SUPREME COURT OF NEW YORK
COUNTY OF NEW YORK

S. CARTER ENTERPRISES, LLC, MARCY MEDIA HOLDINGS LLC, ROC NATION LLC, and ROC NATION APPAREL GROUP LLC, Plaintiffs, -against- ICONIX BRAND GROUP, INC., ICON DE HOLDINGS LLC, STUDIO IP HOLDINGS LLC, and NEIL COLE, Defendants.	**SUMMONS** Index. No. _____ File Date: July 3, 2019

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on Plaintiffs' attorney within 20 days after the service of this summons, exclusive of the date of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York).

TAKE NOTICE THAT should you fail to answer, a judgement will be taken against you by default for the relief demanded in the complaint and any additional interest the Court deems applicable.

Plaintiffs designates the Supreme Court of the State of New York in and for New York County as the place of trial. Venue is proper in this County pursuant to CPLR § 503 because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this County, and because Plaintiffs' and Defendants' principal offices are located in this County.

DATED: New York, New York
July 3, 2019

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By: */s/ Alex Spiro*

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Plaintiffs S. Carter Enterprises, LLC ("Carter Enterprises"), Marcy Media Holdings LLC ("Marcy Holdings"), Roc Nation LLC ("Roc Nation"), and Roc Nation Apparel Group LLC ("Roc Nation Apparel") (collectively, "Plaintiffs"), by and through their attorneys, Quinn Emanuel Urquhart & Sullivan, LLP, bring this action against Defendants Iconix Brand Group, Inc. ("Iconix"), Icon DE Holdings LLC ("Icon Holdings"), Studio IP Holdings LLC ("Studio IP"), and Neil Cole (collectively, "Defendants"), and allege as follows:

NATURE OF THE ACTION

1. This action arises out of a massive years-long fraud perpetrated by Iconix and its affiliates to amass a portfolio of trademarks under false pretenses, in the process defrauding its licensees and partners, and setting off a colossal accounting scandal the depths of which are still being uncovered. Plaintiffs are among those victimized by Iconix's wrongdoing, having been fraudulently induced to do business with Iconix relating to "Roc Nation,"® a valuable trademark. Plaintiffs also are not alone in taking action against Iconix: the federal government is too, with

both the U.S. Securities and Exchange Commission and the U.S. Department of Justice opening investigations into Iconix's activities.

2. Iconix's fraud went to the very core of its business. A brand management company, Iconix's strategy was to acquire intellectual property rights, then in many cases license those rights back to the trademark creators, with the promise that Iconix would partner with them, use its connections to promote the marks, and leverage its retail network to sell branded merchandise. Yet, Iconix's promises were empty; seeking to manufacture short-term accounting profits, Iconix absconded with its licensees' money without providing the branding and retail support it had promised, at the same time falsely valuing the marks in whichever direction benefitted Iconix in its dealings.

3. To lure licensees, as well as to generate quick profits for itself, Iconix manipulated its financial statements for years to give the appearance that it was a thriving company and a premier player in the brand management space, when in fact it was teetering. To do so, Iconix exploited joint ventures to which it purported to "sell" the underperforming trademarks in its portfolio. Iconix falsely accounted for the joint ventures as off-balance sheet even though they were structured in such a way that Iconix, rather than the other joint-venture partners, bore virtually all of the economic risk, meaning that the joint ventures should have been consolidated onto Iconix's balance sheet. Then, Iconix booked its future hypothetical revenues from the joint ventures upfront even though it knew that the joint ventures, by design, were unlikely ever to be profitable. Thus, while it reported strong year-after-year performance, its revenues in large measure were fictitious.

4. At the height of this accounting scheme in 2013, the price of Iconix's common stock soared to more than $250. Against this backdrop, Iconix's subsidiary Studio IP was sold

certain intellectual property rights in the Roc Nation® mark. Studio IP and Icon Holdings, its successor-in-interest by assignment, then licensed the Roc Nation® mark to Roc Nation Apparel for use in men's apparel. Plaintiffs never would have entangled their business interests with Iconix had it disclosed the true condition of its business or the massive accounting fraud in which it was engaged.

5. Like Iconix's shareholders and numerous other Iconix brand partners, including licensees of its Ecko®, Ed Hardy®, and PONY® marks, Plaintiffs relied on Iconix's fraud to their detriment.

6. Iconix's misconduct has wrought havoc on Iconix's brand portfolio and the fortunes of those who were duped into doing business with it. In 2015, Neil Cole abruptly resigned as CEO, President, and Chairman of Iconix, and the company's stock fell by nearly 80%. Today it trades for less than a dollar per share.

7. The details of Iconix's fraud have gradually come to light in a flood of litigation with Iconix's brand partners and shareholders, as well as civil and criminal investigations by the SEC and the Department of Justice.

8. Due to the sprawling nature of Defendants' wrongdoing, they have harmed many others besides themselves, including Plaintiffs. Iconix's malfeasance has caused grave injury to Plaintiffs.

9. Recently, Plaintiffs have incurred substantial legal expenses in connection with, among other things, the federal government's investigations into Iconix's massive fraud, as well as meritless proceedings Iconix has brought against Plaintiffs and their affiliates.

10. To redress the harm they have suffered, Plaintiffs bring this action against Iconix, certain affiliates, and Neil Cole for indemnification and punitive damages.

11. Plaintiffs bring this suit out of principle to redress the wrong done to all parties injured by Iconix.

PARTIES

12. Plaintiff Carter Enterprises is a Delaware limited liability company with its principal place at 1411 Broadway, New York, New York.

13. Plaintiff Marcy Holdings is a Delaware limited liability company with its principal place at 1411 Broadway, New York, New York.

14. Plaintiff Roc Nation is a Delaware limited liability company with its principal place at 1411 Broadway, New York, New York.

15. Plaintiff Roc Nation Apparel is a Delaware limited liability company with its principal place at 1411 Broadway, New York, New York.

16. Defendant Iconix is a Delaware corporation engaged in the business of brand management with its principal place of business at 1450 Broadway, New York, New York.

17. Defendant Icon Holdings, a wholly-owned subsidiary of Iconix, is a Delaware limited liability company with its principal place of business at 1450 Broadway, New York, New York.

18. Defendant Studio IP, a wholly-owned subsidiary of Iconix, is a Delaware limited liability company with its principal place of business at 1450 Broadway, New York, New York.

19. At all relevant times, Defendants Studio IP and Icon Holdings were limited-purpose entities that were mere instrumentalities through which Iconix perpetrated unlawful conduct against Plaintiffs and others.

20. Defendant Neil Cole, an individual residing in New York, New York, was the Chairman, Chief Executive Officer, and President of Iconix from 1993 to August 2015.

JURISDICTION AND VENUE

21. Jurisdiction in this Court is founded upon CPLR §§ 301 and 302. Defendants all reside in and transact business within the State of New York and use real property situated within the State, including Iconix's corporate headquarters at 1450 Broadway, New York, New York.

22. As detailed herein, Defendants committed tortious acts within the State, and caused injury to Plaintiffs and Plaintiffs' property within the State of New York.

23. Defendants have expressly consented to the jurisdiction of this Court, and irrevocably waived any immunity to its jurisdiction, by the License Agreement dated as of July 1, 2013. Any agreement to arbitrate Plaintiffs' claims cannot overcome the foregoing waiver, and is invalid based on Defendants' fraudulent inducement, as detailed below.

24. Venue is proper in this County pursuant to CPLR § 503 because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this County, and because the principal offices of both Plaintiffs and Defendants within the State are located in this County.

ALLEGATIONS

I. The Relevant Agreements

25. The agreements relevant to this dispute arose from Iconix's effort to profit from the valuable Roc Nation® mark, which was conceived and developed by Plaintiffs and their affiliates.

26. In 2013, Iconix pressed for and, through its fraud, obtained a brand partnership concerning the Roc Nation® mark.

27. In an agreement dated as of July 1, 2013 (the "Consent Agreement"), Studio IP obtained intellectual property rights in the Roc Nation® mark for use in men's apparel.

28. In a parallel agreement dated as of July 1, 2013 (the "License Agreement"), Studio IP licensed use of the Roc Nation® mark to Roc Nation Apparel for use in men's apparel.

29. Studio IP subsequently assigned the foregoing agreements (collectively, the "2013 Transactions") and its rights thereunder to Icon Holdings, another limited-purpose subsidiary of Iconix and Studio IP's successor-in-interest by assignment.

30. Pursuant to the License Agreement, Studio IP and Icon Holdings agreed to indemnify Plaintiffs for damages, expenses, and other losses, including attorney's fees, incurred in connection with, inter alia, misconduct by Defendants.

31. Pursuant to the License Agreement, Studio IP and Icon Holdings expressly and irrevocably consented to the jurisdiction of this Court and have waived any claimed immunity, including based on any purported arbitration clause.

32. Two years later, as part of its continuing fraud, Iconix and Icon Holdings induced Roc Nation Apparel to enter into a series of transactions dated as of July 6, 2015 (the "2015 Transactions") that restructured aspects of their brand partnership.

33. Among other things, the 2015 Transactions purported to bind Plaintiffs to a general release of any then-existing claims against Iconix and its affiliates (the "2015 Release").

34. Pursuant to the 2015 Transactions, Defendants agreed to indemnify Plaintiffs for damages, expenses, and other losses, including attorney's fees, incurred in connection with, inter alia, misconduct by Defendants.

35. The 2013 Transactions and the 2015 Transactions are collectively referred to herein as the "Relevant Agreements."

II. Defendants' Widespread Fraud and Wrongdoing

36. Unbeknownst to Plaintiffs at the time of the Relevant Agreements, Iconix and its affiliates were engaged in wide-ranging misconduct that would prove disastrous for Iconix's brand portfolio and unwitting brand partners, including Plaintiffs.

37. Iconix's systematic fraud, and the far-reaching accounting manipulations it used to conceal it, has sent its share price from a peak of more than $400 per share in 2014, to less than a dollar today.

38. A series of material restatements of Iconix's previously issued financials, and the subsequent flood of litigation and criminal investigations into Iconix, have confirmed both the scale and the timing of Iconix's wrongdoing.

39. By fraudulently failing to disclose the clouds looming over its purportedly high-flying business and Potemkin expansion plans, Iconix duped Plaintiffs into entrusting the valuable Roc Nation® mark to a partner that was actively perpetrating a massive fraud to disguise its wrongdoing and resulting disastrous performance.

40. Had Plaintiffs known the truth about Iconix, Plaintiffs would never have enmeshed the future of Roc Nation® in Iconix's fraud-ridden business, let alone on the terms of the Relevant Agreements, which purport to waive certain of Plaintiffs' claims against Iconix and/or its right to pursue them outside of confidential arbitration.[1]

A. Defendants' Systemically Fraudulent Business Practices

41. A paramount consideration for Plaintiffs at the time the parties were negotiating the Relevant Agreements was selecting an honest and competent steward of the prestigious Roc Nation® mark. Yet Defendants fraudulently concealed material facts regarding its financial condition and business practices from Plaintiffs in a successful effort to dupe it into entering into the Relevant Agreements.

[1] Notwithstanding these fraudulently-induced contract terms, as noted *supra*, the License Agreement expressly and irrevocably commits the parties' dispute to the jurisdiction of this Court notwithstanding any claimed immunity, such as a purported arbitration clause.

42. As would later be revealed in successive restatements of Iconix's previously issued financial statements and numerous lawsuits against the company, during the negotiations over the Relevant Agreements, Iconix was actively misrepresenting the value of its brand portfolio, and wrongfully and intentionally defrauding its brand partners in a manner calculated to generate short-term accounting revenues at the expense of those partnerships and the long-term prestige and viability of their trademarks.

43. Had Iconix accurately portrayed its business practices to Plaintiffs, Plaintiffs never would have enmeshed their business interests with those of Iconix and its former CEO.

44. As described below, the extent of Iconix's fraud has gradually emerged from a series of lawsuits that shed a harsh light on the actual performance of marks that were portrayed as crown jewels and material growth opportunities in the Iconix portfolio.

45. Iconix's misrepresentations in relation to the PONY® footwear and apparel brand, first revealed in lawsuits filed in December 2015 and subsequently settled, illustrates Iconix's serial fraud relating to the purported growth opportunities in its brand portfolio.

46. In February 2015, Iconix acquired the North American rights to the PONY® brand from Anthony L&S Athletics ("Athletics") through a newly-formed subsidiary.

47. At the time the 2015 Transactions were being negotiated, Iconix portrayed the re-launch of the historic PONY® mark as typical of the exciting growth opportunities in its brand portfolio. Such representations were typical of how Iconix falsely portrayed its business dating back to the negotiation of the 2013 Transactions.

48. Yet as alleged in parallel lawsuits filed in New York and Delaware, Iconix fraudulently induced Athletics to give up the PONY® license by falsely misrepresenting its

business and its purported intentions to partner with retailers and celebrity athletes to support the brand.

49. In this way, Iconix wrongfully extracted both the North American rights and millions of dollars in royalty payments from Athletics, and induced Athletics to invest heavily in product development and production, only to utterly renege on its obligation to support the mark's re-launch.

50. It was not until Athletics filed suit in December 2015 that Iconix belatedly began marketing the brand, and the parties resolved their dispute.

51. Athletics was not the only Iconix brand partner that was saddled with potentially enormous losses by Iconix's bad-faith conduct during that time period.

52. Another victim of Iconix's widespread fraud was its Ed Hardy® mark, which Iconix held up as one of the most prominent and valuable in its portfolio during the negotiation of the Relevant Agreements.

53. Once again, the primary victims of Iconix's wrongdoing were its licensees. In late 2014, an Iconix subsidiary licensed the Ed Hardy® mark to a third party, Supply Company, LLC ("Supply Co."), for use in men's and youth apparel.

54. In the course of their negotiations, Iconix made numerous false assurances to Supply Co. regarding the value of the Ed Hardy® mark, which were reflected in Iconix's fraudulent financial statements. Iconix also misrepresented its intentions regarding the production of Ed Hardy®-branded apparel and Supply Co.'s potential liability to Ed Hardy® distributors under a minimum-markup agreement.

55. In this way, Iconix lured Supply Co. into a trap, forcing it to fulfill orders for Ed Hardy®-branded apparel that Iconix knew far exceeded its distributors' ability to sell the wares.

As a result, Iconix reaped short-term revenues from the deteriorating Ed Hardy® mark at the expense of Supply Co., which was saddled with millions of dollars in guaranteed-payment obligations under the minimum-markup agreement.

56. Iconix's strategy gave lie to its inflated valuation of the Ed Hardy® mark and laid waste to any residual brand value. Like much of Iconix's activities at the time, which were not disclosed until litigation months or years in the future, the result was to prime Iconix's income statement with unsustainable accounting revenues while running its business and core marks into the ground.

57. Iconix has also faced an array of lawsuits related to its fraudulent misconduct related to the Ecko® family of marks, which it undertook based on a personal vendetta held by Neil Cole against Seth Gerszberg, one of the founders of Marc Ecko Enterprises ("MEE").

58. In 2009, Mr. Gerszberg and entities affiliated with MEE sold their rights in the Ecko® family of marks into a joint venture with Iconix that then licensed the trademarks back to MEE.

59. Mr. Cole subsequently developed animus towards Mr. Gerszberg, resulting in a deterioration of the partnership and the value of the Ecko® mark that saddled the MEE entities with losses. Among other things, Iconix sabotaged MEE and by falsely and maliciously representing to third parties that its license had been terminated.

60. In the ensuing negotiations to restructure the Ecko® joint venture, Iconix fraudulently induced the MEE parties to terminate their license by misrepresenting the value of the Ecko® licensing business and the existence of a replacement licensee to take over the mark.

61. Iconix also breached representations to MEE that it was not in violation of any laws and unaware of a pending or threatened investigation, which was obviously false given the accounting manipulations in which Iconix was then engaged.

62. Following the collapse of the MEE partnership, Iconix granted an Ecko® license to a new partner, New Rise Brands Holdings, LLC ("New Rise"), in 2015. New Rise became the next victim of Iconix's fraudulent and predatory wrongdoing in relation to the Ecko® mark.

63. As with its Ed Hardy® mark, during 2015, Iconix wrongfully permitted the manufacture and sale of Ecko®-branded products that resulted in the imposition of sizable guaranteed-payment obligations on New Rise pursuant to a minimum-royalty agreement.

64. Iconix later wrongfully terminated New Rise's license after a series of fraudulent misstatements about the value of the Ecko® mark and its intentions to continue its partnership with New Rise.

65. Iconix's serially fraudulent business practices, none of which was known or disclosed to Plaintiffs, indicates a damning pattern: habitual fraudulent misrepresentations about the value of its marks, accounting manipulations and other machinations to generate short-term accounting revenues at the expense of the long-term viability of its marks, and a series of bait-and-switch tactics calculated to bilk unwitting brand partners out of valuable intellectual property and millions of dollars of royalties.

66. Plaintiffs never would have entrusted the Roc Nation® mark to Iconix had they known of its wide-ranging fraud in relation to brands like Ecko®, Ed Hardy®, and PONY®, and the direct impact on its profitability, reputation, and brand partnerships.

67. Because the foregoing facts and circumstances did not come to light until a series of lawsuits were filed against Iconix beginning in late 2015, Plaintiffs did not know and could not with reasonable diligence have discovered the truth about Iconix's appalling business practices.

68. As a result, Plaintiffs reasonably relied on Iconix's gross misrepresentation of its business in entering into the Relevant Agreements.

B. Defendants' Massive Accounting Fraud

69. Even more egregious than the frauds Iconix perpetrated against its once-vaunted brand partnerships were the accounting manipulations it employed. To conceal its misconduct and the resulting damage, Iconix engaged in a far-reaching accounting fraud by which it booked tens of millions of dollars of illusory revenues from international joint ventures established solely for that purpose. Through this and other chicanery, Iconix concealed the weakness of its core business from Plaintiffs, and ultimately engulfed Iconix and its brand partners in civil and criminal proceedings arising from its massive fraud.

70. During the negotiation of the Relevant Agreements, Iconix reported healthy operating profits and a global expansion plan that sent its stock soaring to more than $250 per share. Iconix's financial statements and other representations about the state of its business between 2011 and 2015 were materially false and misleading, and as the truth emerged about its fraud, Iconix's shares ultimately plunged to trade at less than $1 per share.

71. However, Plaintiffs reasonably relied on Iconix's false portrayal of its business in executing the Relevant Agreements, and it was not until November 5, 2015 that cracks began to emerge in the accounting façade concealing Iconix's deterioration.

72. In a series of disclosures beginning in late 2015, it has gradually emerged that Iconix falsified its previously issued financial statements for 2011, 2012, 2013, 2014, and much

of 2015 by booking illusory revenues from purported "sales" of joint-venture interests in its brand portfolio that it had arranged precisely to generate such phantom profits.

73. The overarching goal of these machinations was to create illusory revenues to paper over Iconix's deteriorating financial condition. Yet while its accounting fraud was ongoing, Iconix publicly mischaracterized it as part of a bona fide strategy to bring its brand portfolio to international markets. For example, Defendant Neil Cole stated on a May 3, 2015 earnings call that Iconix was entering into joint venture agreements with third parties "not to realize short term gain when they buy the [intellectual property], but because they are so connected in the [overseas] markets." This was also how Iconix characterized these joint-venture transactions in numerous SEC filings and other representations that Plaintiffs received and relied upon.

74. Such statements were intentionally misleading when they were made, as Defendants' real motive for entering into the joint ventures was to create the false appearance of a robust global expansion strategy.

75. Iconix presented Plaintiffs with a false image of a successful company earning millions of dollars by embarking on an international expansion that papered over the flagging profitability of its actual business. Iconix's wrongdoing also concealed the fact that the company would soon collapse under the weight of its accounting improprieties and attract civil and criminal proceedings against it.

76. These and other accounting improprieties were not revealed until late 2015, and even then, only came to light gradually.

77. In November 5, 2015, Iconix filed a report with the SEC on Form 8-K announcing that, based on a special committee review of its past financial disclosures, the company would restate financial statements from 2013, 2014, and 2015 "to correct certain errors in accounting"

relating to "(i) the classification of contractually obligated expenses, retail support and other costs as selling, general and administrative expenses, as opposed to netting such expenses against licensing or other revenue, as applicable, (ii) inadequate support for revenue recognition relating to certain license agreements, and (iii) inadequate estimation of accruals related to retail support for certain license agreements." While this disclosure indicated that Iconix had significantly overstated its net income on its previously issued financial statements, it was only the beginning of Iconix's corrective disclosures.

78. On February 18, 2016, Iconix filed another Form 8-K announcing that the company had determined to restate its historical financial statements to, among other things, "eliminate the previously reported gains on sale which were recorded at the time [various joint-venture] transactions were consummated," to recalculate the cost basis of certain trademarks, including trademarks contributed to various joint ventures, and to reclassify certain income related to sales of trademarks and equity earnings on joint ventures.

79. These restatements of Iconix's financial results for 2011, 2012, 2013, 2014, and 2015, reflected the fact that Iconix had improperly booked revenues from its purported joint ventures and had circumvented the accounting standards governing variable-interest entities. The result had been, as intended, to inflate Iconix's previously issued financial statements and render them materially false and misleading.

80. Iconix announced further restatements of previously issued financial statements in its 2015 Annual Report, which it untimely filed on March 30, 2016.

81. As a direct, proximate, and foreseeable result of these accounting manipulations, Iconix has been inundated with civil and criminal proceedings. Iconix is now under investigation

by the SEC and the Department of Justice following the filing of numerous shareholder derivative actions and securities class actions against the company and its officers and directors.

III. Defendants Perpetrated Their Fraud on Plaintiffs

82. By omitting to disclose and affirmatively misrepresenting Iconix's fraud, Defendants fraudulently induced Plaintiffs to enter into a series of transactions to the detriment of their brand. Like so many others, Plaintiffs reasonably relied on Iconix's misrepresentations to its detriment, and were damaged by Iconix's fraud and the civil and criminal proceedings in which it has been mired.

83. During the negotiations of the Relevant Agreements, Neil Cole, Iconix, and its affiliates consistently portrayed Iconix to Plaintiffs as a successful brand management company that was embarking on a highly profitable international expansion, sending its now-worthless stock well above $250 per share.

84. Plaintiffs received and relied upon statements detailing Iconix's business practices that disclosed burgeoning revenue from joint ventures that promised to catapult Iconix's brand portfolio into new markets.

85. Defendants never disclosed that these revenues were illusory, let alone that they were engaged in a massive accounting fraud.

86. As described above, all of these misrepresentations and omissions were materially false and misleading at the time they were made.

87. Defendants' failure to disclose the true state of Iconix's business to Plaintiffs was fraudulent and was intended to hoodwink Plaintiffs into an arrangement that would burnish the financial results and reputation of Iconix and Mr. Cole through its association with the valuable Roc Nation® mark.

88. Based on their false and incomplete disclosures, as well as their relationship with Plaintiffs' affiliated entities, Defendants had a duty to disclose facts material to the success of the parties' brand partnership. Instead, Defendants presented their financial statements and other documents to Plaintiffs without correcting the material misstatements that they were simultaneously repeating to other concerned stakeholders.

89. Plaintiffs reasonably relied on Iconix's misstatements and omissions to their detriment. Had they known the truth, Plaintiffs never would have associated the valuable Roc Nation® with Defendants, let alone on the terms of the Relevant Agreements.

90. Defendants' misstatements and omissions were especially material to Plaintiffs' agreement to ancillary terms, such as arbitration clauses, waivers, and releases (including the 2015 Release) that left Plaintiffs vulnerable to losses stemming from Iconix's misconduct and threaten to prevent Plaintiffs from exposing Defendants' misconduct in open court.

91. Neither Plaintiffs, nor any other rational party, would have consented to release or arbitrate claims against Iconix, except in reliance on Iconix's fraud.

92. It was eminently reasonable for Plaintiffs to rely on Iconix's misrepresentations and omissions. From July 2013 through July 2015, Iconix's stock was trading well above $250 per share, touching an all-time high above $400, and Iconix's encouraging financial results and benign description of its business practices were routinely approved by outside auditors.

93. Plaintiffs were utterly dependent on Iconix and Mr. Cole to verify the information it presented about its business lines outside of the Roc Nation® mark.

94. Before November 5, 2015, when Iconix's special committee review identified certain "errors" in the company's accounting, Plaintiffs had no reason to doubt the accuracy of Iconix's financial results.

95. To its detriment, Plaintiffs reasonably relied on Defendants' falsehoods by entering into the Relevant Agreements.

96. Through the 2013 Transactions, Plaintiffs entrusted the future of the Roc Nation® mark to Iconix and bound themselves to a licensing arrangement with Defendants. In addition, Plaintiffs agreed to submit certain disputes arising under the 2013 Transactions to confidential arbitration. Plaintiffs never would have agreed to these terms had they known Iconix was then engaged in a massive fraud to conceal the declining strength of its business.

97. Next, as part of the 2015 Transactions, Plaintiffs agreed to the 2015 Release and consented to additional arbitration provisions – concessions Plaintiffs never would have made had Iconix disclosed the wrongdoing that would soon come to light.

98. Plaintiffs has been injured as a result of Iconix's fraud. Moreover, Plaintiffs and their affiliates have been required, either under subpoena or threat of subpoena, to assist multiple federal investigations into Defendants' wrongdoing. In connection therewith, Plaintiffs have incurred significant legal expenses.

FIRST CAUSE OF ACTION
(Indemnification)

99. Plaintiffs repeat and re-allege each and every allegation above as if fully set forth herein.

100. At all relevant times, Plaintiffs had valid agreements with Defendants as detailed above.

101. The 2013 Transactions require Defendants to indemnify Plaintiffs against losses, damages, and expenses, including attorney's fees, resulting from the parties' dealings and Defendants' misconduct.

102. The 2015 Transactions likewise require Iconix and Icon Holdings to indemnify Plaintiffs against such losses.

103. Plaintiffs have performed all their countervailing obligations to Defendants under the Relevant Agreements.

104. As a result of the damages described above, Plaintiffs are contractually entitled to indemnification from Defendants.

105. By the fraudulent concealment described above, Defendants have knowingly and intentionally prevented Plaintiffs from discovering their losses and recovering on the foregoing indemnity.

106. Plaintiffs have requested indemnification from Defendants, but Defendants have wrongfully refused to perform their obligations under the indemnity.

107. As a direct, proximate, and foreseeable result of the foregoing, Plaintiffs have suffered damages and injury.

PRAYER FOR RELIEF

WHEREFORE Plaintiffs pray for relief as follows:

a. indemnification in an amount to be determined at trial;

b. compensatory and consequential damages in an amount to be determined at trial;

c. punitive damages in an amount to be determined at trial;

d. prejudgment interest at the maximum legal rate;

e. attorneys' fees, costs, and expenses; and

f. such other and further relief as the court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury on all issues so triable.

DATED: New York, New York
July 3, 2019

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