

Next Current Litigation Status as of 9-14-17:

### New York

- (1) Alex Shanklin et al. v. Wilhelmina Models et al., Index No.: 653702/2013, New York Supreme Court
- (2) Shawn Pressley et al. v. Ford Models et al., Index No.: 653001/2016, New York Supreme Court  
(Both New York Model Cases)

These cases have the same issues. Plaintiffs (Louisa Raske, Vanessa Perron, Shawn Pressley and Roberta Little) are alleging that Next misclassified them as independent contractors and they should have been classified as employees and they are owed wages for work that they performed and were not paid for in violation of the New York Labor Law. They are also alleging breaches of contract alleging that they were not paid for usages. They are bringing their claims on an individual and class action basis. We are currently in class based discovery (in Shanklin) and they will be moving for class action status likely in early 2018.

In Shanklin, certain NY Labor Law claims were recently dismissed without prejudice. The claims that remained deal with the failure to provide adequate statements and unauthorized deductions. The breach of contract claims also remain. In Pressley, we will be moving by September 29 to dismiss the wage claims based on the prior decision in Shanklin and the breach of contract claims to the extent that they are different than the claims in Shanklin and we have a basis. This judge will have class based discovery proceed in Pressley even though motions to dismiss will be pending. We anticipate that any motion for class action status will include both cases.

- (3) All In The Works, LLC v. Anna Cleveland and Next Management, LLC., Supreme Court of the State of New York in New York County, Index No. 605646/2017

All In The Works, LLC (AITW) a film production company alleges to have a binding agreement with Next represented Model Anna Cleveland granting AITW exclusive rights to produce a documentary film about Ms. Cleveland. AITW filed this action alleging that Ms. Cleveland failed to cooperate in making herself available for shooting the film and as a result has breached the agreement. Next Management, LLC has been named as an additional defendant for allegedly acting to interfere with Ms. Cleveland's cooperation and thus her breach of the agreement. A motion to dismiss on behalf of Next was denied by the court on 2-20-17. AITW is claiming pre-production costs in excess of \$350,000 and other damages including lost revenues and attorney fees.

### Los Angeles

- (3) *Citizens of Humanity, LLC v. Next Management, LLC, et al.*, Los Angeles Superior Court, Case No. VC066228: This case arises out of a series of claims filed by former Next model Nick Lacy against Next clients for whom he worked as a model from 2013-2016. Lacy alleges, either in California state court lawsuits or in California Labor Commission proceedings, that he was an employee of Next's clients when he modeled for them, that he was "terminated" at the end of each modeling session, and that he did not receive his wages immediately upon his alleged termination, subjecting Next's clients to claims for waiting time penalties under the Labor Code. The Next client that is the subject of this claim, Citizens of Humanity, counter-sued Next for various state law claims, seeking indemnification for any damages that it is found to owe Lacy

(if any). The total amount of potential damages from three claims filed by Lacy is approximately \$127,000 plus legal fees and possible additional penalties. This case is still in the pleadings stage.

(4) *VF Europe, BVBA v. Next Management, LLC*, Los Angeles Superior Court, Case No. BC653200: This case arises out of a series of claims filed by former Next model Nick Lacy against Next clients for whom he worked as a model from 2013-2016. Lacy alleges, either in California state court lawsuits or in California Labor Commission proceedings, that he was an employee of Next's clients when he modeled for them, that he was "terminated" at the end of each modeling session, and that he did not receive his wages immediately upon his alleged termination, subjecting Next's clients to claims for waiting time penalties under the Labor Code. The Next client that is the subject of this claim, VF Europe, sued Next for various state law claims, seeking indemnification for approximately \$160,000 paid in a settlement between VF Europe and Lacy, approximately \$50,000 attorney in fees and costs associated with the settlement, an additional amount of fees and costs in connection with the current action against Next plus punitive and exemplary damages. This case is in the discovery stage.

(5) *Nick Lacy v. McCreary-Pew, Inc.*, San Diego Superior Court, Case No. 37-2017-00011714 [Cross-complaint: *McCreary-Pew, Inc. v. Next Management, LLC*]: This case arises out of a series of claims filed by former Next model Nick Lacy against Next clients for whom he worked as a model from 2013-2016. Lacy alleges, either in California state court lawsuits or in California Labor Commission proceedings, that he was an employee of Next's clients when he modeled for them, that he was "terminated" at the end of each modeling session, and that he did not receive his wages immediately upon his alleged termination, subjecting Next's clients to claims for waiting time penalties under the Labor Code. The Next client that is the subject of this claim, McCreary-Pew, counter-sued Next for various state law claims, seeking indemnification for any damages that it is found to owe Lacy (if any). This case is still in the pleadings stage.

#### Next Paris

(6) Next Paris/Next London – Claims of Julien Barbera

Mr. BARBERA terminated his employment with NEXT in May 2014. He seized the Labour Court in order to have his dismissal qualified as an unfair dismissal caused by the behavior of NEXT (although he was employed under NEXT LONDON, he claims that NEXT PARIS was also his employer).

Mr. BARBERA presents the following claims:

- Dismissal indemnity: 16,839 euros,
- Paid leave indemnity: 7,812 euros,
- Notice Period: 12,500 euros,
- Paid leaves on the notice period: 1,250 euros,
- Damages: 168,750 euros.

Status: the case was heard by the first instance labor Court which rejected all of Julien Barbera's claims.

Julien Barbera seized the Court of appeal and the next procedure hearing is scheduled on 6<sup>th</sup> November 2017.

#### (7) Next Paris – Claims of Sophie Masson

##### Summary:

Mrs. Masson was dismissed in February 2017 for incompetency. She has seized the labor Court to present the following claims:

- 63,328 euros in Damages for abusive dismissal,
- 7,916 euros regarding the notice period (Sophie claims that the Syntec Bargaining agreement is applicable and this collective agreement provides for a notice period of 3 months Vs two months in the labor code (which were paid to Sophie),
- 791,60 euros of paid leaves indemnity on the notice period,
- 23,748 euros of damages regarding the violation of the legal provisions regarding resting days and maximum work hours (Thus, Sophie was a *Cadre Dirigeant*, therefore these provisions did not apply to her)
- Payment of overtime, not yet assessed (as a *Cadre Dirigeant*, she is not entitled to claim for overtime).

Status: the first hearing (procedure hearing) is on October 26<sup>th</sup> 2017. We have received instructions in order to try and settle the case, if possible.

As to the potential lawsuits, it is complicated to predict so far but we are aware of 2 potential claims raised by employees:

#### (8) Next Paris – Claims of Judith Aagbodjan

Mrs. AGBODJAN was dismissed in July 2016 for gross misconduct. Her counsel (same as Julien Barbera) called us about 6 months ago at the firm to inform us that Mrs. AGBODJAN had instructed him to seize the labor Court in order to challenge her dismissal but then he called back and said that he was no longer her counsel anymore. Since then we never heard again from Mrs. AGBODJAN. She can challenge her dismissal until July 2018.

#### (9) Next Paris – Nadine Strittmatter

Next represented model Nadine Strittmatter is claiming for the reimbursement of social security charges paid to the French administration (URSSAF) for the period between October 1<sup>st</sup> 2014, and 31<sup>st</sup> December 2015, for an amount that has not precisely been assessed around 100.000 euros). To our knowledge, Nadine has not seized the URSSAF nor the social security Court. The statute of limitation is 3 years so part of the limitation period could have expired for part of this amount. We are currently discussing the case with a lawyer recently appointed by Nadine.