Settlement if, ten (10) days
26 after the deadline for receiving Requests for Exclusion, it determines that either the number of
27 Class Members who have submitted Requests for Exclusion or the total Profit Participation paid to
28 Class Members who have submitted Requests for Exclusion exceeds levels set forth in the

1 Confidential Supplemental Agreement (the “Opt Out Threshold”). Requests for Exclusion from
2 persons or entities who do not meet the Settlement Class definition do not count toward the Opt-
3 Out Threshold. The Parties shall seek to keep the Opt-Out Threshold confidential. In the event
4 that the Court directs that the Confidential Supplemental Agreement be filed prior to the deadline
5 for submitting Requests for Exclusion, no party shall have any right to any relief by reason of such
6 disclosure. In the event of a termination of this Settlement pursuant to the Confidential
7 Supplemental Agreement: (1) this Stipulation shall become null and void; and (2) Paramount shall
8 pay all costs incurred by the Settlement Administrator arising out of the Stipulation.

9 **CONFIRMATORY DISCOVERY**

10 13. Confirmatory Discovery. Class Counsel may, at their own expense, conduct
11 confirmatory discovery as outlined in the Parties’ Confidential Supplemental Agreement.

12 **EFFECTIVE DATE OF SETTLEMENT, WAIVER, AND TERMINATION**

13 14. Effective Date of Settlement. The Effective Date of Settlement shall be the date
14 when all the following have occurred:

- 15 (a) entry of the Preliminary Approval Order by the Court;
- 16 (b) final approval by the Court of the Settlement, following notice to the
17 Settlement Class and a hearing;
- 18 (c) entry of judgment; and
- 19 (d) the expiration of any time for appeal or review, or, if any appeal is filed and
20 not dismissed, after the final approval order is upheld on appeal in all material respects and is no
21 longer subject to review upon appeal or by writ of certiorari.

22 15. Termination after Court Disapproval. In addition to Paramount’s rights under
23 Paragraph 12, Paramount or Plaintiffs shall have the right to terminate the Settlement and this
24 Stipulation by providing written notice of their election to do so (“Termination Notice”) to counsel
25 for the other party hereto within thirty days of (a) the Court’s declining to enter the Preliminary
26 Approval Order; or (b) the Court’s declining to approve the Settlement embodied in this
27 Stipulation, or any material part of it.

28 16. No Prejudice in Event of Termination. Except as otherwise provided herein, in the

1 event the Settlement is terminated or the Effective Date fails to occur, then the Settlement shall be
2 without prejudice and none of its terms shall be effective or enforceable; the Parties to this
3 Stipulation shall be deemed to have reverted to their respective status in the Action as of August
4 31, 2015; except as otherwise expressly provided, the Parties shall proceed in all respects as if this
5 Stipulation and any related orders had not been entered. In the event the Settlement is terminated
6 or modified in any material respect, Paramount shall be deemed to have retained all rights to
7 object to the maintenance of the Action as a class action and shall further be deemed not to have
8 waived, modified, or be estopped from asserting any additional defenses available to it.

9 **ADMINISTRATION OF THE SETTLEMENT**

10 17. Settlement Administrator. The Parties shall engage the third party Settlement
11 Administrator to carry out the terms of the Settlement as provided herein. Any fees or expenses
12 incurred through the use of a third party Settlement Administrator will be deducted from the
13 Settlement Fund as administrative expenses.

14 18. Deposit of Settlement Fund. Within ten (10) business days after the Effective Date,
15 Paramount shall pay the Settlement Fund to the Settlement Administrator for disbursement as
16 provided herein.

17 **ATTORNEYS' FEES, EXPENSES, AND ENHANCEMENT AWARDS**

18 19. Attorneys' Fees. Class Counsel will apply to the Court for an award of attorneys'
19 fees in an amount not to exceed one-third of the \$3,405,000 Settlement Fund (i.e., up to
20 \$1,135,000) and expenses and verified costs in an amount not to exceed \$105,000.00. Paramount
21 agrees not to oppose or to submit any evidence or argument challenging or undermining such
22 application for attorneys' fees, costs, or expenses.

23 20. Disapproval of Fee Award. Notwithstanding anything contained herein to the
24 contrary, in the event that the Court does not approve the award of attorneys' fees and expenses
25 requested by Class Counsel, or the Court awards attorneys' fees and expenses in an amount less
26 than that requested by Class Counsel, such decision shall not affect the validity and enforceability
27 of the Settlement and shall not be a basis for anyone to seek to terminate or void the Settlement or
28 for rendering the entire Settlement null, void, or unenforceable. Class Counsel retain their right to

1 settlement that was reached voluntarily by the Parties after consultation with their respective
2 experienced legal counsel.

3 27. No Oral Modifications. This Stipulation may not be modified or amended, nor may
4 any of its provisions be waived except by a writing signed by counsel for all Parties hereto or their
5 successors-in-interest.

6 28. Headings Have No Legal Effect. The headings herein are used for the purpose of
7 convenience only and are not meant to have legal effect.

8 29. Court Retains Jurisdiction. The administration and consummation of the
9 Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court
10 shall retain jurisdiction for the purpose of entering orders providing for award of attorneys' fees
11 and expenses to Class Counsel, and enforcing the terms of this Stipulation.

12 30. Warrant of Authority. All counsel and any other person executing this Stipulation
13 and any of the exhibits hereto, or any related settlement documents, warrant and represent that
14 they have the full authority to do so and that they have the authority to take appropriate action
15 required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

16 31. Successors and Assigns. This Stipulation shall be binding upon, and inure to the
17 benefit of, the successors and assigns of the Parties hereto.

18 32. Choice of Law. The construction, interpretation, operation, effect and validity of
19 this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal
20 laws of the State of California without regard to conflicts of laws, except to the extent that
21 preemption by federal law requires that federal law govern.

22 33. Stipulation Jointly Drafted. This Stipulation shall not be construed more strictly
23 against one party than another merely by virtue of the fact that it, or any part of it, may have been
24 prepared by counsel for one of the Parties, it being recognized by the Parties that this Stipulation is
25 the result of arm's length negotiations between the Parties and that all Parties have contributed
26 substantially and materially to the preparation of this Stipulation.

27 34. Effect of Waiver. The waiver by one party of any breach of this Stipulation by any
28 other party shall not be deemed a waiver of any other prior or subsequent breach of this

1 Stipulation. The waiver by one party of any breach of this Stipulation by any other party shall not
2 be deemed a waiver of any other prior or subsequent breach of this Stipulation.

3 35. Integration. This Stipulation and its exhibits and the Confidential Supplemental
4 Agreement constitute the entire agreement among the Parties hereto concerning the Settlement of
5 the Action, and no representations, warranties, or inducements have been made by any party
6 hereto other than those contained and memorialized in such documents.

7 36. Execution in Counterparts. This Stipulation may be executed in one or more
8 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
9 instrument. A fax, electronic and/or scanned PDF signature or other copy of a signed counterpart
10 shall be deemed an original and shall have the same force and effect as a signed original.

11 37. No Representations About Tax Consequences. No opinion or advice concerning
12 the tax consequences of the proposed Settlement to individual Class Members is being given or
13 will be given by Class Counsel or Paramount's Counsel; nor is any representation or warranty in
14 this regard made by virtue of this Stipulation. Each Class Member's tax obligations, and the
15 determination thereof, are the sole responsibility of the Class Member, and it is understood that the
16 tax consequences may vary depending on the particular circumstances of each individual Class
17 Member.

18 38. Intent of Parties. The Parties hereto: (a) acknowledge that it is their intent to
19 consummate this Stipulation; and (b) agree to cooperate to the extent necessary to effectuate and
20 implement all terms and conditions of this Stipulation and to exercise their best efforts and to act
21 in good faith to accomplish the foregoing terms and conditions of the Stipulation.

22 Dated: May 9, 2016

COLIN HIGGINS PRODUCTIONS, LTD.

23 By: James Cass Rogers

24 Title: President

25
26 Dated: _____, 2016

MICHAEL ELIAS

27 By: _____

28 Title: _____

1 Stipulation. The waiver by one party of any breach of this Stipulation by any other party shall not
2 be deemed a waiver of any other prior or subsequent breach of this Stipulation.

3 35. Integration. This Stipulation and its exhibits and the Confidential Supplemental
4 Agreement constitute the entire agreement among the Parties hereto concerning the Settlement of
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19 consummate this Stipulation; and (b) agree to cooperate to the extent necessary to effectuate and
20 implement all terms and conditions of this Stipulation and to exercise their best efforts and to act
21 in good faith to accomplish the foregoing terms and conditions of the Stipulation.

22 Dated: _____, 2016 COLIN HIGGINS PRODUCTIONS, LTD.
23 By: _____
24 Title: _____

25
26 Dated: 5/10/_____, 2016 MICHAEL ELIAS
27 By: [Signature]
28 Title: President

1 Dated: 5/6 2016

PARAMOUNT PICTURES CORPORATION

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By: 

Title: Karen Magid
Executive Vice President

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APPROVED AS TO FORM:


Dated: 05-13, 2016

PEARSON, SIMON & WARSHAW LLP
CLIFFORD H. PEARSON
DANIEL L. WARSHAW
BOBBY POUYA

JOHNSON & JOHNSON LLP
NEVILLE L. JOHNSON
DOUGLAS L. JOHNSON
JAMES T. RYAN

KIESEL LAW LLP
PAUL R. KIESEL
JEFFREY A. KONCIUS
MARIANA ARODITIS
MELANIE MENESES PALMER

BOUCHER, LLP
RAYMOND P. BOUCHER
SHEHNAZ M. BHUJWALA
MARIA L. WEITZ

By: 
JEFFREY A. KONCIUS
Attorneys for Plaintiffs Colin Higgins Productions,
Ltd. and Michael Elias, on behalf of themselves and
others similarly situated

Dated: May 11, 2016

KENDALL BRILL & KELLY LLP
RICHARD B. KENDALL
PHILIP M. KELLY
MEAGHAN FIELD


By: 
RICHARD B. KENDALL
Attorneys for Defendant Paramount Pictures
Corporation

EXHIBIT “1”

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST DIVISION

If You Are a Profit Participant on a Motion Picture Released by Paramount Pictures Corporation for Home Video, Electronic Sell-Through, or Streaming You May Financially Benefit from a Class Action Settlement

A California state court authorized this Notice. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit over how Paramount Pictures Corporation (“Paramount”) calculated profit participation relating to revenue derived from the sale of Home Videos (e.g. physical copies such as videocassettes, DVDs, and Blu-Ray) Electronic Sell-Through (e.g. digital copies delivered for permanent download such as iTunes or Amazon) and Streaming (e.g. digital copies that are not permanent downloads such as Netflix or Hulu) on certain motion pictures.
- You may be a Class Member if you are a person or entity (or their successors-in-interest, assigns, and heirs) who is a party to a profit participation contract with Paramount dated on or before July 5, 1980.
- This Settlement provides Class Members with a: (1) \$3,405,000 Settlement Fund, which will be used to pay recouped profit participants who are already receiving profit participation on their contracts; and, (2) \$3,405,000 Accounting Relief Fund, which will be used to credit the accounts of unrecouped profit participants who are not yet receiving profit participations on their contracts. You may receive benefits from either or both of these funds if you qualify.
- You have to take action on or before October 7, 2016 in order to exercise your legal rights and options in the Settlement, which are set forth below and in this Notice. Please read this Notice carefully. Your legal rights may be affected, whether you act or don’t act.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT

REMAIN PART OF THE SETTLEMENT CLASS	<ul style="list-style-type: none"> • <u>If you received this Notice in the mail</u> and you are part of the Settlement Class, <u>you do not have to take any action</u> to remain part of the Settlement Class and be eligible to receive the benefits, payments and credits offered by the Settlement. Payments and credits will be applied to eligible Class Members automatically if you are part of the Settlement.
BECOME PART OF THE SETTLEMENT CLASS	<ul style="list-style-type: none"> • <u>If you did not receive this Notice in the mail</u> and you believe that you may be a Class Member, you can contact the Settlement Administrator and apply to take part in the Settlement by visiting www.XXXX.com or calling (xxx) xxx-xxxx TOLL-FREE.
EXCLUDE YOURSELF	<ul style="list-style-type: none"> • Excluding yourself means you <u>get no payment or credits</u> from this Settlement. • This is the only option that allows you to keep any rights you currently have to negotiate with or sue Paramount about the claims in this case. • <i>See Questions 14–16.</i>
OBJECT TO THIS SETTLEMENT	<ul style="list-style-type: none"> • If you do not exclude yourself, you may write to the Court about why you don’t like this Settlement. <i>See Questions 19–20.</i>
GO TO THE HEARING	<ul style="list-style-type: none"> • Ask to speak in Court about your opinion of this Settlement.

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BASIC INFORMATION

1. Why did I get this Notice?

A Court authorized this Notice because you have a right to know about a proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to give final approval to this Settlement. This Notice explains the lawsuit, this Settlement, and your legal rights.

Judge Elihu M. Berle, of the Superior Court of the State of California, is overseeing this case. The case is known as *Colin Higgins Productions, Ltd. v. Paramount Pictures Corporation*, Case No. BC499179. The people who sued are called the “Plaintiffs.” The “Defendant” is Paramount Pictures Corporation.

2. What is this lawsuit about?

This lawsuit claims that Paramount failed to properly account for and pay motion picture profit participants (e.g. producers, directors, and actors) in regard to Home Video Revenue, Electronic Sell-Through Revenue, and Streaming Revenue under profit participation contracts that do not include express provisions regarding the treatment of such revenues for calculation of profit participation.

Home Video Revenue is revenue derived from the sale of physical copies of motion pictures in tangible products such as Videocassettes, DVDs, and Blu-Ray discs. Electronic Sell-Through Revenue is revenue derived from the sale of digital copies of motion pictures that are delivered to the consumer via electronic transmission (e.g., through download purchases on iTunes or Amazon). Streaming Revenue is revenue derived from digital streaming of motion pictures, including through services commonly known as “video-on-demand” (“VOD”) or “subscription video-on-demand” (“SVOD”), where the consumer does not obtain permanent ownership of a copy of the motion picture (e.g. Netflix or Hulu).

3. Why is this lawsuit a class action?

In a class action lawsuit, one or more people, called “Class Representatives,” (in this case, Colin Higgins Productions, Ltd., and Michael Elias) sue on behalf of people who have similar claims. All these people together are a “Class” or “Class Members.” In a settlement of a class action, one court resolves the issues for all Class Members, except for those who choose to exclude themselves from the Class (see *Question 14*).

4. Why is there a settlement?

The Court has not determined who is right. Rather, both sides have agreed to settle the lawsuit to avoid the uncertainties and expenses of continuing the lawsuit. By agreeing to settle, both sides avoid the cost and risk of a trial, and the people affected will get a chance to receive benefits. The Class Representatives and their attorneys think this Settlement is best for all Class Members. This Settlement does not mean that Paramount did anything wrong.

WHO IS IN THE SETTLEMENT

If you received this Notice you may be a Class Member. You should review your contract(s) and any amendments to them so as to determine whether you are included in the Class and this Settlement.

5. What is the Class definition?

Class Members are all persons and entities (and their successors-in-interest, assigns, and heirs) that are parties to a “Class Profit Participation Contract” (defined by the Settlement Agreement as a Profit Participation Contract, entered on or before July 5, 1980).

When a person or entity is a party to both, (a) one or more Class Profit Participation Contracts; and (b) one or more profit participation contracts that do not meet the definition of a Class Profit Participation Contract, that person or entity is a member of the settlement class only with regard to the Class Profit Participation Contract(s).

Excluded from the Settlement Class are:

- * Paramount and any person, trust, firm, corporation or other entity affiliated with or related to Paramount;
- * Any persons or entities who exclude themselves by filing a timely Request for Exclusion in accordance with the requirements set forth by the Court;
- * Persons or entities who have entered into an agreement with Paramount or its affiliates and their predecessors, subsequent to their Class Profit Participation Contract but regarding the same motion picture, that includes express provisions regarding the calculation of the Profit Participant’s Profit Participation with regard to Home Video Revenue, Electronic Sell-Through Revenue and/or Streaming Revenue including but not limited to a settlement agreement, an amendment to the relevant Class Profit Participation Contract, a side letter, or any other writing that sets forth such provisions, and was made prior to the date of the Preliminary Approval Order;
- * Other motion picture studios and their affiliates or predecessors in interest.

6. How do I know if I am part of this Settlement?

To see if you are part of this Settlement and your rights under the Settlement, ask yourself this series of questions:

Question	Yes	No
Do you have at least one Profit Participation Contract with Paramount dated on or before July 5, 1980 or are you the heir, successor or assign of someone who does?	Continue	You are not a Class Member
Did you or your predecessors in interest modify the Profit Participation Contract to include a provision for Profit Participation specifically with regard to Home Video, Electronic Sell-Through and/or Streaming Revenue?	You are not a Class Member	Continue
Did you or your predecessors already release Paramount for claims relating to Home Video, Electronic Sell-Through and/or Streaming Revenue Profit Participation under the contract?	You are not a Class Member	Continue
Were you receiving Profit Participation payments under the Profit Participation Contract from Paramount as of August 31, 2015?	You may be a Recouped Class Member. Continue.	You may be an Unrecouped Class Member. Continue.

7. I’m still not sure if I am included.

If you are still not sure whether you are included, you can get help by contacting the Settlement Administrator using any of the methods listed in Question 24.

You are not required to pay anyone to assist you in obtaining information about the Settlement.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

8. What does this Settlement Provide?

This Settlement provides a total of \$3,405,000 (“Settlement Fund”) to be available for compensation to the Recouped Class Members (as defined in Question 9 below) less administrative and notice expenses, compensation to Named Plaintiffs, and attorneys’ fees and costs.

This Settlement also provides a total of \$3,405,000 (“Accounting Relief Fund”) for the benefit of Unrecouped Class Members (as defined in Question 9 below) for the application of an adjustment on the account of the motion pictures associated with a Class Profit Participation Contract to which an Unrecouped Class Member is a party.

Paramount has further agreed, that in the absence of an existing or future agreement that includes express provisions regarding the calculation of Streaming Revenue, Paramount will account to each Class Member for Streaming Revenue, and any future methods of streaming now known or hereafter created, on the basis of 100% of such revenue.

9. How will payments and credits be calculated?

Payments and credits and benefits will be calculated from the Settlement Fund and Accounting Relief Fund for Recouped Class Members and Unrecouped Class Members as follows: (Note: It is possible for a profit participant to be considered both a Recouped Class Member and an Unrecouped Class Member in regard to different contracts. In such a situation, the Class Member would obtain a portion of the Settlement Relief Fund as well as their share of the Accounting Relief Fund, as appropriate.) The Settlement Administrator will be responsible for the calculation and payment of the amounts due Recouped Class Members from the Settlement Fund based upon participation information received from Paramount. Paramount will be responsible for the calculation and the application of the accounting credits to be applied for the benefit of Unrecouped Class Members within its profit participation accounting database.

Recouped Class Members: Recouped Class Member means a Class Member who, as of August 31, 2015, is a Profit Participant on one or more motion pictures that have realized sufficient revenue to require payment of Profit Participation to that Class Member under the terms of that person or entity’s Class Profit Participation Contract. Recouped Class Members will receive payments from the Settlement Fund, divided into two categories:

Retrospective Relief (70% of the Settlement Fund Payout)

Each Recouped Class Member shall be entitled to the percentage of the Retrospective Relief Fund equal to the ratio of the total amount of Profit Participation paid or payable to the Recouped Class Member pursuant to one or more Class Profit Participation Contracts through the period ending August 31, 2015, compared to the total amount of Profit

Participation paid or payable to all of the Recouped Class Members pursuant to Class Profit Participation Contracts for all periods through the period ending August 31, 2015.

Prospective Relief (30% of the Settlement Fund Payout)

Each Recouped Class Member shall also be entitled to the percentage of the Prospective Relief Fund equal to the ratio of the total amount of Profit Participation paid or payable to the Recouped Class Member pursuant to one or more Class Profit Participation Contracts for the period from January 1, 2011, through August 31, 2015, compared to the total amount of Profit Participation paid or payable to all of the Recouped Class members pursuant to Class Profit Participation Contracts for the same period, with such ratio serving as an estimate of the ratio of future Profit Participation payments.

Unrecouped Class Members: Unrecouped Class Member means a Class Member who, as of August 31, 2015, is a Profit Participant on one or more motion pictures that have not realized sufficient revenue to require payment of Profit Participation to that Class Member under the terms of that person or entity's Class Profit Participation Contract. In other words they were not yet earning profit participation from their Profit Participation Contract as of August 31, 2015.

Paramount shall apply an adjustment on the account of each motion picture associated with a Class Profit Participation Contract to which an Unrecouped Class Member is a party for the benefit of the Unrecouped Class Members with Class Profit Participation Contracts relating to that motion picture. The accounting adjustment shall be that motion picture's share of the Accounting Relief Fund determined by the ratio of the total amount of Home Video Revenue, Electronic Sell-Through Revenue, and Streaming Revenue derived by Paramount through August 31, 2015, for that motion picture compared to the total amount of Home Video Revenue, Electronic Sell-Through Revenue, and Streaming Revenue derived by Paramount through August 31, 2015, for all of the motion pictures receiving an accounting adjustment.

10. How much will my payment be?

The exact amount each qualifying Class Member will receive cannot be calculated until (1) the Court approves the Settlement; (2) amounts are deducted from the Settlement Fund for notice and administration costs, attorneys' fees and expenses, and any Class Representative Incentive Awards; and (3) the Settlement Administrator determines the number of persons who opt out of the Settlement. *See Question 9 for the general method of calculating claims payments.*

HOW YOU GET A PAYMENT OR CREDIT—PARTICIPATING IN THE SETTLEMENT

11. How can I get a payment or credit?

To be eligible to receive a payment or credit under the Settlement, you must (1) be a Class Member; and (2) not have excluded yourself from the Settlement.

If You Received This Notice in The Mail: If you received this Notice in the mail it means that Paramount's records have identified you as a potential Class Member. ***You do not need to submit a Claim Form or take any other action if you received this Notice in the mail and wish to participate in the Settlement.*** Your eligibility will be confirmed and payments and credits described above will be provided to you automatically.

If You Did Not Receive This Notice in The Mail: If you did not receive this Notice in the mail and you believe that you may be a Class Member, you can inquire into whether you are an eligible Class Member and apply to take part in the Settlement by visiting www.XXXX.com or calling (xxx) xxx-xxxx TOLL-FREE.

12. When will I get my payment or credit?

The payments and accounting credits will be sent to eligible Class Members after the Court grants "final approval" of the Settlement and after any appeals are resolved.

The Court will hold a Fairness Hearing on November 7, 2016, at 10:00 a.m. (Pacific time) to decide whether to approve the Settlement. **If you want to attend the hearing, keep in mind that the date and/or time may be changed after this Notice is sent, so you should check the settlement website (www.XXXX.com) before making travel plans.**

If the Court approves the Settlement (*see Questions 21–23*), there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time. Please be patient. You can check for updates and other important information by using any of the methods listed in Question 24.

13. What am I giving up to get benefits and stay in the Settlement?

If this Settlement receives final approval from the Court, this Settlement will be legally binding on all Class Members, including Class Members who object, unless you exclude yourself from the Settlement. This means you will not be able to sue Paramount for the claims being released in this Settlement. This Notice is only a summary. The specific claims that you are giving up against Paramount are described in detail in the Settlement Agreement. You will be "releasing" Paramount and all related entities (the "Released Parties") as described in the Settlement Agreement. The Settlement Agreement is available at www.XXXX.com or by calling (xxx) xxx-xxxx TOLL-FREE.

If you, or someone acting on your behalf, are currently litigating claims against Paramount or the other Released Parties, you will be barred from pursuing the claims released by this Settlement unless you validly “opt out” as described below. If you are currently litigating claims against Paramount or the other Released Parties, speak to your lawyer in that matter immediately.

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions, you can talk to Class Counsel listed in Question 17, or you can, of course, talk to your own lawyer if you have questions about what this means.

14. How do I get out of the Settlement?

To exclude yourself, you must mail a letter that includes:

- Your full name, current address, telephone number, and signature;
- The name of the individual or entity requesting exclusion (if any different from your name);
- A statement that you are a Class Member and that you “request to be excluded from the class settlement in the Paramount Home Video Settlement”;
- A statement as to whether you wish to be excluded from the class settlement for all or only some of the Class Profit Participation Contracts to which you are a party. If you wish to be excluded for only some of the Class Profit Participation Contracts to which you are a party, please indicate the specific motion pictures for which you are requesting exclusion.

You must personally sign your written “opt-out” request and mail it postmarked by October 7, 2016 to:

Paramount Home Video Settlement
c/o XXXX

15. If I don’t exclude myself, can I sue the Defendant for the same thing later?

No. Unless you exclude yourself from the Settlement, you give up any right to sue the Defendant for the claims that are resolved by the Settlement. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. **Remember, the exclusion deadline is October 7, 2016.**

16. If I exclude myself, can I get a payments or credits from the Settlement?

No. If you exclude yourself from the Settlement, you will not be able to get any payments or credits from the Settlement and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Settlement.

THE LAWYERS IN THE CASE

17. Who Are the Lawyers in This Case

Class Counsel

The Court has appointed the law firms listed below to represent you and other Class Members in the Settlement. These lawyers are called Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

If you want to contact Class Counsel about this Settlement, they can be reached through the Settlement Administrator by calling (xxx) xxx-xxxx or sending an email to info@XXXX.com.

Daniel L. Warshaw PEARSON, SIMON & WARSHAW, LLP 15165 Ventura Boulevard, Suite 400 Sherman Oaks, CA 91403	Jeffrey A. Koncius KIESEL LAW LLP 8648 Wilshire Boulevard Beverly Hills, CA 90211
Neville L. Johnson JOHNSON & JOHNSON LLP 439 North Canon Drive, Suite 200 Beverly Hills, CA 90210	Raymond P. Boucher BOUCHER LLP 21600 Oxnard St., Suite 600 Woodland Hills, CA 91367

Paramount’s Attorneys

Defendant Paramount Pictures Corporation is represented by the below listed counsel from the law firm of Kendall Brill & Kelly LLP. If you want to contact Defendant Paramount Pictures Corporation’s Attorneys about this Settlement, they can be reached by contacting:

Richard Kendall
KENDALL BRILL & KELLY LLP
10100 Santa Monica Blvd #175

18. How Are Class Counsel being paid? Are the Class Representatives being paid?

Class Counsel will ask the Court for an award of attorneys' fees and expenses in the Settlement (the "Fee and Expense Award"), which will be paid from the Settlement Fund:

Attorneys' Fees and Expenses

- Class Counsel will ask the Court to approve payment from the Settlement Fund of attorneys' fees of up to one-third of the \$3,405,000 Settlement Fund (*i.e.*, up to \$1,135,000), as well as for reimbursement for costs and expenses incurred in the prosecution of the lawsuits not to exceed \$105,000.

Incentive Awards to Class Representatives

- Class Counsel will ask the Court to approve a \$10,000.00 payment (called "Incentive Awards") to each of the Plaintiffs, Colin Higgins Productions Ltd. and Michael Elias, totaling \$20,000.00. The Incentive Awards compensate Plaintiffs for their service as Class Representatives. Any Incentive Award ordered by the Court will be in addition to what that Class Representative is eligible to receive from his or its claim.

OBJECTING TO THE SETTLEMENT

19. How do I tell the Court that I don't like the Settlement?

If you do not exclude yourself, you may object to the Settlement. To object, you must **mail** your objection to the Settlement Administrator. To be timely, your objection must be mailed to the Settlement Administrator so that it is **postmarked** by October 7, 2016 at the following addresses:

Paramount Home Video Settlement
XXXX

You must include the following information:

- Your full name, current address, telephone number, and signature.
- The settlement to which you are objecting:
 - "Paramount Home Video Settlement."
- Your objections and the specific reasons why you object.
- State whether you intend to appear at the Fairness Hearing, either in person or through counsel.
- If you are represented by separate counsel, the name, address, bar number, and telephone number of all attorneys who will represent you.

Please note that any objections must be submitted by an individual Class Member, his or her legally authorized representative, or his or her attorney—not as a member of a group, class, or subclass.

20. What's the difference between objecting and excluding yourself?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object to a settlement only if you stay in that settlement. Excluding yourself is telling the Court that you don't want to be part of the Settlement. If you exclude yourself, you have no basis to object, because the case no longer affects you. If you object, and the Court approves the Settlement anyway, you will still be legally bound by the result.

THE COURT'S FAIRNESS HEARING

21. When and where will the Court decide whether to approve the Settlement?

The Court will hold a "Fairness Hearing" (also known as a "Final Approval Hearing") to decide whether to finally approve the proposed Settlement. The Fairness Hearing will be on November 7, 2016 **at 10:00 a.m.** before Judge Elihu M. Berle in Department 323 of the Los Angeles Superior Court, Central Civil West Courthouse, located at 600 South Commonwealth Avenue, Los Angeles, California 90005. If you want to attend the Fairness Hearing, keep in mind that the date and/or time may be changed after this Notice is sent, so you should check the settlement website (www.XXXX.com) before making travel plans.

At the Fairness Hearing, the Court will consider whether the proposed Settlement and all of its terms are adequate, fair, and reasonable. If there are objections, the Court will consider them. The Court may listen to people who have asked for permission to speak at the Hearing and have complied with the other requirements for objections explained in Question 19. The Court may also decide how much to award Class Counsel for fees and expenses, and whether and how much to award the Class Representatives for representing the Class (the Incentive Awards).

There is no set timeline for either the Court’s final approval decision, or for any appeals that may be brought from that decision, so it is impossible to know exactly when the Settlement will become final.

The Court may change deadlines listed in this Notice without further notice to the Class. To keep up on any changes in the deadlines, please contact the Settlement Administrator or review the website.

22. Do I have to come to the Fairness Hearing?

No. Class Counsel will answer any questions asked by the Court.

If you send an objection, you don’t have to come to Court to talk about it. So long as you mailed your written objection on time and complied with the other requirements for a proper objection, the Court will consider it. You may also pay another lawyer to attend, but it’s not required.

23. May I speak at the Fairness Hearing?

Yes. You or your lawyer may, at your own expense, come to the Fairness Hearing and speak. You must also file a Notice of Intention to Appear, which must be mailed to the Settlement Administrator so that it is **postmarked no later than** October 7, 2016 and it must be **filed** with the Clerk of the Court by that same date. If you intend to have a lawyer appear on your behalf, your lawyer must enter a written notice of appearance of counsel with the Clerk of the Court no later than October 7, 2016. See Question 19 for the addresses of the Settlement Administrator. You cannot speak at the Fairness Hearing if you excluded yourself.

GETTING MORE INFORMATION

24. How do I get more information about the Settlement?

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement, available at www.XXXX.com.

YOU MAY OBTAIN ADDITIONAL INFORMATION BY	
CALLING	<ul style="list-style-type: none">• Call the Settlement Administrator toll-free at (xxx) xxx-xxxx to ask questions and receive copies of documents.
E-MAILING	<ul style="list-style-type: none">• Email the Settlement Administrator at info@XXXX.com
WRITING	<ul style="list-style-type: none">• Send your questions by mail to Paramount Home Video Settlement XXXX
VISITING THE SETTLEMENT WEBSITE	<ul style="list-style-type: none">• www.XXXX.com, where you will find answers to common questions about the Settlement, obtain a Claim Form, plus other information to help you.
REVIEWING LEGAL DOCUMENTS	<ul style="list-style-type: none">• You can review the legal documents that have been filed with the Clerk of Court in these cases at: Los Angeles Superior Court, Central Civil West Courthouse 600 South Commonwealth Avenue Los Angeles, California 90005

PLEASE DO NOT CALL THE JUDGE OR THE COURT CLERK TO ASK QUESTIONS ABOUT THE LAWSUIT, THE SETTLEMENT, OR THIS NOTICE.

THE COURT WILL NOT RESPOND TO LETTERS OR TELEPHONE CALLS. IF YOU WISH TO ADDRESS THE COURT, YOU MUST FILE AN APPROPRIATE PLEADING OR MOTION WITH THE CLERK OF THE COURT IN ACCORDANCE WITH THE COURT’S USUAL PROCEDURES.

DATED: _____, 2016

BY ORDER OF THE COURT
SUPERIOR COURT FOR THE STATE OF CALIFORNIA

EXHIBIT “2”

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If You Are a Profit Participant on a Motion Picture Released by Paramount Pictures Corporation for Home Video, Electronic Sell-Through or Streaming, You Could Financially Benefit from a Class Action Settlement

What Is This Settlement About?

A settlement has been reached in a class action lawsuit over how Paramount Pictures Corporation (“Paramount”) calculated profit participation relating to revenue derived from the sale of Home Videos (e.g. physical copies such as videocassettes, DVDs, and Blu-Ray), Electronic Sell-Through (e.g. digital copies delivered for permanent download such as iTunes or Amazon), and Streaming Revenue (e.g. digital copies that are not permanent downloads such as Netflix or Hulu) on certain motion pictures. The settlement is not an admission of wrongdoing and the Court has not decided who is right and who is wrong. Instead, the parties decided to settle the dispute.

Am I A Class Member?

You may be a Class Member if you are a person or entity (or their successors-in-interest, assigns, and heirs) who is a party to a “Class Profit Participation Contract” (defined by the Settlement Agreement as a Profit Participation Contract, entered on or before July 5, 1980). To obtain more information regarding whether you are a Class Member, please visit **www.XXXX.com** or call (xxx) xxx-xxxx.

What Does The Settlement Provide?

This settlement provides Class Members with a: (1) \$3,405,000 Settlement Fund, which will be used to pay recouped profit participants who are already receiving profit participation on their contracts; and (2) \$3,405,000 Accounting Relief Fund, which will be used to credit the accounts of unrecouped profit participants who are not yet receiving profit participation on their contracts. You may receive benefits from either or both of these funds if you qualify.

What Are My Options?

You have the following rights and options as a Class Member. You have to take action on or before October 7, 2016 in order to exercise your legal rights and options under the settlement set forth below. Please visit **www.XXXX.com** or call **1-877-319-9141** for more information on how to exercise your rights and options.

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| Remain Part of the Settlement Class | If you also receive notice of this settlement in the mail, you do not have to take any action to remain part of the settlement class and be eligible to receive the benefits, payments and credits offered by the settlement. Payments and credits will be applied to eligible Class Members automatically. |
| Become Part of the Settlement Class | If you do not receive notice of this settlement in the mail and you believe that you may be an eligible Class Member, you can apply to take part in the settlement by visiting www.XXXX.com or calling (xxx) xxx-xxxx. |
| Exclude Yourself | Excluding yourself means you will be excluded from the class and <u>get no payment or credits from this settlement</u> . The judgment, whether favorable or not, will bind all members who do not request exclusion. |
| Object to this Settlement | You may tell the Court and parties about why you don't like this settlement. |
| Attend the Fairness Hearing | Any member who does not request exclusion may ask to speak in court about your opinion of the settlement at the Fairness Hearing. The Fairness Hearing is currently scheduled for 10:00 a.m., on November 7, 2016 at Department 323 of the California Superior Court, 600 South Commonwealth Avenue, Los Angeles CA, 90005. You may make an appearance through counsel if you so desire. |