

Context Press  
933 Gear Street  
Reno, NV 89503

2/18/2009

Ennio Cipani  
15650 Mills Dr.  
Visalia, CA 93292

Re: **Publishing Agreement for Punishment on Trial dated 10/20/03**

Dear Ennio,

On behalf of Context Press, I am pleased to inform you that New Harbinger Publications, Inc is acquiring our publishing business. As part of the acquisition, Context Press is assigning all of our publishing agreements to New Harbinger. To facilitate the new arrangements, we need you to countersign this letter agreement where indicated below to confirm the following points:

1. You ratify, approve and agree to be bound by the assignment of the Publishing Agreement referenced above by Context Press to New Harbinger.
2. By countersigning this letter agreement, you are hereby entering into a new and additional contract with New Harbinger for the work referenced above on the Standard Terms and Conditions attached to and incorporated by reference in this letter agreement.

\*\*Please sign both copies of the contract, keep one copy for yourself, and mail the other copy back to us at: Context Press, 933 Gear St., Reno, NV 89503, USA

Thank you for your courtesy and assistance in this matter.

Sincerely yours,



STEVEN C. HAYES  
dba Context Press

Agreed and confirmed:

Ennio Cipani

NEW HARBINGER PUBLICATIONS,  
INC.



By:

Acquisitions Director

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Ennio Cipani

## Standard Terms and Conditions

- 1. Letter Agreement.** The following terms and conditions are incorporated by reference in the attached letter agreement (collectively, "Letter Agreement") between the individual whose name appears in the Letter Agreement ("Author") and New Harbinger Publications, Inc. ("Publisher") relating to the work of authorship referenced in the Letter Agreement ("the Work").
- 2. Original Contract Between Author and Context Press.** Context Press has assigned all rights and delegated all duties under the original contract between Author and Context Press for the Work ("Publishing Agreement"), which remains in full force and effect as between Author and Publisher except as expressly modified and amended in these Standard Terms and Conditions. If any term or provision of the Publishing Agreement is inconsistent with any term or provision of these Standard Terms and Conditions, then these Standards Terms and Conditions shall prevail.
- 3. Effective Date.** This Letter Agreement will be effective as of the date of the Letter Agreement ("Effective Date") regardless of when actually signed by the parties. On and after the Effective Date, Context Press shall have no further rights or responsibilities under the Publishing Agreement as assigned to Publisher and as amended and modified in the Letter Agreement. To the extent that these Standard Terms and Conditions provide for new, different or additional royalties, Publisher's obligation to pay such royalties will commence on the first sale of the copies of the Work by Publisher.
- 4. Grant of Rights.** Author, on behalf of himself or herself, and his or her heirs, executors, administrators, successors and assigns, hereby grants, assigns and otherwise transfers to Publisher and its licensees, successors and assigns, exclusively and irrevocably, all right, title and interest in and to the Work in any and all media now known or hereafter devised, including but not limited to all rights under copyright, for the full term of copyright, and any and all extensions and renewals thereof, all of which such rights may be exercised in all languages, throughout the world, and by any means or through any channel of distribution now known or hereafter devised.
- 5. Editing and Publication Format.** Publisher, in its sole judgment shall have the right to manufacture, distribute, advertise, promote and publish the Work in a style and manner which Publisher deems appropriate, including typesetting, paper, printing, binding, medium, cover and/or jacket design, title, price, and all other particulars.
- 6. Author's Representations and Warranties.** Author represents and warrants to Publisher that: (i) the Work is not in the public domain; (ii) Author is the sole proprietor of the Work and has full power and authority, free of any rights of any nature whatsoever of any other person, to enter into the Letter Agreement and to grant the rights which are granted to Publisher in the Letter Agreement; (iii) to the extent that the Work includes intellectual property owned by third parties (such as, by way of example only, chapter contributors), Author has secured all necessary permissions from such third parties to permit the exploitation of all rights in the Work by Publisher; (iv) the Work has not heretofore been published, in whole or in part, in any form except by Context Press; (v) the Work does not, and if published will not, infringe upon any copyright or any proprietary right at common law; (vi) the Work contains no matter whatsoever that is obscene, libelous, violative of any third party's right of privacy or publicity, or otherwise in contravention of law or the right of any third party; (vii) all statements of fact in the Work are true and are based on diligent research; (viii) all advice and instruction in the Work is safe and sound, and is not negligent or defective in any manner; (ix) the Work, if biographical or "as told to" Author, is authentic and accurate unless certain non-material inaccuracies are required in order to protect a third party's right of privacy; and (x) Author will not hereafter enter into any agreement or understanding with any person or entity which might conflict with the rights granted to Publisher under this Letter Agreement.
- 7. Author's Indemnity of Publisher.** Author shall indemnify, defend and hold harmless Publisher, its subsidiaries and affiliates, and their respective shareholders, officers, directors, employees, partners, associates, affiliates, joint venturers, agents and representatives, from any and all claims, debts, demands, suits, actions, proceedings and/or prosecutions ("Claims") based on allegations which, if true, would constitute a breach of any of the foregoing warranties, and any and all liabilities, losses, damages, expenses (including attorneys' fees and costs) and damages in consequence thereof. Each party to this Letter Agreement shall give prompt notice in writing to the other party of any Claims. No compromise or settlement of any Claims shall be made or entered into without the prior written approval of Publisher and Author. In the event of any Claims, Publisher shall have the right to suspend payments otherwise due to Author under the terms of this Letter Agreement or any other agreement between Author and Publisher as security for Author's obligations under this Letter Agreement. Publisher shall have the right to extend the Author's representations and warranties contained in this Letter Agreement to third parties (such as, without limitation, licensees or assigns of any and all rights in and to the Work), and the Author shall be liable thereon to the same extent as if such representations and warranties were originally made to such third parties. All such warranties, representations and indemnities shall survive the termination or expiration of this Letter Agreement.
- 8. Royalties and Licensing of Subsidiary Rights.**

## Standard Terms and Conditions

8.1 Definitions. For purposes of this Letter Agreement, the following definitions shall apply:

8.1.1 “Book Editions” refers to any and all book formats now known or hereafter devised, including but not limited to hardcover, trade or quality paperbacks; rack-sized or mass-market paperbacks; Braille, large-type and other editions for the handicapped; book fair, school and cheap editions; unbound sheets; and condensed, abridged or omnibus editions, but excluding POD Editions and Ebook Editions.

8.1.2 “POD Editions” refers to the manufacture and sale of copies of the Work by means of digital storage, transmission, and output of the Work in which the end product is a single printed or digital copy of the Work for sale to a consumer or a short run of such copies for sale out of Publisher’s inventory or any other form of print-on-demand book publishing now known or hereafter devised.

8.1.3 “Ebook Editions” refers to “electronic books” or “e-books” in any and all formats now known or hereafter devised comprising all or any portion of the contents of the Work, without the addition of any other material whatsoever, in electronic versions of the Work that are reproduced, transmitted and/or otherwise exploited in the form of digital storage media and offered for sale or license to the consumer.

8.1.4 “Electronic Rights” refers to all uses of the Work, or any portion thereof, alone or in conjunction with other matter, in computer-based and similar electronic media and technologies for data entry, storage, retrieval, transmission, performance, display and output of any and all kinds, and/or like media and technologies attaining similar results, whether now known or hereafter devised, including, by way of example only, electronic books and ebooks, interactive media and multi-media in which the Work may be adapted and used in conjunction with other matter, whether such data is stored on hard drives or other fixed storage media, disks and diskettes and other portable storage media, and/or remote on-line databases.

8.2 Book Editions by Publisher. For any and all editions of the Work produced by Publisher in book formats of any kind other than POD Editions and Ebook Editions, Publisher shall credit Author’s account with the following royalty:

Publisher shall credit Author’s account with a royalty equal to **Eleven Percent (11%)** of Net Revenues actually received by Publisher.

“Net Revenues,” as used in this Letter Agreement (with the exception of Section 8.5.3 below), refers to money actually received by Publisher in the United States for the sale of copies of the Work, net of returns and adjustments, after deduction of discounts, and sales commissions and fees, if any. No royalties shall be due for damaged or spoiled copies, Author’s free copies, or copies distributed for promotional purposes. No additional payments shall be due under this Section 8.2 for copies remaindered under Section 12 of this Letter Agreement.

8.3 POD Editions by Publisher. On completed sales of copies of any and all POD Editions of the Work produced by Publisher or for Publisher by a POD vendor for sale by Publisher under its own imprints, excluding shipping and handling costs paid by the purchaser and after deduction of all amounts paid or owing by Publisher to POD vendors in connection with any such POD Editions, Publisher shall credit Author’s account with a royalty equal to Twenty-Five Percent (25%) of Net Revenues actually received by Publisher.

8.4 Ebook Editions and/or Electronic Rights. Per the Author, the author is granted sole ownership and rights to all Ebook and Electronic Rights for this Work.

8.5 Licensing or Assignment of Rights to Third Parties.

8.5.1 Publisher may not assign Electronic Rights in any format or media to a third party.

8.5.2 Publisher may not sell or give other rights for the Work licensed or assigned to third parties.

8.5.4 Royalty-Free Transactions. No royalty is owed to Author on non-revenue-generating uses of the Work such as, by way of example only, Amazon’s “Look Inside the Book” or “Search Inside the Book” features, the Google Book Search program, and other comparable features and programs.

9. Accounting. Publisher shall render to Author a statement of Net Units sold and Net Revenues from sale of copies of the Publisher’s editions of the Work and the Author’s share of the proceeds from disposition or exploitation of rights to the Work as described in Section 15, and other credits and debits relating to the Work and the rights granted in this Letter

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Agreement, and pay Author any amount(s) then owing, within nine (9) months after Publisher's first receipt of revenues relating to exploitation of rights in the Work, and at intervals of not more than six (6) months thereafter. Each statement shall be for a period ending no more than ninety (90) days before the statement is rendered. As used herein, "Net Units" shall refer to copies of the Work in any edition published by Publisher actually sold and delivered, net of returns, damaged or spoiled copies, and promotional and Author's copies. Publisher shall have the right to debit the account of Author for any overpayment of royalties, any and all costs, charges or expenses that Author is required to pay or reimburse Publisher under this Letter Agreement or any other agreement between Author and Publisher.

9.1 Publisher shall have the right to allow for a reasonable reserve against returns. If royalties have been paid on copies that are thereafter returned, then Publisher shall have the right to deduct the amount of such royalties on such returned copies from any future payments under this Letter Agreement or any other agreement between Author and Publisher.

9.2 As set forth in Section 7 above, in the event that any Claims are asserted against Author or Publisher, Publisher shall have the right to withhold royalties and other payments otherwise payable under this Letter Agreement or any other agreement between Author and Publisher as a reserve pending a final determination thereof. Publisher shall have the right to apply any of such withheld royalties and other payments then or thereafter accruing to the reduction, satisfaction or settlement of such Claims.

9.3 Author shall have the right, upon reasonable notice and during usual business hours but not more than once each year, to engage a Certified Public Accountant to examine the books and records of Publisher relating to the Work at the place where such records are regularly maintained. Any such examination shall be at the sole cost of Author. Statements rendered under this Letter Agreement shall be final and binding upon Author unless Author sets forth the specific objections in writing and the basis for such objections within six (6) months after the date the statement was rendered.

10. Reservation of Rights. Publisher reserves all rights under copyright, trademark and other intellectual property rights in and to the title (including series title, if any), logotype, trademark, trade dress, format and other features of the Work as published and promoted by Publisher, while it still possesses current stock for sale (as of 2/11/2009). After all current stock is sold, all rights will revert to Author.

11. Author's Copies. Author shall be permitted to purchase copies of the Publisher's editions of the Work, for personal use and/or for resale, at a forty percent (40%) discount from list price. The purchase price and shipping charges shall be paid upon receipt of Publisher's invoice.

12. Remainders and Reversion of Rights.

12.1 If Publisher determines that there is not sufficient demand for the Work to enable it to continue its publication and sale profitably, the Publisher may dispose of the copies remaining on hand as it deems best. In such event, Author shall have the right, within two (2) weeks of the giving of written notice by Publisher, to a single purchase of some or all of such copies at cost, and the purchase of film and plates at Publisher's actual cost of manufacture. If Author declines to purchase such copies or other materials, Publisher may dispose of them, and shall pay Author a sum equal to 5% of the amounts actually received by Publisher in excess of the costs of manufacture.

12.2 Per the Author's request, after the sale of all copies of the stock currently in print (as of 2/11/2009), all rights granted under this Letter Agreement shall revert to Author, subject to all rights which may have been granted and/or licensed by Publisher to third parties under this Letter Agreement, and Publisher shall have no further obligations or liabilities to Author except that Author's earned royalties shall be paid when and as due. The Work shall not be deemed unavailable for purchase within the meaning of this section so long as the Work is (a) available for sale either from stock in Publisher's, a distributor's or a licensee's warehouse, or in regular sales channels.

13. Rights Surviving Termination. Upon the expiration or termination of this Letter Agreement, any rights reverting to Author shall be subject to all licenses and other grants of rights made by Publisher to third parties pursuant to this Letter Agreement. Any and all rights of Publisher under such licenses and grants of rights, and all representations, warranties and indemnities of Author, shall survive the expiration or termination of this Letter Agreement.

14. Binding on Successors.

14.1 This Letter Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, successors or assigns of Author, and the successors, assigns and licensees of Publisher, but no assignment by Author shall be made without prior written consent of Publisher. Without limitation of the foregoing, Publisher may, without Author's consent,

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specifically transfer its rights and obligations under this Letter Agreement as part of a change of ownership of Publisher or a transfer of all or substantially all of the Publisher's assets.

14.2 Publisher may assign, grant or license any or all of its rights under this Letter Agreement to related persons or entities, including but not limited to parents, subsidiaries, partners, and/or joint venturers, so long as the transaction is on terms reasonably comparable to an arm's length transaction between unrelated persons or entities.

14.3 For avoidance of doubt, the assignment of this Letter Agreement to a third party in connection a change of ownership of Publisher or a transfer of Publisher's assets shall not be a royalty-bearing transaction pursuant to Section 8.5 above, and no portion of the consideration given for such an assignment shall be owed to Author.

15. Advertising and Promotion. Author irrevocably grants Publisher the right to use, and to license others to use, Author's name, image, likeness and biographical material for packaging, advertising, promotion, publicity, and other exploitation of the Work and the other rights granted under this Letter Agreement.

15.1 Publisher shall have the right to determine the time, place, method and manner of advertising, promotion and other exploitation of the Work (the "Marketing Plan"), and Publisher shall be responsible for the costs and expenses solely related to that Marketing Plan.

15.2 Author shall make herself or himself available to publicize and promote the Work as reasonably requested by Publisher. Costs and expenses for such publicity and promotional efforts by Author shall be the responsibility of Publisher; provided however, Author is responsible for costs and expenses incurred by him or her which exceed Publisher's expense guidelines.

16. Arbitration. To the maximum extent permitted by applicable law, and except as otherwise provided by applicable law, if any dispute shall arise between the parties regarding this Letter Agreement, such disputes shall be referred to confidential binding arbitration in Oakland, California, by arbitrator(s) and pursuant to rules of arbitration subject to the mutual agreement of the parties. If the parties cannot agree on the arbitrator(s) and/or the rules of arbitration, arbitration may be compelled by petition to any court of competent jurisdiction in Oakland, California. Any arbitration award shall be rendered in writing and may be entered and shall be fully enforceable as a judgment in any court of competent jurisdiction. Notwithstanding the foregoing, the parties shall have the right to conduct discovery and the right to seek interim relief, including but not limited to temporary, preliminary and permanent injunctive relief, in any court of competent jurisdiction during the pendency of the arbitration and in order to enforce the terms of any award in arbitration. The parties expressly waive their right to trial, including trial by jury. In any action on this Letter Agreement, including litigation and arbitration, each party shall bear its own attorneys' fees and costs. Regardless of the place of its physical execution, this Letter Agreement shall be interpreted, construed and governed in all respects by the laws of the State of California.

17. Force Majeure. Publisher's obligations under this Letter Agreement shall be extended by a period equal to any period of force majeure that prevents Publisher from performing such obligations.

18. Entire Agreement. Author acknowledges and agrees that the Publishing Agreement as assigned by Context Press to Publisher and this Letter Agreement (incorporating these Standard Terms and Conditions), represent the complete and entire agreement of Author and Publisher regarding the Work, and may not be modified or amended except in a written agreement signed by both Author and Publisher.

19. No Employment, Partnership or Other Relationship. The parties acknowledge and agree that this Letter Agreement is an arm's length transaction between independently contracting parties, and no employment, partnership, joint venture, trust, or other legal relationship is created between them.

20. Bankruptcy. If a petition in bankruptcy or a petition for reorganization is filed by or against Publisher, or if Publisher makes an assignment for the benefit of creditors, or if Publisher liquidates its business for any cause whatsoever, Author may terminate this Letter Agreement by written notice within sixty (60) days after any of the foregoing events, and all rights granted to Publisher by Author shall thereupon revert to Author.

21. Consideration. The parties acknowledge the receipt of good and sufficient consideration given by each party to the other parties in connection with the Letter Agreement.