

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MINKOZE.COM, LLC d/b/a WORLD STAR :
MARKETING GROUP a/k/a WORLDSTAR :
MARKETING GROUP, INC., KSR :
GROUP, LLC, and KLENORD RAPHAEL, :

Case: 18-cv-03710 (VEC) (GWG)

Plaintiffs, :

v. :

DEMAND FOR JURY TRIAL

BELCALIS ALMANZAR p/k/a CARDI B, :
PATIENTCE FOSTER, QUALITY CONTROL :
MANAGEMENT, LLC, KEVIN “COACH K” LEE, :
PIERRE “PEE” THOMAS, and SOLID FOUNDATION: :
MANAGEMENT, LLC, :

Defendants. :

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BELCALIS ALMANZAR p/k/a CARDI B, :

Counterclaim-Plaintiff, :

v. :

MINKOZE.COM, LLC d/b/a WORLD STAR :
MARKETING GROUP a/k/a WORLDSTAR :
MARKETING GROUP, INC., KSR :
GROUP, LLC, and KLENORD RAPHAEL, :

Counterclaim-Defendants. :
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**DEFENDANT BELCALIS ALMANZAR’S
ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS
TO PLAINTIFFS’ FIRST AMENDED COMPLAINT**

Defendant Belcalis Almanzar p/k/a Cardi B, through her attorneys, Robins Kaplan LLP,
answers the First Amended Complaint (“FAC”) filed by Plaintiffs MINKOZE.COM, LLC d/b/a

World Star Marketing Group a/k/a WorldStar Marketing Group, Inc. (“WorldStar”), KSR Group, LLC (“KSR”), and Klenord Raphael (“Shaft”) (collectively, “Plaintiffs”) as follows:

PARTIES

1. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 1 of the FAC, and accordingly denies the same.

2. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 2 of the FAC, and accordingly denies the same.

3. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 3 of the FAC, and accordingly denies the same.

4. Ms. Almanzar admits that she is, among other things, a recording artist and performer and that she is professionally known as “Cardi B.” She further admits that she is a resident of the State of New Jersey. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 4 of the FAC.

5. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 5 of the FAC, and accordingly denies the same, except admits that Ms. Foster is, among other things, a publicist, and a member of Ms. Almanzar’s management team.

6. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 6 of the FAC, and accordingly denies the same, except admits that, upon information and belief, Quality Control Music, LLC (hereafter, “Quality Control”) is a record company that is owned by Defendants Lee and Thomas and/or is affiliated with them, and that this entity is based in Atlanta, Georgia.

7. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 7 of the FAC, and accordingly denies the same, except admits that, upon information and belief, Solid Foundation Management, LLC (hereafter, “Solid Foundation”) is a management company that is owned by Defendants Lee and Thomas and/or is affiliated with them, and that this entity is based in Atlanta, Georgia.

8. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 8 of the FAC, and accordingly denies the same.

9. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 9 of the FAC, and accordingly denies the same.

JURISDICTION AND VENUE

10. Paragraph 10 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the citizenship of the parties to the lawsuit, but believes that this Court has jurisdiction over this action under 28 U.S.C. § 1332(a)(1).

11. Ms. Almanzar admits the allegations set forth in paragraph 11 of the FAC.

12. Paragraph 12 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 12 of the FAC, but believes that venue is proper in this district for at least some of Plaintiffs’ claims.

13. Paragraph 13 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to whether all Defendants are subject to personal jurisdiction of this Court and whether a substantial part of the events giving rise to the claims occurred in this

district, and accordingly denies the same. Ms. Almanzar does not contest that she is subject to personal jurisdiction in this Court.

NATURE OF THE ACTION

14. Paragraph 14 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies the allegations set forth in paragraph 14 of the FAC.

15. Paragraph 15 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 15 of the FAC.

16. Paragraph 16 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 16 of the FAC, with the exception of the following: Ms. Almanzar has declared both the management agreement with WorldStar and the recording agreements with KSR to be void and unenforceable.

17. Paragraph 17 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 17 of the FAC.

18. Paragraph 18 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 18 of the FAC, with the exception of the following: upon information and belief, Ms. Almanzar believes she may have privately opined to her husband, Kiara Kendrell Cephus p/k/a Offset, that Shaft was robbing her but she denies that any such statement, even if made, was false or would constitute defamation.

19. Paragraph 19 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding what Ms. Foster knew and for what Plaintiffs seek to hold Ms. Foster liable in this litigation, and accordingly denies the same. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 19 of the FAC.

20. Ms. Almanzar denies each and every allegation set forth in paragraph 20 of the FAC.

21. Ms. Almanzar admits that her husband Offset is a member of the group Migos and that Migos are, upon information and belief, signed to Quality Control and/or Solid Foundation. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 21 of the FAC.

22. Paragraph 22 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 22 of the FAC.

23. Paragraph 23 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 23 of the FAC.

BACKGROUND FACTS

24. Ms. Almanzar denies each and every allegation set forth in paragraph 24 of the FAC.

25. Ms. Almanzar denies each and every allegation set forth in paragraph 25 of the FAC.

26. Ms. Almanzar admits that she is from the Bronx, New York, that she was inexperienced in the entertainment business before beginning her business relationship with Shaft, and that she had achieved a significant public following and recognition on social media prior to meeting Shaft (which she believes included significantly more than 100,000 Instagram followers). Ms. Almanzar denies the remainder of the allegations set forth in paragraph 26 of the FAC.

27. Ms. Almanzar denies each and every allegation set forth in paragraph 27 of the FAC, except admits that she did not professionally rap or perform music before meeting Shaft, that Shaft recognized her talent and acted as her manager for a certain amount of time, and that Shaft encouraged her to pursue music.

28. Ms. Almanzar denies that Shaft first transformed her into a party host. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to whether Shaft managed DJ Self to fame and stardom, and accordingly denies the same. Ms. Almanzar admits that she traveled the country with DJ Self and Shaft, and further admits that she was cast on VH1's *Love & Hip Hop*, where she became a show favorite and regular. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 28 of the FAC.

29. Ms. Almanzar admits that she received additional Instagram followers with her appearance on VH1's *Love & Hip Hop*. Ms. Almanzar further admits, upon information and belief, that she worked with certain producers and writers that Shaft managed as she was developing her career as a rap artist, and that Shaft helped guide the initial stages of her career as a rap artist (in accordance with his duties as her manager). Ms. Almanzar further admits that she signed a major-label record deal with Atlantic Records dated as of September 28, 2016, and that Shaft orchestrated the record deal such that Plaintiff KSR agreed to furnish Ms. Almanzar's

services under the terms of the recording agreement KSR signed with Atlantic Records regarding Ms. Almanzar's services (Ms. Almanzar respectfully refers the Court to a true and complete copy of that agreement for its contents). Ms. Almanzar denies the remainder of the allegations set forth in paragraph 29 of the FAC, including, but not limited to, the allegation that it is a "common arrangement in the music industry" for a manager of an artist to insert his wholly-owned entity in between that manager's artist and a record label, particularly where this self-dealing transaction is not properly negotiated with independent counsel for the artist, and where the manager does not exhaust opportunities to sign an artist directly with a record label.

30. Ms. Almanzar admits that she received two nominations at the 2017 BET Awards, nine nominations and five awards at the 2017 BET Hip Hop Awards, two nominations at the 2018 Grammy Awards (for Best Rap Performance and Best Rap Song for *Bodak Yellow*), five nominations and two awards at the 2018 iHeart Radio Music Awards, and eight nominations and one award at the 2018 *Billboard* Music Awards. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 27 of the FAC.

31. Ms. Almanzar admits that *Bodak Yellow* replaced Taylor Swift's *Look What You Made Me Do* at the top of the *Billboard* Hot 100 chart. Ms. Almanzar further admits that she appeared as a featured artist on a song by G-Eazy ("No Limit"), which reached number four on the *Billboard* Hot 100 chart, and that she was a lead artist on two other *Top 10* singles, appearing alongside Bruno Mars (on "Finesse") and Migos (on "MotorSport") (among others). Ms. Almanzar denies the remainder of the allegations set forth in paragraph 31 of the FAC.

32. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 32 of the FAC, and accordingly denies the same.

33. Ms. Almanzar admits that Ms. Foster is her publicist and a member of her management team. Ms. Almanzar further admits that she and Ms. Foster spent much time together and with each other's families. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 33 of the FAC, except admits that by the end of 2017, she had determined that Shaft had betrayed the trust she had placed in him.

34. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 34 of the FAC concerning what Ms. Foster told or texted to others, and accordingly denies the same. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 34 of the FAC.

35. Paragraph 35 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 35 of the FAC.

36. Ms. Almanzar denies each and every allegation set forth in paragraph 36 of the FAC.

37. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 37 of the FAC concerning Ms. Foster's knowledge, and the knowledge or awareness of Messrs. Lee and Thomas, and accordingly denies the same. Ms. Almanzar admits that Ms. Foster has performed some services for Offset, that Offset is a member of the group Migos and that Migos are, upon information and belief, signed to Quality Control and/or Solid Foundation. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 37 of the FAC.

38. Ms. Almanzar admits that she texted the language quoted in paragraph 38 of the FAC to Shaft on or about December 16, 2017 and that she began to communicate with Shaft with

less frequency in or around December 2017. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 38 of the FAC.

39. Ms. Almanzar denies each and every allegation set forth in paragraph 39 of the FAC, except admits that Offset texted the language quoted in paragraph 39 of the FAC to Shaft (although she lacks knowledge or information sufficient to form a belief as to when that language was sent to Shaft).

40. Ms. Almanzar denies each and every allegation set forth in paragraph 40 of the FAC.

41. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 41 of the FAC, and accordingly denies the same.

42. Ms. Almanzar denies each and every allegation set forth in paragraph 42 of the FAC.

43. Paragraph 43 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 43 of the FAC, and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents.

44. Ms. Almanzar admits that her debut studio album, *Invasion of Privacy*, was digitally released on April 6, 2018 on Atlantic Records. Ms. Almanzar further admits that the RIAA certified that the album reached Gold status on the day of its release, and that the album sat atop the *Billboard* 200, and may have sat at No. 2 when the original complaint was filed. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 44 of the FAC.

45. Ms. Almanzar admits that she has achieved a significant level of professional success and that she has received acclaim and congratulations from fans, celebrities and fellow

artists from around the world. Ms. Almanzar further admits that she has appeared on magazine covers, talk shows, and *Saturday Night Live*. Ms. Almanzar also admits that, as of the date of this Answer, she has over 46 million Instagram followers. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 45 of the FAC.

46. Ms. Almanzar denies each and every allegation set forth in paragraph 46 of the FAC.

47. Ms. Almanzar admits that she sent the language quoted in paragraph 47 of the FAC to her sister in a text message on or about March 25, 2018 but she denies that the quoted language could constitute defamation.

48. Ms. Almanzar denies each and every allegation set forth in paragraph 48 of the FAC, except admits that on or about March 27, 2018, a video stream was made available on YouTube that included the language quoted in paragraph 48 of the FAC. Ms. Almanzar denies that that the quoted language (even taken out of context as it is in the FAC) or the entire video stream contained any reference to Shaft that could be considered disparagement.

49. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 49 of the FAC, and accordingly denies the same. Ms. Almanzar denies the absurd implication that she has any responsibility for, or any duty to correct, any belief that commenters on the internet espouse.

50. Ms. Almanzar admits that a video titled “Cardi B Addresses Manager Who She Found Out Was Stealing From Her” is on YouTube, but denies that she posted this video on YouTube or had any involvement in or knowledge of the naming of the video. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the date of any publication of the video, but admits that it purports to have been published on March 27, 2018 and that, as of the

date of this Answer, the video has over 23,000 views and 78 comments. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 50 of the FAC.

51. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 51 of the FAC, and accordingly denies the same, except Ms. Almanzar admits, upon information and belief, that the account @teatenders_liv may have posted the language quoted in paragraph 51 of the FAC.

52. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 52 of the FAC, and accordingly denies the same, except admits that the @teatenders_liv post previously appeared to have been liked over 5,100 times, and that certain comments from seemingly random accounts appear to have been quoted in the FAC. Ms. Almanzar respectfully refers the Court to the actual public postings for their contents (including those that run counter to Plaintiffs' narrative) to the extent they may still be available, but denies the implication that she has any responsibility for, or duty to correct, any belief that commenters on the internet espouse.

53. Paragraph 53 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 53 of the FAC.

54. Ms. Almanzar denies each and every allegation set forth in paragraph 54 of the FAC, except admits that on or about April 18, 2018, she posted a picture on her Instagram account with the language quoted in paragraph 54 of the FAC in the caption, but denies that this language had anything whatsoever to do with Shaft, even by implication. This paragraph also sets forth legal conclusions to which no response is required. However, to the extent any further response is required, Ms. Almanzar denies any responsibility for, or duty to correct, random

statements by commenters on the internet, and denies the remainder of the allegations set forth in paragraph 54 of the FAC.

55. Ms. Almanzar admits that she sent the language quoted in paragraph 55 of the FAC to Skeemo Holmes (@itsyaboiiskeemo) in a private direct message on Instagram on or about April 25, 2018, but denies that any part of this message could constitute defamation.

56. Ms. Almanzar admits that she sent the language quoted in paragraph 56 of the FAC in a private direct message on Instagram to the account @offsetxcardib on or about April 26, 2018 but denies that these messages could constitute defamation.

57. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 57 of the FAC, and accordingly denies the same.

58. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 58 of the FAC, and accordingly denies the same.

THE AGREEMENTS

A. The Management Agreement

59. Ms. Almanzar admits that a Management Agreement bearing a handwritten date of March 3, 2015 appears to have been signed by her and Shaft, purportedly on behalf of WorldStar Marketing Group, Inc., but denies Plaintiffs' characterization of the Management Agreement set forth in paragraph 59 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. A copy of the Management Agreement is attached as Exhibit 1 to Ms. Almanzar's Counterclaims, filed herewith. Ms. Almanzar further admits that the Management Agreement appears to bear a notary public stamp but she does not recall signing the Management Agreement and does not recall whether a notary public was present if and when she did sign it. Ms. Almanzar denies the remainder of the

allegations set forth in paragraph 59 of the FAC, and denies that she is bound by the Management Agreement for the reasons stated in her Counterclaims, filed herewith.

60. Ms. Almanzar denies Plaintiffs' characterization of the Management Agreement set forth in paragraph 60 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Management Agreement states that "Manager shall be your exclusive personal manager throughout the Territory and shall confer with, counsel, guide and advise you in all matters pertaining to your career in the entertainment and amusement industries, including, without limitation, in connection with your live performances, personal appearances, recording and producing of musical and lyrical material, music publishing, motion pictures, legitimate theater, television, concerts, the use of your name, likeness and biographical information for commercial or promotional purposes and the sale, lease or other disposition of musical, literary, dramatic or other artistic material which you may create, compose or acquire...." Ms. Almanzar further admits that the Management Agreement purports to define the Territory as "The world," but denies the remainder of the allegations set forth in paragraph 60 of the FAC.

61. Ms. Almanzar denies Plaintiffs' characterization of the Management Agreement set forth in paragraph 61 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Management Agreement purports to provide WorldStar with the option to renew its initial one year term and that the agreement states that "Each Option shall be deemed to be exercised by Manager unless Manager shall give you written notice to the

contrary at any time prior to the date that ... [each contract period] ... would otherwise expire.” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 61 of the FAC.

62. Ms. Almanzar denies Plaintiffs’ characterization of the Management Agreement set forth in paragraph 62 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Management Agreement purports to provide for a Manager’s Commission of 20% of Ms. Almanzar’s “Gross Income,” and respectfully refers the Court to the Management Agreement for its definition of “Gross Income.” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 62 of the FAC.

63. Ms. Almanzar denies Plaintiffs’ characterization of the Management Agreement set forth in paragraph 63 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 63 of the FAC.

64. Ms. Almanzar denies Plaintiffs’ characterization of the Management Agreement set forth in paragraph 64 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 64 of the FAC, including the allegation that she has not provided any such notice to WorldStar. Ms. Almanzar states that she substantially complied with the written notice requirement and terminated the Management Agreement no later than February 28, 2018.

65. Ms. Almanzar denies Plaintiffs’ characterization of the Management Agreement set forth in paragraph 65 of the FAC and respectfully refers the Court to a true and complete copy of the Management Agreement for its contents. To the extent any further response is

required, Ms. Almanzar denies the allegations set forth in paragraph 65 of the FAC, including any implication that she (a) was advised to seek her own independent counsel concerning the legal effect of the Management Agreement, or (b) that she knowingly and voluntarily waived such right.

B. The KSR Recording Agreement

66. Ms. Almanzar denies Plaintiffs' characterization of the KSR Agreement set forth in paragraph 66 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement (defined below) for its contents. A copy of the 2016 KSR Recording Agreement is attached as Exhibit 2 to Ms. Almanzar's Counterclaims, filed herewith. Ms. Almanzar admits that she signed the 2016 KSR Recording Agreement on or about October 18, 2016, but she denies that a notary public was present when she signed. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to when and whether KSR signed the 2016 KSR Recording Agreement, and accordingly denies the same. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 66 of the FAC, and denies that she is bound by either the 2015 KSR Recording Agreement (dated May 1, 2015) which Plaintiffs have alleged KSR entered into with Ms. Almanzar in their previous Answer/Reply to Counterclaims (*see* Dkt. No. 37, at 2) or to the 2016 KSR Recording Agreement for the reasons stated in her Counterclaims, filed herewith.

67. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 67 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations sets forth in paragraph 67 of the FAC.

68. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 68 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. Ms. Almanzar admits that the 2016 KSR Recording Agreement purports to provide that if KSR secures a Distribution Agreement, then the term of the 2016 KSR Recording Agreement will be deemed to be co-extensive with the Distribution Agreement (and as otherwise provided therein), but she denies that KSR fulfilled its obligations under that same paragraph of the 2016 KSR Recording Agreement to "provide you [Ms. Almanzar] with a copy of the Distribution Agreement promptly following its execution and [KSR] shall meaningfully consult with your attorney during the negotiation of the Distribution Agreement regarding the terms that pertain to you." Ms. Almanzar denies the remainder of the allegations set forth in paragraph 68 of the FAC.

69. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 69 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. Ms. Almanzar admits that the 2016 KSR Recording Agreement purports to provide KSR with the irrevocable option to extend its initial twelve month term and that it states "you will deliver one additional Album to us during each option period." Ms. Almanzar denies the remainder of the allegations set forth in paragraph 69 of the FAC.

70. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 70 of the FAC and respectfully refers the Court to a true and complete copy of the KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that paragraph 3 of the 2016 KSR Recording Agreement states that: "If we enter into a Distribution Agreement we shall instruct the

Distributor to account to you directly for fifty (50%) percent of all net advances and royalties otherwise payable to us pursuant to the Distribution Agreement. You shall be subject to all of the same provisions affecting us in connection with royalties accounted to us by Distributor[.]”

Ms. Almanzar denies the remainder of the allegations set forth in paragraph 70 of the FAC.

71. Ms. Almanzar denies Plaintiffs’ characterization of the 2016 KSR Recording Agreement set forth in paragraph 71 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. Ms. Almanzar admits that paragraph 5 of the 2016 KSR Recording Agreement states in part that: “You shall account and pay to us 25% (our ‘Revenue Share’) of all compensation earned by you in Entertainment Industry resulting from any agreements substantially negotiated during the Term of this Agreement or within 6 months following the end of the Term, including live concert performances, merchandising, endorsements, songwriting, music publishing (but music publishing and songwriting is excluded in the event we acquire music publishing rights from you), record producing, scripted and non-scripted television performances, dramatic acting, any exploitation of Artist’s name or likeness in any capacity or for any reason (‘Gross Compensation’).” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 71 of the FAC.

72. Ms. Almanzar denies Plaintiffs’ characterization of the 2016 KSR Recording Agreement set forth in paragraph 72 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar refers to her response in the previous paragraph for an accurate quotation of the sentence in the 2016 KSR Recording Agreement referenced in

paragraph 72 of the FAC. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 72 of the FAC.

73. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 73 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that paragraph 6 of the 2016 KSR Recording Agreement states in part that: "Provided we secure a Distribution Agreement, you and your music publishing entity, any company or person controlled by you, shall assign to our music publishing affiliate an undivided fifty percent (50%) interest of your entire interest, and the sole and exclusive right to administer our share of your rights granted there under for the length of copyright throughout the world, in each and every musical composition ('Compositions' and each a 'Composition') written by you during the Term hereof (which shall include the Distribution Term as well), as well as any musical composition written by you and embodied on an Existing Master or Video, referenced in paragraph 9, below, and otherwise embodied on any recording released by us or Distributor. You and we agree to enter into a more formal Co-Publishing agreement incorporating the terms hereof, but until such time, if ever, that the parties enter into such more formal agreement, it is agreed that: (1) we are the sole and exclusive administrator of your and our copyright interest in the Compositions throughout the world for the length of copyright; (2) we shall account 75% of all income and revenues from the sales and exploitations of the Compositions, except that your publisher share of public performance royalties shall be 50% thereof" Ms. Almanzar denies the remainder of the allegations set forth in paragraph 73 of the FAC.

74. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 74 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 74 of the FAC.

75. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 75 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 75 of the FAC.

76. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 76 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 76 of the FAC.

77. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 77 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 77 of the FAC.

78. Ms. Almanzar denies Plaintiffs' characterization of the 2016 KSR Recording Agreement set forth in paragraph 78 of the FAC and respectfully refers the Court to a true and complete copy of the 2016 KSR Recording Agreement for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 78 of the FAC.

C. The Atlantic Records Agreement

79. Ms. Almanzar denies Plaintiffs' characterization of the agreement dated as of September 28, 2016 between Atlantic Recording Corporation and KSR regarding the exclusive

services of Ms. Almanzar for the making of records (the “Furnishing Agreement” or the “Atlantic Recording Agreement”) set forth in paragraph 79 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. Ms. Almanzar admits that the Furnishing Agreement was signed on or about October 18, 2016 by a representative of Atlantic Recording Corporation (“Atlantic Records”) and, upon information and belief, by Shaft as a representative of KSR. Ms. Almanzar further admits that KSR agreed in the Furnishing Agreement to furnish the exclusive services of Ms. Almanzar “for the making of Recordings and Records” and respectfully refers the Court to the Furnishing Agreement for its terms regarding the term of that agreement. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 79 of the FAC.

80. Ms. Almanzar denies Plaintiffs’ characterization of the Furnishing Agreement set forth in paragraph 80 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that in the Furnishing Agreement, Atlantic Records agrees to give KSR and/or Artist certain approval and consent rights, but denies knowledge or information sufficient to form a belief as to the truth of, or what is meant by, the vague allegation contained in paragraph 80 of the FAC regarding KSR’s purported “approval and consent rights concerning various aspects of their contractual relationship,” and accordingly denies the same.

81. Ms. Almanzar denies Plaintiffs’ characterization of the Furnishing Agreement set forth in paragraph 81 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Furnishing Agreement in paragraph 4(a) states in part that: “Prior to the commencement of recording sessions in each instance, you and Company shall mutually

agree on each of the following before you proceed further: (i) selection of producer and the financial terms of your agreement(s) with such producer(s); (ii) selection of material, including the number of Compositions to be recorded; and (iii) the dates and locations of recording and mixing and the studios where recording and mixing are to take place.”

82. Ms. Almanzar denies Plaintiffs’ characterization of the Furnishing Agreement set forth in paragraph 82 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Furnishing Agreement in paragraph 4(a) states in part that: “at least fourteen (14) days prior to the proposed date of the first recording session for the applicable Masters, you shall submit to Company in writing a proposed recording budget setting forth, in itemized detail, all anticipated Recording Costs. Upon receipt of Company’s written approval of such recording budget (the ‘**Authorized Budget**’), you shall commence such sessions.” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 82 of the FAC.

83. Ms. Almanzar denies Plaintiffs’ characterization of the Furnishing Agreement set forth in paragraph 83 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Furnishing Agreement in paragraph 6(a) states in part that: “During the Term, with respect to Phono Records manufactured for sale in the United States, all photographs of Artist and biographical material concerning Artist which Company uses for the purposes herein stated shall be subject to your approval” and later provides that “Any inadvertent failure by Company to obtain your approval pursuant to this paragraph 6(a) shall not constitute a breach of this agreement by Company.”

84. Ms. Almanzar denies Plaintiffs' characterization of the Furnishing Agreement set forth in paragraph 84 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Furnishing Agreement in paragraph 15(a)(vii)(B) states in part that: "Notwithstanding anything to the contrary contained herein, Artist shall have the right to perform as a so-called non-featured 'back-up musician', 'background vocalist' or 'sideperson' with featured artists for the purpose of making Records for Persons other than Company only upon the following conditions: ... (2) You shall give Company written notice thereof in advance and the Compositions to be performed and recorded shall not be Compositions recorded pursuant to this agreement[.]" Ms. Almanzar denies the remainder of the allegations set forth in paragraph 84 of the FAC.

85. Ms. Almanzar denies Plaintiffs' characterization of the Furnishing Agreement set forth in paragraph 85 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Furnishing Agreement in paragraph 15(a) states in part that: "You warrant, represent and agree that: (i) You and Artist have the right and legal capacity to enter into, execute and implement this agreement, and you and Artist are not subject to any prior obligations or agreements, whether as a party or otherwise, which would restrict or interfere in any way with the full and prompt performance of your obligations hereunder." Ms. Almanzar denies the remainder of the allegations set forth in paragraph 85 of the FAC.

86. In response to paragraph 86 of the FAC, Ms. Almanzar admits that the Furnishing Agreement in paragraph 15(a)(xii) states in part that: "You [*i.e.* KSR] further warrant and represent that you have a valid and enforceable exclusive agreement with Artist under which

Artist is required to perform exclusively for you as a recording artist, and that such agreement shall continue to be in full force and effect during the Term.” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 86 of the FAC.

87. Ms. Almanzar denies Plaintiffs’ characterization of the Furnishing Agreement set forth in paragraph 87 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement for its contents. To the extent any further response is required, Ms. Almanzar admits that the Furnishing Agreement in paragraph 15(a)(xii) states in part that: “You agree to provide Company with a true copy of your agreement with Artist upon Company’s request. During the Term, you shall not waive, release or forfeit your exclusive rights to the services of Artist. You shall exercise all options provided to you by your agreement with Artist so as to enable you to fulfill your commitments hereunder, and you shall take all reasonable steps necessary or desirable to keep your agreement with Artist in full force and effect so that Company shall have the benefits of Artist’s exclusive services as a recording artist during the Term as if Artist had contracted directly with the Company. You shall cause Artist to execute and deliver to Company at the time of execution of this agreement Company’s standard Artist Inducement Letter annexed hereto as Exhibit A.” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 87 of the FAC.

D. The Cardi B Inducement Letter

88. Ms. Almanzar denies Plaintiffs’ characterization of the Furnishing Agreement and Inducement Letter set forth in paragraph 88 of the FAC and respectfully refers the Court to a true and complete copy of the Furnishing Agreement and Inducement Letter for their contents. To the extent any further response is required, Ms. Almanzar admits that she signed the Inducement Letter on or about October 18, 2016, that the Inducement Letter was signed, upon information

and belief, at or about the time that the Furnishing Agreement was signed, and that she was paid an advance as a result of the Atlantic Recording Agreement, but lacks knowledge or information sufficient to form a belief as to whether the advance was “substantial,” and accordingly denies the same.

89. Ms. Almanzar denies Plaintiffs’ characterization of the Inducement Letter set forth in paragraph 89 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar admits that she signed the Inducement Letter on or about October 18, 2016, that the Inducement Letter was signed by a representative of Atlantic Records, and that it appears to have been signed by Shaft as a representative of KSR. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 89 of the FAC.

90. Ms. Almanzar denies Plaintiffs’ characterization of the Inducement Letter set forth in paragraph 90 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar admits that the Inducement Letter refers to “the agreement between me and KSR Group, LLC (‘Productions’) relating to my exclusive services as a recording artist (‘Artist Agreement’)” but denies that the Artist Agreement referred to here, which may have been intended to refer to the 2016 KSR Recording Agreement, was a valid or existing agreement at the time she signed the Inducement Letter. Irrespective of the language contained in the Inducement Letter, Ms. Almanzar denies that she had the opportunity to consult independent counsel for the purpose of having the legal effect of each of the provisions contained in the 2015 KSR Recording Agreement or the 2016 KSR Recording Agreement explained to her, and denies that she knowingly and voluntarily waived her right to do so. Ms. Almanzar denies that she is

bound by the provisions contained in the 2015 KSR Recording Agreement or the 2016 KSR Recording Agreement. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 90 of the FAC.

91. Ms. Almanzar denies Plaintiffs' characterization of the Inducement Letter set forth in paragraph 91 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 91 of the FAC.

92. Ms. Almanzar denies Plaintiffs' characterization of the Inducement Letter set forth in paragraph 92 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 92 of the FAC.

93. Ms. Almanzar denies Plaintiffs' characterization of the Inducement Letter set forth in paragraph 93 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar denies the allegations set forth in paragraph 93 of the FAC.

94. Ms. Almanzar denies Plaintiffs' characterization of the Inducement Letter set forth in paragraph 94 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar admits that the Inducement Letter in paragraph 7 states in part that: "I acknowledge that you would not have entered into the [Furnishing] Agreement without my execution of this agreement and, therefore, I warrant, represent and agree that I have not entered into (nor will enter into) any contract or commitment in conflict with any of the provisions of this agreement, the Artist Agreement or the [Furnishing] Agreement or that might interfere with or impair your

rights under this agreement or the [Furnishing] Agreement.” Ms. Almanzar further admits that paragraph 7 of the Inducement Letter later states in part that: “Neither the expiration nor any other termination of this agreement, the [Furnishing] Agreement or the Artist Agreement shall affect your ownership of the results, proceeds and products of the services rendered by me under this agreement, the Artist Agreement or the [Furnishing] Agreement or alter any of your rights or privileges and/or any warranty or undertaking on my part in connection with such results, proceeds or products.” Ms. Almanzar denies the remainder of the allegations set forth in paragraph 94 of the FAC.

95. Ms. Almanzar denies Plaintiffs’ characterization of the Inducement Letter set forth in paragraph 95 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar admits that the Inducement Letter in paragraph 7 states in part that: “The parties hereto acknowledge and agree that: (a) each party and its counsel reviewed and negotiated the terms and provisions of this agreement and have contributed to its revision” Ms. Almanzar denies that she or her counsel negotiated the terms and provisions of, or contributed to the revision of the Inducement Letter, and denies the remainder of the allegations set forth in paragraph 95 of the FAC.

COUNT I
(Breach of Contract Against Cardi B)

96. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 95 of the FAC above as if fully set forth herein.

97. Paragraph 97 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is necessary, Ms. Almanzar denies each and every allegation

set forth in paragraph 97 of the FAC, except admits that the Management Agreement appears to have been signed by her.

98. Paragraph 98 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is necessary, Ms. Almanzar denies each and every allegation set forth in paragraph 98 of the FAC.

99. Paragraph 99 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 99 of the FAC.

100. Paragraph 100 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 100 of the FAC.

101. Paragraph 101 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 101 of the FAC.

102. Paragraph 102 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 102 of the FAC.

103. Paragraph 103 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 103 of the FAC.

104. Paragraph 104 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 104 of the FAC.

105. Paragraph 105 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 105 of the FAC.

106. Paragraph 106 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 106 of the FAC.

107. Paragraph 107 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 107 of the FAC.

COUNT II
(Unjust Enrichment Against Cardi B)

108. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 107 of the FAC above as if fully set forth herein.

109. Ms. Almanzar denies each and every allegation set forth in paragraph 109 of the FAC.

110. Paragraph 110 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 110 of the FAC.

111. Ms. Almanzar denies each and every allegation set forth in paragraph 111 of the FAC.

112. Paragraph 112 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 112 of the FAC.

COUNT III
(Quantum Meruit Against Cardi B)

113. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 112 of the FAC above as if fully set forth herein.

114. Ms. Almanzar denies each and every allegation set forth in paragraph 114 of the FAC.

115. In response to paragraph 115 of the FAC, Ms. Almanzar admits that she engaged Shaft in or around the fall of 2014 to personally manage her career in certain entertainment endeavors and admits that the Management Agreement appears to have been signed by her and, upon information and belief, by Shaft, as a purported representative of WorldStar. Ms. Almanzar respectfully refers the Court to a true and complete copy of the Management Agreement for its contents and exclusions. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 115 of the FAC.

116. In response to paragraph 116 of the FAC, Ms. Almanzar admits that WorldStar and/or Shaft performed some work and services at the request of Ms. Almanzar. Ms. Almanzar denies that WorldStar “fully” performed its work, labor and services at the specific instance and request of Ms. Almanzar, and lacks knowledge or information sufficient to form a belief as to WorldStar’s understanding or expectation, and accordingly denies the same, but further states that WorldStar and/or Shaft were amply compensated for the work they performed. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 116 of the FAC.

117. In response to paragraph 117 of the FAC, Ms. Almanzar admits that she has achieved a certain amount of success in the entertainment industry, and admits that she benefited to some degree from the work and services of WorldStar and/or Shaft. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 117 of the FAC.

118. Ms. Almanzar denies each and every allegation set forth in paragraph 118 of the FAC.

119. Paragraph 119 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 119 of the FAC.

120. Paragraph 120 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 120 of the FAC.

COUNT IV
(Declaratory Judgment Against Cardi B)

121. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 120 of the FAC above as if fully set forth herein.

122. Paragraph 122 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar admits that an actual and justiciable controversy exists between her and WorldStar/Shaft/KSR (who Ms. Almanzar contends are alter egos of each other) regarding the validity and enforceability of the Management Agreement. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 122 of the FAC.

123. Paragraph 123 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 123 of the FAC, except admits that a determination as to the validity of the Management Agreement by the Court is necessary.

124. Paragraph 124 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 124 of the FAC.

125. Paragraph 125 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 125 of the FAC.

COUNT V
(Breach of Contract Against Cardi B)

126. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 125 of the FAC above as if fully set forth herein.

127. Paragraph 127 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar admits upon information and belief that she signed the 2016 KSR Recording Agreement, but denies knowledge or information sufficient to form a belief as to whether KSR executed the 2016 KSR Recording Agreement and denies each and every other allegation set forth in paragraph 127 of the Complaint.

128. Paragraph 128 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 128 of the FAC, including particularly (but not limited to) the allegation that a distributor was “then yet-to-be determined” when the 2016 KSR Recording Agreement was signed.

129. Ms. Almanzar denies each and every allegation set forth in paragraph 129 of the FAC.

130. Paragraph 130 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 130 of the FAC.

131. Paragraph 131 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 131 of the FAC.

132. Paragraph 132 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 132 of the FAC.

133. Ms. Almanzar denies each and every allegation set forth in paragraph 133 of the FAC.

134. Paragraph 134 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 134 of the FAC.

135. Paragraph 135 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 135 of the FAC.

136. Paragraph 136 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 136 of the FAC.

COUNT VI
(Unjust Enrichment Against Cardi B)

137. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 136 of the FAC above as if fully set forth herein.

138. Ms. Almanzar denies each and every allegation set forth in paragraph 138 of the FAC.

139. Paragraph 139 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 139 of the FAC.

140. Ms. Almanzar denies each and every allegation set forth in paragraph 140 of the FAC.

141. Paragraph 141 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 141 of the FAC.

COUNT VII
(Quantum Meruit Against Cardi B)

142. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 141 of the FAC above as if fully set forth herein.

143. Ms. Almanzar denies each and every allegation set forth in paragraph 143 of the FAC.

144. Ms. Almanzar denies each and every allegation set forth in paragraph 144 of the FAC.

145. In response to paragraph 145 of the FAC, Ms. Almanzar admits that KSR and/or WorldStar and/or Shaft performed some work and services for Ms. Almanzar. Ms. Almanzar denies that KSR “fully” performed its work, labor and services at the specific instance and request of Ms. Almanzar, and denies knowledge or information sufficient to form a belief as to KSR’s understanding or expectation, but further states that KSR and/or Shaft were amply

compensated for the work they performed. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 145 of the FAC.

146. In response to paragraph 146 of the FAC, Ms. Almanzar admits that she has achieved a certain amount of success in the entertainment industry and admits that she benefited to some degree from the work and services of KSR and/or WorldStar and/or Shaft. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 146 of the FAC.

147. Ms. Almanzar denies each and every allegation set forth in paragraph 147 of the FAC.

148. Paragraph 148 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 148 of the FAC.

149. Paragraph 149 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 149 of the FAC.

COUNT VIII
(Declaratory Judgment Against Cardi B)

150. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 149 of the FAC above as if fully set forth herein.

151. Paragraph 151 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar admits that an actual and justiciable controversy exists between her and KSR/WorldStar/Shaft (who Ms. Almanzar contends are alter egos of each other) regarding the validity and enforceability of the 2016 KSR Recording Agreement. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 151 of the FAC.

152. Paragraph 152 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 152 of the FAC, except admits that a determination as to the validity of the 2016 KSR Recording Agreement by the Court is necessary.

153. Paragraph 153 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 153 of the FAC.

154. Paragraph 154 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 154 of the FAC.

COUNT IX
(Breach of Contract Against Cardi B)

155. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 154 of the FAC above as if fully set forth herein.

156. Paragraph 156 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 156 of the FAC, except admits that the Furnishing Agreement was signed on or about October 18, 2016 by a representative of Atlantic Records and, upon information and belief, by Shaft as a representative of KSR.

157. Paragraph 157 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 157 of the FAC, except admits that she signed the Inducement Letter on or about October 18, 2016, that the Inducement Letter was signed by a representative of Atlantic Records, and that it appears to have been signed by Shaft as a representative of KSR.

158. Ms. Almanzar denies Plaintiffs' characterization of the Inducement Letter set forth in paragraph 158 of the FAC and respectfully refers the Court to a true and complete copy of the Inducement Letter for its contents. To the extent any further response is required, Ms. Almanzar admits that paragraph 1 of the Inducement Letter states in part that: "I assent to the execution of the [Furnishing] Agreement, agree to be bound by all grants, restrictions, and other provisions of the [Furnishing] Agreement relating to me and affirm all warranties and representations in the [Furnishing] Agreement which relate to me including those in paragraph 15(a) of the [Furnishing] Agreement." Ms. Almanzar denies the remainder of the allegations set forth in paragraph 158 of the FAC.

159. Paragraph 159 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 159 of the FAC.

160. In response to paragraph 160 of the FAC, Ms. Almanzar admits that she has participated in recording sessions for which she does not believe KSR submitted proposed recording budgets to Atlantic Records prior to those sessions, but she denies that any such participation constitutes a breach by her of the Inducement Letter, and respectfully refers the Court to true and correct copies of the Inducement Letter and Furnishing Agreement for their contents.

161. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 161 of the FAC and accordingly denies the same. To the extent any further response is required, Ms. Almanzar admits that she has participated in recording session with producers, has recorded material, and has participated in sessions on various dates in various studios in various locations but lacks knowledge or information

sufficient to form a belief as to whether such participation was agreed to by KSR. Ms. Almanzar believes her conduct has been fully consistent with her contractual obligations towards Atlantic Records, and that neither she nor Atlantic Records has any remaining contractual obligations to KSR because of, *inter alia*, Plaintiffs' breach of various duties and contractual obligations they owed to Ms. Almanzar. Ms. Almanzar respectfully refers the Court to a true and complete copy of the relevant agreements for their contents and to Ms. Almanzar's Counterclaims, filed herewith.

162. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 162 of the FAC and accordingly denies the same. To the extent any further response is required, Ms. Almanzar admits that she has approved of the use by Atlantic Records of photographs and/or biographical material but she does not know whether or in which specific situations such material was approved by KSR.

163. Paragraph 163 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 163 of the FAC.

164. Ms. Almanzar denies each and every allegation set forth in paragraph 164 of the FAC.

165. Paragraph 165 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 165 of the FAC.

166. Paragraph 166 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 166 of the FAC.

167. Paragraph 167 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 167 of the FAC.

COUNT X
**(Tortious Interference with Contract Against Cardi B
QC, Solid Foundation, Lee, and Thomas)**

168. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 167 of the FAC above as if fully set forth herein.

169. Paragraph 169 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 169 of the FAC, except admits that the Furnishing Agreement was signed on or about October 18, 2016 by a representative of Atlantic Records and, upon information and belief, by Shaft as a representative of KSR.

170. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 170 of the FAC concerning what Quality Control, Solid Foundation, and Messrs. Lee and Thomas had actual knowledge of, and accordingly denies the same, except admits that she had general knowledge of the Furnishing Agreement. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 170 of the FAC.

171. Paragraph 171 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 171 of the FAC.

172. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 172 of the FAC concerning what she, Quality Control, Solid Foundation, and Messrs. Lee and Thomas have “caused Atlantic Records to

acquiesce in,” and accordingly denies the same. Ms. Almanzar admits that she has participated in recording sessions for which she does not believe KSR submitted proposed recording budgets to Atlantic Records prior to those sessions, but she denies that any such participation constitutes a breach by her of the Inducement Letter, and respectfully refers the Court to true and correct copies of the Inducement Letter and Furnishing Agreement for their contents. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 172 of the FAC.

173. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 173 of the FAC concerning what she, Quality Control, Solid Foundation, and Messrs. Lee and Thomas have “caused Atlantic Records to acquiesce in,” and accordingly denies the same. To the extent any further response is required, Ms. Almanzar admits that she has participated in recording session with producers, has recorded material, and has participated in sessions on various dates in various studios in various locations but lacks knowledge or information sufficient to form a belief as to whether such participation was agreed to by KSR. Ms. Almanzar believes her conduct has been fully consistent with her contractual obligations towards Atlantic Records, and that neither she nor Atlantic Records has any remaining contractual obligations to KSR because of, *inter alia*, Plaintiffs’ breach of various duties and contractual obligations they owed to Ms. Almanzar. Ms. Almanzar respectfully refers the Court to a true and complete copy of the relevant agreements for their contents and to Ms. Almanzar’s Counterclaims, filed herewith.

174. Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 174 of the FAC and accordingly denies the same. To the extent any further response is required, Ms. Almanzar admits that she has approved of the

use by Atlantic Records of photographs and/or biographical material but she does not know whether or in which specific situations such material was approved by KSR.

175. Paragraph 175 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 175 of the FAC.

176. Paragraph 176 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 176 of the FAC.

177. Paragraph 177 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 177 of the FAC.

178. Paragraph 178 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 178 of the FAC.

179. Paragraph 179 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 179 of the FAC.

COUNT XI
**(Tortious Interference with Contract Against
Foster, QC, Solid Foundation, Lee, and Thomas)**

180. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 179 of the FAC above as if fully set forth herein.

181. Paragraph 181 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation

set forth in paragraph 181 of the FAC, which, in any event, sets forth legal conclusions to which no response is required.

182. Paragraph 182 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 182 of the FAC, and accordingly denies the same.

183. Paragraph 183 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 183 of the FAC, and accordingly denies the same.

184. Paragraph 184 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 184 of the FAC, and accordingly denies the same.

185. Paragraph 185 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 148 of the Complaint, and accordingly denies the same.

186. Paragraph 186 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 186 of the FAC.

187. Paragraph 187 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 187 of the FAC.

188. Paragraph 188 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 188 of the FAC.

COUNT XII
(Defamation *Per Se* Against Foster)

189. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 188 of the FAC above as if fully set forth herein.

190. Paragraph 190 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 190 of the FAC, and accordingly denies the same.

191. Paragraph 191 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 190 of the FAC, and accordingly denies the same.

192. Paragraph 192 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 192 of the FAC.

193. Paragraph 193 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation

set forth in paragraph 193 of the FAC (which, in any event, set forth legal conclusions to which no response is required).

194. Paragraph 194 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 194 of the FAC, and accordingly denies the same.

195. Paragraph 195 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 195 of the FAC, and accordingly denies the same.

196. Paragraph 196 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 196 of the FAC, and accordingly denies the same.

197. Paragraph 197 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 197 of the FAC, and accordingly denies the same.

198. Paragraph 198 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 198 of the FAC.

199. Paragraph 199 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 199 of the FAC.

200. Paragraph 200 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 200 of the FAC.

201. Paragraph 201 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 201 of the FAC.

202. Paragraph 202 of the FAC is not directed to Ms. Almanzar and thus no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 202 of the FAC.

COUNT XII
(Defamation *Per Se* Against Cardi B)

203. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 202 of the FAC above as if fully set forth herein.

204. Upon information and belief, Ms. Almanzar believes she may have privately opined to her husband Offset, her sister Hennessy and her friend Skeemo Holmes that Shaft was robbing her or had robbed her, but she denies that any such statements were false or would constitute defamation. Ms. Almanzar denies the remainder of the allegations set forth in paragraph 204 of the FAC.

205. Ms. Almanzar denies each and every allegation set forth in paragraph 205 of the FAC.

206. Paragraph 206 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 206 of the FAC.

207. Paragraph 207 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 207 of the FAC.

208. Paragraph 208 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 208 of the FAC.

209. Paragraph 209 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 209 of the FAC.

210. Ms. Almanzar denies each and every allegation set forth in paragraph 210 of the FAC.

211. Paragraph 211 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 211 of the FAC.

212. Paragraph 212 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 212 of the FAC.

213. Paragraph 213 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 213 of the FAC.

214. Paragraph 214 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 214 of the FAC.

215. Paragraph 215 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 215 of the FAC.

COUNT XIV
(Defamation *Per Se* Against Cardi B)

216. Ms. Almanzar repeats and realleges her answers to the allegations in paragraphs 1 through 215 of the FAC above as if fully set forth herein.

217. Paragraph 217 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 217 of the FAC.

218. Ms. Almanzar denies each and every allegation set forth in paragraph 218 of the FAC.

219. Paragraph 219 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 219 of the FAC.

220. Paragraph 220 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 220 of the FAC, and accordingly denies the same.

221. Paragraph 221 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 221 of the FAC.

222. Paragraph 222 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 222 of the FAC.

223. Paragraph 223 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 223 of the FAC.

224. Paragraph 224 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 224 of the FAC.

225. Paragraph 225 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 225 of the FAC.

226. Paragraph 226 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 226 of the FAC.

227. Paragraph 227 of the FAC sets forth legal conclusions to which no response is required. To the extent a response is required, Ms. Almanzar denies each and every allegation set forth in paragraph 227 of the FAC.

Ms. Almanzar denies that Plaintiffs are entitled to any of the relief sought in their demand for judgment or any relief whatsoever.

AFFIRMATIVE DEFENSES

Ms. Almanzar asserts the following affirmative defenses to the FAC:

FIRST AFFIRMATIVE DEFENSE
(Failure to State a Claim)

228. The FAC fails, in whole or in part, to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSES
(Unconscionability)

229. Plaintiffs cannot enforce one or more of the contracts set forth in the FAC because the terms are substantively unconscionable.

230. Plaintiffs cannot enforce one or more of the contracts set forth in the FAC because the negotiation and execution of those contracts was procedurally unconscionable.

THIRD AFFIRMATIVE DEFENSE
(Failure of Conditions Precedent)

231. Plaintiffs cannot enforce one or more of the contracts set forth in the FAC because of Plaintiffs' failure to satisfy conditions precedent.

FOURTH AFFIRMATIVE DEFENSE
(Wrongful/Tortious Conduct)

232. Plaintiffs are barred from recovery, if any, by reason of Plaintiffs' wrongful or tortious conduct.

FIFTH AFFIRMATIVE DEFENSE
(Waiver)

233. Plaintiffs intentionally and voluntarily relinquished or surrendered a known right, benefit, or advantage in connection with one or more of the causes of action set forth in the FAC and the facts underlying each of those causes of action.

SIXTH AFFIRMATIVE DEFENSE
(Estoppel)

234. Plaintiffs are estopped from recovery, if any, in whole or in part, by reason of Plaintiffs' own acts and omissions.

SEVENTH AFFIRMATIVE DEFENSE
(Unclean Hands)

235. Plaintiffs are barred from recovery, if any, in whole or in part, by reason of Plaintiffs' unclean hands.

EIGHTH AFFIRMATIVE DEFENSE
(Breach of Contract/Implied Covenant of Good Faith and Fair Dealing)

236. To the extent there is otherwise a valid contract claim against Ms. Almanzar, Plaintiffs' claims are barred by their own material breach of the relevant agreements, including the implied covenant of good faith and fair dealing.

NINTH AFFIRMATIVE DEFENSE
(Breach of Fiduciary Duty)

237. Plaintiffs' claims are barred in whole or in part because Plaintiffs breached their fiduciary duties owed to Ms. Almanzar including under the Management Agreement and under an oral understanding that pre-dated the Management Agreement.

TENTH AFFIRMATIVE DEFENSE
(Termination)

238. Plaintiffs' claims are barred in whole or in part because Ms. Almanzar effectively terminated both the Management Agreement and the 2015 KSR Recording Agreement and the 2016 KSR Recording Agreement.

ELEVENTH AFFIRMATIVE DEFENSE
(Rescission based on Fraud, Breach of Fiduciary Duty, or Fraudulent Inducement)

239. Plaintiffs' claims are barred in whole or in part because Ms. Almanzar is entitled to rescission of the Management Agreement, the 2015 KSR Recording Agreement and the 2016 KSR Recording Agreement due to Plaintiffs' fraud and/or breaches of fiduciary duties and/or fraudulent inducement of Ms. Almanzar to enter into the Management Agreement, the 2015 KSR Recording Agreement and/or the 2016 KSR Recording Agreement.

TWELFTH AFFIRMATIVE DEFENSE
(Justification)

240. Ms. Almanzar's actions at all times were reasonable, justified and undertaken in good faith, and Ms. Almanzar did not directly or indirectly undertake or fail to undertake any action in violation of the law or in derogation of any enforceable or lawful agreement with Plaintiffs.

THIRTEENTH AFFIRMATIVE DEFENSE
(Lack of Breach)

241. Plaintiffs' breach of contract claim based on the Inducement Letter (Count IX) is barred in whole or in part because Ms. Almanzar did not breach that agreement.

FOURTEENTH AFFIRMATIVE DEFENSE
(Lack of Causation)

242. Plaintiffs' breach of contract claim based on the Inducement Letter (Count IX) and tortious interference claim regarding the Furnishing Agreement (Count X) are barred in whole or in part because any damages allegedly suffered by Plaintiffs were not caused by any Defendant.

FIFTEENTH AFFIRMATIVE DEFENSE
(Party to Multilateral Agreement)

243. Plaintiffs' tortious interference claim (Count X) is barred in whole or in part because Ms. Almanzar is a party to the Inducement Letter which was attached as an exhibit to

the Furnishing Agreement, and the Furnishing Agreement and the Inducement Letter were intended to be and should be construed as one multilateral agreement; thus, because Ms. Almanzar is not a stranger to the agreement, she cannot be held liable for tortiously interfering with same.

SIXTEENTH AFFIRMATIVE DEFENSE
(Duplicative Claims)

244. Plaintiffs' tortious interference claim (Count X) is barred in whole or in part because it is duplicative of Plaintiffs' claim for breach of the Inducement Letter.

SEVENTEENTH AFFIRMATIVE DEFENSE
(Truth)

245. Plaintiffs' defamation claims are barred in whole or in part by reason of the truth of the allegedly defamatory statements.

EIGHTEENTH AFFIRMATIVE DEFENSE
(Lack of Publication)

246. Plaintiffs' defamation claims are barred in whole or in part because the alleged statements were not published.

NINETEENTH AFFIRMATIVE DEFENSE
(Negligence)

247. Plaintiffs' claims are barred in whole or in part by Plaintiffs' own carelessness and negligence.

TWENTIETH AFFIRMATIVE DEFENSE
(Unlicensed Talent Agency)

248. Plaintiffs' claims are barred in whole or in part because the Management Agreement is unlawful and unenforceable against Ms. Almanzar because, among other things, WorldStar and KSR are unlicensed talent agents under Article 11 of the New York General Business Law.

TWENTY-FIRST AFFIRMATIVE DEFENSE
(Speculative Damages)

249. Plaintiffs are not entitled to recover the alleged damages, if any, because they are uncertain, contingent and speculative.

TWENTY-SECOND AFFIRMATIVE DEFENSE
(Failure to Mitigate Damages)

250. Plaintiffs' claims are barred in whole or in part to the extent Plaintiffs have failed to mitigate their damages. Therefore, such damages are not recoverable.

TWENTY-THIRD AFFIRMATIVE DEFENSE
(Reservation of Rights)

251. Ms. Almanzar reserves the right to allege additional Affirmative Defenses as they become known, and accordingly to amend this Answer.

* * * * *

COUNTERCLAIMS

Counterclaim-Plaintiff Belcalis Almanzar p/k/a Cardi B, through her attorneys, Robins Kaplan LLP, hereby counterclaims against Counterclaim-Defendants WorldStar Marketing Group, Inc. ("WorldStar"), KSR Group, LLC ("KSR"), and Klenord Raphael ("Shaft") (collectively, "Counterclaim-Defendants") as follows:

NATURE OF THE ACTION

1. This case arises out of the deceitful and disloyal conduct of a self-serving and controlling personal manager, Counterclaim-Defendant Klenord "Shaft" Raphael and his entities through which he does business, WorldStar and KSR, who together, among other things, breached their contractual and fiduciary duties to Counterclaim-Plaintiff Belcalis Almanzar, an immensely talented and trusting young artist. Ms. Almanzar entrusted Shaft and his wholly owned entities with many aspects of her professional and business affairs and that trust was

abused. Despite having a fiduciary duty as a manager to act in Ms. Almanzar's best interest with undivided loyalty, Shaft himself and through his entities took advantage of Ms. Almanzar's trust and naiveté and persuaded her to sign contracts and to enter deals in which Shaft attempted to take an unreasonable and unconscionable portion of Ms. Almanzar's earnings in the entertainment industry for himself.

2. In or around the fall of 2014, Ms. Almanzar hired Shaft to act as one of her personal managers to help her book personal appearances at dance clubs and to help develop her professional career. At Shaft's urging, and after being convinced by him that it was the best way to run her affairs, Ms. Almanzar put complete trust and power over her business affairs and personal finances in Shaft and his wholly-owned entities. In return, as Ms. Almanzar's financial success increased, so too did Shaft's greed. Shaft proved increasingly willing to take advantage of, deceive and exploit Ms. Almanzar, and he had the ability to do so through complete control over all legal documents and virtually every dollar that Ms. Almanzar earned in the entertainment business.

3. Ms. Almanzar initially signed a management agreement with Shaft's entity WorldStar in or around March 2015 (when she was 22 years old) without the benefit of any counsel acting on her behalf. That Management Agreement provided, among other things, for Shaft to commission 20% of Ms. Almanzar's earnings in the entertainment industry, subject to various specific terms and conditions. WorldStar breached that agreement by, *inter alia*, failing to appoint an independent business manager, failing to provide monthly accountings as contractually required, upon information and belief failing to provide adequate payment to Ms. Almanzar under the Management Agreement, failing to properly account for expenses and failing to provide documentation of its expenses.

4. With his role as manager for Ms. Almanzar secured, and as Ms. Almanzar's talents were increasingly being recognized by the world, Shaft unconscionably used his position of trust as a fiduciary to extract a larger portion of Ms. Almanzar's income and potential future earnings for himself. Less than two months after signing Ms. Almanzar to the onerous Management Agreement through his entity WorldStar, Shaft set up a new and different wholly-owned entity, KSR, through which he sought to self-deal the majority of the proceeds of Ms. Almanzar's music career before it even started. In a Recording Agreement dated as of May 1, 2015 (the "2015 KSR Recording Agreement"), which Plaintiffs allege Ms. Almanzar signed in 2015, Shaft, wearing a different corporate hat branded "KSR," secured for himself an **additional** 20% of Ms. Almanzar's income from entertainment activities, complete ownership of copyrights in all sound recordings and videos that would feature Ms. Almanzar, more than half of all record royalties, 50% ownership of any songwriting/publishing copyrights, and 25% of songwriter royalties for a period of 7 albums (at KSR's sole option). Shaft did not negotiate the terms of this 2015 KSR Recording Agreement with Ms. Almanzar (at arms-length or otherwise), he did not explain the material terms of the deal, he did not provide her with independent legal counsel, and he did not even provide her a copy of the agreement. Despite having a fiduciary duty to act in Ms. Almanzar's best interest as her manager (including the related duty of candor and duty of loyalty), Shaft dealt himself Ms. Almanzar's most valuable rights for many years to come without even the inconvenience of someone negotiating against him. In this transaction, Shaft was hopelessly conflicted, and despite knowing that Ms. Almanzar was naïve, inexperienced, uninformed, unrepresented, and utterly dependent on Shaft, he took advantage of her and breached the fiduciary duties he owed her.

5. Crucially, these contracts on their face provided Shaft the opportunity to “double dip” in Ms. Almanzar’s income from entertainment activities. While the Management Agreement provided that the Manager (WorldStar) would not commission income derived by any entity in which the Manager (WorldStar) has a proprietary or income interest, Worldstar had no proprietary or income interest in KSR; KSR is owned by Shaft individually (as is WorldStar). Thus, the agreements by their terms, allowed Shaft – through the mechanism of two separate but wholly-owned companies – to double-dip in commissioning Ms. Almanzar’s income.

6. As Ms. Almanzar’s manager and under the terms Management Agreement, Shaft was already obligated to guide Ms. Almanzar in her music career. Rather than shepherding that career by pursuing the most contractually advantageous means for Ms. Almanzar in the production and distribution of her music, Shaft tied up Ms. Almanzar with KSR to insure that he would get his own additional benefit from that career (above and beyond his management commission).

7. In the deal that Shaft orchestrated with Atlantic Recording Corporation (Ms. Almanzar’s record company), Shaft did not seek to have Ms. Almanzar sign a recording contract directly with Atlantic, but rather inserted his wholly-owned entity KSR to be paid over 50% of all of Ms. Almanzar’s record royalties for “furnishing” her services to Atlantic. Shaft also decided that his entities’ double-dipping was not sufficient, and that KSR’s share of Ms. Almanzar’s earnings from activities in the entertainment industry should *increase* to 25% in the new 2016 KSR Recording Agreement (rather than the 20% provided for in the 2015 KSR Recording Agreement). He attempted to paper over this further breach of fiduciary duty and self-enrichment by providing Ms. Almanzar an attorney, Scott Mason, who was told by KSR that the deal increasing KSR’s share of Ms. Almanzar’s non-record royalty earnings to 25% had

already been reached and that the deal with Atlantic Recording Corporation had also been negotiated and finalized by an attorney who purported to act for both KSR and Ms. Almanzar simultaneously. KSR effectively prevented any arms-length negotiation between itself and Ms. Almanzar, and concealed its double dipping and breach of fiduciary duties by concealing from attorney Mason the fact that the Management Agreement existed with another one of Shaft's entities and had been signed prior to the 2015 KSR Recording Agreement. Shaft's last-second token suggestion that Ms. Almanzar have her own separate counsel review the Atlantic Recording Corporation deal and 2016 KSR Recording Agreement with her, each of which was presented as a *fait accompli*, hardly excuses the blatant breach of trust and breaches of the duty of care, loyalty and candor which Counterclaim-Defendants owed to Ms. Almanzar.

8. By this Action, Ms. Almanzar seeks to: undo the abuses of the fiduciary duties Shaft owed to Ms. Almanzar; terminate the unconscionable contractual arrangements Shaft made with his entities through deceit, fraud and breaches of fiduciary duties (including both the Management Agreement and the KSR Recording Agreements); compel an accounting by Counterclaim-Defendants and receive compensation for the monies that were wrongfully taken by Shaft and his entities; compel the return of the most basic financial and legal documents and other property belonging to Ms. Almanzar but wrongfully withheld; and to punish and deter Shaft and his entities from engaging in this type of unethical conduct in the future.

PARTIES

9. Counterclaim-Plaintiff Belcalis Almanzar p/k/a Cardi B is an individual who at the times relevant to this Counter-Complaint was a resident of the State of New Jersey. Ms. Almanzar is, among other things, a rapper, entertainer, and media personality.

10. Upon information and belief, Counterclaim-Defendant MINKOZE.COM, LLC d/b/a WORLD STAR MARKETING GROUP a/k/a WorldStar Marketing Group, Inc. (“WorldStar”) is a New York corporation with its principal place of business located at 244 Fifth Avenue, Suite K261, New York, New York 10001, and purports to be in the business of personal artist management.

11. Upon information and belief, Counterclaim-Defendant KSR Group, LLC (“KSR”) is a New York domestic limited liability company with its principal place of business located at 244 Fifth Avenue, Suite K261, New York, New York 10001, and purports to be in the music recording business.

12. Upon information and belief, Counterclaim-Defendant Klenord Raphael p/k/a Shaft is an individual who resides in the State of New York, and is the President, CEO, and sole shareholder of WorldStar and the sole member of KSR.

13. Upon information and belief, at all relevant times, there existed a unity of interest in ownership between Counterclaim-Defendants WorldStar and KSR, on the one hand, and Counterclaim-Defendant Shaft on the other hand, such that the individuality and separateness between them ceased and WorldStar and KSR are the alter egos of Shaft in that, among other things:

- a. Upon information and belief, Shaft, at all relevant times, dominated, influenced, and controlled WorldStar and any officers thereof as well as the business, property, and affairs of said corporation; and
- b. Upon information and belief, Shaft, at all relevant times, dominated, influenced, and controlled KSR and any officers thereof as well as the business, property, and affairs of said company.

JURISDICTION AND VENUE

14. This Court has jurisdiction over these Counterclaims pursuant to 28 U.S.C. § 1367(a), and upon information and belief, pursuant to 28 U.S.C. § 1332(a)(1), as the amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

15. This Court may exercise personal jurisdiction over Counterclaim-Defendants pursuant to CPLR § 301 as all Counterclaim-Defendants are located in the State of New York.

16. Upon information and belief, venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b)(1) and (b)(2).

FACTS

17. Ms. Almanzar went from being a cashier at a grocery store at the age of 19, to exotic dancer, to social media personality and party host/promoter, to breakout reality-TV star of *Love & Hip Hop: New York*, and, finally, to world-famous rapper by the age of 25. Ms. Almanzar's career ascendance as a stripper-turned-rapper and cultural icon – *Time* magazine named Ms. Almanzar one of the 100 most influential people in the world in 2018 – is a result of her personality, hustle, and sheer talent.

18. While working as an exotic dancer, Ms. Almanzar began posting short clips of herself on Instagram and other social media platforms, delivering comedic criticisms and observations on, among other things, her profession, men, relationships and money. Her videos proved hugely popular and she steadily amassed an online following in the hundreds of thousands on Instagram. By the end of 2014, Ms. Almanzar had roughly 500,000 Instagram followers.

19. Ms. Almanzar's social media star power caught the attention of the producers of VH1's reality series *Love & Hip Hop: New York*, on which she appeared for two seasons (airing

from 2015 to 2017). The network press release announcing her debut stated: “Firecracker and Instagram sensation Cardi B. leaps from the pages of IG [i.e., Instagram] to the small screen with a bang!” She quickly became the breakout star of the show with catchphrases like “shmoney” and “okurrr” delivered in her unmistakable Bronx accent. Viral videos from both *Love & Hip-Hop* and her own social media posts were early signs of her undeniable star power. In one popular clip from the series, Ms. Almanzar pointedly informs a male friend: “if a girl have beef with me, she gon’ have beef with me ... foreva.” Soon after, Ms. Almanzar recorded a song titled “Foreva,” incorporating this line into the song’s “hook,” which became a hit from Ms. Almanzar’s debut mixtape *Gangsta Bitch Music, Vol. 1*, released in March 2016.

20. Ms. Almanzar’s music career grew quickly. A second mixtape was released in January 2017, *Gangsta Bitch Music, Vol. 2*; in February, it was announced that she had signed a record deal with Atlantic Recording Corporation (hereafter, “Atlantic Records”); in June, 2017, she released the single “Bodak Yellow” which subsequently became a #1 hit single, and by the end of the year she became the first female rapper to have her first three *Billboard* Hot 100 singles chart in the Top 10. She received nominations from the BET Awards, BET Hip Hop Awards, Grammy Awards; and won a Billboard Music Award and two iHeartRadio Music Awards. Her debut full length studio album, *Invasion of Privacy*, released in April 2018, entered the charts at number one in the United States, and that month she became the first female artist to chart 13 entries simultaneously on the *Billboard* Hot 100.

The Management Agreement with WorldStar

21. At the time Shaft first met Ms. Almanzar – in or around the late summer of 2014 – she was working as an exotic dancer and party host in dance clubs, and had already amassed a

significant public following on social media. Shaft recognized her talent and charisma and offered to help manage her career.

22. In or around September of 2014, Shaft and Ms. Almanzar entered into an oral non-exclusive management agreement under which Shaft agreed to serve as Ms. Almanzar's professional manager and advance her career, in exchange for a certain percentage of revenues she earned through her work as a party host, social media influencer and performer (the "Oral Management Agreement").

23. Under the Oral Management Agreement, Shaft had a fiduciary relationship with Ms. Almanzar, requiring Shaft at all times to conduct himself in Ms. Almanzar's best interests and to participate in no activities or arrangements inimical to Ms. Almanzar's best interests.

24. Prior to meeting Shaft, Ms. Almanzar had been working with a friend, Ashley, who served as her manager, helping to book club and party host appearance dates around the country. For a time, both Shaft and Ashley managed Ms. Almanzar, and each of them worked to help book appearances for Ms. Almanzar around the country.

25. However, from the beginning of the professional relationship, Shaft began attempting to exert ever-more control over Ms. Almanzar and the people around her. Within a few months, Shaft succeeded in pushing Ashley out of the picture. He gave Ms. Almanzar an ultimatum, forcing her to choose between working with him as her manager exclusively, or her friend Ashley. Based on Shaft's purported experience and promises of expert guidance and success, Ms. Almanzar felt constrained to choose Shaft. Although Ms. Almanzar did not wish to cut off ties with her friend, Shaft succeeded in pushing away a person she liked and trusted. It would not be the first person that Shaft succeeded in pushing out of Ms. Almanzar's life.

26. Shaft repeatedly assured Ms. Almanzar that she could trust him, and that he was working in her best interests. Ms. Almanzar placed her trust in Shaft, confided in him about all aspects of her professional life and took his advice and guidance. Like many artists, Ms. Almanzar hired Shaft to handle and direct her business interests while she focused on and pursued her creative interests.

27. From the beginning of their manager/artist relationship, Ms. Almanzar was encouraged to, and did believe that Shaft had her best interest at heart and would never take advantage of her in any way. As a fiduciary, Shaft owed Ms. Almanzar the highest duty of openness, honesty, loyalty and disclosure. He was never permitted to put his own interests above Ms. Almanzar's and was required to disclose all material facts and information known to him in any way related to the services he was providing to Ms. Almanzar. Ms. Almanzar was legally entitled to and did place the highest level of trust in Shaft for over three years.

28. In or around the beginning of March 2015, Shaft approached Ms. Almanzar about signing a formal management agreement. Having already worked with Shaft for several months, Ms. Almanzar trusted him. She did not have experience with signing contracts and little awareness of the benefits or advisability of consulting counsel prior to signing a long-term contract. Shaft told her that the terms of the management agreement he put before her were fair and standard. Other than mentioning the manager's 20% commission, Shaft provided no explanation of any of the material terms of the Agreement. Trusting Shaft, Ms. Almanzar signed. She did so without having the material terms explained to her, without knowing the purpose and effect of the terms and without the advice of any independent advisor or counsel. Ms. Almanzar did not have a meaningful opportunity to negotiate the terms of this contract and was not even given a copy of the agreement she signed.

29. Shaft induced and encouraged Ms. Almanzar to enter into a written exclusive personal management agreement with WorldStar Marketing Group, Inc. (“WorldStar”), an alter ego of Shaft, with a handwritten date of March 3, 2015 (but which also included a typed date of “August ___ 2014”) (the “Management Agreement”). A true and correct copy of the Management Agreement is annexed hereto as Exhibit 1.

30. Shaft gave Ms. Almanzar the false impression that WorldStar had some connection or affiliation with the popular entertainment and music website, worldstarhiphop.com. It did not.

31. In fact, although she did not know it at the time – because Shaft did not disclose this material fact – the entity name that appeared on the face of the Management Agreement, WorldStar Marketing Group, Inc., was not an existing entity. Shaft had registered an entity named Minkoze.Com, LLC with the State of New York and filed a certificate of assumed name for that entity to use: World Star Marketing Group, both in 2009. But no certificate was filed for the name actually appearing on the Management Agreement – WorldStar Marketing Group, Inc. Ms. Almanzar was not told by Shaft that the entity signing the Management Agreement did not exist; nor was she told that, upon information and belief, the entity appearing on the contract was intended to be a “d/b/a” for a different entity owned by Shaft, Minkoze.Com, LLC.

32. The Management Agreement was one-sided and unfair to Ms. Almanzar in many of its material terms. The Management Agreement provided, *inter alia*, that the Manager, WorldStar would be Ms. Almanzar’s exclusive personal manager during the term, which would consist of 1-year terms that the Manager could extend at its unilateral option for up to five years, and which options would be deemed exercised unless the Manager provided notice to the contrary. The Management Agreement provided that the Manager’s Commission would

continue after the Term for an additional “Post-Term Period” equal to the actual duration of the Term, such that the Manager would be entitled to commissions for *ten years* if no notice of termination was delivered by the Manager during the five years of the Term. This exceedingly long term and “sunset” provision, which would provide royalties to the Manager years after ceasing to have any involvement with the artist, was grossly unfair, especially in light of the fact that Ms. Almanzar was not represented by counsel.

33. Paragraph 5 of the Management Agreement provided that “All Gross Income shall be paid to and collected by your independent business manager (‘Business Manager’), if applicable, and such Business Manager will render monthly accountings and payment hereunder (if any) to you and Manager. You hereby initially designate Manager as your initial Business Manager.” The agreement further provided that all Gross Compensation would be delivered to the Business Manager and that “the Business Manager shall pay to Manager the Manager’s Commission.”

34. At all relevant times (until the end of 2017 when Ms. Almanzar elected to terminate the Management Agreement), WorldStar acted as the Business Manager, despite the fact that it was not an independent business manager. In breach of Shaft’s and WorldStar’s fiduciary duty of care, WorldStar never appointed an independent business manager and failed to competently manage the collection of Gross Income under the Management Agreement.

35. In breach of the Management Agreement, WorldStar did not keep proper financial records and failed to render monthly accountings and payments as it was required to do under the Management Agreement. WorldStar never provided Ms. Almanzar with monthly accountings.

36. Paragraph 5(b) of the Management Agreement states that “[u]pon written notice by either party to the other, the party to whom such notice is addressed shall furnish an

accounting to the other party of all transactions between the parties since the last such accounting Either party shall have the right to reasonable inspection of the other's books and records which relate to the subject matter hereof in order to verify the accuracy of such accountings” WorldStar and/or Shaft or KSR as WorldStar's alter egos have been given written notice by Ms. Almanzar (either personally or through an agent) and have failed to furnish an accounting in breach of this provision.

37. Paragraph 6 of the Management Agreement provides that “Manager shall furnish you and Business Manager with appropriate documentation of Manager's expenses within thirty (30) days after the date such expense is incurred” In breach of this provision, WorldStar and Counterclaim-Defendants have repeatedly failed to provide appropriate documentation of Manager's expenses despite repeated requests from Ms. Almanzar and agents acting on her behalf.

38. Upon information and belief, in late 2017, an attorney acting for Ms. Almanzar demanded an immediate accounting from Counterclaim-Defendants and they failed to provide same. Ms. Almanzar hired an independent business manager in February or March of 2018, who also repeatedly requested accountings and expense records on behalf of Ms. Almanzar from Counterclaim-Defendants, and they again failed to provide these records. Counterclaim-Defendants eventually produced cryptic and incomplete statements with few, if any, back-up expense records and no appropriate documentation.

As Ms. Almanzar's Career Begins to Take Off, Shaft Exerts Increasing Control over Her

39. Ms. Almanzar's frequent unfiltered, insightful and humorous posts on social media – a product of her own thoughts and feelings – were the creative engine that grew her social media following and popularity. She had a significant social media following prior to

even meeting Shaft. Although Shaft provided advice and guidance to Ms. Almanzar, it was Ms. Almanzar's undeniable charisma, talent and irreverent personality that made her the break out star of season six of *Love and Hip Hop*.

40. Upon information and belief, Ms. Almanzar had been introduced to the producers of *Love and Hip Hop* through her friend, the radio personality DJ Self. DJ Self also introduced Ms. Almanzar to Shaft, who was a friend of DJ Self's and was then acting as DJ Self's manager. Upon information and belief, DJ Self fired Shaft as his manager only a few months later.

41. In helping Ms. Almanzar to launch a career as a recording artist, Shaft was acting in accordance with his fiduciary duties to act in Ms. Almanzar's best interests and in accordance with his contractual duties (through WorldStar in the Management Agreement) to assist her in reviewing potential engagements of her talents (including "recording and producing of musical and lyrical material"), counsel her in the development of a professional act, and assist her in the selection and procurement of artistic material for her "exploitation as a performer, artist and songwriter" (as explicitly provided in Section 2 of the Management Agreement).

42. Shaft had secured for himself a lucrative, one-sided and highly-favorable (to himself/WorldStar) Management Agreement in March 2015 and obviously recognized that he was working with a special talent in Ms. Almanzar. Unfortunately, as sometimes happens in the world of entertainment, a businessman with a far better understanding of the music business and industry standards than a young up-and-coming artist who is focused on developing her craft, took advantage of this dynamic and his position of trust. Seeing that he had a star on his hands, Shaft decided to reach beyond his already overly-generous Management Agreement and tried to take a larger piece of Ms. Almanzar's entertainment-related activities through his new entity, KSR. In order to accomplish this overreaching and self-dealing, Shaft attempted to exert

complete control over Ms. Almanzar and limit the people and information to which she was exposed.

43. Among other things, Shaft attempted to control the people with whom Ms. Almanzar associated. While Shaft encouraged Ms. Almanzar to work with certain producers and writers, if he thought someone was getting too close to Ms. Almanzar, he would push that person away. He put barriers between her and people close to her in an effort to maintain complete control over her. Shaft even attempted to control Ms. Almanzar's personal life, telling her who she should and should not see romantically.

44. Later, he told Ms. Almanzar not to be overly friendly with personnel from the record label and to distrust what record label personnel told her. While Ms. Almanzar continued to trust Shaft, as the months went by and she was exposed to more people, she began to wonder whether the deals that Shaft had put her in were as beneficial to her as he had insisted they were.

The 2015 KSR Recording Agreement

45. Shaft put Ms. Almanzar into several deals, and, contrary to his fiduciary duties to act with the utmost loyalty in her best interests, he acted to secure further rights for himself beyond his commission in the Management Agreement. The Management Agreement was signed in March 2015. Shaft formed KSR in April, 2015 (Articles of Organization were filed on April 20, 2015). Upon information and belief, Shaft had the 2015 KSR Recording Agreement prepared several days later, and moved quickly to have Ms. Almanzar enter into this agreement (dated as of May 1, 2015) so that she would not have an opportunity to seek outside advice about whether its terms were fair. Given, Shaft's existing role as Ms. Almanzar's manager and his control over KSR, they were not.

46. As mentioned, the Management Agreement obligated WorldStar to guide Ms. Almanzar in her entertainment career and to help her develop as an artist. But despite the fact that Ms. Almanzar had not professionally recorded any songs at the time the agreement was dated (March, 2015), the Management Agreement included numerous references to music. There was specific mention in the Management Agreement of WorldStar's obligation to counsel, guide and advise Ms. Almanzar in all matters pertaining to her career ... in connection with, among other things, recording and producing of "musical and lyrical material, music publishing," the selection of material for her exploitation as a "performer, artist, and songwriter" and assisting her in the "selection and engagement of artists, producers, engineers, mixers, writers, musical directors ... and other creative and technical personnel." The Management Agreement provided that the Manager, WorldStar, would be entitled to 20% of Ms. Almanzar's Gross Income, but excluded from Gross Income, among other things, "income derived by any entity in which Manager [WorldStar] has a proprietary or income interest." Thus, if income was derived by an entity in which WorldStar did not have a proprietary or income interest, and Shaft owned that entity, Shaft would be entitled to commission on that income. Other exclusions from Gross Income included, among other things, live dance performances within the New York City metropolitan area (reflecting Ms. Almanzar's professional activities at the time), music publishing income payable to third parties, actual recording, production and other recoupable costs of master recordings, and advances and royalties paid to third party record producers. Upon information and belief, these latter exclusions reflect the contemplated musical future of where Ms. Almanzar's career was headed.

47. Beginning fairly early on in their relationship, Shaft encouraged Ms. Almanzar to pursue music. Instead of guiding that pursuit as he was already contractually-obligated to do as

her manager, when it came time to actually record and produce music, KSR was presented to Ms. Almanzar as the only option for the production of her music. And the “Recording Agreement” dated of May 1, 2015 through which Shaft purported to do so, tied Ms. Almanzar up for 7 albums – longer than many, if not most, recording artists’ careers last – at the very beginning stages of that pursuit.

48. Ms. Almanzar does not recall signing the 2015 KSR Recording Agreement, and she was never provided with a signed copy. Indeed, Counterclaim-Defendants have not produced a signed copy of the 2015 KSR Recording Agreement in this litigation, although they have taken the position that Ms. Almanzar signed the agreement in 2015 and that Counterclaim Plaintiffs have lost their signed copies.

49. Whether or not Ms. Almanzar signed the 2015 KSR Recording Agreement, Counterclaim-Defendants unquestionably breached their fiduciary duties to Ms. Almanzar. Either she signed the agreement, and the terms were substantively overreaching and procedurally unconscionable given Shaft’s existing fiduciary duties, or, if Ms. Almanzar never signed the agreement, Counterclaim-Defendants lied to the attorney they later got for her (just days before her signing with Atlantic Records in 2016) about the fact that Ms. Almanzar had already signed and agreed to all of the terms in the 2015 KSR Recording Agreement.

50. Upon information and belief, Shaft told Ms. Almanzar that the terms of the 2015 KSR Recording Agreement he put before her were fair and standard. Shaft provided no explanation of most if not all of the material terms of the Agreement. Ms. Almanzar trusted Shaft and agreed to go along with his suggestions about pursuing music, so, upon information and belief, she entered into the 2015 KSR Recording Agreement. She did so without having the material terms explained to her, without knowing the purpose and effect of the terms and without

the advice of any independent advisor or counsel. Ms. Almanzar did not have a meaningful opportunity to negotiate the terms of this contract and was never even given a copy of the agreement Plaintiffs allege that she signed.

51. In entering the 2015 KSR Recording Agreement, Shaft was hopelessly conflicted. He had a fiduciary duty to act with undivided loyalty in Ms. Almanzar's best interest and to inform her of all material terms of any agreement for her services, particularly one in which he had a conflict of interest and was negotiating against Ms. Almanzar. Shaft violated these duties to Ms. Almanzar. He manipulated and deceived her and abused the trust she had placed in him.

52. The 2015 KSR Recording Agreement placed KSR in a position of complete control over Ms. Almanzar's music career and unconscionably granted KSR over 50% of her record royalties, 20% of income from her entertainment-related activities (double-dipping in addition to the 20% Shaft had already secured to WorldStar for such activities in the Management Agreement, the existence of which was not acknowledged or referenced in the 2015 KSR Recording Agreement), 50% ownership of songwriting copyrights, and 25% of royalties from songwriting copyrights, among other onerous terms. Importantly, it included an exceedingly lengthy term (encompassing options, for a total of 7 albums) that purported to only be capable of extension or termination at the option of KSR. Indeed, there was no provision permitting Ms. Almanzar to terminate the agreement for any reason whatsoever. While KSR purported to be entitled to damages and equitable remedies in the event of a breach by Ms. Almanzar, her only remedy under the agreement purported to be for unpaid royalties. Further, for the purposes of calculating "Gross Compensation" thereunder, the agreement provided an unfair and plainly insufficient exclusion of a total of only up to 25% of Gross Compensation for personal management, business management, talent agent, broker commissions or fees (or up to

35% for touring revenue) when Shaft's own management entity WorldStar already purported to be entitled to 20% of such income, and talent agencies generally charge standard 10% commissions. The agreement also provided for an additional 5% "label services fee" to KSR for no additional work or service in addition to a so-called "Distribution Fee." The 2015 KSR Recording Agreement purported to require Ms. Almanzar to appoint an experienced business manager but KSR did not do so.

The Atlantic Records Deal and the 2016 KSR Recording Agreement

53. With the release (in March 2016) of *Gangsta Bitch Music, Vol. 1* getting favorable treatment in the music press, and Ms. Almanzar's increasing exposure on *Love and Hip Hop* and surging social media following, Ms. Almanzar was successfully advancing her career and became increasingly focused on developing her music.

54. Ms. Almanzar believed that Shaft was working for her best interests when he told her in or around the late summer of 2016 that he was negotiating a major-label record deal with Atlantic Records. Shaft told Ms. Almanzar that Atlantic Records was interested in signing her as its exclusive artist and would likely pay a significant cash advance. As the deal with Atlantic Records was coming together, Shaft extolled the purported virtues of the deal he had negotiated without explaining any of the material terms, which operated to the significant advantage of Shaft himself.

55. Upon information and belief, Shaft did not shop Ms. Almanzar to major label record companies (whether Atlantic Records or otherwise) for her services as a recording artist directly, as an artist would customarily sign a direct deal with a label for a recording contract (sometimes with an artist's wholly-owned loan-out corporation). Instead, Shaft pursued deals only through and with his wholly-owned entity, KSR Group, LLC acting as an intermediary,

which would contractually provide the services of the artist (Ms. Almanzar). Indeed, the recording contract that Ms. Almanzar signed with Atlantic Records was actually an exclusive recording distribution agreement between Atlantic Recording Corporation and KSR Group, LLC, dated as of September 28, 2016 (the “Atlantic Recording Agreement” or “Furnishing Agreement”) under which KSR Group granted Atlantic Records exclusive rights to distribute sound recordings featuring Ms. Almanzar’s performances. Ms. Almanzar signed a separate Inducement Letter agreement (the “Inducement Letter”) with Atlantic Records guaranteeing the performance of KSR under the Furnishing Agreement, which again, was explicitly for Ms. Almanzar’s services.

56. Upon information and belief, Ms. Almanzar signed the Inducement Letter and other ancillary agreements which together constituted her so-called “360 deal” with Atlantic Records on or about October 18, 2016 (although the agreements were all dated as of September 28, 2016). These ancillary agreements, together with the Furnishing Agreement and the Inducement Letter shall be collectively referred to herein as the “Atlantic Records Deal.”

57. On or about that same day, October 18, 2016, Shaft induced and encouraged Ms. Almanzar to enter into a new exclusive recording agreement with KSR; this agreement was memorialized in a written agreement dated as of October 17, 2016 (the “2016 KSR Recording Agreement”). A true and correct copy of the 2016 KSR Recording Agreement is annexed hereto as Exhibit 2. (The 2015 KSR Recording Agreement and the 2016 KSR Recording Agreement will be referred to collectively herein as the “KSR Recording Agreements”.)

58. The KSR Recording Agreements and the Furnishing Agreement contained terms that were extremely favorable to KSR and Shaft at the expense of Ms. Almanzar. These agreements constituted self-dealing by Shaft and presented clear conflicts of interests that

required absolute, full disclosure by Shaft, and an arms-length negotiation between Shaft/KSR and Ms. Almanzar that Shaft purposefully did not allow to occur. By inducing Ms. Almanzar to enter into these agreements without a truly arms-length negotiation (and without fully disclosing the material terms in a way that ensured that Ms. Almanzar understood them and consented to them), Shaft breached his fiduciary duties to Ms. Almanzar.

59. Shaft misled Ms. Almanzar into believing that he was protecting her interests in the Atlantic Records Deal when in fact he was not. Shortly before the Atlantic Records Deal was to be signed, and upon information and belief, after all its material terms had been negotiated and agreed upon between Shaft/KSR and Atlantic Records, Shaft told Ms. Almanzar that she should have a lawyer at the signing of the Atlantic Records Deal and explained that it would be more “convenient” for her to have her own lawyer rather than the lawyer who had been representing both Shaft/KSR and Ms. Almanzar in negotiating the Atlantic Records Deal. Ms. Almanzar did not understand but agreed to go along with what Shaft said because she trusted that he had her best interest in mind. That trust was misplaced. Shaft misled Ms. Almanzar into believing that he was looking out for her best interests, and that she only needed her own lawyer for “convenience.” Ms. Almanzar was entitled to rely on Shaft’s complete, undivided loyalty as her fiduciary and he breached the duties that he owed to her.

60. Upon information and belief, the lawyer that Counterclaim-Defendants found for Ms. Almanzar and that was recommended to her, Scott Mason, was simply advised by Shaft/KSR’s lawyer that he should review the Atlantic Records Deal with Ms. Almanzar, but that the terms of the Atlantic Records Deal had been finalized and would not be changed. Ms. Almanzar met with Attorney Mason for approximately 30 minutes the day before she signed the

Atlantic Records Deal papers to review the broad terms of the deal as well as what was presented to Attorney Mason as an amendment to the 2015 KSR Agreement.

61. Attorney Mason was informed by KSR that Ms. Almanzar was already signed to an exclusive recording agreement with KSR. Attorney Mason was provided by KSR with an unsigned copy of the 2015 KSR Recording Agreement and told that while the KSR percentage previously was 20% on its “360 DEAL, NOW ITS 25 HENCE THE ADDENDUM ATTACHED. WE WANT TO INCLUDE THE 25 % IN THE MAIN CONTRACT INSTEAD OF THE ADDENDUM.” In the quoted email sending Attorney Mason these documents, there were two attachments: one attachment named “KSR.Card.amendment.10.16.pdf” was a short 1-page amendment purporting to amend the 2015 KSR Agreement by providing that the Revenue Share as defined in Paragraph 5 thereof would be 25% instead of 20%, and that KSR had “advised [Ms. Almanzar] to seek the advice and counsel of an attorney specializing in the music industry to review the Agreement and this Amendment”; the other attachment was an unsigned copy of the 2015 KSR Recording Agreement named “Cardi B.KSR.Rec Agr.Signed.4 29 15.pdf.”

62. Neither KSR nor its attorney (nor Shaft or Worldstar) disclosed to Attorney Mason that there existed a separate Management Agreement between WorldStar and Ms. Almanzar which pre-dated the 2015 KSR Recording Agreement.

63. Although Attorney Mason was at the signing of the Furnishing Agreement (and the other ancillary agreements Ms. Almanzar signed with Atlantic Records as part of the Atlantic Records Deal), Attorney Mason was not present when Ms. Almanzar signed the 2016 KSR Recording Agreement on that same day. Upon information and belief, the 2016 KSR Recording Agreement was signed by Ms. Almanzar in the back of a friend’s car – not in the presence of any lawyer, and certainly not a lawyer acting on Ms. Almanzar’s behalf. Pre-empted by the

representations by KSR, Attorney Mason did not negotiate at all on behalf of Ms. Almanzar with respect to the 2016 KSR Recording Agreement.

64. The 2016 KSR Recording Agreement that Ms. Almanzar signed was almost identical to the 2015 KSR Recording Agreement with the following exceptions – the Revenue Share was changed from 20 to 25%, and a reference to television performances was added, the date of the agreement was changed from May 1, 2015 to October 17, 2016 and an address was added for Ms. Almanzar. There was no reference to KSR having advised Ms. Almanzar to seek the advice of an attorney specializing in the music industry, as had been included in the draft amendment sent to Attorney Mason.

65. Like the 2015 KSR Recording Agreement, the 2016 KSR Recording Agreement placed KSR in a position of complete control over Ms. Almanzar and unconscionably granted KSR over 50% of her record royalties, 25% of her income from her entertainment-related activities (double-dipping in addition to the 20% Shaft had already secured to WorldStar for such activities in the Management Agreement, the existence of which was not acknowledged or referenced in either of the KSR Recording Agreements, and not disclosed to Attorney Mason), 50% ownership of her songwriting/publishing copyrights and 25% of her music publishing royalties, among other onerous terms. This was a self-dealing transaction between Shaft/KSR and Ms. Almanzar in which Ms. Almanzar was not meaningfully represented by counsel (if at all) because Shaft knowingly arranged that there would be no arms-length negotiation between himself and Ms. Almanzar for the ownership and control of Ms. Almanzar's most valuable and lucrative rights in her record royalties. Despite his fiduciary duties to act with undivided loyalty in her best interests, Shaft manipulated and deceived Ms. Almanzar and abused the trust she had placed in him.

66. Like the 2015 KSR Recording Agreement, the terms of the 2016 KSR Recording Agreement were grossly unfair to Ms. Almanzar, because among other provisions mentioned above, it included a lengthy term (encompassing options, for a total of 7 albums) that purported to only be capable of extension or termination at the option of KSR. Indeed, there is no provision permitting Ms. Almanzar to terminate the agreement for any reason whatsoever, and while KSR purports to be entitled to damages and equitable remedies in the event of a breach by Ms. Almanzar, her only remedy under the agreement purports to be for unpaid royalties. Further, for the purposes of calculating “Gross Compensation” thereunder, the agreement provided an unfair and plainly insufficient exclusion of a total of only up to 25% of Gross Compensation for personal management, business management, talent agent, broker commissions or fees (or up to 35% for touring revenue) when Shaft’s own management entity WorldStar already purported to be entitled to 20% of such income and talent agencies generally charge standard 10% commissions. The agreement also provided for an additional 5% “label services fee” to KSR for no additional work or service in addition to a so-called “Distribution Fee.” The 2016 KSR Recording Agreement purported to require Ms. Almanzar to appoint an experienced business manager but KSR never did so. KSR never even provided Ms. Almanzar or any attorney acting on her behalf with a complete copy of the 2016 KSR Recording Agreement until after Counterclaim-Defendants filed this action.

67. KSR materially breached the KSR Recording Agreements in a number of ways, including but not limited to by failing to “meaningfully consult with [Ms. Almanzar’s] attorney during the negotiation of the Distribution Agreement [i.e. the Furnishing Agreement] regarding the terms that pertain to [Ms. Almanzar],” and by failing “to provide [Ms. Almanzar] with a copy of the Distribution Agreement promptly following its execution.” KSR did not provide fully-

executed copies of the Atlantic Records Deal agreements or even just the Furnishing Agreement, at any time, much less “promptly.” Upon information and belief, KSR’s attorney Richard Joseph only provided fully executed copies of the Atlantic Records Deal agreements to Attorney Mason in or around February 2018 after Attorney Mason had to request these documents from Attorney Joseph.

68. Although Attorney Mason was purportedly representing Ms. Almanzar at the signing of the Atlantic Records Deal, the attorney listed for Ms. Almanzar in the Inducement Letter annexed to the Furnishing Agreement was KSR’s attorney, Richard Joseph.

69. Attorney Mason did not negotiate with Atlantic Records regarding any provision of any of the agreements constituting the Atlantic Records Deal, nor did Attorney Mason negotiate any provision of these agreements with KSR.

70. The Furnishing Agreement presumed on its face and by its terms that Ms. Almanzar had already signed an exclusive recording agreement with KSR such that KSR had the exclusive right to offer Ms. Almanzar’s services for a record contract. Nowhere in either iteration of the KSR Recording Agreement was there any mention of the Management Agreement. Nor was there any mention in the Furnishing Agreement (or any other part of the Atlantic Records Deal) that the sole shareholder of KSR, Shaft, was also the sole owner of WorldStar, which had a separate Management Agreement with Ms. Almanzar that on its face purported to entitle WorldStar to additional percentages of Ms. Almanzar’s income from her entertainment activities.

71. The 2016 KSR Recording Agreement was dated as of October 17, 2016 while the Furnishing Agreement and Inducement Letter (and the other ancillary agreements making up the Atlantic Records Deal) were dated as of September 28, 2016.

72. The fact that the KSR Recording Agreement was dated as of October 17, 2016, after the date of the Furnishing Agreement (September 28, 2016) was highly irregular and put Ms. Almanzar at risk professionally with Atlantic Records. As mentioned, Ms. Almanzar does not recall signing the 2015 KSR Recording Agreement – to the extent that she did not sign the 2015 KSR Recording Agreement, KSR would not have had the rights it purported to have in the Furnishing Agreement as of September 28, 2016. In any event, what the Counterclaim-Defendants allege is the operative 2016 KSR Recording Agreement (referenced in the Inducement Letter as the “Artist Agreement”) would not have been effective as of the date of the effective dates of the Furnishing Agreement and Inducement Letter.

73. Both before and after it was signed, Shaft repeatedly assured Ms. Almanzar that the Atlantic Records Deal was a good one and operated to her benefit. When Ms. Almanzar questioned whether it was proper for her to receive only 50% of the record royalties paid by Atlantic Records, Shaft deceitfully told her that this was an absolutely standard percentage for a recording artist to receive and repeatedly told her that other famous artists were paid far smaller percentages of their record royalties; in the case of other particular superstars, he said they only received 2 or 3% of their record royalties. Ms. Almanzar, inexperienced in the intricacies of the record business, and deeply trusting of Shaft, was for a time persuaded to believe Shaft’s misrepresentations. At all relevant times, Ms. Almanzar was entitled to rely on the complete, undivided loyalty of her manager and she relied on that loyalty to her detriment.

74. Shaft told Ms. Almanzar that the Atlantic Records Deal should be kept a secret until the right time came to announce the deal publicly, presumably after Ms. Almanzar would become better-known in the music industry (possibly after the release of her second mixtape, *Gangsta Bitch Music Vol. 2*). Upon information and belief, the fact that the Atlantic Records

Deal was not publicly announced encouraged Ms. Almanzar not to speak with others about the terms of her record deal and delayed her ability to discover that the terms and structure of her record deal were unfair to her (and conversely, overly generous to KSR/Shaft because KSR was taking an outsize proportion of her record royalties and entertainment-related activities, in addition to the already onerous 20% management commission provided to WorldStar in the Management Agreement).

The Falling Out

75. In or around late 2017, Ms. Almanzar began to question whether Shaft and his entities were making fair deals for her and whether the percentages they were taking were customary in the industry.

76. Once Ms. Almanzar began to suspect that there was something improper about the way Shaft was handling her affairs, she re-contacted Attorney Mason (in or around November or December of 2017). At that point, she had not seen nor spoken to Attorney Mason in over a year.

77. Indeed, for example, in the music publishing agreement that Ms. Almanzar signed with Sony/ATV in or around September of 2017, she was represented by Shaft's lawyer (Richard Joseph) although she had no contact with him whatsoever regarding the Sony/ATV deal. Attorney Richard Joseph was not even at the signing of the Sony/ATV deal – only Shaft was present. This was in keeping with Shaft's practice of using professionals selected and directed by Shaft and insulating Ms. Almanzar from contact with any of her outside attorneys or accountants (in addition to handling and receiving virtually all money received from Ms. Almanzar's performances and entertainment-related activities). Shaft told Ms. Almanzar that he would take care of these affairs. As Ms. Almanzar had come to rely on Shaft, her closest

confidant and fiduciary, for all aspects of her professional life, he encouraged Ms. Almanzar's isolation from all other advisors, whom Shaft was free to control.

78. When Ms. Almanzar received her advance from the music-publishing deal with Sony/ATV directly, Shaft demanded that she turn over half of that amount to him. Ms. Almanzar did not understand why royalties that she earned as a songwriter (or advances paid against royalties that she would earn) should have to be split 50/50 with Shaft when Shaft had not contributed any creative input to the musical compositions, or to the extent he did contribute, he would receive his own songwriter royalties. Not content with the often-unreasonable percentage interest (or splits) in songs Shaft had negotiated for himself despite having limited, if any, creative input, he demanded his kings-ransom from Ms. Almanzar's share as well. This issue, among others, caused Ms. Almanzar to suspect that Shaft had failed to act in accordance with the highest and truest principles of morality, as he was required to do as her fiduciary.

79. It further bears noting, that even under the onerous terms of the KSR Recording Agreements, Shaft would not be entitled to 50% of Ms. Almanzar's publishing income, but rather only 25%. In any event, KSR waived its entitlement to any of Ms. Almanzar's publishing income when it directed its attorney to negotiate and close a publishing deal for Ms. Almanzar which did not include any reference to, or grant any rights (of administration or otherwise) to KSR.

80. Upon information and belief, Shaft, through WorldStar, was taking a greater portion of Ms. Almanzar's income than the Management Agreement called for on its own terms.

81. Upon information and belief, Shaft, through KSR, was taking a greater portion of Ms. Almanzar's income than the KSR Recording Agreements called for on their own terms.

82. Shaft also improperly sought to leverage his relationship with Ms. Almanzar to gain access to publishing and record deals for himself and other artists he managed.

83. In or around December of 2017 Ms. Almanzar intensified her requests to Shaft for statements and accountings that would show a detailed breakdown of income and expenses from her various sources of entertainment-related income. Shaft and his entities did not provide the requested documentation in a timely manner, and it soon became clear that none of the Counterclaim-Defendants were or had been keeping proper financial records.

84. Ms. Almanzar began to suspect that her own employees, who were being paid with income generated from her entertainment activities, were being kept on KSR's books and that she would not receive any credit on her income taxes for paying these and other legitimate costs related to her entertainment activities. She confronted Shaft about this issue as well.

85. When Ms. Almanzar confronted Shaft about these issues, he became defensive. Shaft attempted to convince Ms. Almanzar that the agreements she had entered into were fair and that he was not stealing from her.

86. Ms. Almanzar demanded an immediate accounting from Shaft and his entities, and he failed to provide appropriate documentation. In response to Ms. Almanzar's request for an immediate accounting, Shaft and/or KSR eventually prepared rough, cryptic spreadsheets for individual performance dates in 2017, which failed to include much of the most basic expense information necessary to determine whether even these inadequate sketches were accurate or reliable.

87. Ms. Almanzar realized that Shaft, through WorldStar and KSR, was taking advantage of her. She requested that Attorney Mason take over the day-to-day management of certain financial tasks.

88. Attorney Mason repeatedly requested financial information and documentation from Shaft and KSR regarding monies they had collected on behalf of Ms. Almanzar (after Ms. Almanzar's own requests). Counterclaim-Defendants did not provide information that they were required to provide under the Management Agreement and KSR Recording Agreements, as well as pursuant to their fiduciary duties that they owed to Ms. Almanzar. Upon information and belief, Counterclaim-Defendants delayed providing the limited, inadequate information on appearance income that they did provide because they had never kept proper financial records and needed to recreate statements for past appearances. Counterclaim-Defendants were negligent in their record-keeping responsibilities and breached the fiduciary duty of care they owed to Ms. Almanzar.

89. In further breach of their legal, professional and ethical obligations, Shaft and KSR provided highly misleading financial information to Ms. Almanzar in an effort to conceal their misconduct, and have refused to return all the books and records in their possession so that Ms. Almanzar can determine the full extent of her damages.

90. Ms. Almanzar has made and continues to make demand for return of all of her books, records and other property maintained in the possession, custody or control of Counterclaim-Defendants, who continue to wrongfully withhold all such property.

91. Shaft and KSR/WorldStar controlled all the books and records relating to Ms. Almanzar's professional activities. When they did finally provide some cryptic, incomplete information in or around early 2018, it became clear that KSR and/or its employees had been helping themselves to the "Bank of Almanzar," taking Ms. Almanzar's earnings for purported personal loans. One summary statement provided to Ms. Almanzar at this time showed that in or around June of 2017, an employee of KSR had taken \$15,000, which was apparently booked as a

“loan” to the employee from Ms. Almanzar in KSR’s records. Unlike most loans, this loan was not formalized with any note, carried no interest, required no collateral and provided no realistic means of repayment. There was no arms-length negotiation between Ms. Almanzar or professionals acting on her behalf on the one hand and KSR or its employee on the other. Rather, KSR simply withdrew the money free of charge. Upon information and belief, several such “loans” were taken from Ms. Almanzar, most or all of which Ms. Almanzar was never even told about. Ms. Almanzar was not aware of this particular loan. KSR’s conduct in this regard was an unacceptable breach of the fiduciary duties owed to Ms. Almanzar and constituted self-enrichment by her agents, as well as waste of Ms. Almanzar’s assets.

92. By the end of February 2018, Ms. Almanzar, by her conduct and statements, effectively terminated the Management Agreement and KSR Recording Agreements with Shaft and his entities.

93. As set forth in detail above, the conduct of Shaft and his entities, WordStar and KSR, is an egregious and reprehensible breach of all trust and confidence placed in them by Ms. Almanzar.

COUNTERCLAIM I

(Breach of Contract – Management Agreement – Against All Counterclaim-Defendants)

94. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 93 of the Counterclaim as though fully set forth herein.

95. WorldStar and Counterclaim-Defendants breached their obligations under the terms of the Management Agreement as detailed above.

96. Specifically, Counterclaim-Defendants breached the Management Agreement by, among other things, failing to appoint Ms. Almanzar an independent business manager; failing to provide monthly accountings; failing to provide documentation of their expenses; failing to

furnish an accounting to Ms. Almanzar within 30 days of her request and, upon information and belief, failing to provide adequate payment to Ms. Almanzar under the terms of that agreement.

97. Counterclaim-Defendants further breached the Management Agreement by failing to regularly review with Ms. Almanzar “all actual and potential venues and engagements of [her] talents and services in the Entertainment Industries and all other matters relating to [her] professional career therein,” specifically by failing to review and fully disclose the material terms of the 2015 KSR Recording Agreement, the 2016 KSR Recording Agreement, the Furnishing Agreement, and the other ancillary agreements with Atlantic Records, with Ms. Almanzar. Indeed, WorldStar and/or Counterclaim-Defendants refrained from properly reviewing these engagements with her because they pursued their own self-interests in capturing additional (and unconscionable) portions of record royalties payable to Ms. Almanzar, as well as her copyrights and further income from her entertainment-related activities for KSR in the KSR Recording Agreements.

98. Ms. Almanzar has performed all conditions, covenants, and promises required of her pursuant to the terms of the Management Agreement, except those conditions, covenants, and promises which have been prevented or otherwise excused by the conduct of Counterclaim-Defendants.

99. Additionally, under New York law, there exists an implied covenant of good faith and fair dealing in the Management Agreement, creating a duty in WorldStar and Counterclaim-Defendants to cooperate with Ms. Almanzar to achieve the objectives of the Management Agreement and to refrain from doing anything that would render Ms. Almanzar’s performance unreasonably difficult or impossible, or that would prevent her from realizing the benefit of the bargain.

100. WorldStar and Counterclaim-Defendants breached the implied covenant of good faith and fair dealing by, among other acts detailed above, (i) failing to review the material terms of the KSR Recording Agreements with Ms. Almanzar prior to her entering into those agreements; (ii) entering into the KSR Recording Agreements with her without undertaking arms-length negotiations; (iii) giving her the false impression that the KSR Recording Agreements were fair to her, and (iv) not disclosing the existence of the Management Agreement to Attorney Mason.

101. Ms. Almanzar has been damaged by Counterclaim-Defendants' actions in an amount to be determined at trial but believed to exceed Ten Million Dollars (\$10,000,000.00).

COUNTERCLAIM II
(Breach of Contract – 2015 KSR Recording Agreement – Against All Counterclaim-Defendants)

102. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 101 of the Counterclaim as though fully set forth herein.

103. As detailed above, Ms. Almanzar does not recall signing the 2015 KSR Recording Agreement and Counterclaim-Defendants have not produced a signed copy of this agreement but they allege that she signed it in 2015. To the extent the 2015 KSR Recording Agreement was in fact consummated, Counterclaim-Defendants breached their obligations under that agreement.

104. Counterclaim-Defendants breached their obligations under the terms of the 2015 KSR Recording Agreement as detailed above, including but not limited to, by failing to “meaningfully consult with [Ms. Almanzar’s] attorney during the negotiation of the Distribution Agreement [i.e. the Furnishing Agreement] regarding the terms that pertain to [Ms. Almanzar],” and by failing “to provide [Ms. Almanzar] with a copy of the Distribution Agreement promptly following its execution.”

105. Counterclaim-Defendants further breached their obligations under paragraph 11 of the 2015 KSR Recording Agreement, which states: “Statements as to royalties payable to you hereunder shall be sent by us to you within ninety (90) days following the end of each semi-annual accounting period ending December 31st and June 30th during which we receive revenues in connection with the exploitation of Records, Videos, Controlled Compositions, and any of our rights hereunder, whether from Distributor or otherwise. We will provide you with a true copy of each royalty/sales statement which we receive from our Distributor with each royalty statement rendered by you. ... We shall maintain books of account records hereunder.”

106. In breach of their obligations, Counterclaim-Defendants failed to provide statements as to royalties payable to Ms. Almanzar within ninety days of at least five semi-annual periods during which they received revenues in connection with Ms. Almanzar’s entertainment activities. Counterclaim-Defendants also failed to maintain proper books of account records under the terms of the 2015 KSR Recording Agreement. In late 2017, Ms. Almanzar demanded an immediate accounting from Shaft and his entities, and Counterclaim-Defendants refused and failed to provide same.

107. Upon information and belief, Counterclaim-Defendants breached the terms of the 2015 KSR Recording Agreement by failing to provide adequate payment to Ms. Almanzar under the payment terms of the agreement.

108. Ms. Almanzar has performed all conditions, covenants, and promises required of her pursuant to the terms of the 2015 KSR Recording Agreement, except those conditions, covenants, and promises which have been prevented or otherwise excused by the conduct of Counterclaim-Defendants.

109. Under New York law, there exists an implied covenant of good faith and fair dealing in the 2015 KSR Recording Agreement, creating a duty in KSR and Counterclaim-Defendants to cooperate with Ms. Almanzar to achieve the objectives of the 2015 KSR Recording Agreement and to refrain from doing anything that would render Ms. Almanzar's performance unreasonably difficult or impossible, or that would prevent her from realizing the benefit of the bargain.

110. KSR and Counterclaim-Defendants breached the implied covenant of good faith and fair dealing by, among other acts detailed above, failing to act in good faith in (i) failing to explicitly acknowledge in the 2015 KSR Agreement the existence of the Management Agreement; (ii) failing to disclose to Attorney Mason the existence of the Management Agreement; (iii) failing to meaningfully consult with any attorney for Ms. Almanzar regarding the terms of the Furnishing Agreement that pertained to her; (iv) interfering with Ms. Almanzar's rights under the Inducement Letter to be substituted for KSR under the Furnishing Agreement, which KSR negotiated; and (v) creating obvious conflict of interest issues in the Atlantic Records Deal, by among other things, having Attorney Richard Joseph represent both Ms. Almanzar and KSR in negotiating all the Atlantic Records Deal agreements.

111. Ms. Almanzar has been damaged by Counterclaim-Defendants' actions in an amount to be determined at trial but believed to exceed Ten Million Dollars (\$10,000,000.00).

COUNTERCLAIM III
(Breach of Contract – 2016 KSR Recording Agreement – Against All Counterclaim-Defendants)

112. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 111 of the Counterclaim as though fully set forth herein.

113. Counterclaim-Defendants breached their obligations under the terms of the 2016 KSR Recording Agreement as detailed above, including but not limited to, by failing to “meaningfully consult with [Ms. Almanzar’s] attorney during the negotiation of the Distribution Agreement [i.e. the Furnishing Agreement] regarding the terms that pertain to [Ms. Almanzar],” and by failing “to provide [Ms. Almanzar] with a copy of the Distribution Agreement promptly following its execution.”

114. Counterclaim-Defendants further breached their obligations under paragraph 11 of the 2016 KSR Recording Agreement, which states: “Statements as to royalties payable to you hereunder shall be sent by us to you within ninety (90) days following the end of each semi-annual accounting period ending December 31st and June 30th during which we receive revenues in connection with the exploitation of Records, Videos, Controlled Compositions, and any of our rights hereunder, whether from Distributor or otherwise. We will provide you with a true copy of each royalty/sales statement which we receive from our Distributor with each royalty statement rendered by you. ... We shall maintain books of account records hereunder.”

115. In breach of their obligations, Counterclaim-Defendants failed to provide statements as to royalties payable to Ms. Almanzar within ninety days of at least three semi-annual periods during which they received revenues in connection with Ms. Almanzar’s entertainment activities. Counterclaim-Defendants also failed to maintain proper books of account records under the terms of the 2016 KSR Recording Agreement. In late 2017, Ms. Almanzar demanded an immediate accounting from Shaft and his entities, and Counterclaim-Defendants refused and failed to provide same.

116. Upon information and belief, Counterclaim-Defendants breached the terms of the 2016 KSR Recording Agreement by failing to provide adequate payment to Ms. Almanzar under the payment terms of the agreement.

117. Ms. Almanzar has performed all conditions, covenants, and promises required of her pursuant to the terms of the 2016 KSR Recording Agreement, except those conditions, covenants, and promises which have been prevented or otherwise excused by the conduct of Counterclaim-Defendants.

118. Under New York law, there exists an implied covenant of good faith and fair dealing in the 2016 KSR Recording Agreement, creating a duty in KSR and Counterclaim-Defendants to cooperate with Ms. Almanzar to achieve the objectives of the 2016 KSR Recording Agreement and to refrain from doing anything that would render Ms. Almanzar's performance unreasonably difficult or impossible, or that would prevent her from realizing the benefit of the bargain.

119. KSR and Counterclaim-Defendants breached the implied covenant of good faith and fair dealing by, among other acts detailed above, failing to negotiate and secure the rights purporting to be granted therein as of an effective date prior to the effective date of the Furnishing Agreement for Ms. Almanzar's services, thus putting at risk Ms. Almanzar's rights to enjoy the meager benefits to which she would be entitled under the 2016 KSR Recording Agreement.

120. Upon information and belief, Counterclaim-Defendants also failed to act in good faith in (i) failing to explicitly acknowledge in the 2016 KSR Agreement the existence of the Management Agreement; (ii) failing to disclose to Attorney Mason the existence of the Management Agreement; (iii) failing to meaningfully consult with any attorney for Ms.

Almanzar regarding the terms of the Furnishing Agreement that pertained to her; (iv) interfering with Ms. Almanzar's rights under the Inducement Letter to be substituted for KSR under the Furnishing Agreement, which KSR negotiated; and (v) creating obvious conflict of interest issues in the Atlantic Records Deal, by among other things, having Attorney Richard Joseph represent both Ms. Almanzar and KSR in negotiating all the Atlantic Records Deal agreements.

121. Ms. Almanzar has been damaged by Counterclaim-Defendants' actions in an amount to be determined at trial but believed to exceed Ten Million Dollars (\$10,000,000.00).

COUNTERCLAIM IV
(Breach of Fiduciary Duty Against All Counterclaim-Defendants)

122. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 121 of the Counterclaim as though fully set forth herein.

123. As Ms. Almanzar's manager, at all times mentioned herein, Shaft and his entities, WorldStar and KSR, owed fiduciary duties to Ms. Almanzar to treat her with the highest degree of good faith and honesty and to zealously protect Ms. Almanzar's interests, to preserve and promote her business opportunities, and not to act contrary to her business interests.

124. Counterclaim-Defendants breached their fiduciary duties as more specifically described above, by, among other things:

- a. Inducing Ms. Almanzar to sign the Management Agreement without the benefit of independent counsel and inducing her to keep Shaft and his entity WorldStar as her manager by misrepresenting and failing to disclose material information;
- b. Failing to appoint an independent business manager for Ms. Almanzar;
- c. Entering into the 2015 KSR Recording Agreement, which was a self-dealing transaction, for which Ms. Almanzar had no counsel, for which she could not give informed consent because she was not provided full and complete disclosure of

material information by her fiduciary agent, and for which there was no arms-length negotiations between KSR (or any of the Counterclaim-Defendants) and Ms. Almanzar;

- d. In the 2015 KSR Recording Agreement, taking for a period of 7 albums over 50% of Ms. Almanzar's record royalties, 100% ownership of Ms. Almanzar's copyrights in any audio or video recordings, 50% ownership of Ms. Almanzar's copyrights in any musical compositions, 25% of her royalties from Ms. Almanzar's copyrights in musical compositions, and an additional 20% commission of Ms. Almanzar's earnings in the entertainment industry, when Shaft/WorldStar had a pre-existing fiduciary duty to Ms. Almanzar as her manager and Ms. Almanzar had barely begun pursuing a music career;
- e. In the 2015 KSR Recording Agreement, failing to mention the Management Agreement and providing for an additional 20% commission of Ms. Almanzar's non-record royalty earnings in the entertainment industry, which would allow Counterclaim-Defendants to double dip in Ms. Almanzar's earnings, when Shaft/WorldStar had a pre-existing fiduciary duty to Ms. Almanzar as her manager;
- f. Failing as Ms. Almanzar's manager to seek a recording contract between a record label and Ms. Almanzar directly which would maximize Ms. Almanzar's record royalties, and entering into the Furnishing Agreement with the self-dealing device of KSR taking a significant portion of Ms. Almanzar's record royalties, without previously attempting to obtain a direct record deal for Ms. Almanzar;

- g. Entering into the 2016 KSR Recording Agreement, which was a self-dealing transaction, for which Ms. Almanzar had no counsel (or counsel that was deliberately not provided all material information), for which she could not give informed consent because she was not provided full and complete disclosure of material information by her fiduciary agent, and for which there was no arms-length negotiations between KSR (or any of the Counterclaim-Defendants) and Ms. Almanzar;
- h. In the 2016 KSR Recording Agreement, taking for a period of 7 albums over 50% of Ms. Almanzar's record royalties, 100% ownership of Ms. Almanzar's copyrights in any audio or video recordings, 50% ownership of Ms. Almanzar's copyrights in her musical compositions, 25% of her royalties from Ms. Almanzar's copyrights in musical compositions, and an additional 25% commission of Ms. Almanzar's earnings in the entertainment industry by way of the 2016 KSR Recording Agreement, when Shaft/WorldStar had a pre-existing fiduciary duty to Ms. Almanzar as her manager;
- i. In the 2016 KSR Recording Agreement, failing to mention the Management Agreement and providing for an additional 25% commission of Ms. Almanzar's non-record royalty earnings in the entertainment industry, which would allow Counterclaim-Defendants to double dip in Ms. Almanzar's earnings, when Shaft/WorldStar had a pre-existing fiduciary duty to Ms. Almanzar as her manager;
- j. Inducing Ms. Almanzar to sign the Inducement Letter to the Furnishing Agreement by, among other things, misrepresenting to Ms. Almanzar's putative

attorney that a version of the KSR Recording Agreement had already been signed by Ms. Almanzar and failing to disclose material information to Ms. Almanzar and her attorney, including the existence of the Management Agreement;

- k. Inducing Ms. Almanzar to sign the 2016 KSR Recording Agreement by misrepresenting why Ms. Almanzar needed separate counsel for the Atlantic Records Deal and preventing her from obtaining meaningfully independent counsel regarding the 2016 KSR Recording Agreement;
- l. Upon information and belief, wrongfully misappropriating income from Ms. Almanzar, including by, among other things, wrongfully making loans to themselves and their employees from Ms. Almanzar's revenues without her knowledge;
- m. Failing to exercise reasonable care and competence in handling Ms. Almanzar's financial affairs, including by failing to appoint an independent business manager, and failing to competently manage the collection of Gross Income under the Management Agreement and Gross Compensation under the KSR Recording Agreements, and failing to maintain appropriate business records regarding Ms. Almanzar's career and Counterclaim-Defendants' own expenses;
- n. Manipulating and deceiving Ms. Almanzar by representing to her that the KSR Recording Agreements were fair, that their terms were standard in the industry and that they were indeed generous to her;
- o. Seeking to leverage their relationship with Ms. Almanzar to gain access to publishing and record deals for themselves and other artists Shaft managed;

- p. Failing to provide monthly accountings and willfully and fraudulently concealing their wrongdoing from Ms. Almanzar by providing various excuses for the lack of documentation and eventually providing incomplete financial information meant to conceal their fraud; and
- q. Upon information and belief, using Ms. Almanzar's money for personal travel, entertainment and expenses.

125. The aforementioned conduct constituted multiple breaches of Counterclaim-Defendants' fiduciary duties because, *inter alia*: (i) the various agreements conferred substantial benefit on Counterclaim-Defendants to the detriment of Ms. Almanzar; (ii) Ms. Almanzar had no independent counsel in connection with either the Management Agreement or the KSR Recording Agreements; (iii) Counterclaim-Defendants made fraudulent representations and omissions in connection with each of these agreements; and (iv) none of these deals with Ms. Almanzar were the result of arms-length negotiations.

126. Counterclaim-Defendants breached their duty of loyalty by elevating their own interests above Ms. Almanzar's interests, including by taking for themselves Ms. Almanzar's most valuable asset—her contract and compensation rights under the Atlantic Recording Agreement and the KSR Recording Agreements.

127. As a result of the activities described above which were undertaken by Counterclaim-Defendants during a time when they were obligated to act as faithful servants in their role as Ms. Almanzar's managers, Counterclaim-Defendants must forfeit all compensation during the time of such faithlessness, and Ms. Almanzar is entitled to disgorge all monies earned by Counterclaim-Defendants at least from the time that the 2015 and 2016 KSR Recording Agreements were signed.

128. As a direct and proximate result of Counterclaim-Defendants' actions and multiple breaches of fiduciary duties, Ms. Almanzar has been damaged in an amount to be determined at trial but believed to be in excess of \$10,000,000.00. Ms. Almanzar presently cannot ascertain the exact amount of damages she has sustained as a direct and proximate result of these breaches but they include, without limitation, disgorgement of management commissions in the amount dictated by law and disgorgement of profits from KSR which were collected as a result of Ms. Almanzar's entertainment related activities, recordings, compositions or performances.

129. The activities of Counterclaim-Defendants described above and particularly the efforts undertaken by Shaft and his entities to mislead and deceive Ms. Almanzar regarding the propriety and fairness of the KSR Recording Agreements were willful and malicious, oppressive and taken in conscious disregard of Ms. Almanzar's property rights. Ms. Almanzar is therefore entitled to punitive and exemplary damages against each of the Counterclaim-Defendants in an amount sufficient to punish and deter them from similar future conduct, estimated by Ms. Almanzar to be a minimum amount of \$20,000,000.00 or such greater sum as may be assessed by the trier of fact.

130. As a direct and proximate result of Counterclaim-Defendants' breaches of fiduciary duty described herein, Ms. Almanzar is entitled to rescind and/or terminate the Management Agreement and the KSR Recording Agreements.

COUNTERCLAIM V
(Aiding and Abetting Breach of Fiduciary Duty Against KSR and Shaft)

131. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 130 of the Counterclaim as though fully set forth herein.

132. To the extent KSR and Shaft are not determined to be alter egos of WorldStar, KSR's and Shaft's acts as set forth above aided and abetted WorldStar's breach of its fiduciary duties owed to Ms. Almanzar.

133. As Ms. Almanzar's manager, at all times mentioned herein, WorldStar owed fiduciary duties to Ms. Almanzar to treat her with the utmost degree of good faith and honesty and to zealously protect Ms. Almanzar's interests.

134. WorldStar breached its fiduciary duties to Ms. Almanzar as alleged hereinabove, and KSR and Shaft had actual knowledge of WorldStar's intentions and conduct and knowingly participated in the breach, by among other things, fraudulently and deceitfully inducing Ms. Almanzar to enter into the KSR Recording Agreements. Shaft and KSR each provided substantial assistance to the violations of WorldStar by inducing Ms. Almanzar to enter into the KSR Recording Agreements, and by entering into those agreements, respectively.

135. Ms. Almanzar has been damaged by KSR's and Shaft's actions in an amount to be determined at trial but believed to be in excess of \$10,000,000.00.

COUNTERCLAIM VI
(Fraud and Fraudulent Concealment Against All Counterclaim-Defendants)

136. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 135 of the Counterclaim as though fully set forth herein.

137. With full knowledge of the rights of Ms. Almanzar and their fiduciary obligations towards her, Counterclaim-Defendants engaged in the fraudulent conduct described above, including, among other things, (i) by making misrepresentations to Ms. Almanzar regarding why she should have a lawyer in connection with the Atlantic Records Deal, and/or (ii) by failing to disclose material facts regarding the deal and KSR's conflict of interest in purporting to act for both Ms. Almanzar and itself in the Furnishing Agreement and the KSR Recording Agreements;

and (iii) by misrepresenting or intentionally failing to disclose to Attorney Mason the existence of the Management Agreement and to the extent the 2015 KSR Recording Agreement was never signed, that Ms. Almanzar had signed with KSR prior to the Atlantic Records Deal.

138. By reason of their fiduciary relationship with her, Ms. Almanzar relied upon Counterclaim-Defendants to deal fairly and honestly with her in their capacity as fiduciaries. Taking advantage of Ms. Almanzar's misplaced trust, Counterclaim-Defendants deliberately, willfully and repeatedly engaged in the fraudulent conduct described above and materially breached their fiduciary obligations. Counterclaim-Defendants intended to prevent Ms. Almanzar from learning the truth about their self-dealing and intentionally prevented her from engaging in arms-length negotiations with them in entering the KSR Recording Agreements. Ms. Almanzar relied to her detriment on the false misrepresentations and material omissions of Counterclaim-Defendants regarding her need for a lawyer and the fairness of the KSR Recording Agreements.

139. By reason of the foregoing, Ms. Almanzar sustained damage in the amount and manner described in this Counterclaim in an amount to be determined at trial but believed to be in excess of \$10,000,000.00.

140. The activities of Counterclaim-Defendants described above and particularly the efforts undertaken by Shaft and his entities to mislead and deceive Ms. Almanzar regarding the propriety and fairness of the KSR Recording Agreements were willful and malicious, oppressive and taken in conscious disregard of Ms. Almanzar's property rights. Ms. Almanzar is therefore entitled to punitive and exemplary damages against each of the Counterclaim-Defendants in an amount sufficient to punish and deter them from similar future conduct, estimated by Ms.

Almanzar to be a minimum amount of \$20,000,000.00 or such greater sum as may be assessed by the trier of fact.

COUNTERCLAIM VII
(Unconscionability Against All Counterclaim-Defendants)

141. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 140 of the Counterclaim as though fully set forth herein.

142. As Ms. Almanzar's manager, at all times mentioned herein, Shaft and his entities, WorldStar and KSR, owed a fiduciary duty to Ms. Almanzar to treat her with the highest degree of good faith and honesty and to zealously protect Ms. Almanzar's interests.

143. Despite their duty of loyalty and honesty, Counterclaim-Defendants wrongfully induced Ms. Almanzar to enter into the following agreements, the details of which have been set forth above and are incorporated herein:

- a. The Management Agreement;
- b. The Inducement Letter to the Furnishing Agreement; and
- c. The KSR Recording Agreements.

144. Counterclaim-Defendants wrongfully and deceptively represented that all of the above agreements were fair, equitable, and standard in the industry. Counterclaim-Defendants did not suggest that Ms. Almanzar seek meaningful independent legal counsel or speak to anyone about the terms of any of the above agreements and knew that Ms. Almanzar did not do so. In fact, Counterclaim-Defendants took affirmative steps to mislead Attorney Mason about the existence of the Management Agreement and, to the extent the 2015 KSR Recording Agreement had not been signed, about whether Ms. Almanzar had already agreed to the terms of the 2015 KSR Recording Agreement prior to signing the 2016 KSR Recording Agreement and the Atlantic Records Deal. At all times Counterclaim-Defendants knew Ms. Almanzar was

relying on them to honor their fiduciary responsibilities. As a result, there was a gross imbalance in the understanding and acumen of the parties in connection with the above mentioned agreements making them procedurally unconscionable.

145. These agreements are also substantively unconscionable because they unreasonably favor Counterclaim-Defendants in every respect including by containing exceedingly lengthy and unreasonable terms, excessive compensation and engaging in double-dipping, and are highly detrimental to Ms. Almanzar, as set forth in detail above and incorporated by reference herein.

146. Ms. Almanzar did not know the unconscionable nature of these agreements until at least the early part of last year (2018) when she discovered that Counterclaim-Defendants were not keeping appropriate financial records and that they could not justify that the amounts they retained were appropriate, even after several months of time spent preparing recreations of contemporaneous financial statements. In fact, Counterclaim-Defendants intentionally prevented Ms. Almanzar from knowing the true nature of their accounting practices (or lack thereof).

147. As a direct and proximate result of the unconscionable nature of these agreements, Ms. Almanzar is entitled to rescind the Management Agreement and the KSR Recording Agreements.

COUNTERCLAIM VIII
(Fraudulent Inducement Against All Counterclaim-Defendants)

148. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 147 of the Counterclaim as though fully set forth herein.

149. As Ms. Almanzar's manager and trusted advisor pursuant to the Oral Management Agreement, Shaft owed Ms. Almanzar fiduciary duties of good faith, honesty, and loyalty, requiring him to make truthful and complete disclosure of information he possessed to

Ms. Almanzar which materially affected her interests. Shaft was forbidden from obtaining an improper advantage at Ms. Almanzar's expense.

150. In or around March of 2015 when Shaft presented Ms. Almanzar with the Management Agreement for signature, he misrepresented to Ms. Almanzar that the terms of the Management Agreement were standard in the industry. He further told her that he had her best interest at heart and would never take advantage of her in any way. He encouraged her to sign the Management Agreement without having explained the material terms to her and without advising her to get an independent lawyer to review the terms of the agreement for her. He also gave Ms. Almanzar the false impression that the Management Agreement was being signed with an entity, WorldStar, that had some connection or affiliation with the popular entertainment and music website, worldstarhiphop.com, when in fact, the entity "World Star Marketing Group, Inc." did not even exist. The name of Shaft's actual entity, MINKOZE.COM LLC, was not disclosed in the Management Agreement and was in fact not disclosed to Ms. Almanzar until well after Counterclaim-Defendants filed this action. And even though MINKOZE.COM LLC had registered an assumed name with State of New York Department of State, the registered name – "World Star Marketing Group" is obviously different from the name appearing on the Management Agreement: WorldStar Marketing Group, Inc. No entity by this name – the name actually appearing on the Management Agreement – is registered to do business in the State of New York.

151. Each of the aforementioned statements were materially false representations or omissions upon which Ms. Almanzar relied to her detriment.

152. The terms of the Management Agreement were not standard in the industry, as the agreement contained an excessively long term and sunset provision for royalties to be earned by

the manager without any specific provision allowing for Ms. Almanzar to terminate the agreement. Shaft failed to disclose that the Management Agreement purported to allow extension for a term of five years at his sole option, which would require further payments to be made to Shaft for an additional five years without any further work or services performed by Shaft. Moreover, this Management Agreement was one of the most important agreements that Ms. Almanzar would sign in her career, so it was in Ms. Almanzar's best interests to have the material terms explained to her and to have independent counsel review and negotiate the agreement for her.

153. Shaft omitted to inform Ms. Almanzar that his entity had no connection or affiliation with the entertainment website, worldstarhiphop.com, and upon information and belief, he knew and intended that the name of the WorldStar entity was misleading to Ms. Almanzar and would induce her to sign the Management Agreement without asking too many questions.

154. Shaft failed to disclose that he in fact did not have Ms. Almanzar's best interests at heart and would take advantage of his position of trust by seeking to enrich himself with over half of any record royalties that would be earned by Ms. Almanzar. Upon information and belief, Shaft knew and planned to take additional percentages of Ms. Almanzar's revenues from the time she signed the Management Agreement.

155. Had Ms. Almanzar been aware of the truth regarding the aforementioned material misrepresentations and omissions (with full disclosure regarding the terms of the Management Agreement, the advisability of having her own lawyer review and negotiate the agreement, the intentions of Shaft, the lack of any affiliation of WorldStar with the popular website, and the

non-existence of any entity by the name Worldstar) she would not have acted the way she did in blindly signing the Management Agreement.

156. When Shaft presented Ms. Almanzar with the 2015 KSR Recording Agreement, he misrepresented to Ms. Almanzar that the terms of the 2015 KSR Recording Agreement were fair and standard in the industry. He encouraged her to enter into the 2015 KSR Recording Agreement – one of the most important agreements that she would enter into in her career – without having explained the material terms to her and without advising her to get an independent lawyer to review the terms of the agreement for her, and to negotiate with Shaft (or his representative) regarding its terms.

157. In or around October 2016 when Shaft presented Ms. Almanzar with the 2016 KSR Recording Agreement, he misrepresented to Ms. Almanzar that the terms of the 2016 KSR Recording Agreement were fair and standard in the industry. He further told her that he was protecting her interests and that she only needed a lawyer for the Atlantic Records Deal for convenience (rather than to review the terms of the 2016 KSR Recording Agreement, or to negotiate and review a deal in which Shaft was personally interested and engaging in self-dealing). He encouraged her to sign the 2016 KSR Recording Agreement – one of the most important agreements that she would sign in her career – without having explained the material terms to her and without advising her to get an independent lawyer to review the terms of the agreement for her, and to negotiate with Shaft (or his representative) regarding its terms. He failed to disclose to Ms. Almanzar that he had put her into contracts which purported to allow him to double-dip (to be paid percentages of her entertainment income separately to different entities that he solely owned and controlled), and he did not disclose this fact both to Ms. Almanzar's putative attorney and to Atlantic Records. To the extent Ms. Almanzar never signed

the 2015 KSR Recording Agreement, Shaft failed to disclose to Attorney Mason that Ms. Almanzar had not previously agreed to the similar terms contained in the 2016 KSR Recording Agreement, and that KSR did not have the rights it purported to have in the Furnishing Agreement as of the effective date of that agreement (September 28, 2016).

158. The terms of both the KSR Recording Agreements were not fair and standard in the industry. Among other things, the KSR Recording Agreements purported to provide a disproportionate share of Ms. Almanzar's record royalties to KSR/Shaft, a disproportionate share of revenue from Ms. Almanzar's other entertainment-related activities (20% in the 2015 KSR Recording Agreement; 25% in the 2016 KSR Recording Agreement; in **addition** to the Management Agreement's 20%, which was not disclosed in either of the KSR Recording Agreements), and a disproportionate share of Ms. Almanzar's own songwriting royalties (25%). Both KSR Recording Agreements provided for an additional "label services fee" for no additional services, and they both lasted for an excessively long term without providing any explicit provision for Ms. Almanzar to terminate the agreements. All of these unfair terms were included during a time when Shaft owed Ms. Almanzar fiduciary duties of loyalty and due care. Importantly, neither of the KSR Recording Agreements mentioned the pre-existing Management Agreement.

159. Upon information and belief, Shaft did not disclose the facts that these terms were unfair and that he was engaging in self-dealing because he was afraid that if Ms. Almanzar understood the full effects of the KSR Recording Agreements (including, but not limited to, Shaft's ability to double dip in her income from entertainment activities), she would renegotiate with him/KSR or terminate her relationship with him and/or WorldStar.

160. Had Ms. Almanzar been aware of the truth regarding the aforementioned material misrepresentations and omissions (with full disclosure regarding the terms of the KSR Recording Agreements and their unfairness, the advisability of having her own lawyer review and negotiate the terms of the KSR Recording Agreements prior to her signing them, and the self-dealing of Shaft) she would not have acted the way she did in blindly signing the 2016 KSR Recording Agreement (or the 2015 KSR Recording Agreement, if in fact she did sign that agreement). She would not have entered into either of the KSR Recording Agreements and she would have demanded that they be renegotiated or terminated prior to entering into the Atlantic Records Deal.

161. Shaft knew that Ms. Almanzar would rely on each of the above material misrepresentations and omissions, and he made such misrepresentations and omissions with the intention that Ms. Almanzar would rely on them.

162. As a direct and proximate result of the fraudulent nature of these transactions, Ms. Almanzar is entitled to rescind the Management Agreement and the KSR Recording Agreements.

163. Shaft's conduct, as alleged herein was oppressive, malicious and fraudulent and undertaken in conscious disregard of Ms. Almanzar's property rights. Ms. Almanzar is therefore entitled to an award of punitive and exemplary damages in an amount sufficient to punish and deter Shaft, WorldStar and KSR from similar future conduct.

COUNTERCLAIM IX
(Unjust Enrichment Against All Counterclaim-Defendants)

164. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 163 of the Counterclaim as though fully set forth herein.

165. In undertaking the wrongful acts alleged, Counterclaim-Defendants have been and were unjustly enriched to the detriment and loss of Ms. Almanzar, including but not limited to, diverting to themselves and away from Ms. Almanzar, Ms. Almanzar's contractually promised royalties and other monetary entitlements set forth in the Management Agreement and the KSR Recording Agreements.

166. As a direct and proximate result of Counterclaim-Defendants' unjust enrichment as alleged herein, Ms. Almanzar is entitled to restoration and disgorgement from Counterclaim-Defendants of all income wrongfully diverted from Ms. Almanzar, including but not limited to, all gains that Counterclaim-Defendants have realized from collecting and keeping Ms. Almanzar's royalties and other monetary entitlements set forth in the Management Agreement and the KSR Recording Agreements.

167. Ms. Almanzar has been damaged by Counterclaim-Defendants' actions in an amount to be determined at trial.

COUNTERCLAIM X
(Accounting Against All Counterclaim-Defendants)

168. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 167 of the Counterclaim as though fully set forth herein.

169. A fiduciary or other trust relationship exists between Ms. Almanzar on the one hand and Counterclaim-Defendants on the other hand for which an accounting of Counterclaim-Defendants' books and records is appropriate to the extent necessary to trace the royalties and other monies due and owed to Ms. Almanzar as described above.

170. Counterclaim-Defendants also have duties under the Management Agreement and KSR Recording Agreements with Ms. Almanzar which obligate the Counterclaim-Defendants to

disclose all financial information material to Ms. Almanzar's royalty and other monetary entitlement.

171. Upon information and belief, Counterclaim-Defendants have wrongfully collected and/or misappropriated income from Ms. Almanzar.

172. Counterclaim-Defendants' failure to provide accountings to Ms. Almanzar is a direct and material breach of the Management Agreement and the KSR Recording Agreements.

173. In the absence of an accounting of Counterclaim-Defendants' books and records under the Management Agreement and the KSR Recording Agreements, Ms. Almanzar cannot know the precise amount of monies received by Counterclaim-Defendants (in the form of royalties or otherwise) from the exploitation of Ms. Almanzar's talents and services in the entertainment industry.

174. To the extent that Counterclaim-Defendants WorldStar and KSR are established companies, which they purport to be, such established companies customarily keep detailed statements of transactions as a matter of proper business practices.

175. As a result of the foregoing, there are past, present, and future transactions arising from the commercial exploitation of Ms. Almanzar's talents and services in the entertainment industry, which have and will produce royalty income to Ms. Almanzar, and the right to an accounting from Counterclaim-Defendants should therefore be ordered by this Court to prevent further injury to Ms. Almanzar.

176. In the absence of an Order from this Court directing an accounting from Counterclaim-Defendants, Ms. Almanzar will not be able to adequately account for the full amount of income that Counterclaim-Defendants have wrongfully misappropriated from her.

COUNTERCLAIM XI

(Declaration that the Management Agreement is Void and/or Subject to Rescission)

177. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 176 of the Counterclaim as though fully set forth herein.

178. The actions of WorldStar, Shaft and KSR set forth above constitute a breach of Counterclaim-Defendants' contractual obligations to Ms. Almanzar under the Management Agreement that is so material and fundamental as to go to the very core purpose of the Management Agreement, and that is not capable of cure.

179. Counterclaim-Defendants' acts as set forth above constitute breaches of the fiduciary duties Counterclaim-Defendants owe to Ms. Almanzar as her managers.

180. Counterclaim-Defendants' acts as set forth above thus constitute a repudiation of the Management Agreement by Counterclaim-Defendants, which relieves Ms. Almanzar of any further obligation to perform services or grant rights thereunder.

181. In the alternative, Counterclaim-Defendants' acts as set forth above constitute grounds for Ms. Almanzar to rescind the Management Agreement.

182. An actual and genuine controversy has arisen and now exists between Ms. Almanzar and Counterclaim-Defendants concerning their rights and duties under the Management Agreement.

183. Ms. Almanzar therefore seeks a declaratory judgment that the Management Agreement has been repudiated by reason of Counterclaim-Defendants' material breaches thereof, and that Ms. Almanzar no longer has any obligations to Counterclaim-Defendants under that agreement, or in the alternative that the Management Agreement is subject to rescission by Ms. Almanzar at her election because of fraud or the breaches of fiduciary duty committed by Counterclaim-Defendants as detailed above.

COUNTERCLAIM XII

(Declaration that the KSR Recording Agreements are Void and/or Subject to Rescission)

184. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 183 of the Counterclaim as though fully set forth herein.

185. The actions of WorldStar, Shaft and KSR set forth above constitute a breach of Counterclaim-Defendants' contractual obligations to Ms. Almanzar under the KSR Recording Agreements that is so material and fundamental as to go to the very core purpose of the KSR Recording Agreements, and that is not capable of cure.

186. Counterclaim-Defendants' acts as set forth above constitute breaches of the fiduciary duties Counterclaim-Defendants owe to Ms. Almanzar as her managers.

187. Counterclaim-Defendants' acts as set forth above thus constitute a repudiation of the KSR Recording Agreements by Counterclaim-Defendants, which relieves Ms. Almanzar of any further obligation to perform services or grant rights thereunder.

188. In the alternative, Counterclaim-Defendants' acts as set forth above constitute grounds for Ms. Almanzar to rescind the KSR Recording Agreements.

189. An actual and genuine controversy has arisen and now exists between Ms. Almanzar and Counterclaim-Defendants concerning their rights and duties under the KSR Recording Agreements.

190. Ms. Almanzar therefore seeks a declaratory judgment that the KSR Recording Agreements have been repudiated by reason of Counterclaim-Defendants' material breaches thereof, and that Ms. Almanzar no longer has any obligations to Counterclaim-Defendants under those agreements, or in the alternative that the KSR Recording Agreements are subject to rescission by Ms. Almanzar at her election because of fraud or the breaches of fiduciary duty committed by Counterclaim-Defendants as detailed above.

COUNTERCLAIM XIII
(Negligence)

191. Ms. Almanzar repeats, realleges and incorporates each and every allegation contained in paragraphs 1 through 190 of the Counterclaim as though fully set forth herein.

192. As Ms. Almanzar's personal and business managers, Counterclaim-Defendants owed Ms. Almanzar a duty of care and a duty of loyalty. These duties of care and loyalty included, without limitation, an obligation to competently represent Ms. Almanzar in all aspects of her career, including in supervising the appearances and touring undertaken by Ms. Almanzar, keeping appropriate financial records regarding Ms. Almanzar's professional appearances, keeping appropriate records of expenses in connection with Ms. Almanzar's professional appearances, and keeping Ms. Almanzar informed regarding the expenses associated with her various professional appearances.

193. Counterclaim-Defendants breached their duty of reasonable care to Ms. Almanzar in that they failed to exercise the degree of skill and diligence commonly exercised by an ordinary member of the personal and business manager communities in supervising Ms. Almanzar's touring revenues, in the handling and receiving of monies paid for Ms. Almanzar's performances and appearances, in the failure to keep proper documentation of expenses, and in the accounting practices employed by Counterclaim-Defendants as her personal and business managers.

194. As a direct and proximate result of Counterclaim-Defendants' negligence, Ms. Almanzar has suffered actual and ascertainable damages in an amount to be determined at trial.

WHEREFORE, Ms. Almanzar requests that the Court grant the following relief:

- a. Plaintiffs/Counterclaim-Defendants take nothing by way of their FAC and that the FAC be dismissed with prejudice;

- b. Ms. Almanzar be awarded all compensatory monetary damages available at law, in an amount to be determined at trial, but in no event less than \$10,000,000.00;
- c. Ms. Almanzar be awarded punitive damages as a result of Plaintiffs'/Counterclaim-Defendants' egregious and willful conduct described herein, or conscious disregard of the rights of Ms. Almanzar or conduct so reckless as to amount to such disregard as described herein, in an amount to be determined at trial, but in no event less than \$20,000,000.00;
- d. Rescission of the Management Agreement and the KSR Recording Agreements;
- e. An Order compelling Plaintiffs'/Counterclaim-Defendants to provide Ms. Almanzar with a detailed and accurate accounting;
- f. An Order of restitution compelling Plaintiffs'/Counterclaim-Defendants to pay any money or thing owing to Ms. Almanzar;
- g. Declaratory Judgment that the Management Agreement and the KSR Recording Agreements have been repudiated by reason of Plaintiffs'/Counterclaim-Defendants' material breaches thereof, and that Ms. Almanzar no longer has any obligations to Plaintiffs'/Counterclaim-Defendants under those agreements, or in the alternative that Ms. Almanzar has terminated the Management Agreement and the KSR Recording Agreements, or in the alternative that the Management Agreement and the KSR Recording Agreements are subject to rescission by Ms. Almanzar at her election as a result of Counterclaim-Defendants' fraud or breaches of fiduciary duties;
- h. Ms. Almanzar be awarded her full costs and attorneys' fees incurred herein to the full extent permissible by law; and

i. For such other and further relief as the Court may deem just and proper.

Dated: New York, New York
June 24, 2019

Respectfully submitted,

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/s/ Ofer Reger

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Ofer Reger

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