

1 Plaintiff Hidden Beach Records, LLC ("Hidden Beach") alleges:

2 **NATURE OF THE ACTION**

3 1. Hidden Beach poured its heart and soul into helping to make poet and
4 soul and R&B singer and songwriter Jill Scott ("Scott") a superstar. While Scott's raw talents
5 are clearly heaven sent, she was a virtual unknown in the music industry when she was
6 welcomed with open arms into the Hidden Beach family about a decade ago. Even though her
7 singing ability was exceptional, like many upcoming talents, Hidden Beach knew from the start
8 that her ultimate success as a recording artist was not guaranteed and would require a great deal
9 of work and an unconventional approach. Scott did not fit the mold of what many other record
10 labels thought was a commercially safe bet at the time. But Hidden Beach had uncommon
11 vision and foresight and was convinced that Scott personified what it wanted in a recording
12 artist and that she reflected exactly what Hidden Beach stood for as a record label. She also
13 reflected what Hidden Beach founder Steve McKeever ("McKeever") personally desired to
14 create, namely, a creative artistic home that facilitated and unconditionally supported artistic
15 expression, freedom and invention. So Hidden Beach, a fledgling record label at the time, took
16 the substantial risk of rolling the dice and betting everything it had on an unknown talent with
17 limitless potential by signing Scott as its first and flagship recording artist and investing all of
18 its blood, sweat and money in developing original, unique and individualized methods for
19 marketing Scott, promoting her career and otherwise creating a working environment that
20 would allow her to personally grow and thrive creatively, artistically and spiritually.

21 2. Hidden Beach's innovative strategies and focus on being an artist-
22 friendly record label enabled it to fashion a home where Scott could be the person and artist she
23 wanted to be and thrive. Hidden Beach surrounded Scott with warmth, love and the freedom to
24 express herself artistically in a way that was unfettered by the pressures and stresses commonly
25 imposed on recording artists in the music industry. Hidden Beach's efforts resulted in Scott
26 becoming one of the most well-known, highly respected and successful recording artists of our
27 time. Her music under the Hidden Beach banner has received numerous prestigious awards and
28 nomination including Grammy Awards, BET Nominations, a Soul Train Award, Soul Train

1 Nominations, Image Award Nominations and Lady of Soul Awards, among many others.

2 3. Scott has acknowledged on multiple occasions the extent to which
3 Hidden Beach's efforts have fostered her career. A few of Scott's own words as she expressed
4 in an interview best describe her feelings toward Hidden Beach:

5 For an artist like myself, it has been my saving grace to work with
6 Hidden Beach, to be a part of their family because I don't know
7 any other place, I don't know any other label that is understanding
8 of what it means to be an artist. It's not hustle and grind all the
9 time. You have to live a life in order to express a life. ... I think
10 that Hidden Beach is a placeit feels mythical because of what it
11 means...it is a safe haven for artists to express themselves and
12 share the God-given talents that they have ... and that, I'm so
13 grateful for...I'm just really, really grateful for that.

14 4. Hidden Beach believed, wanted and expected that its relationship with
15 Scott would last at least through end of her contract with the company. And indeed, Hidden
16 Beach and Scott have recently worked on the concepts for her next three albums and even
17 recorded music for the next album titled "The Sun" (the title of which has apparently has been
18 changed to "The Light of the Sun" according to a recent press release from Scott). It was
19 therefore a complete shock to Hidden Beach when, on or about October 7, 2009, Scott informed
20 Hidden Beach through her attorneys that she "has decided to move on" and "will no longer
21 perform recording services for Hidden Beach." Hidden Beach is shocked by her decision not
22 only because Scott has apparently chosen to leave the Hidden Beach family, but also because
23 Scott is contractually required to deliver three more studio albums to Hidden Beach. In a very
24 real way, unlike many other run-of-the-mill disputes, Hidden Beach acknowledges without
25 apology that the current dispute is both business and personal, that it still holds great affection
26 and regard for Scott and that it is deeply saddened by the recent acrimony between Hidden
27 Beach and Scott.

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PARTIES

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2 5. Hidden Beach is, and was at all times relevant herein, a corporation duly
3 created, organized, and existing under and by virtue of the laws of the State of California, with
4 its principal place of business in Los Angeles County, California. Hidden Beach is engaged in
5 the business of producing "phonorecords" as that term is defined in Section 2855(b)(1) of the
6 California Labor Code.

7 6. Hidden Beach is informed and believes and on that basis alleges that
8 Defendant Scott is an individual residing in Philadelphia, Pennsylvania. Scott is, and was at all
9 times relevant herein, a recording artist who has rendered services in the production of
10 "phonorecords" for Hidden Beach pursuant to a written agreement.

11 7. The true names, extent of conduct and involvement, and the true
12 capacities, whether individual, corporate or otherwise, of defendants sued herein as Does 1
13 through 10 are presently unknown to Hidden Beach, who therefore sues said defendants by
14 such fictitious names. Hidden Beach will seek leave to amend this complaint to allege the true
15 names and capacities of said defendants when the same have been ascertained. Hidden Beach
16 is informed and believes and on that basis alleges that each of the fictitiously named defendants
17 took some part in the acts and omissions alleged herein and is responsible in some manner for
18 the harm and damages suffered by Hidden Beach.

19 8. Hidden Beach is informed and believes and on that basis alleges that in
20 doing the acts and things alleged herein, Scott and each defendant Doe 1 through 10, inclusive,
21 acted individually for himself and itself, and as the agent, employee and representative of each
22 of the other defendants, and in doing the things alleged herein each was at all times acting
23 within the course and scope of said agency and employment with the advance knowledge,
24 acquiescence or subsequent ratification of each and every other defendant.

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1 ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

2 McKeever's Vision For Hidden Beach: "A Creative Artistic Home"

3 9. McKeever founded Hidden Beach in 1997 with a unique and solitary
4 vision: the formation of a creative artistic home -- unlike any other existing record label -- that
5 facilitated and supported creative and artistic freedom, expression and invention. Central to
6 McKeever's vision was the desire to create a supportive environment where recording artists
7 could retreat from the "hustle and grind" and impersonal atmosphere typical of many other
8 record labels and instead focus on building a career and thrive on just being "artists."
9 McKeever wanted his record label and its artists to view each other as family and work closely
10 together in a collaborative and an unconditionally supportive environment that would, in turn,
11 breed better artists, music and relationships that would stand the test of time.

12 10. McKeever first heard the beautiful, powerful and then-commercially
13 unknown singing voice of Scott in 1998 when he was provided with and listened to a "demo
14 tape" that contained a duet by Scott and another artist. McKeever's immediate first impression
15 was that Scott's vocal talent was unique, extraordinary and stood separate and apart from the
16 masses of run-of-the-mill upcoming recording artists. He believed he had discovered a hidden
17 gem and potential star that could be cultivated with the right training, marketing and support.

18 11. Fortuitously, months later, in the fall of 1998, McKeever was approached
19 by an attorney for A Touch of Jazz, Inc. ("ATOJ"), a production company that was working
20 with Scott and that had Scott under contract for her services as a recording artist. McKeever
21 was informed by said attorney that he was having trouble finding a record label that was the
22 right match for her goals and sensibilities. Upon listening to an additional "demo tape" of
23 exceptional and unconventional songs performed by Scott provided by said attorney, McKeever
24 was very intrigued by the possibilities and believed that Scott might be a good fit for Hidden
25 Beach.

26 12. In early 1999, McKeever traveled to Philadelphia, Pennsylvania to see
27 Scott perform live and in-person. McKeever saw her perform in a studio and was blown away
28 by her not only because of her spectacular vocal performance, but also by what Scott said to

1 him about "who she is" as a person and her vision as an artist. Believing that Hidden Beach
2 and Scott together was a perfect match, and specifically because she embodied the very essence
3 of his vision for his fledgling record label, McKeever decided that Scott would and should be
4 the first and flagship recording artist signed to Hidden Beach.

5 **The Recording Agreement Between Hidden Beach And ATOJ**

6 13. ATOJ had the exclusive rights to Scott's recording services pursuant to a
7 pre-existing written recording services agreement between ATOJ and Scott (collectively,
8 "ATOJ/Scott). In connection with signing Scott to Hidden Beach, Hidden Beach and ATOJ
9 entered into a separate written contract dated as of February 1, 1999, pursuant to which, among
10 other things, ATOJ agreed to (a) furnish to Hidden Beach the exclusive recording services of
11 Scott throughout the universe; and (b) to deliver to Hidden Beach master recordings satisfactory
12 for the manufacture and sale of "phonorecords" embodying the performances of Scott (the
13 "Recording Agreement").

14 14. During the initial Term (as that term is defined in the Recording
15 Agreement) of the Recording Agreement, ATOJ was obligated to deliver to Hidden Beach
16 master recordings sufficient to manufacture and sell two studio Albums and two Compilation
17 Albums. The Recording Agreement defined the term "Album" as follows: "one (1) or more
18 audio-only Records, at least forty-five (45) minutes in playing time, and embodying at least ten
19 (10) Recordings of different Compositions sold in a single package."

20 15. The Recording Agreement further granted Hidden Beach four options to
21 acquire a total of four additional studio Albums from ATOJ, each embodying the performances
22 of Scott. Thus, depending upon Hidden Beach's sole election to exercise its option rights,
23 ATOJ/Scott was contractually required to deliver a total of six studio Albums to Hidden Beach
24 under the Recording Agreement. Stated differently, the Recording Agreement did not terminate
25 until ATOJ/Scott provided to Hidden Beach all six of the studio Albums contractually required
26 to be delivered thereunder or unless Hidden Beach decided not to exercise one or more of the
27 four options.
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1 16. In return for ATOJ's delivery of the studio Albums and performance of
2 its other obligations under the Recording Agreement, Hidden Beach agreed in the Recording
3 Agreement, *inter alia*, to pay certain sums to ATOJ and a royalty based on sales of the Albums
4 embodying the performances of Scott.

5 **The Scott Guaranty**

6 17. To induce Hidden Beach to enter into the Recording Agreement and
7 provide Hidden Beach with necessary security that the contractual obligations owed to Hidden
8 Beach by ATOJ would be met, Scott executed a written Artist's Assent and Guaranty (the
9 "Scott Guaranty") pursuant to which Scott, among other things, agreed:

10 a. to be bound by all grants, restrictions, and other provisions of the
11 Recording Agreement; and

12 b. that if during the term of the Recording Agreement ATOJ ceased
13 to be entitled to Scott's recording services, Scott shall, at Hidden Beach's request, take all such
14 steps and actions as shall give to Hidden Beach the same rights, privileges and benefits as
15 Hidden Beach would have had under the Recording Agreement and such rights, privileges and
16 benefits shall be enforceable on Hidden Beach's behalf against Scott.

17 **Hidden Beach's Unique Marketing Efforts And Strategies For Scott**

18 18. Having secured the recording services for Scott under the Recording
19 Agreement and Scott Guaranty, McKeever then set out to develop a plan to present Scott to the
20 world as Hidden Beach's first recording artist. McKeever understood that Hidden Beach would
21 need to "think outside the box" regarding Scott's career for them to be commercially
22 successful. Indeed, McKeever recognized and appreciated that Scott's music and style was
23 unique and did not fit the mold of commercially successful female recording artists at that time
24 such as Brittany Spears and Mariah Carey. McKeever recognized that Hidden Beach needed an
25 unconventional approach (i.e., different than the approach commonly taken by other record
26 labels) specifically created for and designed in order to give Scott the best opportunity for
27 commercial success.
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1 19. A strategy born out of the many meetings about Scott was that Scott
2 would take advantage of an offer for her to participate as a background singer for The Roots, a
3 recording group that had already garnered critical acclaim and substantial success, on the
4 group's multi-city national tour during 2000. Using this tour as a means of introducing Scott to
5 the world and creating a "buzz," Hidden Beach decided that several Hidden Beach interns from
6 throughout the United States would promote the then commercially unknown Scott by holding
7 up large protest-type signs and handing out t-shirts which simply read "Jill Scott?" at each
8 venue during the tour. McKeever, who came up with that slogan, changed the slogan to "Who
9 is Jill Scott?" at Scott's request and thus, the "Who is Jill Scott?" campaign was born.

10 20. To further plan for the launch of Scott's career as a Hidden Beach artist,
11 McKeever convened a three-day retreat in Las Vegas, Nevada in the summer of 1999 attended
12 by the small Hidden Beach staff and several other people to brainstorm about marketing and
13 promoting Scott and discuss the best ways to facilitate Scott's future commercial success. Of
14 paramount import, McKeever spent a considerable amount of time at the retreat conveying his
15 mantra that Hidden Beach was an artist-friendly label in general, and, as such, it would strive to
16 embrace and support Scott's wishes concerning the overall direction of her career and would
17 not push Scott to do anything that she was not comfortable doing.

18 21. The "Who is Jill Scott?" campaign was a huge success on The Roots
19 tour. Not only was it a very effective way of promoting Scott, but also it was executed at a
20 minimal cost to Hidden Beach. These first efforts were and would be consistent with Hidden
21 Beach's future ability and efforts to find creative ways to cost-effectively advance Scott's
22 career without compromising quality and has been a significant reason why Hidden Beach –
23 and, in turn, ATOJ and Scott – have been able to be very profitable. Indeed, Hidden Beach's
24 ability to keep overhead costs low sets it apart from many other record labels (Hidden Beach
25 only had three employees when it initially launched Scott's career) especially the major record
26 labels and continues to this day.
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1 **Hidden Beach's Marketing Efforts In Connection With Scott's Debut Album**

2 22. On or about July 18, 2000, Hidden Beach released Scott's debut album
3 titled "Who is Jill Scott? Words and Sounds Vol. 1" (the "Who is Jill Scott? Album").
4 McKeever had a distinct vision of how to promote this studio album in order to give it the best
5 chance to be commercially successful. For example, several weeks prior to releasing that
6 album, Hidden Beach threw a huge party to announce and promote the launch of Hidden Beach
7 and specifically Scott's recording career. Thousands of people attended this event which
8 including dozens of celebrities and notable music, film and television industry executives.
9 McKeever strategically directed the spotlight of this event, including most of the press
10 generated from it, on Scott as opposed to Hidden Beach. Moreover, while this event was part
11 of the marketing campaign for Scott and she benefited the most from it, Hidden Beach could
12 have, but did not, deem part of the costs of this event to be an advance against and recoupable
13 out of royalties payable to Scott under the Recording Agreement.

14 23. After the release of the Who is Jill Scott? Album, Hidden Beach released
15 two promotional videos for that album – one for the single "Getting in the Way" and one for the
16 single "A Long Walk." In connection therewith, Hidden Beach found ways to substantially
17 reduce the cost of these videos while at the same time ensuring that their quality was top notch.
18 This specific early example is symbolic of what would prove to be Hidden Beach's special
19 knack for reducing costs while maintaining quality for all of its recording artists and, more
20 generally, helps explain how Hidden Beach – and, in turn, ATOJ and Scott – have been able to
21 enjoy substantial profitability over the course of their successful relationship.

22 **Hidden Beach's Subsequent Financial Generosity To Scott**

23 24. The "Who is Jill Scott?" Album was certified double platinum (by selling
24 at least 2 million albums) by the Recording Industry Association of American ("RIAA") and
25 thus, was a huge commercial success. Capitalizing on this success, Hidden Beach released a
26 double album titled "Experience: Jill Scott 826+" (the "Experience Album") on or about
27 November 20, 2001 which included Scott's live performance of many of her songs.
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1 25. The Experience Album was not one of Scott's six studio Albums which
2 ATOJ was required to deliver under the Recording Agreement. Therefore, technically and
3 legally, Hidden Beach was not required to pay an advance to ATOJ and Scott for the
4 Experience Album. McKeever nonetheless wanted to share with Scott the substantial success
5 Hidden Beach was enjoying after the release of the Who is Jill Scott? Album. To that end,
6 Hidden Beach gratuitously gave ATOJ/Scott a \$1 Million advance in connection with the
7 Experience Album. Consistent therewith, Hidden Beach would later pay other similarly large
8 advance payments to ATOJ/Scott in connection with future Albums released by Hidden Beach
9 including payments which were much larger than what was required to be made under the
10 Recording Agreement.

11 26. Hidden Beach's financial generosity toward Scott was not limited to the
12 payment of large advances. Hidden Beach has also permitted Scott to keep all of the money
13 generated from the sale of merchandise throughout the years even though Scott was not entitled
14 to keep all of that money under the Recording Agreement. In addition, to reward Scott for the
15 success they have enjoyed, Hidden Beach has paid for several lavish vacations for Scott and
16 gave her numerous expensive gifts over the years. All of these efforts, again, were and are
17 consistent with McKeever's overall desire to create an artist-friendly family environment where
18 all of Hidden Beach's performers feel appreciated, valued and part of something larger than just
19 an anonymous record label.

20 Hidden Beach's Efforts To Support Scott Included Supporting Her Non-Music
21 Career Ambitions

22 27. Consistent with McKeever's early mandate to Hidden Beach's staff
23 members that Hidden Beach's mission was to provide Scott with unconditional artistic support
24 and freedom, Hidden Beach has consistently supported many of Scott's decisions and desires,
25 even to the financial detriment and expense of the record label. As but a few examples, Hidden
26 Beach's supportive actions include: (a) Hidden Beach spent approximately \$450,000 to produce
27 and film one of her concerts. However, after Hidden Beach filmed the concert at the direction
28 and request of Scott's then-personal manager, Scott decided that she did not want Hidden

1 Beach to release the DVD of the concert believing that if people saw her perform on a DVD
2 they would not want to pay to see her perform live. Hidden Beach did not agree with her and
3 was contractually within its right to release the DVD, but nevertheless did not release the DVD
4 because it was McKeever's policy that Hidden Beach would not push Scott to do anything that
5 she did not want to do; (b) Hidden Beach refrained from signing to the label certain recording
6 artists that Scott was not comfortable with, even though McKeever felt that those artists could
7 possibly have benefited the label (and he signed artists she felt particularly close to and
8 supported); and (c) in connection with the Experience Album, Hidden Beach supported Scott's
9 wishes when she decided to take some time off instead of completing and promoting that
10 album, which also affected the timing of Hidden Beach's release of Scott's future Albums.

11 28. Moreover, because of McKeever's close relationship with Scott, his
12 feelings toward her and his expectation that they would work together in some form or another
13 for decades to come, McKeever has supported Scott's long term goals even if they did not
14 involve her music career. This included, for example, Scott's desire to be a movie and
15 television actress. In fact, it was in part through McKeever's relationships and efforts that Scott
16 was able to secure her first major film role in the motion picture titled "Why Did I Get
17 Married?" (the "Film"). The Film was released theatrically in the United States on or about
18 October 12, 2007. Scott's desire to be an actress and focus on non-music career endeavors has
19 distracted from Scott's music career and substantially compromised the timing of fulfilling
20 contractual obligations owed to Hidden Beach, yet, McKeever has nevertheless provided Scott
21 with unconditional support and believed that her rise in all areas of media would be good for all
22 (including having a positive impact on future record sales) and was preordained.

23 **Hidden Beach's Releases Of Scott's Second And Third Studio Albums**

24 29. It was not until on or about August 31, 2004 that Hidden Beach was able
25 to release Scott's second studio album titled "Beautifully Human: Words and Sounds Vol. 2"
26 (the "Beautifully Human Album"). The Beautifully Human Album debuted at number one on
27 the Billboard Top R&B/Hip Hop chart published in the "Billboard" magazine which, among
28 other things, tracks and ranks music sales. The Beautifully Human Album was certified gold

1 (by selling at least 500,000 albums) by the RIAA and thus, was commercially successful by all
2 objective measures. The single titled "Cross My Mind" on this album (which Scott initially
3 resisted including on the album and releasing as a single) won Scott her first Grammy Award
4 under the Best Urban/Alternative performance category.

5 30. Approximately three years after releasing the Beautifully Human Album,
6 Hidden Beach released Scott's third studio album titled "The Real Thing: Words and Sounds
7 Vol. 3" (the "Real Thing Album") on or about September 25, 2007. The Real Thing Album
8 debuted at number two on the Billboard Top R&B/Hip Hop chart and was certified gold by the
9 RIAA. Thus, it was Scott's third consecutive commercially successful studio album, a trend-
10 defying feat especially noteworthy in light of the significant decline in the sale of recorded
11 music in the music industry since her debut release in 2000.

12 31. Of particular note in connection with the recording of The Real Thing
13 Album, as yet another example of Hidden Beach's efforts to be an artist-friendly label and
14 support Scott's wishes, McKeever permitted Scott to take time away from completing the Real
15 Thing Album in order to pursue an acting role on the television series titled "The No. 1 Ladies'
16 Detective Agency" (the "Show"). Production on the pilot for the Show began on or about July
17 2, 2007, just months before Hidden Beach planned to release the Real Thing Album. Even
18 though it was important to Hidden Beach for Scott to stay fully committed to completing that
19 album and be available to promote it, Hidden Beach nonetheless supported her wishes by
20 allowing her to pursue her acting role on the Show to the possible initial detriment of Hidden
21 Beach's own interests. At the very least, Hidden Beach hoped that the Show would introduce
22 Scott to audiences unfamiliar with her at the time and that the public's recognition of her sheer
23 brilliance in all areas would increase.

24 **Hidden Beach's Activities On Scott's Behalf Since The Release Of Scott's Third Album**

25 32. Since the release of the Real Thing Album, Hidden Beach has spent a
26 considerable amount of time working on the concepts for Scott's next three albums that Scott is
27 required to deliver under the Recording Agreement at Hidden Beach's request. In fact, Scott
28 has already recorded several songs for The Sun Album, her next studio album. Specifically,

1 McKeever and Scott discussed The Sun Album in July 2009 for approximately three hours and
2 they even decided that the first song on that album would be the song titled "And I Heard..."
3 which was featured during Scott's tours in 2007 and 2008.

4 33. Moreover, as recently as August 2009, Scott told McKeever how excited
5 she was to be working on The Sun Album. In reliance on Scott's expressed intent to proceed
6 with The Sun Album and in anticipation of the larger audience Scott was reaching with the
7 successful and critically acclaimed Show, McKeever kept a larger staff employed by Hidden
8 Beach to support the production and anticipated release of that Album, incurring significant
9 additional costs.

10 **Scott Unexpectedly Notifies Hidden Beach Of Her Intent To Refuse To Perform Under The**
11 **Recording Agreement**

12 34. On or about October 7, 2009, Hidden Beach was shocked and dismayed
13 to receive an unexpected letter from Scott's attorneys which stated that Scott "has decided to
14 move on" and that she "will no longer perform recording services for Hidden Beach." In light
15 of the close relationship McKeever had with Scott and his unconditional support for her over
16 the years, it was disconcerting and hurtful to McKeever not only that Scott would claim that she
17 would no longer perform recording services for Hidden Beach, but also that she would
18 communicate such news to Hidden Beach by sending a letter through her attorneys instead of
19 simply talking to him directly.

20 **Scott's Refusal To Fulfill Her Contractual Obligations Under The Recording Agreement**

21 35. Of the six studio Albums that ATOJ and Scott were required to deliver to
22 Hidden Beach under the Recording Agreement, only three of them have currently been
23 delivered to Hidden Beach; namely, the Who is Jill Scott? Album, the Beautifully Human
24 Album and the Real Thing Album.

25 36. Under the Recording Agreement, there remains due and undelivered
26 three studio Albums embodying the performances of Scott. Scott has repudiated the Recording
27 Agreement and Scott Guaranty in writing and her obligation to deliver the remaining three
28 studio Albums owed to Hidden Beach thereunder by claiming that, pursuant to California Labor

1 Code § 2855(a), she is excused from any further performance under the Recording Agreement.
2 Scott has not claimed that Hidden Beach had in any way failed to perform its obligations under
3 the Recording Agreement or that the Recording Agreement was subject to termination for any
4 other reason. Scott has nevertheless failed and refused to perform under the Recording
5 Agreement, or to deliver any of the remaining studio Albums required to be delivered
6 thereunder.

7 37. Hidden Beach is informed and believes and based thereon alleges that
8 since at least 2003, ATOJ has no longer been entitled to Scott's recording services under its
9 agreement with Scott. Pursuant to the Scott Guaranty, Scott is therefore directly responsible to
10 ensure that the studio Albums are delivered as required under the Recording Agreement and to
11 fulfill all of her other required contractual obligations. Scott is aware of her personal
12 responsibility to deliver the Albums given that she has already in fact partially performed under
13 the Scott Guaranty by, among other things, delivering the Beautifully Human Album and the
14 Real Thing Album to Hidden Beach in 2004 and 2007, respectively.

15 **FIRST CAUSE OF ACTION**

16 **[Damages Under Labor Code § 2855]**
17 **(Against Defendant Jill Scott)**

18 38. Hidden Beach incorporates herein by reference each and every allegation
19 contained in paragraphs 1 through 37, inclusive.

20 39. Hidden Beach has performed each and every term, covenant, and
21 condition on its part to be performed pursuant to the Recording Agreement, except as excused
22 or rendered impossible by the acts and conduct of ATOJ and/or Scott.

23 40. To the extent that the Recording Agreement is not enforceable in the
24 future, pursuant to California Labor Code § 2855(b)(3), Hidden Beach is entitled to damages
25 for ATOJ's and Scott's failure and refusal to deliver each and every of the remaining Albums
26 required by the Recording Agreement.

27 41. The full extent of the damages to which Hidden Beach is entitled
28 presently is unascertainable, but exceeds the jurisdictional minimum of this Court, and includes

1 without limitation, Hidden Beach's lost revenues on each of the three Albums which ATOJ and
2 Scott have failed to deliver, and all proceeds which may be derived as the result of the delivery
3 of such three Albums to third parties at any time in the future. If necessary, Hidden Beach will
4 seek leave of Court to amend this complaint to state the full amount of such damages when the
5 amount of said damages is ascertained.

6 **SECOND CAUSE OF ACTION**

7 **[Breach of Written Contract]**

8 **(Against Defendant Jill Scott)**

9 42. Hidden Beach incorporates herein by reference each and every allegation
10 contained in paragraphs 1 through 37, inclusive.

11 43. Hidden Beach has performed each and every term, covenant, and
12 condition on its part to be performed pursuant to the Recording Agreement, except as excused
13 or rendered impossible by the acts and conduct of ATOJ and Scott.

14 44. Scott has breached the Recording Agreement by failing and refusing to
15 deliver each and every of the remaining Albums required to be delivered to Hidden Beach
16 thereunder.

17 45. As a direct and proximate result of the breaches of the Recording
18 Agreement, Hidden Beach has been damaged in a sum which presently is unascertainable, but
19 which exceeds the jurisdictional minimum of this Court, and includes, without limitation,
20 Hidden Beach's lost revenues on each of the three Albums which Scott has failed to deliver,
21 and all proceeds which may be derived as the result of the delivery of such three Albums to
22 third parties at any time in the future. If necessary, Hidden Beach will seek leave of Court to
23 amend this complaint to state the full amount of such damages when the amount of such
24 damages is ascertained.]

25 **WHEREFORE**, Hidden Beach prays for judgment as follows:

26 1. As to the first cause of action, for damages, pursuant to Labor Code §
27 2855, for failure to deliver each and every of the Albums required by the Recording Agreement,
28 according to proof;

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2. As to the second cause of action, for damages for breach of the Recording Agreement, according to proof;

3. As to all causes of action:

- a. For interest according to law;
- b. For reasonable attorneys' fees;
- c. For costs of suit incurred herein; and
- d. For such other and further relief in Hidden Beach's favor as the

Court may deem just and proper under the circumstances.

DATED: February 3, 2010

BLANK ROME LLP

By: Lawrence C. Hinkle
Lawrence C. Hinkle
Attorneys for Plaintiff
HIDDEN BEACH RECORDS, LLC

