

DEED OF SETTLEMENT

JZK, INC.

JZ KNIGHT

DAVID MCCARTHY

 **Simpson Grierson**

Barristers & Solicitors
Auckland, Wellington & Christchurch
New Zealand
www.simpsongrierson.com

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DEED DATED

2014

PARTIES

1. **JZK, INC.**, a Washington corporation, having its place of business at 14507 Yelm Hwy SE, Washington, 98597, United States of America (JZK).
2. **JZ KNIGHT**, spiritual teacher of Yelm, Washington, United States of America.

(Together the Plaintiffs)
3. **DAVID MCCARTHY**, of 616 Oneriri Road, Kaiwaka, Northland, New Zealand (Defendant).

BACKGROUND

- A. On 18 February 2013, the Plaintiffs filed proceedings in the High Court of New Zealand against the Defendant for breach of contract, inducement of breach of contract, breach of confidence and copyright infringement (CIV 2013-488-108) (Proceeding).
- B. The Parties have agreed to settle the Proceeding on the terms set out in this Deed.

THIS DEED RECORDS THAT:

1. DEFINITIONS

- 1.1 In this Deed, unless the context indicates otherwise:

Copyright Works means

- (a) The RSE Videos;
- (b) The sound tracks of the RSE Videos (excluding the music sound tracks);
- (c) The statements made by Ms Knight in the RSE Videos;

JZK Material means all copies of:

- (a) RSE Videos;
- (b) Video Clips;
- (c) Copyright Works;
- (d) Plaintiffs' briefs of evidence in the Proceeding;
- (e) materials provided by the Plaintiffs on discovery in the Proceeding;



RSE Videos means VHS or digital recordings of information and techniques taught by Ramtha's School of Enlightenment including the VHS recording of Ramtha's School of Enlightenment's Boktau event held in 1998, the teaching streamed live on www.ramtha.tv on or around 31 March 2011 and the teaching streamed live on www.ramtha.tv on or around 17 February 2012.

Video Clips means the following video clips:

- (a) Fire, Health and Safety Violations at Ramtha's School of Enlightenment (RSE) Video 1 of 3;
- (b) Fire Health and Safety Violations at Ramtha's School of Enlightenment RSE part 2 of 3;
- (c) Sandra Romero Speaks at a local Cult;
- (d) Sandra Romero Seeks Voters from a Cult;
- (e) JZ Knight Behind the Mask Unedited 1 of 4;
- (f) JZ Knight Behind the Mask 2 of 4; and
- (g) JZ Knight talks about Mexicans/JZ Knight/Ramtha's enlightened view of Mexicans.

2. FULL AND FINAL SETTLEMENT

2.1 This Deed constitutes full and final settlement of the Proceeding.

3. THE DEFENDANT'S OBLIGATIONS

3.1 The Defendant will not, whether by himself or his agents or otherwise howsoever:

- (a) disseminate through www.youtube.com or otherwise, content from RSE Videos;
- (b) disseminate to the public, cause or authorise the dissemination of to the public of, transcripts or translations of transcripts of content from RSE Videos, or any other information and/or techniques taught at Ramtha's School of Enlightenment;
- (c) copy, make an adaptation of, or communicate, issue, play or show to the public through www.youtube.com or otherwise, all or any substantial part of the Copyright Works or cause or authorise the copying, making an adaptation of, or communicating, issuing, playing or showing through www.youtube.com or otherwise all or a substantial part of the Copyright Works to the public.

3.2 The Defendant will remove the Video Clips from the worldwide web, including www.youtube.com, and will not, by himself or by his agents or otherwise howsoever disseminate the Video Clips either publicly or privately.

- 3.3 The Defendant will deliver up to the Plaintiffs or the Plaintiffs' solicitors, or destroy and permanently delete from electronic systems, all JZK Material in his possession, power or control and use his best endeavours to procure that all such material provided by or through the Defendant to Melissa Genson (subject to clause 3.5 below) or any other third party is similarly destroyed and deleted.
- 3.4 The Defendant will provide a sworn or affirmed affidavit to the Plaintiffs' solicitors within 7 (seven) days of execution of this Deed:
- (a) Listing all JZK Material provided to third parties; and
 - (b) Confirming compliance with clause 3.3 above to the best of his knowledge and belief and using his best endeavours.
- 3.5 The Defendant will use his best endeavours to procure a sworn or affirmed affidavit from Melissa Genson confirming that she has destroyed and permanently deleted from electronic systems, or delivered up, all JZK Material provided to her by the Defendant with the exception of material which she is legally obliged by Federal or State law to preserve or which is no longer legally available to her under Federal or State law, and provide such affidavit to the Plaintiffs' solicitors within 7 (seven) days of execution of this Deed.
- 3.6 All parties acknowledge that they are entitled to make criticisms in a lawful manner and agree not to engage in unlawful criticism. All parties acknowledge that defamation, slander and libel is unlawful.
- 3.7 The Defendant consents to the making of the Court Orders in the form attached to this Deed as schedule 1 (Orders) and will cooperate with the Plaintiffs' solicitors and take all steps necessary for the making of the Orders.

4. VACATION OF TRIAL DATE

- 4.1 On execution of this Deed, the parties will sign a joint memorandum advising the Court of the settlement and requesting:
- (a) the Orders be made by consent; and
 - (b) the trial date of 26 May 2014 be vacated.

5. DISCONTINUANCE

The parties will sign and file a notice of discontinuance in respect of the Proceeding with no issue as to costs once the Orders have been made by the High Court and the Defendant has complied with clauses 3.2 - 3.5 inclusive.



6. COSTS

- 6.1 Each party will bear its own costs and expenses in connection with the Proceeding, and the negotiation, preparation and implementation of this Deed.

7. GENERAL

- 7.1 **Independent Advice:** Each party acknowledges that it has had the opportunity to take independent legal advice on the matters set out in this Deed and that it has either taken such advice or has elected not to do so.
- 7.2 **Waiver:** Any waiver by a party of any of its rights or remedies under this Deed will be effective only if it is recorded in writing and signed by that party. If the waiver relates to a breach of any provision of this Deed, this will not (unless stated otherwise) operate as a waiver of any other breach of that provision. No waiver of any breach, or failure to enforce any provision, of this Deed at any time by either party will in any way affect, limit or waive that party's right to subsequently require strict compliance with this Deed.
- 7.3 **Entire Agreement:** This Deed records the entire understanding and agreement of the parties relating to the settlement of the Proceeding. This Deed supersedes all previous understandings or agreements (whether written, oral or both) between the parties relating to these matters.
- 7.4 **Counterparts:** This Deed may be signed in counterparts. All executed counterparts will together constitute one document.
- 7.5 **Copies:** Any copy of this Deed that is received by facsimile or via email in PDF or other document reproduction format (including any copy of any document evidencing a party's signature to this Deed) may be relied on by any party and presented in evidence in any legal proceedings as though it were an original copy of this Deed. This Deed may be entered into on the basis of an exchange of facsimile, PDF or other document reproduction format.
- 7.6 **Amendment:** No amendment to this Deed will be effective unless it is in writing and signed by each party.



7.7 **Governing Law and Jurisdiction:** This Deed is governed by the laws of New Zealand. The parties submit to the non-exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this Deed. For the avoidance of doubt the rights and obligations of the Parties described in this Deed are without territorial limitation.

EXECUTED AND DELIVERED AS A DEED

SIGNED by JZK, INC. by:

JZ Knight
Full name of authorised signatory

[Signature]
Signature of authorised signatory

Rebecca Capezio
Witness signature

REBECCA CAPEZIO
Name of witness

14308 148TH AVE SE, YELM
Address of witness

CEO PHOENIX RISING SCHOOL
Occupation

SIGNED by JZ KNIGHT:

Rebecca Capezio
Witness signature

[Signature]
Signature of JZ Knight

REBECCA CAPEZIO
Name of witness

14308 148TH AVE SE, YELM
Address of witness

CEO PHOENIX RISING SCHOOL
Occupation

SIGNED by DAVID MCCARTHY:

[Signature]
Witness signature

[Signature]
Signature of David McCarthy

ANDREW GRIFFITHS
Name of witness

410 OVERBIRD
Address of witness

KAWAIKA, NEW ZEALAND
Occupation
GRAPHIC DESIGNER

SCHEDULE I

**IN THE HIGH COURT OF NEW ZEALAND
AUCKLAND REGISTRY**

NO. CIV-2013-488-108

IN THE MATTER of breach of contract, inducement of breach of contract,
breach of confidence, and copyright infringement

BETWEEN **JZK, INC**
First Plaintiff

AND **JZ KNIGHT**
Second Plaintiff

AND **DAVID E MCCARTHY**
Defendant

ORDERS OF HONOURABLE JUSTICE

MADE ON

MAY 2014

 **Simpson Grierson**
Barristers & Solicitors

Tracey J Walker / Earl Gray
Telephone: +64-9-977 5088
Facsimile: +64-9-977 5028
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DX CX10092
Private Bag 92518
Auckland

Before the Honourable Justice on
2014

This court orders by consent:

1. An injunction restraining the defendant by himself or his servants or agents or otherwise howsoever from:
 - (a) disseminating through www.youtube.com or otherwise content from VHS or digital recordings of information and techniques taught by Ramtha's School of Enlightenment including the VHS recording of Ramtha's School of Enlightenment's Boktau event held in 1998, the teaching streamed live on www.ramtha.tv on or around 31 March 2011 and the teaching streamed live on www.ramtha.tv on or around 17 February 2012 (**RSE Videos**);
 - (b) disseminating, or causing or authorising the dissemination of, transcripts or translations of transcripts of content from RSE Videos, or any other information and/or techniques taught at Ramtha's School of Enlightenment to the public;
 - (c) copying, making an adaptation of, or communicating, issuing, playing or showing to the public through www.youtube.com or otherwise, all or any substantial part of the RSE Videos, including sound tracks to the RSE Videos and the statements made by Ms Knight in the RSE Videos (the **Copyright Works**), or causing or authorising the copying, making an adaptation of, or communicating, issuing, playing or showing through www.youtube.com or otherwise all or a substantial part of the Copyright Works to the public.
2. An injunction requiring the defendant to remove the following video clips from the worldwide web, including www.youtube.com, and restraining the defendant by himself or his servants and/or agents or otherwise from disseminating the video clips either publicly or privately:

- (i) Fire, Health and Safety Violations at Ramtha's School of Enlightenment (RSE) Video 1 of 3;
- (ii) Fire Health and Safety Violations at Ramtha's School of Enlightenment RSE part 2 of 3;
- (iii) Sandra Romero Speaks at a local Cult;
- (iv) Sandra Romero Seeks Voters from a Cult;
- (v) JZ Knight Behind the Mask Unedited 1 of 4;
- (vi) JZ Knight Behind the Mask 2 of 4; and
- (vii) JZ Knight talks about Mexicans/JZ Knight/Ramtha's Enlightened view of Mexicans.

3. The defendant will deliver up to the plaintiffs or the plaintiffs' solicitors or destroy (and provide confirmation on oath of his compliance):

- (a) all copies (whether full or partial copies) of the Copyright Works; and
- (b) all copies (whether full or partial copies) of the briefs of evidence served by the plaintiffs; and
- (c) all material (and all full or partial copies of material) provided by the plaintiffs on discovery; and
- (d) all copies (whether full or partial copies) of the following video clips ("**Video Clips**") previously posted on to www.youtube.com:
 - (i) Fire, Health and Safety Violations at Ramtha's School of Enlightenment (RSE) Video 1 of 3;
 - (ii) Fire Health and Safety Violations at Ramtha's School of Enlightenment RSE part 2 of 3;

- (iii) Sandra Romero Speaks at a local Cult;
 - (iv) Sandra Romero Seeks Voters from a Cult;
 - (v) JZ Knight Behind the Mask Unedited 1 of 4;
 - (vi) JZ Knight Behind the Mask 2 of 4; and
 - (vii) JZ Knight talks about Mexicans/JZ Knight/Ramtha's Enlightened view of Mexicans; and
- (e) all copies (whether full or partial copies) of RSE Videos, including:
- (i) The Art of Giving;
 - (ii) A Classic Teaching of Christmas;
 - (iii) The Two Paths;
 - (iv) Ramtha, The Mystery of Autumn;
 - (v) JZ Knight on 2012 Election (also known as Candidate forum 9-20-12);
 - (vi) Boktau 1998;
 - (vii) 17 February 2012 Advanced Retreat streamed on www.ramtha.tv; and
 - (viii) 31 March 2011 Primary Retreat streamed on www.ramtha.tv;

in the possession or power or control of the defendant and, use his best endeavours to procure that his servants and/or agents and Ms Melissa Genson do the same with regard to the

Copyright Works, Video Clips and/or RSE Videos given to them by the Defendant..

4. No order as to costs.

Date:

(Deputy) Registrar