UNITED STATES DISTRICT COURT	
SOUTHERN DISTRICT OF NEW YORK	
	X
PINKNEWS MEDIA GROUP LTD.	:
	:
Plaintiff,	:
	:
V.	:
	:
HERE PUBLISHING INC. d/b/a PRIDE	:
MEDIA, OREVA CAPITAL CORP.,	
ADAM LEVIN, and DOES 1-50,	:
	:
Defendants.	:
	х

Civil Action No. 1:19-CV-05609

COMPLAINT

[DEMAND FOR JURY TRIAL]

Plaintiff PINKNEWS MEDIA GROUP LTD. ("Plaintiff"), by and through its counsel, Wood, Smith, Henning & Berman LLP, for its Complaint, states as follows:

:

## **NATURE OF THE ACTION**

 Plaintiff, an international LGBT+ (lesbian, gay, bisexual, and transgender) media company, entered into an agreement with HERE PUBLISHING INC. d/b/a PRIDE MEDIA ("PRIDE") for the sale and service of advertising in the United States. The defendants failed to comply with the terms of the agreement, and obligations otherwise owed to Plaintiff, amounting to wrongful conduct consisting of breach of contract, misrepresentations of fact sufficient to constitute fraud and conversion.

## PARTIES

2. At all times herein mentioned, Plaintiff was and is a U.K. company authorized to do, and is doing business within the County of New York, State of New York.

- Plaintiff is informed and believes, and based thereon, alleges, that at all times herein mentioned, PRIDE, was, and is, a Delaware corporation, authorized to do, and is doing, business within the County of New York, State of New York.
- 4. Plaintiff is informed and believes, and based thereon alleges, that at all times herein mentioned, OREVA CAPITAL CORP. ("OREVA") was, and is, a Delaware corporation, and did, and does, own PRIDE.
- Plaintiff is informed and believes, and based thereon alleges, that at all times herein mentioned, ADAM LEVIN ("LEVIN") was, and is, the Chief Executive Officer ("CEO") of OREVA.
- 6. Plaintiff is presently unaware of the true names and capacities of all DOES 1 through 50, inclusive, and Plaintiff will amend this Complaint to allege their true names and capacities after the same are ascertained.
- 7. Plaintiff is informed and believes, and based thereon alleges, that at all times herein mentioned:
  - a. PRIDE and certain DOES 1-50 were individuals or business entities organized and/or existing under and by virtue of the laws of the State of New York and were authorized to do business in the County of New York, State of New York; and
  - b. OREVA, LEVIN, and certain DOES 1-50 were individuals or business entities organized and/or existing under and by virtue of the laws of the State of California and were authorized to do business in the County of New York, State of New York.

The individuals and entities referenced in this paragraph 7 are collectively referred to as "Defendants".

8. Plaintiff is informed and believes, and based thereon alleges, that at all times herein mentioned, Defendants, and each of them, was the agent, partner, joint venturer, lender, predecessor in interest, successor in interest, and/or employee of each other and/or of the remaining DOES 1 through 50, and each of them, and were at all times herein mentioned acting within the course and scope of such agency and/or employment.

### JURISDICTION AND VENUE

- 9. Plaintiff incorporates paragraphs 1 through 8 as though fully set forth herein.
- 10. This Court has original jurisdiction over this matter pursuant to 28 U.S.C.§ 1332, because the amount in controversy exceeds the sum or value of \$75,000, exclusive of interests and costs, and involves a citizen of a foreign state.
- 11. Defendants are subject to personal jurisdiction because the agreement in dispute in this matter, as entered into between PRIDE and Plaintiff, designates New York as the choice-of-law provision. Plaintiff serves a portion of the LGBT+ market in the U.S. through contacts over the internet, including into County of New York, State of New York. PRIDE has a New York office where most of its executives are located, including the Interim CEO who made material representations in this matter.
- 12. Venue is proper in this Court pursuant to the agreement in dispute designating County of New York, State of New York as choice-of-venue.

### **GENERAL ALLEGATIONS**

- 13. Plaintiff incorporates paragraphs 1 through 12 as though fully set forth herein.
- 14. This Complaint arises out of wrongful conduct on the part of Defendants, and each of them, consisting of breach of contract and misrepresentations of fact sufficient to constitute fraud.

15. On May 17, 2018 ("Effective Date"), Plaintiff and PRIDE entered into a one-year advertising

services agreement (the "Contract") whereby PRIDE would compensate Plaintiff monetarily

under terms of the Contract in exchange for advertising services rendered. The signatories

for the Contract were Nathan Coyle, CEO of PRIDE, and Benjamin Cohen, CEO of Plaintiff.

A true and correct copy of the Contract is attached hereto as **EXHIBIT A**.

16. The Contract specifically sets forth terms of revenue sharing between PRIDE and Plaintiff,

in relevant parts as set forth below:

3.... [PRIDE] will pay [PLAINTIFF] the greater of: (i) a fifty percent (50%) share of Net Revenue ("Revenue Share") or (ii) the Minimum CPM per 1000 of the impressions sold by [PRIDE] on [PLAINTIFF] Properties ....

a. [After the first partial month after the Effective Date], subject to [PLAINTIFF] maintaining its impression volume, inventory availability, and mutually-agreed upon traffic sources, [PRIDE] agrees that [PLAINTIFF]'s Revenue Share shall be:

i. no less than \$20,000 for a full calendar month ("Minimum Revenue Guarantee" or "MRG") . . . .

- ii. Notwithstanding the foregoing, the MRG shall be only:
- 1. [\$2,000] for the first full calendar month after the Effective Date;
- 2. [\$4,000] for the second full calendar month after the Effective Date;
- 3. [\$8,000] for the third full calendar month after the Effective Date;
- 4. [\$12,000] for the fourth full calendar month after the Effective Date.
- 17. At all times relevant herein, Plaintiff has maintained its impression volume, inventory

availability, and mutually agreed upon traffic sources pursuant to paragraph 3 of the

Contract, as cited herein at paragraph 16.

18. The Contract specifically addresses terms of payment by PRIDE to PLAINTIFF as set forth

in full below:

4. For any month that [PLAINTIFF] is to receive a MRG, then [PRIDE] shall pay to [PLAINTIFF] the MRG due for that particular month no later than the fifteenth day of that month. [PRIDE] will then pay the remaining Revenue Share after taking account of the MRG within thirty (30) days after the conclusion of the month in which any applicable Net Revenues are received, provided that [PRIDE] will not be

required to make any such payment until the amount payable exceeds the sum of one hundred dollars (\$100) or the Term expires or is terminated in accordance with the terms of this Agreement. [PRIDE] will not be responsible for the payment of Revenue Share on any revenues it is unable to collect after a good faith and commercial efforts to collect such revenues or that are credited back for any legitimate commercial reason. For the sake of clarity, in the event [PRIDE] pays [PLAINTIFF] for such revenue which later cannot be collected after such a good faith effort, [PRIDE] will be allowed to credit such uncollected amounts against future payments to [PLAINTIFF]. [PRIDE] will provide [PLAINTIFF] with monthly reporting which reports will include without limitation information on campaigns sold, impressions delivered, gross revenue received, Net Revenue, and Revenue Share.

## **AFFILIATED ENTITIES AND PERSONS**

- 19. Plaintiff incorporates paragraphs 1 through 18 as though fully set forth herein.
- 20. Plaintiff is informed and believes, and based thereon alleges, that Defendants were willfully, negligently, wrongfully, carelessly, unlawfully, tortiously, or in some other actionable manner responsible for the events and happenings herein referred to, and that their willful and/or negligent and/or otherwise tortious and wrongful acts and/or omissions directly caused, proximately caused, or were a substantial factor in causing the injuries and damages to Plaintiff as alleged herein.
- 21. Plaintiff is informed and believes, and based thereon alleges, that at all relevant times herein, Defendants, and each of them, was an agent, employee, joint venturer, partner, alter ego, conspirator, and/or legal representative of the other Defendants, and at all times mentioned herein, Defendants, and each of them, were acting within the time and authority, course and scope of said agency, employment, joint venture, partnership, conspiracy, and to further objectives of the same with the full knowledge, approval, ratification, permission, and consent of the co-defendants, and each of them, including the officers, directors, and managing agents of the Defendants.

#### STATEMENT OF FACTS

- 22. Plaintiff incorporates paragraphs 1 through 21 as though fully set forth herein.
- 23. Plaintiff is the world's most read and watched LGBT+ (lesbian, gay, bisexual and transgender) media. On May 17, 2018, Plaintiff entered into the Contract with PRIDE. The Contract gave PRIDE the right to sell and serve advertising sold on behalf of Plaintiff in the United States.
- 24. Pursuant to the Contract, the United States audience of Plaintiff would be combined with PRIDE's audience in a traffic assignment agreement for PRIDE's records on ComScore, a company that measures audiences for advertisers.
- 25. The Contract set a minimum pricing level (per thousand advertising impressions) and a Minimum Revenue Guarantee (MRG) of sales that PRIDE would achieve on behalf of Plaintiff. This MRG was to be paid by the 15th of each month. According to the Contract, the MRG would increase from \$2,000 to \$20,000 per month during the first four months of the Contract and then continue at \$20,000 per month until the Contract period ended.
- 26. If sales achieved by PRIDE exceeded the level of the MRG in a month, then PRIDE would pay the difference to Plaintiff within 30 days of these funds being collected from advertisers.
- 27. On November 16, 2018, PRIDE sent email correspondence to Plaintiff, notifying Plaintiff of PRIDE's receipt of advertising revenues from June and July 2018 and further indicating that PRIDE's then-CEO Nathan Coyle expected that PRIDE would wire these funds to Plaintiff the following week. A true and correct copy of the November 16, 2018 email correspondence is attached hereto as **EXHIBIT B**.

- 28. On December 11, 2018, PRIDE's then-CEO, Nathan Coyle, telephoned Plaintiff's CEO, Benjamin Cohen, to say that PRIDE had fallen victim to some financial irregularities by a supplier and that this meant that the money held for PLAINTIFF had been used to pay staff salaries and improve cash flow in PRIDE's business. During this call, Cohen clarified that, regardless of these issues, PRIDE had a duty to honor the Contract and to also immediately pay the money received from advertisers on behalf of Plaintiff.
- 29. On December 14, 2018, Coyle sent email correspondence to Cohen, stating that Coyle was laser-focused on monitoring receivables so as to be in position to pay \$31,000 of moneys owed as soon as possible. Coyle further stated that PRIDE would soon have access to capital through a lending facility and PRIDE would catch up on the MRGs some time in early January 2019. A true and correct copy of the December 14, 2018 email correspondence is attached hereto as **EXHIBIT C**.
- 30. On December 19, 2018, Plaintiff's counsel served on PRIDE a notice of breach of the Contract ("Breach Notice"), pursuant to sections 8(i) and 16(i) of the Contract. The Breach Notice set forth PRIDE's multiple breaches of the Contract, as follows:
  - a. PRIDE did not issue the MRG for the months of November or December 2018, which was reported as a breach of section 4 of the Contract;
  - b. On November 18, 2018, Plaintiff was informed that a number of payments had been collected during October 2018 by PRIDE for advertising over the value of the MRG that took place in June and July 2018. Failure to remit this payment was reported to PRIDE as a breach of section 4 of the Contract, as payment of \$31,036.27 should have been made by PRIDE to Plaintiff no later than December 1, 2018.

### Case 1:19-cv-05609 Document 1 Filed 06/14/19 Page 8 of 19

A true and correct copy of the December 19, 2018 email correspondence containing the Breach Notice is attached hereto as **EXHIBIT D**.

- 31. On January 15, 2019, Cohen sent email correspondence to Coyle, stating that 27 days had passed since the Breach Notice and 32 days had passed since Cohen last heard from Coyle. Cohen reiterated his hope that payment would be issued within 30 days or that Coyle would advise Cohen that PRIDE was unable to satisfy its debts owed to Plaintiff. A true and correct copy of the January 15, 2019 email correspondence is attached hereto as EXHIBIT E.
- 32. On January 16, 2019, Plaintiff sent correspondence to PRIDE, providing further notice that Plaintiff had not yet received the MRG for November or December 2018, or January 2019 and that PRIDE was also overdue with payments collected from advertisers in June and July 2018. In this correspondence, Plaintiff also further notified PRIDE of the Breach Notice. Finally, Plaintiff notified PRIDE that Coyle had not responded to Plaintiff's attempted correspondence since December 19, 2018. A true and correct copy of this January 16, 2019 email correspondence is attached hereto as **EXHIBIT F.**
- 33. On January 17, 2019, PRIDE sent email correspondence to Plaintiff stating that PRIDE's finance records are located in the Los Angeles office, and that PRIDE would investigate starting on January 19, 2019, and reply as soon as possible. A true and correct copy of this January 17, 2019 email correspondence is attached hereto as **EXHIBIT G**.
- 34. Also on January 17, 2019, Cohen sent email correspondence to Coyle, stating that 29 days had passed since the Breach Notice and 35 days had passed since Cohen last heard from Coyle, and asking that Coyle not ignore Cohen's correspondence. A true and correct copy of this January 17, 2019 email correspondence is attached hereto as EXHIBIT H.

- 35. On January 21, 2019, Plaintiff sent email correspondence to PRIDE, notifying PRIDE of the expiration of the 30-day period for response as outlined in the Breach Notice, pursuant to the Contract. In this correspondence, Plaintiff requested PRIDE's response as soon as possible. A true and correct copy of this January 21, 2019 email correspondence is attached hereto as EXHIBIT I.
- 36. On March 5, 2019, an article running in the New York Post quoted a PRIDE spokesperson as stating that PRIDE's outstanding debt to Plaintiff would be paid "by the middle of next week," or on or around Wednesday, March 13, 2019. A true and correct copy of this March 5, 2019 New York Post article is attached hereto as **EXHIBIT J.**
- 37. On March 8, 2019, Plaintiff sent PRIDE email correspondence recognizing the March 5, 2019 New York Post article, in which PRIDE stated publicly that it would pay all of the outstanding invoices owed to Plaintiff by the middle of the following week, which would have been on or around Wednesday, March 13, 2019. Also in this March 8, 2019 correspondence, Plaintiff provided past due invoices and stated that, as of the date of the correspondence, Plaintiff considered all outstanding invoices immediately due for payment by PRIDE. A true and correct copy of this March 8, 2019 email correspondence is attached hereto as **EXHIBIT K.**
- 38. Also on March 8, 2019, PRIDE confirmed receipt of the invoices sent on that date and informed Plaintiff that the invoice email had been forwarded to PRIDE's then-CEO, Nathan Coyle, and its Chief Financial Officer. A true and correct copy of this March 8, 2019 email correspondence is attached hereto as EXHIBIT L.
- 39. Also on March 8, 2019, PRIDE sent email correspondence to Plaintiff, stating that comment one way or the other on the current status of PRIDE's finances or when PRIDE would be

### Case 1:19-cv-05609 Document 1 Filed 06/14/19 Page 10 of 19

able to pay its outstanding invoices would not be forthcoming from the Ad Operations division, but that it may be forthcoming from the Accounts Payable division or from other appropriate parties. A true and correct copy of this March 8, 2019 email correspondence is attached hereto as **EXHIBIT M**.

- 40. On March 26, 2019, Coyle sent email correspondence to Cohen stating that PRIDE was planning to remit payment to Plaintiff "this week", which would have been no later than Friday, March 29, 2019. A true and correct copy of this March 26, 2019 email correspondence is attached hereto as EXHIBIT N.
- 41. On April 8, 2019, counsel for Plaintiff issued a demand letter ("Demand Letter") via United States mail to PRIDE, including Coyle as a recipient. On April 26, 2019, counsel for Plaintiff issued a second demand letter via United States and electronic mail to PRIDE, including PRIDE's interim-CEO Orlando Reece and Oreva Capital's CEO LEVIN as recipients. A true and correct copy of the demand letters dated April 8 and April 26, 2019 is attached hereto as EXHIBIT O.
- 42. On April 19, 2019, PRIDE's interim-CEO Orlando Reece sent email correspondence to Cohen stating that Coyle had left PRIDE within the last 24 hours. In this email, Reece apologized to Cohen for the way Cohen and Plaintiff had been wronged by Reece's predecessor (Coyle), and promised to involve Plaintiff's "owner Adam Levin" on a call to discuss next steps. A true and correct copy of this April 19, 2019 email correspondence is attached hereto as **EXHIBIT P**.
- 43. Thereafter and into May 2019, PRIDE through LEVIN and Reece engaged Plaintiff through Cohen in discussions related to payment of PRIDE's total debt owed to Plaintiff. During the course of these discussions, LEVIN stated that he would meet in person with Cohen in

### Case 1:19-cv-05609 Document 1 Filed 06/14/19 Page 11 of 19

London to discuss the partnership between PRIDE and Plaintiff moving forward, including to propose a structured payment plan that would satisfy PRIDE's debts owed to Plaintiff.

- 44. On May 13, 2019, during a teleconference that included Cohen and LEVIN, LEVIN proposed a payment structure that would include payments of all outstanding debts by no later than September 2019. LEVIN admitted the debt and apologized for the conduct of Coyle, the previous CEO of PRIDE. LEVIN further stated that he had \$8 million invested in PRIDE and that he would see to it that all debts outstanding to Plaintiff would be paid. Also as part of this call, LEVIN stated that PRIDE would provide Plaintiff with a confession of judgment as part of the structured payment plan, with the full amount immediately coming due in the event that PRIDE did not pay within 10 days of any determined date as outlined under the proposed structured payment plan.
- 45. On May 22, 2019, without any further contact from LEVIN or any other representative of PRIDE on the proposed structured payment plan, counsel for Plaintiff issued a third and final demand letter ("Final Demand Letter") to PRIDE, including PRIDE's legal department, PRIDE's Interim-CEO Reece, and PRIDE's owner LEVIN as recipients. In this Final Demand Letter, Plaintiff stated that barring satisfaction of all debts owed by May 27, 2019, Plaintiff would commence with filing suit against PRIDE and other responsible entities no later than May 28, 2019. A true and correct copy of the Demand Letter dated May 22, 2019 is attached hereto as **EXHIBIT Q**.
- 46. PRIDE has communicated with Plaintiff sparingly since May 13, 2019, and only once, on June 1, 2019, did PRIDE communicate with Plaintiff on the subject of the debt owed by PRIDE. Plaintiff has received no further correspondence from PRIDE since June 1, 2019.

- 47. On June 7, 2019, an article running on GlobeNewswire referenced new equity investment in PRIDE, referring to PRIDE's "plans to use the new funding . . . to clear aging payables due to its freelancers and traffic partners[]" and including quotes by LEVIN, named as Chairman of PRIDE, and Reece, identified as Interim CEO of PRIDE. The article quotes LEVIN: "We made several bad decisions over the past year and found ourselves out of sync with some of our partners, vendors and collaborators." The article quotes Reece: "While it's not always fun or easy, it's important to stand by your word, and protect your community." A true and correct copy of this June 7, 2019 GlobeNewswire article is attached hereto as EXHIBIT R.
- 48. Plaintiff has not received from PRIDE payment for any MRG since October 2018.
- 49. Plaintiff has not received from PRIDE any payments for advertising over the value of the MRG that took place in June and July 2018, or for any other month.
- 50. Plaintiff is unaware whether PRIDE has collected payments for any months other than June and July 2018, as PRIDE has not notified Plaintiff of any such collections.
- 51. Plaintiff is informed that advertising agencies representing or directing contracts with reputable companies and brands, including, but not limited to, Netflix, Wells Fargo, US Bank, Gilead, Amtrak, and Visit Britain (an executive agency of the British government) have been involved in advertising pursuant to the Contract, but Plaintiff has no current understanding of whether, or when, PRIDE collected payments from these entities.
- 52. Due to PRIDE's multiple breaches related to repayment of MRGs and reporting, Plaintiff is unaware of the true amount PRIDE owes to Plaintiff pursuant to the Contract, but there is now, at minimum, \$181,601.07 owed to Plaintiff.

53. Further, due to PRIDE's breaches related to reporting, Plaintiff has been unable to adequately measure market metrics, including, but not limited to, its record on ComScore. The traffic assignment letter in the Contract requires Plaintiff to assign credit for its traffic as measured and reported by ComScore to PRIDE. The ComScore traffic assignment letter (commonly referred to as "roll-up" in the industry and/or press) has hampered Plaintiff's ability to sell to clients in the United States, who have gone to PRIDE to appear on Plaintiff's platforms rather than contracting directly with Plaintiff.

### FIRST CAUSE OF ACTION

### (FRAUD)

- 54. Plaintiff incorporates paragraphs 1 through 53 as though fully set forth herein.
- 55. Defendants have suppressed, concealed, and misrepresented material facts which they had a duty to disclose accurately to Plaintiff.
- 56. In particular, Defendants knew and concealed from, and/or misrepresented to, Plaintiff the following material facts:
  - a. that PRIDE would pay its outstanding debt as of November 16, 2018 by the week of November 23, 2018;
  - b. that on or about December 11, 2018, PRIDE had fallen victim to some financial irregularities by a supplier and that this meant that the money held for Plaintiff had been used to pay staff salaries and improve cash flow in PRIDE's business;
  - c. that, as of December 14, 2018, PRIDE's then-CEO was laser-focused on ensuring that PRIDE repay Plaintiff as soon as possible and that, to this end, PRIDE would soon have

### Case 1:19-cv-05609 Document 1 Filed 06/14/19 Page 14 of 19

access to capital through a lending facility and PRIDE would therefore catch up on its payments owed to Plaintiff some time in early January 2019;

- d. that, starting on January 19, 2019, PRIDE's accounts payable division would investigate and reply as soon as possible;
- e. that, on March 5, 2019, PRIDE, through its spokesperson authorized to speak on such matters, reported to the New York Post that PRIDE's outstanding debt to Plaintiff would be paid "by the middle of next week," or on or around March 13, 2019;
- f. that, on March 26, 2019, PRIDE's then-CEO Coyle stated that PRIDE was planning to remit payment to Plaintiff "this week," or no later than Friday, March 29, 2019;
- g. that, on May 13, 2019, PRIDE's ownership entity OREVA's CEO LEVIN stated that PRIDE would present a proposal for structured repayment that would include a confession of judgment against PRIDE and in favor of Plaintiff for the full amount owed.
- 57. Defendants had a duty to disclose the truth about these material facts as a result of the Contract with Plaintiff. In addition, Defendants, and each of them, had an independent duty to disclose the truth about these material facts since they undertook to make further affirmative representations about these matters by continuing to make promises to Plaintiff, and to make public statements by using the press, and were thus bound to make full and fair disclosure of all material facts.
- 58. Defendants suppressed, concealed, and misrepresented material facts with the intent to induce reliance and to defraud Plaintiff.

- 59. Plaintiff was justified in relying upon Defendants' representations that PRIDE intended to honor its outstanding debt to Plaintiff, particularly in light of the involvement of reputable companies and brands named in paragraph 51 herein.
- 60. At all relevant times, Plaintiff was unaware of the material facts that were suppressed, concealed, and misrepresented by Defendants. If Plaintiff had been aware, Plaintiff would not have continued to offer services to PRIDE while PRIDE was in breach of the Contract.
- 61. As a direct, or at least proximate result of Defendants' intentional and fraudulent suppression, concealment, and misrepresentations of material facts known to them with the intent of the part of Defendants to induce reliance, Defendants thereby deprived Plaintiff of property and/or legal rights or otherwise caused injury. Furthermore, Defendants acts constitute despicable conduct that subjected Plaintiff to unjust hardship in conscious disregard of Plaintiff rights, so as to justify an award of exemplary and punitive damages.

#### SECOND CAUSE OF ACTION

#### (NEGLIGENT MISREPRESENTATION)

- 62. Plaintiff incorporates paragraphs 1 through 61 as though fully set forth herein.
- 63. Defendants have suppressed, concealed, and misrepresented material facts which they had a duty to disclose to Plaintiff.
- 64. In particular, Defendants made material misrepresentations to Plaintiff of the material facts set forth in paragraphs 56 a-g above.
- 65. Defendants had no reasonable grounds to believe that the misrepresentations made to Plaintiff were true.

- 66. Defendants misrepresented the aforementioned material facts with the intent to induce reliance and to defraud Plaintiff.
- 67. At all relevant times, Plaintiff was unaware that the material facts were misrepresented by Defendants.
- 68. Plaintiff was justified in relying upon Defendants' representations that PRIDE intended to honor its outstanding debt to Plaintiff, particularly in light of the involvement of reputable companies named in paragraph 51 herein.
- 69. If Plaintiff had been aware that the material facts were misrepresented by Defendants, Plaintiff would not have continued to offer services to PRIDE while PRIDE was in breach of the Contract.
- 70. As a direct, or at least proximate result of Defendants' negligent misrepresentations of material facts known to them, with the intent of the part of Defendants inducing reliance, PLAINTIFF have sustained damages in an amount in excess of \$181,601.07, in an amount to be proven at trial.

## THIRD CAUSE OF ACTION

## (BREACH OF CONTRACT)

- 71. Plaintiff incorporates paragraphs 1 through 70 as though fully set forth herein.
- 72. The Contract, attached hereto as EXHIBIT A, and incorporated herein by reference, is a binding legal instrument that creates mandatory obligations on the part of PRIDE in favor of Plaintiff.

- 73. Defendants breached their contractual obligations to Plaintiff by failing to pay MRGs and other Contract-driven payments on various dates, with the total due now amounting to, at minimum, \$181,601.07, plus interest.
- 74. Additionally, Defendants breached their contractual obligations to Plaintiff by fraudulently converting funds that were obtained through partnership with, and to be paid within 30 days to, Plaintiff.
- 75. Plaintiff has performed all obligations and satisfied all responsibilities arising on its behalf pursuant to the aforementioned Contract.
- 76. As a proximate result of Defendants breach of the Contract, Plaintiff has sustained damages in excess of \$181,601.07, in an amount to be proven at trial.

### FOURTH CAUSE OF ACTION

## (BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING)

- 77. Plaintiff incorporates paragraphs 1 through 76 as though fully set forth herein.
- 78. In every contract, an implied duty of good faith and fair dealing exists.
- 79. Defendants entered into the Contract with Plaintiff whereby Plaintiff provided advertising services to PRIDE in exchange for payments defined as MRGs, none of which PRIDE has made since October 2018, and would collect from PRIDE additional moneys for any revenues earned over the MRG of \$20,000 per month, with these payments not remitted beginning as of June 2018, the first full month after the Contract's Effective Date.
- 80. Plaintiff has fulfilled its contractual obligations without failure since the Effective Date.

- 81. When making material misrepresentations to Plaintiff, breaching the Contract, converting funds clearly and admittedly owed to Plaintiff, and generally taking steps to defraud Plaintiff, Defendants breached the implied covenant of good faith and fair dealing, as required per the Contract.
- 82. As a proximate result of Defendants' multiple breaches of the Contract, Plaintiff has been harmed as alleged herein in an amount in excess of \$181,601.07, in an amount to be proven at trial.

### **FIFTH CAUSE OF ACTION**

## (BREACH OF GOOD FAITH AND FAIR DEALING)

- 83. Plaintiff incorporates paragraphs 1 through 82 as though fully set forth herein.
- 84. Defendants entered into the Contract with Plaintiff whereby Plaintiff provided advertising services to PRIDE in exchange for payments defined as MRGs, none of which PRIDE has made since October 2018, and would collect from PRIDE additional moneys for any revenues earned over the MRG of \$20,000 per month, with these payments not remitted beginning as of June 2018, the first full month after the Effective Date.
- 85. When making material misrepresentations to Plaintiff, breaching the Contract, converting funds clearly and admittedly owed to Plaintiff, and generally taking steps to defraud Plaintiff, Defendants breached the duty of good faith and fair dealing, as required per the Contract.
- 86. As a proximate result of Defendants' multiple breaches of the Contract, Plaintiff has been harmed as alleged herein in an amount in excess of \$181,601.07, in an amount to be proven at trial.

## Case 1:19-cv-05609 Document 1 Filed 06/14/19 Page 19 of 19

- g. Attorneys' fees as allowed by law or contract; and
- h. For such other and further relief as the Court may deem just and proper.

Respectfully submitted,

DATED: June 14, 2019

WOOD, SMITH, HENNING & BERMAN LLP

By:

Christopher J. Śeusing, Esq. ( Attorney Bar Code: #5377825 Attorneys for Plaintiff PINKNEWS MEDIA GROUP, LTD. 685 Third Avenue, 18<sup>th</sup> Floor New York, New York 10017 (212) 999-7100

# EXHIBIT A

#### ADVERTISING SERVICES AGREEMENT

This Advertising Services Agreement (the "*Agreement*"), by and between Here Publishing Inc., a Delaware corporation doing business as "Pride Media" with offices at 10990 Wilshire Blvd., Suite 1800, Los Angeles, California ("**Pride Media**") and PinkNews Media Group Ltd., a UK company ("**Company**") is made and entered into as of May 17, 2018 (the "*Effective Date*"). Pursuant to the terms and conditions set forth in this Agreement, the parties will work together in connection with the sale of advertising inventory on the websites owned and operated by Company.

1. <u>Sale of Advertising Inventory</u>. Subject to the exclusions set forth herein, Pride Media will solicit advertisements for and sell advertising inventory on Company's website located at <u>www.pinknews.co.uk/</u> and any other websites owned and operated by Company for U.S.-based traffic only (*"Company Properties"*). Company shall have only first priority regarding inventory availability on Company Properties. Pride Media shall have second priority regarding inventory availability on Company Properties. Notwithstanding the foregoing, Company shall only have first priority on up to twenty-five percent (25%) of its inventory on Company Properties in any given month.

2. <u>Third Party Ad Representatives and Source of Traffic</u>. Company will disclose to Pride Media any and all third parties it engages as representatives to directly sell advertising for Company and, if it engages any such parties after the Effective Date, it will notify Pride Media in writing promptly upon each such engagement. The parties agree that all non-organic traffic shall come from reputable and mutually-agreed upon sources.

3. <u>Revenue Share</u>. The revenue allocation will be as follows: Pride Media will pay Company the greater of: (i) a fifty percent (50%) share of Net Revenue ("*Revenue Share*") or (ii) the Minimum CPM per 1000 of the impressions sold by Pride Media on Company Properties. "*Net Revenue*" means the gross advertising revenue for advertising inventory sold by Pride Media on Company Properties (inventory sold is based on DFP reporting with no inventory buffer to account for discrepancies with third party reporting systems), less all other deductions, fees paid, off-sets, liabilities, charges, and costs and expenses whatsoever incurred or granted in connection with the sale of advertisements, such as advertiser, agency and broker or sales fees and commissions, delivery audit fees (e.g., Moat, DoubleVerify, etc.), brand research fees, costs of collection and attorneys' fees, bad debt, refunds, discounts, and chargebacks, (other than any commissions).

- a. Pride Media does not make any guarantees as to meeting a particular minimum Net Revenue or other financial milestones or guarantees for the first partial month after the Effective Date. Thereafter, subject to Company maintaining its impression volume, inventory availability, and mutually-agreed upon traffic sources, Pride Media agrees that Company's Revenue Share shall be:
  - i. no less than \$20,000 for a full calendar month ("Minimum Revenue Guarantee" or "MRG".
  - ii. Notwithstanding the foregoing, the MRG shall be only
    - 1. Two thousand dollars (\$2,000) for the first full calendar month after the Effective Date;
    - 2. Four thousand dollars (\$4,000) for the second full calendar month after the Effective Date;
    - 3. Eight thousand dollars (\$8,000) for the third full calendar month after the Effective Date; and
    - 4. Twelve thousand dollars (\$12,000) for the fourth full calendar month after the Effective Date.
  - iii. For any month that Company is to receive such MRG, Company must have made available to Pride Media a minimum of 5MM qualified impressions. "Qualified impressions" means impressions with no less than seventy-five percent (75%) viewability according to IAB measurement standards. No more than ten percent (10%) of the MRG can be earned through video advertising.
- b. Pride Media will charge a minimum gross CPM rate of \$8.00 eCPM for all display advertising and \$16.00 eCPM for all video advertising. Therefore, Pride Media will commit to a minimum rate of net \$4.00 per net eCPM for all display advertising and \$8.00 per net eCPM for all video advertising (as applicable, the " MinimumCPM") on behalf of Company for all advertising on the Company Properties. For the sake of clarity, in the event of over-delivery of impressions beyond those for which Pride Media contracted and received payment, Pride Media will not be required to pay Company additional payments for any

additional advertisement impressions delivered beyond what Pride Media was contractually committed to deliver.

4. <u>Payment Terms</u>. For any month that Company is to receive a MRG, then Pride Media shall pay to Company the MRG due for that particular month no later than the fifteenth day of that month. Pride Media will then pay the remaining Revenue Share after taking account of the MRG within thirty (30) days after the conclusion of the month in which any applicable Net Revenues are received, provided that Pride Media will not be required to make any such payment until the amount payable exceeds the sum of one hundred dollars (\$100.00) or the Term expires or is terminated in accordance with the terms of this Agreement. Pride Media will not be responsible for the payment of Revenue Share on any revenues it is unable to collect after a good faith and commercial efforts to collect such revenues or that are credited back for any legitimate commercial reason. For the sake of clarity, in the event Pride Media pays Company for such revenue which later cannot be collected after such a good faith effort, Pride Media will be allowed to credit such uncollected amounts against future payments to Company. Pride Media will provide Company with monthly reporting which reports will include without limitation information on campaigns sold, impressions delivered, gross revenue received, Net Revenue, and Revenue Share.

5. <u>Traffic Assignment Letter</u>. Company must assign credit for its traffic as measured and reported by ComScore to Pride Media and execute any documentation that comScore requires.

6. <u>Representations and Warranties</u>. Each party represents and warrants that (i) the execution of this Agreement by such party, and the performance by such party of its obligations and duties hereunder, do not and will not violate any agreement to which such party is a party or by which it is otherwise bound, (ii) it has the right, power and authority to enter into this Agreement and to grant any and all necessary rights and licenses provided under this Agreement, free and clear of all claims and encumbrances without violating the rights of any person or entity, including any right to privacy or publicity, and (iii) the Content provided by such party to the other party pursuant to Section 5, will not, when used in accordance with the terms and conditions of Section 5 and the editorial processes, requirements, and written approvals referenced therein, infringe, violate, or misappropriate the intellectual property or other proprietary rights of a third party. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES, AND EACH PARTY HEREBY SPECIFICALLY DISCLAIMS, ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THIS AGREEMENT, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE IN TRADE.

7. <u>Audit</u>. Company gives permission for Pride Media to access and audit Company's Google Analytics account and data (and such access is a condition precedent to the effectiveness of this Agreement). Company, or an independent certified public accountant on such party's behalf hired on a non- contingency fee basis, will have the right to audit and inspect the books and accounts of Pride Media solely in order to confirm the revenue payable by Pride Media to Company hereunder. Company's audit rights hereunder will be limited to once every twelve (12) months during the Term and for one (1) year thereafter. Such audit will be conducted at a mutually agreeable time during normal business hours of Pride Media, upon reasonable prior written notice, and will be conducted in a reasonable manner in order not to interfere with the business and operation of Pride Media as much as reasonably possible. Any costs associated with the audit will be borne by Company or the underpayment within 10 days and the costs unless such audit reveals an underpayment of 5% or more in which case Prime Media will bear all such costs and make payment to Company within 30 days of being provided with details of such costs. Notwithstanding the foregoing, the audit costs shall not exceed five thousand dollars (\$5,000).

8. <u>Term and Termination</u>. The initial term of this Agreement will be for one (1) year from the Effective Date (collectively, the "*Term*"). Until and including July 31, 2018, either party may terminate this Agreement for any reason or no reason by providing thirty (30) days prior written notice thereof to the other party. Either party may terminate this Agreement upon written notice to the other party if the other party (i) materially breaches this Agreement and fails to cure said breach within thirty (30) days after receipt of written notice thereof from the non-breaching party; (ii) files, has filed against it or undertakes a petition of voluntary or involuntary bankruptcy, winding-up, liquidation or dissolution; (iii) suffers the appointment of a receiver or trustee in respect of such party; or (iv) ceases to do business in the normal course without a successor. Notwithstanding the foregoing, Company will remain obligated to serve, after the effective

date of termination or expiration, any applicable impressions or advertising inventory that Pride Media sold prior to the termination or expiration of the Agreement and Pride Media will pay Company all Revenue Share earned from serving such impressions or advertising inventory in accordance with this Agreement.

9. <u>Effect of Termination</u>. Upon the effective date of any termination of this Agreement, (i) all Revenue Share earned by Company prior to the effective date of such termination will be paid in the regular course; and (ii) each party will immediately return, or, at the disclosing party's direction, destroy any and all Confidential Information (as defined below) of the disclosing party in the receiving party's possession or control.

10. Confidentiality. Each party acknowledges that Confidential Information may be disclosed to the other party during the course of this Agreement. "Confidential Information" means any information relating to or disclosed in the course of negotiating and implementing this Agreement, which is, or should be reasonably understood to be, confidential or proprietary to the disclosing party, including, but not limited to, the content of negotiations between the parties, the material terms of this Agreement, including without limitation revenue shares, information about a disclosing party's partners, members, technical processes and formulas, source codes, product designs, sales, cost and other unpublished financial information, product and business plans, projections without restriction and marketing data. Confidential Information will not include information (a) already lawfully known to or independently developed by the receiving party, (b) generally known to the public other than by breach of the receiving party, or (c) lawfully obtained from any third party without restriction. Each party agrees that it will hold in confidence and not use or disclose any Confidential Information of the other party, other than for use by or to its employees or agents who must have access to such Confidential Information to perform such party's obligations hereunder, who will each agree to comply with terms no less protective of Confidential Information than this section. If required by law, the receiving party may disclose Confidential Information of the disclosing party, but will give adequate prior notice of such disclosure to the disclosing party to permit the disclosing party to intervene and to request protective orders or other confidential treatment therefor.

11. <u>Publicity</u>. In order to further the goals of this Agreement, Pride Media or Company may issue any press release or public announcement in relation to this Agreement or the provisions therein with the other's prior consent.

12. <u>Telephonic or Video Meetings</u>. The parties will use reasonable good faith efforts to organize telephonic or video meetings on a calendar quarterly basis between representative(s) of Pride Media and Company to, among other things, (a) review sales figures and sales projections and (b) share and discuss general best business practices.

13. <u>Mutual Non-Solicit</u>. During the Term, neither party will solicit, induce, or encourage any person to leave their employment with the other party, as applicable.

14. Indemnity. Each party will defend, indemnify, save and hold harmless the other party and the officers, directors, agents, affiliates, and employees ("Indemnified Parties") of the other party from any and all third-party claims, demands, liabilities, costs or expenses, including reasonable attorneys' fees ("Liabilities"), resulting from the indemnifying party's material breach of any representation or warranty of this Agreement. Each Indemnified Party agrees to (a) promptly notify the indemnifying party in writing of any indemnifiable claim and give the indemnifying party the opportunity to defend or negotiate a settlement of any such claim at such indemnifying party's expense, and (b) cooperate fully with the indemnifying party, at the indemnifying party's expense, in defending or settling such claim. The indemnifying party will not enter into a settlement or similar arrangement that imposes obligations or restrictions on the Indemnified Parties without the Indemnified Parties' prior written consent.

15. <u>Limitation of Liability</u>. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), ARISING FROM THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR LOST BUSINESS. EXCEPT FOR BREACHES OF CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS HEREUNDER, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR MORE THAN THE AGGREGATE AMOUNTS PAID HEREUNDER, FOR THE CONSECUTIVE THREE (3) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

16. <u>Notice</u>. Any notice, approval, request, authorization, direction or other communication under this Agreement will be given in writing and will be deemed to have been delivered and given for all purposes (i) by confirmed facsimile or electronic mail; (ii) on the delivery date if delivered personally to the party to whom the same is directed; (iii) five business days after deposit with a commercial overnight carrier, with written verification of receipt; or (iv) seven (7) business days after the mailing date if sent by U.S. mail, return receipt requested, postage and charges prepaid, or any other means of rapid mail delivery for which a receipt is available.

17. <u>Applicable Law</u>. This Agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the State of New York except for its conflicts of laws principles. Any legal action or proceeding relating to this Agreement will be brought exclusively in the state or federal courts located in New York County, New York, and each party consents to the jurisdiction thereof.

18. <u>Assignment</u>. Neither party will assign this Agreement or any right, interest or benefit under this Agreement without the prior written consent of the other party, except that such approval will not be required in the event of a merger or sale of all or substantially all a party's assets to which the subject matter of this Agreement relates. Subject to the foregoing, this Agreement will be fully binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

19. <u>Miscellaneous</u>. This Agreement sets forth the entire agreement and supersedes any and all prior agreements of the parties with respect to the transactions set forth herein. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement otherwise remains in full force and effect and enforceable. The parties hereto will each be independent contractors in the performance of their obligations under this Agreement, and nothing contained herein will be deemed to constitute either party as the agent or representative of the other party, or both parties as joint venturers or partners for any purpose. If either party is unable to perform any of its obligations under this Agreement, other than payment obligations, due to any cause beyond the reasonable control of such party, the affected party's performance will be extended for the period of its inability to perform due to such occurrence. No provision of, right or privilege under this Agreement will be deemed to have been waived by any act, delay, omission or acquiescence on the part of any party, its agents or employees, but only by an instrument in writing duly executed by both parties. No waiver by any party of any breach or default of any provision and whether occurring prior to, concurrent with, or after the date of such waiver. This Agreement may only be modified by an instrument in writing duly executed by both parties.

As evidenced below, the parties hereby agree to be bound by the terms of this Agreement.

HERE PUBLISHING INC. (d/b/a PRIDE MEDIA)
By: Math Coop
Name: NATHAN COYLE
Title: C . L . O .
PINKNEWS MEDIA GROUP LTD. Benjan the
By:
Name: Benjamin Cohen
Title: Chief Executive

# EXHIBIT B

## Case 1:19-cv-05609 Document 1-2 Filed 06/14/19 Page 2 of 3

From: Sent: To: Subject:	Benjamin Cohen < Tuesday, June 11, 2019 4:55 AM Fwd: Payments	>
Forwarded mess From: <b>Shasta Mir</b> < Date: Fri, 16 Nov 2018 at Subject: Fwd: Payments To: Benjamin Cohen <	>	
FYI		
Forwarded mess	age	

Pol warded message		
From: Bernard Rook <	pridemedia.com>	
Date: Fri, 16 Nov 2018 at 00:30		
Subject: RE: Payments		
To: Shasta Mir <	.pinknews.co.uk>	

Hi Shasta,

Here is the summary info. Will provide versions similar to the monthly revenue reports that will help you follow along better in a couple of days.

Please note, that none of the larger amounts we ran in June or July that take you over the MRG were collected until October. Good news is that we did collect on largest campaigns so it's time to get these distributed.

June:

Total Earned: \$23,515.11

MRG: \$2,000.00

Total Collected to date: \$18,559.65

Less MRG will remit: \$16,559.65

July:

Total Earned: \$19,538.47

MRG: \$4,000.00

Total Collected to date: \$18,476.62

Less MRG will remit: \$14,476.62

Balance to collect: \$1,061.85

Nathan indicated today that he expects we will wire the June collections to date next week and shortly there after for the July.

Best,

Bernard

From: Shasta Mir <	pinknews.co.uk>
Sent: Thursday, November 1	5, 2018 2:21 AM
To: Bernard Rook <	pridemedia.com>
Subject: Payments	

Hi Bernard

Hope all is well

I have had no update as promised, please can you confirm when we will receive the payments please

Thanks

# EXHIBIT C

## Case 1:19-cv-05609 Document 1-3 Filed 06/14/19 Page 2 of 2

From:	Benjamin Cohen <	
Sent:	Tuesday, June 11, 2019 4:56 AM	
To:		
Subject:	Fwd: URGENT: Pride Media/ PinkNews next steps	
Forwarded message From: <b>Nathan Coyle</b> < Date: Fri, 14 Dec 2018 at 18:4 Subject: Re: URGENT: Pride 1 To: <u>b</u> <	9	

Hi Ben,

Apologies for not being back in touch sooner. I have been laser focused on monitoring our receivables / collections this week so that we are in a position to pay you the \$31k per our conversation earlier this week. (With the understanding that as soon as we are able to access capital through the lending facility we are putting in place we will catch up on the MRGs – which should be early January.)

As mail does not arrive to the LA office for a couple of hours, we are still not clear on what receivables look like for this week. I will circle back before EOD LA time (GMT-8)

Thanks,

Nathan

Nathan Coyle

Chief Executive Officer





# EXHIBIT D

## Case 1:19-cv-05609 Document 1-4 Filed 06/14/19 Page 2 of 4

From: Sent: To:	Benjamin Cohen <> Tuesday, June 11, 2019 4:57 AM
Subject:	Fwd: Advertising Services Agreement
Forwarded message - From: <b>Richard Cohen</b> <	
Date: Wed, 19 Dec 2018 at 07	7:40
Subject: Advertising Services	Agreement
To: Cc: <	<pre>&gt;, Andrew Millet &lt; &gt;</pre>

Attention: Nathan Coyle CEO Pride Media

Sent by email and by commercial carrier on 19 December 2018

Dear Sir,

## Breaches pursuant to the Advertising Services Agreement dated May 17 2018 made between Here Publishing Inc., (Pride Media) (1) and PinkNews Media Group Ltd., (PinkNews) (2) "the Agreement".

I am a director of and in-house counsel to PinkNews.

You will be aware that the parties entered into the Agreement on May 17 2018 in connection with the sale of advertising inventory by Pride Media on the websites owned and operated by PinkNews in respect of which Pride Media agreed to make certain payments in accordance with the terms of the Agreement.

Section 3 of the Agreement provides for the payment of certain sums in connection with such sale of advertising inventory.

## Case 1:19-cv-05609 Document 1-4 Filed 06/14/19 Page 3 of 4

Section 4 of the Agreement provides that PinkNews is entitled to receive a monthly MRG (Minimum Revenue Guarantee) by the fifteenth day of the month. It also requires on the part of Pride Media to pay the remaining share of any revenue (when it exceeds the MRG) within 30 days of the end of the month that such revenue was collected in.

PinkNews has not received the MRG in respect of the months of November or December 2018. This is a breach of section 4 of the Agreement. Whilst I am aware that discussions have taken place between PinkNews and Pride Media MRG regarding a proposed reduction in the MRG to a sum of \$15,000, no amendment to the Agreement has been executed by PinkNews and the provisions of section 3 of the Agreement remain in full force and effect.

On the 18th November 2018, PinkNews was informed that a number of payments had been collected during October 2018 by Pride Media for advertising over the value of the MRG that took place in June and July 2018. Under the terms of section 4 of the Agreement, payment of \$31,036.27 should have been made by 1 December 2018.

On the 11th December 2018 you telephoned the PinkNews CEO, Benjamin Cohen. On that call you informed Mr Cohen that due to a financial irregularity relating to a supplier of Pride Media, it has had to pay writers and other contributors certain monies that should have already been distributed to them. As I understand the position you explained that this has placed Pride Media in a difficult position from a cash flow perspective and that it is in the process of securing invoice discounting/ receivables financing. During that call you implied that the money received on PinkNews' behalf in October 2018 (and remittable by the 1 December 2018) could not be paid because it had been used to settle the payments due contributors. Any financial irregularities with Pride Media's suppliers has nothing whatever to do with PinkNews and does not amount to any cause of force majeure in respect of which Pride Media may suspend payments under the terms of sections 3 and 4 of the Agreement.

Since 18 November 2018, PinkNews has not received any updates on the remaining sum of \$6,032.32 that is still outstanding as of last month.

PinkNews requires the following:

- 1. Immediate payment of the \$31,036.27 collected by Pride Media on behalf of PinkNews as of November 18 2018;
- 2. Immediate statement of account, detailing the advertising sales monies received and for all payments due to PinkNews in accordance with section 4 of the Agreement;
- 3. Immediate payment of the MRG of \$40,000 in respect of the months of November and December 2018.

## Case 1:19-cv-05609 Document 1-4 Filed 06/14/19 Page 4 of 4

This email is sent you as notice of breach pursuant to the provisions of section 8(i) of the Agreement. If this breach is not cured in accordance with the provisions of section 8(i) of the Agreement PinkNews intends to forthwith terminate this Agreement and immediately pursue its rights in respect of the outstanding sums due to it by instruction of local counsel to issue appropriate collection proceedings. This will be done without any further notice to you.

Once the Agreement has been terminated, PinkNews will also immediately terminate the ComScore traffic assignment arrangement under section 5 of the Agreement. PinkNews will also be forced to communicate to the market that this agreement has been terminated so as to ensure that advertisers wishing to reach the US audience of PinkNews will be aware of not to advertise via Pride Media.

This notice is served in accordance with the provisions of section 16(i) of the Agreement and is also being sent to you by commercial courier. Please by return confirm receipt of this communication.

PinkNews would like to continue its relationship with Pride Media and is hopeful that you are able to cure these breaches within the required time period but will proceed as outlined above in the event of your failure to do so.

Yours faithfully,

R

## Richard Cohen | Solicitor | Executive Chairman & Head of Partnerships







Epoq Legal Ltd (3707955): Incorporated in England & Wales. Registered office Unit 2, Imperial Place, Maxwell Road, Borehamwood, Herts WD61JN.

This email message is confidential and for use by the addressee only. If the message is received by anyone other than the addressee, please return the message by replying to it and then delete the message from your computer. Internet emails are not necessarily secure. Epoq Legal does not accept responsibility for changes made to this message after it was sent. Whilst all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening or use of this message and any attachments will not adversely affect its systems or data. No responsibility is acceptable by Epoq in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

## Case 1:19-cv-05609 Document 1-5 Filed 06/14/19 Page 1 of 2

# EXHIBIT E

## Case 1:19-cv-05609 Document 1-5 Filed 06/14/19 Page 2 of 2

From:	Benjamin Cohen <	
Sent:	Tuesday, June 11, 2019 4:57 AM	
То:		
Subject:	Fwd: 27 Days since our notification of breach of contract	

----- Forwarded message ------From: **Benjamin Cohen** < Date: Tue, 15 Jan 2019 at 22:02 Subject: 27 Days since our notification of breach of contract To: Nathan Coyle <

Nathan,

It has now been 27 days since we sent the notification of Here Media/ Pride Media's breach of our advertising agreement. It has also been 32 days since PinkNews last heard from you or any member of the team at Here Media/ Pride Media. My team and I have been attempting to make contact with you by telephone with no response.

What is happening? We cannot allow this to continue to drag and we will be forced to take action in accordance with the provisions of our agreement.

I am relatively open for calls tomorrow so I really suggest that we speak then ahead of the deadline to remedy breaches, which is set at this Friday.

Best wishes

Benjamin Cohen Chief Executive and Editor-in-Chief PinkNews Media Group Preferred pronouns: He/ Him/ They/ Them



http://pink.news Twitter: http://www.twitter.com/benjamincohen

**Global Headquarters:** PinkNews Media Group, 186 City Road, London, EC1V 2NT

# EXHIBIT F



# FW: Out of office Re: January MTD Revenue Report

Alex Ehmcke <	pinknews.co.uk>	16 January 2019 at 16:13
To: Tiffany Kesden <	pridemedia.com>	
Cc: Bernard Rook <	pridemedia.com>, Stewart Nacht <	pridemedia.com>

Hi Tiffany.

Thanks for your email - please send reports to me moving forward.

I need to flag to you, if you were not already aware, that we haven't received the MRG for November, December or January and Pride Media is also overdue with payments collected from advertisers from June and July. A formal notice of this breach of contract was sent on the 19th December 2018. Unless the breach of contract is rectified by this Friday (the 30 days covered by our agreement), then we will be beginning legal proceedings and a debt recovery process.

We have been trying to speak with your Chief Executive since the 19th December without any response.

I look forward to hearing from you on the matter.

Thank you,

Alex [Quoted text hidden]

Alex Ehmcke Head of Operations (Maternity Cover) Preferred pronouns: He/ Him



Global Headquarters: PinkNews Media Group, 186 City Road, London, EC1V 2NT

### Finance Department and Registered Office:

PinkNews Media Group, The Grange Barn, Pikes End, Pinner, HA5 2EX



This email, and any attachment, is confidential. If you have received it in error, please delete it from your system, do not use or disclose the information in any way, and notify me immediately. The contents of this message may contain personal views which are not the views of PinkNews Media Group Ltd or its subsidiaries, shareholders or directors.

# EXHIBIT G



# FW: Out of office Re: January MTD Revenue Report

Tiffany Kesden < To: Alex Ehmcke < pridemedia.com> pinknews.co.uk> 17 January 2019 at 18:39

Hey Alex,

Sorry that I didn't respond yet. I was waiting until I had a chance to actually speak with Bernard, our weekly call was at 1 which just ended a minute ago.

Our finance records are in the LA office, which I do not have access to, so I don't personally have that information. That being said, after speaking with Bernard, he needs another day or 2 to finish up a project in order to investigate this for you. But I've bright his attention to it and he will give it a high priority this week to hopefully have an answer for you asap.

Thanks, Tiffany

Get Outlook for Android

From: Alex Ehmcke < ppinknews.co.uk> Sent: Thursday, January 17, 2019 1:09:19 PM To: Tiffany Kesden [Quoted text hidden]

[Quoted text hidden]

# EXHIBIT H

### Case 1:19-cv-05609 Document 1-8 Filed 06/14/19 Page 2 of 2

From:	Benjamin Cohen <
Sent:	Tuesday, June 11, 2019 6:38 AM
То:	
Subject:	Fwd: Final day to remedy the breach of contract

----- Forwarded message ------From: **Benjamin Cohen** < Date: Thu, 17 Jan 2019 at 22:30 Subject: Final day to remedy the breach of contract To: Nathan Coyle <

Nathan,

It has now been 29 days since we sent the notification of Here Media/ Pride Media's breach of our advertising agreement. It has also been 35 days since PinkNews last heard from you.

My operations/ accounts team have had to communicate with their contacts at Pride Media that we have not received payments and that we have sent the breach of contract notification.

We have also had an enquiry today from a major ad agency clarifying if we would be working with Pride Media for the Pride period this year and have asked them to send future RFPs direct to us, which we will now respond to directly as we could not risk any further large campaigns going through your business.

I hope that the full outstanding amounts owed to PinkNews will be paid by close of business tomorrow to avoid a further breach by Pride Media.

If you are unable to make a payment, please communicate this to me. Ignoring this is only compounding the issue as the MRG debt continues to grow every month.

I'm appealing to you to deal with this civilly and avoiding unnecessary legal costs and aggravation for yourselves.

Best wishes

# Case 1:19-cv-05609 Document 1-9 Filed 06/14/19 Page 1 of 2

# EXHIBIT I

### Case 1:19-cv-05609 Document 1-9 Filed 06/14/19 Page 2 of 2

From:	
Sent:	
To:	
Subject:	

Benjamin Cohen < Tuesday, June 11, 2019 6:39 AM

Fwd: FW: Out of office Re: January MTD Revenue Report

------ Forwarded message ------From: Alex Ehmcke < pinknews.co.uk> Date: Mon, 21 Jan 2019 at 13:58 Subject: Re: FW: Out of office Re: January MTD Revenue Report To: Tiffany Kesden < pridemedia.com> Cc: Bernard Rook < pridemedia.com>

Hi Tiffany,

cc Bernard for info.

I wanted to check-in about these payments as they have still not been received to our bank account.

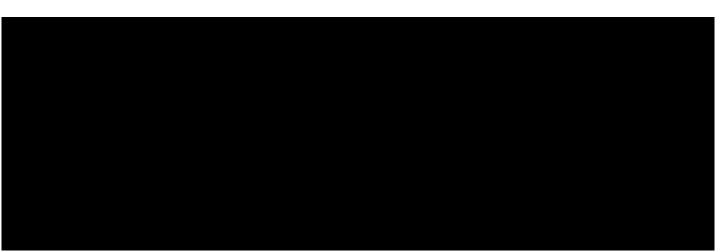
As a reminder, PinkNews sent a notification of a breach of contract on 19 December. Under the terms of our agreement, Pride Media had 30 days to rectify this breach, which includes paying the owed money in full. This 30 day period expired last Friday.

I will be sending revised invoices later this week, for the full value of the MRG as documented in the agreement dated 17 May 2018.

Please, can you update me ASAP?

Thank you,

Alex



# Case 1:19-cv-05609 Document 1-10 Filed 06/14/19 Page 1 of 3

# EXHIBIT J



MEDIA MEDIA INK

# Out magazine owner owes more than \$100K in unpaid ad commissions

By Keith J. Kelly

March 5, 2019 | 10:01pm | Updated



Pride Media CEO Nathan Coyle Getty Images

Pride Media, owner of Out magazine, has a new problem to solve — unpaid advertising commissions owed to a publishing partner.

That news comes even as Out appears to be keeping its promise to pay freelance writers and designers from a new funding source.

Sources say that PinkNews, a London-based digital publisher catering to the LGBT set worldwide, is owed more than \$100,000 in unpaid ad commissions and is said to be threatening to end its deal with Pride.

PinkNews is responsible for generating 1.12 million unique visitors a month in the United States, or about 19.1 percent of Pride's overall US traffic of 5.8 million, according to the latest comScore numbers. Out and the Pride-owned The Advocate are the top traffic generators in the Pride ad network.

PinkNews executives declined to comment.

A Pride Media spokesman insisted the tab will be paid "by the middle of next week."

#### 17/03/2019

#### 

Meanwhile, in a bit of good news, the National Writers Union, which only 10 days ago had filed a claim on behalf of 25 freelance writers who it claims are owed more than \$40,000, said Out has begun paying off all its contributors.

That could mean an end to name-calling and finger-pointing on the freelance front.

Pride Media CEO Nathan Coyle blamed the unpaid-freelancer woe largely on McCarthy Media, an outsourcing firm being paid about \$90,000 a month to produce the print version of the magazine under a \$1.1 million contract.

McCarthy Media CEO Evanly Schindler admitted he was behind in payments to some freelancers but said that the problem was exacerbated when Pride yanked its contract in August, three months early. "All the freelancers would have been paid in full had they made the final \$300,000 in payments," he claimed.

Pride Media is "exploring all possible options to get this remedied," said a Pride spokesman.

And Pride is saying it will pay all freelancers their due, regardless of when the bill was incurred.

"Pride Media is actively working with the NWU to find a solution to see that all contributors, regardless of who they were contracted by, are paid," said the Pride spokesman.

FILED UNDER LGBTQ, MAGAZINES, MEDIA INK



Out magazine EIC is not happy about Pride Media's pay dispute

Recommended by

# EXHIBIT K



## PinkNews Pride Media invoices - attached for payment

8 March 2019 at 09:29

Alex Ehmcke <	
To: Tiffany Kesden 📲	
Cc: Bernard Rook <	

Dear Tiffany,

I was pleased to read in the New York Post that Pride Media will be paying all of the outstanding invoices owed to PinkNews by the middle of next week. So I've enclosed all of the invoices that have not been paid yet. I also need to remind you that as per the contract, the minimum revenue guarantee (MRG) owed in advance by Pride Media each month is \$20,000. I'm not entirely sure why November and December's invoices from us did not have this amount (I will clarify this with our lawyer) but from January onwards they do, and they will do until this contract terminates in May 2019.

As we have not had further updates with money received from the advertisers, I'm working on the assumption that all monies due to Pride Media have either been paid or will be covered by the receivables loan that Nathan Coyle told our CEO is being set-up. Therefore, from our perspective, all of these payments are now due.

If you have any questions please let me know.

Thank you,

Alex

Alex Ehmcke Head of Operations (Maternity Cover) Preferred pronouns: He/ Him

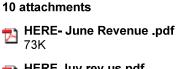


Global Headquarters: PinkNews Media Group, 186 City Road, London, EC1V 2NT

**Finance Department and Registered Office:** PinkNews Media Group, The Grange Barn, Pikes End, Pinner, HA5 2EX



This email, and any attachment, is confidential. If you have received it in error, please delete it from your system, do not use or disclose the information in any way, and notify me immediately. The contents of this message may contain personal views which are not the views of PinkNews Media Group Ltd or its subsidiaries, shareholders or directors.



HERE Juy rev us.pdf

HERE August Rev US.pdf

15/03/2019 Case 1:19-cv-050009pinDoccathを指行的なが14%1gtaclpを指すである。 HERE September Rev US .pdf 73K
HERE November income in advance.pdf
HERE December US.pdf
Here December US .pdf 72K
HERE- January .pdf 72K
HERE- Feb Income in Advance.pdf
HERE- March Income in advance.pdf

# EXHIBIT L



# PinkNews Pride Media invoices - attached for payment

Bernard Rook <		8 March 2019 at 16:53
To: Alex Ehmcke	>, Tiffany Kesden <	

Hi Alex,

Confirming receipt of the invoices. Tiffany is in our Ad Ops team and not involved with the payments due to Pink News.

I've forwarded this over to Nathan and Janelle, CFO as they are managing the communications with Ben.

Best,

#### Bernard

[Quoted text hidden]

# EXHIBIT M



## PinkNews Pride Media invoices - attached for payment

Tiffany Kesden < To: Alex Ehmcke 8 March 2019 at 16:53

Hey Alex,

Thanks for sending all of these over. I will forward them along to our Accounts Payable. Please note, once again, that I do not have anything to do with the invoices or payments or anything of that nature, I am solely responsible for the ad operations end of our partnership, so outside of forwarding along your message to the appropriate parties, there is not much I am able to confirm or control regarding your comments below. I will, of course, pass along any response I receive to you, but I cannot comment one way or another on the current status of our finances or when we will be able to pay our outstanding invoices (again, I am not denying nor confirming, just merely stating that I do not know and therefore cannot say).

Thanks,

Tiff

### Tiffany Kesden

Ad Operations Manager





# EXHIBIT N

To: Natha	sday, March 26, 2019 at 10:08 AM
<b>To:</b> Natha	nmcke < >, Bernard Rook
< "	>, Richard Cohen <>, " <>
Subject: R	e: update
	little time between 3 and 4:30 for a really quick call. So I know, what do you think y we can prepare for the call.
Best wishe	5
On Tue, 26	Mar 2019 at 16:30, Nathan Coyle <
Hi Ben,	
touch bas	for the delay. We are planning to remit payment this week. However, we need to e to get on the same page regarding the amount. There seem to be a few numbers round. Can you chat tomorrow afternoon GMT?
Thanks	
IIIdIIKS	

# EXHIBIT O

### Case 1:19-cv-05609 Document 1-15 Filed 06/14/19 Page 2 of 4



1401 Willow Pass Road, Suite 700 Concord, California 94520-7982 tel 925 222 3400 fax 925 356 8250

April 8, 2019

VIA U.S. MAIL

Pride Media, Inc. Attn: Accounts Payable P.O. Box 241579 Los Angeles, CA 90024 Pride Media, Inc. Attn: Nathan Coyle, CEO P.O. Box 5236 New York, NY 10185

Re: *PinkNews v. Pride Media* Our Client: PinkNews Media Group, Ltd., a UK company

Dear Sir/Madam:

We write to inform you that this office has been retained to represent PinkNews Media Group, Ltd., a UK company ("PinkNews") in pursuit of a well-publicized debt owed to PinkNews by Here Publishing, Inc., a Delaware corporation dba "Pride Media". We understand that principals of PinkNews and Pride Media are already corresponding in an effort to resolve this debt.

# Nonetheless, PinkNews hereby formally demands that Pride Media pay its outstanding debt of \$141,601.26 (as of April 8, 2019) plus accruing payables and interest no later than April 19, 2019.

Our client wishes to resolve this claim without incurring the time and expense related to litigation. However, absent payment in full of the total debt owed by Pride Media to PinkNews by April 19, 2019, we will seek appropriate remedies in court, including recovery of attorneys' fees and costs incurred.

If you have any questions, contact the undersigned.

Very truly yours,

WOOD, SMITH, HENNING & BERMAN LLP

By:

KEVIN J. GILLISPIE TUDOR D. JONES KJG/TDJ:clr LEGAL:11156-0001/11235383.1

### Case 1:19-cv-05609 Document 1-15 Filed 06/14/19 Page 3 of 4



1401 Willow Pass Road, Suite 700 Concord, California 94520-7982 tel 925 222 3400 fax 925 356 8250

April 26, 2019

## VIA E-MAIL AND U.S. MAIL

Pride Media, Inc. Attn: Accounts Payable P.O. Box 241579 Los Angeles, CA 90024 Pride Media, Inc. Attn: Orlando Reece, Interim CEO P.O. Box 5236 New York, NY 10185

Oreva Capital Attn: Adam Levin 10990 Wilshire Blvd., 18th Floor Los Angeles, CA 90024

> Re: *PinkNews v. Pride Media* Our Client: PinkNews Media Group, Ltd., a UK company

Dear Sir/Madam and Messrs. Reece and Levin:

As set forth in our previous correspondence dated April 8, 2019, this office has been retained to represent PinkNews Media Group, Ltd., a UK company ("PinkNews") in pursuit of a well-publicized debt owed to PinkNews by Here Publishing, Inc., a Delaware corporation dba "Pride Media".

# *PinkNews hereby formally demands that Pride Media pay its outstanding debt of \$161,601.26 (as of April 16, 2019) plus accruing payables and interest no later than May 3, 2019.*

Our client wishes to resolve this claim without incurring the time and expense related to litigation. However, absent payment in full of the total debt owed by Pride Media to PinkNews by May 3, 2019, we will seek appropriate remedies in court by filing a complaint no later than May 7, 2019, including recovery of attorneys' fees and costs incurred.

Our File No.: 11156-0001 April 26, 2019 Page 2 WDDD SMITH HENNING & BERMAN LLP

We also acknowledge that settlement discussions are ongoing between the principals, and that a Without Prejudice meeting on the subject of Pride Media's satisfaction of its debt to PinkNews is currently being planned between certain of these principals for Monday, April 29, 2019.

If the Without Prejudice meeting results in a settlement agreement ("Agreement") on terms other than those outlined by the current governing contract, and to the extent that an agreed-upon deadline for satisfaction of debt on the Agreement is after the above-referenced payment deadline of May 3, 2019, our client reserves the right to pursue all available remedies in the event that payment is not timely issued by the further deadline, including any and all outstanding debts owed by the terms of the current governing contract, and recovery of attorneys' fees and costs incurred.

If you have any questions, contact the undersigned.

Very truly yours,

WOOD, SMITH, HENNING & BERMAN LLP

By: \_\_\_\_\_\_KEVIN J. GILLISPIE TUDOR D. JONES KJG/TDJ:clr LEGAL:11156-0001/11445539.1

# EXHIBIT P

Case 1:19-cv-05609 Document 1-16 Filed 06/14/19 Page 1 of 2

### Case 1:19-cv-05609 Document 1-16 Filed 06/14/19 Page 2 of 2

Sent from my O-Phone

On Apr 19, 2019, at 2:43 PM, Benjamin Cohen

Thanks Orlando. I appreciate this. Are you in NYC? Tuesday our time/ morning NYC time works- around 5pm our time would be best for us.

I can provide a conference call dial in if this works?

Best wishes

On Fri, 19 Apr 2019 at 19:36, Orlando Reece <br/>
Second Second

Happy Easter and Passover weekend...Nathan has left PRIDE and I have become CEO.

Apologies as it's all happened in the last 24 hours and my catch up list is long. First, I want to apologize for the way you and PinkNews have been treated. I would like to get on the phone with you next Tuesday to discuss next steps and get our owner Adam Levin on as well.

My first order of priority is to right the wrong caused by my predecessor. This is my cell and I hope we can find a time Tuesday so that I can get caught up on the problems caused.

0

Sent from my O-Phone

On Apr 19, 2019, at 1:58 PM, Benjamin Cohen <

I really need to know if this call is happening and for you to confirm the Without Prejudice basis of the call

# EXHIBIT Q

## Case 1:19-cv-05609 Document 1-17 Filed 06/14/19 Page 2 of 4



1401 Willow Pass Road, Suite 700 Concord, California 94520-7982 tel 925 222 3400 fax 925 356 8250

May 22, 2019

### VIA EMAIL AND U.S. MAIL

Pride Media, Inc. Attn: Accounts Payable P.O. Box 241579 Los Angeles, CA 90024

General Counsel Pride Publishing Inc. P.O. Box 241579 Los Angeles, CA 90024

General Counsel Oreva Capital 10990 Wilshire Blvd., 18th Floor Los Angeles, CA 90024 Pride Media, Inc. Attn: Orlando Reece, Interim CEO P.O. Box 5236 New York, NY 10185

Oreva Capital Attn: Adam Levin 10990 Wilshire Blvd., 18th Floor Los Angeles, CA 90024

Re: *PinkNews v. Pride Media* Our Client: PinkNews Media Group, Ltd., a UK company

Dear Sir/Madam and Messrs. Reece and Levin:

As set forth in our previous correspondence dated April 8 and 26, 2019, this office has been retained to represent PinkNews Media Group, Ltd., a UK company ("PinkNews") in pursuit of a well-publicized debt owed to PinkNews by Here Publishing, Inc., a Delaware corporation dba "Pride Media".

# *PinkNews hereby formally demands that Pride Media pay its outstanding debt of \$181,601.07 (as of May 14, 2019) plus accruing payables and interest no later than May 24, 2019.*

Our client wishes to resolve this claim without incurring the time and expense related to litigation. However, absent payment in full of the total debt owed by Pride Media to PinkNews by May 27, 2019, we will seek appropriate remedies in court by filing a

WOOD SMITH HENNING & BERMAN LLP

Our File No.: 11156-0001 May 22, 2019 Page 2

complaint, alleging causes of action for breach of contract and fraud, no later than May 28, 2019, including recovery of attorneys' fees and costs incurred.

We previously acknowledged that settlement discussions were ongoing between the principals of Pride Media and PinkNews, including a meeting on the subject of Pride Media's satisfaction of its debt, which was initially scheduled for Monday, April 29, 2019.

We are informed that on or around that date, Benjamin Cohen, CEO of PinkNews, met with Mr. Levin, CEO of Oreva Capital, which owns Pride Media. We are further informed that, during that meeting, Mr. Levin proposed a repayment solution by no later than close of business on May 2, 2019.

Settlement discussions carried on through early May 2019. On or around May 14, 2019, these discussions resulted in Pride Media making yet another proposal for settlement, whereby Pride Media would repay its outstanding debt to PinkNews over a four-month period. This proposal included a provision for a signed confession of judgment in favor of PinkNews if any payments were not repaid. Pride Media conveyed that this course of action represented the most cost-efficient option for repayment of its debt and also stated that Pride Media was interested in negotiating a new revenue deal with PinkNews going forward.

On the basis of Pride Media's proposal, on May 14, 2019, PinkNews issued correspondence attempting to effect resolution of this matter. Since that date, PinkNews has failed to respond and has, apparently, ignored all follow up correspondence issued by PinkNews.

Pride Media's failure to pay its debts in accordance with the terms of its contract with PinkNews constitutes breach. The elements of a cause of action for fraud are (a) misrepresentation (including false representation, concealment, or nondisclosure), (b) knowledge of falsity ("scienter"), (c) intent to defraud and induce reliance, (d) justifiable reliance, and (e) resulting damage. Here, principals of Pride Media and/or its ownership entities appear to have engaged in misrepresentation sufficient to constitute fraud. As such, unless Pride Media satisfies its debt by May 27, 2019, pursuant to contract and representations made by Pride Media and/or its ownership entities, PinkNews will file a complaint against Pride Media, and any other implicated defendants, no later than May 28, 2019, including a prayer for attorneys' fees and costs incurred.

WOOD SMITH HENNING & BERMAN LLP

Our File No.: 11156-0001 May 22, 2019 Page 3

Please contact the undersigned to discuss resolution of this matter or ensure that payment of Pride Media's debt to PinkNews is issued no later than May 24, 2019.

Very truly yours,

WOOD, SMITH, HENNING & BERMAN LLP

KEVIN J. GILLISPIE TUDOR D. JONES

KJG/TDJ:clr

CC:

By:

LEGAL:11156-0001/11695109.1

# EXHIBIT R

### Case 1:19-cv-05609 Document 1-18 Filed 06/14/19 Page 2 of 3

From:	Benjamin Cohen <	>
Sent:	Tuesday, June 11, 2019 6:25 AM	
То:		
Cc:		
Subject:	Re:	

NASDAQ OMX' | GlobeNewswire

# Pride Media Raises New Equity Investment

476 words 7 June 2019 16:08 GlobeNewswire PZON English © Copyright 2019 GlobeNewswire, Inc. All Rights Reserved.

Pride Media Raises New Equity Investment

LOS ANGELES, June 07, 2019 (GLOBE NEWSWIRE) -- **Pride Media**, the leading voice of the LGBTQ community, today announced it has obtained new funding from its existing investor base. The corporation plans to use the new funding for its continued growth and to clear up aging payables due to its freelancer and traffic partners.

"It's imperative that we pride ourselves on being good citizens of the community and apologize for the delays that late payments may have caused some of our stakeholders. We made several bad decisions over the past year and found ourselves out of sync with some of our partners, vendors and collaborators." Adam Levin, Chairman of Pride Media stated. "In an effort to correct this, and in celebration of Pride month, we're pleased to announce this financing from new and existing investors." Pride Media has seen excessive growth over the past year, and previous management may have overlooked certain working capital needs. These issues can affect businesses of all sizes, but in this case it's a sign of the organization's cultural significance, especially during a time of increased attention on the space. The company's sales are up 43% year over year, and has seen over 37% in traffic growth across its properties (according to Google Analytics).

"Our partners and shareholders have been extremely supportive of our company's mission, values, and growth. Although some past errors may've hampered our growth temporarily, we're heads down and focused on the future as we continue to build upon the history of these brands" Levin continued.

"The media business these days is trying, but it's an integral component to the freedom we enjoy today. While it's not always fun or easy, it's important to stand by your word, and protect your community. We've always been proponents of this movement, and stood by our peers, but it's not enough to lead - you must set an example. We're pleased that our freelancers will be taken care of, and we look forward to continuing to build a bigger and brighter future," Orlando Reece, Interim CEO of Pride Media stated. # # #

About Pride

## Case 1:19-cv-05609 Document 1-18 Filed 06/14/19 Page 3 of 3

**Pride Media** is the largest publisher of LGBTQ content in the world., including OUT, The Advocate, Out Traveler, Plus, CHILL and PRIDE. With over 50 years of award-winning editorial spanning digital, print, social and experiential, our content shapes the LGBTQ landscape--serving as the go-to destination for our audience across entertainment, news & politics, LGBTQ rights, travel, wellness, finance food & spirits and fashion. By covering every aspect of the LGBTQ experience, Pride Media's brands use the power of words to inspire the full spectrum of lesbian, gay, bisexual, transgender and queer people to live life with pride.

Contact:



(END)



### Leah A. Henry

From:	Michelle Arbitrio
Sent:	Monday, June 17, 2019 10:03 AM
То:	Leah A. Henry; Christopher J. Seusing
Subject:	FW: Pay.gov Payment Confirmation: NEW YORK SOUTHERN DISTRICT COURT

Receipt for filing

-----Original Message-----From: <u>do\_not\_reply@psc.uscourts.gov [mailto:do\_not\_reply@psc.uscourts.gov]</u> Sent: Friday, June 14, 2019 7:28 PM To: Michelle Arbitrio Subject: Pay.gov Payment Confirmation: NEW YORK SOUTHERN DISTRICT COURT

Your payment has been successfully processed and the details are below. If you have any questions or you wish to cancel this payment, please contact: Helpdesk at 212-805-0800.

Account Number: 5758038 Court: NEW YORK SOUTHERN DISTRICT COURT Amount: \$400.00 Tracking Id: ANYSDC-17089728 Approval Code: 005342 Card Number: \*\*\*\*\*\*\*\*0624 Date/Time: 06/14/2019 07:27:32 ET

NOTE: This is an automated message. Please do not reply