
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

Current Report

Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 15, 2013

GENIUS BRANDS INTERNATIONAL, INC.

(Name of registrant as specified in its charter)

Nevada

*(State or other jurisdiction of
Incorporation or organization)*

000-54389

(Commission File Number)

20-4118216

*(I.R.S. Employer
Identification Number)*

3111 Camino Del Rio North, Suite 400

San Diego, CA

(Address of principal executive offices)

92108

(Zip Code)

Registrant's telephone number, including area code: (858) 450-2900

(Former name or former address, if changed since last report)

Copies to:

Harvey J. Kesner, Esq.
Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
Phone: (212) 930-9700
Fax: (212) 930-9725

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in Item 2.01 is incorporated by reference herein.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The Merger

On November 15, 2013, Genius Brands International, Inc., a Nevada corporation (“we” or the “Company”) entered into an Agreement and Plan of Reorganization (the “Merger Agreement”) with A Squared Entertainment LLC, a Delaware limited liability company (“A Squared”), A Squared Holdings LLC, a California limited liability company and sole member of A Squared (the “Parent Member”) and A2E Acquisition LLC, our newly formed, wholly-owned Delaware subsidiary (“Acquisition Sub”). Upon closing of the transactions contemplated under the Merger Agreement (the “Merger”), which occurred concurrently with entering into the Merger Agreement, our Acquisition Sub merged with and into A Squared, and A Squared, as the surviving entity, became a wholly-owned subsidiary of the Company. As a result of the Merger, the Company acquired the business and operations of A Squared. A Squared is a children’s entertainment production company that produces original content for children and families that provide entertaining and educational media experiences. A Squared also creates comprehensive consumer product programs in the forms of toys, books and electronics. A Squared works with broadcasters, digital and online distributors and retailers worldwide as well as major toy companies, video game companies and top licensees in the kids and family arena.

Pursuant to the terms and conditions of the Merger:

- At the closing of the Merger, the membership interests of A Squared issued and outstanding immediately prior to the closing of the Merger were cancelled and the Parent Member received shares of our common stock. Accordingly, an aggregate of 297,218,237 shares of our common stock were issued to the Parent Member.
- Upon the closing of the Merger, Klaus Moeller resigned as the Company’s Chief Executive Officer and Chairman and Larry Balaban resigned as the Company’s Corporate Secretary, and simultaneously with the effectiveness of the Merger, Andrew Heyward was appointed as the Company’s Chief Executive Officer, Amy Moynihan Heyward was appointed as the Company’s President and Gregory Payne was appointed as the Company’s Corporate Secretary. Mr. Moeller remains a director of the Company.
- Effective upon the Company’s meeting its information obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Michael Meader, Larry Balaban Howard Balaban and Saul Hyatt will resign as directors of the Company and Andrew Heyward, Amy Moynihan Heyward, Lynne Segall, Jeffrey Weiss, Joseph “Gray” Davis, William McDonough and Bernard Cahill will be appointed as directors of the Company.

In connection with the Merger, the Parent Member, Andrew Heyward and Amy Moynihan Heyward each executed a lockup agreement pursuant to which they agreed to refrain from selling or transferring securities of the Company they own for a period of time beginning on the closing date of the Merger and ending 90 days after the effective date of the Company’s registration statement filed pursuant to the Financing Registration Rights Agreement (as discussed below). Additionally, the Company and the Parent Member entered into a Registration Rights Agreement (the “Merger Registration Rights Agreement”) pursuant to which the Company granted the Parent Member demand registration rights and piggy back registration rights at any time following (18) months from the date of the closing of the Merger.

At the closing of the Merger, the Company sold an aggregate of 29,642,857 shares of shares of its common stock, \$0.001 par value per share (the “Common Stock”) in a private placement (the “Private Placement”) to certain investors (the “Investors”) at a per share price of \$0.035 for gross proceeds to the Company of \$1,037,500. The shares of Common Stock issued in the Private Placement are subject to price protection and “most favored nations” protection for a period equal to the lesser of three (3) years from the closing of the Private Placement or until no Investor holds any Common Stock purchased in the Private Placement, in the event the Company issues securities at a per share price of less than \$0.035 per share, subject to certain exceptions, or otherwise issues securities to new investors whereby the Investors reasonably believe that the terms and conditions appurtenant to such issuance or sale are more favorable to that which were received by the Investors. In connection with the Private Placement, the Company’s pre-Merger officers and directors executed lockup agreements pursuant to which they agreed to refrain from selling or transferring the shares of securities of the Company for a period of beginning on the closing date of the Merger and ending 90 days after the effective date of the Company’s registration statement filed pursuant to the Financing Registration Rights Agreement (as discussed below), subject to certain leak-out provisions.

In connection with the Private Placement, the Company and the Investors entered into a Registration Rights Agreement (the "Financing Registration Rights Agreement") pursuant to which the Company agreed to file a "resale" registration statement with the Securities and Exchange Commission (the "SEC") covering all shares of Common Stock sold in the Private Placement within 90 days of the closing of the Private Placement (the "Filing Date"). The Company has agreed to maintain the effectiveness of the registration statement from the effective date until all securities have been sold or are otherwise able to be sold pursuant to Rule 144. The Company has agreed to use its reasonable best efforts to have the registration statement declared effective within 125 days (the "Effectiveness Date") of the Filing Date.

The Company is obligated to pay to Investors a fee of 1% per month of the Investors' investment, payable in cash, for every thirty (30) day period up to a maximum of 6% upon the occurrence of certain events, including, (i) following the Filing Date that the registration statement has not been filed and (ii) following the Effectiveness Date that the registration statement has not been declared effective.

The foregoing description of the Merger and related transactions does not purport to be complete and is qualified in its entirety by reference to the complete text of the Merger Agreement and the Merger Registration Rights Agreement, which is filed as Exhibit 10.1 and 10.2, respectively hereto and which are incorporated herein by reference.

The foregoing description of the Private Placement and related transactions does not purport to be complete and is qualified in its entirety by reference to the complete text of the form of Securities Purchase Agreement and Financing Registration Rights Agreement filed as Exhibits 10.3 and 10.4, respectively hereto and which are incorporated herein by reference.

Following the closing of the Merger, we will continue to be a "smaller reporting company," as defined in Item 10(f)(1) of Regulation S-K, as promulgated by the SEC.

Changes to the Board of Directors and Executive Officers. On November 15, 2013, effective upon the closing of the Merger, Klaus Moeller resigned as the Company's Chief Executive Officer and Chairman and Larry Balaban resigned as the Company's Corporate Secretary, and simultaneously with the effectiveness of the Merger, Andrew Heyward was appointed as the Company's Chief Executive Officer, Amy Moynihan Heyward was appointed as the Company's President and Gregory Payne was appointed as the Company's Corporate Secretary. Mr. Moeller remains a director of the Company. Effective upon the Company's meeting its information obligations under the Exchange Act, Michael Meader, Larry Balaban Howard Balaban and Saul Hyatt will resign as directors of the Company and Andrew Heyward, Amy Moynihan Heyward, Lynne Segall, Jeffrey Weiss, Joseph "Gray" Davis, William McDonough and Bernard Cahill will be appointed as directors of the Company.

On November 15, 2013, the Company entered into an employment agreement with Andrew Heyward (the "Andrew Heyward Employment Agreement"), whereby Mr. Heyward agreed to serve as the Company's Chief Executive Officer for a period of five years, subject to renewal, in consideration for an annual salary of \$200,000. Additionally, under the terms of the Andrew Heyward Employment Agreement, Mr. Heyward shall be eligible for an annual bonus if the Company meets certain criteria, as established by the Board of Directors. Mr. Heyward shall be entitled to reimbursement of reasonable expenses incurred in connection with his employment and the Company may take out and maintain during the term of his tenure, a life insurance policy in the amount of \$1,000,000. During the term of his employment and under the terms of the Andrew Heyward Employment Agreement, Mr. Heyward shall be entitled to be designated as composer on all music contained in the programming produced by the Company and to receive composer's royalties from applicable performing rights societies.

On November 15, 2013, the Company entered into an employment agreement with Amy Moynihan Heyward (the "Amy Heyward Employment Agreement"), whereby Ms. Heyward agreed to serve as the Company's President for a period of five years, subject to renewal, in consideration for an annual salary of \$180,000. Additionally, under the terms of the Amy Heyward Employment Agreement, Ms. Heyward shall be eligible for an annual bonus if the Company meets certain criteria, as established by the Board of Directors. Ms. Heyward shall be entitled to reimbursement of reasonable expenses incurred in connection with her employment and the Company may take out and maintain during the term of her tenure, a life insurance policy in the amount of \$1,000,000. During the term of her employment and under the terms of the Amy Heyward Employment Agreement, Ms. Heyward shall be entitled to be designated as composer on all music contained in the programming produced by the Company and to receive composer's royalties from applicable performing rights societies.

The foregoing description of the Andrew Heyward Employment Agreement and the Amy Heyward Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Andrew Heyward Employment Agreement and the Amy Heyward Employment Agreement filed as Exhibits 10.5 and 10.6, respectively hereto and which are incorporated herein by reference.

Andrew Heyward, 64, co-founded DIC Animation City in 1983 and served as its Chief Executive Officer until its sale in 1993. Mr. Heyward purchased DIC Entertainment L.P. and DIC Productions L.P., corporate successors to the DIC Animation City business in 2000 and served as the Chairman and Chief Executive Officer of their acquiring company DIC Entertainment Corporation, until its sale in 2008. Mr. Heyward co-founded A Squared in 2009 and has served as its Co-President since inception. Mr. Heyward earned a Bachelor of Arts degree in Philosophy from UCLA and is a member of the Producers Guild of America, the National Academy of Television Arts and the Paley Center (formerly the Museum of Television and Radio). Mr. Heyward gave the Commencement address in 2011 for the UCLA College of Humanities, and was awarded the 2002 UCLA Alumni Association's Professional Achievement Award. He has received multiple Emmys and other awards for Children's Entertainment. He serves on the Board of Directors of the Cedars Sinai Medical Center.

Amy Moynihan Heyward, 46, is the founder and has been the President of A Squared since 2009. Prior the formation of A Squared, Ms. Heyward served as the Vice President of Marketing at the Los Angeles Times from 2006 to 2008 and from 2003 to 2006, Ms. Heyward served as the director of global marketing for McDonald's Corporation. From 2002 to 2003, Ms. Moynihan handled promotions and sponsorships for Hasbro, Inc. and from 1994 to 2000, Ms. Heyward worked in various marketing posts for Disney. Ms. Heyward received degrees in Marketing Communications and Journalism from Northeastern University and sits on the Boards of Directors of LA's Best and After School All-Stars.

Gregory Payne, 59, has been the Chief Operating Officer and General Counsel to A Squared Entertainment LLC since October 2011 and A Squared Holdings LLC since March 2009. He was an attorney in private practice and the Chairman of Foothill Entertainment, Inc. from 2000 to present. Mr. Payne served as Senior Vice President Legal and Business Affairs to DIC Animation City, DIC Entertainment L.P. and DIC Productions L.P. variously during the period from 1986 to 1998 and was an attorney in private practice from 1978 until 1986. Mr. Payne is a director and 50% shareholder of Foothill Entertainment Inc. Mr. Payne received his Juris Doctorate from Stanford Law School.

Except that Andrew Heyward is the spouse of Amy Moynihan Heyward, none of the Company's executive officers or directors have any family relationship with any other executive officers or directors of the Company. There are no arrangements or understandings between either Andrew Heyward or Amy Moynihan Heyward and any other person pursuant to which such person was appointed as an officer or director of the Company, except as otherwise described herein. There have been no related party transactions in the past two years in which the Company or any of its subsidiaries was or is to be a party, in which either Andrew Heyward or Amy Heyward has, or will have, a direct or indirect material interest, except as described herein. Amy Heyward and Andrew Heyward are the founders and officers of A Squared. Additionally, Amy Moynihan Heyward and Andrew Heyward own 95% of the outstanding membership interests of the Parent Member.

Pre-Merger Officer and Directors

In connection with the Merger, the Company and Klaus Moeller entered into a termination agreement to terminate Mr. Moeller's employment agreement dated as of October 29, 2013 (the "Moeller Employment Termination Agreement"). Under the terms of the Moeller Employment Termination Agreement, Mr. Moeller agreed to cancel options to purchase an aggregate of up to 1,950,000 shares of the Common Stock.

The foregoing description of the Moeller Employment Termination Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Moeller Employment Termination Agreement filed as Exhibit 10.7 hereto and which is incorporated herein by reference.

In connection with the Merger, the Company and certain of our pre-merger directors agreed to cancel outstanding options to purchase up to an aggregate of 5,850,000 shares of Common Stock.

In connection with the Merger, the Company entered into Salary Conversion Agreements with each of Klaus Moeller, Jeanene Morgan, Larry Balaban, Howard Balaban and Michael Meader pursuant to which such individuals agreed to convert an aggregate of approximately \$612,442.62 in accrued but unpaid salaries into an aggregate of 12,414,516 shares of Common Stock.

The foregoing description of the salary conversions does not purport to be complete and is qualified in its entirety by reference to the complete text of the salary conversion agreements with each of Mr. Moeller, Ms. Morgan, Mr. Larry Balaban, Mr. Howard Balaban and Mr. Meader, which are filed as Exhibits 10.8, 10.9, 10.10, 10.11 and 10.12, respectively hereto and which are incorporated herein by reference.

Consulting Agreements

In connection with the Merger, the Company entered into a marketing consultation agreement with Girlilla Marketing LLC (“Girlilla” and the agreement the “Girlilla Consulting Agreement”) pursuant to which Girlilla agreed to provide certain strategic digital marketing services in consideration for 1,000,000 shares of Common Stock (the “Girlilla Shares”), which shall vest as follows: 200,000 shares upon execution of the Girlilla Consulting Agreement, 200,000 shares on January 15, 2014, 200,000 shares on March 15, 2014, 200,000 shares on June 15, 2014 and 200,000 shares on September 14, 2014.

Additionally, the Company entered into an engagement letter with ROAR LLC (“ROAR” and the engagement letter, the “ROAR Engagement Letter”) pursuant to which ROAR agreed to provide the Company will services, including the development of a business development strategy, for a period of 18 months. In consideration for its services, the Company agreed to pay ROAR 6,749,175 shares of Common Stock (the “ROAR Shares”) which shall vest as follows: 2,000,000 shares upon execution of the ROAR Engagement Letter, 2,000,000 shares on January 15, 2014, 1,374,588 shares on September 15, 2014 and 1,374,587 shares on March 15, 2015.

Bernard Cahill is the founder of ROAR and ROAR owns 65% of Girlilla. Mr. Cahill will be appointed a director of the Company upon the Company meeting its information requirements under the Exchange Act.

The foregoing description of the Girlilla Agreement and the ROAR Engagement Letter does not purport to be complete and is qualified in its entirety by reference to the complete text of the ROAR Engagement Letter and the Girlilla Agreement filed as Exhibits 10.13 and 10.14, respectively hereto and which are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

Merger

The information set forth in Item 2.01 is incorporated by reference herein.

Private Placement

The information set forth in Item 2.01 is incorporated by reference herein.

Consulting Agreements

The information set forth in Item 2.01 is incorporated by reference herein.

Bridge Conversion

On November 15, 2013, the Company issued an aggregate of 44,861,260 shares of Common Stock to holders of its 12% convertible promissory notes, in the aggregate principal amount of \$530,000, plus accrued but unpaid interest of \$13,718.51 (the “Bridge Notes”) in connection with the automatic conversion of the Bridge Notes upon consummation of the Merger, which qualified as an “Acquisition Transaction” under the terms of the Bridge Notes.

Salary Conversions

The information set forth in Item 2.01 is incorporated by reference herein.

Debt Conversions

On November 15, 2013, the Company issued an aggregate of 7,323,707 shares of Common Stock to Klaus Moeller, Michael Meader, Larry Balaban and Howard Balaban in consideration for the cancellation of an aggregate of \$256,329.76 in loans and accrued but unpaid interest thereon made to the Company by such individuals.

Debenture Conversion

On November 15, 2013, the Company issued an aggregate of 92,943,387 shares of Common Stock to holders of its 16% senior secured convertible debentures, in the aggregate principal amount of \$1,088,333.32, plus accrued but unpaid interest in the aggregate amount of \$38,140.54 (the “Debentures”), in connection with the automatic conversion of the Debentures upon consummation of the Merger, which qualified as an “Acquisition Transaction” under the terms of the Debentures, as amended.

The securities referenced above were issued to “accredited investors,” as such term is defined in the Securities Act of 1933, as amended (the “Securities Act”) and were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933 and corresponding provisions of state securities laws.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth in Item 2.01 is incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On November 15, 2013, the Company's Board of Directors approved an amendment to the Company's bylaws (the "Bylaw Amendment") in order to "opt-out" of Section 78.378 et seq. of the Nevada Revised Statutes.

The foregoing description of the Bylaw Amendment does not purport to be complete and is qualified in its entirety by reference to the complete text of the Bylaw Amendment filed as Exhibit 3.1 hereto and which is incorporated herein by reference.

On November 15, 2013, the Company's Board of Directors approved for submission to the Company's stockholders, an amendment to the Company's Articles of Incorporation, as amended, in order to classify the Company's Board of Directors into two classes, such that 25% of the Board shall be elected annually and 75% of the Board shall be elected every three years.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired. In accordance with Item 9.01(a), (i) audited financial statements for the fiscal years ended December 31, 2012 and 2011, and (ii) unaudited financial statements for the nine-month interim period ended September 30, 2013 will be filed within 71 days of the filing of this Current Report.

(b) Pro Forma Financial Information. In accordance with Item 9.01(b), our pro forma financial statements will be filed within 71 days of the filing of this Current Report.

(d) Exhibits.

The following is filed as an Exhibit to this Current Report on Form 8-K.

Exhibit No.	Description
3.1	Amendment to Bylaws dated November 15, 2013
10.1	Agreement and Plan of Reorganization between Genius Brands International, Inc., A Squared Entertainment LLC, A Squared Holdings LLC and A2E Acquisition LLC dated November 15, 2013
10.2	Registration Rights Agreement dated November 15, 2013 between Genius Brands International, Inc. and A Squared Holdings LLC
10.3	Form of Securities Purchase Agreement
10.4	Form of Registration Rights Agreement between Genius Brands International, Inc. and the Investors signatory thereto
10.5	Employment Agreement dated November 15, 2013 between Genius Brands International, Inc. and Andrew Heyward
10.6	Employment Agreement dated November 15, 2013 between Genius Brands International, Inc. and Amy Moynihan Heyward
10.7	Termination Agreement dated November 15, 2013 between Genius Brands International, Inc. and Klaus Moeller
10.8	Salary Conversion Agreement dated November 14, 2013 between Genius Brands International, Inc. and Klaus Moeller
10.9	Salary Conversion Agreement dated November 14, 2013 between Genius Brands International, Inc. and Jeanene Morgan
10.10	Salary Conversion Agreement dated November 14, 2013 between Genius Brands International, Inc. and Larry Balaban
10.11	Salary Conversion Agreement dated November 14, 2013 between Genius Brands International, Inc. and Howard Balaban
10.12	Salary Conversion Agreement dated November 14, 2013 between Genius Brands International, Inc. and Michael Meader
10.13	Engagement Letter dated November 15, 2013 between Genius Brands International, Inc. and ROAR LLC
10.14	Consulting Agreement dated November 15, 2013 between Genius Brands International, Inc. and Girlfilla Marketing LLC

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENIUS BRANDS INTERNATIONAL, INC.

Date: November 20, 2013

By: */s/ Jeanene Morgan* _____

Name: Jeanene Morgan

Title: Chief Financial Officer

Exhibit 3.1

**AMENDMENT TO BYLAWS
OF
GENIUS BRANDS INTERNATIONAL, INC.
a Nevada corporation**

The Bylaws of GENIUS BRANDS INTERNATIONAL, INC., a Nevada corporation, as certified by the secretary of the Corporation on November 15, 2013 are hereby amended as follows:

A new Article VIII is added to the Bylaws as follows:

“ARTICLE VIII - INAPPLICABILITY OF NEVADA REVISED STATUTES 78.378 TO 78.3793, INCLUSIVE.

SECTION 12-1 The provisions of Nevada Revised Statutes 78.378 to 78.3793, inclusive (entitled “Acquisition of a Controlling Interest”), shall not apply to the Corporation or to any “acquisition” of a “controlling interest” (as each term is defined therein) in the Corporation by any existing or future stockholder or stockholders.”

CERTIFICATION

I hereby certify that I am the duly appointed and acting Secretary of GENIUS BRANDS INTERNATIONAL, INC. and that the foregoing amendment to the Bylaws of GENIUS BRANDS INTERNATIONAL, INC. was duly adopted and approved by unanimous written consent of the Board of Directors held on the date set forth above.

Dated this 15th day of November, 2013.

/s/ Larry Balaban

Secretary

AGREEMENT AND PLAN OF REORGANIZATION

This AGREEMENT AND PLAN OF REORGANIZATION (this "Agreement"), dated as of November 15, 2013, is by and among Genius Brands International, Inc., a Nevada corporation (the "Parent"), A2E Acquisition, LLC, a wholly-owned subsidiary of Parent ("Merger Sub"), A Squared Entertainment LLC, a Delaware Limited Liability Company (the "Company"), and A Squared Holdings, LLC, a California Limited Liability Company (the "Seller"). Each of the parties to this Agreement is individually referred to herein as a "Party" and collectively as the "Parties."

BACKGROUND AND RECITALS

The Company has One Hundred (100) membership units (the "Membership Units") outstanding, all of which are held by Seller. In connection with a recapitalization of Parent, and subject to the terms and conditions of this Agreement, including without limitation the closing of the Concurrent Transactions (as defined below) and execution and delivery of the Constituent Agreements (as defined below), the parties hereto have agreed to effect the merger of Merger Sub with and into the Company (the "Merger") pursuant to the terms of this Agreement.

As a result of the Merger, among other effects, the Membership Units will be canceled and exchanged for an aggregate of Two Hundred and Ninety Seven Million Two Hundred and Eighteen Thousand Two Hundred and Thirty Seven (297,218,237) newly issued shares of common stock (the "Parent Stock"), par value \$0.001 per share, of the Parent, (the "Parent Common Stock") and the Company will be the entity surviving the Merger.

The Merger is intended to constitute a reorganization within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), or such other tax free reorganization or restructuring provisions as may be available under the Code.

The Board of Directors of each of the Parent and the Company has determined that it is desirable to effect this plan of reorganization and Merger.

Concurrent with and as a condition to the Merger, the Parent will enter into employment agreements with each of Andy Heyward and Amy Heyward (collectively the "Heywards"), in the forms attached as **Exhibit A** and **Exhibit B**, respectively, to serve as Chairman and Chief Executive Officer and President, respectively, of Parent (collectively, the "Employment Agreements"), the Heywards shall execute lockup agreements, in the form attached hereto as **Exhibit E** (the "Officer Lockup Agreements") and a registration rights agreement, in the form attached hereto as **Exhibit C**, with the Seller covering the Parent Stock (the "Registration Rights Agreement"). . The Employment Agreements, the Officer Lockup Agreements and the Registration Rights Agreement shall collectively be referred to herein as the "Constituent Agreements".

Concurrent with and as a condition to the Merger, Parent will issue authorized but unissued shares of Parent Stock in conjunction with the Merger and the transactions and recapitalization discussed in Section 4.23 herein (collectively the "Transactions" or "Concurrent Transactions").

The Parties intend for the Merger and the other Concurrent Transactions to occur at a concurrent closing upon execution and delivery of this Agreement and the Constituent Agreements and for the Parent Stock to represent immediately after the Closing of the Merger 50% issued and outstanding shares of Parent Common Stock after giving effect to the Concurrent Transactions.

AGREEMENT

NOW THEREFORE, based on the foregoing premises and for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties hereto intending to be legally bound hereby agree as follows:

ARTICLE I

Exchange of Shares

SECTION 1.01 The Merger. At the Closing (as defined in Section 1.02), subject to the terms and conditions of this Agreement, Merger Sub shall merge with and into the Company in accordance with applicable provisions of Delaware law, the separate existence of Merger Sub shall cease and the Company shall survive and continue to exist as a limited liability company under the Delaware Limited Liability Company Act (the “DLLCA”) (the “Surviving Company”) under the name “A Squared Entertainment, LLC”. The Certificate of Formation of Surviving Entity as on file with the Delaware Secretary of State and the LLC Agreement of Surviving Entity, as in force and effect immediately prior to the Effective Time of the Merger, shall continue to be the Certificate of Formation and the LLC Agreement of Surviving Entity until duly amended in accordance with the provisions thereof and applicable law. The managers and officers of the Company shall be the managers and officers of the Surviving Company. Upon consummation of the Merger, the Seller, managers and officers of the Surviving Entity shall take all necessary action to amend the LLC Agreement to reflect the Parent as the sole member of the Surviving Entity.

SECTION 1.02 Effect of the Merger. At the Effective Time of the Merger (as defined herein), the effect of the Merger shall be as provided in the DLLCA. Without limiting the generality of the foregoing, at the Effective Time of the Merger all the property, rights, privileges, powers and franchise of the Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of the Merger Sub shall become the debts, liabilities and duties of the Surviving Company.

SECTION 1.03 Effective Time of the Merger. The parties shall cause a Certificate of Merger required by the DLLCA relating to the Merger in the form attached hereto as **Exhibit H** to be filed with the Secretary of State of the State of Delaware pursuant to the DLLCA on the Closing Date. The Merger provided for herein shall become effective upon such filings or on such date as may be specified therein (the “Effective Time of the Merger”).

SECTION 1.04 Conversion of Membership Units. At the Effective Time of the Merger, automatically by virtue of the Merger and without any action on the part of any Person: (i) each membership unit of Merger Sub that is issued and outstanding immediately prior to the Effective Time of the Merger shall, by virtue of the Merger, be converted into one validly issued, fully paid and nonassessable membership unit of the Surviving Company; and (ii) all of the Membership Units of the Company shall be converted by virtue of the Merger, into the Parent Stock. A certificate representing the Parent Stock shall be delivered to Seller at the Effective Time of the Merger pursuant to the terms of this Agreement.

SECTION 1.05 Closing. The closing (the "Closing") of the transactions contemplated by this Agreement (the "Transactions") shall take place concurrently with the execution and delivery of this Agreement on such date, time and location as shall be mutually determined by the Company and Parent (the "Closing Date").

ARTICLE II

Representations and Warranties of Seller

Except as may be disclosed in Seller's Disclosure Letter ("Seller Disclosure Schedule"), (it being understood and agreed that disclosure of any event, item or occurrence set forth in the Seller Disclosure Schedule shall apply to, qualify or modify the Section or subsection to which it corresponds and each of the other Sections of this Agreement to the extent the relevance of such disclosure to such other Section or subsection is reasonably apparent from the text and nature of such disclosure) Seller hereby represents and warrants to the Parent, as follows:

SECTION 2.01 Good Title. Seller is the record and beneficial owner of, and has good and marketable title to the Membership Units. Seller owns the Membership Units free and clear of any and all liens, claims, encumbrances, preemptive rights, right of first refusal and adverse interests of any kind. Upon registering of the Parent as the new owner of such Membership Units in the register of the Company, the Parent will receive good title to such Membership Units, free and clear of all liens, security interests, pledges, equities and claims of any kind, voting trusts, agreements among members and other encumbrances (collectively, "Liens"). Membership Units set forth next to Seller's name on the signature page hereto are and will be at Closing, all of Membership Units of the Company.

SECTION 2.02 Power and Authority. Seller has the requisite organizational power and authority to enter into this Agreement. Seller has obtained all requisite approvals of its members to enter into this Agreement and consummate the Transactions contemplated by this Agreement. This Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or affecting the enforcement of creditors' rights in general and by general principles of equity (regardless of whether enforcement is sought in equity or at law). No consent, approval or agreement of any individual or entity is required to be obtained by Seller in connection with the execution and performance by Seller of this Agreement or the execution and performance by Seller of any agreements, instruments or other obligations entered into in connection with this Agreement.

SECTION 2.03 No Conflicts. The execution and delivery of this Agreement by Seller and the performance by Seller of its obligations hereunder in accordance with the terms hereof: (i) will not require the consent of any third party (other than its members) or any federal, state, local or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign ("Governmental Entity") under any statutes, laws, ordinances, rules, regulations, orders, writs, injunctions, judgments, or decrees (collectively, "Laws"); (ii) will not violate any Laws applicable to the Seller; and (iii) will not violate or breach any contractual obligation to which Seller is a party except for such as would not result in a Company Material Adverse Effect (as defined below) or equivalent material adverse effect on Seller.

SECTION 2.04 No Finder's Fee. Neither Seller nor the Heywards has created any obligation for any finder's, investment banker's, financial advisory, or broker's fee in connection with the Transactions that the Company or the Parent will be responsible for.

SECTION 2.05 Purchase Entirely for Own Account. The Parent Stock proposed to be acquired by Seller hereunder will be acquired for investment for its own accounts, and not with a view to the resale or distribution of any part thereof, and Seller has no present intention of selling or otherwise distributing the Parent Stock except in compliance with applicable securities laws.

SECTION 2.06 Available Information. Seller has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Parent.

SECTION 2.07 Non-Registration. Seller understands that the shares of Parent Stock have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and, if issued in accordance with the provisions of this Agreement, will be issued by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Seller's representations as expressed herein.

SECTION 2.08 Restricted Securities. Seller understands that the Parent Stock is characterized as "restricted securities" under the Securities Act inasmuch as this Agreement contemplates that, if acquired by Seller pursuant hereto, the Parent Stock would be acquired in a transaction not involving a public offering. Seller further acknowledges that if the Parent Stock is issued to Seller in accordance with the provisions of this Agreement, such Parent Stock may not be resold without registration under the Securities Act or the existence of an exemption therefrom. Seller represents that it is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

SECTION 2.09 Legends. It is understood that the shares of Parent Stock will bear the following legend or another legend that is similar to the following:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

THESE SECURITIES ARE SUBJECT TO THE TERMS OF A LOCK-UP AGREEMENT AND MAY NOT BE TRANSFERRED, SOLD OR ASSIGNED OTHER THAN AS PERMITTED THEREIN, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

and any legend required by the "blue sky" laws of any state to the extent such laws are applicable to the securities represented by the certificate so legended.

SECTION 2.10 Accredited Investor. Seller is an "accredited investor" within the meaning of Rule 501 under the Securities Act.

SECTION 2.11 Litigation. There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or, to Seller's knowledge, threatened against the Company, or any of the Company's assets or properties. There is no judgment, decree or order against Seller or the Company that could prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement. There are no material claims, actions, suits, proceedings, inquiries, labor disputes or investigations pending or, to Seller's or Company's knowledge, threatened against Seller or the Company or any of the Company's assets, at law or in equity or by or before any governmental entity or in arbitration or mediation. No bankruptcy, receivership or debtor relief proceedings are pending or, to Seller's knowledge, threatened against the Company. The Company has complied with, is not in violation of, and has not received any notices of violation with respect to, any federal, state, local or foreign Law, judgment, decree, injunction or order, applicable to it, the conduct of its business, or the ownership or operation of its business the violation of which would cause or would reasonably likely cause a Company Material Adverse Effect (as defined below). The Seller has access to and has reviewed the Parent's filings with the Securities and Exchange Commission, at WWW.SEC.GOV, including the "Risk Factors" contained therein.

SECTION 2.12 Seller Lockup Agreement. At Closing, Seller shall execute and deliver a Lockup Agreement in the form attached hereto as **Exhibit D**, to the Parent. At Closing shall cause the Heywards to execute and deliver the Officer Lockup Agreements to Parent.

ARTICLE III

Representations and Warranties of the Company

The Company and Seller, jointly and severally, represent and warrant to the Parent as provided below, except as set forth in a schedule (the "Company Disclosure Schedule") (it being understood and agreed that disclosure of any event, item or occurrence set forth in the Company Disclosure Letter shall apply to, qualify or modify the Section or subsection to which it corresponds and each of the other Sections of this Agreement to the extent the relevance of such disclosure to such other Section or subsection is reasonably apparent from the text and nature of such disclosure). For purposes of this Agreement a "Company Material Adverse Effect" shall mean a sustained material adverse change or event in the business, results of operations, or financial condition of the Company or adversely affecting the ability of the Company to perform its obligations under this Agreement or on the ability of the Company to consummate the Transactions. For purposes of this clause, a "Company Material Adverse Effect" shall not include any effects, events, developments or changes arising out of or resulting from (A) changes or conditions in the U.S. or global economy or capital or financial markets generally, including changes in interest or exchange rates, (B) changes in the industries in which the Company operates, (C) changes in general legal, tax, regulatory, political or general economic conditions affecting the Company in each case, proposed, adopted or enacted after the date hereof, or the interpretation or enforcement thereof, with the exception of any law that would prevent the business of the Company to be concluded in the ordinary course and in accordance with past practice or that would prevent or substantially impair the consummation of the Transactions, (D) natural disasters, (E) the commencement, occurrence, continuation or intensification of any war, sabotage, armed hostilities or acts of terrorism, (F) any action taken by Parent or its affiliates in bad faith or in violation of this Agreement, or (G) any matter fully, fairly, and specifically disclosed in the Company Disclosure Schedule.

SECTION 3.01 Organization, Standing and Power. The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite organizational power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold its properties and assets and to conduct its businesses as presently conducted, other than such franchises, licenses, permits, authorizations and approvals the lack of which, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect on the Company. The Company is duly qualified to do business in each jurisdiction where the nature of its business or its ownership or leasing of its properties make such qualification necessary, except where the failure to so qualify would not reasonably be expected to have a Company Material Adverse Effect. The Company has delivered to the Parent true and complete copies of the articles of organization and operating agreement of the Company, each as amended to the date of this Agreement (as so amended, the "Company Charter Documents"). The Company owns or controls, directly or indirectly, all of the capital stock or comparable equity interests of each subsidiary (each, a "Subsidiary") listed in the Company Disclosure Schedule, free and clear of any lien, and all issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights.

SECTION 3.02 Capital Structure. The authorized capital structure of the Company consists of One Hundred (100) Membership Units all of which are outstanding and owned by Seller. No other Membership Units of the Company are issued, reserved for issuance or outstanding. All outstanding Membership Units of the Company are duly authorized, validly issued, fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the applicable corporate laws of its state of formation, the Company Charter Documents or any Contract (as defined in Section 3.04) to which the Company is a party or otherwise bound. There are no bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Membership Interests may vote ("Voting Company Debt"). Except as otherwise set forth herein, as of the date of this Agreement, there are no options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts, arrangements or undertakings of any kind to which the Company is a party or by which the Company is bound (i) obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional membership units or other equity interests in, or any security convertible or exercisable for or exchangeable into any membership units or other equity interest in, the Company or any Voting Company Debt, (ii) obligating the Company to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of Membership Units of the Company.

SECTION 3.03 Authority; Execution and Delivery; Enforceability. The Company has all requisite organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the performance of its obligations under this Agreement have been duly authorized and approved by the Managers of the Company and no other proceedings on the part of the Company are necessary to authorize this Agreement and the Transactions. When executed and delivered, this Agreement will be enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or affecting the enforcement of creditors' rights in general and by general principles of equity (regardless of whether enforcement is sought in equity or at law). No consent, approval or agreement of any individual or entity is required to be obtained by the Company in connection with the execution and performance by the Company of this Agreement or the Constituent Agreements or the execution and performance by the Company of any agreements, instruments or other obligations entered into in connection with this Agreement.

SECTION 3.04 No Conflicts; Consents.

(a) The execution and delivery by the Company of this Agreement does not, and the consummation of the Transactions and compliance with the terms hereof and thereof will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company under any provision of (i) the Company Charter Documents, (ii) any material contract, lease, license, indenture, note, bond, agreement, permit, concession, franchise or other instrument (a "Contract") to which the Company is a party or by which any of its respective properties or assets is bound or (iii) subject to the filings and other matters referred to in Section 3.04(b), any material judgment, order or decree ("Judgment") or material Law applicable to the Company or its properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) Except for required filings with the Securities and Exchange Commission (the “SEC”) and applicable “Blue Sky” or state securities commissions, no material consent, approval, license, permit, order or authorization (“Consent”) of, or registration, declaration or filing with, or permit from, any Governmental Entity is required to be obtained or made by or with respect to the Company in connection with the execution, delivery and performance of this Agreement or the performance by the Company of its obligations under this Agreement.

SECTION 3.05 Taxes.

(a) The Company has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it, and all such Tax Returns were correct and complete in all material respects except to the extent any failure to file or any inaccuracies in any filed Tax Returns, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid, except to the extent that any failure to pay, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

(b) If applicable, the Company has established an adequate reserve reflected on its financial statements for all Taxes payable by the Company (in addition to any reserve for deferred Taxes to reflect timing differences between book and Tax items) for all Taxable periods and portions thereof through the date of such financial statements. No deficiency with respect to any Taxes has been proposed, asserted or assessed against the Company, and no requests for waivers of the time to assess any such Taxes are pending, except to the extent any such deficiency or request for waiver, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect.

(c) For purposes of this Agreement:

“Taxes” includes all forms of taxation, whenever created or imposed, and whether of the United States or elsewhere, and whether imposed by a local, municipal, governmental, state, foreign, federal or other Governmental Entity, or in connection with any agreement with respect to Taxes, including all interest, penalties and additions imposed with respect to such amounts.

“Tax Return” means all federal, state, local, provincial and foreign Tax returns, declarations, statements, reports, schedules, forms and information returns and any amended Tax return relating to Taxes.

SECTION 3.06 Benefit Plans. Except as set forth in the Company Disclosure Schedule, the Company does not have or maintain any collective bargaining agreement or any bonus, pension, profit sharing, deferred compensation, incentive compensation, share ownership, share purchase, share option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other plan, arrangement or understanding (whether or not legally binding) providing benefits to any current or former employee, officer or director of the Company (collectively, "Company Benefit Plans"). As of the date of this Agreement, except as set forth in the Company Disclosure Schedule, there are no employment, consulting, indemnification, severance or termination agreements or arrangements between the Company and any current or former employee, officer or director of the Company, nor does the Company have any general severance plan or policy.

SECTION 3.07 Litigation. There is no action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation pending or threatened in writing against or affecting the Company, or any of its properties before or by any court, arbitrator, governmental or administrative agency, regulatory authority (federal, state, county, local or foreign), stock market, stock exchange or trading facility ("Action"). Neither the Company nor any director or officer thereof (in his or her capacity as such), is or has been the subject of any Action involving a claim or violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

SECTION 3.08 Compliance with Applicable Laws. To the best of its knowledge, the Company is in material compliance with all applicable Laws, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. This Section 3.08 does not relate to matters with respect to Taxes, which are the subject of Section 3.05.

SECTION 3.09 Brokers; Schedule of Fees and Expenses. . No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission for which Parent or the Company is obligated in connection with the Transactions based upon arrangements made by or on behalf of the Company.

SECTION 3.10 Contracts. Except as disclosed in the Company Disclosure Schedule, there are no Contracts that are material to the business, properties, assets, financial condition, results of operations or prospects of the Company and its Subsidiaries taken as a whole. The Company is not in violation of or in default under (nor does there exist any condition which upon the passage of time or the giving of notice would cause such a violation of or default under) any Contract to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults that would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect. The Company's execution of this Agreement and the consummation of the Transactions contemplated herein would not violate any Contract to which the Company or any of its Subsidiaries is a party nor will the execution of this Agreement or the consummation of the Transactions consummated hereby violate or trigger any "change in control" provision or covenant in any Contract to which the Company or any Subsidiary is a party.

SECTION 3.11 Title to Properties. Except as set forth in the Company Disclosure Schedule, the Company does not own any real property. The Company has sufficient title to, or valid leasehold interests in, all of its properties and assets used in the conduct of its businesses. All such assets and properties, other than assets and properties in which the Company has leasehold interests, are free and clear of all Liens other than those Liens that, in the aggregate, do not and will not materially interfere with the ability of the Company to conduct business as currently conducted or result in or would reasonably be expected to result in a Company Material Adverse Effect.

SECTION 3.12 Intellectual Property. Company for itself and all subsidiaries represents and warrants to Parent as follows:

(a) The Company Disclosure Schedule contains a list of all intellectual property of any and every kind and nature that Company and/or any of Company's subsidiaries own or control, including, without limitation, the following: (i) all domain names; (ii) all Compositions (as defined below), together with a designation as to which Compositions are registered for copyright in the United States Copyright Office (the "Copyright Office"); (iii) all Recordings (together with the Compositions, each a "Work"), together with a designation as to which Recordings are registered for copyright in the Copyright Office; (iv) all audiovisual productions, together with a designation as to which audiovisual productions are registered for copyright in the Copyright Office; (v) all scripts upon which Company's audiovisual productions are based; (vi) all books, together with a designation as to which books are registered for copyright in the Copyright Office; (vii) all other works of authorship of any and every kind and nature, together with a designation as to which works are registered for copyright in the Copyright Office; (viii) all trademarks, together with a designation as to which trademarks are registered in the United States Patent and Trademark Office; (ix) all licenses of Company's brand and characters; (x) all trade names; and (xi) all characters utilized by the Company in the intellectual property described in subclauses (i)-(x) hereof (collectively, "Company's Intellectual Property").

(b) Company is the sole and exclusive owner of all right, title and interest in and to Company's Intellectual Property, including, without limitation, the title, lyrics and music with respect to all Compositions and all arrangements and other derivative works thereof, and all other rights of whatsoever nature therein and thereto, whether now or hereafter known, and all claims and demands accrued or to accrue with respect thereto, and all copyrights and renewal, extended and reversionary terms of copyright therein and thereto, and all rights to secure renewals, extensions and reversions of copyright, throughout the universe, and the right to receive and retain Company's entire share of royalties and other payments with respect to all of Company's Intellectual Property, all as set forth in Company's Disclosure Schedule, and except only to the extent (if at all) expressly limited by Company's Disclosure Schedule attached hereto. Except as and to the extent indicated in Company's Disclosure Schedule, no person or business entity other than Company has or may validly claim a proprietary, administrative, participatory or reversionary interest (subject to the operation of law) in any of Company's Intellectual Property. Company has good and marketable title to Company's Intellectual Property (to the extent of Company's percentage interest as set forth in Company's Disclosure Schedule), and no interest therein has been assigned, pledged or otherwise transferred or encumbered, nor has any Encumbrance been granted therein, to secure indebtedness or otherwise.

(c) All of the grants of rights and conveyances contained in the agreements and/or other instruments of transfer between Company and the holders of rights in and to Company's Intellectual Property (collectively, the "Acquisition Agreements"), are in full force and effect; except as set forth on Company's Disclosure Schedule, all of Company's rights and interests in Company's Intellectual Property are freely assignable to the Parent. Company has fully performed all of Company's obligations thereunder; Company is not in breach of or in default with respect to any of the Acquisition Agreements; and, without limitation of the generality of the foregoing, Company has fully and timely accounted to and paid all royalties and other payments in accordance with the terms of all Acquisition Agreements with respect to all income received by Company prior to the Closing Date that was derived from the use and exploitation of Company's Intellectual Property. Company has not received any notice, nor does Company have any knowledge, that any party to any Acquisition Agreement intends to cancel, rescind or claim a breach of any provision thereof. Company warrants that true, complete and correct copies of all material contracts, documents and information, including, without limitation, the Acquisition Agreements, in Company's control or possession have been made available to the Company prior to the execution of this Agreement. There are no material facts or circumstances bearing on this transaction or the rights and interests in Company's Intellectual Property that have not been expressly disclosed to Parent in this Agreement.

(d) No adverse claim of any nature, kind or description exists and no suit, action, arbitration, or legal, administrative or other proceeding, or governmental investigation is known or suspected by Company to be pending, threatened or anticipated with respect to any of Company's Intellectual Property or any rights or interests of Company or any subsidiary therein, including, without limitation, the copyrights therein. All of Company's Intellectual Property is original and protectable under the copyright laws of the United States, the Universal Copyright Convention and the Berne Convention and no portion thereof infringes upon any other work(s) or any right(s) of any third party;

(e) All Compositions have been properly registered in the United States with ASCAP, BMI and/or SESAC, as applicable, and have been included on cue sheets properly registered in the United States with ASCAP, BMI and/or SESAC, as applicable.

(f) Except as provided on the Company Disclosure Schedule, Company is not bound by any agreement, understanding or arrangement concerning the publication, subpublication, recording, distribution or other exploitation of any of Company's Intellectual Property anywhere in the world, other than those concerning non-exclusive mechanical, non-exclusive print, non-exclusive co-publishing, performing rights and other non-exclusive use licenses that were made in the ordinary course of business. True copies of all subpublishing, co-publishing, print and/or other licenses and agreements currently in effect with respect to any of Company's Intellectual Property have been made available to Parent prior to the execution of this Agreement. The Company Disclosure Schedule contains a true and complete schedule of all such licenses and agreements (other than non-exclusive mechanical, print and synchronization licenses).

(g) As of the Closing Date, there are no outstanding advances recoupable from earnings derived from any of Company's Intellectual Property made to Company by any administrator, foreign subpublisher, print licensee or other third party, except only those from the sources and in the amounts set forth in Company's Disclosure Schedule. At no time within the year prior to the Closing Date has Company caused the acceleration of any income payable with respect to any of Company's Intellectual Property or deferred any royalty obligations or other credits or offsets thereto. Company's unaudited financial statements fairly reflect all required payments to all third parties for royalty obligations, distribution fees, advances, minimum guarantees or otherwise, arising out of income received by Company prior to the Closing Date.

(h) There are no exclusive songwriter agreements, exclusive recording agreements or other current or future obligations for advances to any songwriter, recording artist, performer or other third party for which Company shall be responsible after the Closing Date.

(i) All of Company's Intellectual Property, including, without limitation, the Recordings and the performances embodied thereon, were produced and created in accordance with applicable law and, to the extent (if at all) applicable, the rules and regulations of all applicable unions, guilds, and performing rights organizations. To the extent that any of Company's Intellectual Property, including, without limitation, the Recordings, were commercially released by Company, Company has obtained or will obtain from the copyright owners thereof, including, without limitation, all third-party copyright owners of the applicable Compositions embodied in such Recordings, all necessary mechanical licenses.

(j) For purposes of this Section 3.12 the following definitions shall apply:

(i) "Administration Rights" means any of the rights of Company to "administer" (as that term is commonly understood in the music industry) Company's Intellectual Property, as set forth in and as limited by the applicable Acquisition Agreement, which may include, but are not necessarily limited to, the rights to publish, administer, exploit (in any and all media of whatsoever nature, whether now known or hereafter devised), deal in, transfer or otherwise dispose of Company's Intellectual Property or any portion thereof throughout the world, and/or to collect all income, compensation or consideration of whatsoever nature arising out of the exercise of such rights (except only the Writer's Public Performance Share and any other payments made directly by collection organizations, such as SoundExchange, to Record Parties, payable at any time on or after the Closing Date. Administration Rights may also include, without limitation, the non-exclusive rights to use the name, image and/or likeness of, and biographical information concerning, the Writers of a Work and the Record Parties, and to reproduce, print, publish or disseminate the same in any medium or by any method, now or hereafter known, for the purpose of exploiting, administering and otherwise dealing with the Works, or any of them, and to authorize others to exercise any of the foregoing rights, subject to any approval rights or restrictions contained in the Acquisition Agreements.

(ii) "Composition(s)" means all musical compositions to the extent owned, controlled and/or acquired by Company and/or by any of Company's Affiliates prior to the Closing Date, including, without limitation, those musical compositions, or portions thereof, that are listed on Company's Disclosure Schedule. The musical compositions described in the preceding sentence shall include, without limitation, musical compositions whether the same were originally claimed or registered as a musical composition or as a musical part of a dramatico-musical work, and shall also include, without limitation, any music, lyrics, titles and/or cues, whether domestic or foreign, and any arrangement, adaptation, edition, translation into a foreign language and/or derivative work based thereon and all right, title and interest in and to such musical compositions, including, without limitation, all copyrights therein and all renewals, extensions, continuations and restorations and reversions of such copyrights (whether vested, contingent or inchoate and whether such renewals, extensions, continuations, restorations and reversions are now in existence or come into existence as a result of future legislation or the interpretation thereof) in all countries of the world or otherwise throughout the universe, as well as all causes of action, including, without limitation, those for infringement, arising from the date of creation of each such musical composition, whether now known or unknown to Company. For the avoidance of doubt, and without in any way limiting the foregoing, a musical composition that would otherwise be a "Composition" but is not listed on Company's Disclosure Schedule shall nonetheless be deemed a "Composition" hereunder.

(iii) "Encumbrance(s)" means any lien, claim, encumbrance, mortgage, pledge, conditional sales agreement, restriction, decree, award, judgment, order, option, right of first refusal, power of attorney in favor of any Person other than Company, hypothecation or security interest (whether or not perfected) of any nature whatsoever affecting any of Company's assets, including, without limitation, any infirmity on the title in, of and to Company's assets, or any of them.

(iv) "Order" means any order, judgment, ruling, injunction, award, or decree.

(v) "Record Party" or "Record Parties" mean the recording artists, performers, producers, mixers and other similar Persons (or parties deriving rights through them), the results and proceeds of whose services are embodied in or otherwise used in connection with the Recordings, and/or from whom various rights in the Recordings were acquired pursuant to Acquisition Agreements, or any of them.

(vi) "Recording(s)" means and includes, individually and collectively, all sound recordings solely embodying Compositions, or portions thereof, or any other musical compositions, or portions thereof, solely to the extent of Company's ownership, control, or Administration Rights therein, and all of Company's right, title and interest in and to such sound recordings pursuant to a relevant Acquisition Agreement, which may include, but shall not necessarily be limited to, all copyrights therein (to the extent owned and/or controlled by Company), and all renewals, extensions, continuations and restorations and reversions of such copyrights, owned or controlled by Company, or to which Company may become entitled pursuant to operation of law (whether vested, contingent or inchoate, and whether such renewals, extensions, continuations, restorations and reversions are now in existence or come into existence as a result of future legislation or the interpretation thereof) in all countries of the world or otherwise throughout the universe, as well as all titles (to the extent the same may be owned and/or controlled), and other derivative works based upon such sound recordings, to the extent of Company's ownership or control thereof, and all causes of action, including those for infringement, arising from the date of creation of each such sound recording, whether now known or unknown to Company in all events.

(vii) "Society" means a music rights society or organization that is generally recognized as such within the music industry and is authorized to license the non-dramatic public performance and/or mechanical reproduction and/or sound recording rights of one or more of the Works in one or more countries of the world (e.g., ASCAP, BMI, SESAC, HFA). For the avoidance of doubt, a Subpublisher or a Third-Party Administrator is not a Society.

(viii) "Subpublisher" means any Person authorized to administer and act as a publisher of one or more of the Works on a general basis and to grant rights in such Work(s) to users or other Persons in a particular country or group of countries outside of the United States. Notwithstanding the foregoing, with respect to any agreements whereby Company authorized any Person to administer only a particular right in one or more Works (such as agreements with any Society), and whereby such Person does not assume general responsibility for exploiting the Work(s) concerned, then such Person is not a Subpublisher for the purposes of this Agreement. "Third-Party Administrator" means any third-party music publisher or other Person in the United States with whom Company has a direct agreement for the general administration and management of Company's rights in and to the Works or a substantial number of them. Notwithstanding the foregoing, a Person who is authorized by the Company to administer or license only a particular right in one or more of the Works (such as a Society), which Person does not assume general responsibility for exploiting the Work(s) in question, is not a Third-Party Administrator.

(ix) "Writer(s)" means any author, composer and/or lyricist who wrote and/or composed the Compositions, or any of them. "Writer's Public Performance Share" means royalties, fees or other income actually payable to any Writer(s) by ASCAP, BMI, SESAC or any other applicable performing rights organization, or otherwise as compensation for the exploitation of non-dramatic public performance rights in the Compositions.

SECTION 3.13 Insurance. Except as set forth on the Company Disclosure Schedule, the Company does not hold any insurance policy.

SECTION 3.14 Transactions With Affiliates and Employees. Except as set forth in the Company Disclosure Schedule, none of the officers or directors of the Company and, to the knowledge of the Company, none of the employees of the Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

SECTION 3.15 Application of Takeover Protections. The Company is not subject to any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company Charter Documents or the laws of its state of formation that is or could become applicable to Seller as a result of Seller and the Company fulfilling their obligations or exercising their rights under this Agreement, including, without limitation, the issuance of the Parent Stock and Seller' ownership of the Parent Stock.

SECTION 3.16 Labor Matters. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company believes that its and its Subsidiaries' relations with their respective employees are good. The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect.

SECTION 3.17 ERISA Compliance; Excess Parachute Payments. The Company does not, and since its inception never has, maintained, or contributed to any "employee pension benefit plans" (as defined in Section 3(2) of ERISA), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA) or any other Company Benefit Plan for the benefit of any current or former employees, consultants, officers or directors of Company.

SECTION 3.18 No Additional Agreements. The Company does not have any agreement or understanding with Seller with respect to the Transactions other than as specified in this Agreement.

SECTION 3.19 Investment Company. The Company is not, and is not an affiliate of, and immediately following the Closing will not have become, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.20 Disclosure. All disclosure provided to the Parent regarding the Company, its business and the Transactions, furnished by or on behalf of the Company (including the Seller's and Company's representations and warranties set forth in this Agreement and the Company Disclosure Schedule) are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

SECTION 3.21 Absence of Certain Changes or Events. Except in connection with the Transactions and as disclosed in the Company Disclosure Schedule, since December 31, 2012, the Company has conducted its business only in the ordinary course, and there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Company, except changes in the ordinary course of business that have not caused, in the aggregate, a Company Material Adverse Effect;
- (b) any damage, destruction or loss, whether or not covered by insurance, that would have a Company Material Adverse Effect;
- (c) any waiver or compromise by the Company of a valuable right or of a material debt owed to it;
- (d) any satisfaction or discharge of any lien, claim, or encumbrance or payment of any obligation by the Company, except in the ordinary course of business and the satisfaction or discharge of which would not have a Company Material Adverse Effect;
- (e) any material change to a material Contract by which the Company or any of its assets is bound or subject;
- (f) any mortgage, pledge, transfer of a security interest in, or lien, created by the Company, with respect to any of its material properties or assets, except liens for taxes not yet due or payable and liens that arise in the ordinary course of business and does not materially impair the Company's ownership or use of such property or assets;
- (g) any loans or guarantees made by the Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;
- (h) any alteration of the Company's method of accounting or the identity of its auditors;
- (i) any declaration or payment of dividend or distribution of cash or other property to Seller or any purchase, redemption or agreements to purchase or redeem any Membership Units;
- (j) any issuance of equity securities to any officer, director or affiliate; or
- (k) any arrangement or commitment by the Company to do any of the things described in this Section.

SECTION 3.22 Foreign Corrupt Practices. Neither the Company, nor, to the Company's knowledge, any director, officer, agent, employee or other person acting on behalf of the Company has, in the course of its actions for, or on behalf of, the Company (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

SECTION 3.23 Licenses and Permits. The Company has obtained and maintains all federal, state, local and foreign licenses, permits, consents, approvals, registrations, memberships, authorizations and qualifications required to be maintained in connection with the operations of the Company as presently conducted and as proposed to be conducted the absence of which has caused or is reasonably likely to cause a Company Material Adverse Effect. The Company is not in default under any of such licenses, permits, consents, approvals, registrations, memberships, authorizations and qualifications except for such defaults that have not caused or would not reasonably be likely to result in a Company Material Adverse Effect.

SECTION 3.24 Environmental Laws. The Company and each Subsidiary (i) is in compliance in all material respects with any and all Environmental Laws (as hereinafter defined), (ii) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) is in compliance in all material respects with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply would be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. The term "Environmental Laws" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

SECTION 3.25 Indebtedness. Except as disclosed in the Company Disclosure Schedule, neither the Company nor any Subsidiary (i) has any outstanding Indebtedness (as defined below), (ii) is in violation of any term of or is in default under any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Company Material Adverse Effect, and (iii) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Company Material Adverse Effect. For purposes of this Agreement: (x) "Indebtedness" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above; (y) "Contingent Obligation" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; and (z) "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof and any other legal entity.

SECTION 3.26 Money Laundering. The Company and its Subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, but not limited to, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, but not limited to, (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

SECTION 3.27 Management. During the past five year period, no current officer or director or, to the knowledge of the Company, no former officer or director or current ten percent (10%) or greater member of the Company or any of its Subsidiaries has been the subject of:

- (a) a petition under bankruptcy laws or any other insolvency or moratorium law or the appointment by a court of a receiver, fiscal agent or similar officer for such Person, or any partnership in which such person was a general partner at or within two years before the filing of such petition or such appointment, or any corporation or business association of which such person was an executive officer at or within two years before the time of the filing of such petition or such appointment;

(b) a conviction in a criminal proceeding or a named subject of a pending criminal proceeding (excluding traffic violations that do not relate to driving while intoxicated or driving under the influence);

(c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining any such person from, or otherwise limiting, the following activities:

(i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the United States Commodity Futures Trading Commission or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of securities laws or commodities laws;

(d) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any authority barring, suspending or otherwise limiting for more than 60 days the right of any such person to engage in any activity described in the preceding sub paragraph, or to be associated with persons engaged in any such activity;

(e) a finding by a court of competent jurisdiction in a civil action or by the SEC or other authority to have violated any securities law, regulation or decree and the judgment in such civil action or finding by the SEC or any other authority has not been subsequently reversed, suspended or vacated; or

(f) a finding by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding has not been subsequently reversed, suspended or vacated.

SECTION 3.28 Public Utility Holding Act. None of the Company nor any of its Subsidiaries is a “holding company,” or an “affiliate” of a “holding company,” as such terms are defined in the Public Utility Holding Act of 2005.

SECTION 3.29 Federal Power Act. None of the Company nor any of its Subsidiaries is subject to regulation as a “public utility” under the Federal Power Act, as amended.

SECTION 3.30 No Undisclosed Events, Liabilities, Developments or Circumstances. To the best knowledge of the Company no event, liability, development or circumstance has occurred or exists, or is reasonably expected to exist or occur with respect to the Company, any of its Subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise), that in the reasonable judgment of the Company (i) has not already been made known to the Parent; or (ii) could have a Company Material Adverse Effect. Except as set forth in the Company Disclosure Schedule, the Company has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise). The Company Disclosure Schedule sets forth all financial and contractual obligations and liabilities (including any obligations to issue membership interests or other securities of the Company) due after the date hereof.

SECTION 3.31 No Other Representations or Warranties. Except for the representations and warranties contained in Article II and Article III of this Agreement, neither Seller nor the Company has made any representation or warranty, express or implied, concerning the Company, its financial condition, results of operations, assets, or prospects, and such representations and warranties supersede any prior statements made by any person regarding the Transactions.

ARTICLE IV

Representations and Warranties of the Parent

The Parent represents and warrants as follows to Seller and the Company, that, except as set forth in Parent SEC Documents (as defined in Section 4.06(a) herein and then only if: (x) the Parent SEC Document is disclosed by form and date of filing; and (y) it is reasonably apparent that any event, item or occurrence disclosed in such Parent SEC Documents is an event, item or occurrence that relates to a matter covered by any representation or warranty set forth in this Article IV) or in a Disclosure Schedule delivered by the Parent to the Company and Seller (the "Parent Disclosure Schedule") (it being understood and agreed that disclosure of any event, item or occurrence set forth in the Parent Disclosure Letter shall apply to, qualify or modify the Section or subsection to which it corresponds and each of the other Sections of this Agreement to the extent the relevance of such disclosure to such other Section or subsection is reasonably apparent from the text and nature of such disclosure). For purposes of this Agreement a "Parent Material Adverse Effect" shall mean a sustained material adverse change or event in the business, results of operations, or financial condition of the Parent or adversely affecting the ability of the Parent to perform its obligations under this Agreement or on the ability of the Parent to consummate the Transactions. For purposes of this clause, a "Parent Material Adverse Effect" shall not include any effects, events, developments or changes arising out of or resulting from (A) changes or conditions in the U.S. or global economy or capital or financial markets generally, including changes in interest or exchange rates, (B) changes in the industries in which the Parent operates, (C) changes in general legal, tax, regulatory, political or general economic conditions affecting the Parent in each case, proposed, adopted or enacted after the date hereof, or the interpretation or enforcement thereof, with the exception of any law that would prevent the business of the Parent to be concluded in the ordinary course and in accordance with past practice or that would prevent or substantially impair the consummation of the Transactions, (D) natural disasters, (E) the commencement, occurrence, continuation or intensification of any war, sabotage, armed hostilities or acts of terrorism, (F) any action taken by Company, Seller or its respective affiliates in bad faith or in violation of this Agreement, or (G) any matter fully, fairly, and specifically disclosed in the Parent Disclosure Schedule.

SECTION 4.01 Organization, Standing and Power. The Parent is duly organized, validly existing and in good standing under the laws of the State of Nevada and has full corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold its properties and assets and to conduct its businesses as presently conducted, other than such franchises, licenses, permits, authorizations and approvals the lack of which, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. The Parent is duly qualified to do business in each jurisdiction where the nature of its business or the ownership or leasing of its properties make such qualification necessary and where the failure to so qualify would reasonably be expected to have a Parent Material Adverse Effect. The Parent has delivered to the Company true and complete copies of the Articles of Incorporation of the Parent, as amended to the date of this Agreement (as so amended, the "Parent Charter"), and the Bylaws of the Parent, as amended to the date of this Agreement (as so amended, the "Parent Bylaws"). Merger Sub is duly organized, validly existing and in good standing under the laws of the State of Delaware and has full organizational power and authority to enter into this Agreement. Merger Sub has not conducted any business. Merger Sub has no liabilities of whatever kind or nature or any obligations other than as provided for in this Agreement.

SECTION 4.02 Subsidiaries; Equity Interests. Other than Merger Sub, the Parent does not own, directly or indirectly, any capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any person.

SECTION 4.03 Capital Structure. The authorized capital stock of the Parent consists of Seven Hundred Million (700,000,000) shares of Parent Common Stock, and Ten Million (10,000,000) shares of preferred stock, par value \$0.001 per share, of which (i) 99,715,566 shares of Parent Common Stock are issued and outstanding (ii) no shares of Preferred Stock are outstanding, and (iii) no shares of Parent Common Stock or preferred stock are held by the Parent in its treasury. Parent also has stock purchase warrants for the purchase of 62,500 shares of Parent Common Stock, 50,000,000 shares of Parent Common Stock reserved for issuance under existing stock incentive plans and stock options for the purchase of 11,555,000 shares of Parent Common Stock, outstanding, of which options to purchase 7,800,000 shares of Parent Common Stock will be cancelled in connection with the transactions contemplated by this Agreement. No other shares of capital stock or other voting securities of the Parent are issued, reserved for issuance or outstanding. All outstanding shares of the capital stock of the Parent, including the Parent Stock, are, and all such shares that may be issued prior to the date hereof will be when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the Nevada Revised Statutes, the Parent Charter, the Parent Bylaws or any Contract to which the Parent is a party or otherwise bound. There are no bonds, debentures, notes or other indebtedness of the Parent having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Parent Stock may vote ("Voting Parent Debt"). Except for the transactions described in Section 4.23, or as set forth in the Parent SEC Documents or the Parent Disclosure Schedule, as of the date of this Agreement, there are no options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts, arrangements or undertakings of any kind to which the Parent is a party or by which it is bound (i) obligating the Parent to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other equity interest in, the Parent or any Voting Parent Debt, (ii) obligating the Parent to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of the capital stock of the Parent. Except as set forth in the Parent SEC Documents or the Parent Disclosure Schedule, the Parent is not a party to any agreement granting any security holder of the Parent the right to cause the Parent to register shares of the capital stock or other securities of the Parent held by such security holder under the Securities Act. The Parent Disclosure Schedule includes a true and correct pro-forma capitalization table of the Company: (i) immediately prior to consummation of the Merger contemplated by this Agreement and after giving effect to, among other transactions involving Parent Common Stock the transactions provided for in Section 4.23 hereof and outstanding options and warrants; and (ii) immediately after consummation of the Merger after which Seller will own 50% of the issued and outstanding shares of Parent Common Stock.

SECTION 4.04 Authority; Execution and Delivery; Enforceability. The execution and delivery by the Parent of this Agreement and the Constituent Agreements and the consummation by the Parent of the Merger and the Concurrent Transactions have been duly authorized and approved by the Board of Directors of the Parent and no other corporate proceedings on the part of the Parent are necessary to authorize this Agreement, the Constituent Agreements, the Merger and the Concurrent Transactions. Each of this Agreement and the Constituent Agreements constitutes a legal, valid and binding obligation of the Parent, enforceable against the Parent in accordance with the terms hereof.

SECTION 4.05 No Conflicts; Consents.

(a) The execution and delivery by the Parent of this Agreement and the Constituent Agreements, do not, and the consummation of Merger and the Concurrent Transactions and compliance with the terms hereof and thereof will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any person under, or result in the creation of any Lien upon any of the properties or assets of the Parent under, any provision of (i) the Parent Charter or Parent Bylaws, (ii) any material Contract to which the Parent is a party or by which any of its properties or assets is bound or (iii) subject to the filings and other matters referred to in Section 4.05(b), any material Judgment or material Law applicable to the Parent or its properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) No Consent of, or registration, declaration or filing with, or permit from, any Governmental Entity is required to be obtained or made by or with respect to the Parent in connection with the execution, delivery and performance of this Agreement or the Constituent Agreements or the consummation of the Merger or the Concurrent Transactions, other than the (A) filing with the SEC of reports under Sections 13 and 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (B) filings under state "blue sky" laws, as each may be required in connection with this Agreement and the Transactions.

SECTION 4.06 SEC Documents; Undisclosed Liabilities.

(a) The Parent has filed or furnished (as applicable) all Parent SEC Documents since August 15, 2011, pursuant to Sections 13 and 15 of the Exchange Act or Section 5 of the Securities Act, as applicable, and applicable regulations promulgated thereunder and together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") (such documents and any other documents filed by Parent with the SEC, together with all amendments thereto and including all exhibits and schedules thereto and documents incorporated by reference therein collectively the "Parent SEC Documents").

(b) As of its respective filing date, or in the case of Parent SEC Documents that are registration statements filed pursuant to the Securities Act, as of their respective effective dates, each Parent SEC Document complied in all material respects with the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the SEC promulgated thereunder applicable to such Parent SEC Document, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except to the extent that information contained in any Parent SEC Document has been revised or superseded by a later filed Parent SEC Document, none of the Parent SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Parent included in the Parent SEC Documents: (i) have been prepared from and in accordance with, and accurately reflect, the books and records of Parent and its Subsidiaries in all material respects; (ii) comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto; (iii) have been prepared in accordance with the U.S. generally accepted accounting principles ("GAAP") (except, in the case of unaudited statements, as may be indicated in the notes thereto or, for normal and recurring year-end adjustments as may be permitted by the SEC on Form 10-Q or Form 8-K or any successor or like form) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), and (iv) fairly present the financial position of Parent and Subsidiaries as of the dates thereof and the results of its operations and cash flows for the periods shown (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(c) Except as set forth in the Parent SEC Documents or the Parent Disclosure Schedule, the Parent has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by GAAP to be set forth on a balance sheet of the Parent or in the notes thereto. The Parent SEC Documents set forth all financial and contractual obligations and liabilities (including any obligations to issue capital stock or other securities of the Parent) due after the date hereof.

(d) There are no “off balance sheet arrangements,” as defined in Item 303 of Regulation S-K under the Securities Act, to which Parent or any Subsidiary of the Company is a party.

(e) The Parent Disclosure Schedule describes all outstanding payables and the aging of such payables.

(f) Except for outstanding payables listed in the Parent Disclosure Schedule Parent has no Indebtedness as of the Closing.

SECTION 4.07 Internal Controls; Sarbanes-Oxley Act.

(a) Parent and its Subsidiaries have implemented and maintain internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Parent financial statements in accordance with GAAP, which includes policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of the assets of Parent and its Subsidiaries; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Parent financial statements in accordance with GAAP, and that receipts and expenditures of Parent and its Subsidiaries are being made only in accordance with authorizations of Parent’s management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Parent’s assets that could have a material effect on the Parent financial statements.

(b) Parent (i) has implemented and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by Parent in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and is accumulated and communicated to Parent’s management as appropriate to allow timely decisions regarding required disclosure and (ii) has disclosed to Parent’s auditors and the audit committee of the Board of Directors of Parent, if any (A) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect Parent’s ability to record, process, summarize and report financial information and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent’s internal controls over financial reporting.

(c) Since August 15, 2011 through the date hereof, to the knowledge of Parent, (i) none of the Parent, any of its Subsidiaries or any director, officer, or auditor of Parent or any of its Subsidiaries has received or otherwise had or obtained knowledge of, any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies, or methods of Parent or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that Parent or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing Parent or any of its Subsidiaries, whether or not employed by Parent or any of its Subsidiaries, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by Parent or any of its officers, directors, employees, or agents to the Board of Directors of Parent or any committee thereof or to any director or officer of the Parent.

SECTION 4.08 Compensation Schedule. In connection with the Merger, Parent and certain executives and employees have implemented a revision of the compensation payable to such executives and employees of Parent. **Exhibit G** sets forth the names of such executives and employees, their pre- and post-revision compensation rate, and the form of such compensation (cash and stock) that will be in effect after the Merger as well as any additional shares of Parent Common Stock that will be or has already been issued to certain executives of the Parent in consideration for such compensation revision. Except for such revision and any employment agreement filed as exhibits to the Parent SEC Filings or in the Parent Disclosure Schedule, Parent has no other agreement or understanding with any officer, director, employee, agent, independent contractor or consultant regarding compensation payable by Parent.

SECTION 4.09 Absence of Certain Changes or Events. Except as disclosed in the Parent SEC Documents or in the Parent Disclosure Schedule, from the date of the most recent audited financial statements included in the Parent SEC Documents to the date of this Agreement, the Parent has conducted its business only in the ordinary course, and during such period there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Parent from that reflected in the Parent SEC Documents, except changes in the ordinary course of business that have not caused, in the aggregate, a Parent Material Adverse Effect;
- (b) any damage, destruction or loss, whether or not covered by insurance, that would have a Parent Material Adverse Effect;
- (c) any waiver or compromise by the Parent of a valuable right or of a material debt owed to it;
- (d) any satisfaction or discharge of any lien, claim, or encumbrance or payment of any obligation by the Parent, except in the ordinary course of business and the satisfaction or discharge of which would not have a Parent Material Adverse Effect;
- (e) any material change to a material Contract by which the Parent or any of its assets is bound or subject;
- (f) any material change in any compensation arrangement or agreement with any employee, officer, director or stockholder;
- (g) any resignation or termination of employment of any officer of the Parent;
- (h) any mortgage, pledge, transfer of a security interest in, or lien, created by the Parent, with respect to any of its material properties or assets, except liens for taxes not yet due or payable and liens that arise in the ordinary course of business and do not materially impair the Parent's ownership or use of such property or assets;

- (i) any loans or guarantees made by the Parent to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;
- (j) any declaration, setting aside or payment or other distribution in respect of any of the Parent's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by the Parent;
- (k) any alteration of the Parent's method of accounting or the identity of its auditors;
- (l) any issuance of equity securities to any officer, director or affiliate, except pursuant to existing option plans of the Parent; or
- (m) any arrangement or commitment by the Parent to do any of the things described in this Section 4.09.

SECTION 4.10 Taxes.

(a) The Parent has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it, and all such Tax Returns are true, complete and accurate, except to the extent any failure to file, any delinquency in filing or any inaccuracies in any filed Tax Returns, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. All Taxes shown to be due on such Tax Returns, or otherwise owed, has been timely paid, except to the extent that any failure to pay, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) The most recent financial statements contained in the Parent SEC Documents reflect an adequate reserve for all Taxes payable by the Parent (in addition to any reserve for deferred Taxes to reflect timing differences between book and Tax items) for all Taxable periods and portions thereof through the date of such financial statements. No deficiency with respect to any Taxes have been proposed, asserted or assessed against the Parent, and no requests for waivers of the time to assess any such Taxes are pending, except to the extent any such deficiency or request for waiver, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(c) There are no Liens for Taxes (other than for current Taxes not yet due and payable) on the assets of the Parent. The Parent is not bound by any agreement with respect to Taxes.

SECTION 4.11 Absence of Changes in Benefit Plans. From the date of the most recent audited financial statements included in the Parent SEC Documents to the date of this Agreement, except as set forth in the Parent SEC Documents or the Parent Disclosure Schedule, there has not been any adoption or amendment in any material respect by Parent of any collective bargaining agreement or any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other plan, arrangement or understanding (whether or not legally binding) providing benefits to any current or former employee, officer or director of Parent (collectively, "Parent Benefit Plans"). As of the date of this Agreement, except as disclosed in the Parent SEC Documents or the Parent Disclosure Schedule, there are not any employment, consulting, indemnification, severance or termination agreements or arrangements between the Parent and any current or former employee, officer or director of the Parent, nor does the Parent have any general severance plan or policy.

SECTION 4.12 ERISA Compliance; Excess Parachute Payments. Except as disclosed in the Parent Disclosure Schedule, the Parent does not, and since its inception never has, maintained, or contributed to any "employee pension benefit plans" (as defined in Section 3(2) of ERISA), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA) or any other Parent Benefit Plan for the benefit of any current or former employees, consultants, officers or directors of Parent.

SECTION 4.13 Litigation. Except as disclosed in the Parent SEC Documents or the Parent Disclosure Schedule, there is no Action which (i) adversely affects or challenges the legality, validity or enforceability of any of this Agreement or the Parent Stock or (ii) could, if there were an unfavorable decision, individually or in the aggregate, have or reasonably be expected to result in a Parent Material Adverse Effect and neither the Parent nor any director or officer thereof (in his or her capacity as such), is or has been the subject of any Action involving a claim or violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

SECTION 4.14 Compliance with Applicable Laws. Except as disclosed in the Parent SEC Documents or the Parent Disclosure Schedule, the Parent is in compliance with all applicable Laws, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. Except as set forth in the Parent SEC Documents, the Parent has not received any written communication during the past two years from a Governmental Entity that alleges that the Parent is not in compliance in any material respect with any applicable Law. The Parent is in compliance with all effective requirements of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations thereunder, that are applicable to it, except where such noncompliance could not have or reasonably be expected to result in a Parent Material Adverse Effect.

SECTION 4.15 Contracts. Except as disclosed in the Parent SEC Documents or the Parent Disclosure Schedule, there are no Contracts that are material to the business, properties, assets, condition (financial or otherwise), results of operations or prospects of the Parent taken as a whole. The Parent is not in violation of or in default under (nor does there exist any condition which upon the passage of time or the giving of notice would cause such a violation of or default under) any Contract to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults that would not, individually or in the aggregate, reasonably be expected to result in a Parent Material Adverse Effect.

SECTION 4.16 Title to Properties. The Parent has good title to, or valid leasehold interests in, all of its properties and assets used in the conduct of its businesses. All such assets and properties, other than assets and properties in which the Parent has leasehold interests, are free and clear of all Liens and except for Liens that, in the aggregate, do not and will not materially interfere with the ability of the Parent to conduct business as currently conducted or result in or would reasonably be expected to result in a Parent Material Adverse Effect. The Parent has complied in all material respects with the terms of all material leases to which it is a party and under which it is in occupancy, and all such leases are in full force and effect.

SECTION 4.17 Intellectual Property. Parent for itself and all subsidiaries represents and warrants to Company as follows:

(a) Parent Disclosure Schedule contains a list of all intellectual property of any and every kind and nature that Parent and/or any of Parent's subsidiaries own or control, including, without limitation, the following: (i) all domain names; (ii) all Compositions, together with a designation as to which Compositions are registered for copyright in the Copyright Office; (iii) all Recordings, together with a designation as to which Recordings are registered for copyright in the Copyright Office; (iv) all audiovisual productions, together with a designation as to which audiovisual productions are registered for copyright in the Copyright Office; (v) all scripts upon which Parent's audiovisual productions are based; (vi) all books, together with a designation as to which books are registered for copyright in the Copyright Office; (vii) all other works of authorship of any and every kind and nature, together with a designation as to which works are registered for copyright in the Copyright Office; (viii) all trademarks, together with a designation as to which trademarks are registered in the United States Patent and Trademark Office; (ix) all licenses of Parent's brand and characters; (x) all trade names; and (xi) all characters, including, without limitation, "DJ", "Frankie", "Lola", "Oboe", "Rosie", "Tempo" and "Vinko" (collectively, "Parent's Intellectual Property").

(b) Parent is the sole and exclusive owner of all right, title and interest in and to Parent's Intellectual Property, including, without limitation, the title, lyrics and music with respect to all Compositions and all arrangements and other derivative works thereof, and all other rights of whatsoever nature therein and thereto, whether now or hereafter known, and all claims and demands accrued or to accrue with respect thereto, and all copyrights and renewal, extended and reversionary terms of copyright therein and thereto, and all rights to secure renewals, extensions and reversions of copyright, throughout the universe, and the right to receive and retain Parent's entire share of royalties and other payments with respect to all of Parent's Intellectual Property, all as set forth in Parent's Disclosure Schedule, and except only to the extent (if at all) expressly limited by Parent's Disclosure Schedule attached hereto. Except as and to the extent indicated in Parent's Disclosure Schedule, no person or business entity other than Parent has or may validly claim a proprietary, administrative, participatory or reversionary interest (subject to the operation of law) in any of Parent's Intellectual Property. Parent has good and marketable title to Parent's Intellectual Property (to the extent of Parent's percentage interest as set forth in Parent's Disclosure Schedule, and no interest therein has been assigned, pledged or otherwise transferred or encumbered, nor has any Encumbrance been granted therein, to secure indebtedness or otherwise.

(c) All of the grants of rights and conveyances contained in any Acquisition Agreements between Parent and the holders of rights in and to Parent's Intellectual Property, are in full force and effect. Parent has fully performed all of Parent's obligations thereunder; Parent is not in breach of or in default with respect to any of the Acquisition Agreements; and, without limitation of the generality of the foregoing, Parent has fully and timely accounted to and paid all royalties and other payments in accordance with the terms of all Acquisition Agreements with respect to all income received by Parent prior to the Closing Date that was derived from the use and exploitation of Parent's Intellectual Property. Parent has not received any notice, nor does Parent have any knowledge, that any party to any Acquisition Agreement intends to cancel, rescind or claim a breach of any provision thereof. Parent warrants that true, complete and correct copies of all material contracts, documents and information, including, without limitation, the Acquisition Agreements, in Parent's control or possession have been made available to the Company prior to the execution of this Agreement. There are no material facts or circumstances bearing on this transaction or the rights and interests in Parent's Intellectual Property that have not been expressly disclosed to Company in this Agreement.

(d) No adverse claim of any nature, kind or description exists and no suit, action, arbitration, or legal, administrative or other proceeding, or governmental investigation is known or suspected by Parent to be pending, threatened or anticipated with respect to any of Parent's Intellectual Property or any rights or interests of Parent or any subsidiary therein, including, without limitation, the copyrights therein. All of Parent's Intellectual Property is original and protectable under the copyright laws of the United States, the Universal Copyright Convention and the Berne Convention and no portion thereof infringes upon any other work(s) or any right(s) of any third party;

(e) Except as set forth on Parent's Disclosure Schedule, all Compositions have been properly registered in the United States with ASCAP, BMI and/or SESAC, as applicable, and have been included on cue sheets properly registered in the United States with ASCAP, BMI and/or SESAC, as applicable.

(f) Except as provided on Parent Disclosure Schedule, Parent is not bound by any agreement, understanding or arrangement concerning the publication, subpublication, recording, distribution or other exploitation of any of Parent's Intellectual Property anywhere in the world, other than those concerning non-exclusive mechanical, non-exclusive print, non-exclusive co-publishing, performing rights and other non-exclusive use licenses that were made in the ordinary course of business. True copies of all subpublishing, co-publishing, print and/or other licenses and agreements currently in effect with respect to any of Parent's Intellectual Property have been made available to Company prior to the execution of this Agreement. Parent Disclosure Schedule contains a true and complete schedule of all such licenses and agreements (other than non-exclusive mechanical, print and synchronization licenses).

(g) As of the Closing Date, there are no outstanding advances recoupable from earnings derived from any of Parent's Intellectual Property made to Parent by any administrator, foreign subpublisher, print licensee or other third party, except only those from the sources and in the amounts set forth in Parent's Disclosure Schedule. At no time within the year prior to the Closing Date has Parent caused the acceleration of any income payable with respect to any of Parent's Intellectual Property or deferred any royalty obligations or other credits or offsets thereto. Parent's unaudited financial statements fairly reflect all required payments to all third parties for royalty obligations, distribution fees, advances, minimum guarantees or otherwise, arising out of income received by Parent prior to the Closing Date.

(h) There are no exclusive songwriter agreements, exclusive recording agreements or other current or future obligations for advances to any songwriter, recording artist, performer or other third party for which Parent shall be responsible after the Closing Date.

(i) All of Parent's Intellectual Property, including, without limitation, the Recordings and the performances embodied thereon, were produced and created in accordance with applicable law and, to the extent (if at all) applicable, the rules and regulations of all applicable unions, guilds, and performing rights organizations. To the extent that any of Parent's Intellectual Property, including, without limitation, the Recordings, were commercially released by Parent, Parent has obtained or will obtain from the copyright owners thereof, including, without limitation, all third-party copyright owners of the applicable Compositions embodied in such Recordings, all necessary mechanical licenses.

(j) Reference is hereby made to (i) that certain music services agreement, by and between Pacific Entertainment, on the one hand, and The Orchard Enterprises, Inc. d/b/a Orchard Distribution ("Orchard Distribution"), on the other hand, as such agreement may have been amended or otherwise modified (the "Orchard Music Services Agreement"), a true, complete and correct copy of which, including amendments and related correspondence, has been delivered previously to the Company, and (ii) that certain synchronization administration agreement dated as of July 21, 2006, by and between Pacific Entertainment Corp., on the one hand, and The Orchard Enterprises, Inc. d/b/a Orchard Music Services ("Orchard Music Services"), on the other hand, as such agreement may have been amended or otherwise modified (the "Orchard Synch Admin Agreement"), a true, complete and correct copy of which, including amendments and related correspondence, has been delivered previously to Company. Termination notices have been sent by Parent to Orchard Distribution and Orchard Music Services with respect to the Orchard Music Services Agreement and the Orchard Synch Admin Agreement. Notwithstanding such termination notices, the Orchard Music Services Agreement and the Orchard Synch Admin Agreement have been extended until December 31, 2013.

For purposes of this Section 4.17 capitalized terms not defined in this Section shall have the meanings provided in Section 3.12.

SECTION 4.18 Labor Matters. There are no collective bargaining or other labor union agreements to which the Parent is a party or by which it is bound. No material labor dispute exists or, to the knowledge of the Parent, is imminent with respect to any of the employees of the Parent.

SECTION 4.19 Transactions With Affiliates and Employees. Except as set forth in the Parent SEC Documents or the Parent Disclosure Schedule, none of the officers or directors of the Parent and, to the knowledge of the Parent, none of the employees of the Parent is presently a party to any transaction with the Parent or any subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Parent, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

SECTION 4.20 Application of Takeover Protections. The Parent has taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Parent Charter or the laws of the State of Nevada that is or could become applicable to the Company as a result of Seller and the Parent fulfilling their obligations or exercising their rights under this Agreement, including, without limitation, the issuance of the Parent Stock and Seller's ownership of the Parent Stock.

SECTION 4.21 No Additional Agreements. The Parent does not have any agreement or understanding with Seller or members of Seller with respect to the Transactions other than as specified in this Agreement or the Constituent Agreements.

SECTION 4.22 Investment Company. The Parent is not, and is not an affiliate of, and immediately following the Closing will not have become, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.23 Closing of Recapitalization. Concurrent with the closing of the Merger Parent has consummated a recapitalization consisting of: (i) the exchange of 157,539,219 shares of Parent Common Stock for and in payment of the Parent indebtedness described in **Exhibit F**; and (ii) the sale of shares of Parent Common Stock at a per share price of \$0.035 for an aggregate purchase price of not less than \$1,000,000 and up to \$1,500,000. The offer and sale of Parent Common Stock in connection with the Parent recapitalization is being made in compliance with applicable federal and state securities Laws. After the recapitalization described in (i) through (iii) hereof, Parent will not have any Indebtedness or outstanding payables and the capitalization of Parent will be as described in the pro-forma capitalization table provided for in Section 4.03.

SECTION 4.24 Execution and Delivery of Constituent Agreements. Parent has executed and delivered the Constituent Agreements, which subject to consummation of the Merger are in full force and effect and constitute the binding obligations of Parent in accordance with their respective terms.

SECTION 4.25 Consulting Agreements. Parent has entered into a consulting agreements with ROAR LLC and Girlilla Marketing Consultation Agreement pursuant to which such consultants will receive 6,749,175 and 1,000,000 shares of Parent Common Stock, respectively.

SECTION 4.26 Accounts Payable. As of the date of this Agreement and the Closing Date Parent has paid, or has allocated funds on hand and from the proceeds of the private placement described in Section 4.23 (ii) to pay: (i) all undisputed accounts payable that are past due by more than 30 days in accordance with the terms of the invoices related to such payables; all payables and obligations of any kind to pay any consideration to or reimbursement of expenses of legal counsel, financial advisors, consultants, or any other person arising from or related to the Exchange or the transactions described in Section 4.23. The Parent Disclosure Schedule sets forth any accounts payable that are currently in dispute.

SECTION 4.27 Disclosure. All disclosure provided to Seller and the Company regarding the Parent, its business and the Transactions, furnished by or on behalf of Parent (including Parent's representations and warranties set forth in this Agreement and the Parent Disclosure Schedule) are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein in light of the circumstances under which they were made, not misleading.

ARTICLE V

Deliveries

SECTION 5.01 Deliveries of Seller. At Closing as a further condition thereof, concurrently with the Closing, the Seller shall deliver or cause to be delivered to the Parent:

- (a) this Agreement duly executed by an authorized signatory of the Seller;
- (b) fully executed assignment or subscription agreements or other evidence of the Seller's ownership of Membership Units and that upon Closing, Seller shall have the rights to receive the Parent Stock and Seller shall be the only owner of Membership Units (or any other ownership interest of any class or character) of the Company;
- (c) certificates representing Seller's Membership Units along with duly executed stock powers for transfer to the Parent;
- (d) a Lockup Agreement, substantially in the form attached hereto as Exhibit D executed by the Seller and the Officer Lockup Agreements, substantially in the form attached hereto as **Exhibit E**, executed by each of the Heywards;
- (e) a certificate, in a form reasonably acceptable to the Parent, executed by the Chief Executive Officer of the Seller, dated as of the Closing Date, certifying the representations and warranties set forth in Article II are true, complete and accurate in all material respects;

(f) the Constituent Agreements, duly executed by the applicable signatories thereto.

(g) Evidence that, at Closing, the Company owns and possesses valid title to each of the patents and applications set forth on the Company Disclosure Schedule and all of the Intellectual Property Rights and the Seller shall deliver a certificate certified attesting to the foregoing.

SECTION 5.02 Deliveries of the Parent. At Closing, as a further condition thereof, concurrently with the Closing, the Parent shall deliver to Seller and the Company:

(a) a certificate to the Company and Seller from the Parent, signed by its Secretary or Assistant Secretary certifying that the attached copies of the Parent Charter, Parent Bylaws and resolutions of the Board of Directors of the Parent approving this Agreement and the transactions contemplated hereunder, including any required amendments to the Parent Charter, are all true, complete and correct and remain in full force and effect;

(b) a certificate executed by the Chief Executive Officer of the Parent, dated as of the Closing Date, certifying the representations and warranties set forth in Article IV are true, complete and accurate in all material respects

(c) a certificate representing the new shares of Parent Stock issued to the Seller;

(d) the Constituent Agreements, duly executed by the Parent;

(e) Evidence of the resignations, to be effective on the eleventh day following the date on which Parent meets its information obligations under the Exchange Act, of the following officers and directors of the Parent: Klaus Moeller (as to his position as Chairman of the Board and Chief Executive Officer only), Michael Meader, Larry Balaban, Howard Balaban and Saul Hyatt; provided that between the Closing Date and the effective date of such resignations, the Board of Directors of Parent shall not take or authorize any corporate action, other than as necessary to effectuate the purposes of this Agreement, without the prior approval of Seller;

(f) Evidence of termination of the employment agreements of Klaus Moeller, Larry Balaban and Howard Balaban;

(g) Evidence of the appointment of the following individuals as officers of the Parent, at such positions as are set forth below:

- (i) Andy Heyward- Chairman and Chief Executive Officer; and
- (ii) Amy Heyward- President
- (iii) Gregory Payne- Secretary

(h) Evidence of the election of the following individuals to the Parent's Board of Directors, which shall become effective on the eleventh day following the date on which Parent meets its information obligations under the Exchange Act:

- (i) Andy Heyward
- (ii) Amy Heyward
- (iii) Lynne Segall
- (iv) Jeff Weiss
- (v) Joseph "Gray" Davis
- (vi) Will McDonough
- (vii) Bernard Cahill

(i) A pro-forma capitalization table as of the Closing reflecting the capitalization of the Company on a fully-diluted and converted basis after giving effect to the transactions contemplated in this Agreement reflecting that the Parent Stock issued to Seller in the Merger represents 50% of the issued and outstanding shares of Parent Common Stock.

(j) A pro-forma balance sheet of Parent immediately after the Closing which reflects the sum of cash on hand plus the proceeds from the private placement described in Section 4.23(ii) less the payment or allocation of funds for the payment of accounts payable as provided in Section 4.26 of not less than \$317,855 ("Parent Closing Cash Amount"); and no Indebtedness except as set forth on the Parent Disclosure Schedule 406(c).

(k) Bank statements as of the latest practical date evidencing Parent's cash balance of at least \$1,000,000 or, in the alternative, evidence or confirmation of proceeds from the sale of the Parent Common Stock described in Section 4.23(ii) that has been wired to the Parent's bank account that, when added to the Parent's current cash balance is equal to at least \$1,000,000.

(l) A secretary's certificate indicating that the Parent Board has adopted an amendment to the Parent's articles of incorporation subject to shareholder approval substantially in the form attached hereto as **Exhibit I**.

SECTION 5.03 Deliveries of the Company. At Closing, as a further condition thereof, concurrently with the Closing, the Company shall deliver:

- (a) to the Parent and Seller this Agreement executed by the Company;

(b) to the Parent, a certificate from the Company, signed by its Secretary or Assistant Secretary certifying that the attached copies of the Company's Charter Documents and resolutions of the Board of Directors or Manager of the Company approving this Agreement and the Transactions, are all true, complete and correct and remain in full force and effect;

(c) certificate, in a form reasonably acceptable to the Parent, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, certifying the representations and warranties set forth in Article III are true, complete and accurate in all material respects;

(d) if requested by the Parent, the results of UCC, judgment lien and tax lien searches with respect to the Company, the results of which indicate no liens on the assets of the Company; and

(e) bank statement or other form of confirmation reasonably acceptable to Parent confirming that Company has cash on hand or immediately available funds as of the Closing Date in an amount equal to the Parent Closing Cash Amount.

(f) A pro-forma balance sheet of Company immediately after the Closing which shall reflect immediately after the Closing only those payables and Indebtedness disclosed in the Company Disclosure Schedules and cash equal to the Parent Closing Cash Amount.

ARTICLE VI

Covenants

SECTION 6.01 Public Announcements. The Parent and the Company will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press releases or other public statements with respect to the Agreement, the Merger and the Concurrent Transactions and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchanges.

SECTION 6.02 Fees and Expenses. All fees and expenses incurred in connection with this Agreement shall be paid by the Party incurring such fees or expenses, whether or not this Agreement is consummated.

SECTION 6.03 Exclusivity. Subject to any fiduciary obligations applicable to its boards of directors, the Company shall not (and shall not cause or permit any of their affiliates to) engage in any discussions or negotiations with any person or take any action that would be inconsistent with the Transactions or the Concurrent Transactions. The Company shall notify the Parent immediately if any person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

SECTION 6.04 Audit of Company Financial Statements. The Company shall deliver to Parent audited financial statements for the Company's most recently completed last two fiscal years and unaudited financial statements for any subsequent interim period no later than 30 days from the Closing Date.

SECTION 6.05 Company Valuation. The Company shall deliver to Parent a valuation of its assets, conducted by a nationally recognized valuation firm, within fifteen (15) days from the Closing Date.

SECTION 6.06 Top Up Issuance of Parent Stock. In the event it is determined within 12 months after the Closing that the Parent Stock issued to Seller at the Closing represented on the Closing Date less than 50% of the issued and outstanding shares of Parent Common Stock, additional shares of Parent Common Stock shall be issued to Seller to eliminate any such deficiency. In the event that any options to purchase or other securities convertible or exchangeable for Parent Common Stock that are outstanding on the Closing Date (the "Closing Date Options") are exercised prior to their respective termination date, the Parent shall issue to the Seller such number of shares of Parent Common Stock as shall equal the number of shares of Parent Common Stock issued to the holder of the applicable exercised Closing Date Option. The obligations of the Parent contained the foregoing sentence shall terminate upon the expiration of the latest to expire Closing Date Options.

ARTICLE VII

Miscellaneous

SECTION 7.01 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given upon receipt by the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to the Parent, to:

Genius Brands International, Inc.
3111 Camino del Rio North, Suite 400
San Diego, CA 92108
Attn: Chief Financial Officer

With a copy to:

Harvey Kesner, Esq.
61 Broadway, 32nd Floor
New York, NY 10006
hkesner@srff.com
212-930-9700

If to the Seller or Company, to:

A Square Entertainment LLC
9401 Wilshire Boulevard Suite 608
Beverly Hills, California 90212

With a copy to:

Manatt Phelps & Phillips, LLP
11355 W. Olympic Blvd.
Los Angeles, California 90064
Attention: Gordon M. Bava and Lee Phillips

SECTION 7.02 Amendments; Waivers; No Additional Consideration. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company, Parent and Seller. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any Party to exercise any right hereunder in any manner impair the exercise of any such right.

SECTION 7.03 Replacement of Securities. If any certificate or instrument evidencing any Parent Stock is mutilated, lost, stolen or destroyed, the Parent shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefore, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Parent of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement certificate or instrument. If a replacement certificate or instrument evidencing any Parent Stock is requested due to a mutilation thereof, the Parent may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

SECTION 7.04 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, Seller, Parent and the Company will be entitled to specific performance under this Agreement. The Parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

SECTION 7.05 Interpretation. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

SECTION 7.06 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that Transactions contemplated hereby are fulfilled to the extent possible.

SECTION 7.07 Counterparts; Facsimile Execution. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Facsimile execution and facsimile or electronic delivery of this Agreement is legal, valid and binding for all purposes.

SECTION 7.08 Entire Agreement; Third Party Beneficiaries. This Agreement, taken together with the Company Disclosure Schedule and the Parent Disclosure Schedule, (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the Transactions and (b) are not intended to confer upon any person other than the Parties any rights or remedies. The representations and warranties of Seller and the Company contained in this Agreement shall survive the Closing and the termination of this Agreement.

SECTION 7.09 Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without reference to principles of conflicts of laws. Any action or proceeding brought for the purpose of enforcement of any term or provision of this Agreement shall be brought only in the Federal or state courts sitting in the Central District of California and the parties hereby waive any and all rights to trial by jury.

SECTION 7.10 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the Parties without the prior written consent of the other Parties. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement and Plan of Reorganization as of the date first above written.

The Parent:

GENIUS BRANDS INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Name: Jeanene Morgan
Title: Chief Financial Officer

The Company:

A SQUARED ENTERTAINMENT, LLC

By: /s/ Andy Heyward
Name: Andy Heyward
Title: Co-Manager

By: /s/ Amy Moynihan Heyward
Name: Amy Moynihan Heyward
Title: Co-Manager

The Seller:

A SQUARED HOLDINGS, LLC

By: /s/ Andy Heyward
Name: Andy Heyward
Title: Co-Manager

By: /s/ Amy Moynihan Heyward
Name: Amy Moynihan Heyward
Title: Co-Manager

Merger Sub:

A2E ENTERTAINMENT ACQUISITION LLC

By: /s/ Jeanene Morgan
Name: Jeanene Morgan
Title: Chief Financial Officer

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of November 15, 2013 by and between Genius Brands International, Inc., a Nevada corporation (the "Company"), and A Squared Holdings, LLC, a California limited liability company (the "Investor"), and together with the Company, the "Parties"). Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Merger Agreement (defined below).

RECITALS

WHEREAS, the Company is entering into that certain Agreement and Plan of Reorganization, dated as of the date first referenced above, among the Company, the Investor, A Squared Entertainment, LLC, a Delaware limited liability company, and A2EAcquisition, LLC, a Delaware limited liability company (the "Merger Agreement").

WHEREAS, as partial consideration for the Investor entering into the Merger Agreement and consummating the transactions contemplated thereby, the Company has agreed to issue, without registration under the Securities Act of 1933, as amended (the "Securities Act"), shares of common stock of the Company (the "Common Shares").

WHEREAS, in connection with the Investor entering into the Merger Agreement and consummating the transactions contemplated thereby, the Company has agreed to grant certain registration rights to the Investor with respect to the Common Shares.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants of the parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Additional Definitions. In this Agreement the following terms shall have the following respective meanings:

"Agreement" has the meaning set forth in the preface.

"Blackout Period" has the meaning provided in Section 8.

"Commission" shall mean the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"Common Shares" has the meaning set forth in the recitals.

“Company” has the meaning set forth in the preface.

“Demand Registration” has the meaning set forth in Section 2(b).

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the relevant time.

“Merger Agreement” has the meaning set forth in the recitals.

“Indemnified Party” has the meaning provided in Section 6(c).

“Indemnifying Party” has the meaning provided in Section 6(c).

“Inspectors” has the meaning in Section 4(g).

“Investor” has the meaning provided in the preface.

“Long-Form Registration” has the meaning provided in Section 2(a).

“Parties” has the meaning provided in the preface.

“Person” shall mean an individual, corporation, partnership, limited liability company, estate, trust, association, private foundation, joint stock company or other entity.

“Piggyback Registration” has the meaning provided in Section 3(a).

“Prospectus” means the prospectus or prospectuses included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Shares covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus or prospectuses.

The terms “Register,” “Registered” and “Registration” refer to a registration effected by preparing and filing a Registration Statement in compliance with the Securities Act providing for the sale by the Investor of Registrable Shares in accordance with the method or methods of distribution described in such Registration Statement, and the declaration or ordering of the effectiveness of such Registration Statement by the Commission.

“Records” has the meaning in Section 4(g).

“Registered Offering” has the meaning provided in Section 8.

“Registrable Shares” shall mean the Common Shares, issued to the Investor pursuant to the Merger Agreement, including any Common Shares issued in redemption or exchange for, or in replacement of such Common Shares.

“Registration Expenses” shall mean all out-of-pocket expenses (excluding Selling Expenses) incurred by the Company in connection with any attempted or completed registration pursuant to this Agreement, including the following: \171. registration, filing and listing fees; \172. fees and expenses of compliance with federal and state securities laws; \173. printing, shipping and delivery expenses; \174. fees and disbursements of counsel for the Company; \175. fees and disbursements of all independent public accountants of the Company; \176. fees and expenses of listing of the Registrable Shares on each securities exchange on which securities of the same class or series are then listed; and \177. fees and expenses associated with any filing with the Financial Industry Regulatory Authority required to be made in connection with the Registration Statement.

“Registration Statement” shall mean any registration statement of the Company which covers any of the Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all materials incorporated by reference in such Registration Statement.

“Securities Act” has the meaning set forth in the recitals.

“Selling Expenses” shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to any sale of Registrable Shares.

“Shelf Registration” has the meaning set forth in the Section 2(b).

“Short-Form Registration” has the meaning set forth in Section 2(b).

Section 2. Demand Registration.

(a) At any time following eighteen (18) months after the date of this Agreement, the Investor may request registration under the Securities Act of all or any portion of their Registrable Shares on Form S-1 or any successor form thereto (each a “Long-Form Registration”). Each request for a Long-Form Registration shall specify the approximate number of Registrable Shares required to be registered. The Company shall cause a Registration Statement on Form S-1 (or any successor form) to be filed within ninety (90) days after the date on which the initial request is given and shall use its reasonable best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable thereafter, provided, that the Company may use a Registration Statement on Form S-3 or any successor form thereto if the Company would qualify to use such form within thirty (30) days after the date on which the initial request is given to the Company and shall not be required to file such Registration Statement until it is so qualified. The Company shall not be required to effect a Long-Form Registration more than five (5) times for the Investor; provided, that a Registration Statement shall not count as a Long-Form Registration requested under Section 2(a) unless and until it has become effective and the holders requesting such registration are able to register and sell at least ninety percent (90%) of the Registrable Shares requested to be included in such registration.

(b) The Company shall use its best efforts to qualify and remain qualified to register securities under the Securities Act pursuant to a Registration Statement on Form S-3 or any successor form thereto. At such time as the Company shall have qualified for the use of a Registration Statement on Form S-3, the Investor shall have the right to request an unlimited number of registrations of their Registrable Shares on Form S-3 or any similar short-form registration (each a “Short-Form Registration” and, together with each Long-Form Registration, a “Demand Registration”). Each request for a Short-Form Registration shall specify the approximate number of Registrable Shares requested to be registered. The Company shall cause a Registration Statement on Form S-3 (or any successor form) to be filed within ninety (90) days after the date on which the initial request is given and shall use its reasonable best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable thereafter. With respect to any Short-Form Registration, the Investor may request the Company to effect a registration of the Registrable Shares under a Registration Statement pursuant to Rule 415 under the Securities Act or any successor rule thereto (a “Shelf Registration”).

(c) The Company shall not be obligated to effect any Demand Registration within one hundred twenty (120) days after the effective date of a previous Demand Registration or a previous Piggyback Registration in which holders of Registrable Shares were permitted to register, at least ninety percent (90%) of the Registrable Shares requested to be included therein. The Company may postpone for up to one hundred twenty (120) days the filing or effectiveness of a Registration Statement for a Demand Registration if the Company’s Board determines in its reasonable good faith judgment that such Demand Registration would \18a. materially interfere with a significant acquisition, corporate organization or other similar transaction involving the Company; \18b. require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or \18c. render the Company unable to comply with requirements under the Securities Act or Exchange Act; provided, that in such event the Investor shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all registration expenses incurred by the Company in connection with such registration. The Company may delay a Demand Registration hereunder only once in any period of twelve consecutive months.

(d) If the holders of the Registrable Shares initially requesting a Demand Registration elect to distribute the Registrable Shares covered by their request in an underwritten offering, they shall so advise the Company as a part of their request made pursuant to Section 2(a) or Section 2(b), and the Company shall include such information in its notice to the other holders of Registrable Shares. The Investor shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering.

(e) The Company shall not include in any Demand Registration any securities which are not Registrable Shares without the prior written consent of the holders of a majority of the Registrable Shares included in such registration, which consent shall not be unreasonably withheld or delayed, except to the extent Demand Registration overlaps with the filing of a Registration Statement by the Company as a result of certain registration rights obligations of the Company to the selling stockholders listed therein. If a Demand Registration involves an underwritten offering and the managing underwriter of the requested Demand Registration advises the Company and the Investor in writing that in its opinion the number of Common Shares proposed to be included in the Demand Registration, including all Registrable Shares and all other Common Shares proposed to be included in such underwritten offering, exceeds the number of Common Shares which can be sold in such underwritten offering and/or the number of Common Shares proposed to be included in such registration would adversely affect the price per share of the Registrable Shares proposed to be sold in such underwritten offering, the Company shall include in such Demand Registration (i) first, the number of Common Shares that the holders of Registrable Shares propose to sell, and (ii) second, the number of Common Shares proposed to be included therein by any other Persons (including Common Shares to be sold for the account of the Company and/or other holders of Common Shares) allocated among such Persons in such manner as they may agree. If the managing underwriter determines that less than all of the Registrable Shares proposed to be sold can be included in such offering, then the Registrable Shares that are included in such offering shall be allocated pro rata among the respective holders thereof on the basis of the number of Registrable Shares owned by each such holder.

Section 3. Piggyback Registration

(a) At any time following eighteen (18) months after the date of this Agreement, if the Company proposes to register any Common Shares under the Securities Act (other than a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Securities Act is applicable, or a Registration Statement on Form S-4, S-8 or any successor form thereto or another form not available for registering the Registrable Shares for sale to the public), whether for its own account or for the account of one or more stockholders of the Company and the form of Registration Statement to be used may be used for any registration of Registrable Shares (a "Piggyback Registration"), the Company shall give prompt written notice (in any event no later than thirty (30) days prior to the filing of such Registration Statement) to the holders of Registrable Shares of its intention to effect such a registration and, subject to Section 3(b) and Section 3(c), shall include in such registration all Registrable Shares with respect to which the Company has received written requests for inclusion from the holders of Registrable Shares within ten (10) days after the Company's notice has been given to each such holder. A Piggyback Registration shall not be considered a Demand Registration for purposes of Section 2 of this Agreement.

(b) If a Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company and the holders of Registrable Shares (if any holders of Registrable Shares have elected to include Registrable Shares in such Piggyback Registration) in writing that in its opinion the number of Common Shares proposed to be included in such registration, including all Registrable Shares and all other Common Shares proposed to be included in such underwritten offering, exceeds the number of Common Shares which can be sold in such offering and/or that the number of Common Shares proposed to be included in any such registration would adversely affect the price per Common Share to be sold in such offering, the Company shall include in such registration \18d. first, the number of Common Shares that the Company proposes to sell; \18e. second, the number of Common Shares requested to be included therein by holders of Registrable Shares, allocated pro rata among all such holders on the basis of the number of Registrable Shares owned by each such holder or in such manner as they may otherwise agree; and \18f. third, the number of Common Shares requested to be included therein by holders of Common Shares (other than holders of Registrable Shares), allocated among such holders in such manner as they may agree.

(c) If a Piggyback Registration is initiated as an underwritten offering on behalf of a holder of Common Shares other than Registrable Shares, and the managing underwriter advises the Company in writing that in its opinion the number of Common Shares proposed to be included in such registration, including all Registrable Shares and all other Common Shares proposed to be included in such underwritten offering, exceeds the number of Common Shares which can be sold in such offering and/or that the number of Common Shares proposed to be included in any such registration would adversely affect the price per share of the Common Shares to be sold in such offering, the Company shall include in such registration \18g. first, the number of Common Shares requested to be included therein by the holder(s) requesting such registration and by the holders of Registrable Shares, allocated pro rata among such holders on the basis of the number of Common Shares (on a fully diluted, as converted basis) and the number of Registrable Shares, as applicable, owned by all such holders or in such manner as they may otherwise agree; and \18h. second, the number of Common Shares requested to be included therein by other holders of Common Shares, allocated among such holders in such manner as they may agree.

(d) If any Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company, the Company shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering.

Section 4. Registration Procedures. If and whenever the Investor requests that any Registrable Shares be registered pursuant to the provisions of this Agreement, the Company shall use its reasonable best efforts to effect the registration of such Registrable Shares, and pursuant thereto the Company shall as soon as reasonably practicable:

(a) Subject to Section 2(a), prepare and file with the Commission a Registration Statement with respect to such Registrable Shares and use its reasonable best efforts to cause such Registration Statement to become effective.

(b) Prepare and file with the Commission such amendments, post-effective amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for a period of not less than one hundred twenty (120) days, or if earlier, until all of such Registrable Shares have been disposed of pursuant to a Registration Statement or otherwise pursuant to Rule 144, or which may be sold immediately without registration under the Securities Act and without restriction or imitation pursuant to Rule 144 and without the requirement to be in compliance with Rule 144(c)(1), and to comply with the provisions of the Securities Act with respect to the disposition of such Registrable Shares in accordance with the intended methods of disposition set forth in such Registration Statement.

(c) Notify each selling holder of Registrable Shares, promptly after the Company receives notice thereof, of the time when such Registration Statement has been declared effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed.

(d) Furnish to each selling holder of Registrable Shares such number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and any supplement thereto (in each case including all exhibits and documents incorporated by reference therein) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Shares owned by such seller.

(e) Use its reasonable best efforts to register or qualify such Registrable Shares under such other securities or "blue sky" laws of such jurisdictions as any selling holder reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such holders to consummate the disposition in such jurisdictions of the Registrable Shares owned by such holders; provided, that the Company shall not be required to qualify generally to do business, subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this Section 4(e).

(f) Notify each selling holder of such Registrable Shares, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such holder, the Company shall prepare a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of such Registrable Shares, such Prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading.

(g) Make available for inspection by any selling holder of Registrable Shares, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such holder or underwriter (collectively, the “Inspectors”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “Records”), and cause the Company’s officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement.

(h) Provide a transfer agent and registrar (which may be the same entity) for all such Registrable Shares not later than the effective date of such registration.

(i) Use its reasonable best efforts to cause such Registrable Shares to be listed on each securities exchange on which the Common Shares is then listed or, if the Common Shares are not then listed, on the quotation service on which the Common Shares are then quoted for trading.

(j) In connection with an underwritten offering, enter into such customary agreements (including underwriting and lock-up agreements in customary form) and take all such other customary actions as the holders of such Registrable Shares or the managing underwriter of such offering reasonably request in order to expedite or facilitate the disposition of such Registrable Shares (including, without limitation, making appropriate officers of the Company available to participate in “road show” and other customary marketing activities (including one-on-one meetings with prospective purchasers of the Registrable Shares)).

(k) Otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission and make available to its stockholders an earnings statement (in a form that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder) no later than thirty (30) days after the end of the 12-month period beginning with the first day of the Company’s first full fiscal quarter after the effective date of such Registration Statement, which earnings statement shall cover said 12-month period, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act.

(l) Furnish to each selling holder of Registrable Shares and each underwriter, if any, with \8i. a legal opinion of the Company's outside counsel, dated the effective date of such Registration Statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), in form and substance as is customarily given in opinions of the Company's counsel to underwriters in underwritten public offerings; and \8j. a "comfort" letter signed by the Company's independent certified public accountants in form and substance as is customarily given in accountants' letters to underwriters in underwritten public offerings.

(m) without limiting Section 4(e) above, use its reasonable best efforts to cause such Registrable Shares to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the holders of such Registrable Shares to consummate the disposition of such Registrable Shares in accordance with their intended method of distribution thereof.

(n) Notify the holders of Registrable Shares promptly of any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus or for additional information.

(o) Advise the holders of Registrable Shares, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued.

(p) Otherwise use its reasonable best efforts to take all other steps necessary to effect the registration of such Registrable Shares contemplated hereby.

Section 5. Expenses of Registration. The Company shall pay the Registration Expenses incurred in connection with Registration, qualification or compliance as provided for in this Agreement. Selling Expenses incurred in connection with the sale of Registrable Shares by the Investor shall be borne by the Investor and the Investor shall pay the expenses of its own counsel.

Section 6. Indemnification.

(a) The Company will \18k. indemnify the Investor, and its officers, directors, members, partners and managers, and any Person controlling the Investor within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages and liabilities (including reasonable legal fees and expenses), arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and \18l. reimburse the Investor for all reasonable legal or other expenses incurred in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on \19i. an offer or sale of Registrable Shares occurring during a Blackout Period, or \19ii. any untrue statement or omission (or alleged untrue statement or omission) made in reliance upon and in conformity with information furnished in writing to the Company by the Investor for inclusion therein; and, provided further, that the Company shall not be liable with respect to any preliminary prospectus or preliminary prospectus supplement to the extent that any such expenses, claims, losses, damages and liabilities result from the fact that Registrable Shares were sold to a Person as to whom it shall be established that there was not sent or given at or prior to the written confirmation of such sale a copy of the prospectus as then amended or supplemented under circumstances where such delivery is required under the Securities Act, if the Company shall have previously furnished copies thereof to such Indemnified Party, and the expense, claim, loss, damage or liability of such Indemnified Party results from an untrue statement or omission of a material fact contained in the preliminary prospectus or the preliminary prospectus supplement, which was corrected in the prospectus.

(b) The Investor shall, and shall cause any agents of the Investor that facilitate the distribution of Registrable Shares to, \18m. indemnify the Company, each of its directors and each of its officers who signs the Registration Statement, and each Person who controls the Company within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages and liabilities (including reasonable legal fees and expenses) arising out of or based on \19i. any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, and only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement in reliance upon and in conformity with information furnished in writing to the Company by the Investor and/or any agent of the Investor for inclusion therein, or \19ii. any failure by the Investor and/or any agent of the Investor to deliver a prospectus where such delivery is required under the Securities Act, the Company shall have furnished copies of such prospectus to the Investor in sufficient quantities to permit the Investor to satisfy such obligations, and such prospectus corrected an untrue statement or omission of a material fact contained in a preliminary prospectus, and (ii) reimburse the Company for all reasonable legal or other expenses incurred in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Each party entitled to indemnification under this Section 6 (the “Indemnified Party”) shall give notice to the party required to provide indemnification (the “Indemnifying Party”) promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, but the omission to so notify the Indemnifying Party shall not relieve it from any liability which it may have to the Indemnified Party pursuant to the provisions of this Section 6 except to the extent of the actual damages suffered by such delay in notification. The Indemnifying Party shall assume the defense of such action, including the employment of counsel to be chosen by the Indemnifying Party, which counsel shall be reasonably satisfactory to the Indemnified Party, and payment of expenses. The Indemnified Party shall have the right to employ its own counsel in any such case, but the legal fees and expenses of such counsel shall be at the expense of the Indemnified Party, unless the employment of such counsel shall have been authorized in writing by the Indemnifying Party in connection with the defense of such action, or the Indemnifying Party shall not have employed counsel to take charge of the defense of such action within a reasonable period of time upon becoming aware of such action, or the Indemnified Party shall have reasonably concluded that there exists an actual and material conflict of interest between the Indemnified Party and the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which events such fees and expenses shall be borne by the Indemnifying Party. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement unless such judgment or settlement includes an unconditional release from all liability in respect to such claim or litigation, and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the Indemnified Party.

(d) If the indemnification provided for in this Section 6 is unavailable to a party that would have been an Indemnified Party under this Section 6 in respect of any expenses, claims, losses, damages and liabilities referred to herein, then the party that would have been an Indemnifying Party hereunder shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such expenses, claims, losses, damages and liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other in connection with the statement or omission (or alleged statement or omission), which resulted in such expenses, claims, losses, damages and liabilities, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or the Indemnified Party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Investor agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 6(d).

(e) No person guilty of fraudulent misrepresentation (as provided for in Section 11 of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 7. Information to be Furnished by the Investor. The Investor shall furnish to the Company such information as the Company may reasonably request and as shall be required in connection with any Registration Statement and related proceedings referred to in this Agreement. If the Investor fails to provide the Company with such information within five (5) business days of receipt of the Company's request, the Company's obligations under this Agreement with respect to the Investor or the Registrable Shares owned by the Investor shall be suspended until the Investor provides such information.

Section 8. Black-Out Period. The Investor agrees, if requested by the Company, or the Company's underwriters or financial advisors, in an offering of the Company's securities pursuant to a Registration Statement filed with the Commission (a "Registered Offering"), not to effect any sale or distribution of any Registrable Shares during the fifteen (15) day period (such period, a "Blackout Period") prior to, and during the ninety (90) day period beginning on, the date of pricing of such Registered Offering.

Section 9. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without reference to principles of conflicts of laws. Any action or proceeding brought for the purpose of enforcement of any term or provision of this Agreement shall be brought only in the federal or state courts sitting in New York and the parties hereby waive any and all rights to trial by jury.

(b) Entire Agreement. This Agreement \178. constitutes the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof and \179. is not intended to confer upon any person other than the Parties any rights or remedies.

(c) Amendment. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company and the Investor. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any Party to exercise any right hereunder in any manner impair the exercise of any such right.

(d) Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given upon receipt by the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

To the Investor: A Squared Holdings, LLC
9401 Wilshire Boulevard Suite 608
Beverly Hills, California 90212
Attention: Gregory Payne, General Counsel
Facsimile: 805-965-1168

To the Company: Genius Brands International, Inc.
3111 Camino del Rio North, Suite 400
San Diego, CA 92108
Attention: Chief Financial Officer
Facsimile: 619-281-2503

(e) Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Facsimile execution and facsimile or electronic delivery of this Agreement is legal, valid and binding for all purposes.

(f) Interpretation. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(g) Severability. If any provision of this Agreement is judicially determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

(h) Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Parties will be entitled to specific performance under this Agreement. The Parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

(i) Anti-Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the Parties without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

(j) Attorneys' Fees. If the Company or the Investor brings an action to enforce its rights under this Agreement, the prevailing party in the action shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, incurred in connection with such action, including any appeal of such action.

(k) Changes in Securities Laws. In the event that any amendment, repeal or other change in the securities laws shall render the provisions of this Agreement inapplicable, the Company will provide the Investor with substantially similar rights to those granted under this Agreement and use its good faith efforts to cause such rights to be as comparable as possible to the rights granted to the Investor hereunder.

[Remainder of the Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date first written above.

COMPANY

GENIUS BRANDS INTERNATIONAL, INC.,
a Nevada corporation

By: /s/ Jeanene Morgan

Name: Jeanene Morgan

Title: Chief Financial Officer

INVESTOR

A SQUARED HOLDINGS, LLC, a California limited liability
company

By: /s/ Andy Heyward

Name: Andy Heyward

Title: Co-Manager

By: /s/ Amy Moynihan Heyward

Name: Amy Moynihan Heyward

Title: Co-Manager

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of November 15, 2013, between Genius Brands International Inc., a Nevada corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and permitted assigns, a "Purchaser" and collectively, the "Purchasers").

PREAMBLE

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement (the "Offering").

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Accredited Investor" shall have the meaning ascribed to it in Section 3.2(c).

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.18.

"Acquisition" shall have the meaning ascribed to such term in Section 4.27.

"Acquisition Closing Date" shall mean the date the Acquisition is consummated, which date must be no later than July 1, 2014.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Additional Shares" shall have the meaning ascribed to such term in Section 4.14.

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Beneficial Ownership Limitation" shall have the meaning ascribed to such term in Section 4.24.

"Board of Directors" means the board of directors of the Company.

"Board of Directors Shares" shall have the meaning ascribed to such term in Section 4.19.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Buy-In” shall have the meaning ascribed to such term in Section 4.1(g).

“Closing” means the Initial Closing and Subsequent Closing, if any, of the purchase and sale of the Securities pursuant to Section 2.1 or 2.4.

“Closing Date” means each of the Initial Closing Date and the Subsequent Closing Date, if any, and is the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers’ obligations to pay the Subscription Amount at such Closing and (ii) the Company’s obligations to deliver the Securities to be issued and sold at such Closing, in each case, have been satisfied or waived, but in no event later than the third Trading Day following the date hereof in the case of the Initial Closing and not later than the tenth Trading Day after the Subsequent Closing Option Date in the case of the Subsequent Closing Date.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Company Counsel” means Sichenzia Ross Friedman Ference LLP, 61 Broadway, 32nd Floor, New York, NY 10006, Attn: Harvey Kesner, Esq., facsimile: (212) 930-9725.

“Disclosure Schedules” shall have the meaning ascribed to such term in Section 3.1.

“Effective Date” means the earliest of the date that (a) the Registration Statement has been declared effective by the Commission, (b) all of the Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without volume or manner-of-sale restrictions or (c) following the one year anniversary of the applicable Closing Date hereunder with respect to such Shares, provided that a holder of such Shares is not an Affiliate of the Company, all of such Shares may be sold pursuant to an exemption from registration under Section 4(1) of the Securities Act without volume or manner-of-sale restrictions or the need for the Company to provide current public information and Company Counsel has delivered to such holders a standing written unqualified opinion that resales may then be made by such holders of the Underlying Shares pursuant to such exemption which opinion shall be in form and substance reasonably acceptable to such holders.

“Escrow Agent” means G&M.

“Escrow Agreement” means the escrow agreement entered into at or about the date hereof, by and among the Company, the Escrow Agent and the Purchasers pursuant to which the Purchasers shall deposit Subscription Amounts with the Escrow Agent to be applied to the transactions contemplated hereunder. The form of Escrow Agreement is annexed hereto as Exhibit B.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exempt Issuance” means the issuance of (a) shares of Common Stock and options to officers, employees, directors or consultants of the Company prior to and after the Initial Closing Date in the amounts and on the terms set forth on Schedule 4.13, and which holders of such securities, shares or options are not at any time granted registration rights, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder (subject to adjustment for forward and reverse stock splits and the like that occur after the date hereof) and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities and any term thereof have not been amended since the date of this Agreement to increase the number of such securities or to decrease the issue price, exercise price, exchange price or conversion price of such securities (other than in the event of forward and/or reverse stock splits and the like or by its own terms through anti-dilution or other ratchet or price protection) and which securities are described in the SEC Reports, (c) securities issued as full or partial consideration in connection with a strategic merger, acquisition, consolidation or purchase of substantially all of the securities or assets of a corporation or other entity which holders of such securities or debt are not at any time granted registration rights greater than those granted to the Purchasers, (d) as set forth on Schedule 3.1(g), and which holders of such securities, shares or options are not at any time granted registration rights, (e) securities issued or issuable pursuant to this Agreement, including, without limitation, Section 4.15, or upon exercise of conversion of any such securities, (f) the issuance on the Acquisition Closing Date of 6,749,175 shares of the Company’s Common Stock to ROAR LLC as its fee for the engagement of ROAR LLC as an entertainment consultant to the Company commencing on the Acquisition Closing Date and 1,000,000 shares of the Company’s Common Stock to Girlilla Marketing LLC in as its fee for the engagement of Girlilla Marketing LLC as a digital and marketing strategy consultant to the Company commencing on the Acquisition Closing Date, (g) the issuance of an aggregate of 5,000,000 shares of the Company’s Common Stock to its executive offices as further described in Section 4.19, and which holders of such securities, shares or options are not at any time granted registration rights, (h) securities issued in connection with strategic license agreements and other partnering arrangements so long as such issuances are not primarily for the purpose of raising capital and which holders of such securities or debt are not at any time granted registration rights greater than those granted to the Purchaser, (i) the issuance of Common Stock or the issuance of grants of options to purchase Common Stock to employees, directors and consultants, pursuant to plans that have been approved by a majority of the stockholders and a majority of the independent members of the board of directors of the Company or in existence as such plans are constituted on the date of this Agreement, and which holders of such securities, shares or options are not at any time granted registration rights, (j) the Company’s issuance of Common Stock or the issuances or grants of options to purchase Common Stock to consultants, service providers, creditors and suppliers, (k) shares or other securities of the Company issued to Company’s management and employees upon such individuals’ conversion of accrued salaries and wages, and which holders of such securities, shares or options are not at any time granted registration rights, (l) up to 2,600,000 shares of the Company’s Common Stock issued to third party vendors in consideration for the cancellation of certain accounts payable; (m) securities in consideration for the acquisition of A Squared Entertainment LLC, and which holders of such securities, shares or options are not at any time granted registration rights greater than those granted to the Purchasers (n) up to 3,321,667 shares of the Company’s Common Stock issued in exchange for the cancellation of outstanding warrants to purchase Common Stock, (o) up to 380,952 shares of the Company’s Common Stock issued for the cancellation of outstanding warrants to purchase Common Stock, (p) shares of the Company’s Common Stock issued pursuant to agreements with third parties in effect on the Closing Date, that, pursuant to their terms in effect on the Closing Date, are payable by the Company in either cash or Common Stock, in the Company’s sole discretion and (q) any and all securities required to be assumed by the Company by the terms thereof as a result of any of the foregoing even if issued by a predecessor acquired in connection with a business combination, merger or share exchange and which holders of such securities, shares or options are not at any time granted registration rights,.

“Exercise Notice” shall have the meaning ascribed to such term in Section 2.4.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended.

“Final Closing Date” shall mean the Subsequent Closing Date if a Subsequent Closing occurs or, if there is no Subsequent Closing, the Initial Closing Date.

“GAAP” shall have the meaning ascribed to such term in Section 3.1(h).

“G&M” means Grushko & Mittman, P.C., with offices located at 515 Rockaway Avenue, Valley Stream, New York 11581, Fax: (212) 697-3575.

“Indebtedness” shall have the meaning ascribed to such term in Section 3.1(aa).

“Initial Closing” shall have the meaning ascribed to such term in Section 2.1.

“Initial Closing Date” shall mean such date on which the Initial Closing is held.

“Intellectual Property Rights” shall have the meaning ascribed to such term in Section 3.1(o).

“Lead Investor” shall mean Erick Richardson.

“Legend Removal Date” shall have the meaning ascribed to such term in Section 4.1(c).

“Liens” means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Listing Default” shall have the meaning ascribed to such term in Section 4.9.

“Material Adverse Effect” shall have the meaning assigned to such term in Section 3.1(b).

“Material Permits” shall have the meaning ascribed to such term in Section 3.1(m).

“Maximum Rate” shall have the meaning ascribed to such term in Section 5.21.

“Money Laundering Laws” shall have the meaning ascribed to such term in Section 3.1(r).

“OFAC” shall have the meaning ascribed to such term in Section 3.1(kk).

“Offering” shall have the meaning ascribed to such term in the Preamble.

“Permitted Indebtedness” means: (x) any liabilities for borrowed money or amounts owed not in excess of \$300,000 in the aggregate (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company’s consolidated balance sheet (or the notes thereto) not affecting more than \$300,000 in the aggregate, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments not in excess of \$300,000 due under leases required to be capitalized in accordance with GAAP.

“Permitted Lien” means the individual and collective reference to the following: (a) Liens for taxes, assessments and other governmental charges or levies not yet due or Liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP, (b) Liens imposed by law which were incurred in the ordinary course of the business of the Company or any of its Subsidiaries, such as suppliers’, vendors’, carriers’, warehousemen’s and mechanics’ Liens, statutory workmen’s, repairmen’s and landlords’ Liens, and other similar Liens arising in the ordinary course of the business of the Company or any of its Subsidiaries, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such Lien, (c) Liens incurred prior to the Closing Date in connection with Permitted Indebtedness, (d) Liens incurred in connection with Permitted Indebtedness, provided that such Liens are not secured by assets of the Company or its Subsidiaries other than the assets so acquired or leased, (e) non-exclusive licenses granted by the Company in respect of its intellectual property, and (f) Liens disclosed on Schedule 3.1(n) to this Agreement.

“Per Share Purchase Price” equals \$0.035, subject to appropriate adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Pro-Rata Portion” shall have the meaning ascribed to such term in Section 4.12(e).

“Protection Period” shall have the meaning ascribed to such term in Section 4.14.

“Public Information Failure” shall have the meaning ascribed to such term in Section 4.2(b).

“Public Information Failure Payments” shall have the meaning ascribed to such term in Section 4.2(b).

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.7.

“Registration Expenses” shall have the meaning ascribed to such term in Section 4.23.

“Registration Rights Agreement” means the Registration Rights Agreement, dated the date hereof, among the Company and the Purchasers, in the form of Exhibit D attached hereto.

“Registration Statement” means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Shares by each Purchaser as provided for in the Registration Rights Agreement.

“Removal Date” means the date that all of the issued Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information requirements under Rule 144 and without volume or manner-of-sale restrictions.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Required Minimum” shall have the meaning ascribed to such term in Section 4.8.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall mean all reports, schedules, forms, statements and other documents filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof, including the exhibits thereto and documents incorporated by reference therein.

“Securities” means the Shares.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Selling Expenses” shall have the meaning ascribed to such term in Section 4.23.

“Share Dilution Adjustment” shall have the meaning ascribed to such term in Section 4.14.

“Share Dilutive Issuance” shall have the meaning ascribed to such term in Section 4.14.

“Shares” means (i) the shares of Common Stock issued or issuable to each Purchaser pursuant to this Agreement, and (ii) Additional Shares (as provided for in Section 4.14), provided that any such share of Common Stock shall not constitute a Share after such share has been irrevocably sold pursuant to an effective registration statement under the Securities Act or pursuant to Rule 144 without further restrictions or conditions to transfer pursuant to Rule 144.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“Stock Option Plan” means the Stock Option Plan of the Company in effect as the date of this Agreement, the principal terms of which have been disclosed in the SEC Reports.

“Subscription Amount” means, as to each Purchaser at each Closing, the aggregate amount to be paid for Shares purchased hereunder at such Closing as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Subsequent Closing” shall have the meaning ascribed to such term in Section 2.4.

“Subsequent Closing Date” shall have the meaning ascribed to such term in Section 2.4 hereof.

“Subsequent Closing Option Date” means the date that is not later than the Acquisition Closing Date.

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable and with regard to future events, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

“Termination Date” shall have the meaning ascribed to such term in Section 2.1(a).

“Trading Day” means a day on which the principal Trading Market is open for trading; provided, that in the event that the Common Stock is not listed or quoted for trading on a Trading Market on the date in question, then Trading Day shall mean a Business Day.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board or the OTCQB (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement, the Registration Rights Agreement, the Escrow Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“Transfer Agent” means **Globex Transfer LLC** and any successor transfer agent of the Company.

“Variable Rate Transaction” shall have the meaning ascribed to such term in Section 4.20.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported on the OTC Pink Marketplace maintained by OTC Markets Group Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent closing price per share of the Common Stock so reported, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

ARTICLE II. PURCHASE AND SALE

2.1 Initial Closing. On the Initial Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and each of the Purchasers, severally and not jointly, agrees to purchase Shares for an aggregate purchase price of a minimum of \$1,000,000 (“Minimum Offering Amount”) and up to a maximum of \$1,500,000 (such maximum amount of \$1,500,000, the “Maximum Offering Amount” and such purchase and sale of at least the Minimum Offering Amount being the “Initial Closing”). Prior to the Initial Closing, each Purchaser shall deliver to the Escrow Agent such Purchaser’s Initial Closing Subscription Amount as set forth on the signature page hereto executed by such Purchaser by a wire transfer of immediately available funds, such amount to be held in a non-interest-bearing escrow account, and the Company shall, on the Initial Closing Date, deliver to each Purchaser a certificate representing the number of Shares purchased by such Purchaser at the Initial Closing as determined pursuant to Section 2.2(a). The Company and each Purchaser shall also deliver the other items set forth in Section 2.2 deliverable at the Initial Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3 and receipt of the Minimum Offering Amount into escrow, the Initial Closing shall occur at the offices of G&M or such other location as the parties shall mutually agree. Notwithstanding anything herein to the contrary, the Initial Closing Date shall occur on or before November 30, 2013 (such outside date, “Termination Date”). If the Initial Closing is not held on or before the Termination Date, the Escrow Agent shall cause (i) all subscription documents executed by the Company or a Purchaser to be returned to the Company or such Purchaser, as applicable, and (ii) each Subscription Amount to be returned, without interest or deduction to the Purchaser who delivered such Subscription Amount.

2.2 Deliveries.

(a) On or prior to the Initial Closing Date, the Company shall deliver or cause to be delivered to the Escrow Agent the following:

(i) (x) this Agreement duly executed by the Company, (y) the Escrow Agreement duly executed by the Company and (z) the Registration Rights Agreement duly executed by the Company;

(ii) legal opinion of Company Counsel substantially in the form of Exhibit A attached hereto; and

(iii) a certificate evidencing a number of Shares equal to such Purchaser’s Initial Closing Subscription Amount divided by the Per Share Purchase Price, registered in the name of such Purchaser.

(b) On or prior to the Initial Closing Date, each Purchaser shall deliver or cause to be delivered to the Escrow Agent the following:

(i) this Agreement, the Registration Rights Agreement and the Escrow Agreement each duly executed by such Purchaser; and

(ii) such Purchaser's Initial Closing Subscription Amount by wire transfer to the account specified in the Escrow Agreement.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the Initial Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser under this Agreement required to be performed at or prior to the Initial Closing Date shall have been performed in all material respects;

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement;

(iv) the Escrow Agent shall have received executed signature pages to this Agreement and the Escrow Agreement from Purchasers and the Escrow Agent shall have received payment of readily available funds representing corresponding Subscription Amounts equal to at least the Minimum Offering Amount, in the aggregate, from such Purchasers in cash.

(b) The respective obligations of the Purchasers hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (determined without regard to any materiality, Material Adverse Effect or other similar qualifiers therein) when made and on the Initial Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company under this Agreement required to be performed at or prior to the Initial Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof;

(v) from the date hereof to the Initial Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time from the date hereof prior to the Initial Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing; and

(vi) the Escrow Agent shall have received executed signature pages to this Agreement from Purchasers and the Escrow Agent shall have received corresponding Subscription Amounts from such Purchasers in cash.

2.4 Subsequent Closing Option. In the event, and only in the event, the Maximum Offering Amount is not fully subscribed for, each Purchaser shall have the option, within 10 days of the Initial Closing Date, to purchase and if such option is exercised, the Company shall sell to each Purchaser exercising such option for the same Per Share Purchase Price up to such number of shares as shall equal the balance of the unsold Maximum Offering Amount, in the aggregate. In the event that, on the 10th day following the Initial Closing Date, the Company receives Exercise Notices (as defined below) from multiple Purchasers, the balance of the unsold Maximum Offering Amount shall be divided pro rata to such Purchasers based on their aggregate purchase price in the Initial Closing (or such lesser amount as may be indicated in such Purchaser's Exercise Notice). To exercise the option provided for in this subsection 2.4, the Purchasers shall provide written notice of the exercise of the option to the Company (the "Exercise Notice") on or before the Subsequent Closing Option Date, which Exercise Notice shall specify the Subsequent Closing Subscription Amount of each Purchaser. In connection with the Subsequent Closing, Escrow Agent, Purchasers purchasing Securities at the Subsequent Closing and Company will enter into an escrow agreement on substantially the same terms as contained in the Escrow Agreement (the "Subsequent Closing Escrow Agreement"). Each Purchaser shall be entitled to one closing of the purchase and sale of Shares upon exercise of the option provided in this subsection 2.4 (the "Subsequent Closing") and the Subsequent Closing shall occur promptly after the date the Exercise Notice is given, but not later than ten Trading Days thereafter ("Subsequent Closing Date"). Notwithstanding the foregoing, no Purchaser may exercise a Subsequent Closing Option, and the Company will not be obligated to honor any Exercise Notice relating to a Subsequent Closing Option exercised by any Purchaser after the Acquisition Closing Date.

2.5 Subsequent Closing Deliveries.

(a) On or prior to the Subsequent Closing Date, the Company shall deliver or cause to be delivered to the Escrow Agent the following:

(i) bring down legal opinion of Company Counsel to the legal opinion delivered at the Initial Closing; and

(ii) a certificate evidencing a number of Shares equal to such Purchaser's Subsequent Closing Subscription Amount divided by the Per Share Purchase Price, registered in the name of such Purchaser.

(b) On or prior to the Subsequent Closing Date, each Purchaser shall deliver or cause to be delivered to the Escrow Agent, the following:

- (i) the Subsequent Closing Escrow Agreement duly executed by such Purchaser; and
- (ii) to Escrow Agent, such Purchaser's Subscription Amount by wire transfer to the account specified in the Subsequent Closing Escrow Agreement.

2.6 Subsequent Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Subsequent Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects on the Subsequent Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
- (ii) all obligations, covenants and agreements of each Purchaser under this Agreement required to be performed at or prior to the Subsequent Closing Date shall have been performed in all material respects;
- (iii) the delivery by each Purchaser of the items set forth in Section 2.5(b) of this Agreement;
- (iv) the Escrow Agent shall have received Subsequent Closing Subscription Amounts from Purchasers in cash, as designated in the Exercise Notice.

(b) The respective obligations of the Purchasers hereunder in connection with the Subsequent Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects (determined without regard to any materiality, Material Adverse Effect or other similar qualifiers therein) when made and on the Subsequent Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
- (ii) all obligations, covenants and agreements of the Company under this Agreement required to be performed at or prior to the Subsequent Closing Date shall have been performed;
- (iii) the delivery by the Company of the items set forth in Section 2.5(a) of this Agreement;
- (iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof;
- (v) from the date hereof to the Subsequent Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market, and, at any time from the date of this Agreement and prior to the Subsequent Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Subsequent Closing; and

(vi) the Company shall have received Exercise Notices and the Escrow Agent shall have received the Subscription Amounts designated on such Exercise Notices from such Purchasers in cash.

**ARTICLE III.
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or warranty made herein only to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser as of the Closing Date:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, other than Permitted Liens, subject to restrictions under applicable laws, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation or default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of this Agreement and the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) by the Company, any Subsidiary or, any third party under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including securities laws), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Other than consents required for the amending of the Company's articles of incorporation to increase the number of shares authorized thereunder, the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other provincial or foreign or domestic federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement, (ii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Shares for trading thereon in the time and manner required thereby, if any, all of which, if any, shall have been effectuated prior to each Closing, and (iii) the filing of a Form D with the Commission and such filings as are required to be made under applicable securities laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. Upon the filing of the certificate of amendment to the Company's articles of Incorporation (as described below), the Securities will be duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens other than restrictions on transfer provided for in the Transaction Documents and Liens resulting from the activities of any Purchaser. Upon the filing of a certificate of amendment to the Company's articles of incorporation, as described in the Company's Definitive Proxy Statement on Schedule 14A, filed with the Commission on September 23, 2013, which must be completed no later than January 15, 2014, the Company will have reserved from its duly authorized capital stock the maximum stated number of shares of Common Stock issuable pursuant to this Agreement.

(g) Capitalization. The capitalization of the Company is as set forth in Schedule 3.1(g). Except as set forth on Schedule 3.1(g), the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Stock Option Plans, the issuance of shares of Common Stock to employees pursuant to the Stock Option Plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as disclosed on Schedule 3.1(g), there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or any material contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. Except as set forth on Schedule 3.1(g), the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in material compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities other than consents required for the amending of the Company's articles of incorporation to increase the number of shares authorized thereunder. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) Form 8-K: Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Form 8-K described in Section 4.4, upon its filing, will comply in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The latest audited financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP and are subject to normal, immaterial, year-end audit adjustments, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes: Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed not later than five Trading Days prior to the date hereof or not later than five Trading Days prior to the applicable Closing Date as of which this representation and warranty is being made and except as set forth in Schedule 3.1(i): (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, and accrued expenses incurred in the ordinary course of business consistent with past practice, (B) transaction expenses incurred in connection with the Transaction Documents, and (C) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except as set forth on Schedule 3.1(g) pursuant to existing Company stock option plans which issuances prior to the date of this Agreement are described on Schedule 3.1(g). The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement, the Acquisition, and as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists, or is reasonably expected to occur or exist, with respect to the Company or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least two (2) Trading Days prior to the date that this representation is made.

(j) Litigation. Except as set forth on Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") that would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect, nor to the knowledge of the Company is there any reasonable basis for any such Action that would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor, to the Company's knowledge, any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or, to the knowledge of the Company, any current or former director or officer of the Company, nor to the knowledge of the Company is there any reasonable basis for any of the foregoing. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected by the Company to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, which could reasonably be expected to result in a Material Adverse Effect and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as actually conducted and as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(n) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and, except as set forth on Schedule 3.1(n), marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for Permitted Liens. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance, except where the non-compliance would not reasonably be expected to result in a Material Adverse Effect.

(o) Intellectual Property.

(i) The term "Intellectual Property Rights" includes:

1. the name of the Company, all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications (collectively, "Marks");
2. all patents, patent applications, and inventions and discoveries that may be patentable (collectively, "Patents");
3. all copyrights in both published works and unpublished works (collectively, "Copyrights");
4. all rights in mask works (collectively, "Rights in Mask Works"); and
5. all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings, and blue prints (collectively, "Trade Secrets"); owned, used, or licensed by the Company as licensee or licensor.

(ii) Agreements. Schedule 3.1(o) contains a complete and accurate list of all contracts relating to the Intellectual Property Rights to which the Company is a party or by which the Company is bound, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available software programs with a value of less than \$10,000 under which the Company is the licensee. There are no outstanding and, to Company's knowledge, no threatened disputes or disagreements with respect to any such agreement.

(iii) Know-How Necessary for the Business. To the Company's knowledge: the Intellectual Property Rights are all those necessary for the operation of the Company's businesses as it is currently conducted or as represented, in writing, to the Purchasers to be conducted. To the Company's knowledge: the Company is the owner of all right, title, and interest in and to each of the Intellectual Property Rights, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and has the right to use all of the Intellectual Property Rights, subject in each case to Permitted Liens. To the Company's knowledge, no employee of the Company has entered into any contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign, or disclose information concerning his work to anyone other than of the Company.

(iv) Patents. Schedule 3.1(o) contains a complete and accurate list of all Patents. The Company is the owner of all right, title and interest in and to each of the Patents, free and clear of all Liens and other adverse claims other than Permitted Liens. All of the issued Patents are currently in compliance with formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use), are valid and enforceable, and, except as set forth on Schedule 3.1(o), are not subject to any maintenance fees or taxes or actions falling due within ninety days after the Initial Closing Date. No Patent has been or is now involved in any interference, reissue, reexamination, or opposition proceeding. To the Company's knowledge: (1) there is no potentially interfering patent or patent application of any third party, and (2) no Patent is infringed or has been challenged or threatened in any way. To the Company's knowledge, none of the products manufactured and sold, nor any process or know-how used, by the Company infringes or is alleged to infringe any patent or other proprietary right of any other Person.

(v) Trademarks. Schedule 3.1(o) contains a complete and accurate list and summary description of all Marks. The Company is the owner of all right, title, and interest in and to each of the Marks, free and clear of all Liens and other adverse claims other than Permitted Liens. All Marks that have been registered with the United States Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the Initial Closing Date. Except as set forth in Schedule 3.1(o), no Mark has been or is now involved in any opposition, invalidation, or cancellation and, to the Company's knowledge, no such action is threatened with respect to any of the Marks. To the Company's knowledge: (1) there is no potentially interfering trademark or trademark application of any third party, and (2) no Mark is infringed or has been challenged or threatened in any way. To the Company's knowledge, none of the Marks used by the Company infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(vi) Copyrights. Schedule 3.1(o) contains a complete and accurate list of all Copyrights. The Company is the owner of all right, title, and interest in and to each of the Copyrights, free and clear of all Liens and other adverse claims other than Permitted Liens. Except as set forth on Schedule 3.1(o), all the Copyrights have been registered and are currently in compliance with formal requirements, are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the date of the Initial Closing. No Copyright is infringed or, to the Company's knowledge, has been challenged or threatened in any way. To the Company's knowledge, none of the subject matter of any of the Copyrights infringes or is alleged to infringe any copyright of any third party or is a derivative work based on the work of a third party. All works encompassed by the Copyrights have been marked with the proper copyright notice.

(vii) Trade Secrets. With respect to each Trade Secret, the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual. The Company has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets. The Company has good title and an absolute (but not necessarily exclusive) right to use the Trade Secrets subject to Permitted Liens. The Trade Secrets are not part of the public knowledge or literature, and, to the Company's knowledge, have not been used, divulged, or appropriated either for the benefit of any Person (other than the Company) or to the detriment of the Company. No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

(p) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged including but not limited to directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary believes that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business.

(q) Transactions With Affiliates and Employees. Except as set forth in the SEC Reports, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of \$100,000 other than for: (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company except as disclosed on Schedule 3.1(g).

(r) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened, nor is there any reasonable basis for any of the foregoing.

(s) Certain Fees. No brokerage, finder's fees, commissions or due diligence fees are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents except as set forth on Schedule 3.1(s). The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section 3.1(s) that may be due in connection with the transactions contemplated by the Transaction Documents.

(t) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Other than each of the Purchasers or in connection with the Acquisition, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(w) Listing and Maintenance Requirements. The Common Stock is quoted on the Over-the-Counter Bulletin Board under the symbol GNUS. The Company has not, in the twenty-four (24) months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's articles of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchasers' ownership of the Securities.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents and as otherwise disclosed pursuant to a non-disclosure, confidentiality or similar agreement between the Company and any Purchaser, if applicable, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, taken as a whole is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. For the avoidance of doubt, information disclosed in one section of the Disclosure Schedule shall not be deemed disclosed in any other section of the Disclosure Schedule unless there is an explicit cross reference to such other section. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor, to the knowledge of the Company, any of its Affiliates, nor any Person acting on its or, to the knowledge of the Company, their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities by the Company to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(aa) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Shares hereunder: (i) the fair saleable value of the assets of the Company and its Subsidiaries taken as a whole exceeds the amount that will be required to be paid on or in respect of the existing debts and other liabilities (including known contingent liabilities) of the Company and its Subsidiaries as they mature, (ii) the assets of the Company and its Subsidiaries do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company and its Subsidiaries, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company and its Subsidiaries, together with the proceeds the Company and its Subsidiaries would receive, were they to liquidate all of their assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of their liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(aa) sets forth as of the date hereof all Liens and outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, “Indebtedness” means (x) any liabilities for borrowed money or amounts owed in excess of \$200,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company’s consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of \$200,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all required United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no reasonable basis for any such claim.

(cc) No General Solicitation. Neither the Company nor, to the knowledge of the Company, any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other “accredited investors” within the meaning of Rule 501 under the Securities Act.

(dd) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(ee) Accountants. The Company's accounting firm is set forth on Schedule 3.1(ee) of the Disclosure Schedules. To the knowledge and belief of the Company, such accounting firm is registered with the Public Company Accounting Oversight Board, and shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2013.

(ff) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(gg) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(hh) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f), 3.2(j) and 4.21 hereof), it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities in accordance with all applicable laws at various times during the period that the Securities are outstanding, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(ii) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities, if any.

(jj) Stock Option Plans. Except as set forth on Schedule 3.1(jj), as of the date hereof, no stock options have been granted, nor any commitments made to grant stock options, under the Stock Option Plan, and neither the Company nor any Subsidiary has ever had an option plan other than the Stock Option Plan. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(kk) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(ll) Reporting Company/Shell Company. The Company is a publicly-held company subject to reporting obligations pursuant to Sections 12(g) and 13 of the Exchange Act. Pursuant to the provisions of the Exchange Act, except as set forth on Schedule 3.1(ll), the Company has timely filed all reports and other materials required to be filed by the Company thereunder with the SEC during the preceding twelve months. As of the Closing Date, the Company is not a "shell company" nor a "former shell company" as those terms are employed in Rule 144 under the Securities Act.

(mm) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in material compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Understandings or Arrangements. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to a registration statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act. Such Purchaser has the authority and is duly and legally qualified to purchase and own the Securities. Such Purchaser is able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof. Such Purchaser has provided the information in the Accredited Investor Questionnaire attached hereto as Exhibit C (the "Investor Questionnaire"). The information set forth on the signature pages hereto and the Investor Questionnaire regarding such Purchaser is true and complete in all respects. Except as disclosed in the Investor Questionnaire, such Purchaser has had no position, office or other material relationship within the past three years with the Company or Persons (as defined below) known to such Purchaser to be affiliates of the Company, and is not a member of the Financial Industry Regulatory Authority or an "associated person" (as such term is defined under the FINRA Membership and Registration Rules Section 1011).

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) Information on Company. Such Purchaser has been furnished with or has had access to the EDGAR Website of the Commission to the Company's filings made with the Commission during the period from the date that is two years preceding the date hereof through the tenth business day preceding the Initial Closing Date in which such Purchaser purchases Securities hereunder, including but not limited to the Risk Factor section of the Company's Annual Report on Form 10-K filed with the Commission for the fiscal year ended December 31, 2012 (hereinafter referred to collectively as the "**Reports**"). Purchasers are not deemed to have any knowledge of any information not included in the Reports unless such information is delivered in the manner described in the next sentence. In addition, such Purchaser may have received in writing from the Company such other information concerning its operations, financial condition and other matters as such Purchaser has requested, identified thereon as OTHER WRITTEN INFORMATION (such other information is collectively, the "**Other Written Information**"), and considered all factors such Purchaser deems material in deciding on the advisability of investing in the Securities. Such Purchaser was afforded (i) the opportunity to ask such questions as such Purchaser deemed necessary of, and to receive answers from, representatives of the Company concerning the merits and risks of acquiring the Securities; (ii) the right of access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable such Purchaser to evaluate the Securities; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to acquiring the Securities.

(f) Certain Transactions and Confidentiality. Such Purchaser understands and agrees that the Securities have not been registered under the 1933 Act or any applicable state securities laws, by reason of their issuance in a transaction that does not require registration under the 1933 Act, and that such Securities must be held indefinitely unless a subsequent disposition is registered under the 1933 Act or any applicable state securities laws or is exempt from such registration. Such Purchaser understands and agrees that the Securities are being offered and sold to such Purchaser in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and regulations and that the Company is relying in part upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Securities.

(g) Communication of Offer. Such Purchaser is not purchasing the Securities as a result of any “general solicitation” or “general advertising,” as such terms are defined in Regulation D, which includes, but is not limited to, any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or on the internet or broadcast over television, radio or the internet or presented at any seminar or any other general solicitation or general advertisement.

(h) No Governmental Review. Such Purchaser understands that no United States federal or state agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Securities or the suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(i) No Conflicts. The execution, delivery and performance of this Agreement and performance under the other Transaction Documents and the consummation by such Purchaser of the transactions contemplated hereby and thereby or relating hereto or thereto do not and will not (i) result in a violation of such Purchaser’s charter documents, bylaws or other organizational documents, if applicable, (ii) conflict with nor constitute a default (or an event which with notice or lapse of time or both would become a default) under any agreement to which such Purchaser is a party, nor (iii) result in a violation of any law, rule, or regulation, or any order, judgment or decree of any court or governmental agency applicable to such Purchaser or its properties (except for such conflicts, defaults and violations as would not, individually or in the aggregate, have a material adverse effect on such Purchaser). Such Purchaser is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or perform under the other Transaction Documents nor to purchase the Securities in accordance with the terms hereof, provided that for purposes of the representation made in this sentence, such Purchaser is assuming and relying upon the accuracy of the relevant representations and agreements of the Company herein.

(j) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser’s assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser’s assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). The Purchaser will not engage in any net Short Sales until the earlier of the Effective Date and the six month anniversary of the Initial Closing Date. Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions after the Initial Closing Date.

- (k) Survival. The foregoing representations and warranties shall survive the Closing Date.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

**ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES**

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of such transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the other applicable Transaction Documents and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on the Securities in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. TO THE EXTENT PERMITTED BY APPLICABLE SECURITIES LAWS, THIS SECURITY [AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that, a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an “accredited investor” as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and the other applicable Transaction Documents and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities into the name of the pledgees or secured parties, in their respective capacities as such. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser’s expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities.

(c) Certificates evidencing the Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof), (i) following any sale of such Shares pursuant to Rule 144 or pursuant to an effective registration statement, including the Registration Statement, or (ii) if such Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares and without volume or manner-of-sale restrictions or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly for any Security after the Removal Date if required by the Transfer Agent to effect the removal of the legend hereunder upon the occurrence of the sale of the Shares, if a sale is so required in such circumstances. If all or any portion of the Shares are included in an effective registration statement to cover the resale of such Shares (and the Purchaser provides the Company or the Company’s counsel with any reasonable certifications requested by the Company with respect to future sales of such Shares) or the Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information and any other limitations or requirements set forth in Rule 144, including, without limitation, volume or manner-of-sale restrictions, or if a legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Shares will be reissued without the legend. The Company agrees that following the Removal Date or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than seven Trading Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Shares issued with a restrictive legend, together with any reasonable certifications requested by the Company, the Company’s counsel or the Transfer Agent (such seventh Trading Day, the “Legend Removal Date”), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Securities subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser’s prime broker with the Depository Trust Company System through its Deposit or Withdrawal at Custodian system (“DWAC”) as directed by such Purchaser if the Transfer Agent is then a participant in such system, it is commercially reasonable for the Company to do so and either (i) there is an effective registration statement permitting the resale of such Securities by the Purchaser (and the Purchaser provides the Company or the Company’s counsel with any requested certifications with respect to future sales of such Securities) or (ii) the shares are eligible for resale by the Purchaser without further volume limitations or manner-of-sale restrictions and may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) of the Securities Act (and the Purchaser provides the Company or the Company’s counsel with any requested certifications with respect to the sale of such Securities).

(d) In addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the greater of the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent or the purchase price of such Shares) delivered for removal of the restrictive legend and subject to Section 4.1(c), \$10 per Trading Day (increasing to \$20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day following the Legend Removal Date until such certificate is delivered without a legend. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Company's failure to deliver certificates representing any Securities as required by the Transaction Documents, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

(e) DWAC. In lieu of delivering physical certificates representing the unlegended shares, upon request of a Purchaser, so long as the certificates therefor do not bear a legend and the Purchaser is not obligated to return such certificate for the placement of a legend thereon and provided it is commercially reasonable for the Company to do so, the Company shall cause its transfer agent to electronically transmit the unlegended shares by crediting the account of Purchaser's prime broker with the Depository Trust Company through its Deposit Withdrawal At Custodian system, provided that the Company's Common Stock is DTC eligible and the Company's transfer agent participates in the Deposit Withdrawal at Custodian system. Such delivery must be made on or before the Legend Removal Date.

(f) Injunction. In the event a Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares, the Company may not refuse to deliver unlegended shares based on any claim that such Purchaser or anyone associated or affiliated with such Purchaser has not complied with Purchaser's obligations under the Transaction Documents, or for any other reason, unless, an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such unlegended shares shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of such Purchaser in the amount of the greater of (i) 120% of the amount of the aggregate purchase price of the Shares which is subject to the injunction or temporary restraining order, or (ii) the VWAP of the Common Stock on the trading day before the issue date of the injunction multiplied by the number of unlegended shares to be subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such Purchaser to the extent Purchaser obtains judgment in Purchaser's favor.

(g) Buy-In. In addition to any other rights available to Purchaser, if the Company fails to deliver to a Purchaser unlegended shares as required pursuant to this Agreement and after the Legend Removal Date the Purchaser, or a broker on the Purchaser's behalf, purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Purchaser of the shares of Common Stock which the Purchaser was entitled to receive in unlegended form from the Company (a "Buy-In"), then the Company shall promptly pay in cash to the Purchaser (in addition to any remedies available to or elected by the Purchaser) the amount, if any, by which (A) the Purchaser's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (B) the aggregate purchase price of the shares of Common Stock delivered to the Company for reissuance as unlegended shares together with interest thereon at a rate of 15% per annum accruing until such amount and any accrued interest thereon is paid in full (which amount shall be paid as liquidated damages and not as a penalty). For example, if a Purchaser purchases shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to \$10,000 of purchase price of Shares delivered to the Company for reissuance as unlegended shares, the Company shall be required to pay the Purchaser \$1,000, plus interest, if any. The Purchaser shall provide the Company written notice indicating the amounts payable to the Purchaser in respect of the Buy-In.

4.2 Furnishing of Information: Public Information.

(a) Until no Purchaser owns any outstanding Securities, the Company covenants to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) At any time commencing on the Initial Closing Date and ending at such time that all of the Securities may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company shall fail for any reason to satisfy the current public information requirement under Rule 144(c) (a “Public Information Failure”) then, in addition to such Purchaser’s other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of such Purchaser’s Securities held by such Purchaser on the day of a Public Information Failure and on every thirtieth (30th) day (pro-rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchasers to transfer the Underlying Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this Section 4.3(b) are referred to herein as “Public Information Failure Payments.” Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit such Purchaser’s right to pursue actual damages for the Public Information Failure, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities by the Company in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall, by 9:00 a.m. (New York City time) on the third (3rd) Trading Day immediately following each Closing Date, issue a press release disclosing the material terms of the transactions contemplated hereby, and shall file a Current Report on Form 8-K including the Transaction Documents as exhibits thereto within the time period proscribed by the Exchange Act. From and after the issuance of such press release and Form 8-K, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market unless the name of such Purchaser is already included in the body of the Transaction Documents, without the prior written consent of such Purchaser, except: (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission, (b) as required to be included in the Registration Statement; and c) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (c).

4.5 Non-Public Information. Except for the schedules and exhibits to this Agreement and the Transaction Documents, and except to the extent the Company has entered into a non-disclosure, confidentiality or similar agreement with such Purchaser, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless (i) prior thereto such Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information, or (ii) such Purchaser receives such information in connection with serving as an officer and/or director of the Company. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.6 Use of Proceeds. The Company will use the net proceeds to the Company from the sale of the Shares hereunder as set forth on Schedule 4.6. The Company shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (b) for the redemption of any Common Stock or Common Stock Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of the law, including FCPA or OFAC.

4.7 Indemnification of Purchasers. Subject to the provisions of this Section 4.7, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such Purchaser Party's counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel for all Purchaser Parties. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.8 Reservation of Common Stock. Upon the obtaining of the requisite shareholder approval and the subsequent amendment to its articles of incorporation to increase the number of shares of Common Stock authorized for issuance thereunder and which must be accomplished no later than the Acquisition Closing Date, the Company will have reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Shares pursuant to this Agreement (other than Section 4.14 but only to the extent the number of shares of Common Stock issuable under Section 4.14 is not known) (such amount being the "Required Minimum"). If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Company's certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least the Required Minimum at such time, as soon as possible and in any event not later than the 60th day after such date.

4.9 Listing of Common Stock. The Company hereby agrees to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed, and concurrently with each Closing, the Company, if applicable, shall apply to list or quote all of the Shares on such Trading Market and promptly secure the listing of all of the Shares on such Trading Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Shares, and will take such other action as is necessary to cause all of the Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action necessary to continue the listing or quotation and trading of its Common Stock on a Trading Market until five years after the Final Closing Date and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market at least until five years after the Final Closing Date. In the event the aforescribed listing is not continuously maintained for five years after the date of such listing (a "Listing Default"), then in addition to any other rights the Purchasers may have hereunder or under applicable law, on the first day of a Listing Default and on each monthly anniversary of each such Listing Default date (if the applicable Listing Default shall not have been cured by such date) until the applicable Listing Default is cured, the Company shall pay to each Purchaser an amount in cash, as partial liquidated damages and not as a penalty, equal to 2% of the aggregate Subscription Amount of the Securities then held by such Purchaser on the day of a Listing Default and on every thirtieth day (pro-rated for periods less than thirty days) thereafter until the date such Listing Default is cured. If the Company fails to pay any liquidated damages pursuant to this Section in a timely manner, the Company will pay interest thereon at a rate of 1.5% per month (pro-rated for partial months) to the Purchaser.

4.10 Reimbursement. If any Purchaser becomes involved in any capacity in any Proceeding by or against any Person who is a stockholder of the Company (except as a result of sales, pledges, margin sales and similar transactions by such Purchaser to or with any current stockholder), solely as a result of such Purchaser's acquisition of the Securities under this Agreement, the Company will reimburse such Purchaser for its reasonable legal and other expenses (including the cost of any investigation preparation and travel in connection therewith) incurred in connection therewith, as such expenses are incurred. The reimbursement obligations of the Company under this paragraph shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any Affiliates of the Purchasers who are actually named in such action, proceeding or investigation, and partners, directors, agents, employees and controlling persons (if any), as the case may be, of the Purchasers and any such Affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Purchasers and any such Affiliate and any such Person. The Company also agrees that neither the Purchasers nor any such Affiliates, partners, directors, agents, employees or controlling persons shall have any liability to the Company or any Person asserting claims on behalf of or in right of the Company solely as a result of acquiring the Securities under this Agreement.

4.11 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration is also offered to all of the Purchasers that are parties to such Transaction Document. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.12 Management Lockup. Each of the officers and directors of the Company who will continue to be officers and directors of the Company shall execute and deliver a lockup agreement on the Initial Closing Date, in the form attached hereto as Exhibit E.

4.13 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including, without limitation, its obligation to issue the Shares pursuant to the Transaction Documents, are unconditional and absolute, but subject to the terms and conditions of the Transaction Documents, and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

4.14 Purchase Price Reset. From the date of this Agreement until the sooner of (i) the Purchaser and his permitted assigns no longer holds any Securities, and (ii) three years after the Initial Closing Date (the "Protection Period"), in the event that the Company issues or sells any shares of Common Stock or any Common Stock Equivalent (calculated on an as converted, as exercised basis) pursuant to which shares of Common Stock may be acquired at a price less than the Per Share Purchase Price (a "Share Dilutive Issuance") (adjusted as described in Section 5.23), then the Company shall promptly issue additional shares of Common Stock to the Purchasers who held outstanding Shares on the date of such Share Dilutive Issuance, for no additional consideration, in an amount sufficient that (a) the aggregate Subscription Amount paid at the Initial Closing and the Subsequent Closing, if any, for such outstanding Shares held by Purchasers on the date of such Share Dilutive Issuance (whether or not such Purchasers were the Purchasers at the Initial Closing or the Subsequent Closing, if any), when divided by (x) the sum of (i) the total number of outstanding Shares held by the Purchasers on the date of such Share Dilutive Issuance, (ii) any other shares of Common Stock then or theretofore issued in respect of such outstanding Shares (by stock split, stock dividend or otherwise) that resulted in an adjustment to the Per Share Purchase Price referred to above pursuant to Section 5.23, and (iii) all Additional Shares issued with respect to such outstanding Shares held by the Purchasers on the date of such Share Dilutive Issuance that were issued as a result of Share Dilutive Issuances that occurred prior to such Share Dilutive Issuance, will equal the price per share of Common Stock in such Share Dilutive Issuance, (each such adjustment, a "Share Dilution Adjustment", and such shares, the "Additional Shares"). The Additional Shares to be issued in a Share Dilution Adjustment shall be issued by the Company to the Purchasers who held outstanding Shares on the date of the applicable Share Dilutive Issuance (in proportion to the number of such Shares held by such Purchasers on the date of such Share Dilutive Issuance). Such Share Dilution Adjustment shall be made successively whenever such an issuance is made. Such Additional Shares must be delivered to the applicable Purchasers not later than the date the Share Dilutive Issuance occurs.

Notwithstanding the foregoing, this Section 4.14 shall not apply in respect of an Exempt Issuance. No adjustment shall be made hereunder which would require the Purchaser to surrender any shares to the Company. The holder of outstanding Additional Shares is granted the same rights and benefits as a holder of outstanding Shares pursuant to the Transaction Documents, except the rights and benefits of this Section 4.14 and except that such rights and benefits shall not apply to a holder of outstanding Additional Shares after such outstanding Additional Share has been irrevocably sold pursuant to an effective registration statement under the Securities Act or pursuant to Rule 144 without further restrictions or conditions to transfer pursuant to Rule 144.

4.15 Most Favored Nation Provision. From the date hereof until the earlier of (i) such time as no Purchaser holds any outstanding Securities and (ii) the end of the Protection Period, in the event that the Company issues or sells any Common Stock, if a Purchaser then holding outstanding Securities reasonably believes that any of the terms and conditions appurtenant to such issuance or sale are more favorable to such investors than are the terms and conditions granted to the Purchasers hereunder, upon notice to the Company by such Purchaser within five Trading Days after disclosure of such issuance or sale, the Company shall amend the terms of this transaction as to such Purchaser only so as to give such Purchaser the benefit of such more favorable terms or conditions. This Section 4.15 shall not apply with respect to an Exempt Issuance.

4.16 DTC Program. From the date hereof until such time as no Purchaser holds any outstanding Securities, the Company will employ as the transfer agent for the Common Stock a participant in the Depository Trust Company Automated Securities Transfer Program and cause the Common Stock to be transferable pursuant to such program, if it is determined by the Company to be commercially reasonable to do so.

4.17 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the sale of the Securities by the Company under this Agreement as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

4.18 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.19 Board of Directors Shares. The Company will issue up to an aggregate of 6,500,000 shares (1,000,000 shares to each executive other than Saul Hyatt who will get 500,000 shares) to the following executives of the Company pursuant to new employment and/or consulting agreements to be delivered to Purchasers prior to the Initial Closing: Howard Balaban, Larry Balaban, Jeanene Morgan, Denise Kovac, Michael Meader, Saul Hyatt and Klaus Moeller. For the avoidance of doubt, shares of Common Stock issuable pursuant to this Section 4.19 shall be deemed an "Exempt Issuance" under the terms of this Agreement.

4.20 Variable Rate Transaction. From the date hereof until the date that is the one year anniversary of the Final Closing Date, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents for cash consideration (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock other than in connection with a stock split or similar event, or (ii) enters into any agreement, including, but not limited to, an equity line of credit, whereby the Company may sell securities at a future determined price. Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages. Notwithstanding the foregoing, this Section 4.20 shall not apply in respect of (i) any rights offering, or (ii) any Exempt Issuance, except that no Variable Rate Transaction, shall be an Exempt Issuance.

4.21 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales, of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly disclosed or required to be disclosed, whichever occurs first, in the Form 8-K described in Section 4.4. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed or required to be publicly disclosed, whichever occurs first, by the Company in such Form 8-K, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are required to be disclosed in the Form 8-K described in Section 4.4, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first disclosed or required to be disclosed, whichever occurs first, in the Form 8-K described in Section 4.4, and (iii) no Purchaser shall have any duty of confidentiality to the Company or its Subsidiaries after the filing of such Form 8-K or after the date such Form 8-K is required to have been filed, whichever occurs first. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.22 Intentionally Omitted.

4.23 Intentionally Omitted.

4.24 Purchaser's Exercise Limitations. The Company shall not effect any exercise of the rights granted to each Purchaser in Sections 4.14 and 4.15 of this Agreement, and a Purchaser shall not have the right to exercise nor enforce any such right, pursuant to Section 4.14 and 4.15, to the extent that after giving effect to the application of such rights, the Purchaser (together with the Purchaser's Affiliates, and any other Persons acting as a group together with the Purchaser or any of the Purchaser's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Purchaser and its Affiliates shall include the number of shares of Common Stock issuable upon application of Section 4.14 and 4.15 with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Purchaser or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 4.24, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Purchaser that the Company is not representing to the Purchaser that such calculation is in compliance with Section 13(d) of the Exchange Act and the Purchaser is solely responsible for any schedules required to be filed in accordance therewith. To ensure compliance with this restriction, upon the Company's notification to a Purchaser that an event has occurred or been consummated which would result in the issuance of additional securities of the Company to the Purchaser pursuant to Section 4.14 and/or Section 4.15, a Purchaser will be deemed to represent to the Company that such issuance has not violated the restrictions set forth in this paragraph if such Purchaser does not provide to the Company a written statement to the contrary, within five (5) Trading Days of such notification, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4.24, in determining the number of outstanding shares of Common Stock, a Purchaser may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Purchaser, the Company shall within three Trading Days confirm orally and in writing to the Purchaser the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company (subject to any beneficial ownership limitations contained therein, by the Purchaser or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99%, (unless a Purchaser elects on its signature page hereto a different amount as its own Beneficial Ownership Limitation) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon application of Sections 4.14 and 4.15 which would not exceed at such time the Beneficial Ownership Limitation. The Purchaser, upon not less than 61 days' prior notice to the Company, may increase the Beneficial Ownership Limitation provisions of this Section 4.24 (for the avoidance of doubt, a Purchaser may on its signature page hereto to waive such Beneficial Ownership Limitation in its entirety (which such waiver shall be effective 61 days' after the Closing Date) or set a different amount as its own Beneficial Ownership Limitation) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon application of Sections 4.14 and 4.15 which would not exceed at such time the Beneficial Ownership Limitation and the provisions of this Section 4.24 shall continue to apply. Any such increase will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4.24 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. In the event the limitations in this Section 4.24 would prevent the application of a Purchaser's rights under Sections 4.14 or 4.15, then such Purchaser may exercise all such rights and comply with all obligations applicable thereto except that the delivery of Common Stock will be deferred until such time as such Purchaser provides notice to the Company that such Purchaser may receive or beneficially own such Common Stock which exceeds the Beneficial Ownership Limitation applicable to such Purchaser without exceeding such then applicable Beneficial Ownership Limitation.

4.25 Maintenance of Property. The Company shall keep all of its property, which is necessary or useful to the conduct of its business, in good working order and condition, ordinary wear and tear excepted.

4.26 Preservation of Corporate Existence. The Company shall preserve and maintain its corporate existence, rights, privileges and franchises in the jurisdiction of its incorporation, and qualify and remain qualified, as a foreign corporation in each jurisdiction in which such qualification is necessary in view of its business or operations and where the failure to qualify or remain qualified might reasonably have a Material Adverse Effect upon the financial condition, business or operations of the Company taken as a whole.

4.27 Acquisition. On or before the Acquisition Closing Date, the Company will acquire the assets of A Squared Entertainment (“A2”) (“Acquisition”). As a condition to such Acquisition, as of the Acquisition Closing Date, A2 must have net positive cash reflected on its balance sheet equal to the Company’s net cash balance on the Acquisition Closing Date, calculated based on the mutual agreement of the Company and A2.

ARTICLE V. MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser’s obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice given at any time to the Company, if the Initial Closing has not been consummated on or before November 30, 2013; provided, however, that such termination will not affect the right of any party to sue for any breach by any other party (or parties). In the event of any termination by a Purchaser under this Section 5.1, the Company shall promptly (and in any event within two (2) Business Days of such termination) send a Subscription Termination Notice (as defined in the Escrow Agreement) to the Escrow Agent with respect to all of such Purchaser’s subscription amount.

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents and on Schedule 3.1(s) to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees, stamp taxes and other similar taxes and duties levied in connection with the delivery of any Securities to the Purchasers. At the Initial Closing the Company agrees to pay pursuant to the Escrow Agreement reasonable legal and Escrow Agent fees of G&M in the amount of \$25,000, counsel to some of the Purchasers, incurred in connection with the negotiation, preparation, execution and delivery of the Transaction Documents.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to: Genius Brands International Inc., 3111 Camino del Rio North, Suite 400, San Diego, CA 92108, Attn: **Jeanene Morgan, Chief Financial Officer**, facsimile: (619) 281-2503 with a copy by fax only to (which shall not constitute notice): Sichenzia Ross Friedman Ference LLP, 61 Broadway, 32nd Floor, New York, NY 10006, Attn: Harvey Kesner, Esq., facsimile: (212) 930-9725, and (ii) if to the Purchasers, to: the addresses and fax numbers indicated on the signature pages hereto, with an additional copy by fax only to (which shall not constitute notice): Grushko & Mittman, P.C., 515 Rockaway Avenue, Valley Stream, New York 11581, facsimile: (212) 697-3575.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Lead Investor Erick Richardson provided such modification or amendment shall not result in the Lead Investor or any other Purchaser becoming a control person as defined in Rule 405 of the Securities Act of 1933 nor cause the Lead Investor or any other Purchaser to exceed the Beneficial Ownership Limitation, in which case, such modification or amendment must be signed by the Company and the Purchasers holding at least a majority in interest of the component of the affected Securities then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger or as a result of the Acquisition). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.7.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then in addition to the obligations of the Company under Section 4.7, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities at the Closings for the applicable statute of limitations.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon surrender and cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft, destruction, or mutilation, and of the ownership of such Security. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity and bonds) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereof or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. For reasons of administrative convenience only, each Purchaser and its respective counsel have chosen to communicate with the Company through G&M. G&M does not represent all of the Purchasers. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.18 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts due thereunder have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.19 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.20 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.21 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the Initial Closing Date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.22 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

5.23 Equitable Adjustment. Trading volume amounts, price/volume amounts and similar figures in the Transaction Documents shall be equitably adjusted (but without duplication) to offset the effect of stock splits, similar events and as otherwise described in this Agreement.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

GENIUS BRANDS INTERNATIONAL INC.

Address for Notice:

3111 Camino del Rio North, Suite 400
San Diego, CA 92108
Fax: (619) 281-2503

By: _____

Name:

Title: Chief Executive Officer

With a copy to (which shall not constitute notice):

Sichenzia Ross Friedman Ference LLP

61 Broadway, 32nd Floor

New York, NY 10006

Attn: Harvey Kesner, Esq.

Fax: (212) 930-9725

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO GENIUS BRANDS INTERNATIONAL INC.
SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Address for Notice of Purchaser:

Address for Delivery of Common Stock for Purchaser (if not same as address for notice):

Initial Closing Subscription Amount: US\$ _____

Initial Closing Shares: _____

Subsequent Closing Subscription Amount: US\$ _____

Subsequent Closing Shares: _____

EIN Number, if applicable, will be provided under separate cover: _____

Beneficial Ownership Limitation

£ If this box is checked, then pursuant to Section 4.24 of the Securities Purchase Agreement, the above identified Purchaser elects to waive the Beneficial Ownership limitation in its entirety which waiver shall be effective 61 days from the Closing Date.

Signature of Authorized Signatory of Purchaser

Pursuant to Section 4.24 of the Securities Purchase Agreement, the above identified Purchaser elects for itself as its Beneficial Ownership Limitation _____%. [Please complete]

If no number is imprinted above the initial Beneficial Ownership Limitation shall be 9.99%.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this “Agreement”) is made and entered into as of October __ 2013, between Genius Brands International Inc., a Nevada corporation (the “Company”), and each of the several purchasers signatory hereto (each such purchaser, a “Purchaser” and, collectively, the “Purchasers”).

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the date hereof, between the Company and each Purchaser (the “Purchase Agreement”).

The Company and each Purchaser hereby agrees as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

“Advice” shall have the meaning set forth in Section 6(d).

“Effectiveness Date” means, with respect to the Initial Registration Statement required to be filed hereunder, the 125th calendar day following the Filing Date of the Initial Registration Statement and with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the 100th calendar day following the date on which an additional Registration Statement is required to be filed hereunder; provided, however, that in the event the Company is notified by the Commission that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to such Registration Statement shall be the fifth Trading Day following the date on which the Company is so notified if such date precedes the dates otherwise required above, provided, further, if such Effectiveness Date falls on a day that is not a Trading Day, then the Effectiveness Date shall be the next succeeding Trading Day.

“Effectiveness Period” shall have the meaning set forth in Section 2(a).

“Event” shall have the meaning set forth in Section 2(d).

“Event Date” shall have the meaning set forth in Section 2(d).

“Filing Date” means (i) with respect to the Initial Registration Statement required hereunder, (ii) the 90th calendar day after the Initial Closing Date, and (iii) with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

“Holder” or “Holders” means the holder or holders, as the case may be, from time to time of Registrable Securities.

“Indemnified Party” shall have the meaning set forth in Section 5(c).

“Indemnifying Party” shall have the meaning set forth in Section 5(c).

“Initial Registration Statement” means the initial Registration Statement filed pursuant to this Agreement.

“Losses” shall have the meaning set forth in Section 5(a).

“Plan of Distribution” shall have the meaning set forth in Section 2(a).

“Prospectus” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“Registrable Securities” means, as of any date of determination, (a) all of the Shares issued on the Initial Closing Date, (b) after issuance, all of the Shares issued on a Subsequent Closing Date, (c) any Additional Shares and shares of Common Stock issuable in connection with any anti-dilution provisions in Section 5.23 of the Purchase Agreement, (d) any additional shares of Common Stock issued prior to the Effectiveness Date in connection with any anti-dilution provisions set forth in the Purchase Agreement, and (e) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company).

“Registration Statement” means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 2(c) or Section 3(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

“Rule 415” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Selling Stockholder Questionnaire” shall have the meaning set forth in Section 3(a).

“SEC Guidance” means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

“Shares” means the Shares of Common Stock issued or issuable to each Purchaser on the Initial Closing Date and Subsequent Closing Date pursuant to the Purchase Agreement.

2. Company Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith, subject to the provisions of Section 2(e)) and shall contain (unless otherwise directed by Holders of at least a majority in interest of the Registrable Securities then outstanding) substantially the “Plan of Distribution” attached hereto as Annex A. Subject to the terms of this Agreement, the Company shall use its best efforts to cause a Registration Statement filed under this Agreement (including, without limitation, under Section 3(c)) to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its best efforts to keep such Registration Statement continuously effective under the Securities Act until all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders (**assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company**) (the “Effectiveness Period”). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. Eastern Time on a Trading Day. The Company shall immediately notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall, by 9:30 a.m. Eastern Time on the within the time constraints proscribed by Rule 424 of the Securities Act, after the effective date of such Registration Statement, file a final Prospectus with the Commission if so required by Rule 424. Failure to so notify the Holder within one (1) Trading Day of such notification of effectiveness or failure to file a final Prospectus (if required) as foresaid shall be deemed an Event under Section 2(d).

(b) Notwithstanding the registration obligations set forth in Section 2(a), if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission, on Form S-1 or such other form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2(e); provided, however, that prior to filing such amendment, the Company shall be obligated to use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09.

(c) Notwithstanding any other provision of this Agreement and subject to the payment of liquidated damages pursuant to Section 2(d), if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement shall reduce or eliminate any securities to be included by any Person other than a Holder.

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

Anything herein to the contrary notwithstanding, in no event may the Registrable Securities included for registration in the Initial Registration Statement be fewer than the amount of Shares issued to the Holders on the Initial Closing Date, as same may be increased pursuant to the Transaction Documents.

(d) If: (i) a Registration Statement is not filed on or prior to its Filing Date) (if the Company files a Registration Statement without affording the Holders the opportunity to review and comment on the same as required by Section 3(a) herein, the Company shall be deemed to have not satisfied this clause (i)), or (ii) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the Commission in respect of such Registration Statement within twenty (20) calendar days after the receipt of comments by or notice from the Commission that such amendment is required in order for such Registration Statement to be declared effective, or (iv) a Registration Statement registering for resale all of the Registrable Securities is not declared effective by the Commission by the Effectiveness Date of the Initial Registration Statement, or (v) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than ten (10) consecutive calendar days or more than an aggregate of thirty (30) calendar days (which need not be consecutive calendar days) during any 12-month period (any such failure or breach being referred to as an "Event", and for purposes of clauses (i) and (iv), the date on which such Event occurs, and for purpose of clause (ii) the date on which such five (5) Trading Day period is exceeded, and for purpose of clause (iii) the date which such ten (10) Trading Day period is exceeded, and for purpose of clause (v) the date on which such ten (10) or thirty (30) calendar day period, as applicable, is exceeded being referred to as "Event Date"), then, in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to 1% of the aggregate (not to exceed 6% of the aggregate, in total) purchase price paid by such Holder pursuant to the Purchase Agreement for the Registrable Securities. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 12% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of an Event.

(e) If Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form and (ii) undertake to register the Registrable Securities on Form S-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the Commission.

3. Registration Procedures. In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than five (5) Trading Days prior to the filing of each Registration Statement and not less than one (1) Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to each Holder copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act. Notwithstanding the above, the Company shall not be obligated to provide the Holders advance copies of any universal shelf registration statement registering securities in addition to those required hereunder, or any Prospectus prepared thereto. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than five (5) Trading Days after the Holders have been so furnished copies of a Registration Statement or one (1) Trading Day after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex B (a "Selling Stockholder Questionnaire") on a date that is not less than two (2) Trading Days prior to the Filing Date or by the end of the fourth (4th) Trading Day following the date on which such Holder receives draft materials in accordance with this Section.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement (other than for reasons relating to Rule 415 as set out in Section 2(c) or as otherwise determined by the Commission), then the Company shall file as soon as reasonably practicable, but in any case prior to the applicable Filing Date, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one (1) Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided, however, in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

(e) Use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) The Company shall cooperate with any broker-dealer through which a Holder proposes to resell its Registrable Securities in effecting a filing with the FINRA Corporate Financing Department pursuant to FINRA Rule 5110, as requested by any such Holder, and such broker-dealer shall pay the filing fee required by such filing within two (2) Business Days of request therefor.

(i) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(j) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(k) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(k) to suspend the availability of a Registration Statement and Prospectus, subject to the payment of partial liquidated damages otherwise required pursuant to Section 2(d), for a period not to exceed 60 calendar days (which need not be consecutive days) in any 12-month period.

(l) Comply with all applicable rules and regulations of the Commission.

(m) From and after the date the Company becomes eligible to use Form S-3, the Company shall use its best efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(n) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) if not previously paid by the Company in connection with an Issuer Filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with Section 6(h).

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with any applicable prospectus delivery requirements of the Securities Act through no fault of the Company or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus or (ii) to the extent, but only to the extent, that such information relates to such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), to the extent, but only to the extent, related to the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Holder under this Section 5(b) be greater in amount than the dollar amount of the net proceeds actually received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that, the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party; provided, that, the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute pursuant to this Section 5(d), in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) No Piggyback on Registrations; Prohibition on Filing Other Registration Statements. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in any Registration Statements other than the Registrable Securities. The Company shall not file any other registration statements (other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans which are Exempt Issuances) until all Registrable Securities are registered pursuant to a Registration Statement that is declared effective by the Commission. The prohibitions of this Section 6(b) shall not be applicable to any registration rights obligations the Company may have or will have in connection with the Acquisition.

(c) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to a Registration Statement.

(d) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company agrees and acknowledges that any periods during which the Holder is required to discontinue the disposition of the Registrable Securities hereunder shall be subject to the provisions of Section 2(d).

(e) Piggy-Back Registrations. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen days after the date of the delivery of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered; provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this Section 6(e) that are eligible for resale pursuant to Rule 144 (without the requirement for the Company to be in compliance with current public information under Rule 144 and without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company).

(f) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of a majority of the then outstanding Registrable Securities (for purposes of clarification, this includes any Registrable Securities issuable upon exercise or conversion of any Security). If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(f). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(h) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under Section 5.7 of the Purchase Agreement.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Except as set forth on Schedule 6(i), neither the Company nor any of its Subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any Person that have not been satisfied in full.

(j) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

(k) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(l) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(m) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(n) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(o) Independent Nature of Holders’ Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**GENIUS BRANDS INTERNATIONAL INC.,
A NEVADA CORPORATION**

By: _____
Name:
Title:

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS TO GENIUS BRANDS
INTERNATIONAL INC. RRA]

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Address for Notice of Purchaser: _____

[SIGNATURE PAGES CONTINUE]

Annex A

Plan of Distribution

Each Selling Stockholder (the “Selling Stockholders”) of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the OTC Bulletin Board, OTCQB or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The Selling Stockholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the Selling Stockholders.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for the Company to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

Annex B

GENIUS BRANDS INTERNATIONAL INC.

Selling Stockholder Notice and Questionnaire

The undersigned beneficial owner of common stock (the “Registrable Securities”) of Genius Brands International Inc., a Nevada corporation (the “Company”), understands that the Company has filed or intends to file with the Securities and Exchange Commission (the “Commission”) a registration statement (the “Registration Statement”) for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the “Registration Rights Agreement”) to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling stockholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the “Selling Stockholder”) of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name.

- (a) Full Legal Name of Selling Stockholder

- (b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

- (c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

2. Address for Notices to Selling Stockholder:

Telephone: _____

Fax: _____

Contact Person: _____

3. Broker-Dealer Status:

- (a) Are you a broker-dealer?
- Yes £ No £
- (b) If “yes” to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?
- Yes £ No £
- (c) Are you an affiliate of a broker-dealer?
- Yes £ No £
- (d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?
- Yes £ No £

Note: If “no” to Section 3(d), the Commission’s staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Stockholder.

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Purchase Agreement.

- (a) Type and Amount of other securities beneficially owned by the Selling Stockholder:
-

5. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Date: _____

Beneficial Owner: _____

By: _____

Name:

Title:

PLEASE FAX A COPY (OR EMAIL A .PDF COPY) OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE, AND RETURN THE ORIGINAL BY OVERNIGHT MAIL, TO:

EMPLOYMENT AGREEMENT

AGREEMENT, made as of this 15th day of November 2013 (the "Effective Date"), by and between Genius Brands International, Inc., a company formed under the laws of the State of Nevada, with its principal place of business at 9401 Wilshire #608, Beverly Hills, CA 90212 ("Company"), and ANDREW HEYWARD, residing at 1634 Blue Jay Way, Los Angeles, CA 90069 ("Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Employment.** Subject to the terms and conditions set forth in this Agreement, the Company hereby offers and the Executive hereby accepts employment, effective as of the Effective Date.

2. **Term.** Subject to earlier termination as hereafter provided, the Executive shall be employed hereunder for a term commencing on the Effective Date and ending Five (5) years thereafter, which term shall only be extended by written agreement of the parties; it being agreed, however, that neither party is obligated to agree to an extension. The term of the Executive's employment under this Agreement, including any mutually agreed upon extension, is hereafter referred to as "the term of this Agreement" or "the term hereof." The date of termination of the Executive's employment hereunder is hereinafter referred to as the "Date of Termination."

3. Duties and Rights.

3.1. Executive shall be employed as Chief Executive Officer of the Company. In such capacity, Executive's duties shall include overall management of the Company, subject to the control and direction of the Board of Directors ("Board") of the Company to which Executive shall report. Executive shall also perform such other duties as, from time to time, are designated by the Board of Directors of the Company, provided the same are always consistent with his status as Chief Executive Officer. During the term of this Agreement, Executive shall devote all of his business time and efforts to the affairs of the Company and its Subsidiaries provided that Executive shall be permitted to provide limited services in connection with those directorships or positions disclosed on Exhibit A or as disclosed to and approved by the Board of Directors hereto only to the extent that such services do not interfere with Executive's rendering of his services to the Company hereunder. Executive shall use his best efforts to perform all such services diligently and to the best of his ability and will at all times use his best efforts to enhance the business of the Company.

3.2. Executive shall be entitled to no additional compensation for serving as a member of the Board.

3.3. Executive shall have the right in his sole discretion to hire and terminate the employment of all employees of the Company and its Subsidiaries other than other officers of the Company, which such hiring and termination must be pre-approved by the Board.

4. Compensation and Benefits. As compensation for all services performed by the Executive under this Agreement and subject to performance of the Executive's duties and obligations to the Company and its Affiliates, pursuant to this Agreement:

4.1. **Base Salary.** During the term hereof, the Company shall pay the Executive a base salary at the rate of \$200,000 per year, payable in accordance with the regular payroll practices of the Company for its executives generally and subject to increase, but not decrease, from time to time by the Board in its sole discretion. Such base salary, as described in the previous sentence, is hereafter referred to as the "Base Salary."

4.2. **Bonus Compensation.** During the term hereof, the Executive shall be eligible to receive a bonus (the "Discretionary Bonus") for each fiscal year, prorated for any period of service less than one year, as provided herein. The amount and timing of the Discretionary Bonus, if any, shall be determined by the Compensation Committee of the Board (or, in the absence of a Compensation Committee, the Board, in which case all references to the Compensation Committee hereunder shall be deemed to be a reference to the Board), in its sole discretion, based on the Executive's performance and that of the Company and its Affiliates and such other criteria as the Compensation Committee may consider in its sole discretion. The Discretionary Bonus shall be paid by the Company to the Executive promptly after determination that the relevant targets (which shall be issued and reviewed on an annual basis) have been met, it being understood that the attainment of any financial targets associated with any bonus shall not be determined until following the completion of the Company's annual audit and public announcement of such results and shall be paid promptly following the Company's announcement of earnings. The Compensation Committee may review the Executive's performance from time to time and may provide for lesser or greater bonus payments based upon achievement of partial or additional criteria established or determined by the Compensation Committee from time to time. Whenever any Discretionary Bonus payable to the Executive is stated in this Agreement to be prorated for any period of service less than a full year, such Discretionary Bonus shall be prorated by multiplying (x) the amount of the Discretionary Bonus otherwise payable for the applicable fiscal year in accordance with this Section 4.2 by (y) a fraction, the denominator of which shall be 365 and the numerator of which shall be the number of days during the applicable fiscal year for which the Executive was employed by the Company. Any compensation paid to the Executive as Discretionary Bonus shall be in addition to the Base Salary, as well as participation in any other incentive, stock option, stock purchase, profit sharing, deferred compensation, bonus compensation or severance plan, program or arrangement which the Company or any of its Affiliates may adopt or continue from time to time for which the Executive is eligible, each as in accordance with any subscription agreement, stock option plan, and stock option agreement identified, from time to time.

4.3. **Expenses.** It is recognized that Executive in the performance of his duties hereunder may be required to expend reasonable sums for travel and for entertainment of various persons, including representatives of companies with whom the Company has or might expect to have business relations. During the term hereof, the Company shall either advance funds to Executive or reimburse Executive for reasonable business expenses incurred by him in connection with the performance of his duties hereunder, provided Executive properly accounts therefor in accordance with the Company's policies and procedures.

4.4. **Benefits.** Executive shall be entitled to receive from the Company during the term hereof those benefits and perquisites made available to senior executives from time to time. The Company may also take out and maintain during the term hereof life insurance on the life of Executive in the amount of \$1,000,000 naming as beneficiary thereof either the estate of Executive or any other beneficiary designated by Executive (the "Life Insurance Policy").

4.5 **Clawback Rights.** All amounts paid to Executive by the Company (other than Executive's Base Salary and reimbursement of expenses pursuant to paragraph 4.3 hereof) during the term of this Agreement and any time thereafter and any and all stock based compensation (such as options and equity awards,) granted during the term hereof and any time thereafter (collectively, the "Clawback Benefits") shall be subject to "Clawback Rights" as follows: during the period that the Executive is employed by the Company and upon the termination or expiration of the Executive's employment and for a period of three (3) years thereafter, if any of the following events occurs, Executive agrees to repay or surrender to the Company the Clawback Benefits as set forth below:

- (a) if the Company restates (a "Restatement") any published financial statement that has been filed with the Securities and Exchange Commission covering any period commencing after the Effective Date of this Agreement from which any Clawback Benefits to Executive shall have been determined (such restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared), then the Executive agrees to immediately repay or surrender upon demand by the Company any Clawback Benefits which were determined by reference to any Company financial results reflected in financial statements which were later restated, to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the Restatement of the Company's financial statements. All Clawback Benefits amounts resulting from such Restatements shall be retroactively adjusted by the Compensation Committee to take into account the relevant restated financial information and if any excess portion of the Clawback Benefits resulting from such restated information is not so repaid or surrendered by the Executive within ninety (90) days of the revised calculation being provided to the Executive by the Company following a publicly announced Restatement, the Company shall have the right to take any and all action to effectuate such adjustment.

- (b) if any material breach of any agreement by Executive relating to confidentiality, non-competition, non-raid of employees, or non-solicitation of vendors or customers (including, without limitation, Sections 7 or 8 hereof) or if any material breach of Company policy or procedures which causes material harm to the Company occurs, as determined by a final judgment from a court of competent jurisdiction, then the Executive agrees to repay or surrender any Clawback Benefits upon demand by the Company and if not so repaid or surrendered within ninety (90) days of such demand, the Company shall have the right to take any and all action to effectuate such adjustment.

The amount of Clawback Benefits to be repaid or surrendered to the Company shall be determined by the Compensation Committee and applicable law, rules and regulations. All determinations by the Compensation Committee with respect to the Clawback Rights shall be final and binding on the Company and Executive. The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd Frank Act") and requires recovery of all "incentive-based" compensation, pursuant to the provisions of the Dodd Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd Frank Act and such rules and regulation as hereafter may be adopted and in effect.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term of this Agreement under the following circumstances:

5.1. Retirement or Death. In the event of the Executive's retirement or death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In the event of the Executive's retirement after the age of sixty-five or death during the term hereof, the Company shall pay to the Executive (or in the case of death, the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate) (i) any Base Salary and accrued vacation earned but unpaid through the date of such retirement or death, (ii) any Discretionary Bonus for the fiscal year preceding that in which such retirement or death occurs that was granted but has not yet been paid, (iii) at the times the Company pays its executives bonuses in accordance with its general payroll policies, an amount equal to that portion of any Discretionary Bonus, if any, earned but unpaid during the fiscal year of such retirement or death (pro-rated in accordance with Section 4.2), (iv) reimbursement for any reasonable expenses of the types specified in Section 4.3 incurred with respect to periods prior to date of such retirement or death. In the event of the Executive's death during the term hereof, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate, (x) proceeds from the Life Insurance Policy.

5.2. Disability.

5.2.1. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during his employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, in the opinion of the Board of Directors based upon the advice of a physician chosen by the Board, Executive is unable to perform substantially all of his duties and responsibilities hereunder for one hundred twenty (120) consecutive days or an aggregate of one hundred eighty (180) days during any period of three hundred and sixty-five (365) consecutive calendar days.

5.2.2. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability. Notwithstanding any such designation, while he is employed by the Company and has not yet become eligible for disability income benefits under any disability income plan maintained by the Company, the Executive shall continue to receive the Base Salary in accordance with Section 4.1 and to receive benefits in accordance with Section 4.4, to the extent permitted by the then-current terms of the applicable benefit plans. Upon becoming so eligible, and until the termination of his employment because of disability, the Company shall pay to the Executive, at its regular pay periods, an amount equal to the excess, if any, of the Executive's monthly base compensation in effect at the time of eligibility (i.e. 1/12th of the Base Salary) over the amounts of disability income benefits that the Executive is otherwise eligible to receive. Upon termination of the Executive's employment because of disability, the Company shall pay to the Executive (i) any Base Salary earned but unpaid through the Date of Termination, (ii) any Discretionary Bonus for the fiscal year preceding the year of termination that was earned but unpaid, (iii) at the time the Company pays its executives bonuses generally, the Company shall pay the Executive an amount equal to that portion of any Discretionary Bonus, if any, earned but unpaid during the fiscal year of such termination (pro-rated in accordance with Section 4.2) and (iv) reimbursement of any reasonable expenses incurred by him in the performance of his duties hereunder in accordance with the customary policies of the Company. During the 6 month period (or the remaining months of the Term if less than 6 months) following the termination of the Executive's employment because of disability, the Company shall pay the Executive, at its regular pay periods, an amount equal to the excess, if any, of the Executive's monthly base compensation in effect at the time of termination (i.e. 1/12th of the Base Salary) over the amounts of disability income benefits that the Executive is otherwise eligible to receive pursuant to the above-referenced disability income plan in respect of such period ("Disability Payments"), provided that the Executive signs an Employee Release as defined in Section 6.1 below.

5.2.3. Except as provided in Section 5.2.2, while the Executive is receiving Disability Payments, the Executive shall not be entitled to receive any Base Salary under Section 4.1 or Discretionary Bonus payments under Section 4.2, but the Executive shall continue to participate in benefit plans of the Company in accordance with Section 4.4 and the terms of such plans, until the termination of his employment. During the six month period from the date of eligibility for Disability Payments or termination of employment under this Section 5.2, the Company shall continue to contribute to the cost of the Executive's participation in one of the group medical plans of the Company, in the same percentage as the Company was contributing at the time of termination of the Executive's employment, provided that the Executive is entitled to continue such participation under applicable law and plan terms.

5.2.4. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive or his duly appointed guardian, if any, has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Board's determination of the issue shall be binding on the Executive.

5.3. By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following events or conditions shall constitute "Cause" for termination: (i) the willful and continued failure of the Executive to perform substantially his duties and responsibilities for the Company (other than any such failure resulting from Executive's death or Disability) after a written demand by the Board for substantial performance is delivered to the Executive by the Company, which specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties and responsibilities, which willful and continued failure is not cured by the Executive within thirty (30) days of his receipt of such written demand; (ii) the material breach by the Executive of any material provision of this Agreement, if such breach results in a material adverse effect on the Company or its Subsidiaries and if the breach is not cured by the Executive within thirty (30) days of his receipt of such written demand therefore (for the avoidance of doubt, the violation of Section 8.1, 8.3 and 8.5 of this Agreement shall be considered an immediate material breach of a material provision of this Agreement and not subject to the foregoing notice or cure provisions); (iii) the commission of fraud, embezzlement or theft by the Executive; (iv) the conviction of the Executive of, or plea by the Executive of nolo contendere to, any felony or any other crime involving dishonesty or moral turpitude.

Upon the giving of notice of termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation or liability to the Executive hereunder, other than for payment of any Base Salary earned but unpaid through the Date of Termination. Without limiting the generality of the foregoing, the Executive shall not be entitled to receive any Discretionary Bonus amounts which have not been paid prior to the Date of Termination hereunder for Cause or following a Material Adverse Event.

5.4. Post-Agreement Employment. In the event the Executive remains in the employ of the Company or any of its Affiliates following termination of this Agreement, by the expiration of the term hereof or otherwise, then such employment shall be at will.

6. Effect of Termination. The provisions of this Section 6 shall apply in the event of termination, whether such termination is due to the expiration of the term hereof, is pursuant to Section 5, or otherwise.

6.1. Payment in Full. Payment by the Company of any Base Salary, Discretionary Bonus or other specified amounts which are due the Executive under the applicable termination provision of Section 5 shall constitute the entire obligation hereunder of the Company and its Affiliates to the Executive. Any obligation of the Company to provide the Executive Disability Payments, or Discretionary Bonus payments under this Agreement is expressly conditioned, however, upon the Executive signing a release of claims provided by the Company (the "Employee Release") within twenty-one days of the date on which he gives or receives, as applicable, notice of termination of employment and upon the Executive not revoking the Employee Release thereafter. The obligations of the Company to the Executive under Sections 5.2 or 5.4 hereof are also expressly conditioned upon the Executive's continued full performance of his obligations under Sections 7 and 8 hereof. The Executive agrees that if he violates any term of Sections 7 and/or 8 at any time, he shall have no entitlement to Disability Payments under Sections 5.2, and that he will promptly reimburse the Company on demand for all monies previously paid to him or on his behalf prior to the date of such violation under Sections 5.2 or 5.4 of this Agreement. The Executive recognizes that, except as expressly provided in Section 5, no compensation is earned after termination of employment.

6.2. Termination of Benefits. Except for medical insurance coverage continued pursuant to Sections 5.2 hereof, the continuation of any benefits pursuant to Section 5.4 hereof and any right of continuation of health coverage at the Executive's cost to the extent provided by Sections 601 through 608 of ERISA, benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive's employment without regard to any continuation of Base Salary or other payments to the Executive following termination of his employment.

6.3. Survival of Certain Provisions. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purpose of other surviving provisions, including without limitation the obligations of the Executive under Sections 7 and 8 hereof.

7. Confidential Information; Intellectual Property.

7.1. Confidentiality. The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive acknowledges the importance to the Company and its Affiliates of protecting their Confidential Information and other legitimate interests, and agrees that all Confidential Information which he creates or to which he has access as a result of employment with or service as a director of the Company and its Affiliates is and shall remain the sole and exclusive property of the Company and its Affiliates. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never use or disclose to any Person (except as required by applicable law or for the proper performance of his duties and responsibilities to the Company and its Affiliates) any Confidential Information obtained by the Executive incident to his employment with or service as a director of the Company or any of its Affiliates. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination.

7.2. Return of Documents. All documents, records, files, audio tapes, videotapes and any other media, however stored, of whatever kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall not copy any Documents or remove any Documents from the premises of the Company or its Affiliates, except as required for the proper performance of regular duties for the Company or as expressly authorized in writing by the Board or its designee. The Executive agrees to return to the Company and its Affiliates at the time his employment terminates, and at such other times as may be specified by the Company or its Affiliates, all Documents and other property of the Company and its Affiliates then in his possession or control. The Executive agrees that, if a Document is on electronic media (*e.g.* a hard disk), upon the request of any duly authorized officer of the Company or its Affiliates, he will disclose all passwords necessary or desirable to enable the Company to obtain access to the Documents.

7.3. **Materials.** Executive agrees that all ideas, plans and materials prepared by Executive in the course of his employment by the Company (collectively, the "Materials") during the term of this Agreement will be considered works-made-for-hire and shall be the Company's sole and exclusive property. In the event that the Materials are not copyrightable subject matter or for any reason are deemed not to be works-made-for-hire, then, and in such event, by this Agreement, Executive hereby assigns all right, title and interest to said Materials to the Company and agrees to execute all documents required to evidence such assignment. Without limiting the foregoing, it is specifically understood and agreed that Executive will retain no ownership rights whatsoever in or to the Materials. Notwithstanding the foregoing, Executive shall be entitled to be designated as composer on all music contained in the programming produced by the Company and to continue to receive composer's royalties from applicable performing rights societies and he shall also be entitled to receive European author royalties from France. The restrictions set forth in this Section 7 do not apply to talent guilds (such as Screen Actors Guild, Alliance of Canadian Cinema Television and Radio Artists, etc.), music performance societies (such as America Society of Composers, Authors and Publishers, Broadcast Music, Inc., etc.) ("Music Societies") or author's collecting societies (such as Société des Auteurs et Compositeurs Dramatiques, etc.) (such talent guilds, Music Societies and author's collecting societies, collectively, the "Societies"), and any and all fees, residuals, royalties and similar payments paid or to be paid to Executive from any Society as a result of his individual creative work (such fees, residuals, royalties and similar payments, the "Executive Payments") shall be retained by Executive as his personal property and such Executive Payments fall outside the scope of this Agreement, except as provided for in the last sentence of this Section 7.3. This Agreement shall have no effect on the rights of Executive to the Executive Payments, and receipt of such Executive Payments shall not violate any of the terms of this Agreement. Notwithstanding the foregoing, it is understood that during the term hereof only, any Executive Payments derived from the Music Societies shall be assigned, and turned over to, the Company. Notwithstanding the foregoing, the Executive understands that the provisions of this Section 7 requiring the assignment of Materials to the Company do not apply to any invention or Materials which qualifies fully under the provisions of California Labor Code Section 2870. Executive will advise the Company promptly in writing of any inventions or Materials that he believes meet the criteria in Labor Code Section 2870.

8. Restricted Activities.

8.1. Agreement not to Compete with the Company during the Term of this Agreement. The Executive agrees that, during his employment, he will not, directly or indirectly, own, manage, operate, control, or participate in any manner in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, principal, consultant, agent or otherwise with, or have any financial interest in (except for a publicly traded company where he owns no more than 5% of the outstanding stock of such company), or aid or assist anyone else in the conduct of, any business, venture or activity which competes with the Business of the Company or its Subsidiaries (as defined below). Except as otherwise expressly set forth in this Agreement, the Executive further agrees that, during his employment with the Company, he will not enter into any transaction, on his own behalf or that of a third party with any of the Company's Affiliates, without full disclosure to, and receipt of prior written consent from, a majority of the entire the Board.

8.2. Agreement not to Unfairly Compete with the Company after the Term of this Agreement. The Executive acknowledges that access to Confidential Information and to the Company's and its Affiliates' customers would give the Executive an unfair competitive advantage, were the Executive to leave employment and use any of the Company's Confidential Information to unfairly compete with the Company or its Affiliates, and that he is therefore being granted access to Confidential Information and the customers of the Company and its Affiliates in reliance on his agreement hereunder. The Executive therefore agrees that for a period of twelve (12) months following the date his employment with the Company is terminated (the "Non-Competition Period"), he will not utilize any of the Company's Confidential Information to unfairly compete in any fashion with the Company or its Subsidiaries with respect to the Business of the Company or its Subsidiaries. For purposes of this Section 8, the "Business of the Company or its Subsidiaries" shall mean (a) production and/or distribution of animated or live-action television programming (and/or any musical composition intended to be included therein), or any element thereof, within or without the United States as currently being conducted or planned to be conducted by the Company, and (b) any business activity that is conducted or is actively being planned to be conducted by the Company or by any of its Subsidiaries at or within the twelve month period immediately preceding the Date of Termination, which business is expected to be material to the Company. The Executive acknowledges that the restrictions contained in Section 8 are sufficiently limited so as not to restrain him from engaging in a lawful profession, trade or business of any kind.

8.3. Agreement Not to Solicit Customers during the Term of this Agreement. The Executive agrees that during his employment hereunder, he will not, on behalf of any person or entity other than the Company and its Affiliates, directly or indirectly, solicit or encourage any customer or vendor of the Company or its Subsidiaries to terminate or diminish their relationships with any of them or violate any agreement with or duty to the Company or any of the Company's Subsidiaries.

8.4. Agreement Not to Solicit Customers after the Term of this Agreement. The Executive acknowledges that access to Confidential Information and to the Company's and its Subsidiaries' customers would give the Executive an unfair competitive advantage were the Executive to leave employment and begin competing with the Company or its Subsidiaries, and he is therefore being granted access to Confidential Information and the customers of the Company and its Subsidiaries in reliance on his agreement hereunder. The Executive agrees that for a period of twelve (12) months following the Date of Termination (the "Non-Solicitation Period"), he will not, directly or indirectly, use or rely in any way upon any Confidential Information of the Company or its Subsidiaries to recruit, solicit, or otherwise seek to induce any customer or vendor of the Company or its Subsidiaries to terminate or diminish their relationship with or violate any agreement with or duty to the Company or its Subsidiaries.

8.5. Agreement Not to Solicit Employees or Other Service Providers. The Executive agrees that during his employment hereunder and for a period of twelve (12) months following the Date of Termination, he will not, directly or indirectly, (a) recruit, solicit, or otherwise seek to induce any employees of the Company or its Subsidiaries to terminate their employment or violate any agreement with or duty to the Company or its Subsidiaries, or (b) recruit, solicit, or otherwise seek to induce any individual providing services to the Company or its Subsidiaries as an independent contractor, consultant, or through any other relationship to terminate or diminish their relationships with the Company or its Subsidiaries.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including without limitation the restraints imposed upon him pursuant to Sections 7 and 8 hereof. The Executive agrees that said restraints are necessary for the reasonable and proper protection of the Company and its Affiliates and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. The Executive further acknowledges that, were he to breach any of the covenants or agreements contained in Sections 7 or 8 hereof, the damage to the Company and its Affiliates could be irreparable. The Executive therefore agrees that the Company shall be entitled to seek preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants or agreements. The Company's Affiliates shall also have the right to enforce all of the Employee's obligations to such Affiliates hereunder, including without limitation pursuant to Sections 7 and 8 hereof, and each of such Affiliates shall otherwise be a third party beneficiary of this Agreement. The parties further agree that in the event that any provision of Section 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which or by which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or solicitation or similar covenants, a court order or any other obligations that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company or any of its Subsidiaries any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

11.1. "Affiliate" shall mean, with respect to any specified Person, (a) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise) and (b) with respect to any natural Person, any member of the immediate family of such natural Person.

11.2 "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by others with whom any of them compete or do business, or with whom any of them plan to compete or do business, and any and all information the disclosure of which would otherwise be adverse to the interests of the Company or any of its Affiliates. Confidential Information includes without limitation such information relating to (i) the products and services sold or offered by the Company or any of its Affiliates, technical data, methods and processes of the Company, (ii) the costs, sources of supply, financial performance and marketing activities and strategic plans of the Company and its Affiliates, (iii) the identity and special needs of the customers of the Company and its Affiliates and (iv) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships. Confidential Information also includes information that the Company or any of its Affiliates may receive or has received belonging to others with any understanding, express or implied, that it would not be disclosed. Confidential Information shall not include any information that is, or becomes generally available to the public, unless such availability occurs as a result of the Executive's breach of any portion of this Agreement or any other obligation the Executive owes to the Company.

11.3. "ERISA" means the federal Employee Retirement Income Security Act of 1974 or any successor statute, and the rules and regulations thereunder, and, in the case of any referenced section thereof, any successor section thereto, collectively and as from time to time amended and in effect.

11.4. "Intellectual Property" means any invention, formula, pattern, compilation, program, device, method, technique or process (whether or not patentable or registrable under copyright statutes) conceived, made, or first actually reduced to practice by the Executive (whether alone or jointly with others) during the Executive's employment by the Company; provided, however, that Intellectual Property does not include any invention (i) that is developed on the Executive's own time, without using the equipment, supplies, facilities or trade secret information of the Company or any of its Affiliates, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of the Company, (b) to the business of an Affiliate of the Company for whom the Executive has performed services, (c) to the actual or demonstrably anticipated research or development of the Company or any of its Affiliates, provided that, in the case of an Affiliate of the Company, the Executive has, or reasonably would be expected to have, knowledge of such research or development as a result of his employment or (d) results from any work performed by the Executive for the Company or any of the Affiliates; or (ii) that the Executive may otherwise not be required to assign to the Company under applicable California law.

11.5. "Person" means an individual, a corporation, an association, a partnership, a limited liability company, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

11.6. "Subsidiary" means any corporation, partnership, limited liability company or other entity with respect to a specified Person (or a Subsidiary thereof) owns a majority of the common stock, partnership interests or other equity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

12. **Withholding.** All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law or withheld by the Company at the request of the Executive.

13. **Section 409A.**

The provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any final regulations and guidance promulgated thereunder ("Section 409A") and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

To the extent that Executive will be reimbursed for costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A, (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; provided that the foregoing clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which you incurred the expense.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement references to a "termination," "termination of employment" or like terms shall mean Separation from Service.

Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination, then only that portion of the severance and benefits payable to Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Compensation Separation Benefits in excess of the Section 409A Limit otherwise due to Executive on or within the six (6) month period following Executive's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following termination but prior to the six (6) month anniversary of Executive's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" will mean a sum equal (x) to the amounts payable prior to March 15 following the year in which Executive terminations plus (y) the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Company's taxable year preceding the Company's taxable year of Executive's termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any IRS guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

If any payment provided to Executive pursuant to this Agreement is subject to adverse tax consequences under Code Section 409A, then Company shall make such additional payments to Executive ("409A Gross Up Payments") as are necessary to provide Executive with enough funds to pay the additional taxes, interest, and penalties imposed by Code section 409A (collectively, the "409A Tax"), as well as any additional taxes, including but not limited to additional 409A Tax, attributable to or resulting from the payment of the 409A Gross Up payments, with the end result that Executive shall be in the same position with respect to his tax liability as he would have been in if no 409A Tax had ever been imposed; provided, however, that the Company's obligation to make payments under this Section 15 shall be limited to an amount equal to three times the 409A Tax (not including for this purpose 409A Tax attributable to the payment of any portion of the 409A Gross Up Payment). The Company shall make any payments required by this paragraph no later than the last day of Executive's taxable year next following the Executive's taxable year in which the 409A Tax is remitted to the taxing authority.

14. Miscellaneous.

14.1. **Assignment.** Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive (a) in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into, one of its Affiliates or any other Person or transfer all or substantially all of its properties or assets to one of its Affiliates or any other Person, in which event such Affiliate or Person shall be deemed the "Company" for all purposes of this Agreement, or (b) to any senior lender to the Company or any Subsidiary thereof as collateral security. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, heirs and permitted assigns.

14.2. **Severability.** If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the application of such provision in such circumstances shall be deemed modified to permit its enforcement to the maximum extent permitted by law, and both the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable and the remainder of this Agreement shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.3. **Waiver; Amendment.** No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. This Agreement may be amended or modified only by a written instrument signed by the Executive and any expressly authorized representative of the Company.

14.4. **Notices.** Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed (a) in the case of the Executive, to his last address on record with the Company, or (b) in the case of the Company, at its principal place of business and to the attention of the Board; or to such other address as either party may specify by notice to the other actually received.

14.5. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with the Company or any of its Affiliates, with respect to the terms and conditions of the Executive's employment.

14.6. **Headings.** The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

14.7. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

14.8. **Governing Law.** This Agreement, with the exception of Section 8, shall be governed by and construed in accordance with the domestic substantive laws of The State of California without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE COMPANY:

GENIUS BRAND INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Name: Jeanene Morgan
Title: Chief Financial Officer

THE EXECUTIVE:

/s/ Andrew Heyward
Andrew Heyward

EMPLOYMENT AGREEMENT

AGREEMENT, made as of this 15th day of November 2013 (the "Effective Date"), by and between Genius Brands International, Inc., a company formed under the laws of the State of Nevada, with its principal place of business at 9401 Wilshire #608, Beverly Hills, CA 90212 ("Company"), and AMY MOYNIHAN HEYWARD, residing at 1634 Blue Jay Way, Los Angeles, CA 90069 ("Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Employment.** Subject to the terms and conditions set forth in this Agreement, the Company hereby offers and the Executive hereby accepts employment, effective as of the Effective Date.

2. **Term.** Subject to earlier termination as hereafter provided, the Executive shall be employed hereunder for a term commencing on the Effective Date and ending Five (5) years thereafter, which term shall only be extended by written agreement of the parties; it being agreed, however, that neither party is obligated to agree to an extension. The term of the Executive's employment under this Agreement, including any mutually agreed upon extension, is hereafter referred to as "the term of this Agreement" or "the term hereof." The date of termination of the Executive's employment hereunder is hereinafter referred to as the "Date of Termination."

3. Duties and Rights.

3.1. Executive shall be employed as President of the Company. In such capacity, Executive's duties shall include overall management of the Company, subject to the control and direction of the Board of Directors ("Board") of the Company to which Executive shall report. Executive shall also perform such other duties as, from time to time, are designated by the Board of Directors of the Company, provided the same are always consistent with her status as President. During the term of this Agreement, Executive shall devote all of her business time and efforts to the affairs of the Company and its Subsidiaries provided that Executive shall be permitted to provide limited services in connection with those directorships or positions disclosed on Exhibit A hereto or as disclosed to and approved by the Board of Directors only to the extent that such services do not interfere with Executive's rendering of her services to the Company hereunder. Executive shall use her best efforts to perform all such services diligently and to the best of her ability and will at all times use her best efforts to enhance the business of the Company.

3.2. Executive shall be entitled to no additional compensation for serving as a member of the Board.

3.3. Executive shall have the right in her sole discretion to hire and terminate the employment of all employees of the Company and its Subsidiaries other than other officers of the Company, which hiring and termination must be pre-approved by the Board.

4. Compensation and Benefits. As compensation for all services performed by the Executive under this Agreement and subject to performance of the Executive's duties and obligations to the Company and its Affiliates, pursuant to this Agreement:

4.1. **Base Salary.** During the term hereof, the Company shall pay the Executive a base salary at the rate of \$180,000 per year, payable in accordance with the regular payroll practices of the Company for its executives generally and subject to increase, but not decrease, from time to time by the Board in its sole discretion. Such base salary, as described in the previous sentence, is hereafter referred to as the "Base Salary."

4.2. **Bonus Compensation.** During the term hereof, the Executive shall be eligible to receive a bonus (the "Discretionary Bonus") for each fiscal year, prorated for any period of service less than one year, as provided herein. The amount and timing of the Discretionary Bonus, if any, shall be determined by the Compensation Committee of the Board (or, in the absence of a Compensation Committee, the Board, in which case all references to the Compensation Committee hereunder shall be deemed to be a reference to the Board), in its sole discretion, based on the Executive's performance and that of the Company and its Affiliates and such other criteria as the Compensation Committee may consider in its sole discretion. The Discretionary Bonus shall be paid by the Company to the Executive promptly after determination that the relevant targets (which shall be issued and reviewed on an annual basis) have been met, it being understood that the attainment of any financial targets associated with any bonus shall not be determined until following the completion of the Company's annual audit and public announcement of such results and shall be paid promptly following the Company's announcement of earnings. The Compensation Committee may review the Executive's performance from time to time and may provide for lesser or greater bonus payments based upon achievement of partial or additional criteria established or determined by the Compensation Committee from time to time. Whenever any Discretionary Bonus payable to the Executive is stated in this Agreement to be prorated for any period of service less than a full year, such Discretionary Bonus shall be prorated by multiplying (x) the amount of the Discretionary Bonus otherwise payable for the applicable fiscal year in accordance with this Section 4.2 by (y) a fraction, the denominator of which shall be 365 and the numerator of which shall be the number of days during the applicable fiscal year for which the Executive was employed by the Company. Any compensation paid to the Executive as Discretionary Bonus shall be in addition to the Base Salary, as well as participation in any other incentive, stock option, stock purchase, profit sharing, deferred compensation, bonus compensation or severance plan, program or arrangement which the Company or any of its Affiliates may adopt or continue from time to time, for which the Executive is eligible, each as in accordance with any subscription agreement, stock option plan, and stock option agreement identified, from time to time.

4.3. **Expenses.** It is recognized that Executive in the performance of her duties hereunder may be required to expend reasonable sums for travel and for entertainment of various persons, including representatives of companies with whom the Company has or might expect to have business relations. During the term hereof, the Company shall either advance funds to Executive or reimburse Executive for reasonable business expenses incurred by him in connection with the performance of her duties hereunder, provided Executive properly accounts therefor in accordance with the Company's policies and procedures.

4.4. **Benefits.** Executive shall be entitled to receive from the Company during the term hereof those benefits and perquisites set forth made available to senior executives from time to time. The Company may also take out and maintain during the term hereof life insurance on the life of Executive in the amount of \$1,000,000 naming as beneficiary thereof either the estate of Executive or any other beneficiary designated by Executive (the "Life Insurance Policy").

4.5 **Clawback Rights.** All amounts paid to Executive by the Company (other than Executive's Base Salary and reimbursement of expenses pursuant to paragraph 4.3 hereof) during the term of this Agreement and any time thereafter and any and all stock based compensation (such as options and equity awards,) granted during the term hereof and any time thereafter (collectively, the "Clawback Benefits") shall be subject to "Clawback Rights" as follows: during the period that the Executive is employed by the Company and upon the termination or expiration of the Executive's employment and for a period of three (3) years thereafter, if any of the following events occurs, Executive agrees to repay or surrender to the Company the Clawback Benefits as set forth below:

- (a) if the Company restates (a "Restatement") any published financial statement that has been filed with the Securities and Exchange Commission covering any period commencing after the Effective Date of this Agreement from which any Clawback Benefits to Executive shall have been determined (such restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared), then the Executive agrees to immediately repay or surrender upon demand by the Company any Clawback Benefits which were determined by reference to any Company financial results reflected in financial statements which were later restated, to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the Restatement of the Company's financial statements. All Clawback Benefits amounts resulting from such Restatements shall be retroactively adjusted by the Compensation Committee to take into account the relevant restated financial information and if any excess portion of the Clawback Benefits resulting from such restated information is not so repaid or surrendered by the Executive within ninety (90) days of the revised calculation being provided to the Executive by the Company following a publicly announced Restatement, the Company shall have the right to take any and all action to effectuate such adjustment.

- (b) if any material breach of any agreement by Executive relating to confidentiality, non-competition, non-raid of employees, or non-solicitation of vendors or customers (including, without limitation, Sections 7 or 8 hereof) or if any material breach of Company policy or procedures which causes material harm to the Company occurs, as determined by a final judgment from a court of competent jurisdiction, then the Executive agrees to repay or surrender any Clawback Benefits upon demand by the Company and if not so repaid or surrendered within ninety (90) days of such demand, the Company shall have the right to take any and all action to effectuate such adjustment.

The amount of Clawback Benefits to be repaid or surrendered to the Company shall be determined by the Compensation Committee and applicable law, rules and regulations. All determinations by the Compensation Committee with respect to the Clawback Rights shall be final and binding on the Company and Executive. The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd Frank Act") and requires recovery of all "incentive-based" compensation, pursuant to the provisions of the Dodd Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd Frank Act and such rules and regulation as hereafter may be adopted and in effect.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term of this Agreement under the following circumstances:

5.1. Retirement or Death. In the event of the Executive's retirement or death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In the event of the Executive's retirement after the age of sixty-five or death during the term hereof, the Company shall pay to the Executive (or in the case of death, the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to her estate) (i) any Base Salary and accrued vacation earned but unpaid through the date of such retirement or death, (ii) any Discretionary Bonus for the fiscal year preceding that in which such retirement or death occurs that was granted but has not yet been paid, (iii) at the times the Company pays its executives bonuses in accordance with its general payroll policies, an amount equal to that portion of any Discretionary Bonus, if any, earned but unpaid during the fiscal year of such retirement or death (pro-rated in accordance with Section 4.2), (iv) reimbursement for any reasonable expenses of the types specified in Section 4.3 incurred with respect to periods prior to date of such retirement or death. In the event of the Executive's death during the term hereof, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to her estate (x) proceeds from the Life Insurance Policy.

5.2. Disability.

5.2.1. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during her employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, in the opinion of the Board of Directors based upon the advice of a physician chosen by the Board, Executive is unable to perform substantially all of her duties and responsibilities hereunder for one hundred twenty (120) consecutive days or an aggregate of one hundred eighty (180) days during any period of three hundred and sixty-five (365) consecutive calendar days.

5.2.2. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability. Notwithstanding any such designation, while she is employed by the Company and has not yet become eligible for disability income benefits under any disability income plan maintained by the Company, the Executive shall continue to receive the Base Salary in accordance with Section 4.1 and to receive benefits in accordance with Section 4.4, to the extent permitted by the then-current terms of the applicable benefit plans. Upon becoming so eligible, and until the termination of her employment because of disability, the Company shall pay to the Executive, at its regular pay periods, an amount equal to the excess, if any, of the Executive's monthly base compensation in effect at the time of eligibility (i.e. 1/12th of the Base Salary) over the amounts of disability income benefits that the Executive is otherwise eligible to receive. Upon termination of the Executive's employment because of disability, the Company shall pay to the Executive (i) any Base Salary earned but unpaid through the Date of Termination, (ii) any Discretionary Bonus for the fiscal year preceding the year of termination that was earned but unpaid, (iii) at the time the Company pays its executives bonuses generally, the Company shall pay the Executive an amount equal to that portion of any Discretionary Bonus, if any, earned but unpaid during the fiscal year of such termination (pro-rated in accordance with Section 4.2) and (iv) reimbursement of any reasonable expenses incurred by her in the performance of her duties hereunder in accordance with the customary policies of the Company. During the 6 month period (or the remaining months of the Term if less than 6 months) following the termination of the Executive's employment because of disability, the Company shall pay the Executive, at its regular pay periods, an amount equal to the excess, if any, of the Executive's monthly base compensation in effect at the time of termination (i.e. 1/12th of the Base Salary) over the amounts of disability income benefits that the Executive is otherwise eligible to receive pursuant to the above-referenced disability income plan in respect of such period ("Disability Payments"), provided that the Executive signs an Employee Release as defined in Section 6.1 below.

5.2.3. Except as provided in Section 5.2.2, while the Executive is receiving Disability Payments, the Executive shall not be entitled to receive any Base Salary under Section 4.1 or Discretionary Bonus payments under Section 4.2, but the Executive shall continue to participate in benefit plans of the Company in accordance with Section 4.4 and the terms of such plans, until the termination of her employment. During the six month period from the date of eligibility for Disability Payments or termination of employment under this Section 5.2, the Company shall continue to contribute to the cost of the Executive's participation in one of the group medical plans of the Company, in the same percentage as the Company was contributing at the time of termination of the Executive's employment, provided that the Executive is entitled to continue such participation under applicable law and plan terms.

5.2.4. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of her duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive or her duly appointed guardian, if any, has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Board's determination of the issue shall be binding on the Executive.

5.3. By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following events or conditions shall constitute "Cause" for termination: (i) the willful and continued failure of the Executive to perform substantially his duties and responsibilities for the Company (other than any such failure resulting from Executive's death or Disability) after a written demand by the Board for substantial performance is delivered to the Executive by the Company, which specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties and responsibilities, which willful and continued failure is not cured by the Executive within thirty (30) days of his receipt of such written demand; (ii) the material breach by the Executive of any material provision of this Agreement, if such breach results in a material adverse effect on the Company or its Subsidiaries and if the breach is not cured by the Executive within thirty (30) days of his receipt of such written demand therefore (for the avoidance of doubt, the violation of Section 8.1, 8.3 and 8.5 of this Agreement shall be considered an immediate material breach of a material provision of this Agreement and not subject to the foregoing notice or cure provisions); (iii) the commission of fraud, embezzlement or theft by the Executive (iv) the conviction of the Executive of, or plea by the Executive of nolo contendere to, any felony or any other crime involving dishonesty or moral turpitude.

Upon the giving of notice of termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation or liability to the Executive hereunder, other than for payment of any Base Salary earned but unpaid through the Date of Termination. Without limiting the generality of the foregoing, the Executive shall not be entitled to receive any Discretionary Bonus amounts which have not been paid prior to the Date of Termination hereunder for Cause or following a Material Adverse Event.

5.4. Post-Agreement Employment. In the event the Executive remains in the employ of the Company or any of its Affiliates following termination of this Agreement, by the expiration of the term hereof or otherwise, then such employment shall be at will.

6. Effect of Termination. The provisions of this Section 6 shall apply in the event of termination, whether such termination is due to the expiration of the term hereof, is pursuant to Section 5, or otherwise.

6.1. Payment in Full. Payment by the Company of any Base Salary, Discretionary Bonus or other specified amounts which are due the Executive under the applicable termination provision of Section 5 shall constitute the entire obligation hereunder of the Company and its Affiliates to the Executive. Any obligation of the Company to provide the Executive Disability Payments, or Discretionary Bonus payments under this Agreement is expressly conditioned, however, upon the Executive signing a release of claims provided by the Company (the "Employee Release") within twenty-one days of the date on which she gives or receives, as applicable, notice of termination of employment and upon the Executive not revoking the Employee Release thereafter. The obligations of the Company to the Executive under Sections 5.2 or 5.4 hereof are also expressly conditioned upon the Executive's continued full performance of her obligations under Sections 7 and 8 hereof. The Executive agrees that if she violates any term of Sections 7 and/or 8 at any time, she shall have no entitlement to Disability Payments under Sections 5.2 or 5.4, and that she will promptly reimburse the Company on demand for all monies previously paid to him or on her behalf prior to the date of such violation under Sections 5.2 or 5.4 of this Agreement. The Executive recognizes that, except as expressly provided in Section 5, no compensation is earned after termination of employment.

6.2. Termination of Benefits. Except for medical insurance coverage continued pursuant to Sections 5.2 hereof, the continuation of any benefits pursuant to Section 5.4 hereof and any right of continuation of health coverage at the Executive's cost to the extent provided by Sections 601 through 608 of ERISA, benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive's employment without regard to any continuation of Base Salary or other payments to the Executive following termination of her employment.

6.3. Survival of Certain Provisions. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purpose of other surviving provisions, including without limitation the obligations of the Executive under Sections 7 and 8 hereof.

7. Confidential Information; Intellectual Property.

7.1. Confidentiality. The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive acknowledges the importance to the Company and its Affiliates of protecting their Confidential Information and other legitimate interests, and agrees that all Confidential Information which she creates or to which she has access as a result of employment with or service as a director of the Company and its Affiliates is and shall remain the sole and exclusive property of the Company and its Affiliates. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never use or disclose to any Person (except as required by applicable law or for the proper performance of her duties and responsibilities to the Company and its Affiliates) any Confidential Information obtained by the Executive incident to her employment with or service as a director of the Company or any of its Affiliates. The Executive understands that this restriction shall continue to apply for a period of five years after her employment terminates, regardless of the reason for such termination.

7.2. Return of Documents. All documents, records, files, audio tapes, videotapes and any other media, however stored, of whatever kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall not copy any Documents or remove any Documents from the premises of the Company or its Affiliates, except as required for the proper performance of regular duties for the Company or as expressly authorized in writing by the Board or its designee. The Executive agrees to return to the Company and its Affiliates at the time her employment terminates, and at such other times as may be specified by the Company or its Affiliates, all Documents and other property of the Company and its Affiliates then in her possession or control. The Executive agrees that, if a Document is on electronic media (*e.g.* a hard disk), upon the request of any duly authorized officer of the Company or its Affiliates, she will disclose all passwords necessary or desirable to enable the Company to obtain access to the Documents.

7.3. **Materials.** Executive agrees that all ideas, plans and materials prepared by Executive in the course of her employment by the Company (collectively, the "Materials") during the term of this Agreement will be considered works-made-for-hire and shall be the Company's sole and exclusive property. In the event that the Materials are not copyrightable subject matter or for any reason are deemed not to be works-made-for-hire, then, and in such event, by this Agreement, Executive hereby assigns all right, title and interest to said Materials to the Company and agrees to execute all documents required to evidence such assignment. Without limiting the foregoing, it is specifically understood and agreed that Executive will retain no ownership rights whatsoever in or to the Materials. Notwithstanding the foregoing, Executive shall be entitled to be designated as composer on all music contained in the programming produced by the Company and to continue to receive composer's royalties from applicable performing rights societies and she shall also be entitled to receive European author royalties from France. The restrictions set forth in this Section 7 do not apply to talent guilds (such as Screen Actors Guild, Alliance of Canadian Cinema Television and Radio Artists, etc.), music performance societies (such as America Society of Composers, Authors and Publishers, Broadcast Music, Inc., etc.) ("Music Societies") or author's collecting societies (such as Société des Auteurs et Compositeurs Dramatiques, etc.) (such talent guilds, Music Societies and author's collecting societies, collectively, the "Societies"), and any and all fees, residuals, royalties and similar payments paid or to be paid to Executive from any Society as a result of her individual creative work (such fees, residuals, royalties and similar payments, the "Executive Payments") shall be retained by Executive as her sole personal property and such Executive Payments fall outside the scope of this Agreement, except as provided for in the last sentence of this Section 7.3. This Agreement shall have no effect on the rights of Executive to the Executive Payments, and receipt of such Executive Payments shall not violate any of the terms of this Agreement. Notwithstanding the foregoing, it is understood that during the term hereof only, any Executive Payments derived from the Music Societies shall be assigned, and turned over to, the Company. Notwithstanding the foregoing, the Executive understands that the provisions of this Section 7 requiring the assignment of Materials to the Company do not apply to any invention or Materials which qualifies fully under the provisions of California Labor Code Section 2870. Executive will advise the Company promptly in writing of any inventions or Materials that he believes meet the criteria in Labor Code Section 2870.

8. Restricted Activities.

8.1. **Agreement not to Compete with the Company during the Term of this Agreement.** The Executive agrees that, during her employment, she will not, directly or indirectly, own, manage, operate, control, or participate in any manner in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, principal, consultant, agent or otherwise with, or have any financial interest in (except for a publicly traded company where she owns no more than 5% of the outstanding stock of such company), or aid or assist anyone else in the conduct of, any business, venture or activity which competes with the Business of the Company or its Subsidiaries (as defined below). Except as otherwise expressly set forth in this Agreement, the Executive further agrees that, during her employment with the Company, she will not enter into any transaction, on her own behalf or that of a third party, with any of the Company's Affiliates, without full disclosure to, and receipt of prior written consent from, a majority of the entire the Board.

8.2. **Agreement Not to Unfairly Compete with the Company after the Term of this Agreement.** The Executive acknowledges that access to Confidential Information and to the Company's and its Affiliates' customers would give the Executive an unfair competitive advantage, were the Executive to leave employment and use any of the Company's Confidential Information to unfairly compete with the Company or its Affiliates, and that she is therefore being granted access to Confidential Information and the customers of the Company and its Affiliates in reliance on her agreement hereunder. The Executive therefore agrees that for a period of twelve (12) months following the date her employment with the Company is terminated (the "Non-Competition Period"), she will not utilize any of the Company's Confidential Information to unfairly compete in any fashion with the Company or its Subsidiaries with respect to the Business of the Company or its Subsidiaries. For purposes of this Section 8, the "Business of the Company or its Subsidiaries" shall mean (a) production and/or distribution of animated or live-action television programming (and/or any musical composition intended to be included therein), or any element thereof, within or without the United States as currently being conducted or planned to be conducted by the Company, and (b) any business activity that is conducted or is actively being planned to be conducted by the Company or by any of its Subsidiaries at or within the twelve month period immediately preceding the Date of Termination, which business is expected to be material to the Company. The Executive acknowledges that the restrictions contained in Section 8 are sufficiently limited so as not to restrain her from engaging in a lawful profession, trade or business of any kind.

8.3. Agreement Not to Solicit Customers during the Term of this Agreement. The Executive agrees that during her employment hereunder, she will not, on behalf of any person or entity other than the Company and its Affiliates, directly or indirectly, solicit or encourage any customer or vendor of the Company or its Subsidiaries to terminate or diminish their relationships with any of them or violate any agreement with or duty to the Company or any of the Company's Subsidiaries.

8.4. Agreement Not to Solicit Customers after the Term of this Agreement. The Executive acknowledges that access to Confidential Information and to the Company's and its Subsidiaries' customers would give the Executive an unfair competitive advantage were the Executive to leave employment and begin competing with the Company or its Subsidiaries, and she is therefore being granted access to Confidential Information and the customers of the Company and its Subsidiaries in reliance on her agreement hereunder. The Executive agrees that for a period of twelve (12) months following the Date of Termination (the "Non-Solicitation Period"), she will not, directly or indirectly, use or rely in any way upon any Confidential Information of the Company or its Subsidiaries to recruit, solicit, or otherwise seek to induce any customer or vendor of the Company or its Subsidiaries to terminate or diminish their relationship with or violate any agreement with or duty to the Company or its Subsidiaries.

8.5. Agreement Not to Solicit Employees or Other Service Providers. The Executive agrees that during her employment hereunder and for a period of twelve (12) months following the Date of Termination, she will not, directly or indirectly, (a) recruit, solicit, or otherwise seek to induce any employees of the Company or its Subsidiaries to terminate their employment or violate any agreement with or duty to the Company or its Subsidiaries, or (b) recruit, solicit, or otherwise seek to induce any individual providing services to the Company or its Subsidiaries as an independent contractor, consultant, or through any other relationship to terminate or diminish their relationships with the Company or its Subsidiaries.

9. Enforcement of Covenants. The Executive acknowledges that she has carefully read and considered all the terms and conditions of this Agreement, including without limitation the restraints imposed upon him pursuant to Sections 7 and 8 hereof. The Executive agrees that said restraints are necessary for the reasonable and proper protection of the Company and its Affiliates and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. The Executive further acknowledges that, were she to breach any of the covenants or agreements contained in Sections 7 or 8 hereof, the damage to the Company and its Affiliates could be irreparable. The Executive therefore agrees that the Company shall be entitled to seek preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants or agreements. The Company's Affiliates shall also have the right to enforce all of the Employee's obligations to such Affiliates hereunder, including without limitation pursuant to Sections 7 and 8 hereof, and each of such Affiliates shall otherwise be a third party beneficiary of this Agreement. The parties further agree that in the event that any provision of Section 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of her obligations hereunder will not breach or be in conflict with any other agreement to which or by which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or solicitation or similar covenants, a court order or any other obligations that would affect the performance of her obligations hereunder. The Executive will not disclose to or use on behalf of the Company or any of its Subsidiaries any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

11.1. "Affiliate" shall mean, with respect to any specified Person, (a) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise) and (b) with respect to any natural Person, any member of the immediate family of such natural Person.

11.2 "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by others with whom any of them compete or do business, or with whom any of them plan to compete or do business, and any and all information the disclosure of which would otherwise be adverse to the interests of the Company or any of its Affiliates. Confidential Information includes without limitation such information relating to (i) the products and services sold or offered by the Company or any of its Affiliates, technical data, methods and processes of the Company, (ii) the costs, sources of supply, financial performance and marketing activities and strategic plans of the Company and its Affiliates, (iii) the identity and special needs of the customers of the Company and its Affiliates and (iv) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships. Confidential Information also includes information that the Company or any of its Affiliates may receive or has received belonging to others with any understanding, express or implied, that it would not be disclosed. Confidential Information shall not include any information that is, or becomes generally available to the public, unless such availability occurs as a result of the Executive's breach of any portion of this Agreement or any other obligation the Executive owes to the Company.

11.3. "ERISA" means the federal Employee Retirement Income Security Act of 1974 or any successor statute, and the rules and regulations thereunder, and, in the case of any referenced section thereof, any successor section thereto, collectively and as from time to time amended and in effect.

11.4. "Intellectual Property" means any invention, formula, pattern, compilation, program, device, method, technique or process (whether or not patentable or registrable under copyright statutes) conceived, made, or first actually reduced to practice by the Executive (whether alone or jointly with others) during the Executive's employment by the Company; provided, however, that Intellectual Property does not include any invention (i) that is developed on the Executive's own time, without using the equipment, supplies, facilities or trade secret information of the Company or any of its Affiliates, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of the Company, (b) to the business of an Affiliate of the Company for whom the Executive has performed services, (c) to the actual or demonstrably anticipated research or development of the Company or any of its Affiliates, provided that, in the case of an Affiliate of the Company, the Executive has, or reasonably would be expected to have, knowledge of such research or development as a result of her employment or (d) results from any work performed by the Executive for the Company or any of the Affiliates; or (ii) that the Executive may otherwise not be required to assign to the Company under applicable California law.

11.5. "Person" means an individual, a corporation, an association, a partnership, a limited liability company, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

11.6. "Subsidiary" means any corporation, partnership, limited liability company or other entity with respect to a specified Person (or a Subsidiary thereof) owns a majority of the common stock, partnership interests or other equity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

12. **Withholding.** All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law or withheld by the Company at the request of the Executive.

13. **Section 409A.**

The provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any final regulations and guidance promulgated thereunder ("Section 409A") and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

To the extent that Executive will be reimbursed for costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A, (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; provided that the foregoing clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which you incurred the expense.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement references to a "termination," "termination of employment" or like terms shall mean Separation from Service.

Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination, then only that portion of the severance and benefits payable to Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Compensation Separation Benefits in excess of the Section 409A Limit otherwise due to Executive on or within the six (6) month period following Executive's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following termination but prior to the six (6) month anniversary of Executive's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" will mean a sum equal (x) to the amounts payable prior to March 15 following the year in which Executive terminations plus (y) the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Company's taxable year preceding the Company's taxable year of Executive's termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any IRS guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

If any payment provided to Executive pursuant to this Agreement is subject to adverse tax consequences under Code Section 409A, then Company shall make such additional payments to Executive ("409A Gross Up Payments") as are necessary to provide Executive with enough funds to pay the additional taxes, interest, and penalties imposed by Code section 409A (collectively, the "409A Tax"), as well as any additional taxes, including but not limited to additional 409A Tax, attributable to or resulting from the payment of the 409A Gross Up payments, with the end result that Executive shall be in the same position with respect to her tax liability as he would have been in if no 409A Tax had ever been imposed; provided, however, that the Company's obligation to make payments under this Section 15 shall be limited to an amount equal to three times the 409A Tax (not including for this purpose 409A Tax attributable to the payment of any portion of the 409A Gross Up Payment). The Company shall make any payments required by this paragraph no later than the last day of Executive's taxable year next following the Executive's taxable year in which the 409A Tax is remitted to the taxing authority.

14. Miscellaneous.

14.1. **Assignment.** Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive (a) in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into, one of its Affiliates or any other Person or transfer all or substantially all of its properties or assets to one of its Affiliates or any other Person, in which event such Affiliate or Person shall be deemed the "Company" for all purposes of this Agreement, or (b) to any senior lender to the Company or any Subsidiary thereof as collateral security. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, heirs and permitted assigns.

14.2. **Severability.** If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the application of such provision in such circumstances shall be deemed modified to permit its enforcement to the maximum extent permitted by law, and both the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable and the remainder of this Agreement shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.3. **Waiver; Amendment.** No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. This Agreement may be amended or modified only by a written instrument signed by the Executive and any expressly authorized representative of the Company.

14.4. **Notices.** Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed (a) in the case of the Executive, to her last address on record with the Company, or (b) in the case of the Company, at its principal place of business and to the attention of the Board of Directors; or to such other address as either party may specify by notice to the other actually received.

14.5. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with the Company or any of its Affiliates, with respect to the terms and conditions of the Executive's employment.

14.6. **Headings.** The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

14.7. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

14.8. **Governing Law.** This Agreement, with the exception of Section 8, shall be governed by and construed in accordance with the domestic substantive laws of The State of California without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE COMPANY:

GENIUS BRAND INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Name: Jeanene Morgan
Title: Chief Financial Officer

THE EXECUTIVE:

/s/ Amy Moynihan Heyward
Amy Moynihan Heyward

AGREEMENT TO CONVERT UNPAID SALARY

This Agreement to Convert UNPAID SALARY (the "Agreement") is made as of the 14th day of November, 2013 (the "Effective Date") by and between Klaus Moeller (referred to herein as the "Holder") and Genius Brands International, Inc., a Nevada corporation (referred to herein as the "Company").

Recitals

Whereas, the Holder is due salary pursuant to an Employment Agreement dated April 26, 2011, as amended, and the Company currently owes to the Holder the sum of \$132,440.22, including salary and auto allowances as of September 30, 2013 (the "Amount Owed").

Whereas, the Company wishes to pay the Amount Owed by issuing restricted shares of its common stock to the Holder and the Holder has agreed to accept the Company's securities as full and final payment of the Amount Owed, in accordance with the terms of this Agreement.

Therefore, the Company and the Holder agree as follows:

Agreement

1. Transfer of Securities and Cancellation of Debt.

(a) Securities to be Issued. The Holder agrees to accept, and the Company agrees to issue and transfer to the Holder 2,648,805 shares of the Company's Common Stock, par value \$0.001, having an assigned value of \$0.05 per share. The Common Stock issued in payment of the Amount Due shall be referred to in this Agreement as the "Shares".

(b) Exchange of Documents. The certificates representing the Shares shall be delivered to the Holder as soon as practicable after Holder delivering an executed copy of Agreement and Exhibit A to Company. Upon receipt of the Shares, the Company shall record the payment of the outstanding obligation on its books and records.

2. Representations by Company.

The Company hereby represents and warrants to the Holder as follows:

(i) The Company is duly organized, validly existing and in good standing under the laws of the State of Nevada.

(ii) The Company has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Company of this Agreement has been duly authorized by all requisite action by the Company and this Agreement, when executed and delivered by the Company, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iii) The execution, delivery and performance by the Company of this Agreement have been duly authorized by all requisite corporate action of the Company; and this Agreement has been duly executed and delivered by the Company.

(iv) The Shares will be duly and validly issued, fully paid and nonassessable, and free of any liens or encumbrances.

3. Representations by the Holder.

The Holder hereby represents and warrants to the Company as follows:

(i) The Holder has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Holder of this Agreement has been duly authorized by all requisite action by the Holder and this Agreement, when executed and delivered by the Holder, constitutes a valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) The Holder has a pre-existing personal or business relationship with the Company and its officers and directors.

(iii) The Holder is an "accredited investor," as that term is defined in Rule 501 of Regulation D (a copy of which is attached hereto as Exhibit "A"), and has indicated on Exhibit B its specific qualification thereunder.

(iv) The Holder understands and acknowledges that the Shares have not been registered with the Securities and Exchange Commission under Section 5 of the of the Securities Act or registered or qualified with any applicable state or territorial securities regulatory agency in reliance upon one or more exemptions afforded from registration or qualification.

(v) The Holder understands and acknowledges that the Shares are deemed to be "restricted" securities under the Securities Act, and may be re-sold only pursuant to exemptions provided by the Securities Act. The Holder understands and acknowledges that the Company is required to place a legend on each certificate stating that the Shares have not been registered under the Securities Act.

(vi) The Holder understands and acknowledges that: (i) prior to any sale, transfer, assignment, pledge, hypothecation or other disposition of the Shares, it must either: (1) furnish the Company with an opinion of counsel, in form and substance reasonably satisfactory to the Company and to its legal counsel, to the effect that such disposition is exempted from the registration and prospectus delivery requirement under the Securities Act and the securities laws of the jurisdiction in which the Holder resides, and legal counsel for the Company shall have concurred in such opinion; or (2) satisfy the Company that a registration statement on Form S-1 under the Securities Act (or any other form appropriate under the Securities Act, or any form replacing any such form) with respect to the securities proposed to be so disposed of shall then be effective; and that such disposition shall have been appropriately qualified or registered in accordance with the applicable securities laws of the jurisdiction in which the Holder resides.

(vii) The Holder is entering into this transaction for the Holder's own account, own risk and own beneficial interest, is not acting as an agent, representative, intermediary, nominee or in a similar capacity for any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each such natural person or entity, an "Underlying Beneficial Owner") and no Underlying Beneficial Owner will have a beneficial or economic interest in the Shares (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) and does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any Underlying Beneficial Owner or any other person.

(viii) The Holder hereby represents and warrants that the proposed investment in the Company does not directly or indirectly contravene United States federal, state, local or international laws or regulations applicable to the Holder, including anti-money laundering laws (a "Prohibited Investment").

(ix) Federal regulations and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. The Holder hereby represents and warrants that the Holder is not a country, territory, person or entity named on an OFAC list, nor is the Holder a natural person or entity with whom dealings are prohibited under any OFAC regulations.

(x) The Holder represents and warrants that neither the Holder nor any Underlying Beneficial Owner is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure within the meaning of, and applicable guidance issued by the Department of the Treasury concerning, the U.S. Bank Secrecy Act (31 U.S.C. ss.5311 et seq.), as amended, and any regulations promulgated thereunder.

(xi) The Holder agrees promptly to notify the Company should the Holder become aware of any change in the information set forth in subparagraphs (vii) through (x).

(xii) The Holder agrees to indemnify and hold harmless the Company, its affiliates, their respective directors, officers, shareholders, employees, agents and representatives from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from the Holder's misrepresentations or misstatements contained herein or breaches hereof relating to paragraphs (vii) through (x).

(xiii) The Holder understands and agrees that, notwithstanding anything to the contrary contained in any document (including any side letters or similar agreements), if, following the Holder's investment in the Company, it is discovered that the investment is or has become a Prohibited Investment, such investment may immediately be redeemed by the Company or otherwise be subject to the remedies required by law, and the Holder shall have no claim against the Company for any form of damages as a result of such forced redemption or other action.

(xiv) Upon the written request from the Company, the Holder agrees to provide all information to the Company to enable the Company to comply with all applicable anti-money laundering statutes, rules, regulations and policies, including any policies applicable to a portfolio investment held or proposed to be held by the Company. The Holder understands and agrees that the Company may release confidential information about the Holder and any Underlying Beneficial Owner(s) to any person if the release of such information is necessary to comply with applicable statutes, rules, regulations and policies.

4. Miscellaneous.

(a) Amendments and Waivers; Binding Effect. This Agreement, together with the Employment Agreement, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that if there is any contradiction between the terms of the Employment Agreement and this Agreement, the terms of this Agreement shall prevail. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

(b) Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery or courier) or international courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and shall be effective upon the earlier of receipt by the addressee or the second business day after dispatch by recognized international courier.

If to the Company: Genius Brands International, Inc.
3111 Camino del Rio North, Suite 400
San Diego, California 92108
Attn: Jeanene Morgan, Chief Financial Officer
Fax: (619) 281-2507
Tel: (858) 450-2900

If to the Holder: Klaus Moeller

Attention: _____

Fax: _____

Tel: _____

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Neither the Holder nor the Company may assign its rights or obligations hereunder without the prior written consent of the other.

(d) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(e) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

In Witness Whereof, the parties have executed this Agreement to Convert Debt as of the date first written above.

GENIUS BRANDS INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Jeanene Morgan, Chief Financial Officer

Klaus Moeller

By: /s/ Klaus Moeller

Klaus Moeller
Print Name and Title

AGREEMENT TO CONVERT UNPAID SALARY

This Agreement to Convert UNPAID SALARY (the "Agreement") is made as of the 14th day of November, 2013 (the "Effective Date") by and between Jeanene Morgan (referred to herein as the "Holder") and Genius Brands International, Inc., a Nevada corporation (referred to herein as the "Company").

Recitals

Whereas, the Holder is due salary pursuant to an Employment Agreement dated May 2, 2012, as amended, and the Company currently owes to the Holder the sum of \$19,327.05, including salary as of September 30, 2013 (the "Amount Owed").

Whereas, the Company wishes to pay the Amount Owed by issuing restricted shares of its common stock to the Holder and the Holder has agreed to accept the Company's securities as full and final payment of the Amount Owed, in accordance with the terms of this Agreement.

Therefore, the Company and the Holder agree as follows:

Agreement

1. Transfer of Securities and Cancellation of Debt.

(a) Securities to be Issued. The Holder agrees to accept, and the Company agrees to issue and transfer to the Holder 552,202 shares of the Company's Common Stock, par value \$0.001, having an assigned value of \$0.035 per share. The Common Stock issued in payment of the Amount Due shall be referred to in this Agreement as the "Shares".

(b) Exchange of Documents. The certificates representing the Shares shall be delivered to the Holder as soon as practicable after Holder delivering an executed copy of Agreement and Exhibit A to Company. Upon receipt of the Shares, the Company shall record the payment of the outstanding obligation on its books and records.

2. Representations by Company.

The Company hereby represents and warrants to the Holder as follows:

- (i) The Company is duly organized, validly existing and in good standing under the laws of the State of Nevada.
- (ii) The Company has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Company of this Agreement has been duly authorized by all requisite action by the Company and this Agreement, when executed and delivered by the Company, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iii) The execution, delivery and performance by the Company of this Agreement have been duly authorized by all requisite corporate action of the Company; and this Agreement has been duly executed and delivered by the Company.

(iv) The Shares will be duly and validly issued, fully paid and nonassessable, and free of any liens or encumbrances.

3. Representations by the Holder.

The Holder hereby represents and warrants to the Company as follows:

(i) The Holder has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Holder of this Agreement has been duly authorized by all requisite action by the Holder and this Agreement, when executed and delivered by the Holder, constitutes a valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) The Holder has a pre-existing personal or business relationship with the Company and its officers and directors.

(iii) The Holder is an "accredited investor," as that term is defined in Rule 501 of Regulation D (a copy of which is attached hereto as Exhibit "A"), and has indicated on Exhibit B its specific qualification thereunder.

(iv) The Holder understands and acknowledges that the Shares have not been registered with the Securities and Exchange Commission under Section 5 of the of the Securities Act or registered or qualified with any applicable state or territorial securities regulatory agency in reliance upon one or more exemptions afforded from registration or qualification.

(v) The Holder understands and acknowledges that the Shares are deemed to be "restricted" securities under the Securities Act, and may be re-sold only pursuant to exemptions provided by the Securities Act. The Holder understands and acknowledges that the Company is required to place a legend on each certificate stating that the Shares have not been registered under the Securities Act.

(vi) The Holder understands and acknowledges that: (i) prior to any sale, transfer, assignment, pledge, hypothecation or other disposition of the Shares, it must either: (1) furnish the Company with an opinion of counsel, in form and substance reasonably satisfactory to the Company and to its legal counsel, to the effect that such disposition is exempted from the registration and prospectus delivery requirement under the Securities Act and the securities laws of the jurisdiction in which the Holder resides, and legal counsel for the Company shall have concurred in such opinion; or (2) satisfy the Company that a registration statement on Form S-1 under the Securities Act (or any other form appropriate under the Securities Act, or any form replacing any such form) with respect to the securities proposed to be so disposed of shall then be effective; and that such disposition shall have been appropriately qualified or registered in accordance with the applicable securities laws of the jurisdiction in which the Holder resides.

(vii) The Holder is entering into this transaction for the Holder's own account, own risk and own beneficial interest, is not acting as an agent, representative, intermediary, nominee or in a similar capacity for any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each such natural person or entity, an "Underlying Beneficial Owner") and no Underlying Beneficial Owner will have a beneficial or economic interest in the Shares (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) and does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any Underlying Beneficial Owner or any other person.

(viii) The Holder hereby represents and warrants that the proposed investment in the Company does not directly or indirectly contravene United States federal, state, local or international laws or regulations applicable to the Holder, including anti-money laundering laws (a "Prohibited Investment").

(ix) Federal regulations and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. The Holder hereby represents and warrants that the Holder is not a country, territory, person or entity named on an OFAC list, nor is the Holder a natural person or entity with whom dealings are prohibited under any OFAC regulations.

(x) The Holder represents and warrants that neither the Holder nor any Underlying Beneficial Owner is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure within the meaning of, and applicable guidance issued by the Department of the Treasury concerning, the U.S. Bank Secrecy Act (31 U.S.C. ss.5311 et seq.), as amended, and any regulations promulgated thereunder.

(xi) The Holder agrees promptly to notify the Company should the Holder become aware of any change in the information set forth in subparagraphs (vii) through (x).

(xii) The Holder agrees to indemnify and hold harmless the Company, its affiliates, their respective directors, officers, shareholders, employees, agents and representatives from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from the Holder's misrepresentations or misstatements contained herein or breaches hereof relating to paragraphs (vii) through (x).

(xiii) The Holder understands and agrees that, notwithstanding anything to the contrary contained in any document (including any side letters or similar agreements), if, following the Holder's investment in the Company, it is discovered that the investment is or has become a Prohibited Investment, such investment may immediately be redeemed by the Company or otherwise be subject to the remedies required by law, and the Holder shall have no claim against the Company for any form of damages as a result of such forced redemption or other action.

(xiv) Upon the written request from the Company, the Holder agrees to provide all information to the Company to enable the Company to comply with all applicable anti-money laundering statutes, rules, regulations and policies, including any policies applicable to a portfolio investment held or proposed to be held by the Company. The Holder understands and agrees that the Company may release confidential information about the Holder and any Underlying Beneficial Owner(s) to any person if the release of such information is necessary to comply with applicable statutes, rules, regulations and policies.

4. Miscellaneous.

(a) Amendments and Waivers; Binding Effect. This Agreement, together with the Employment Agreement, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that if there is any contradiction between the terms of the Employment Agreement and this Agreement, the terms of this Agreement shall prevail. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

(b) Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery or courier) or international courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and shall be effective upon the earlier of receipt by the addressee or the second business day after dispatch by recognized international courier.

If to the Company: Genius Brands International, Inc.
3111 Camino del Rio North, Suite 400
San Diego, California 92108
Attn: Jeanene Morgan, Chief Financial Officer
Fax: (619) 281-2507
Tel: (858) 450-2900

If to the Holder: Jeanene Morgan
5011 E. Mountain View Drive
San Diego, CA 92116
Fax: 619-281-2503
Tel: 619-281-2500

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Neither the Holder nor the Company may assign its rights or obligations hereunder without the prior written consent of the other.

(d) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(e) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

In Witness Whereof, the parties have executed this Agreement to Convert Debt as of the date first written above.

GENIUS BRANDS INTERNATIONAL, INC.

By: /s/ Klaus Moeller
Klaus Moeller, Chief Executive Officer

Jeanene Morgan

By: /s/ Jeanene Morgan

Jeanene Morgan
Print Name and Title

AGREEMENT TO CONVERT UNPAID SALARY

This Agreement to Convert UNPAID SALARY (the "Agreement") is made as of the 14th day of November, 2013 (the "Effective Date") by and between Larry Balaban (referred to herein as the "Holder") and Genius Brands International, Inc., a Nevada corporation (referred to herein as the "Company").

Recitals

Whereas, the Holder is due salary pursuant to an Employment Agreement dated April 26, 2011, as amended, and the Company currently owes to the Holder the sum of \$178,825.22, including salary and auto allowances as of September 30, 2013 (the "Amount Owed").

Whereas, the Company wishes to pay the Amount Owed by issuing restricted shares of its common stock to the Holder and the Holder has agreed to accept the Company's securities as full and final payment of the Amount Owed, in accordance with the terms of this Agreement.

Therefore, the Company and the Holder agree as follows:

Agreement

1. Transfer of Securities and Cancellation of Debt.

(a) Securities to be Issued. The Holder agrees to accept, and the Company agrees to issue and transfer to the Holder 3,576,505 shares of the Company's Common Stock, par value \$0.001, having an assigned value of \$0.05 per share. The Common Stock issued in payment of the Amount Due shall be referred to in this Agreement as the "Shares".

(b) Exchange of Documents. The certificates representing the Shares shall be delivered to the Holder as soon as practicable after Holder delivering an executed copy of Agreement and Exhibit A to Company. Upon receipt of the Shares, the Company shall record the payment of the outstanding obligation on its books and records.

2. Representations by Company.

The Company hereby represents and warrants to the Holder as follows:

- (i) The Company is duly organized, validly existing and in good standing under the laws of the State of Nevada.
- (ii) The Company has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Company of this Agreement has been duly authorized by all requisite action by the Company and this Agreement, when executed and delivered by the Company, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iii) The execution, delivery and performance by the Company of this Agreement have been duly authorized by all requisite corporate action of the Company; and this Agreement has been duly executed and delivered by the Company.

(iv) The Shares will be duly and validly issued, fully paid and nonassessable, and free of any liens or encumbrances.

3. Representations by the Holder.

The Holder hereby represents and warrants to the Company as follows:

(i) The Holder has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Holder of this Agreement has been duly authorized by all requisite action by the Holder and this Agreement, when executed and delivered by the Holder, constitutes a valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) The Holder has a pre-existing personal or business relationship with the Company and its officers and directors.

(iii) The Holder is an "accredited investor," as that term is defined in Rule 501 of Regulation D (a copy of which is attached hereto as Exhibit "A"), and has indicated on Exhibit B its specific qualification thereunder.

(iv) The Holder understands and acknowledges that the Shares have not been registered with the Securities and Exchange Commission under Section 5 of the of the Securities Act or registered or qualified with any applicable state or territorial securities regulatory agency in reliance upon one or more exemptions afforded from registration or qualification.

(v) The Holder understands and acknowledges that the Shares are deemed to be "restricted" securities under the Securities Act, and may be re-sold only pursuant to exemptions provided by the Securities Act. The Holder understands and acknowledges that the Company is required to place a legend on each certificate stating that the Shares have not been registered under the Securities Act.

(vi) The Holder understands and acknowledges that: (i) prior to any sale, transfer, assignment, pledge, hypothecation or other disposition of the Shares, it must either: (1) furnish the Company with an opinion of counsel, in form and substance reasonably satisfactory to the Company and to its legal counsel, to the effect that such disposition is exempted from the registration and prospectus delivery requirement under the Securities Act and the securities laws of the jurisdiction in which the Holder resides, and legal counsel for the Company shall have concurred in such opinion; or (2) satisfy the Company that a registration statement on Form S-1 under the Securities Act (or any other form appropriate under the Securities Act, or any form replacing any such form) with respect to the securities proposed to be so disposed of shall then be effective; and that such disposition shall have been appropriately qualified or registered in accordance with the applicable securities laws of the jurisdiction in which the Holder resides.

(vii) The Holder is entering into this transaction for the Holder's own account, own risk and own beneficial interest, is not acting as an agent, representative, intermediary, nominee or in a similar capacity for any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each such natural person or entity, an "Underlying Beneficial Owner") and no Underlying Beneficial Owner will have a beneficial or economic interest in the Shares (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) and does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any Underlying Beneficial Owner or any other person.

(viii) The Holder hereby represents and warrants that the proposed investment in the Company does not directly or indirectly contravene United States federal, state, local or international laws or regulations applicable to the Holder, including anti-money laundering laws (a "Prohibited Investment").

(ix) Federal regulations and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. The Holder hereby represents and warrants that the Holder is not a country, territory, person or entity named on an OFAC list, nor is the Holder a natural person or entity with whom dealings are prohibited under any OFAC regulations.

(x) The Holder represents and warrants that neither the Holder nor any Underlying Beneficial Owner is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure within the meaning of, and applicable guidance issued by the Department of the Treasury concerning, the U.S. Bank Secrecy Act (31 U.S.C. ss.5311 et seq.), as amended, and any regulations promulgated thereunder.

(xi) The Holder agrees promptly to notify the Company should the Holder become aware of any change in the information set forth in subparagraphs (vii) through (x).

(xii) The Holder agrees to indemnify and hold harmless the Company, its affiliates, their respective directors, officers, shareholders, employees, agents and representatives from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from the Holder's misrepresentations or misstatements contained herein or breaches hereof relating to paragraphs (vii) through (x).

(xiii) The Holder understands and agrees that, notwithstanding anything to the contrary contained in any document (including any side letters or similar agreements), if, following the Holder's investment in the Company, it is discovered that the investment is or has become a Prohibited Investment, such investment may immediately be redeemed by the Company or otherwise be subject to the remedies required by law, and the Holder shall have no claim against the Company for any form of damages as a result of such forced redemption or other action.

(xiv) Upon the written request from the Company, the Holder agrees to provide all information to the Company to enable the Company to comply with all applicable anti-money laundering statutes, rules, regulations and policies, including any policies applicable to a portfolio investment held or proposed to be held by the Company. The Holder understands and agrees that the Company may release confidential information about the Holder and any Underlying Beneficial Owner(s) to any person if the release of such information is necessary to comply with applicable statutes, rules, regulations and policies.

4. Miscellaneous.

(a) Amendments and Waivers; Binding Effect. This Agreement, together with the Employment Agreement, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that if there is any contradiction between the terms of the Employment Agreement and this Agreement, the terms of this Agreement shall prevail. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

(b) Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery or courier) or international courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and shall be effective upon the earlier of receipt by the addressee or the second business day after dispatch by recognized international courier.

If to the Company: Genius Brands International, Inc.
3111 Camino del Rio North, Suite 400
San Diego, California 92108
Attn: Jeanene Morgan, Chief Financial Officer
Fax: (619) 281-2507
Tel: (858) 450-2900

If to the Holder: Larry Balaban

Attention: _____

Fax: _____

Tel: _____

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Neither the Holder nor the Company may assign its rights or obligations hereunder without the prior written consent of the other.

(d) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(e) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

In Witness Whereof, the parties have executed this Agreement to Convert Debt as of the date first written above.

GENIUS BRANDS INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Jeanene Morgan, Chief Financial Officer

Larry Balaban

By: /s/ Larry Balaban

Larry Balaban
Print Name and Title

AGREEMENT TO CONVERT UNPAID SALARY

This Agreement to Convert UNPAID SALARY (the "Agreement") is made as of the 14th day of November, 2013 (the "Effective Date") by and between Howard Balaban (referred to herein as the "Holder") and Genius Brands International, Inc., a Nevada corporation (referred to herein as the "Company").

Recitals

Whereas, the Holder is due salary pursuant to an Employment Agreement dated April 26, 2011, as amended, and the Company currently owes to the Holder the sum of \$185,196.22, including salary and auto allowances as of September 30, 2013 (the "Amount Owed").

Whereas, the Company wishes to pay the Amount Owed by issuing restricted shares of its common stock to the Holder and the Holder has agreed to accept the Company's securities as full and final payment of the Amount Owed, in accordance with the terms of this Agreement.

Therefore, the Company and the Holder agree as follows:

Agreement

1. Transfer of Securities and Cancellation of Debt.

(a) Securities to be Issued. The Holder agrees to accept, and the Company agrees to issue and transfer to the Holder 3,703,924 shares of the Company's Common Stock, par value \$0.001, having an assigned value of \$0.05 per share. The Common Stock issued in payment of the Amount Due shall be referred to in this Agreement as the "Shares".

(b) Exchange of Documents. The certificates representing the Shares shall be delivered to the Holder as soon as practicable after Holder delivering an executed copy of Agreement and Exhibit A to Company. Upon receipt of the Shares, the Company shall record the payment of the outstanding obligation on its books and records.

2. Representations by Company.

The Company hereby represents and warrants to the Holder as follows:

- (i) The Company is duly organized, validly existing and in good standing under the laws of the State of Nevada.
- (ii) The Company has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Company of this Agreement has been duly authorized by all requisite action by the Company and this Agreement, when executed and delivered by the Company, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iii) The execution, delivery and performance by the Company of this Agreement have been duly authorized by all requisite corporate action of the Company; and this Agreement has been duly executed and delivered by the Company.

(iv) The Shares will be duly and validly issued, fully paid and nonassessable, and free of any liens or encumbrances.

3. Representations by the Holder.

The Holder hereby represents and warrants to the Company as follows:

(i) The Holder has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Holder of this Agreement has been duly authorized by all requisite action by the Holder and this Agreement, when executed and delivered by the Holder, constitutes a valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) The Holder has a pre-existing personal or business relationship with the Company and its officers and directors.

(iii) The Holder is an "accredited investor," as that term is defined in Rule 501 of Regulation D (a copy of which is attached hereto as Exhibit "A"), and has indicated on Exhibit B its specific qualification thereunder.

(iv) The Holder understands and acknowledges that the Shares have not been registered with the Securities and Exchange Commission under Section 5 of the of the Securities Act or registered or qualified with any applicable state or territorial securities regulatory agency in reliance upon one or more exemptions afforded from registration or qualification.

(v) The Holder understands and acknowledges that the Shares are deemed to be "restricted" securities under the Securities Act, and may be re-sold only pursuant to exemptions provided by the Securities Act. The Holder understands and acknowledges that the Company is required to place a legend on each certificate stating that the Shares have not been registered under the Securities Act.

(vi) The Holder understands and acknowledges that: (i) prior to any sale, transfer, assignment, pledge, hypothecation or other disposition of the Shares, it must either: (1) furnish the Company with an opinion of counsel, in form and substance reasonably satisfactory to the Company and to its legal counsel, to the effect that such disposition is exempted from the registration and prospectus delivery requirement under the Securities Act and the securities laws of the jurisdiction in which the Holder resides, and legal counsel for the Company shall have concurred in such opinion; or (2) satisfy the Company that a registration statement on Form S-1 under the Securities Act (or any other form appropriate under the Securities Act, or any form replacing any such form) with respect to the securities proposed to be so disposed of shall then be effective; and that such disposition shall have been appropriately qualified or registered in accordance with the applicable securities laws of the jurisdiction in which the Holder resides.

(vii) The Holder is entering into this transaction for the Holder's own account, own risk and own beneficial interest, is not acting as an agent, representative, intermediary, nominee or in a similar capacity for any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each such natural person or entity, an "Underlying Beneficial Owner") and no Underlying Beneficial Owner will have a beneficial or economic interest in the Shares (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) and does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any Underlying Beneficial Owner or any other person.

(viii) The Holder hereby represents and warrants that the proposed investment in the Company does not directly or indirectly contravene United States federal, state, local or international laws or regulations applicable to the Holder, including anti-money laundering laws (a "Prohibited Investment").

(ix) Federal regulations and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. The Holder hereby represents and warrants that the Holder is not a country, territory, person or entity named on an OFAC list, nor is the Holder a natural person or entity with whom dealings are prohibited under any OFAC regulations.

(x) The Holder represents and warrants that neither the Holder nor any Underlying Beneficial Owner is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure within the meaning of, and applicable guidance issued by the Department of the Treasury concerning, the U.S. Bank Secrecy Act (31 U.S.C. ss.5311 et seq.), as amended, and any regulations promulgated thereunder.

(xi) The Holder agrees promptly to notify the Company should the Holder become aware of any change in the information set forth in subparagraphs (vii) through (x).

(xii) The Holder agrees to indemnify and hold harmless the Company, its affiliates, their respective directors, officers, shareholders, employees, agents and representatives from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from the Holder's misrepresentations or misstatements contained herein or breaches hereof relating to paragraphs (vii) through (x).

(xiii) The Holder understands and agrees that, notwithstanding anything to the contrary contained in any document (including any side letters or similar agreements), if, following the Holder's investment in the Company, it is discovered that the investment is or has become a Prohibited Investment, such investment may immediately be redeemed by the Company or otherwise be subject to the remedies required by law, and the Holder shall have no claim against the Company for any form of damages as a result of such forced redemption or other action.

(xiv) Upon the written request from the Company, the Holder agrees to provide all information to the Company to enable the Company to comply with all applicable anti-money laundering statutes, rules, regulations and policies, including any policies applicable to a portfolio investment held or proposed to be held by the Company. The Holder understands and agrees that the Company may release confidential information about the Holder and any Underlying Beneficial Owner(s) to any person if the release of such information is necessary to comply with applicable statutes, rules, regulations and policies.

4. Miscellaneous.

(a) Amendments and Waivers; Binding Effect. This Agreement, together with the Employment Agreement, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that if there is any contradiction between the terms of the Employment Agreement and this Agreement, the terms of this Agreement shall prevail. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

(b) Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery or courier) or international courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and shall be effective upon the earlier of receipt by the addressee or the second business day after dispatch by recognized international courier.

If to the Company: Genius Brands International, Inc.
 3111 Camino del Rio North, Suite 400
 San Diego, California 92108
 Attn: Jeanene Morgan, Chief Financial Officer
 Fax: (619) 281-2507
 Tel: (858) 450-2900

If to the Holder: Howard Balaban

Attention: _____

Fax: _____

Tel: _____

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Neither the Holder nor the Company may assign its rights or obligations hereunder without the prior written consent of the other.

(d) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(e) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

In Witness Whereof, the parties have executed this Agreement to Convert Debt as of the date first written above.

GENIUS BRANDS INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Jeanene Morgan, Chief Financial Officer

Howard Balaban

By: /s/ Howard Balaban

Howard Balaban
Print Name and Title

AGREEMENT TO CONVERT UNPAID SALARY

This Agreement to Convert UNPAID SALARY (the "Agreement") is made as of the 14th day of November, 2013 (the "Effective Date") by and between Michael Meader (referred to herein as the "Holder") and Genius Brands International, Inc., a Nevada corporation (referred to herein as the "Company").

Recitals

Whereas, the Holder is due salary pursuant to an Employment Agreement dated April 26, 2011, as amended, and the Company currently owes to the Holder the sum of \$96,653.90, including salary and auto allowances as of September 30, 2013 (the "Amount Owed").

Whereas, the Company wishes to pay the Amount Owed by issuing restricted shares of its common stock to the Holder and the Holder has agreed to accept the Company's securities as full and final payment of the Amount Owed, in accordance with the terms of this Agreement.

Therefore, the Company and the Holder agree as follows:

Agreement

1. Transfer of Securities and Cancellation of Debt.

(a) Securities to be Issued. The Holder agrees to accept, and the Company agrees to issue and transfer to the Holder 1,933,078 shares of the Company's Common Stock, par value \$0.001, having an assigned value of \$0.05 per share. The Common Stock issued in payment of the Amount Due shall be referred to in this Agreement as the "Shares".

(b) Exchange of Documents. The certificates representing the Shares shall be delivered to the Holder as soon as practicable after Holder delivering an executed copy of Agreement and Exhibit A to Company. Upon receipt of the Shares, the Company shall record the payment of the outstanding obligation on its books and records.

2. Representations by Company.

The Company hereby represents and warrants to the Holder as follows:

- (i) The Company is duly organized, validly existing and in good standing under the laws of the State of Nevada.
- (ii) The Company has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Company of this Agreement has been duly authorized by all requisite action by the Company and this Agreement, when executed and delivered by the Company, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iii) The execution, delivery and performance by the Company of this Agreement have been duly authorized by all requisite corporate action of the Company; and this Agreement has been duly executed and delivered by the Company.

(iv) The Shares will be duly and validly issued, fully paid and nonassessable, and free of any liens or encumbrances.

3. Representations by the Holder.

The Holder hereby represents and warrants to the Company as follows:

(i) The Holder has all requisite power and authority (corporate or otherwise) to execute, deliver and perform this Agreement and the transactions contemplated thereby, and the execution, delivery and performance by the Holder of this Agreement has been duly authorized by all requisite action by the Holder and this Agreement, when executed and delivered by the Holder, constitutes a valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) The Holder has a pre-existing personal or business relationship with the Company and its officers and directors.

(iii) The Holder is an "accredited investor," as that term is defined in Rule 501 of Regulation D (a copy of which is attached hereto as Exhibit "A"), and has indicated on Exhibit B its specific qualification thereunder.

(iv) The Holder understands and acknowledges that the Shares have not been registered with the Securities and Exchange Commission under Section 5 of the of the Securities Act or registered or qualified with any applicable state or territorial securities regulatory agency in reliance upon one or more exemptions afforded from registration or qualification.

(v) The Holder understands and acknowledges that the Shares are deemed to be "restricted" securities under the Securities Act, and may be re-sold only pursuant to exemptions provided by the Securities Act. The Holder understands and acknowledges that the Company is required to place a legend on each certificate stating that the Shares have not been registered under the Securities Act.

(vi) The Holder understands and acknowledges that: (i) prior to any sale, transfer, assignment, pledge, hypothecation or other disposition of the Shares, it must either: (1) furnish the Company with an opinion of counsel, in form and substance reasonably satisfactory to the Company and to its legal counsel, to the effect that such disposition is exempted from the registration and prospectus delivery requirement under the Securities Act and the securities laws of the jurisdiction in which the Holder resides, and legal counsel for the Company shall have concurred in such opinion; or (2) satisfy the Company that a registration statement on Form S-1 under the Securities Act (or any other form appropriate under the Securities Act, or any form replacing any such form) with respect to the securities proposed to be so disposed of shall then be effective; and that such disposition shall have been appropriately qualified or registered in accordance with the applicable securities laws of the jurisdiction in which the Holder resides.

(vii) The Holder is entering into this transaction for the Holder's own account, own risk and own beneficial interest, is not acting as an agent, representative, intermediary, nominee or in a similar capacity for any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each such natural person or entity, an "Underlying Beneficial Owner") and no Underlying Beneficial Owner will have a beneficial or economic interest in the Shares (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) and does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any Underlying Beneficial Owner or any other person.

(viii) The Holder hereby represents and warrants that the proposed investment in the Company does not directly or indirectly contravene United States federal, state, local or international laws or regulations applicable to the Holder, including anti-money laundering laws (a "Prohibited Investment").

(ix) Federal regulations and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. The Holder hereby represents and warrants that the Holder is not a country, territory, person or entity named on an OFAC list, nor is the Holder a natural person or entity with whom dealings are prohibited under any OFAC regulations.

(x) The Holder represents and warrants that neither the Holder nor any Underlying Beneficial Owner is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure within the meaning of, and applicable guidance issued by the Department of the Treasury concerning, the U.S. Bank Secrecy Act (31 U.S.C. ss.5311 et seq.), as amended, and any regulations promulgated thereunder.

(xi) The Holder agrees promptly to notify the Company should the Holder become aware of any change in the information set forth in subparagraphs (vii) through (x).

(xii) The Holder agrees to indemnify and hold harmless the Company, its affiliates, their respective directors, officers, shareholders, employees, agents and representatives from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from the Holder's misrepresentations or misstatements contained herein or breaches hereof relating to paragraphs (vii) through (x).

(xiii) The Holder understands and agrees that, notwithstanding anything to the contrary contained in any document (including any side letters or similar agreements), if, following the Holder's investment in the Company, it is discovered that the investment is or has become a Prohibited Investment, such investment may immediately be redeemed by the Company or otherwise be subject to the remedies required by law, and the Holder shall have no claim against the Company for any form of damages as a result of such forced redemption or other action.

(xiv) Upon the written request from the Company, the Holder agrees to provide all information to the Company to enable the Company to comply with all applicable anti-money laundering statutes, rules, regulations and policies, including any policies applicable to a portfolio investment held or proposed to be held by the Company. The Holder understands and agrees that the Company may release confidential information about the Holder and any Underlying Beneficial Owner(s) to any person if the release of such information is necessary to comply with applicable statutes, rules, regulations and policies.

4. Miscellaneous.

(a) Amendments and Waivers; Binding Effect. This Agreement, together with the Employment Agreement, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that if there is any contradiction between the terms of the Employment Agreement and this Agreement, the terms of this Agreement shall prevail. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

(b) Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery or courier) or international courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and shall be effective upon the earlier of receipt by the addressee or the second business day after dispatch by recognized international courier.

If to the Company: Genius Brands International, Inc.
3111 Camino del Rio North, Suite 400
San Diego, California 92108
Attn: Jeanene Morgan, Chief Financial Officer
Fax: (619) 281-2507
Tel: (858) 450-2900

If to the Holder: Michael Meader

Attention: _____

Fax: _____

Tel: _____

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Neither the Holder nor the Company may assign its rights or obligations hereunder without the prior written consent of the other.

(d) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(e) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

In Witness Whereof, the parties have executed this Agreement to Convert Debt as of the date first written above.

GENIUS BRANDS INTERNATIONAL, INC.

By: /s/ Jeanene Morgan
Jeanene Morgan, Chief Financial Officer

Michael Meader

By: /s/ Michael Meader

Michael Meader
Print Name and Title

ROAR

November 15, 2013

Genius Brands International Inc.
Attn: Klaus Moeller, Chairman & CEO
3111 Camino Del Rio North
Suite 400
San Diego, CA 92108
klaus@gnusinc.com

Re: ROAR Engagement

Dear Klaus:

Please find the terms of ROAR, LLC's ("ROAR" or "Consultant") engagement with Genius Brands International, Inc. (the "Client" or "GNUS").

1. **Scope of Services.** ROAR agrees to provide the Client with the following non-exclusive strategic management services (the "Services"):
 - 1.1. Assist and advise GNUS in developing a business development strategy for entertainment and media, and facilitate high level introductions to content syndicators, retailers, studios, production companies and television networks;
 - 1.2. Assist and advise GNUS with respect to its merger with A2 Entertainment LLC, including all brand and operational integration issues;
 - 1.3. Assist and advise GNUS with respect to its content strategy, including all film, television and digital initiatives; and
 - 1.4. Seek and source appropriate celebrity talent to serve as brand ambassador(s) for GNUS.
2. **Term and Termination.** This Agreement will have a term of 18 months from the date hereof (the "Term"), Following the Term, the Client will pay Commission (as defined below), if any, quarterly, in accordance with Section 3.2 herein. The Client will have absolutely no obligation to sign any deal sourced by ROAR, and no obligation to pay any Commissions except on applicable monies actually received by Client.

9701 Wilshire Blvd., 8TH Floor • Beverly Hills, California 90212 • Ph: 310-424-7800 Fax: 310-424-7824

3. **ROAR's Management Compensation.** In consideration for its performance of the Services, the Client agree to pay ROAR the following:
- 3.1. **Non-refundable, Irrevocable Retainer:** Upon execution of this Agreement, the Client shall issue to ROAR 6,749,175 shares of the Client's restricted common stock, which shares shall vest in accordance with the following schedule: (i) 2,000,000 shares upon full execution hereof; (ii) 2,000,000 shares on 1/15/14; (iii) 1,374,588 shares on 9/15/14, and (iv) 1,374,587 shares on 3/15/15 (the "Consulting Shares"). All Consulting Shares issued hereunder may be adjusted to account for any stock splits, reclassifications and/or reorganizations, if any. The Consultant agrees to the Client causing its transfer agent to place a "vesting" legend and stock order against the Consulting Shares in accordance with the foregoing vesting schedule.
- 3.2. **Commission:** The Client shall pay the Consultant a commission of 10% of 100% of the derived value from any agreement with a contractual party entered into by the Client and introduced by ROAR (the "Commissions"). By way of example, if the Client hires a celebrity endorser introduced to the Client by ROAR, the Commission would be calculated as 10% of the endorsement fee paid to the endorser.
- 3.3. ROAR understands that the issuance of any the Consulting Shares is being made pursuant to an exemption from registration under state law and with the Securities and Exchange Commission afforded by Section 4(2) of the Securities Act of 1933, as amended (the "Act") and/or Regulation D promulgated thereunder, relating to transactions by an issuer not involving any public offering. Consequently, the Consulting Shares are "restricted securities" as that term is defined under the federal securities laws. ROAR acknowledges that any Consulting Shares granted under this Agreement may not be sold or otherwise transferred unless they are registered under the Act and any applicable state securities law or an exemption from such registration is available. Consultant hereby represents and warrants that Consultant is an "accredited investor," as such term is defined in Rule 501 of Regulation D promulgated under the Act, and Consultant is able to bear the economic risk of an investment in the Consulting Shares. Consultant is acquiring the Consulting Shares solely for its own account and not with a view to the distribution or resale of the Consulting Shares except pursuant to a registration statement declared effective under the Act, or an exemption from the registration requirements of, the Act. Consultant understands that the Consulting Shares are restricted securities as defined in Rule 144 of the Act and that the Consulting Shares shall accordingly bear a standard restrictive legend
4. **Expense Reimbursements.** ROAR will pay for all expenses in connection with the Services and this Agreement, except as otherwise explicitly set forth herein. If ROAR is asked to incur expenses by the Client, outside of the reasonable scope of the Services and as otherwise contemplated by this Agreement, the Client shall reimburse such expenses if such expenses have been pre-approved in writing by the Client, with e-mail confirmation serving as an acceptable form of approval. ROAR will provide detailed invoices along with original receipts (or copies of credit card statements with line items) for such expenses. Subject to the foregoing, payment will be due within 10 days following submission to the Client.

5. **Confidentiality.** ROAR acknowledges that during the Term of this Agreement, ROAR may possess, learn or become privy to trade secrets, knowledge about the Client's business, products, services, techniques, experimental work, market, marketing plan, marketing techniques, customers, clients, suppliers, staff members, investors, work product, and similar proprietary information owned by or associated with the Client (the "**Confidential Information**"). ROAR agrees that it shall hold all Confidential Information in strict confidence; not allow any unauthorized person access to the Confidential Information; make no disclosure or use, in any way, of any Confidential Information, without the prior written consent of the Client. The term "Confidential Information" shall not include information that: (a) is or becomes generally available to the public, other than as a result of a disclosure by ROAR or any of its representatives in breach of this Agreement; (b) came into ROAR's possession from a third party who is known to ROAR not to be bound by any obligations of confidentiality to the Client, or otherwise; or (c) was developed by ROAR or its representatives independently of and without reference to, or knowledge of, any information communicated to ROAR by the Client. ROAR agrees and acknowledges that Confidential Information furnished by the Client to ROAR, or produced by ROAR or others in connection with the performance of services under this Agreement, will be and remain the Client's sole property. Similarly, the Client will hold all of ROAR's Confidential Information strictly confidential in accordance with this Section. This Section 5 shall survive the termination of this Agreement.
6. **Audit.** ROAR may appoint a certified public accountant to examine, at its cost and expense, those portions of the Client's books and records relating solely to the payments due to ROAR hereunder (the Client may prepare abstracts of the relevant books and records) for up to 3 years after the expiration or termination of this Agreement. Such audit shall be performed during normal business hours, by a CPA that has signed a confidentiality agreement provided by the Client, upon 10 business days prior written notice, with minimal disruption to the Client.
7. **Applicable Law and Indemnity.** This Agreement shall be governed by and construed solely and exclusively in accordance with the laws of the State of California, without reference to its conflicts of law principles. Appropriate jurisdiction and venue for any dispute or claim arising hereunder shall lie in Los Angeles, CA. In the event any parts of this Section or the Agreement in general are found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.
8. **Non-Solicitation.** For the Term and 6 months thereafter ROAR and the Client agree not to directly or indirectly solicit for employment or employ any person who is now employed by the other, without prior written consent.
9. **Limitation of Liability.** UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES ARISING FROM ANY PROVISION OF THIS AGREEMENT OTHER THAN DAMAGES ARISING OUT OF BREACH OF CONFIDENTIALITY SET FORTH IN SECTION 5.

10. **Disclaimer.** From time to time, through the course of ROAR's representation of you, we may express beliefs concerning the effectiveness of various strategies and courses of action or concerning the merits of any action. However, ROAR has not and will not make any promises or give any guarantees regarding the ultimate success or outcome of a matter. Any statements of ROAR's partners, managers, coordinators, employees, consultants or partners are not intended, nor should they be construed, as any such promise or guarantee.

If everything appears in order, please sign where indicated below and return one fully executed copy to me.

Best regards,

Understood, Acknowledged & Agreed

ROAR, LLC

Genius Brands International Inc.

By: /s/ Greg Suess

By: /s/ **Klaus Moeller**

Greg Suess, Manager

Klaus Moeller, Chairman & CEO

GIRLILLA MARKETING CONSULTATION AGREEMENT

This Strategic Digital Marketing Consultation Agreement (the "Agreement") is entered into by and between GENIUS BRANDS INTERNATIONAL INC., a Nevada corporation with its principal place of business located at 3111 Camino Del Rio North, Suite 400, San Diego, CA, 92108 (the "Company") and GIRLILLA MARKETING, LLC, a Tennessee limited liability company with its principal place of business located at 1400 18th Avenue South, Nashville, TN. 37212 ("Consultant").

1. Consulting Relationship. During the Term of this Agreement, Consultant will provide consulting services (the "Services") to the Company as described in Section 2 below.
2. Services. Consultant agrees to provide the Company with the following non-exclusive strategic digital marketing services:
 - a) Assist and advise Company in developing a digital strategy, including with respect to all content syndication, digital retailing and digital distribution;
 - b) Consult and help execute upon Company's current digital and social media marketing and promotions, including but not limited to, BabyGenius.com, the BabyGenius app, Facebook, Twitter and YouTube, among others; and
 - c) Develop and execute upon a digital and retail product promotion strategy.
3. Fees. As full consideration for the Services Consultant is providing hereunder, the Company will issue Consultant an aggregate of 1,000,000 shares of Company's restricted common stock (the "Consulting Shares"), which will vest as follows: (i) 200,000 upon execution of this Agreement, (ii) 200,000 shares on January 15, 2014, (iii) 200,000 shares on March 15, 2014, (iv) 200,000 shares on June 15, 2014, and 200,000 shares on September 14, 2014. The Consultant agrees to the Company causing its transfer agent to place a "vesting" legend and stock order against the Consulting Shares in accordance with the foregoing vesting schedule.
4. Expenses. All expenses must be pre-approved and in writing by the Company.
5. Term and Termination.
 - a) Consultant shall serve as a consultant to the Company for a period commencing on November 15, 2013.
 - b) This Agreement will terminate on November 15, 2014 (the "Term").
6. Indemnification and Confidentiality. Company agrees to indemnify Consultant and its employees, directors and independent contractors against any third party claim, including all costs and reasonable attorneys' fees, which may arise from a breach of any representations and warranties of the Company. Any confidential, personal, and proprietary information that Consultant obtains from Company will remain confidential. Company shall also keep any information that Company obtains from Consultant through the Services, including without limitation any business practices, techniques, marketing and promotional ideas, and industry information, in confidence; disclosing to employees and other third parties on a "need to know" basis only. In no circumstances, however, will Company share such information with third party companies or individuals in the marketing and promotion industries without Consultant's prior written consent.

7. Consultant Representations. Consultant hereby represents and warrants that Consultant is an “accredited investor,” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and Consultant is able to bear the economic risk of an investment in the Consulting Shares. Consultant is acquiring the Consulting Shares solely for its own account and not with a view to the distribution or resale of the Consulting Shares except pursuant to a registration statement declared effective under the Securities Act, or an exemption from the registration requirements of, the Securities Act. Consultant understands that the Consulting Shares are restricted securities as defined in Rule 144 of the Securities Act and that the Consulting Shares shall accordingly bear a standard restrictive legend
8. Miscellaneous.
- a) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflict of laws.
 - b) Cost of Collection. In the event that Company fails to pay Consultant on a timely basis, Company shall pay all costs, including reasonable attorney’s fees, incurred by Consultant in collecting all unpaid fees.
 - c) Arbitration. Any dispute or claim arising out of or in connection with any provision of this Agreement will be finally settled by binding arbitration in Los Angeles, California in accordance with the rules of the American Arbitration Association by one arbitrator appointed in accordance with said rules. The arbitrator shall apply California law, without reference to rules of conflicts of law or rules of statutory arbitration, to the resolution of any dispute. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision.

[Signature Page Follows]

The parties have executed this Agreement as of the date written in Section 5 above.

GIRLILLA MARKETING, LLC

GENIUS BRANDS INTERNATIONAL INC.

By:/s/ Jennie Smythe
Name: Jennie Smythe
Title: CEO

By:/s/ Klaus Moeller
Name: Klaus Moeller
Title: Chairman & CEO