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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

ANDREW B. CONRU, an individual, Plaintiff, vs. JONATHAN B. BUCKHEIT, an individual, Defendant.	CASE NO.: 5:23-cv-4056 **COMPLAINT FOR DECLARATORY RELIEF, BREACH OF CONTRACT, BREACH OF THE CONVENANT OF GOOD FAITH AND FAIR DEALING, AND SPECIFIC PERFORMANCE** **DEMAND FOR JURY TRIAL**

Plaintiff, Andrew B. Conru ("Conru"), by counsel, for his Complaint for Declaratory and Other Relief against Defendant, Jonathan B. Buckheit ("Buckheit"), states the following:

INTRODUCTION

1. This lawsuit pertains to a dispute over a Call Option Agreement ("COA") concerning the majority of shares in FriendFinder Networks Inc. ("FFN"), a company founded by Conru

in the 1990s. Conru and Buckheit, the current CEO, entered into this agreement on February 18, 2021. Despite this agreement (attached as **Exhibit A**), Buckheit is now denying its validity, effectively attempting to seize control of Conru's company and reap undue financial gains.

2. The COA was part of a three-way transaction that also involved a banker owning 51% of FFN's debt (approximately Ninety Million Dollars ($90 Million)) and equity (350,297 shares). Conru facilitated this deal, paying the banker Sixty Million Dollars ($60,000,000) for the debt and equity. Buckheit contributed a mere One Thousand Dollars ($1,000). In this arrangement, Conru acquired the FFN debt, and Buckheit was allowed to hold the FFN equity subject to Conru's repurchase right memorialized in the COA. Conru agreed to this arrangement, with the understanding that he could regain the majority control of FFN whenever he wished, allowing Buckheit, the current CEO and a trusted friend, to maintain the FFN equity and focus on the business while Conru sought other opportunities.

3. In the COA, Conru maintained the right to purchase the FFN equity from Buckheit by paying $1,000, the same nominal sum Buckheit paid to hold the FFN equity. The COA set the repurchase price for the FFN equity at $14.28 per share, amounting to $5,000,000 for all shares. On February 3, 2023, Conru exercised his right to purchase the unvested FFN equity and retake control of FFN. Buckheit, however, is refusing to abide by the COA and transfer the agreed-upon FFN equity. Buckheit is in breach and Conru brings this action to get back his shares and control of the company he founded.

THE PARTIES

4. Conru is an individual and citizen of the State of Washington.

5. Buckheit is an individual and citizen of the State of California.

JURISDICTION

6. This is an action for declaratory judgment pursuant to the Federal Declaratory Judgment Act, codified at 28 U.S.C. § 2201, *et seq*, and Rule 57 of the Federal Rules of Civil Procedure, breach of contract, breach of the covenant of good faith and fair dealing, and

specific performance.

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332. The parties to this action reside in different states, and the value of FFN shares that Conru wishes to purchase—and Buckheit refuses to sell—exceeds $75,000.

VENUE

8. Venue is proper in this District pursuant to the COA's forum-selection clause, which states, "Any legal suit, action or proceeding arising out or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding." (Ex. A. at 4.)

9. Venue is also proper in this District pursuant to 28 U.S.C. § 1391(b)(1) because Buckheit, the Defendant, resides in this District.

FACTUAL BACKGROUND

10. Conru founded the company that became FFN in 1996 and grew it into a very successful online dating and adult content platform.

11. In late 2007, after years of stress and long hours, Conru sold the company, which by then was twice the size of Match.com, to Penthouse Media Group, Inc. for cash and notes. Conru then watched helplessly as FFN failed to innovate and declined.

12. In 2013, the company endured bankruptcy and was burdened with substantial debts with exorbitant 14% interest rates.

13. In 2015, Conru recruited his long-time friend, Jon Buckheit, to be the new CEO of FFN. The company continued to struggle, barely able to pay just the interest on its debt, and the value of the company stock became virtually worthless. The company lacked innovation and was still running much of the same software personally written by Conru before 2007. Without immediate action by Conru the Company was likely destined for another default.

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The February 2021 Transaction and Origins of the Call Option Agreement

14. Seeing FFN's ongoing predicament, Conru elected in February 2021 to orchestrate a deal to take back FFN by acquiring a majority of its senior debt and equity.

15. Conru, being heavily involved in philanthropic work, lacked the time to fully focus on the Company's operations and thus had concerns about becoming the majority owner. To alleviate Conru's immediate concerns, and seeing an opportunity for a financial windfall Buckheit offered to "hold" the shares. If Conru wanted to repurchase all of the shares, it would cost Conru—and benefit Buckheit—five million dollars.

16. It was critical to Conru that he remain able to purchase a majority stake in FFN in the future if he deemed it necessary or desirable. Thus, in exchange for Conru granting Buckheit the ability to "hold" the majority stock initially, Conru and Buckheit executed the COA.

17. The COA provides Conru a "Call Right," which, when exercised, allows Conru to purchase FFN shares from Buckheit. (Ex. A at 1.)

18. Under the COA, the Call Right is irrevocable for the twelve-year period specified in the Agreement, or until February 18, 2033. (*Id.*)

19. The COA was executed in conjunction with, and on the same day as, several other contracts as part of a larger transaction facilitated by Conru, which resulted in significant financial and related benefits to Buckheit.

20. First, as referenced in the COA's first recital, on February 18, 2021, Buckheit entered into an Equity Purchase and Sale Agreement with Kestrel Industries I LLC and Kestrel Industries II LLC ("Kestrel affiliates") which together owned 51% of the company debt and equity. (*See* Ex. A at 1.) The Purchase Agreement is attached as **Exhibit B**.

21. The Purchase Agreement granted Buckheit the right to purchase 350,297 shares of common stock of FFN, and thereby assume majority control of FFN, for the nominal sum of $1,000. (Ex. B at 1.)

22. Second, on February 18, 2021, FFN's Stockholders' Agreement was amended ("First Amendment to Stockholders' Agreement") to reflect Conru's consent to Buckheit's

purchase of the FFN shares. The First Amendment to Stockholders' Agreement is attached as **Exhibit C**.

23. Third, on February 18, 2021, pursuant to a Note Purchase and Sale Trade Confirmation and Agreement, Conru (acting through his trust) agreed to purchase debt instruments held by the Kestrel affiliates for a sum exceeding $60 million. The Note Purchase and Sale Trade Confirmation and Agreement is attached as **Exhibit D**.

24. Fourth, in the COA, Conru agreed to enter into a second amendment to the Stockholders' Agreement that provided additional benefits to Buckheit, including director representation on FFN's Board of Directors. The Second Amendment to Stockholders' Agreement is attached as **Exhibit E.**

25. Conru could have easily purchased the FFN shares from the Kestrel affiliates himself for the nominal sum of $1,000. Instead, Conru gave Buckheit the opportunity to obtain the shares for just $1,000, but entered into the COA for the explicit purpose of ensuring that Conru had the ability to purchase FFN shares from Buckheit if and when Conru chose to do so.

Conru's Exercise of the Call Right

26. Pursuant to the COA, Buckheit is the "Grantor," and Conru is the "Grantee." (Ex. A at 1.)

27. The COA unambiguously states, "Grantee desires to have the right to purchase the [FFN] Shares from Grantor, and Grantor desires to grant such right to Grantee[.]" (*Id.*)

28. The terms of Conru's Call Right are set forth in the Agreement's Section 1(a):

> a. Right to Purchase. Subject to the terms and conditions of this Agreement, for a period commencing on the date hereof and ending at the close of business on a date that is twelve (12) years from the date hereof (the "Exercise Period"), Grantee shall have the right from time to time (the "Call Right"), but not the obligation, to cause Grantor to sell all or a portion of the Shares, subject to the vesting provisions set forth in Section 1(b) below, at the Call Purchase Price (as defined in Section 2 of this Agreement). To secure this Call Right, Grantee shall pay a fee of $1,000.00 to Grantor (the "Call Option Fee").
> (*Id.*)

29. On February 3, 2023, Conru sent a letter, by certified mail, to Buckheit, referencing the COA and enclosing a $1,000 check for payment of the Call Option Fee.

30. In response, Buckheit emailed Conru, stating Buckheit would return the $1,000 check; that Conru could no longer "consummate the call option" because Conru had not tendered the payment within a reasonable time; and that Buckheit had revoked the option.

31. There is no record of Buckheit attempting to revoke the option at any point after the COA's execution, and Buckheit has provided no such evidence. Regardless, the Call Option is irrevocable under California law such that any attempted revocation by Buckheit would be invalid.

32. Moreover, Buckheit's position that Conru waived his call option rights by not timely tendering the $1,000 Call Option Fee is belied by the plain language of Section 7 of the COA, which states that "no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof …."

33. On February 23, 2023, Conru, by counsel, sent Buckheit a second letter to explain that, under California law, Conru's Call Right was an irrevocable option for the twelve-year period specified in the COA because (a) Buckheit had received significant consideration at the time the COA was entered into (February 18, 2021), and (b) Conru had tendered the $1,000 Call Option Fee before the option's expiration (February 18, 2033).

34. In response, Buckheit, through counsel, again refused to recognize Conru's Call Right despite (1) the plain language of the COA, and (2) the fact the only reason Buckheit had any shares was because Conru structured the 2021 deal to permit Buckheit to hold the shares.

35. On May 17, 2023, Conru, by counsel, delivered a letter to Buckheit constituting a Call Exercise Notice to purchase all of Buckheit's unvested shares. A true and accurate copy of the May 17th letter is attached as **Exhibit F**.

36. With the same letter, Conru re-tendered the $1,000 Call Option Fee and set a closing date of June 2, 2023, to purchase all unvested shares.

37. Once again, Buckheit responded to the May 17th letter by refusing to recognize the validity of the Call Exercise Notice and by refusing to transfer his unvested shares.

38. Buckheit has consistently and repeatedly refused to take any further steps toward consummating a sale of FFN shares to Conru as required in the COA. Instead, Buckheit has agreed to transfer shares only if Conru pays exorbitant sums inconsistent with the COA.

39. In short, Conru structured the 2021 deal such that Buckheit could hold the majority equity interest and would be paid millions for the stock (that Buckheit purchased for just $1,000) if Conru exercised his rights under the COA. Buckheit's thanks for Conru's benevolence is to refuse to adhere to the COA and instead seek to extract millions more from Conru.

COUNT I: DECLARATORY JUDGMENT

40. Conru incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

41. Under the COA's terms, Conru and Buckheit agreed that Conru could exercise his Call Right to purchase FFN shares from Buckheit. (Ex. A.)

42. On the date the COA was executed, Conru provided Buckheit significant consideration for the irrevocability of Conru's Call Right until February 18, 2033, based on the various other contracts described above that were part of the February 2021 transaction.

43. Despite the irrevocable nature of Conru's Call Right, Buckheit refuses to recognize the validity of Conru's Call Right and Conru's ability to exercise the same.

44. Consequently, Buckheit refuses to take the necessary steps to consummate the sale of FFN shares to Conru.

45. Moreover, Conru initiated the exercise of his Call Right on February 3, 2023, prior to any revocation by Buckheit.

46. An actual and immediate controversy exists between Conru and Buckheit. That is, the parties dispute, under the terms of the COA and governing California law, whether Conru's Call Right is irrevocable and whether Conru can presently exercise his Call Right.

47. Pursuant to 28 U.S.C. § 2201, this Court is empowered to adjudicate and decide the

parties' respective rights and obligations, including a determination under applicable California law that (a) Conru timely secured the right to exercise his Call Right on February 3, 2023, prior to any purported revocation; (b) Conru's Call Right under the COA is irrevocable until February 18, 2033; and (c) Buckheit's refusal to recognize Conru's exercise of the Call Right is a breach of the COA.

COUNT II: BREACH OF CONTRACT

48. Conru incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

49. The COA is a valid and enforceable contract.

50. Conru has performed all conditions precedent to performance of the COA, or they have been excused.

51. Buckheit breached the COA by refusing to recognize the validity of Conru's Call Right and Conru's ability to exercise the same.

52. Conru has been damaged as a result of Buckheit's breach because Conru has been unable to acquire the shares of FFN to which the parties agreed. Moreover, Conru has been deprived of the ability to purchase sufficient shares to take control of FFN.

COUNT III: BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

53. Conru incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

54. Conru and Buckheit entered into the COA, which is a valid and enforceable contract.

55. Conru performed all, or substantially all, of his obligations under the COA.

56. All conditions precedent to Buckheit's performance have occurred or been excused.

57. By refusing to recognize the validity of Conru's Call Right and Conru's ability to exercise the same, Buckheit has deprived Conru of receiving the bargained-for benefits under the COA.

58. Buckheit has not acted fairly and in good faith by refusing to accept Conru's Call Right. Indeed, Buckheit has insisted on additional terms and compensation not reflected in the COA and not contemplated by the parties when Conru granted Buckheit the right to hold

the majority equity position until Conru decided to purchase it. In essence, Buckheit has attempted to leverage the majority shareholder position Conru granted to him to extort additional concessions from Conru.

59. Conru has been harmed by Buckheit's conduct in that he has been unable to purchase shares as provided in the COA.

COUNT IV: SPECIFIC PERFORMANCE

60. Conru incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

61. The COA was a contract sufficiently definite and certain in its terms to be enforced.

62. The COA was just and reasonable.

63. Conru has performed his obligations under the COA by tendering the $1,000 fee, but Buckheit has failed to perform by refusing to recognize Conru's Call Right.

64. The COA was supported by adequate consideration.

65. Consequently, the COA is enforceable and specific performance of the COA is warranted. Specifically, Conru requests that this Court enter an order confirming Conru's ability to acquire FFN shares from Buckheit consistent with the terms of the COA.

PRAYER FOR RELIEF

Wherefore, Conru respectfully requests that the Court:

(1) Issue a declaratory judgment, declaring that:

(a) the COA is a valid and enforceable contract;

(b) under the COA, Conru's Call Right is an irrevocable option until the period specified, or February 18, 2033; and

(c) Buckheit is required to recognize Conru's right to exercise the Call Right and transfer FFN shares as stated in the COA due to Conru's exercise of said rights and tender of $1,000.

(2) Award Conru damages for Buckheit's breach of contract;

(3) Award Conru damages for Buckheit's breach of the duty of good faith and fair dealing;

(4) Order that Buckheit must specifically perform the COA; and

(5) Grant Conru such other relief as the Court deems just and appropriate.

DEMAND FOR JURY TRIAL

Conru demands trial by jury for all issues triable by a jury.

Dated: August 10, 2023

Vorzimer Masserman, P.C.

By: */s/ Dean Masserman*

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CALL OPTION AGREEMENT

This Call Option Agreement (this "**Agreement**"), is made and entered as of February 18, 2021, by and between Jonathan B. Buckheit ("**Grantor**") and Andrew B. Conru ("**Grantee**").

WHEREAS, Grantor is purchasing 350,297 shares (the "**Shares**") of Common Stock, par value $0.001 per share of FriendFinder Networks Inc. (the "**Company**") from Kestrel I Industries LLC and Kestrel II Industries LLC pursuant to that certain Purchase and Sale Agreement dated of even date herewith (the "**Purchase Agreement**");

WHEREAS, it is acknowledged that Grantor is employed by the Company as its CEO; and

WHEREAS, following the purchase of the Shares, Grantee desires to have the right to purchase the Shares from Grantor, and Grantor desires to grant such right to Grantee, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual and dependent covenants hereinafter set forth, the parties agree as follows:

1. Grant of Call Option.

(a) Right to Purchase. Subject to the terms and conditions of this Agreement, for a period commencing on the date hereof and ending at the close of business on a date that is twelve (12) years from the date hereof (the "**Exercise Period**"), Grantee shall have the right from time to time (the "**Call Right**"), but not the obligation, to cause Grantor to sell all or a portion of the Shares, subject to the vesting provisions set forth in Section 1(b) below, at the Call Purchase Price (as defined in Section 2 of this Agreement). To secure this Call Right, Grantee shall pay a fee of $1,000.00 to Grantor (the "**Call Option Fee**").

(b) Vesting. The parties acknowledge that Grantee desires to incent Grantor to remain employed as the CEO of the Company. In order to do so, Grantee is therefore willing to reduce over time the number of Shares purchaseable by Grantee, dependent on the amount of time Grantor continues to serve as CEO of the Company. Accordingly, at the end of each consecutive three (3) month period during the Exercise Period in which Grantor has continued to serve as the CEO of the Company, Grantee's right to purchase one forty-eighths (1/48) of the Shares pursuant to the Call Right will fall away and no longer be applicable and such Shares will be considered to be "vested" and not subject to purchase by Grantee. Any Shares which have not vested are referred to herein as the "**Unvested Shares**", and the Unvested Shares constitute the Shares purchaseable hereunder from time to time by Grantee. For the avoidance of doubt, all of the Shares constitute Unvested Shares as of the date hereof. Further, if the Company is involved in the consummation of a Required Sale (as such term is defined in that certain Amended and Restated Stockholders' Agreement dated as of May 1, 2018 by and among the Company and its stockholders, as the same may be amended), the Call Right will no longer apply, but if and only if Grantee has consented to the Required Sale. It is acknowledged that Grantee retains the right to exercise the Call Right at any time prior to the consummation of any such Required Sale.

(c) Procedures.

(i) If Grantee desires to purchase any of the Unvested Shares pursuant to Section 1(a), each time Grantee shall deliver to Grantor a written, unconditional, and irrevocable notice (the "**Call Exercise Notice**") exercising the Call Right, specifying the number of Shares to be purchased by Grantee.

(ii) Grantor shall at the closing of any purchase consummated pursuant to this Section 1(c) represent and warrant to Grantee that (A) Grantee has full right, title and interest in and to the Unvested Shares which are the subject of a Call Exercise Notice, (B) Grantor has all the necessary power and authority and has taken all necessary action to sell such Unvested Shares as contemplated by this Section 1, and (C) the Unvested Shares to be purchased are free and clear of any and all mortgages, pledges, security interests, options, rights of first offer, encumbrances or other restrictions or limitations of any nature whatsoever other than those arising as a result of or under the terms of this Agreement. Prior to any such purchase Grantor shall not take any actions or omit to take any actions which would cause Grantor to be unable to make the foregoing representations and warranties at the closing of any such purchase.

(iii) Subject to Section 1(d) below, the closing of any sale of Unvested Shares pursuant to this Section 1 shall take place no later than 90 days following receipt by Grantor of a Call Exercise Notice. The Grantee shall give Grantor at least ten (10) days' written notice of the date of closing (a "**Call Right Closing Date**"). For the avoidance of doubt, prior to a Call Right Closing Date, Grantee may assign its rights to purchase the Shares which are the subject of a Call Exercise Notice to an affiliate of Grantee.

(d) Consummation of Sale. Grantor will pay the applicable Call Purchase Price for the Unvested Shares by certified or official bank check or by wire transfer of immediately available funds on the applicable Call Right Closing Date.

(e) Cooperation. Grantor and Grantee each shall take all actions as may be reasonably necessary to consummate the sale contemplated by this Section 1, including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

(f) Closing. At the closing of any sale and purchase pursuant to this Section 1, Grantor shall cause the Company and its transfer agent to transfer the Unvested Shares to be sold to Grantee on the books and records of the Company.

2. Call Purchase Price. In the event the Grantee exercises the Call Right hereunder from time to time, the purchase price per share at which Grantor shall be required to sell the Unvested Shares (the "**Call Purchase Price**") shall be equal to $14.28.

3. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 3).

If to Grantor:

34 Selby Lane
Atherton, CA 94027
jon@ProlificIdeas.com

If to Grantee:

619 West Comstock Street
Seattle, WA 98119
abconru@yahoo.com

4. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

6. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

7. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

8. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

9. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other

jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of California. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

11. Compliance with Laws and Regulations. The exercise of the Call Option shall be subject to compliance by Grantor and Grantee with all applicable requirements of law, including federal and state securities laws.

12. No Strict Construction. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

13. Stockholders' Agreement Amendment. Upon Grantor obtaining the Shares pursuant to the Purchase Agreement, Grantor and Grantee agree that they will execute an amendment to the Amended and Restated Stockholders' Agreement dated as of May 1, 2018, as amended on the date hereof (the "**Stockholders' Agreement**"), to amend and restate certain definitions, Section 2.8 and Articles VIII and IX, and make an additional amendment, all as provided in the attached Exhibit A, which is incorporated by reference herein.

IN WITNESS WHEREOF, the parties hereto have executed this Call Option Agreement on the date first written above.

Jonathan B. Buckheit, Grantor

Andrew B. Conru, Grantee

EXHIBIT A

1. The following terms in the Stockholders' Agreement will be amended and restated in their entirety to read as follows:

"***Designated Holders***" means (i) Buckheit and his Affiliates so long as they own at least 50% of the Voting Shares that Buckheit acquired from Kestrel I and Kestrel II and (ii) Andrew B. Conru and his Affiliates, for so long as they continue to own at least 50% of the Voting Shares that they held as of the consummation of the Restructuring.

"***Majority of the Minority Stockholders***" means, at any time that the Majority Stockholder owns 30% or more of the Voting Shares, (i) (a) Andrew B. Conru and his Affiliates and (b) holders of at least 20% or more of the Voting Shares held by Persons other than (y) Buckheit and his Affiliates and (z) Andrew B. Conru and his Affiliates, or (ii) holders of at least 80% of the Voting Shares held by Persons other than (w) Buckheit and his Affiliates and (x) Andrew B. Conru and his Affiliates.

"***Majority Stockholder***" means Buckheit for so long as he or any of his Affiliates (a) collectively are the largest holder of the Voting Shares and (b) collectively own 30% or more of the Voting Shares.

2. Section 2.8 and Articles VIII and IX of the Agreement will be amended and restated in their entirety to read as follows:

"**2.8 Voting Provisions Regarding Board of Directors**.

(a) Size of the Board. Each Stockholder agrees to vote, or cause to be voted, all Voting Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as will be necessary to ensure that the size of the Board will be set and remain at four directors, unless and until Stockholders holding, in the aggregate, at least 75% of the outstanding Voting Shares approve otherwise. Currently, the Class 1 Directors (as defined below) shall be Marcin Narozny and an individual to be designated pursuant to Section 2.8(b)(i) and the Class 2 Directors (as defined below) shall be [Ezra Shashoua] and Jon Buckheit (collectively, the "***Current Board***").

(b) Board Composition. Each Stockholder agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as will be necessary to ensure that at each annual or special meeting of Stockholders at which an election of directors is held or pursuant to any written consent of the Stockholders, for the election of each of the members of the Current Board until any such members no longer serve, and thereafter for the election of any successors in accordance with the following:

(i) for so long as Andrew B. Conru continues to be a Designated Holder, Andrew B. Conru shall have the right to designate two members of the Board (the "Class 1 Directors"); provided that, following such time that Andrew B. Conru ceases to be a Designated Holder, the Stockholders other than Buckheit shall have the right to designate the Class 1 Directors at the next annual or special meeting of Stockholders at which an

election of directors is held and at each subsequent election; and

(ii) for so long as Buckheit continues to be a Designated Holder, Buckheit shall have the right to designate two members of the Board (the "Class 2 Directors"); provided that, following such time that Buckheit ceases to be a Designated Holder, the Stockholders shall have the right to designate the Class 2 Directors at the next annual or special meeting of Stockholders at which an election of directors is held and at each subsequent election.

(c) Removal of Board Members. Each Stockholder also agrees to vote, or cause to be voted, all Voting Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as will be necessary to ensure that:

(i) Andrew B. Conru may remove and replace any Class 1 Director and Buckheit may remove and replace any Class 2 Director for such period of time that such Person is a Designated Holder; and

(ii) any vacancies on the Board shall be filled pursuant to the provisions of Section 2.8(b).

All Stockholders agree to execute any written consents required to perform the obligations of this Agreement, and the Company agrees at the request of any party or parties entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors.

(d) No Liability for Election of Recommended Directors. No Stockholder, nor any Affiliate of any Stockholder, will have any liability as a result of designating a person for election as a director for any act or omission by such designated person in his or her capacity as a director of the Company, nor will any Stockholder have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

(e) D&O Insurance. The Company shall procure directors and officers liability insurance on customary and commercial terms, providing for coverage of all directors in an amount no less than $10,000,000.

(f) Director Compensation. Unless otherwise agreed by (i) a majority of the Board and (ii) the Requisite Stockholders, each director will be compensated at the same rate. The Company shall reimburse the reasonable expenses incurred by each director in such capacity. Nothing herein shall prohibit the Company from separately compensating non-employee directors for other services.

ARTICLE VIII
AMENDMENT AND WAIVER

8.1 Amendment.

Except as otherwise provided herein, the terms and provisions of this Agreement (including the schedules hereto) may only be amended, modified or waived pursuant to a writing signed by each of (a) the Company and (b) (i) for so long as each of (x) Andrew B. Conru and his Affiliates continue to be a Designated Holder and (y) Buckheit and his Affiliates continues to hold at least 60% of the Voting Shares that they hold after acquiring such Voting Shares, then at

least 60% of the outstanding Voting Shares or (ii) from and after such time, Stockholders who, in the aggregate, hold at least 75% of the outstanding Voting Shares. Notwithstanding the foregoing, the veto rights of the Majority of the Minority Stockholders with respect to a Sale of the Company or a Specified Asset Sale contained in Section 2.4 shall not be amended without the consent of the Majority of the Minority Stockholders at any time that the Majority Stockholder owns 30% or more of the Voting Shares.

8.2 Waiver.

No course of dealing between the Company and the Stockholders (or any of them) or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

ARTICLE IX
TERMINATION

The provisions of this Agreement, except as otherwise expressly provided herein, will terminate upon the first to occur of (a) the dissolution, liquidation or winding-up of the Company; (b) a Sale of the Company, or (c) the approval of such termination by each of (i) the Company, (ii) (x) for so long as each of (1) Andrew B. Conru and his Affiliates continue to be a Designated Holder and (2) Buckheit and his Affiliates continue to hold at least 60% of the Voting Shares that they hold after Buckheit acquired such Voting Shares, then at least 60% of the outstanding Voting Shares or (y) from and after such time, Stockholders who, in the aggregate, hold at least 75% of the outstanding Voting Shares, and (iii) the Majority of the Minority Stockholders. The provisions of this Agreement, except as otherwise expressly provided herein, will terminate upon the consummation of a Qualified Public Offering; provided, however, that Article IV (Registration Rights), Article VIII (Amendment and Waiver), this Article IX (Termination) and Article XI (Miscellaneous), and to the extent required for the foregoing provisions, Article I (Definitions; Rules of Construction), will survive until it is agreed to terminate such provisions by Stockholders who, in the aggregate, hold a majority of the outstanding Voting Shares agree to terminate such provisions. Following a Required Purchase Offer, if any Stockholder holds directly or indirectly, more than 92.5% of the outstanding Company Equity Securities then all provisions of this Agreement are terminated except Section 2.3 (Co-Sale Rights), Section 2.9 (Required Purchase Offer), Article VIII (Amendment and Waiver), this Article IX (Termination) and Article XI (Miscellaneous), and to the extent required for the foregoing provisions, Article I (Definitions; Rules of Construction). Notwithstanding anything contained herein to the contrary, as to any particular Stockholder, this Agreement will no longer be binding or of further force or effect as to such Stockholder, except as otherwise expressly provided herein, as of the date such Stockholder has Transferred all of such Stockholder's Company Equity Securities."

3. Section 11.8(a) of the Agreement will be deleted in its entirety and replaced with "Intentionally omitted."

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EQUITY PURCHASE AND SALE AGREEMENT

February 18, 2021

1. Subject to the terms and conditions hereof, each of **KESTREL INDUSTRIES I LLC** and **KESTREL INDUSTRIES II LLC** (together, "**Sellers**") hereby agrees to sell all of the shares (the "**Offered Shares**") of Common Stock, par value $0.001 per share ("**Common Stock**") of FriendFinder Networks Inc. (the "**Company**") owned by them, being an aggregate of 350,297 shares of Common Stock, to **JONATHAN B. BUCKHEIT** ("**Purchaser**"), and Purchaser hereby agrees to purchase the Offered Shares from Sellers. The number of Offered Shares owned by each Seller is set forth on the signature page hereto.

2. Purchase and Delivery. The parties acknowledge Sellers have agreed to sell $79.82 million of their 14% First Lien Senior Secured Notes due 2025 (the "**Notes**") issued by the Company and owned by Sellers. As soon as practicable but no later than two (2) Business Days after the settlement of the purchase and sale of the Notes, Sellers and Purchaser will close the purchase and sale of the Offered Shares as follows: (1) Purchaser will pay to Sellers an aggregate purchase price of $1,000 (allocated and paid in accordance with instructions to be provided by Sellers) (the "**Purchase Price**"); and (2) Sellers and Purchaser will jointly instruct the transfer agent for the Common Stock to transfer the Offered Shares from Sellers to Purchaser or, if such joint instruction is not given for any reason, Purchaser may provide the Company evidence of the settlement of the transfer of the Notes and the Company shall then direct the transfer agent to direct the transfer of the Shares to Purchaser. The obligation of Purchaser to purchase the Offered Shares, and the obligation of Sellers to sell the Offered Shares, are irrevocable and binding and subject only to the settlement of the purchase and sale of the Notes, the payment of the Purchase Price and the truth and accuracy of the representations and warranties set forth herein.

3. Representations and Warranties. (a) Sellers represent and warrant to Purchaser that: (i) each Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has full power, authority and right to execute, deliver and perform its obligations under this agreement; and (ii) Sellers have good and valid title to the Offered Shares and the Offered Shares are not subject to any lien or encumbrance. (b) Purchaser represents and warrants to Sellers that it is an accredited investor within the meaning of Rule 501(a) of the Securities and Exchange Act of 1934 (the "**Act**") and it is purchasing the Offered Shares for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Act.

4. Consents to Transfer. The Company has been duly notified of the purchase and sale of the Offered Shares and, to the extent required, consents to the transfer of the Offered Shares to Purchaser.

5. Further Actions. At any time and from time to time on and after the date hereof, Sellers and Purchaser will execute, acknowledge and deliver all such other instruments of sale, transfer, conveyance, confirmation, transfer powers, corporate resolutions and consents, and use commercially reasonable efforts to take such other action (or refrain from taking any action) as

may be necessary or appropriate in order to effect the sale or transfer of the Offered Shares to Purchaser, and otherwise to effectuate the purpose and intent of this Purchase Agreement.

6. Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

7. Counterparts. This agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SELLERS:

KESTREL INDUSTRIES I LLC
(Seller of 156,581 Offered Shares)

By: Paul Malek
Name: Paul Malek
Title: Authorized Signatory

KESTREL INDUSTRIES II LLC
(Seller of 193,716 Offered Shares)

By: Paul Malek
Name: Paul Malek
Title: Authorized Signatory

AGREED AS OF FEBRUARY 18, 2021

PURCHASER:

Jonathan B. Buckheit
Jonathan B. Buckheit

Acknowledged and Agreed as to Section 2 (only with respect to transfer of the Offered Shares to Purchaser) and Section 4:

FRIENDFINDER NETWORKS INC.

By: Jonathan B. Buckheit
Name: Jonathan B. Buckheit
Title: CEO

[FFN Kestrel to Buckheit Equity Sale Signature Page]

FRIENDFINDER NETWORKS INC.
AMENDMENT TO STOCKHOLDERS' AGREEMENT
DATED AS OF FEBRUARY 18, 2021

This Amendment (this "***Amendment***") to the Amended and Restated Stockholders' Agreement dated as of May 1, 2018 (the "***Agreement***") is entered into by and among FriendFinder Networks Inc., a Delaware corporation (the "***Company***") and the Stockholders signatory hereto who desire to amend the Agreement as set forth below. Capitalized terms used but not otherwise defined herein shall have the respective meanings given in the Agreement.

1. (a) Andrew B. Conru and his Affiliates are a Designated Holder; and (b) each of Kestrel I and Kestrel II hold at least 60% of the Voting Shares that they held as of consummation of the Restructuring, and together such Stockholders own more than 60% of the outstanding Voting Shares. Accordingly, per Section 8.1 of the Agreement, the Company, Andrew B. Conru and his Affiliates, Kestrel I and Kestrel II may enter into this Amendment which will amend the Agreement accordingly.

2. It is acknowledged that Kestrel I and Kestrel II intend to sell their Voting Shares to Jonathan .B. Buckheit ("Buckheit") (which shall be a Transfer of all of such Stockholders' Company Equity Securities as referenced in the last sentence of Article IX of the Agreement) and in connection with such sale Buckheit will join the Agreement as a party thereto by executing the Joinder Agreement, to which sale Andrew B. Conru consents. The parties hereby agree that effective concurrently with Kestrel I and Kestrel II entering into a binding agreement with Buckheit for the purchase and sale of their Voting Shares, the Agreement will be amended as follows:

   Section 1.1 of the Agreement is hereby amended by adding the following "Buckheit" definition and amending and restating the "Permitted Transfer" definition in its entirety to read as follows:

   "***Buckheit"*** means Jonathan B. Buckheit, a California resident

"***Permitted Transfer***" means (a) with respect to a Stockholder who is a natural Person, any Transfer by such Stockholder to the estate of such Stockholder upon his or her death, (b) with respect to a Stockholder who is either a natural Person or a legal Person other than a trust, any Transfer by such Stockholder to any Affiliate of such Stockholder, (c) with respect to a Stockholder that is a trust, any Transfer by such Stockholder to the beneficiaries of such trust or to any successor trust or successor trustee of such trust, (d) with respect to a Stockholder that held Company Equity Securities prior to the Restructuring, any Transfer of Company Equity Securities that were held by such Stockholder prior to the consummation of the Restructuring, so long as such Transfer takes place at least thirty (30) days after the consummation of the Restructuring, (e) any Transfer in connection with a Required Sale pursuant to Section 2.4, (f) any Transfer of Company Equity Securities initially issued in connection with the Restructuring from a Stockholder to another Stockholder, and (g) Transfers by Kestrel I and Kestrel II of their Voting Shares to Buckheit; provided, however, that any Permitted Transfer referenced in clauses (a)-(g) above, other than clause (e), must be made in accordance with Section 2.1.

3. Except as set forth above, the Agreement remains unmodified and in full force and effect and the provisions of Article XI of the Agreement (Miscellaneous) are incorporated herein and made part of this Amendment.

4. Upon the execution of this Amendment, each of the undersigned parties for themselves and each of their Affiliates forever releases each other party and such other party's Affiliates for any claims or causes of action that could have been brought for any acts or omissions occurring prior to the date hereof. Nothing herein shall act as a release of the Company's obligations to make any payment with respect to the New Notes and nothing herein shall affect the obligations of the parties pursuant to any agreements entered into by any such parties contemporaneously herewith. Each of the undersigned parties shall not and shall cause their Affiliates not to disparage any other party or such party's Affiliates in any way.

[Signatures on following page]

COMPANY

FRIENDFINDER NETWORKS INC.

Jonathan B. Buckheit, CEO

KESTREL INDUSTRIES I LLC

By: Paul Malek
Name: Paul Malek
Title: Authorized Signatory

KESTREL INDUSTRIES II LLC

By: Paul Malek
Name: Paul Malek
Title: Authorized Signatory

ANDREW B. CONRU TRUST

By:
Andrew B. Conru, Trustee

The undersigned acknowledges, agrees and consents to the foregoing provisions.

Jonathan B. Buckheit

[Signature page to FFN Stockholder Agreement Amendment]

NOTE PURCHASE AND SALE

TRADE CONFIRMATION AND AGREEMENT

Entered into on February 18, 2021 (the "**Trade Date**")

1. Subject to the terms and conditions hereof, each of **KESTREL INDUSTRIES I LLC** and **KESTREL INDUSTRIES II LLC** (each, a "**Seller**", and together, "**Sellers**") hereby agrees (severally and not jointly) to sell all of the 14% First Lien Senior Secured Notes due 2025 (the "**Notes**") issued by FriendFinder Networks Inc. (the "**Company**") owned by them to the Andrew B. Conru Trust(the "**Conru Trust**") and to the Company in accordance with the allocations set forth herein, and each of the Conru Trust and the Company (severally, and not jointly) hereby agrees to purchase the Notes in accordance with such allocations and the terms set forth herein. The principal amount of Notes owned by each Seller is set forth on the signature page hereto.

2. Sale to the Conru Trust: Within seven business days after the Trade Date, on a date agreed upon by Sellers and the Conru Trust (the "**Settlement Date**"), the Sellers will sell to the Conru Trust and the Conru Trust will purchase from Sellers an aggregate of $79.82 million principal amount of Notes (with the allocation of Notes sold by each Seller to be determined by Sellers) at a purchase price of $60 million (75.17% of principal amount) plus accrued and unpaid interest on the $79.82 million principal amount of Notes through the Settlement Date (Kestrel I selling $35,691,000 principal amount of Notes and Kestrel II selling $44,129,000 principal amount of Notes). Settlement shall be effectuated by "free delivery" of the Notes by Sellers into a brokerage account designated by the Conru Trust. The Conru Trust will initiate wire transfer(s) in the amount of the purchase price at 10:00 am Eastern Time on the Settlement Date into an account or accounts designated by the applicable Seller and each such Seller shall initiate the delivery of the Notes into the Conru Trust's account at 10:00 am Eastern Time. Immediately after initiation of such transaction, each Seller and the Conru Trust shall provide the other with copies of such initiation instructions. At the Conru Trust's option the accrued and unpaid interest that is owed as part of the purchase price may be paid when received by the Conru Trust from the Company rather than on the Settlement Date.

3. Sale to the Company: On the Settlement Date, the Sellers will sell to the Company and the Company will purchase from Sellers the remaining principal amount of Notes owned by Sellers (the "Remaining Notes") at a purchase price of 75.17% of the principal amount plus accrued and unpaid interest on the Remaining Notes through the Settlement Date. Settlement shall be effectuated by "free delivery" of the Notes by Sellers into a brokerage account designated by the Company. Sellers will initiate the delivery of the Notes into the Company's account after confirming the Company is initiating the wire of the purchase price to an account or accounts designated by Sellers.

4. Representations and Warranties of Sellers. Sellers hereby severally but not jointly represent and warrant to the Conru Trust and the Company as follows:

(a) Title to Notes. As of both the Trade Date and the Settlement Date, each Seller has

good title to, and is the sole owner of, the respective Notes held by each such Seller, free and clear of any liens, encumbrances or other charges.

(b) Solvency. Each Seller is able to pay its debts as they come due and its assets exceed its liabilities and this will remain true and correct pending the consummation of the transactions contemplated hereby and following the Settlement Date.

5. Mutual Representations and Warranties. Each of the Sellers (severally and not jointly), on the one hand, and the Conru Trust, on the other hand, represents and warrants to the other party that: (a) it is a sophisticated entity and has adequate information with respect to the transaction contemplated herein; (b) it has carefully reviewed the terms and provisions of this agreement; (c) it has, or has access to, such information as it deems appropriate under the circumstances concerning, among other things, the businesses, financial condition and prospects of the Company and the value of the Notes; (d) it has received independent legal advice from its attorneys with respect to this agreement; (e) it has independently and without reliance on any other party, and based on such information as it has deemed appropriate, made its own analysis and decision to enter into this agreement; (f) it is an accredited investor within the meaning of Rule 501(a) of the Securities and Exchange Act of 1934 (the "Act") and, in the case of the Conru Trust, it is purchasing the Notes for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Act; (g) this agreement and all obligations of such party thereunder are the legal, valid and binding obligations of each such party, enforceable in accordance with the terms of this agreement; (h) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has full power, authority and right to execute, deliver and perform its obligations under this agreement and (i) the execution and delivery of this agreement and the performance by such party of its obligations hereunder will not conflict with or be a breach of any provision of any constituent document of such party, law, regulation, judgment, order, decree, writ, injunction, or other contract, agreement or instrument to which each such party is subject; and each party has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance of such party hereunder.

6. Indemnity. Each of the Sellers (severally and not jointly), on the one hand, and the Conru Trust, on the other hand, agree to indemnify, defend and hold harmless the other party from any losses, damages, claims and expenses, including reasonable attorneys' fees in connection therewith and in enforcing this indemnity obligation, which the other party may incur arising from the breach by any such party of the covenants, representations and warranties contained herein.

7. Miscellaneous. This agreement is a binding and irrevocable commitment for the sale and purchase of the Notes as set forth herein, and the parties will execute, acknowledge and deliver all such further documents and instruments as may reasonably be required, and use commercially reasonable efforts to take such other action (or refrain from taking any action) as may be necessary or appropriate in order to effect the transactions contemplated hereunder. This agreement will be governed by and construed in accordance with the laws of the State of New York. This agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Transmission of an executed counterpart by facsimile, email pdf or other electronic means will be legally binding.

AGREED TO AS OF THE TRADE DATE:

SELLERS (severally and not jointly):

KESTREL INDUSTRIES I LLC

By: Paul Malek
Name: Paul Malek
Title: Authorized Signatory

KESTREL INDUSTRIES II LLC

By: Paul Malek
Name: Paul Malek
Title: Authorized Signatory

PURCHASERS (severally and not jointly):

ANDREW B. CONRU TRUST

By: _____
Andrew B. Conru, Trustee

FRIENDFINDER NETWORKS INC.

By: _____
Name:
Title:

[Signature Page to FFN Note Purchase Agreement]

FRIENDFINDER NETWORKS INC.
SECOND AMENDMENT TO STOCKHOLDERS' AGREEMENT
DATED AS OF MARCH 1, 2021

This Second Amendment (this "***Amendment***") to the Amended and Restated Stockholders' Agreement dated as of May 1, 2018, as amended by that certain Amendment thereto dated as of February 18, 2021 (the "***Agreement***"), is entered into by and among FriendFinder Networks Inc., a Delaware corporation (the "***Company***") and the Stockholders signatory hereto who desire to amend the Agreement as set forth below. Capitalized terms used but not otherwise defined herein shall have the respective meanings given in the Agreement.

1. (a) Andrew B. Conru and his Affiliates are a Designated Holder; and (b) Jonathan B. Buckheit holds at least 60% of the Voting Shares that he acquired from Kestrel I and Kestrel II; and together such Stockholders own more than 60% of the outstanding Voting Shares. Accordingly, per Section 8.1 of the Agreement, the Company, Andrew B. Conru and his Affiliates and Buckheit may enter into this Amendment which will amend the Agreement accordingly.

2. The Agreement is hereby amended as follows:

2.1 Section 1.1 of the Agreement is hereby amended by amending and restating the following definitions in their entirety to read as follows:

"***Designated Holders***" means (i) Buckheit and his Affiliates so long as they own at least 50% of the Voting Shares that Buckheit acquired from Kestrel I and Kestrel II and (ii) Andrew B. Conru and his Affiliates, for so long as they continue to own at least 50% of the Voting Shares that they held as of the consummation of the Restructuring.

"***Majority of the Minority Stockholders***" means, at any time that the Majority Stockholder owns 30% or more of the Voting Shares, (i) (a) Andrew B. Conru and his Affiliates and (b) holders of at least 20% or more of the Voting Shares held by Persons other than (y) Buckheit and his Affiliates and (z) Andrew B. Conru and his Affiliates, or (ii) holders of at least 80% of the Voting Shares held by Persons other than (w) Buckheit and his Affiliates and (x) Andrew B. Conru and his Affiliates.

"***Majority Stockholder***" means Buckheit for so long as he or any of his Affiliates (a) collectively are the largest holder of the Voting Shares and (b) collectively own 30% or more of the Voting Shares.

2.2 Section 2.8 and Articles VIII and IX of the Agreement are hereby amended and restated in their entirety to read as follows:

"**2.8 <u>Voting Provisions Regarding Board of Directors</u>.**

(a) <u>Size of the Board</u>. Each Stockholder agrees to vote, or cause to be voted, all Voting Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as will be necessary to ensure that the size

of the Board will be set and remain at four directors, unless and until Stockholders holding, in the aggregate, at least 75% of the outstanding Voting Shares approve otherwise. Currently, the Class 1 Directors (as defined below) shall be Marcin Narozny and an individual to be designated pursuant to Section 2.8(b)(i) and the Class 2 Directors (as defined below) shall be Ezra Shashoua and Jon Buckheit (collectively, the "***Current Board***").

(b) Board Composition. Each Stockholder agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as will be necessary to ensure that at each annual or special meeting of Stockholders at which an election of directors is held or pursuant to any written consent of the Stockholders, for the election of each of the members of the Current Board until any such members no longer serve, and thereafter for the election of any successors in accordance with the following:

(i) for so long as Andrew B. Conru continues to be a Designated Holder, Andrew B. Conru shall have the right to designate two members of the Board (the "Class 1 Directors"); provided that, following such time that Andrew B. Conru ceases to be a Designated Holder, the Stockholders other than Buckheit shall have the right to designate the Class 1 Directors at the next annual or special meeting of Stockholders at which an election of directors is held and at each subsequent election; and

(ii) for so long as Buckheit continues to be a Designated Holder, Buckheit shall have the right to designate two members of the Board (the "Class 2 Directors"); provided that, following such time that Buckheit ceases to be a Designated Holder, the Stockholders shall have the right to designate the Class 2 Directors at the next annual or special meeting of Stockholders at which an election of directors is held and at each subsequent election.

(c) Removal of Board Members. Each Stockholder also agrees to vote, or cause to be voted, all Voting Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as will be necessary to ensure that:

(i) Andrew B. Conru may remove and replace any Class 1 Director and Buckheit may remove and replace any Class 2 Director for such period of time that such Person is a Designated Holder; and

(ii) any vacancies on the Board shall be filled pursuant to the provisions of Section 2.8(b).

All Stockholders agree to execute any written consents required to perform the obligations of this Agreement, and the Company agrees at the request of any party or parties entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors.

(d) No Liability for Election of Recommended Directors. No Stockholder, nor any Affiliate of any Stockholder, will have any liability as a result of designating a person for election as a director for any act or omission by such designated person in his or her capacity as a director of the Company, nor will any Stockholder have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

(e) D&O Insurance. The Company shall procure directors and officers liability insurance on customary and commercial terms, providing for coverage of all directors in an amount no less than $10,000,000.

(f) Director Compensation. Unless otherwise agreed by (i) a majority of the Board and (ii) the Requisite Stockholders, each director will be compensated at the same rate. The Company shall reimburse the reasonable expenses incurred by each director in such capacity. Nothing herein shall prohibit the Company from separately compensating non-employee directors for other services.

ARTICLE VIII
AMENDMENT AND WAIVER

8.1 Amendment.

Except as otherwise provided herein, the terms and provisions of this Agreement (including the schedules hereto) may only be amended, modified or waived pursuant to a writing signed by each of (a) the Company and (b) (i) for so long as each of (x) Andrew B. Conru and his Affiliates continue to be a Designated Holder and (y) Buckheit and his Affiliates continues to hold at least 60% of the Voting Shares that they hold after acquiring such Voting Shares, then at least 60% of the outstanding Voting Shares or (ii) from and after such time, Stockholders who, in the aggregate, hold at least 75% of the outstanding Voting Shares. Notwithstanding the foregoing, the veto rights of the Majority of the Minority Stockholders with respect to a Sale of the Company or a Specified Asset Sale contained in Section 2.4 shall not be amended without the consent of the Majority of the Minority Stockholders at any time that the Majority Stockholder owns 30% or more of the Voting Shares.

8.2 Waiver.

No course of dealing between the Company and the Stockholders (or any of them) or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

ARTICLE IX
TERMINATION

The provisions of this Agreement, except as otherwise expressly provided herein, will terminate upon the first to occur of (a) the dissolution, liquidation or winding-up of the

Company; (b) a Sale of the Company, or (c) the approval of such termination by each of (i) the Company, (ii) (x) for so long as each of (1) Andrew B. Conru and his Affiliates continue to be a Designated Holder and (2) Buckheit and his Affiliates continue to hold at least 60% of the Voting Shares that they hold after Buckheit acquired such Voting Shares, then at least 60% of the outstanding Voting Shares or (y) from and after such time, Stockholders who, in the aggregate, hold at least 75% of the outstanding Voting Shares, and (iii) the Majority of the Minority Stockholders. The provisions of this Agreement, except as otherwise expressly provided herein, will terminate upon the consummation of a Qualified Public Offering; provided, however, that Article IV (Registration Rights), Article VIII (Amendment and Waiver), this Article IX (Termination) and Article XI (Miscellaneous), and to the extent required for the foregoing provisions, Article I (Definitions; Rules of Construction), will survive until it is agreed to terminate such provisions by Stockholders who, in the aggregate, hold a majority of the outstanding Voting Shares agree to terminate such provisions. Following a Required Purchase Offer, if any Stockholder holds directly or indirectly, more than 92.5% of the outstanding Company Equity Securities then all provisions of this Agreement are terminated except Section 2.3 (Co-Sale Rights), Section 2.9 (Required Purchase Offer), Article VIII (Amendment and Waiver), this Article IX (Termination) and Article XI (Miscellaneous), and to the extent required for the foregoing provisions, Article I (Definitions; Rules of Construction). Notwithstanding anything contained herein to the contrary, as to any particular Stockholder, this Agreement will no longer be binding or of further force or effect as to such Stockholder, except as otherwise expressly provided herein, as of the date such Stockholder has Transferred all of such Stockholder's Company Equity Securities."

2.3 Section 11.8(a) of the Agreement is hereby deleted in its entirety and replaced with "Intentionally omitted."

3. Except as set forth above, the Agreement remains unmodified and in full force and effect and the provisions of Article XI of the Agreement (Miscellaneous) are incorporated herein and made part of this Amendment.

[Signatures on following page]

COMPANY

FRIENDFINDER NETWORKS INC.

Jonathan B. Buckheit, CEO

ANDREW B. CONRU TRUST

By:

Andrew B. Conru, Trust

By:

Jonathan B. Buckheit

[Signature page to FFN Stockholder Agreement Amendment 3/1/21]

May 17, 2023

BY EMAIL AT Jon@Prolific Ideas.com AND CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Mr. Jonathan Buckheit
34 Selby Lane
Atherton, CA 94027

Re: Call Option Agreement Dated February 18, 2021 (the "Agreement", with capitalized terms not defined herein having the meaning ascribed to such terms in the Agreement)

Dear Jon:

Pursuant to Section 1(c)(i) of the Agreement, this constitutes a Call Exercise Notice to you, expressing my desire to purchase all of your Unvested Shares, namely 291,914 Shares.

In accordance with Section 1(c)(iii) of the Agreement, the Call Right Closing Date shall be June 2, 2023. The aggregate Call Purchase Price for the Unvested Shares will be $4,168,531.92.

You previously rejected my tender of the Call Option Fee. With the certified mail version of this letter, I am again enclosing a check for $1,000 in payment of the Call Option Fee. If you reject this tender again, I will add the amount of the Call Option Fee to the Call Purchase Price and pay the same at closing. To be clear, your rejection of my previous tender of the Call Option Fee constituted a breach of the Agreement and I am in no way waiving my rights and remedies with respect to such breach by providing this Call Exercise Notice or re-tendering the $1,000 concurrently with this Call Exercise Notice.

I expect that you will abide by the terms of the Agreement and proceed to closing on the Call Right Closing Date, all in accordance with Sections 1(c)(ii)-(iii), (d), (e) and (f) of the Agreement. In any event, be advised that I reserve all of my legal rights and remedies, including all rights and claims stemming from your prior breach of the Agreement. Thank you.

Sincerely yours,

/s/ Andrew B. Conru

Andrew B. Conru

Enclosure

4578559_2

JS-CAND 44 (Rev. 10/2020)

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS

Andrew B. Conru, an Individual,

(b) County of Residence of First Listed Plaintiff King County, WA
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*

Dean E. Masserman, Vorzimer Masserman, P.C., 23035 Ventura Boulevard, Woodland Hills, CA 91364. Phone: 818-999-1950
Paul D. Vink, Bose McKinney & Evans, LLP, 111 Monument Circle, Suite 2700, Indianapolis, IN 46204. Phone: 317-684-5422

DEFENDANTS

Jonathan B. Buckheit, an individual,

County of Residence of First Listed Defendant San Mateo County
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- 1 U.S. Government Plaintiff
- 3 Federal Question *(U.S. Government Not a Party)*
- 2 U.S. Government Defendant
- ✕ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*
(For Diversity Cases Only)

	PTF	DEF		PTF	DEF
Citizen of This State	1	✕ 1	Incorporated *or* Principal Place of Business In This State	4	4
Citizen of Another State	✕ 2	2	Incorporated *and* Principal Place of Business In Another State	5	5
Citizen or Subject of a Foreign Country	3	3	Foreign Nation	6	6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

CONTRACT
- 110 Insurance
- 120 Marine
- 130 Miller Act
- 140 Negotiable Instrument
- 150 Recovery of Overpayment Of Veteran's Benefits
- 151 Medicare Act
- 152 Recovery of Defaulted Student Loans (Excludes Veterans)
- 153 Recovery of Overpayment of Veteran's Benefits
- 160 Stockholders' Suits
- ✕ 190 Other Contract
- 195 Contract Product Liability
- 196 Franchise

REAL PROPERTY
- 210 Land Condemnation
- 220 Foreclosure
- 230 Rent Lease & Ejectment
- 240 Torts to Land
- 245 Tort Product Liability
- 290 All Other Real Property

TORTS

PERSONAL INJURY
- 310 Airplane
- 315 Airplane Product Liability
- 320 Assault, Libel & Slander
- 330 Federal Employers' Liability
- 340 Marine
- 345 Marine Product Liability
- 350 Motor Vehicle
- 355 Motor Vehicle Product Liability
- 360 Other Personal Injury
- 362 Personal Injury -Medical Malpractice

PERSONAL INJURY
- 365 Personal Injury – Product Liability
- 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- 370 Other Fraud
- 371 Truth in Lending
- 380 Other Personal Property Damage
- 385 Property Damage Product Liability

CIVIL RIGHTS
- 440 Other Civil Rights
- 441 Voting
- 442 Employment
- 443 Housing/ Accommodations
- 445 Amer. w/Disabilities–Employment
- 446 Amer. w/Disabilities–Other
- 448 Education

PRISONER PETITIONS

HABEAS CORPUS
- 463 Alien Detainee
- 510 Motions to Vacate Sentence
- 530 General
- 535 Death Penalty

OTHER
- 540 Mandamus & Other
- 550 Civil Rights
- 555 Prison Condition
- 560 Civil Detainee–Conditions of Confinement

FORFEITURE/PENALTY
- 625 Drug Related Seizure of Property 21 USC § 881
- 690 Other

LABOR
- 710 Fair Labor Standards Act
- 720 Labor/Management Relations
- 740 Railway Labor Act
- 751 Family and Medical Leave Act
- 790 Other Labor Litigation
- 791 Employee Retirement Income Security Act

IMMIGRATION
- 462 Naturalization Application
- 465 Other Immigration Actions

BANKRUPTCY
- 422 Appeal 28 USC § 158
- 423 Withdrawal 28 USC § 157

PROPERTY RIGHTS
- 820 Copyrights
- 830 Patent
- 835 Patent–Abbreviated New Drug Application
- 840 Trademark
- 880 Defend Trade Secrets Act of 2016

SOCIAL SECURITY
- 861 HIA (1395ff)
- 862 Black Lung (923)
- 863 DIWC/DIWW (405(g))
- 864 SSID Title XVI
- 865 RSI (405(g))

FEDERAL TAX SUITS
- 870 Taxes (U.S. Plaintiff or Defendant)
- 871 IRS–Third Party 26 USC § 7609

OTHER STATUTES
- 375 False Claims Act
- 376 Qui Tam (31 USC § 3729(a))
- 400 State Reapportionment
- 410 Antitrust
- 430 Banks and Banking
- 450 Commerce
- 460 Deportation
- 470 Racketeer Influenced & Corrupt Organizations
- 480 Consumer Credit
- 485 Telephone Consumer Protection Act
- 490 Cable/Sat TV
- 850 Securities/Commodities/ Exchange
- 890 Other Statutory Actions
- 891 Agricultural Acts
- 893 Environmental Matters
- 895 Freedom of Information Act
- 896 Arbitration
- 899 Administrative Procedure Act/Review or Appeal of Agency Decision
- 950 Constitutionality of State Statutes

V. ORIGIN *(Place an "X" in One Box Only)*

✕ 1 Original Proceeding | 2 Removed from State Court | 3 Remanded from Appellate Court | 4 Reinstated or Reopened | 5 Transferred from Another District *(specify)* | 6 Multidistrict Litigation–Transfer | 8 Multidistrict Litigation–Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing *(Do not cite jurisdictional statutes unless diversity)*:
28 U.S.C. § 2201 and 28 U.S.C. § 1332

Brief description of cause:
Declaratory judgment and breach of contract case regarding Call Option Agreement

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, Fed. R. Civ. P.

DEMAND $ 4,168,531.00

CHECK YES only if demanded in complaint:
JURY DEMAND: ✕ Yes No

VIII. RELATED CASE(S), IF ANY *(See instructions):*

JUDGE DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND ✕ SAN JOSE EUREKA-MCKINLEYVILLE

DATE August 10, 2023 **SIGNATURE OF ATTORNEY OF RECORD** /Dean Masserman/