

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

November 1, 1999

PERSONAL AND CONFIDENTIAL

Attn: Darren Bettencourt
Mr. Marc Collins-Rector
M&C ESTATE
5255 Encino Avenue
Encino, California 91316

Re: STATEMENT OF LEGAL SERVICES RENDERED

<u>DATE</u>	<u>DESCRIPTION OF SERVICES AND TIME EXPENDED</u>
10/01/99	P/C WITH A.FRIEL REGARDING STATUS; P/C WITH S.MOULTHROP IN NEW JERSEY; P/C TO M.NEIDORF REGARDING CORPORATE STOCK; P/Cs WITH CLIENT...1.25 HOURS.
10/03/99	MEET WITH FRIEL REGARDING NEW JERSEY SUIT; P/C WITH CLIENT REGARDING SAME; P/C WITH M.NEIDORF REGARDING ECONOMIC REALITIES; FURTHER P/C WITH CLIENT REGARDING NEIDORF DISCUSSION, SETTLEMENT OPTIONS; ANALYZE SETTLEMENT OPTIONS; P/C WITH CLIENT REGARDING STOCK/CASH CONTINGENT OPTION...3.75 HOURS.
10/04/99	P/C WITH MOULTHROP'S OFFICES; FAX TO MOULTHROP; P/C WITH A.GOLDMAN REGARDING SEALING AND CONCENTRIC POSITION; P/Cs TO M.NEIDORF REGARDING CLIENT'S APPROXIMATE NET WORTH; P/C WITH CLIENT REGARDING B.DOEDE; P/C WITH M.NEIDORF REGARDING INVESTIGATION; P/C WITH DOEDE REGARDING PR/MCR DEPARTURE; FURTHER P/C WITH MOULTHROP REGARDING US ATTORNEY...2.00 HOURS.
10/05/99	MEMO TO FILE REGARDING US ATTORNEY; REVIEW MOULTHROP MEMO ON FEDERAL/STATE STATUTES; MULTIPLE AND CONTINUOUS P/Cs REGARDING SETTLEMENT DURING ENTIRE DAY WITH W.TIMPONE, MOULTHROP, FRIEL, GOLDMAN, AND CLIENT...3.25 HOURS.

Mr. Darren Bettencourt
Mr. Marc Collins-Rector
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November 1, 1999
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- 10/06/99 P/C WITH FRIEL REGARDING DOCUMENTS; P/C TO TIMPONE; P/C WITH TIMPONE; P/C TO MOULTHROP REGARDING SEALING; FURTHER P/Cs WITH TIMPONE; P/Cs WITH GOLDMAN, FRIEL; BEGIN DRAFTING SETTLEMENT; FAX TO CLIENT/DEN COUNSEL; P/C WITH CONCENTRIC COUNSEL; P/C TO TIMPONE; FURTHER P/C TO GOLDMAN REGARDING AGREEMENT, SEALING; FURTHER P/C TO FRIEL REGARDING AGREEMENT, SEALING ISSUE; P/C WITH CLIENT REGARDING CASE STATUS, BOARD POSITIONS, OTHER MATTERS; P/C WITH GOLDMAN REGARDING REVISIONS...5.75 HOURS.
- 10/07/99 REVIEW GOLDMAN REVISIONS AND COMMENTS, REVISE AGREEMENT; P/C WITH GOLDMAN TO REVIEW SAME; P/C WITH R.ROSALES; P/C WITH GOLDMAN; CONFERENCE CALL WITH GOLDMAN AND FRIEL REGARDING REVISIONS; P/C WITH MOUTHROP REGARDING CHANGES; FAX TO ALL; P/C WITH SCRIVO; SEND E-MAIL TO SCRIVO; P/C WITH ANELLI REGARDING PROVISIONS; P/C TO GOLDMAN REGARDING PROVISIONS; EXTENDED P/C WITH FRIEL; P/Cs WITH NEIDORF, FAX TO MICHAEL NEIDORF; P/Cs WITH GOLDMAN, MAKE FURTHER MULTIPLE REVISIONS REGARDING GOLDMAN, MOULTHROP, ANELLI FAXES AND E-MAILS; DO 3RD DRAFT; FAX AND E-MAIL TO ALL COUNSEL; P/C WITH FRIEL REGARDING E-MAIL, FAX 3RD DRAFT TO FRIEL'S HOME; CORRESPONDENCE TO MURRAY NEIDORF WITH COMPLAINT...8.75 HOURS.
- 10/08/99 REVIEW AND ADD MOUTHROP CHANGES; P/C WITH GOLDMAN REGARDING MINOR CHANGES; P/C WITH FRIEL; P/C TO TIMPONE; P/C WITH SCRIVO'S SECRETARY REGARDING STATUS; CONFERENCE CALL WITH SCRIVO AND MOLDUGNO; CONFERENCE CALL WITH MOULTHROP, GOLDMAN REGARDING TERMS, STATUS OF NEGOTIATIONS; REVIEW RELEASES AND SEPARATION AGREEMENT; P/C TO K.JAMES REGARDING SAME; P/C WITH SCRIVO REGARDING DEAL POINTS; P/C WITH ROSALES; P/C WITH GOLDMAN REGARDING STATUS; REVIEW SCRIVO INITIAL REVISIONS; FAX TO ALL COUNSEL FOR DEN, MCR; P/C WITH CLIENT REGARDING UPDATE ON STATUS OF SETTLEMENT, GOALS, ETC.; P/C WITH FRIEL REGARDING STRATEGIC INVESTOR TIMING; REVIEW GOLDMAN'S E-MAIL...5.75 HOURS.

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- 10/09/99 P/C WITH SCRIVO REGARDING STATUS OF DOCUMENTS; REVIEW GOLDMAN E-MAIL REGARDING ANELLI COMMENTS; AWAIT SCRIVO RESPONSE; MULTIPLE P/Cs TO SCRIVO'S OFFICES; P/C WITH SCRIVO ON STATUS; REVIEW SCRIVO'S 4TH DRAFT, MAKE COMMENTS; FAX TO GOLDMAN; CONFERENCE CALL WITH SCRIVO AND MOLDUGNO REGARDING CHANGES; CORRESPONDENCE TO GOLDMAN REGARDING CHANGES AND COMMENTS; FAX TO FRIEL; VERY EXTENDED P/C WITH GOLDMAN REVIEWING PARAGRAPHS OF SETTLEMENT AGREEMENT AND GOLDMAN'S COMMENTS THERETO...5.25 HOURS.
- 10/10/99 P/C WITH SCRIVO REGARDING CONFERENCE CALL; VERY EXTENDED CONFERENCE CALL WITH SCRIVO AND TIMPONE REVIEWING, IN DETAIL, EACH POINT OF THE 4TH DRAFT OF AGREEMENT; P/C WITH GOLDMAN REGARDING SAME; P/C WITH MURRAY NEIDORF REGARDING ESCROW ACCOUNT...2.00 HOURS.
- 10/11/99 P/C WITH MOULTHROP REGARDING REPS TIMPONE IS CONSIDERING; P/C WITH MOLDUGNO REGARDING ESTIMATED TIME OF ARRIVAL OF 5TH DRAFT; REVIEW ESCROW AGREEMENT AND SEND TO GOLDMAN AND MURRAY NEIDORF; REVIEW FRIEL COMMENTS AND NOTES; P/C TO DOEDE; P/C TO CONLEY REGARDING STOCK ISSUES; P/C TO ROSALES REGARDING EXECUTION; REVIEW GOLDMAN REVISIONS PER E-MAIL; P/C WITH CLIENT REGARDING STATUS, OTHER MATTERS; EXTENDED P/Cs WITH SCRIVO, MOLDUGNO, TIMPONE; P/C WITH DOEDE; P/C WITH CONLEY REGARDING REPS IN 5TH DRAFT; P/C WITH MOLDUGNO REGARDING REPS COMING OUT; FURTHER P/Cs WITH MICHAEL NEIDORF REGARDING ESCROW; P/C WITH MURRAY NEIDORF REGARDING ESCROW AGREEMENT; FURTHER P/C WITH GOLDMAN REGARDING 6TH DRAFT; FURTHER P/Cs WITH SCRIVO, MOLDUGNO, GOLDMAN REGARDING REVISIONS AND ADDITIONS TO 7TH DRAFT; P/C WITH MURRAY NEIDORF REGARDING FINAL AGREEMENT AFTER REVISIONS AND P/C WITH MOLDUGNO; P/C WITH FRIEL REGARDING EXECUTION; P/C WITH FRIEL AND GOLDMAN REGARDING TRANSMISSION AND EXECUTION; P/C WITH ROSALES, E-MAIL FINAL TO ROSALES; CORRESPONDENCE TO FRIEL AND GOLDMAN; P/C WITH PAUL MITCHELL ESTATE REGARDING FAX TRANSMISSION; P/C WITH ROSALES REGARDING QUESTIONS ON AGREEMENT; P/C WITH GOLDMAN REGARDING ESCROW; CORRESPONDENCE TO MOULTHROP WITH FINAL; P/Cs WITH CLIENT REGARDING EXECUTION AND REVIEW; FURTHER P/Cs WITH CLIENT REGARDING SEVERANCE; APPROVAL VIA E-MAIL AND VERBALLY GIVEN FOR FULL GO AHEAD...9.50 HOURS.

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- 10/12/99 TRAVEL TO NEW YORK CITY FOR WALKER DEAL; P/Cs WITH MULTIPLE COUNSEL; CLOSE OFF CONCENTRIC END OF DEAL WITH ROSALES; P/Cs WITH CLIENT; OBTAIN SIGNATURES...9.50 HOURS.
- 10/13/99 TRAVEL TO NEW JERSEY; MEET WITH MOULTHROP; ATTEND CLOSING; DRAFT DISMISSALS; EXECUTE AGREEMENT; P/Cs WITH CLIENT, DOEDE, CONLEY, FRIEL AND GOLDMAN'S OFFICES...8.00 HOURS.
- 10/14/99 RETURN FROM NEW YORK CITY TO LOS ANGELES; P/C TO DOEDE; MEETING WITH FRIEL; EXTENDED P/C WITH DOEDE REGARDING OPTIONS; P/C WITH CLIENT...10.50 HOURS.
- 10/15/99 TRAVEL TO HAWAII; MEET WITH CLIENTS AND REVIEW SEVERENCE AND STOCKHOLDERS' AGREEMENTS; CONFERENCE ON VARIOUS OTHER MATTERS...14.00 HOURS.
- 10/18/99 P/Cs WITH DOEDE'S OFFICES, JAMES' OFFICES, FRIEL, CLIENTS REGARDING VARIOUS REVISIONS TO AGREEMENTS, RESIGNATIONS, OTHER MATTERS; REVISE AGREEMENT TERMS...8.00 HOURS.
- 10/19/99 P/C WITH DOEDE'S OFFICE REGARDING MEETINGS; EXTENDED P/C WITH CONLEY REGARDING STOCKHOLDERS' AGREEMENT AND REVISIONS THERETO; P/C WITH K JAMES REGARDING AGREEMENTS; P/C WITH CLIENT REGARDING STATUS; REVISE SEVERANCE AGREEMENT; REVISE STOCKHOLDER'S AGREEMENT; P/C WITH FRIEL, CLIENT REGARDING SAME; E-MAIL TO CONLEY, JAMES; FURTHER P/C WITH CLIENT REGARDING "CONTROL" ISSUE PRE & POST-IPO; MEET WITH FRIEL REGARDING NEGOTIATION ON REVISIONS; P/C WITH DOEDE'S OFFICES FINALIZING MEETING PLANS; P/C WITH CLIENT REGARDING STATUS OF NEGOTIATIONS AND MEETING; P/C WITH CONLEY AND FRIEL; P/C WITH DOEDE REGARDING MEETING AND CONLEY PRESSURE...6.25 HOURS.
- 10/20/99 MEETING AT ESTATE WITH CLIENTS, CONLEY, HERBERT WANDER, DOEDE REGARDING REVISIONS AND NEGOTIATIONS REGARDING SEVERANCE, RELEASE AND STOCKHOLDERS' AGREEMENTS AND EXECUTION OF SAME; POST MEETING WITH DOEDE AT BEL AIR HOTEL REGARDING STRATEGY FOR COMPANY, STOCK SALE OF COLLINS-RECTOR AND OTHER MATTERS; P/C WITH M.NEIDORF REGARDING STATUS...10.00 HOURS.

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- 10/21/99 P/C WITH FRIEL REGARDING LETTER, CONLEY REGARDING RIGHTS AGREEMENT, MICHAEL NEIDORF REGARDING ESCROW, ROSALES REGARDING CONCENTRIC; FAX TO MICHAEL NEIDORF REGARDING ESCROW...1.00 HOUR.
- 10/22/99 DRAFT MUTUAL RESIGNATION LETTER; CORRESPONDENCE TO FRIEL REGARDING RESIGNATION LETTER; NOTE AND CC TO DOEDE; P/C WITH FRIEL REGARDING SAME; P/C TO MICHAEL NEIDORF; P/C WITH CONLEY REGARDING REGISTRATION AGREEMENT AND DIFFERENCES WITH SERIES "B"; P/C TO FRIEL REGARDING LETTER; CORRESPONDENCE TO SHINN REGARDING CONCENTRIC; P/C PIERCE REGARDING BELLA...1.00 HOUR.
- 10/24/99 REVISE RESIGNATION LETTER; FAX TO FRIEL, CLIENT; P/Cs WITH FRIEL AND CLIENT REGARDING REVISIONS; FAX FINAL TO FRIEL AND CLIENT...0.75 HOUR.
- 10/25/99 P/Cs WITH BETTENCOURT REGARDING FINAL EXECUTION OF LETTER, DELIVERY TO FRIEL; P/C FRIEL REGARDING EXECUTIVE COMMITTEE MEETING; P/C WITH CLIENT REGARDING SAME AND NEW CORP...0.50 HOUR.
- 10/26/99 P/C WITH CLIENT AND MICHAEL NEIDORF REGARDING POWER OF COLLINS-RECTOR TO SELL STOCK; P/C WITH FRIEL REGARDING REGISTRATION RIGHTS AGREEMENT AND CLIENT'S RIGHTS...0.50 HOUR.
- 10/27/99 P/C WITH CLIENT REGARDING ARTICLES IN WALL STREET JOURNAL AND NEW YORK POST, REVIEW SAME; FURTHER P/C WITH CLIENT REGARDING NEW DEN CHAIRMAN; P/C WITH CONLEY REGARDING REGISTRATION RIGHTS AGREEMENT, NEED FOR LETTER; P/C WITH FRIEL REGARDING SAME AND REFERENCE TO WEXLER FOR LETTER...1.00 HOUR.
- 10/29/99 MULTIPLE P/Cs WITH DOEDE, FRIEL, CLIENT AND RITTS REGARDING BUSINESS WEEK ARTICLE...1.50 HOURS.

TOTAL ATTORNEY HOURS BILLED AT \$225.00 PER HOUR
(119.75 Hours x \$225.00 Per Hour = \$26,943.75)

* TOTAL ATTORNEY HOURS BILLED AT \$175.00 PER HOUR
(0.00 Hour x \$175.00 Per Hour = \$0.00)

Mr. Darren Bettencourt
Mr. Marc Collins-Rector
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TOTAL ATTORNEY HOURS THIS STATEMENT 119.75 HOURS

TOTAL ATTORNEY FEES THIS STATEMENT \$ 26,943.75

COSTS:

MONTHLY 5% ADMINISTRATIVE CHARGE \$ 1,347.19
INCLUDES DOMESTIC AND INTERNATIONAL TELEPHONE CALLS,
IN HOUSE PHOTOCOPYING, FACSIMILES AND POSTAGE.

ITEMIZED COSTS THIS STATEMENT PERIOD:

**MESSENGERS, FEDERAL EXPRESS, PARKING, FACSIMILE, POSTAGE, PHOTOCOPYING
& ATTORNEY SERVICE FEES:**

Express Network, Inc., invoice dated 09/30/99.....	\$ 54.00
Express Network, Inc., invoice dated 10/15/99.....	\$ 165.28
Federal Express invoice dated 10/15/99.....	\$ 39.50
United Airlines Roundtrip Airfare from LAX to JFK (10/11/99).....	\$ 3,028.00
Avalon Transportation, Inc. for New York trip.....	\$ 762.05
Transportation to and from LAX for New York trip.....	\$ 90.00
Hotel Accommodations in New York City for 10/12/99-10/14/99.....	\$ 1,416.92
United Airlines Roundtrip Airfare from LAX to Honolulu (10/15/99)...	\$ 1,591.70
Hotel Accommodations in Honolulu, Hawaii for 10/15/99-10/18/99...	\$ 1,120.28
Taxi Fare from Honolulu Airport to Hotel and Return Trip.....	\$ 50.00
Transportation to and from LAX for Honolulu trip.....	\$ 100.00
Overtime Secretarial and Word Processing Support for October 7, 1999 (1.50 hours), October 9, 1999 (4.00 hours) and October 11, 1999 (3.50 hours) = 9.00 Total Hours @ \$30.51 Rate.....	\$ 274.59

TOTAL COSTS INCURRED THIS STATEMENT \$ 10,039.51

TOTAL FEES AND COSTS DUE THIS STATEMENT \$ 36,983.26

OUTSTANDING BALANCE DUE PER OCTOBER 1, 1999 STATEMENT \$ 10,833.12

SUMS RECEIVED IN OCTOBER 1999, TO PAY OUTSTANDING
BALANCE DUE AND TO REPLENISH RETAINER \$ 15,833.12

RETAINER ON HAND PRIOR TO THIS STATEMENT \$ 5,000.00

RETAINER REMAINING AFTER PAYMENT OF THIS STATEMENT..... \$ 0.00

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Mr. Marc Collins-Rector
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TOTAL BALANCE DUE THIS STATEMENT \$ 31,983.26

**PLEASE ISSUE A CHECK IN THE SUM OF \$36,983.26 MADE PAYABLE TO
"RONALD JASON PALMIERI TRUST ACCOUNT" TO THE OUTSTANDING BALANCE
OF \$31,983.26 AND TO MAINTAIN YOUR RETAINER BALANCE AT THE MINIMUM
SUM OF \$5,000.00 PER YOUR RETAINER AGREEMENT.**

cc: Murray Neidorf (via facsimile, Fax: 818-881-1610)

LAW OFFICES OF RONALD JASON PALMIERI
0911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

April 23, 1999

Mr. Darren Bettencourt
M & C Estate
5255 Encino Avenue
Encino, California 91316

Re: Retainer Agreement for Legal Services

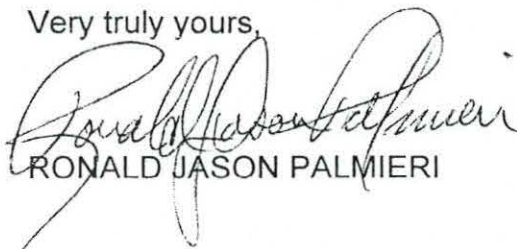
Dear Darren:

Confirming our conversation this morning, I enclose herewith the following documents:

1. The original of my letter of April 16, 1999;
2. The April 1, 1999, billing statement (which has been sent to Perry & Neidorf in accordance with your request, as will be all future statements);
3. A copy of the fully executed Retainer Agreement between my offices and Marc Collins-Rector.

These documents are sent to you so that you may retain a copy for your files. If I can be of any further assistance, please do not hesitate to contact me.

Very truly yours,



RONALD JASON PALMIERI

RJP:skt
Enclosures

LAW OFFICES OF RONALD JASON PALMIERI
0911 Linda Flora Drive
Los Angeles, California 90049-1630

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Facsimile (310) 471-3511

April 16, 1999

Mr. Marc Collins-Rector
M & C Estate
5255 Encino Avenue
Encino, California 91316

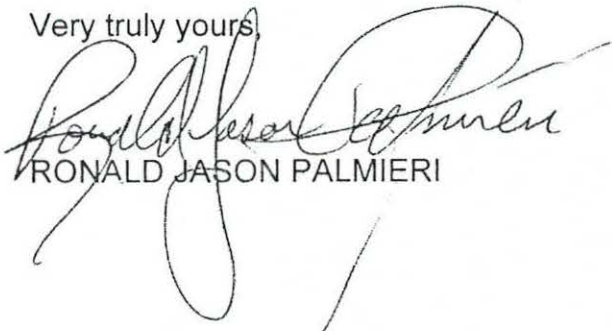
Re: Retainer Agreement for Legal Services

Dear Marc:

Please find enclosed 2 sets of the original Retainer Agreement for Legal Services. I thought that it was time to take care of this administrative matter. Please sign and return an original Retainer to me at your earliest convenience. You may keep the other original for your files. Also enclosed is your billing statement for the period ending March 31, 1999. I look forward to a long and mutually beneficial relationship.

As a courtesy, I have faxed this Agreement and your current statement to Murray Neidorf. Please advise if you wish me to continue to transmit copies of your future statements to his offices. If you have any questions, please do not hesitate to call.

Very truly yours,


RONALD JASON PALMIERI

RJP:skt
Enclosures

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

April 16, 1999

Mr. Marc Collins-Rector
M&C ESTATE
5255 Encino Avenue
Encino, California 91316

Re: Retainer Agreement for Legal Services

Dear Mr. Collins-Rector:

Recent legislation requires that contracts for legal services of an attorney must be written and must contain specific provisions. Among other things, such contracts must state the hourly rate and other standard rates, fees and charges applicable to the case. Such contracts must also describe the general nature of legal services to be provided to the client with regard to the performance of the contract. Such contracts must also disclose whether or not the attorney retained maintains professional liability insurance, which I hereby confirm that I do. I have accepted your engagement of my firm based on the terms contained in this agreement.

This letter is to confirm the basis of my representation of you (and those expressly designated by you from time to time) in personal legal matters, and such other matters as you may request my assistance.

I. REPLENISHABLE RETAINER FEE

In accordance with my firm's policy, you shall provide to this firm a retainer in certified funds in the sum of FIVE THOUSAND DOLLARS (\$5,000.00) on or before May 1, 1999. These monies shall be placed into a client trust account in accordance with the understandings contained in this letter. I will, on a monthly basis, supply you with a statement for legal fees and costs and an accounting showing the remaining balance in your retainer account. Since it is not known at this time what precisely will be done on the above referenced matters, I cannot give you an estimate of my fees. This shall also confirm that I began charging for my services in March 1999, having waived previous fees as a courtesy relating to the Egan matter. A current billing though March 31, 1999 is enclosed.

In connection with this matter, I will apply the retainer you give me to fees and costs as billed. As explained to you, however, the retainer must be replenished so that a

minimum credit balance in the sum of \$5,000.00 remains in my trust account at all times until the matter is concluded or my services are no longer required. In other words, if your billings bring your retainer in my trust account to a point below \$5,000.00 at any point, you agree to bring the bill current and replenish the trust account to a minimum level of \$5,000.00 above current billings.

Obviously, to the extent my final fees upon completion of all matters referred to these offices are less than the current balance of your retainer in the trust account, any excess will be returned to you.

II. BILLING

My firm's charges for services will be based on the time spent on your affairs. As I have advised you, the billable rate for my time on your matters shall be Two Hundred and Twenty-Five Dollars (\$225.00) per hour and the billable rate for any attorney working under my direction on your matters shall be One Hundred and Seventy-Five Dollars (\$175.00) per hour. Paralegal time is billed at the rate of Sixty Dollars (\$60.00) per hour. Regular hourly rates are adjusted periodically. When adjustments are made, I will notify you promptly.

Legal fees will be billed at increments of one quarter (1/4) hour. In addition to client conferences, the time for which you will ordinarily be charged will include telephone conferences with third parties, telephone and office conferences between attorneys and others acting on your behalf, factual investigation, legal research, letter writing, document drafting, document review and summarization and any travel time in connection with your affairs.

In addition to legal fees during the course of your case, costs will be incurred for which you will be responsible. Those costs which are separately billed to you are such items as court filing fees, parking for court and outside depositions and meetings, deposition fees, witness fees, costs of service of process, secretarial overtime, outside messenger fees, outside photocopying, transcripts of court proceedings, title reports, expert witness costs, travel expenses etc. Before making any unusual expenditures on your behalf, I will obtain your prior approval. In lieu of separately billing for such cost items as telephone and facsimile charges, in-house photocopying, in-house messenger services, regular secretarial time, and postage, an Administrative Charge equal to 5% of each month's total for services will be added to your statement.

I will perform legal services for you in a diligent manner and will keep you informed of all developments. You shall be responsible for timely paying the retainer fee and monthly fees pursuant to the terms set forth in this agreement; as well as maintaining the

Mr. Marc Collins-Rector
RETAINER AGREEMENT
April 16, 1999
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replenishable retainer referred to above at the minimum sum of \$5,000.00. You also agree to cooperate with me and disclose all facts in a truthful manner.

III. TERMINATION UPON WRITTEN NOTICE/VENUE
IN THE EVENT OF DISPUTE

This agreement may be terminated by you at any time by you giving me written notice of your desire to terminate our relationship and executing all documents necessary to relieve me of any ongoing responsibility in connection with your matters, as well as paying any and all outstanding sums then due to me.

This agreement may be terminated by me at any time by giving you written notice of my desire to terminate our relationship and giving you a reasonable amount of time to obtain substitute counsel, without prejudice to your affairs, to handle your matters in the future. My termination of the agreement shall not abrogate, in any way, your responsibility to pay any and all outstanding sums due.

Upon termination by any party, all files and documents belonging to you shall be returned to you or your new counsel.

Should any dispute arise concerning this agreement or the services performed hereunder, it is expressly understood and agreed that the exclusive situs and venue for such a dispute's resolution, whether by arbitration or litigation, shall be in the County of Los Angeles, State of California. The prevailing party in any such dispute shall be entitled to an award of reasonable attorneys fees' and costs.

If the above correctly reflects our agreement, please indicate your acceptance and acknowledgment below by your signature.

M & C ESTATE


MARC COLLINS-RECTOR

LAW OFFICES OF RONALD JASON PALMIERI


RONALD JASON PALMIERI

cc: Murray Neidorf (via facsimile, Fax: 818-881-1610)

THE M&C ESTATE OFFICES

PHONE 818-386-0111 FAX 818-986-3658

FAX COVER SHEET

TO:	FROM:
Ronald Palmieri	Marc Collins-Rector
COMPANY:	DATE:
Law Office of Ronald Palmieri	4/14/2000
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
310-471-3511	7
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
310-471-1881	818-386-0111
RE:	YOUR FAX NUMBER:
	818-986-3658

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY

Note: This facsimile contains confidential and/ or legally privileged information from The M&C Estate intended only for the use of the individual(s) named on the transmission sheet. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this facsimile transmission is strictly prohibited. If you have received this transmission in error, please notify us by telephone immediately so we could arrange for the return at no charge to you.

LAW OFFICES OF RONALD JASON PALMIERI
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Los Angeles, California 90049

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April 1, 1999

Mr. Marc Collins-Rector
M&C ESTATE
5255 Encino Avenue
Encino, California 91316

Re: STATEMENT OF LEGAL SERVICES RENDERED

<u>DATE</u>	<u>DESCRIPTION OF SERVICES AND TIME EXPENDED</u>
03/05/99	<u>SCIF</u> - REVIEW COMPLAINT; P/C WITH LYNN FAYNE; P/Cs WITH BUSINESS MANAGERS...0.75 HOUR.
03/08/99	<u>HUFFINGTON</u> - P/C WITH CLIENT; MURRAY NEUDORF REGARDING HUFFINGTON DISPUTE...0.25 HOUR.
03/09/99	<u>HUFFINGTON</u> - P/C WITH CARROLL REGARDING INDEMNIFICATION; P/C WITH CLIENT RE MEETING; MEET WITH CLIENTS AND CORPORATE COUNSEL; REVIEW CORPORATE COUNSEL LETTER; P/C WITH CLIENT REGARDING SAME...5.25 HOURS.
03/10/99	<u>HUFFINGTON</u> - EXTENSIVELY REVISE LETTER TO HUFFINGTON'S COUNSEL; FAX TO INTERESTED PARTIES; P/Cs WITH ALAN FRIEL; REVIEWED REVISIONS; EXTENDED CONFERENCE CALL WITH ALL COUNSEL REGARDING NEW OFFER OF HUFFINGTON...1.75 HOURS.
03/12/99	<u>SCIF</u> - P/Cs WITH MARGOLIS; P/C WITH INSURANCE BROKER PATRICIA; P/C TO FAYNE REGARDING EXTENSION TO APRIL 30 TO ANSWER...0.50 HOUR. <u>HUFFINGTON</u> - REVIEW ANDERSON LETTER; LETTER TO CLIENT REGARDING THOUGHTS ON SETTLEMENT...0.50 HOUR.
03/15/99	<u>HUFFINGTON</u> - P/C WITH FRIEL REGARDING STATUS OF HUFFINGTON NEGOTIATIONS; REVIEW CORRESPONDENCE FROM HUFFINGTON'S COUNSEL...0.25 HOUR.

Mr. Marc Collins-Rector
M&C ESTATE
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03/16/99 HUFFINGTON - REVIEW DRAFTS OF LETTER TO HUFFINGTON; FAX
COMMENTS TO CLIENT, FRIEL; P/Cs WITH FRIEL REGARDING SAME...0.75
HOUR.

*SCIF - T/Cs TO FAYNE, PAT HENRY, L. CARROLL, PAM BICKFORD; MEMO
TO FILE...1.25 HOURS.

03/17/99 *SCIF - LETTERS TO FAYNE, DOWNEY, BICKFORD; T/C WITH FAYNE...0.75
HOUR.

03/22/99 P/C WITH CLIENT REGARDING MISCELLANEOUS MATTERS; FAX AND P/C
WITH DARREN REGARDING SAME...0.25 HOUR.

*SCOTT SHACKLEY - T/C TO COURT REGARDING JUVENILE TRAFFIC
PROCEDURES; REVIEW VEHICLE CODE SECTIONS...0.25 HOUR.

03/23/99 STEIGLER - P/C WITH STEIGLER REGARDING CAR PROBLEM; P/C WITH
PENSKE MOTORS; P/C WITH CLIENT REGARDING TICKET AND
STEIGLER...0.75 HOUR.

*STEIGLER - T/C WITH STEIGLER REGARDING CAR PROBLEM...0.25
HOUR.

03/30/99 *SCIF - T/Cs TO INSURANCE COMPANY...0.25 HOUR.

03/31/99 *SCIF - LETTER TO UNITED INSURANCE...0.25 HOUR.

TOTAL ATTORNEY HOURS BILLED AT \$225.00 PER HOUR
(11.00 Hours x \$225.00 Per Hour = \$2,475.00)

* TOTAL ATTORNEY HOURS BILLED AT \$175.00 PER HOUR
(3.00 Hours x \$175.00 Per Hour = \$525.00)

TOTAL ATTORNEY HOURS THIS STATEMENT 14.00 HOURS

TOTAL ATTORNEY FEES THIS STATEMENT \$ 3,000.00

COSTS:

MONTHLY 5% ADMINISTRATIVE CHARGE \$ 150.00
INCLUDES DOMESTIC AND INTERNATIONAL TELEPHONE CALLS,
IN HOUSE PHOTOCOPYING, FACSIMILES AND POSTAGE.

Mr. Marc Collins-Rector
M&C ESTATE
April 1, 1999
Page 3

ITEMIZED COSTS THIS STATEMENT PERIOD:

MESSENGERS, FEDERAL EXPRESS, PARKING, FACSIMILE, POSTAGE, PHOTOCOPYING
& ATTORNEY SERVICE FEES:

TOTAL COSTS INCURRED THIS STATEMENT	\$ 150.00
TOTAL FEES AND COSTS DUE THIS STATEMENT	\$ 3,150.00
BALANCE DUE THIS STATEMENT	<u>\$ 3,150.00</u>

cc: Murray Neidorf (via facsimile, Fax: 818-881-1610)

contract and invasion of privacy, and such party may be subject to legal and/or injunctive prosecution by any and all injured persons or entities, including without limitation, the Company. By signing this Release, the parties hereto agree that, if such party ever says or does anything to lead the other parties hereto, the Company or any related persons or entities, to believe that such party intends to violate, or has violated, any of the provisions contained in this Release, that any or all of them may seek, and may be entitled to, an injunction to prevent any such violations or intended violations, in addition to any other remedies that may be available to them at law or in equity.

(f) The parties hereto and the Company, as an intended third-party beneficiary to this Release, have the right to seek immediate injunctive and equitable relief in accordance with the provisions of this Release in either one of two places (at the petitioner's option); (1) in any Court of law with jurisdiction to hear such matter, or (2) through binding arbitration pursuant to the terms set forth below. Otherwise, the parties hereto agree that all disputes, claims and other matters in controversy arising out of or relating to this Release, or the interpretation, performance or breach thereof, shall be submitted to binding arbitration in accordance with the provisions and procedures of this paragraph. The arbitration provided for in this paragraph shall take place in Los Angeles County, California, in accordance with Title 19, Sections 1280 et seq. of the California Code of Civil Procedure, except as provided to the contrary hereunder. The arbitration shall be held before and decided by a single neutral arbitrator. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). The parties hereto agree and consent to the use of the AAA Commercial Arbitration Rules and their Optional Rules for Emergency Measures of Protection in the event that either party hereto elects to use such rules in seeking any expedited relief whatsoever in connection with any arbitration relating in any way to this Release. The arbitrator shall be selected in accordance with the National Rules for the Resolution of Employment Disputes of AAA, as effective on June 1, 1997, or as thereafter amended and currently in force, or by a process mutually agreed upon in writing by the parties and the Company's counsel if the Company's counsel elects to be a party to such agreement. If such method of selecting an arbitrator fails, the arbitrator shall be appointed by the AAA. The parties shall mutually agree upon the date and location of the arbitration, subject to the availability of the arbitrator. If no agreement can be reached as to the date and location of the arbitration, the arbitrator shall appoint a time and place in accordance with the provisions of the AAA Rules, except that the arbitrator shall give not less than thirty (30) days' notice of the hearing unless the parties mutually agree to shorten time for notice. The arbitrator shall issue a written reasoned decision consistent with applicable law. The arbitrator shall not have the authority to award punitive damages. The decision of the arbitrator may be confirmed pursuant to the provisions of California Code of Civil Procedure Section 1285, and shall not be appealable or correctable except to the extent it is inconsistent with applicable law and/or the express terms of this Release, however, it being understood that a petition to vacate an award for any of the reasons set forth in California Code of Civil Procedure Section 1286.2(e) shall not be permitted. The parties shall have the right to discovery in accordance with California Code of Civil Procedure Section 1282.2 et seq. (including Section 1283.05).

(g) Johnson hereby agrees to keep strictly confidential the personal and business affairs of Collins-Rector, Shackley and Pierce, and shall not disclose any information concerning such personal and/or business affairs to anyone, without first obtaining prior

written consent, except to those persons, such as attorneys and accountants, who are lawful representatives of Johnson and who have a need to know such information as required in the discharge of their professional duty and so long as such representatives are made aware of the confidentiality obligations and are requested and, thereafter, obligated to maintain the confidentiality of such information.

(h) Except as otherwise provided for herein, no modification, waiver, amendment, discharge or change of this Release or any term or representation herein shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

(i) This Release is the product of arm's length negotiations by the parties hereto, and no party shall be deemed to be the drafter of any particular provision or provisions of this Release, nor shall any part of this Release be construed against any party on the basis of that party's identity as the drafter of any part of this Release.

6. Execution of Additional Documents. The Parties hereto agree hereafter to execute, and hereby authorize their respective attorneys to execute and deliver, such additional documents as may be necessary or desirable to implement the terms or intent of this Agreement.

7. Heirs, Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors and permitted assigns of the Parties and each of them.

8. Integration and Severability. This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof and, except as expressly stated herein, supersedes all prior agreements, understandings and negotiations of the Parties hereto. Except as provided herein, no covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto. The warranties and representations of this Agreement shall survive the execution hereof. If any provision of this Agreement should be held to be void, voidable, or unenforceable, the remaining portions hereof shall remain in full force and effect. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. This Agreement may be executed in two or more counterparts, all of which shall, in the aggregate, be considered to be one agreement.

9. Assignments. Neither Party may assign any of its rights under this Agreement without the prior consent of the other Party, which consent shall not be unreasonably withheld.

10. Attorneys' Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement due to an alleged dispute, breach, default or misrepresentation in connection with any of the provisions hereunder, the substantially prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in such action or proceeding, in addition to any other relief to which he or it might be entitled.

11. Expenses. Each Party hereto shall each bear its own respective expenses in connection with the preparation of this Agreement.

12. Execution. This Agreement may be executed in counterparts and when the signatures of each counterpart are combined shall constitute one integrated and legally binding agreement. This Agreement may be executed by shall be deemed effective by the exchange of facsimile signatures, which signatures shall be deemed to be legally binding.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement and deem it effective as of the date first above written.

OPTIONOR:

MARC COLLINS-RECTOR REVOCABLE
TRUST U/A/D 7/28/97

By: _____
Name: Marc Collins-Rector
Title: Trustee

OPTIONEE and RELEASOR:

Socorro Geronimo
~~Stacy Johnson~~
Socorro Geronimo

Marc Collins-Rector, an individual

Chad M. Shackley

Brock Pierce

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

December 6, 1999

Mr. John Trujillo
M & C Estate
5255 Encino Avenue
Encino, California 91316

Via Messenger

Re: Option & Release Agreements

Dear Mr. Trujillo:

Enclosed herewith please find envelopes containing a cover letter and 2 original copies of the Option And Release Agreement for:

1. Yourself;
2. Darren Bettencourt;
3. Socorro Geronimo;
4. Ryan Groomes;
5. Mel Berman;
6. Glen Robarge; and
7. Stacy Johnson.

Please give to appropriate individuals and advise me when the Agreements for each individual are signed. Please note that the option assumes a 1.5 for 1.0 stock split, so the option granted at 1,334 shares actually is for 2,000 shares, and the option for 667 shares is actually for 1,000 shares.

Also enclosed is an additional copy of the cover letter to each aforementioned individual for my files. Please have each individual acknowledge receipt of my letter and return a signed copy of my letter from each individual to my offices.

Very truly yours,


RONALD JASON PALMIERI

RJP:skt
Enclosures

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

December 6, 1999

Ms. Socorro Geronimo
M & C Estate
5255 Encino Avenue
Encino, California 91316

Via Messenger

Re: Option & Release Agreement

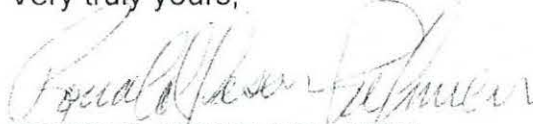
Dear Ms. Geronimo:

Enclosed herewith is the Option and Release Agreement prepared by these offices in connection with the understanding and agreement between the parties set forth therein.

This Agreement concerns significant legal rights and, as such, it is urged that you consult with an attorney of your own choosing before executing same. These offices do not represent you and cannot, and will not, give you advice as to the enclosed Agreement other than to state that to the extent that you do not wish to consult with independent counsel, you are advised that it will most likely be deemed that you freely and voluntarily elected not to do so and the terms of the Option & Release Agreement shall be fully and completely legally binding upon you despite your choice not to discuss same with counsel of your choosing.

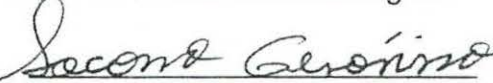
Please advise me when the enclosed Option & Release has been signed, after you have had the opportunity to consult with your independent counsel and return, if acceptable, two (2) fully executed originals of the Option & Release Agreement to my offices so I may obtain my clients' signatures. After fully executed, an original shall be returned to you for your files.

Very truly yours,


RONALD JASON PALMIERI

RJP:skt
Enclosures

Received and acknowledged:


Socorro Geronimo

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

December 6, 1999

Mr. Ryan Groomes
M & C Estate
5255 Encino Avenue
Encino, California 91316

Via Messenger

Re: Option & Release Agreement

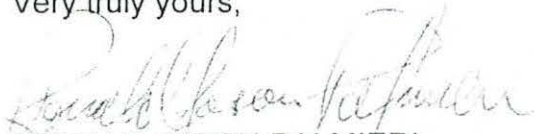
Dear Mr. Groomes:

Enclosed herewith is the Option and Release Agreement prepared by these offices in connection with the understanding and agreement between the parties set forth therein.

This Agreement concerns significant legal rights and, as such, it is urged that you consult with an attorney of your own choosing before executing same. These offices do not represent you and cannot, and will not, give you advice as to the enclosed Agreement other than to state that to the extent that you do not wish to consult with independent counsel, you are advised that it will most likely be deemed that you freely and voluntarily elected not to do so and the terms of the Option & Release Agreement shall be fully and completely legally binding upon you despite your choice not to discuss same with counsel of your choosing.

Please advise me when the enclosed Option & Release has been signed, after you have had the opportunity to consult with your independent counsel and return, if acceptable, two (2) fully executed originals of the Option & Release Agreement to my offices so I may obtain my clients' signatures. After fully executed, an original shall be returned to you for your files.

Very truly yours,


RONALD JASON PALMIERI

RJP:skt
Enclosures

Received and Acknowledged:


Ryan Groomes

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

December 6, 1999

Mr. John Trujillo
M & C Estate
5255 Encino Avenue
Encino, California 91316

Via Messenger

Re: Option & Release Agreement

Dear Mr. Trujillo:

Enclosed herewith is the Option and Release Agreement prepared by these offices in connection with the understanding and agreement between the parties set forth therein.

This Agreement concerns significant legal rights and, as such, it is urged that you consult with an attorney of your own choosing before executing same. These offices do not represent you and cannot, and will not, give you advice as to the enclosed Agreement other than to state that to the extent that you do not wish to consult with independent counsel, you are advised that it will most likely be deemed that you freely and voluntarily elected not to do so and the terms of the Option & Release Agreement shall be fully and completely legally binding upon you despite your choice not to discuss same with counsel of your choosing.

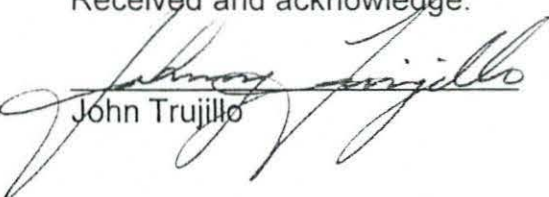
Please advise me when the enclosed Option & Release has been signed, after you have had the opportunity to consult with your independent counsel and return, if acceptable, two (2) fully executed originals of the Option & Release Agreement to my offices so I may obtain my clients' signatures. After fully executed, an original shall be returned to you for your files.

Very truly yours,


RONALD JASON PALMIERI

RJP:skt
Enclosures

Received and acknowledge:


John Trujillo

LAW OFFICES OF RONALD JASON PALMIERI
911 Linda Flora Drive
Los Angeles, California 90049-1630

Telephone (310) 471-1881

Facsimile (310) 471-3511

December 6, 1999

STACEY ROBINSON

Ms. ~~Stacy Johnson~~
M & C Estate
5255 Encino Avenue
Encino, California 91316

Via Messenger

Re: Option & Release Agreement

Dear Ms. Johnson:

Enclosed herewith is the Option and Release Agreement prepared by these offices in connection with the understanding and agreement between the parties set forth therein.

This Agreement concerns significant legal rights and, as such, it is urged that you consult with an attorney of your own choosing before executing same. These offices do not represent you and cannot, and will not, give you advice as to the enclosed Agreement other than to state that to the extent that you do not wish to consult with independent counsel, you are advised that it will most likely be deemed that you freely and voluntarily elected not to do so and the terms of the Option & Release Agreement shall be fully and completely legally binding upon you despite your choice not to discuss same with counsel of your choosing.

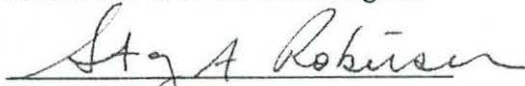
Please advise me when the enclosed Option & Release has been signed, after you have had the opportunity to consult with your independent counsel and return, if acceptable, two (2) fully executed originals of the Option & Release Agreement to my offices so I may obtain my clients' signatures. After fully executed, an original shall be returned to you for your files.

Very truly yours,


RONALD JASON PALMIERI

RJP:skt
Enclosures

Received and acknowledged:


~~Stacy Johnson~~
STACEY ROBINSON

OPTION AND RELEASE AGREEMENT

THIS OPTION and RELEASE AGREEMENT (this "Agreement") is made and entered into and deemed effective as of December 15, 1999, by and between Marc Collins-Rector, as Trustee of the Marc Collins-Rector Revocable Trust U/A/D 7/28/97 and individually (sometimes referred to herein as "Optionor"), and Soccorro Geronimo, an individual (sometimes referred to herein as "Optionee" and/or "Geronimo"). Optionor and Optionee shall hereinafter sometimes be referred to, together, as the "Parties," and, individually, as a "Party." This Agreement is also entered into between Marc Collins-Rector, an individual ("Collins-Rector"), Chad M. Shackley ("Shackley") and Brock Pierce ("Pierce"), on the one hand, and Geronimo on the other hand, to release Collins-Rector, Shackley and Pierce from any and all claims which might potentially exist in favor of Geronimo and against Collins-Rector, Shackley and/or Pierce and is entered into based on each of said parties' exchange of the valuable mutual promises set forth herein, the granting of the Option by Optionor to Optionee, and other valuable consideration, the receipt, sufficiency and adequacy thereof all being expressly agreed upon and acknowledged.

RECITALS

WHEREAS, Optionor is the record owner of approximately Four Million One Hundred Twenty-Eight Thousand Seventy-Five (4,128,075) shares of Common Stock, par value \$.01 per share (the "Common Stock") of Digital Entertainment Network, Inc., a Delaware corporation (the "Company") (after giving effect to the 1.5 to 1 split of the Company's Common Stock contemplated to occur immediately prior to the Company's initial public offering of its Common Stock (the "IPO"));

WHEREAS, Optionor desires to grant to Optionee, and Optionee desires to receive from Optionor, an option to purchase Six Hundred and Sixty Seven (667) shares (the "Shares") of Common Stock which Optionor currently owns, at a price of One Dollar (\$1.00) per Share (the "Option Price"), on the terms and conditions additionally set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, and the payment by the Optionee of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows as to the Option and Release granted herein:

1. Grant of Option.

(a) Optionor hereby grants to Optionee an irrevocable option (the "Option") to purchase the Shares exercisable in whole or in part, for the period commencing on the date hereof and terminating on the one-year anniversary of the effective date of the Company's IPO.

(b) Optionee may exercise the Option by furnishing Optionor with at least three business days' prior written notice of its intention to exercise the Option. Such notice shall set forth the number of Shares to be purchased at the Option Price, and the date of the proposed closing (the "Closing") of the exercise of the Option.

(c) At the Closing, Optionee shall pay Optionor a dollar amount equal to the number of Shares to be purchased multiplied by the Option Price in immediately available funds, and Optionor shall execute such instruments of conveyance as may be reasonably requested by Optionee.

2. Mutual Representations and Warranties of the Parties. As of the date hereof and as of the Closing, each of the Parties (the "Representing Parties") represents and warrants to, and agrees with, each other Party as follows:

(a) The Representing Party has had the opportunity to seek out and consult with his or its own counsel and the opportunity to seek independent legal advice prior to the execution and delivery of this Agreement.

(b) The Representing Party has made such investigation of the law pertaining to this Agreement, and of all the matters pertaining thereto, as such Party deems necessary.

(c) The Representing Party agrees that he or it will not take any action which would interfere with the performance of this Agreement by the other Party or which would adversely affect any of the rights provided for herein.

(d) The Representing Party represents and warrants to the other Party that this Agreement constitutes a valid and binding agreement by such Party enforceable in accordance with its terms. The Representing Party has the unrestricted right, power and authority to enter into and perform this Agreement and any agreement executed in connection herewith.

(e) The Representing Party has been given full access to all information with respect to the Company and has had the opportunity to discuss such information with management of the Company and any questions the Representing Party has had with respect thereto have been answered to his full satisfaction.

(f) The Representing Party has had the opportunity to review the merits and risks of the transactions contemplated by this Agreement with tax and legal counsel and its investment advisor to the extent the Representing Party has deemed advisable.

(g) The Representing Party acknowledges that its decision to proceed with the transactions contemplated by this Agreement is based upon its own analysis of the Company and such transactions and that no representations or warranties whatsoever have been made to the Representing Party concerning the Company and the Shares to be transferred to Optionee pursuant hereto.

3. Representations and Warranties of Optionor. Optionor represents and warrants to, and agrees with, Optionee as follows:

(a) Optionor is the sole record and beneficial owner of, and has the absolute and unrestricted right, power and authority to sell, the Shares and enter into and perform the transactions contemplated by this Agreement.

(b) Optionor does now own, and at all times prior to the date hereof has owned, the Shares free and clear of all liens, claims, encumbrances, security interests and any other rights or interests of others of any kind, except those restrictions imposed in (i) the Stockholders' Agreement by and among the Company and the Optionor and Robert Doede, dated as of October 20, 1999, (ii) the Stockholders' Agreement by and among the Company and the Optionor and Murray Neidorf, dated as of October 20, 1999 and (iii) the Joint Sale and Voting Agreement.

(c) At the Closing, Optionee will receive good and marketable title to the Shares free and clear of all liens, claims, encumbrances, security interests and any other rights or interests of others of any kind.

(d) Optionor acknowledges that the Shares may increase in value following the sale of the Shares to Optionee pursuant to this Agreement. Optionor acknowledges that by transferring the Shares as contemplated by this Agreement, it will be foregoing the opportunity to realize any such increase in value, if the same shall at any time hereafter occur.

4. Representations and Warranties of Optionee. Optionee represents and warrants to, and agrees with, Optionor as follows:

(a) Optionee understands that the Shares have not been registered under the Securities Act of 1933, as amended (the "Act"), nor the securities law of any state, and that Optionor is relying upon exemptions therefrom available for non-public offerings. Optionee understands that the Shares must be held indefinitely unless a sale thereof is subsequently registered under the Act and any applicable state securities law, or an exemption from such registration is available.

(b) The Shares are being acquired solely for Optionee's account, for investment and not with a view to or for distribution, assignment, subdivision, fractionalization, or resale to others, and no person has or will have at the Closing a direct or indirect beneficial interest in the Shares.

5. Release Provisions.

(a) Johnson hereby fully and finally releases and discharges (and agrees not to institute any claim, suit or action against) Collins-Rector, Pierce and/or Shackley, and any and all companies or entities in any way related to Collins-Rector, Pierce and/or Shackley (including without limitation, Digital Entertainment Network, Inc. and its subsidiaries and affiliates and it or their employees, officers, directors and/or representative (collectively referred to herein as "the Company") and/or Collins-Rector's, Pierce's and/or Shackley's agents, employees, attorneys, business managers, personal managers, and representatives, past and present, including without limitation, any employees or representatives of the Company, from any and all claims whatsoever, either known or unknown, which Johnson has or may have had at any time before against Collins-Rector, Pierce and/or Shackley, which alleged claims, if any, Collins-Rector, Shackley, Pierce and all other persons and entities described above, expressly deny.

(b) In granting this Release, Collins-Rector, Pierce, Shackley and Johnson all agree, after each consulting with their own independent counsel (or freely and voluntarily electing not to do so), that this Release extends to all claims, known or unknown, and constitutes a waiver of each and all provisions of California Civil Code Section 1542, which reads as follows:

THIS GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

(c) All terms of this Release shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective legal representatives, successors and permitted assigns. The parties hereto may not assign their respective rights or delegate their respective duties under this Release. Digital Entertainment Network, Inc. and its subsidiaries and affiliates and its or their employees, officers, directors and/or representatives are an intended third-party beneficiaries to this Release and may freely assign its or their rights and its or their rights shall inure to the benefit of their successors and assigns. In the event that any provision, or portion thereof, of this Release is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions or portions thereof shall not be affected thereby. This Release contains the entire agreement between the parties hereto relating to the subject matter hereof, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are superseded and of no force and effect.

(d) This Release is to be governed and interpreted in accordance with the laws of the State of California (without reference to conflicts of laws principles).

(e) The parties hereto understand that they are legally bound by this Release, and that, if any party hereto fails to comply with the Release in any way, such party may have committed numerous legal violations including, but not limited to, breach of

contract and invasion of privacy, and such party may be subject to legal and/or injunctive prosecution by any and all injured persons or entities, including without limitation, the Company. By signing this Release, the parties hereto agree that, if such party ever says or does anything to lead the other parties hereto, the Company or any related persons or entities, to believe that such party intends to violate, or has violated, any of the provisions contained in this Release, that any or all of them may seek, and may be entitled to, an injunction to prevent any such violations or intended violations, in addition to any other remedies that may be available to them at law or in equity.

(f) The parties hereto and the Company, as an intended third-party beneficiary to this Release, have the right to seek immediate injunctive and equitable relief in accordance with the provisions of this Release in either one of two places (at the petitioner's option); (1) in any Court of law with jurisdiction to hear such matter, or (2) through binding arbitration pursuant to the terms set forth below. Otherwise, the parties hereto agree that all disputes, claims and other matters in controversy arising out of or relating to this Release, or the interpretation, performance or breach thereof, shall be submitted to binding arbitration in accordance with the provisions and procedures of this paragraph. The arbitration provided for in this paragraph shall take place in Los Angeles County, California, in accordance with Title 19, Sections 1280 et seq. of the California Code of Civil Procedure, except as provided to the contrary hereunder. The arbitration shall be held before and decided by a single neutral arbitrator. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). The parties hereto agree and consent to the use of the AAA Commercial Arbitration Rules and their Optional Rules for Emergency Measures of Protection in the event that either party hereto elects to use such rules in seeking any expedited relief whatsoever in connection with any arbitration relating in any way to this Release. The arbitrator shall be selected in accordance with the National Rules for the Resolution of Employment Disputes of AAA, as effective on June 1, 1997, or as thereafter amended and currently in force, or by a process mutually agreed upon in writing by the parties and the Company's counsel if the Company's counsel elects to be a party to such agreement. If such method of selecting an arbitrator fails, the arbitrator shall be appointed by the AAA. The parties shall mutually agree upon the date and location of the arbitration, subject to the availability of the arbitrator. If no agreement can be reached as to the date and location of the arbitration, the arbitrator shall appoint a time and place in accordance with the provisions of the AAA Rules, except that the arbitrator shall give not less than thirty (30) days' notice of the hearing unless the parties mutually agree to shorten time for notice. The arbitrator shall issue a written reasoned decision consistent with applicable law. The arbitrator shall not have the authority to award punitive damages. The decision of the arbitrator may be confirmed pursuant to the provisions of California Code of Civil Procedure Section 1285, and shall not be appealable or correctable except to the extent it is inconsistent with applicable law and/or the express terms of this Release, however, it being understood that a petition to vacate an award for any of the reasons set forth in California Code of Civil Procedure Section 1286.2(e) shall not be permitted. The parties shall have the right to discovery in accordance with California Code of Civil Procedure Section 1282.2 et seq. (including Section 1283.05).

(g) Johnson hereby agrees to keep strictly confidential the personal and business affairs of Collins-Rector, Shackley and Pierce, and shall not disclose any information concerning such personal and/or business affairs to anyone, without first obtaining prior

written consent, except to those persons, such as attorneys and accountants, who are lawful representatives of Johnson and who have a need to know such information as required in the discharge of their professional duty and so long as such representatives are made aware of the confidentiality obligations and are requested and, thereafter, obligated to maintain the confidentiality of such information.

(h) Except as otherwise provided for herein, no modification, waiver, amendment, discharge or change of this Release or any term or representation herein shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

(i) This Release is the product of arm's length negotiations by the parties hereto, and no party shall be deemed to be the drafter of any particular provision or provisions of this Release, nor shall any part of this Release be construed against any party on the basis of that party's identity as the drafter of any part of this Release.

6. Execution of Additional Documents. The Parties hereto agree hereafter to execute, and hereby authorize their respective attorneys to execute and deliver, such additional documents as may be necessary or desirable to implement the terms or intent of this Agreement.

7. Heirs, Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors and permitted assigns of the Parties and each of them.

8. Integration and Severability. This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof and, except as expressly stated herein, supersedes all prior agreements, understandings and negotiations of the Parties hereto. Except as provided herein, no covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto. The warranties and representations of this Agreement shall survive the execution hereof. If any provision of this Agreement should be held to be void, voidable, or unenforceable, the remaining portions hereof shall remain in full force and effect. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. This Agreement may be executed in two or more counterparts, all of which shall, in the aggregate, be considered to be one agreement.

9. Assignments. Neither Party may assign any of its rights under this Agreement without the prior consent of the other Party, which consent shall not be unreasonably withheld.

10. Attorneys' Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement due to an alleged dispute, breach, default or misrepresentation in connection with any of the provisions hereunder, the substantially prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in such action or proceeding, in addition to any other relief to which he or it might be entitled.

11. Expenses. Each Party hereto shall each bear its own respective expenses in connection with the preparation of this Agreement.

12. Execution. This Agreement may be executed in counterparts and when the signatures of each counterpart are combined shall constitute one integrated and legally binding agreement. This Agreement may be executed by shall be deemed effective by the exchange of facsimile signatures, which signatures shall be deemed to be legally binding.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement and deem it effective as of the date first above written.

OPTIONOR:

MARC COLLINS-RECTOR REVOCABLE
TRUST U/A/D 7/28/97

By: _____
Name: Marc Collins-Rector
Title: Trustee

OPTIONEE and RELEASOR:

Socorro Geronimo

~~Stacy Johnson~~
Socorro Geronimo

Marc Collins-Rector, an individual

Chad M. Shackley

Brock Pierce