1 2 3 4 5	LOEB & LOEB LLP DAVID GROSSMAN (SBN 211326) dgrossman@loeb.com TODD J. DENSEN (SBN 318051) tdensen@loeb.com 10100 Santa Monica Blvd., Suite 2200 Los Angeles, CA 90067 Telephone: 310.282.2000 Facsimile: 310.282.2200	Electronically FILED by Superior Court of California, County of Los Angeles 10/17/2023 2:58 PM David W. Slayton, Executive Officer/Clerk of Court, By S. Ruiz, Deputy Clerk	
6 7 8	Attorneys for Petitioners Paramount Pictures Corporation and CBS Studios Inc., Alec Peters and Axanar Productions, Inc.		
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10	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
11	FOR THE COUNTY OF LOS ANGELES		
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13	Paramount Pictures Corporation and CBS Studios Inc.,	Ś	
14	Petitioners,	) PETITION TO CONFIRM ) ARBITRATION AWARD	
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16	Alec Peters and Axanar Productions, Inc.,		
17	Respondents.		
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Loeb & Loeb A Limited Liability Partnership Including Professional Corporations	237619711.5 202828-10060 PETITION TO CONFIRM	ARBITRATION AWARD	

**INTRODUCTION** 2 Pursuant to Code of Civil Procedure §§1285 et seq, petitioners Paramount Pictures 3 Corporation and CBS Studios Inc. (collectively, "Petitioners") seek to confirm an award in 4 their favor, and against respondents Alec Peters ("Peters") and Axanar Productions, Inc. 5 ("Axanar Productions" and together with Peters, "Respondents"), for \$292,372.54, as 6 specified in the Final Award attached hereto as Exhibit 1.

7 Respondent Alec Peters, over the course of the last decade, has raised an 8 extraordinary amount of money from *Star Trek* fans, and has repeatedly represented to his 9 donors that he will create a film called "Axanar" that takes place in the Star Trek universe. 10 After nearly ten years, although Peters has collected well over \$1 million from donors, he has not created the long-promised film. 11

12 In 2015, Peters raised over \$1 million, using Kickstarter and Indiegogo, and he 13 declared that he was creating a "professional" "independent Star Trek film" that would 14 utilize professionals "in front and behind the camera." Peters did not have a license to 15 create Star Trek content and, in December of 2015, Paramount Pictures and CBS Studios 16 sued Peters and his company, Axanar Productions, in federal court for copyright 17 infringement. Peters and Axanar Productions asserted a number of defenses, including fair 18 use. Those defenses were rejected by Judge Gary Klausner in a summary judgment ruling 19 that he issued one month before trial. Shortly thereafter, Peters and Axanar Productions 20 executed a settlement agreement in which they agreed to numerous restrictions on the 21 creation of any subsequent fan film.

22 The January 2017 Settlement Agreement provided that Peters could complete his 23 Axanar project by creating, at most, two short fifteen-minute segments (the "Permitted 24 Axanar Segments"). After nearly seven years, Peters has not released even one of those 25 fifteen-minute segments. Instead, Peters has, in violation of the Settlement Agreement, continued to publicly raise funds for himself and his affiliated entities, continuously 26 27 leading on donors with representations that the finished film segments are on the verge of 28 completion. Peters was also prohibited from using the Star Trek name or marks in

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237619711.5 202828-10060 connection with the Permitted Axanar Segments, but he violated that restriction as well by,
among other things, using #StarTrek to promote the still-to-be-released segments. Peters
was prohibited from directly or indirectly selling any merchandise that contains any *Star Trek* elements. Peters violated this restriction and has continuously sold products
containing *Star Trek* elements over the better part of the last decade, enriching himself and
his co-conspirators, while failing to make the long-promised Permitted Axanar Segments.

7 Peters was repeatedly notified of the many breaches he committed under the 8 Settlement Agreement, and he failed and refused to cure those breaches. For example, 9 Peters created a "Patreon" account whereby he raised money from fans in order to pay the 10 costs of his Star Trek "bridge" set; Peters manufactured and sold patches and merchandise containing Star Trek marks and elements; and Peters publicly called for donors to send him 11 12 money for his supposed production of "Axanar." Peters attempted to insulate his 13 wrongdoing by claiming that some of the misconduct was engaged in by an entity he 14 owned and created called "Ares Studios."

Petitioners commenced Arbitration to obtain a declaration that Peters was liable for violating the Settlement Agreement. After a full evidentiary hearing, the Arbitrator ruled that Peters violated the Settlement Agreement in numerous ways, and that his attempts to use "Ares Studios" as a shell to protect him were ineffective. *See* Exhibit 1, Award, p. 11 ("Peters' reliance on 'Ares Studios' as a separate entity does not shield Peters himself from engaging in conduct that is expressly prohibited by the Settlement Agreement.").

Petitioners move the Court to confirm the Final Award as a final judgment, and to
legally confirm the parties' rights and obligations in accordance with the Final Award.

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PETITION TO CONFIRM ARBITRATION AWARD

	D & D T UD C		
1	<u>PARTIES</u>		
2	1. Petitioner Paramount Pictures Corporation is, and at all times relevant hereto		
3	was, a Delaware corporation with its principal place of business in Hollywood, California.		
4	2. Petitioner CBS Studios Inc. is, and at all times relevant hereto was, a		
5	Delaware corporation with its principal place of business in New York, New York.		
6	3. Respondent Alec Peters, an individual, is, and at all relevant times hereto		
7	was, a resident of Monroe, Georgia.		
8	4. Respondent Axanar Productions, Inc., at all relevant times, was a California		
9	corporation with its principal place of business in Valencia, California.		
10	AMOUNT IN DISPUTE		
11	5. This petition involves a dispute over \$292,372.54.		
12	VENUE AND JURISDICTION		
13	6. This Court is the proper court pursuant to Code of Civil Procedure § 1292.2,		
14	because this is the Court in the county in which the arbitration was held, and pursuant to		
15	Code of Civil Procedure § 1292 because this is the county where the agreement to arbitrate		
16	was made.		
17	7. This Court has personal jurisdiction over the parties because, <i>inter alia</i> ,		
18	pursuant to Code of Civil Procedure § 1293, any party agreeing to arbitrate a dispute in		
19	California is subject to personal jurisdiction of California courts in proceedings to confirm		
20	the award.		
21	AGREEMENT TO ARBITRATE		
22	8. On or about, January 20, 2017, Petitioners and Respondents entered into a		
23	written agreement which provides that any controversy or claim arising out of or relating		
24	to the agreement, or any breach thereof will be submitted to arbitration with JAMS		
25	pursuant to its Comprehensive Arbitration Rules and Procedures. It further provides that		
26	any such arbitration will be governed by California law, take place before a single		
27	arbitrator in Los Angeles, California, and that the arbitrator shall award reasonable		
28	attorneys' fees and costs to the prevailing party.		

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# SUMMARY OF ALLEGATIONS AND DISPUTE SUBMITTED TO ARBITRATION

9. Petitioners own the copyrights to the popular television series *Star Trek*,
 which debuted in 1966. Petitioners also own the copyrights to subsequent *Star Trek* related series, feature films, novels and numerous other works (collectively, the "Star Trek
 Works"). Petitioners have also licensed numerous derivative works, including games,
 collectibles, model kits, mobile apps, a variety of printed materials including fictional
 books, dictionaries, encyclopedias, and reference guides among many other categories of
 merchandise. Exhibit 1, Award, p. 4.

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# A. Alec Peters Creates Infringing "Axanar" Works.

11 10. In 2014, Respondents illegally copied from Petitioners' Star Trek Works to
12 create a twenty-minute infringing featurette/film entitled "*Star Trek: Prelude to Axanar*"
13 ("*Prelude*"). Respondents intended *Prelude* to be the pre-cursor to a proposed full-length
14 feature film entitled "*Star Trek: Axanar*" ("*Axanar*"). *Id.* at 4.

15 11. The *Axanar* script, like *Prelude*, incorporated Petitioners' protected
16 characters, including Garth of Izar, Klingon Commander Chang (the villain featured in
17 *Star Trek VI: The Undiscovered Country*), and many other Vulcan, Klingon, and Starfleet
18 characters. *Id.* at 5.

19 12. Peters used crowdfunding platforms to raise approximately \$1.4 million from
20 *Star Trek* fans, purportedly to help him make *Axanar*. However, Peters used the money for
21 his own personal use, and to lease and build a for-profit studio that he hoped to use to
22 produce *Axanar* and other unlicensed *Star Trek* projects. *Id*.

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# 13. In raising money for the Axanar works, Peters stated:

Axanar is the first fully-professional, independent Star Trek film. While some may call it a 'fan film' as we are not licensed by CBS, Axanar has professionals working in front and behind the camera, with a fullyprofessional crew—many of whom have worked on Star Trek itself—who ensure Axanar will be the quality of Star Trek that all fans want to see.

27 Plaintiffs' Motion for Summary Judgment, C.D. Cal. Case No. 2:15-CV-09938, Dkt. 85 at

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Loeb & Loeb A Limited Liability Partnership Including Professional Corporations Peters engaged in a pattern of producing snippets of content, releasing that
 (infringing) content on YouTube and then leveraging the short clips he created to ask fans
 for more funding. After *Prelude*, Peters released a scene he calls "The Vulcan Scene," a
 short clip of what he claimed would be the full-length feature film, and then he used the
 existence of that short clip to, once again, crowdsource hundreds of thousands of dollars
 from fans on platforms like Kickstarter and Indiegogo. *See* Exhibit 1, Award, p. 5.

7 15. In total, Peters raised well over a million dollars from *Star Trek* fans and
8 used some of those donor funds to build a large and detailed "bridge" set, which he housed
9 in the studio facility that he leased with fan funds. The bridge set was intentionally
10 designed to copy the look and feel of a "Starfleet" starship. *Id.*

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# B. The Prior Lawsuit.

12 16. In December 2015, Petitioners filed a lawsuit against Respondents for
13 copyright infringement and declaratory relief in the United States District Court for the
14 Central District of California, Case No. 2:15-cv-09938-RGK-E (the "Lawsuit"). *Id.*

15 17. Petitioners filed a motion for summary adjudication in late 2016. The Court
(Judge Klausner) ruled that the *Axanar* works used copyright-protected elements from the
Star Trek Works, and also held that the works at issue were substantially similar under the
Ninth Circuit's governing "extrinsic test." Order Re: Plaintiffs' Motion for Partial
Summary Judgment and Defendants' Motion for Summary Judgment, *Paramount Pictures Corp. v. Axanar Productions, Inc.*, C.D. Cal. Case No. 2:15-CV-09938, Dkt. 163 at p. 7.

18. Judge Klausner also rejected Peters' arguments regarding his personal
liability, finding that: "He supervised and controlled Axanar Productions" and that "Peters
also profited directly from the Axanar Works." *Id.* at 14.

19. After the ruling on Summary Judgment, the parties reached an agreement to
settle the case. Exhibit 1, Award, p. 5. As part of that agreement, Respondents were
permitted to make the Permitted Axanar Segments. However, Respondents were expressly
prohibited from, among other things, commercially exploiting *Prelude* or the Permitted
Axanar Segments, publicly fundraising for the Permitted Axanar Segments, using the *Star*

Trek name (or similar marks) in connection with Axanar, using the "Axanar star logo" in 1 2 any context other than in Prelude or the Permitted Axanar Segments, creating or selling 3 any merchandise containing any Star Trek elements, and making any statements which, 4 directly or indirectly, disparage Petitioners. See id. at 5-6, 8-9.

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#### C. **Respondents Violate the Settlement Agreement.**

20. 6 Peters and Axanar Productions violated the terms of the Settlement 7 Agreement on numerous occasions by, among other things, publicly fundraising, using the 8 Star Trek name in connection with Axanar, making non-permitted uses of the "Axanar star 9 logo," creating and selling merchandise containing Star Trek elements and the "Axanar 10 star logo," and disparaging Petitioners. See id. at 6-9, 17.

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21. Peters and Axanar Productions violated the fundraising restrictions by, 12 among other things, directing the public to donate funds to help produce the Permitted 13 Axanar Segments on Facebook, YouTube, and Twitter. Id. at 6-7. Peters also maintained 14 several websites, including www.axanar.com and www.aresstudios.net, from which he 15 solicited donations from the public. Id.

16 22. Peters also used crowdfunding platforms, including Kickstarter and Patreon, 17 which he promoted on social media, to raise funds. Id. at 7. Peters utilized the Patreon 18 platform to raise funds to pay for a Georgia studio and set where the Permitted Axanar 19 Segments were shot, and where the production personnel work. Id. Over the course of 20 2014-2016, Peters used fan donations to create his "bridge" set, which he housed in a 21 studio facility in Valencia, California. After the lawsuit, Peters took the bridge set and 22 used fan funds to transport the set to Georgia. Thereafter, Peters, upon moving to Georgia, 23 claimed that the fan-funded bridge set was now the property of another entity that he called Ares Studios Inc. ("Ares").<sup>1</sup> Id. 24

25 23. Peters publicly posted videos on Axanar's YouTube channel directing viewers to contribute to a Patreon campaign for Ares Studios - purportedly to finance 26

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<sup>1</sup> The USS Ares is the name of the ship that Garth of Izar commands in Axanar.

additional work on the bridge set. *Id.* at 6-7. Peters posted links to the Ares Patreon
 webpage widely across all of his Axanar-related social media, including on the Axanar
 YouTube channel and Facebook pages. *Id.* Peters also frequently hosted internet
 livestreams that were posted publicly to Facebook and YouTube to solicit donations for the
 Permitted Axanar Segments and directed people to the Ares Patreon campaign so they
 could "support great *Star Trek* and Axanar content." *Id.*

7 24. Peters also made prohibited uses of the Star Trek name and related marks in 8 connection with Axanar. Id. at 8. Peters and Axanar Productions made frequent posts to 9 Twitter, Facebook, and YouTube that contained "tags" impermissibly using "Star Trek" to 10 falsely imply an official connection to *Star Trek*. For example, Peters added phrases that included "Star Trek"; "Star Trek Axanar"; "Prelude to Axanar"; "Axanar"; "USS Ares"; 11 12 "Star Trek Discovery"; "Star Trek Lawsuit"; "Star Trek Axanar Lawsuit"; "Star Trek 13 Axanar movie"; "Star Trek News"; "Star Trek STD"; "Star Trek CBS All Access"; "Star 14 Trek Paramount"; "Star Trek CBS"; "Star Trek The Next Generation"; "Star Trek TOS"; 15 "Star Trek TNG"; "Axanar is Star Trek"; "Star Trek Canon"; "Star Trek Movie"; "Star Trek Fan Film"; "Real Star Trek"; "Orville"; "Garth of Izar"; and "Kelvar Garth" on 16 17 several Axanar Facebook posts and YouTube pages. Respondents also used "#StarTrek" 18 on dozens of Twitter posts promoting Axanar. Id.

19 25. Peters made and sold merchandise containing Star Trek elements and which 20 commercially exploited Axanar. Id. at 9. For example, Peters sold pins, patches, and other 21 merchandise containing Star Trek character elements and imagery which he marketed as 22 "Axanar Swag." Id. Peters also created and sold merchandise such as shirts, lanyards, 23 pins, coins, patches, calendars, magnets, and hats, among others, containing the "Axanar 24 star logo." Id. Peters sold these items on eBay, Kickstarter, and in an online store on the 25 Ares website. Id. Peters also promoted the sale of "Axanar Swag" on the Axanar YouTube channel and other social media sites, including on his personal Facebook page. 26 27 Id.

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237619711.5 202828-10060 In connection with Peters' attempts to raise money for the Permitted Axanar
 Segments, Peters repeatedly disparaged Petitioners. *Id.* Peters made these statements on
 social media, including on Facebook, on the web pages for his crowdfunding campaigns,
 and in videos posted on YouTube and social media. *Id.*

5 27. Prior to initiating Arbitration, Petitioners provided Peters with notices of 6 these numerous violations. Id. at 10. Peters responded by denying that he was in breach of 7 the Settlement Agreement. Peters also claimed that some of the misconduct complained of 8 was engaged in by "Ares," the company he created and to which he transferred the sets and 9 assets previously held by Axanar Productions. Id. at 11. Peters claimed that Ares was a 10 separate legal entity that was not a party to the Settlement Agreement, and thus, Ares could publicly fundraise for the Axanar set and sell merchandise prohibited by the Settlement 11 12 Agreement. Id.

13 28. Peters also issued his own "Notice of Breach" to Petitioners, claiming that Petitioners had caused him to incur legal fees in an unrelated defamation lawsuit that 14 15 Peters filed in Georgia against Paul Jenkins, a former director of Axanar. Id. at 12. Peters 16 and Jenkins had a falling out, and a company affiliated with Jenkins released a statement 17 saying they would no longer be affiliated with Axanar and Peters. Peters asserted that 18 Petitioners were responsible for the cost of his suit against Jenkins because Petitioners had 19 an obligation to (but did not) enforce certain "Fan Film Guidelines" against Jenkins and 20 demanded that Petitioners pay him approximately \$365,000 in legal fees that he allegedly 21 accrued over the course of his defamation lawsuit against Jenkins. *Id.* at 14. Peters never 22 provided any evidence supporting the assertion that he paid that amount of fees – because 23 he did not pay any such amounts.

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PETITION TO CONFIRM ARBITRATION AWARD

# JAMS ARBITRATION

29. On May 23, 2022 Petitioners filed a Demand for Arbitration pursuant to Paragraph 10 of the Settlement Agreement. Petitioners asserted two causes of action: (1) a claim for declaratory relief concerning Peters' claim that Petitioners breached the Settlement Agreement by not taking action against Paul Jenkins and therefore owed Peters hundreds of thousands of dollars to cover his legal fees in his defamation lawsuit; and (2) a claim for declaratory relief that Respondents' activities, including public fundraising, use of *Star Trek* marks, selling merchandise containing *Star Trek* elements, using the Axanar star logo, and disparaging Petitioners, violated the Settlement Agreement.

30. Respondents filed a Response and Counterclaim on November 1, 2022. In
the Response, Respondents denied the allegations and again alleged that some of the
conduct, in particular the public fundraising and sale of merchandise, were purportedly
done by or on behalf of "Ares." Peters argued that Ares was a separate entity that he did
not own or control and which was not a party to the Settlement Agreement. Peters claimed
that money raised from Patreon and other sources was only for Ares and was not used by
Peters for Axanar.

17 31. Peters also asserted three counterclaims. The first mirrored Petitioners' first 18 cause of action (*i.e.* declaratory relief concerning the allegation that Petitioners violated the 19 Settlement Agreement in authorizing Paul Jenkins to violate the Fan Film Guidelines). 20 The second counterclaim alleged that Petitioners had covertly worked with a certain group of people online identified as "Axamonitor," which Peters claimed were attempting to 21 22 harass him into abandoning work on the Permitted Axanar Segments-however, Peters 23 never presented any evidence to support this claim. Peters also asserted a third 24 counterclaim alleging tortious interference, but he did not present any evidence concerning 25 this claim.

32. The Arbitration was conducted by JAMS and Barbara A. Reeves, Esq. was
appointed as the Arbitrator.

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- 33. Arbitration hearings on the matter were conducted on May 8-9, 2023.

34. The Final Arbitration Award (the "Final Award") was signed on September
1, 2023 and was served on all parties on September 12, 2023. As noted above, a copy of
the Final Arbitration Award is attached hereto as Exhibit 1.

5 35. The Final Award held that <u>Petitioners prevailed on all causes of action and</u>
6 awarded Petitioners \$292,372.54 in attorney fees and costs.

7 36. Based on the facts and evidence presented, the Arbitrator determined that 8 Respondents' activities, including public fundraising, use of Star Trek marks, selling 9 merchandise containing Star Trek elements, using the Axanar star logo, and disparaging 10 Petitioners, violated the Settlement Agreement. Exhibit 1, Award, p. 17. The Arbitrator also rejected Peters' claims that he did not have control of Ares. Id. at 11. Specifically, 11 12 she noted that, Crysstal Hubbard, the person Peters purported to be the CEO of Ares, was 13 Peters' girlfriend and found that Peters appointed her because "he knew his conduct in 14 control of Ares violated the Settlement Agreement and he feared his title could expose 15 Ares to legal risk from Petitioners." Id. Ms. Hubbard's testimony confirmed that she did not oversee Ares' expenses; she did not review Ares' accounting records; she did not know 16 17 Ares' revenue, the names of Ares accountants, or that she had, at one time, been listed as 18 Ares' CFO. Id. Rather, Ms. Hubbard's testimony confirmed that Peters is the person 19 responsible for the finances of Ares. Id. Peters signed the Ares studio lease and the utility 20 contracts; Peters controls all Ares' finances and accounting; Peters handles all of Ares' 21 merchandise sales and shipping; Peters has access to all of Ares' bank accounts; and Peters 22 is the point of contact for anyone visiting the Ares website. *Id.* The Arbitrator thus 23 concluded that Peters had and has control over Ares.

37. The Arbitrator also ruled that the Settlement Agreement prohibits Peters, not
just Axanar, from engaging in the conduct that was at issue. *Id.* The Arbitrator held that
"Peters, whether operating on behalf of 'Axanar Productions' or 'Ares Studios,' was
prohibited from using publicly-raised funds to support the production of the Permitted
Axanar Segments, from selling merchandise containing *Star Trek* elements, from using the

Axanar star logo, including on merchandise, and from using the name 'Star Trek' or
related terms to promote his film production. Peters admitted that he engaged in this
conduct. Peters' reliance on 'Ares Studios' as a separate entity does not shield Peters
himself from engaging in conduct that is expressly prohibited by the Settlement
Agreement." *Id.*38. The Final Award satisfies the requirements of Civil Procedure Code section
1283.4 because it is in writing, signed by the Arbitrator, and resolves all questions

8 submitted to the Arbitrator the decision of which were necessary to determine the9 controversy.

39. Accordingly, Petitioners petition this Court to confirm the Final Award
pursuant to Code of Civil Procedure sections 1285 *et seq*. California Code of Civil
Procedure section 1285 authorizes Petitioners, as parties to the arbitration, to petition this
Court to confirm the Final Award. Furthermore, unless a petition to correct or vacate the
award is timely filed, "the court *shall* confirm the award as made...." Cal. Code Civ. Proc.
§ 1286 (emphasis added).

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#### PRAYER FOR RELIEF

THEREFORE, Petitioners request that the Court:

1. Confirm the Final Award and enter judgment according to it;

19 2. Award Petitioners the sum of \$292,372.54, payable by Respondents pursuant
20 to the Final Award;

3. Declare that Petitioners are the prevailing parties against Respondents in
connection with this Petition;

4. Order that, in accordance with California Code of Civil Procedure section
1032 and 1033.5, Respondents shall pay Petitioners their costs incurred in connection with
this Petition;

5. Further Order that, in accordance with Civil Code section 3287(a),
Respondents shall pay Petitioners post-arbitration award/prejudgment interest in the
amount of \$2,723.47, comprising interest accrued from September 12, 2023 (the date of

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1	service of the Final Award) through October 16, 2023 (the date of this filing), and		
2	continuing thereafter at the rate of \$80.10 per day until this Court enters a judgment		
3	against Respondents; and		
4	6. Further Order that, in accordance with Code of Civil Procedure section		
5	685.010, Respondents shall pay Petitioners post-judgment interest on the total amount of		
6	the money judgment awarded hereunder at the rate of 10% per annum, such interest		
7	accruing until the judgment has been satisfied in full.		
8 9	Dated: October 16, 2023 DAVID GROSSMAN TODD L DENSEN		
10	TODD J. DENSEN		
11	By: <u>/s/ David Grossman</u>		
12	David Grossman Todd J. Densen		
13	Attorneys for Petitioners		
14	Paramount Pictures Corporation and CBS Studios Inc., Alec Peters and Axanar		
15	Productions, Inc.		
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# **EXHIBIT 1**

#### JAMS ARBITRATION: REF. NO. 1210038737

Paramount Pictures Corporation and CBS Studios Inc.,

Claimants,

#### FINAL AWARD

and

Alec Peters and Axanar Productions, Inc.,

Respondents.

#### Place of Arbitration: Los Angeles, California (via Zoom)

#### Date of Final Award: September 1, 2023

#### Counsel:

David A. Grossman Esq. Todd J. Densen Esq. Loeb & Loeb, LLP 10100 Santa Monica Blvd. Ste 2200 Los Angeles, CA 90067 Tel: 310-282-2077 Email: dgrossman@loeb.com Email: tdensen@loeb.com

Counsel for: Paramount Pictures Corporation and CBS Studios, Inc

#### Arbitrator:

Barbara A. Reeves, Esq. JAMS 1925 Century Park East, Suite 1400 Los Angeles, CA 90067 Office: (310) 392-3044 Email: BReeves@jamsadr.com Alec Peters 77 Sinclair Way Monroe, GA 30655 Tel: 404-918-1701 Email: alec@axanar.com

Pro per: Alec Peters and Axanar Productions Inc

THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the Settlement Agreement and Release ("Settlement Agreement") dated January 19 and January 20, 2017, which contains an arbitration provision at Paragraph 10, and having examined the submissions, proof, and allegations of the parties, finds, concludes and issues this Final Award as follows:

# I. INTRODUCTION AND PROCEDURAL STATEMENT

Claimants Paramount Pictures Corporation and CBS Studios Inc., ("Claimants") filed a Demand for Arbitration on or about May 23, 2022. Respondents Alec Peters and Axanar Productions, Inc. ("Respondents") filed a Response and Counterclaim on November 1, 2022. A Preliminary Arbitration Management Conference was held on November 3, 2022. Respondents filed an Amended Response and Counterclaims on November 8, 2022, and Claimants filed their Response on November 22, 2023. Various orders were issued regarding the procedure for the arbitration. A Final Status Conference was conducted on April 13, and April 14, 2023.

This arbitration arises out of the Settlement Agreement between the parties, with claims of breach asserted by both parties. The Settlement Agreement contains an arbitration clause at para. 10 covering "any controversy or claim arising out of or relating to, or any breach thereof" the Settlement Agreement. The Arbitrator was selected as the sole arbitrator pursuant to the arbitration provision of the Settlement Agreement. Pursuant to the parties' arbitration provision, the California Arbitration Act and the JAMS Comprehensive Arbitration Rules and Procedures apply to the arbitration. The applicable substantive law is the law of the State of California.

Claimants asserted two causes of action: (1) a claim for Declaratory Relief concerning Peters' claim that Claimants breached the Settlement Agreement by not taking action against Paul Jenkins and therefore owed Peters hundreds of thousands of dollars to cover his legal fees in his lawsuit; and (2) a claim for Declaratory Relief that Respondents' activities, including public fundraising, use of Star Trek marks, selling merchandise containing Star Trek elements, using the Axanar star logo, and disparaging Claimants, violate the Settlement Agreement.

Respondents denied the allegations, and asserted three counterclaims: (1) a claim for Declaratory and Injunctive Relief that Claimants have Violated the Settlement Agreement in authorizing Paul Jenkins to violate the Star Trek Fan Film Guidelines; (2) a claim for Declaratory and Injunctive Relief that Claimants have Violated the Settlement Agreement working with the 'Axamonitor' hate group; and (3) a claim for Injunctive Relief against Claimant's Tortious Interference in Respondent's Business. During the hearing, Respondents dropped this last claim, the tortious interference claim.

#### A. <u>The Evidentiary Hearing</u>.

The hearing was conducted on May 8 - 9, 2023, via the JAMS remote Zoom platform. Each side offered documentary evidence at the hearing, and such evidence was admitted, with the exception of exhibits that had not previously been disclosed. The following witnesses testified: Alec Peters, Michael Mehrman, David Grossman, and Crystal Hubbard. The hearing was reported by Nancy J. Martin, CSR No. 9504, RMR, RPR.

At the conclusion of the presentation of evidence, the parties stated that they had no further evidence to offer as to this phase of the proceeding. The parties submitted post-closing briefs on May 24, 2023, and reply briefs on May 26, 2023, and Respondents submitted a revised brief on May 30, 2023. Closing argument was held via Zoom on June 20, 2023, and the matter was submitted for decision following that hearing on June 20, 2023. On June 30, 2023, Respondents submitted a letter describing actions Respondents have taken "in the interest of avoiding any future issues with the Settlement Agreement." Claimants objected on the ground that the evidence on this matter had closed, but for the reserved issues of the amount of attorneys' fees and costs to which any party may be entitled pursuant to the Settlement Agreement and the amount of punitive damages, if any, which were bifurcated for determination subsequent to the Interim Award. If Respondents' June 30 letter is relevant to the bifurcated issues, Respondents may resubmit it during briefing on those issues.

An Interim Award was issued on July 27, 2023, holding that Claimants have established their right to the declarations they sought regarding the parties' rights and obligations under the Settlement Agreement; and that Claimants did not violate any provision of the Settlement Agreement with respect to Peters' lawsuit against Paul Jenkins, and Claimants are not responsible for attorneys' fees or costs (if any) that Peters incurs in connection with his action against Mr. Jenkins. The Interim Award is incorporated herein. The Arbitrator determined that Claimants are the prevailing party and entitled to reasonable attorney fees and costs pursuant to the Settlement Agreement. Claimants submitted their Motion for Attorneys' Fees and Costs on August 3, 2023, Respondents submitted an Opposition on August 21, 2023, and Claimants responded on August 23, 2023

# II. STATEMENT OF FACTS

The factual findings that follow are necessary to the Award. They are derived from admissions in the pleadings and the testimony and evidentiary exhibits presented at the hearing. To the extent that these findings differ from any party's position, that is the result of determinations by the Arbitrator as to credibility and relevance, burden of proof considerations, legal principles, and the weighing of the evidence, both oral and written.

# A. <u>Star Trek Works</u>

The original Star Trek television series ("*The Original Series*") debuted in 1966 and ran for three seasons, until 1969. In addition to *The Original Series*, there have been several other Star Trek television series, together totaling more than 700 episodes (collectively with The Original Series, the "Star Trek Television Series").

Claimants in this action, CBS Studios Inc. and Paramount Pictures Corporation, own the copyrights to *The Original Series*, as well as all of the subsequent Star Trek television series, thirteen feature-length films, and numerous other Star Trek works, including the novels entitled: *Garth of Izar* (Registration No. TX0005745716); *Strangers from the Sky* (Registration No. TX0006872810); and *Infinity's Prism* (Registration No. TX0006872810) (collectively, the "Star Trek Books") (the "Star Trek Books," the "Star Trek Television Series" and the "Star Trek Motion Pictures," are referred to collectively as the "Star Trek Works").

*The Original Series* chronicled the adventures of the U.S.S. Enterprise (one of the ships of "Starfleet") and its crew as they traveled through space during the twenty-third century. As relevant to this case, in one of the episodes of *The Original Series*, James T. Kirk, the Captain of the Enterprise, meets his hero, Garth of Izar, a former Starship captain. In that episode, Kirk and Garth discuss Garth's victory in the Battle of Axanar. Peters adopted the name "Axanar" for his production company.

Claimants also licensed numerous derivative works, including games, collectibles, model kits, mobile apps, a variety of printed materials including fictional books, dictionaries, encyclopedias, and reference guides among many other categories of merchandise. One of these licensed works is *Star Trek: The Role Playing Game*. This game was licensed in the 1980s to FASA Corporation ("FASA"). FASA created numerous mission guides or "supplements" that players of the role-playing game could use. One of these supplements, called *The Four Years War*, chronicled the military battles between the Klingon Empire and the Federation. This work discussed the "arms race" between the Klingons and the Federation to create new and more capable starships. *The Four Years War* supplement also describes the Battle of Axanar (a related mission guide for the role-playing game was called *Return to Axanar*), and the military campaigns of Federation Fleet Captain Garth of Izar. The copyright in this work is owned by Claimants (TX0008260896).

# B. <u>Respondents' Axanar Works and fund raising</u>

Claimants allege that in 2014, Peters illegally copied from Claimants' Star Trek Works to create a twenty-minute infringing featurette/film entitled *Star Trek: Prelude to Axanar* ("*Prelude*"). Peters' *Prelude* film was intended to be a pre-cursor to a proposed full-length feature film entitled "*Star Trek: Axanar*" ("*Axanar*"). Peters used crowdfunding platforms to raise \$1.4 million from Star Trek fans, purportedly to help him make *Axanar*, but used the money

for his personal use, and to lease and build a for profit studio that he hoped to use to produce other Star Trek projects.

The *Axanar* script, like *Prelude*, incorporated Claimants' protected characters, including Garth of Izar, Klingon Commander Chang (the villain featured in *Star Trek VI: The Undiscovered Country*), and many other Vulcan, Klingon, and Starfleet characters.

In raising money for the Axanar Works, Peters emphasized that Axanar is the first fully professional, independent Star Trek film, with a professional crew and actors, to ensure *Axanar* will be the quality of Star Trek. Peters acknowledged that he was not licensed by CBS. Peters uploaded snippets of content to YouTube, including "The Vulcan Scene," to ask fans for more funding, utilizing the Kickstarter and Indiegogo platforms.

Peters raised approximately \$1.4 million from Star Trek fans and used some of those donor funds to build a large and detailed "bridge" set, which he housed in the studio he leased with fan funds. This set was intentionally designed to copy the look and feel of a "Starfleet" starship.

# C. <u>The Lawsuit and Settlement Agreement</u>

In December 2015, Claimants filed a lawsuit for copyright infringement against Respondents Alec Peters and Axanar Productions (the "Lawsuit"). Peters is the President of Axanar Productions.

Claimants alleged in the Lawsuit that Peters and Axanar Productions sought to make a professional production with a fully professional crew, many of whom have worked on Star Trek itself and raised over a million dollars on crowdsourcing websites Kickstarter and Indiegogo to fund their projects. *Paramount Pictures Corp. v. Axanar Productions, Inc.* Claimants alleged that Respondents illegally copied from Claimants' Star Trek works to create *Prelude* a pre-cursor to a proposed full-length feature film *Axanar*, and a short clip from that proposed film, the *Vulcan Scene,* that copied numerous elements from Claimants' works, including Vulcans, the planet Vulcan, and Vulcan ships (collectively the "Axanar project").

*Prelude* was released on YouTube in August 2014. *Prelude* features the copyrighted character, Garth of Izar, and describes and depicts his military exploits during the war between the Federation and the Klingon Empire. Peters cast himself to play the hero, Garth of Izar. In early 2016, Peters announced that he had completed a shooting script for *Axanar*.

In January 2017, the parties reached the Settlement Agreement in the copyright Lawsuit, mentioned above, that is the basis for this arbitration. In the Settlement Agreement, Claimants agreed that Respondents could complete the Axanar project by creating, at most, two short fifteen-minute segments (the "Permitted Axanar Segments"). In exchange, Respondents agreed to abide by multiple restrictions and were prohibited from certain commercial conduct.

# D. <u>The Settlement restrictions and Respondents' post-Settlement activity</u>

The Settlement Agreement contains the following restrictions relevant to this matter.

1. Respondents are prohibited from publicly fundraising.

"[Respondents] will not publicly fundraise for the Permitted Axanar Segments, nor accept any publicly-raised funds from others through crowdfunding websites (including, for example Indiegogo, Kickstarter, or GoFundMe) or any other public website (including, for example, Axanarproductions.com or other third party websites) or any social media accounts, including but not limited to any posting on Facebook pages (regardless of whether the account is public or considered a private group). . . For the avoidance of doubt, [Respondents] shall remove all statements, requests, postings, solicitations or requests to donate (or such terms as 'donate' or 'click here to contact for donations' or similar terms or statements) from all public websites, including any of [Respondents'] websites."

Settlement Agreement at ¶ 5.16.

Claimants presented evidence at the Hearing that Respondents repeatedly engaged in public fundraising in violation of Paragraph 5.16, to pay for the production of the Permitted Axanar Segments.

Peters contends that the only way to donate to Axanar is through the Axanar Donors site, which is linked on www.axanar.com and log-in only, thus making it non-public. Axanar is permitted under the Settlement Agreement to market to its previous donors and email list (Exhibit 12 section 5.16), and, Peters contends, only members of this mailing list have access to the Axanar Donor's Site.

However, Peters admitted in testimony that he continues to solicit donations directly on the Axanar website, up through the date of the arbitration, and that visitors to the Axanar homepage can sign up and donate to Axanar. The Axanar homepage contains a link directly to the donor portal (the "Donor Portal") which tells the public where they can create an Axanar Donors account.

Peters confirmed in testimony that Respondents made posts on Facebook, Twitter, and YouTube which request donations and send the public directly to the Donor Portal. Peters confirmed that axanardonors.com and aresdigital.axanar.com are both web addresses for the Donor Portal. Claimants introduced numerous exhibits evidencing Peters' solicitation of fundraising on public sites. Ex. 32 (public Facebook post by Axanar dated December 16, 2020 stating "Donate to support Axanar" and including a direct link to the Donor Portal); Ex. 142 (public Facebook post by Axanar dated June 1, 2022 stating the same and posting the same link to the Donor Portal); Ex. 396 (public Facebook post by Alec Peters dated September 21, 2020 stating the same and posting the same link to the Donor Portal); Ex. 127 at CBS\_0000838 (public Facebook post by Axanar dated December 25, 2022 with a link to the Donor Portal); Ex. 146 (public Facebook post by Alec Peters dated December 25, 2022 with a link to the Donor Portal); Ex. 128 at CBS0000849-852 (public Twitter posts by Axanar asking for people to go to the Donor Portal at axanardonors.com); Ex. 13 at CBS0000055-56 (YouTube video posted October 19, 2019 with more than 79,000 views which states in the video description "PLEASE SUPPORT AXANAR by joining us here: Ares Digital 3.0: https://aresdigital.axanar.com/", i.e. the Donor Portal, and stating the same in a pinned comment on the video); Ex. 113 (video published to the Axanar YouTube on October 24, 2019 titled "Axanar Update No. 10") at 2:43 – 3:06; Ex. 136 (video titled "July 2022 Axanar Update") at 4:42 – 4:55.

Peters also raised money directly through YouTube and Facebook by accepting donations during live broadcasts on the Axanar YouTube channel and Facebook pages; and Peters admitted in testimony that he made videos requesting that people donate money to Axanar through the paid YouTube "Membership" feature. Respondents also used crowdfunding platforms like Kickstarter and Patreon to raise funds required for production of the Permitted Axanar Segments. In 2019, Peters created a Patreon page to raise funds to pay for a Georgia building where the Bridge Set is housed and where the Permitted Axanar Segments are shot. Exs. 21, 133. Peters admitted in testimony that the Bridge Set was originally made in California from fan donor contributions, transported to his new location in Georgia. The Bridge Set mimics the look and feel of the bridge of a Star Trek Federation Starship.

Peters defends much of this activity by arguing that after signing the Settlement Agreement, he created a new entity, a Georgia entity called Ares Studios Inc. ("Ares") and transferred the set pieces previously held by Axanar Productions (that were paid for with donor funds) to Ares, a company owned by Peters at the time, for no compensation. Respondents did not provide any documents evidencing this transfer, and did not provide any evidence of any use of the Bridge Set other than for the Axanar Permitted Segments. He testified that the Bridge Set is used by schools for student productions, but provided no evidence to support this contention. After he transferred the Bridge Set from California to the Georgia warehouse, Peters and Axanar Productions publicly posted videos on Axanar's YouTube channel directing viewers to contribute to a Patreon campaign for "Ares Studios" to help to complete the set for the Permitted Axanar Segments. E.g., Exs. 27, 36. Respondents also placed a link to the Ares Patreon page on the front of the main Axanar YouTube page (located at www.youtube.com/startrekaxanar), as well as regular public posts on Facebook soliciting donations and linking to the Ares Patreon page. See e.g., Exs. 32, 127, 142, 146. The exhibits and testimony evidenced ongoing public fundraising on Kickstarter and Facebook, even up to January 2023, when Peters posted a video to the Axanar Facebook page asking the public to donate to the Ares Patreon campaign so they can "support great Star Trek and Axanar content." See, e.g., videos at Exs. 84, 91, 110, 123, 127, 128, 135, 147.

2. <u>Respondents are prohibited from using marks that may be associated with</u> <u>Claimants and are prohibited from using the Axanar star logo in any context other</u> than in *Prelude to Axanar* and the Permitted Axanar segments.

"[Respondents] may not use 'Star Trek' or any confusingly similar mark on or in connection with any promotions, marketing, banners, post cards, blogs, panels or festivals involving 'Axanar' in any medium. [Respondents] may not use confusingly similar Star Trek stylized font, lettering, logos, or designs in connection with any title, subtitle, or promotional material in any medium. Defendants may continue to use the current Axanar star logo on Prelude to Axanar, and may use this same logo on the Permitted Axanar Segments but other than that shall cease all use of this logo."

Settlement Agreement at ¶ 5.3.

Claimants presented evidence at the Hearing that Respondents use the Star Trek name and marks in violation of Paragraph 5.13. Peters admitted during his testimony that Respondents use the "Star Trek" name and related terms in social media posts about Axanar, in his videos on YouTube, and in his posts on Facebook, and Twitter, suggesting that Axanar is Star Trek"; that Axanar is "Real Star Trek"; and that Axanar is "Star Trek Canon." The exhibits confirmed that use of the Star Trek name, numerous times, including YouTube videos and in Facebook posts: "Star Trek"; "Star Trek Axanar"; "Prelude to Axanar"; "Axanar"; "USS Ares"; "Star Trek Discovery"; "Star Trek Lawsuit"; "Star Trek Axanar Lawsuit"; "Star Trek Axanar movie"; "Star Trek News"; "Star Trek STD"; "Star Trek CBS All Access"; "Star Trek Paramount"; "Star Trek CBS"; "Star Trek The Next Generation"; "Star Trek TOS"; "Star Trek TNG"; "Axanar is Star Trek"; "Star Trek Canon"; "Star Trek Movie"; "Star Trek Fan Film"; "Real Star Trek"; "Orville"; "Garth of Izar"; and "Kelvar Garth." 6= Exs. 13, 146, 396; Ex. 32 at CBS\_0000124, 127, 165; Ex. 127 at CBS\_0000818, 821, 825, 827, 829, 833-34, 837-38, 840-41.

Twitter posts from the official Axanar Twitter account used the term "#StarTrek" and include an asymmetrical arrow icon that is in the shape of a Star Trek Starfleet Officer's badge, and Peters confirmed in his testimony that the majority of the posts contain #StarTrek and that logo. Ex. 128.

3. <u>Respondents are prohibited from directly or indirectly making or selling any</u> merchandise that contains any Star Trek elements.

"[Respondents] may not themselves, or authorize, induce or license others (directly or indirectly) to, create, manufacture or distribute, any merchandise that is tied to Star Trek, or based on, related to, confusingly similar, or derivative of Star Trek or the elements therein to exploit or raise money for, Prelude to Axanar, the Permitted Axanar Segments, or the Documentary described in Paragraph 6 hereinafter, or for any other purpose."

Settlement Agreement at ¶ 5.9

Claimants' exhibits and Peters' testimony at the hearing confirmed that Respondents create and sell merchandise, including pins, patches, and other merchandise containing Star Trek elements, including the Klingon insignia and the Starfleet logo and name, on eBay, in the Ares web store, and for distribution on an official Star Trek Cruise (although Peters did not ultimately go on that cruise). E.g., Exs. 78, 79, 80, 93, 145; Ex. 134 at CBS\_0000869-874, 878-882, 887, 889, 892-905; RT at 95:5-19, 99:4-101:9. Peters contends that the merchandise that is Axanar related is sold by Ares, which is not a party to the Settlement Agreement. However, Peters admitted that *he* made merchandise that contains the Axanar star logo, marketed these items as "Axanar Swag," and promoted sales on the Axanar Facebook page, the Axanar Twitter account, and in videos on the Axanar YouTube channel. In addition, Peters controlled Ares. (Discussed further below.) This conduct is in violation of Paragraph 5.9.

4. Respondents are prohibited from making any statements that may directly or indirectly disparage Claimants.

"[The parties] agree that they will not, directly or indirectly publicly disparage, in print or in any other media (including but not limited to social media), or in any public speaking platform, any of the other Parties or their employees or agents, that may harm the business interests of any of the other Parties, including, without limitation, making any such remarks involving or referring to any of the Parties' business practices." Settlement Agreement at ¶ 3.

Claimants presented evidence at the Hearing that Peters made statements that disparaged Claimants, in violation of Paragraph 3.

Peters, while raising money for the Permitted Axanar Segments, stated that he needed the funds because CBS "bankrupted" Axanar. At the hearing, Peters admitted this statement was false; Axanar Productions never filed for bankruptcy. He repeated this statement in August 2022, stating that Claimants "bankrupted" Axanar in the description for his Kickstarter campaign. Ex 84. The evidence established other disparaging statements made by Peters, including a March 3, 2021, statement on a live stream that

Ex. 108 (video published March 3, 2021 titled "Axanar Confidential No. 3"), and repeated on Twitter on March 13, 2023, that Claimants "have tried to destroy Axanar because we are too good" Ex. 124; a December 5, 2021, livestream video statement by Peters that CBS "has at every turn made major mistakes," was "bitter" about Axanar, and that Axanar so good that CBS had to sue Axanar, and that CBS's business practices were causing hatred among fans. Ex. 109 (video published December 5, 2021 entitled "Axanar Confidential No. 101"), a March 5, 2022, Facebook post by Peters stating: "You have to love the ways Star Wars honors its fans. A shame CBS refuses to do the same." Demand at ¶ 46-49; Ex. 5.

# E. <u>Notice of breaches: Claimants to Respondents</u>

Claimants sent notices of breaches to Respondents on October 1, 2019, November 6, 2019, January 21, 2022, and February 17, 2022, notifying them of breaches of the Settlement Agreement and demanding that they cease the prohibited activity. Exs. 3, 4, 97; Ex. 342 at p. 3.

The following is a summary of the breach notice letters sent by Claimants to Respondents.

On October 1, 2019, Claimants sent a breach notice to Respondents identifying the following breaches: Respondents were publicly raising funds to pay for the studio and set where the Permitted Axanar Segments are shot, and promoting donations to their Patreon campaign in videos discussing the Permitted Axanar Segments Ex. 3; using 'Star Trek' or similar marks in connection with promotions and marketing for 'Axanar,' and demanding that they remove, disable, or delete all materials, websites, and documents containing this language immediately.

On November 6, 2019, Claimants sent another breach notice to Peters. Ex. 4. This Notice again identified that Respondents used public fundraising through Patreon to pay for the cost of the studio being used for Axanar, identified additional breaches of the fundraising limitations, including links to the Donor site on Facebook and YouTube requesting donations, and the posting of a series of Star Trek tags on YouTube videos that promote and market the Permitted Axanar Segments, including "Star Trek," "Star Trek Axanar," "Axanar is Star Trek," "Star Trek Canon," "Star Trek Fan Film," "Real Star Trek," and others.

The November 2019 notice also identified a breach of the non-disparagement provisions of the Settlement Agreement, ("CBS Bankrupted Axanar by suing us and they don't want Axanar made. We need to let them know Axanar is the Star Trek we want!")

On January 21, 2022, Claimants sent Respondents another breach notice, reiterating that Respondents were not permitted to sell such merchandise, and identified several items of merchandise using Star Trek elements and the Axanar star logo, including pins and patches, that Respondents made available for sale, and demanded that Respondents cease sales and remove the merchandise the their online store. Ex. 97.

On February 17, 2022, Claimants notified Respondents that their creation and sale of merchandise for distribution on an official Star Trek cruise violated the Settlement Agreement. Ex. 342.

Respondents do not dispute that they received these notices.

Respondents failed to cure the breaches identified in Claimants' notices, and on May 23, 2022, Claimants filed their Demand in this matter. The Arbitration Demand set forth the same breaches identified in the breach notices that were previously sent to Respondents, and provided further notice of Respondents' additional breaches.

Peters responded to the January 21, 2022 breach notice on February 14, 2022, and contended that he was not in breach of the Settlement Agreement, in part, because the conduct that Claimants had identified was committed by "Ares Studios, Inc.," ("Ares") which was not a party to the Settlement Agreement, and further that he was "not a party to this company, neither as an officer, nor a shareholder." Exs. 7, 94. Peters also denied he intended to sell merchandise on the Star Trek Cruise. Ex. 342 at p. 2. Although Peters denied that he had any control Ares Studios, the evidence established the following with regard to his control of Ares, including that Ms. Hubbard, who purports to be the CEO of Ares, is Peters' girlfriend and was appointed by Peters because he knew his conduct in control of Ares violated the Settlement Agreement and he feared his title could expose Ares to legal risk from Claimants; all of the books and records of Ares are kept at Peters' home, and has access to Ares' computers and records; Peters is the person responsible for the finances of Ares; Ms. Hubbard testified that Peters is in charge of all of Ares' finances, she does nothing to oversee Ares' expenses, has never seen Ares' accounting records, does not know Ares' revenue, the names of Ares accountants, or that she is the CFO. Peters signed the studio lease, and the utility contracts; Peters controls all the finances and accounting; Peters handles all the merchandise sales and shipping; Peters has access to all the bank accounts; and Peters is the point of contact for anyone visiting the Ares website. The Arbitrator concludes that these facts establish that Peters had and has control over Ares.

In addition, the Settlement Agreement prohibits Peters, not just Axanar, from engaging in the conduct at issue. Peters, whether operating on behalf of "Axanar Productions" or "Ares Studios," is prohibited from using publicly-raised funds to support the production of the Permitted Axanar Segments, from selling merchandise containing Star Trek elements, from using the Axanar star logo, including on merchandise, and from using the name "Star Trek" or related terms to promote his film production. Peters admitted that he engaged in this conduct. Peters' reliance on "Ares Studios" as a separate entity does not shield Peters himself from engaging in conduct that is expressly prohibited by the Settlement Agreement.

At the end of the hearing, Respondents raised for the first time an objection that Claimants presented evidence at the hearing of more breaches than had been identified in the Claimants' breach notices. The Settlement Agreement requires that in the event of a breach, a party "shall send written notice of such breach to the allegedly breaching party. If such Breach is not completely cured within ten (10) business days of the sending of such notice (which notice shall be sent to both e-mail and regular mail to the addresses provided below), the non-breaching party may commence a proceeding for such breach as provided in this paragraph." Respondents argue that Claimants did not follow this process for all breaches at issue in this arbitration, and thus cannot make a claim for a breach under the Settlement Agreement in this arbitration. However, Paragraph 10 of the Settlement Agreement does not create a condition precedent that must be met before an act constitutes a breach. Rather, it describes the steps a party may take to bring a claim for breach of contract concerning a breach. Here, Claimants have not asserted a claim for breach of contract; they seek declaratory relief. In addition, Peters failed to assert any defense based on the notice and cure provision in his response to the Arbitration demand, and it is, therefore, waived. (JAMS Rule 9(a): "(a) Each Party shall afford all other Parties reasonable and timely notice of its claims, affirmative defenses or counterclaims. . . . . No claim, remedy, counterclaim or affirmative defense will be considered by the Arbitrator in the absence of such prior notice to the other Parties....")

The evidence established that Respondents continued to engage in the breaches that were noticed in the October 1, 2019, November 6, 2019, and January 21, 2022, letters and the February 17, 2022, email. In addition, the only alleged breaches that Respondents have identified that they claim were not noticed are the use of "#StarTrek" on Twitter and the August 2022 Kickstarter campaign. Claimants twice notified Respondents that they were not to use "Star Trek" and related terms, including as tags in social media postings and Peters admitted that he was aware that he was notified in a breach letter to stop using "Star Trek" in social media posts. See Ex. 3 at p.2; Ex. 4 at p. 3; RT at 89:12-15 ("Q. Mr. Peters, is it your testimony that you've never been told in a breach letter to stop using the word 'Star Trek' on media posts? A. No, I'm sure I have."). Additionally, the Kickstarter campaign was created after the initiation of the Arbitration, and its creation and promotion are the same conduct for which Claimants previously provided notice, albeit with regard to Patreon, another public fundraiser using a crowdfunding platform.

# F. Notice of breaches: Respondents to Claimants: the Jenkins matter

In Peters' response letter, he also issued his own breach notice to Claimants alleging that they were in breach of the Settlement Agreement because they had an obligation to (but did not) use the legal process to enforce their Fan Film Guidelines against Paul Jenkins for the benefit of Alec Peters. Ex. 7.

That notice of breach relates to a defamation lawsuit that Peters filed in Georgia against Paul Jenkins, a former director at Axanar. Peters asserts that Claimants are responsible for the cost of his suit against Jenkins because Claimants had an obligation to (but did not) enforce their Fan Film Guidelines against Jenkins, and thereby breached the Settlement Agreement. Ex. 7. Peters alleges that Claimants' counsel, David Grossman, allowed Jenkins to file a "fraudulent copyright" as an author of a fan film script that properly belonged to Peters.

Claimants seek a declaration rejecting Peters' assertion that Claimants breached an obligation under the Settlement Agreement to enforce the Fan Film Guidelines by taking legal action against an individual named Paul Jenkins. The relevant facts overlap with Respondents' First Counterclaim, and are discussed below.

Peters contends that the Ares Studios Patreon campaign is specifically for the benefit of Ares Studios, to pay the rent and utilities on the studio, and no money raised from that campaign is used for Axanar or Respondents. Peters did not support these contentions with evidence at the Hearing.

The parties presented evidence regarding the claims and counterclaim involving Jenkins.

These claims relate to a September 11 and 12, 2021 email exchange and phone conversation between Paul Jenkins and David Grossman, an outside counsel representing CBS.

The main body of the email from Jenkins is set forth here.

"Here's what I was wondering: as you recall, I made a point of contacting you very early on to make sure you were okay with me filing as I did. It was for the derivative work only, and I wanted to make it clear I made no claim whatsoever to anything related to CBS/Viacom's Star Trek IP. It was both a courtesy on my part and to seek clarification in case there might be an issue. We had a very pleasant chat and you told me you guys would have no problem, whereas you most certainly would if Peters tried to file anything related. I have no desire to drag you into this but I am also trying very hard to stop all of his vexatious behavior, which is just killing me with the associated costs. He is pretty demonic in the way he behaves with these near constant legal filings. I was wondering if it might bolster my case and/or help me to completely shut his arguments down if I were able to relay that I contacted you to make sure I was not overstepping, or doing anything that would interfere with CBS' copyright? In other words, I did what I was supposed to , and since CBS' attorneys themselves had zero issue with me filing the derivative work copyright, it impossible to believe Alex Peters has any right to do so.

Would this be okay with you, if I were to relay it in acceptable terms? I think it would probably be immensely helpful to me. Appreciate your consideration, and happy to simply discuss via phone if you prefer.

Paul"

# Ex. 296.

The exhibit also contains an earlier email in the chain, an April 17, 2021, email from David Grossman to Paul Jenkins :

"Hi Paul - I'm around tomorrow after noon PST if you are free. [office phone number] "

On September 12, 2021, Mr. Grossman responded to Mr. Jenkins' September 11 email:

"Hi Paul,

I have not been following your case and I'm sorry to hear that it is still going on. Please give me a call, or have your lawyer call me, so we can discuss."

# Ex. 296.

Respondents contend that the actions of Claimants' outside counsel, Grossman, as reflected in the above emails, violated the covenant of good faith and fair dealing in the Settlement Agreement, by approving a request by Jenkins that he be allowed to file a copyright on an *Axanar* script on which Jenkins had been an author, and that this breached the Settlement Agreement, and caused significant legal bills to Respondents.

Jenkins subsequently filed what Respondents contend is a fraudulent copyright, claiming to be the sole author of the *Axanar* script. Respondents filed a lawsuit against Jenkins for defamation and copyright fraud to be able to use the footage shot under Jenkins' direction in October 2019 and complete the *Axanar* films per the Settlement Agreement.

Respondents contend that granting Jenkins permission to file a copyright on the *Axana*r script is a clear violation of the Star Trek Fan Film Guidelines and its prohibition on copyrights, which Claimants insisted be incorporated into the Settlement Agreement, and upon which Respondents relied. Respondents allege that they never would have agreed to the Settlement Agreement if they knew Claimants would not apply the restrictions on copyright to other individuals.

The Star Trek Fan Film Guidelines are a series of guidelines that CBS and Paramount put forward to inform fan film creators of the types of actions and content that CBS and Paramount will not object to or take legal action against. Neither the guidelines themselves, nor the Settlement Agreement, creates any affirmative duty on CBS to "enforce" fan film guidelines for Peters' benefit.

Respondents further allege that Claimants' actions are a breach of the implied covenant of good faith and fair dealing, which has caused Respondents to engage in a litigation to prove the fraudulent copyright is false and allow Respondents to use the script to finish the Permitted Axanar Segments. Respondents contend that this litigation up until now has cost approximately \$365,000. (Exhibit 3), relying on a spreadsheet they created, but have not produced evidence of paid invoices.

Peters served a Notice of Breach regarding this allegation on Claimants on February 14, 2022 (Exhibit 4, 5). Attorney David Grossman replied within the 10-day cure period on February 18, 2022, and stating "I disagree with all of your statements, none of which have factual merit." (Exhibit 6). Respondents further contend that CBS compounded the breach by denying Peters' request for permission to register copyrights for the segments, and informing Jenkins of this decision, thus arming Jenkins with the knowledge that CBS authorized his copyright registrations.

Respondents contend Mr. Jenkins' copyright registrations authorized by CBS formed the lynchpin of Mr. Jenkins' abusive campaign to prevent Mr. Peters from completing the Permitted Axanar Segments using material contributed by Mr. Jenkins after substantial time and expense had been into the production by filing and then rescinding a "joint-authorship" copyright registration for the segments; threatening to sue Mr. Peters for copyright infringement relying on the "joint authorship" copyright application authorized by CBS; filing and obtaining two blatantly fraudulent "sole authorship" copyright registrations authorized by CBS; and threatening to sue Mr. Peters for copyright registrations authorized by CBS knowing that CBS would not authorize Mr. Peters to file a competing copyright registration required to cancel Mr. Jenkins' copyright registrations; In sum, Peters contends that the

likelihood and foreseeability of the Jenkins abusive campaign was greatly enhanced by CBS's conduct described above.

Peters did not call Jenkins as a witness to testify about this email or the referenced phone calls, nor did he produce any testimony or exhibits from the referenced litigation between himself and Jenkins.

Peters did however call Grossman as a witness, and questioned him about the Jenkins email. Grossman testified that he first spoke with Jenkins after Peters had filed suit against Jenkins, and after Jenkins had filed the copyright registrations at issue. Grossman testified that when he spoke with Jenkins after the September 2021 email, he did not state that he had no objection to Mr. Jenkins' having earlier filed a copyright. ("He never sought my permission. He informed me that he had already filed a copyright relating to his written contributions to a script." Tr. 255.)

The relevant dates are as follows: on July 30, 2020, Mr. Jenkins filed a copyright registration application listing both himself and Alec Peters as authors of "4 Years War Episodes 4 & 5." Ex. 312. On August 14, 2020, Peters sued Mr. Jenkins for defamation. Ex. 106. On August 21 and 25, 2020, after Jenkins initiated the lawsuit, Jenkins filed another copyright application, relating to "Paul Jenkins Contributions to Episode IV" and "Paul Jenkins' Contributions to 4 Years War Episode 5." Ex. 311. Jenkins called Grossman at the end of August 2020, ("after the litigation between [Peters] and Mr. Jenkins was ongoing" Tr. 252.) and again in September 2021.

Jenkins' email states that Grossman had told him that CBS had no issue with him filing a copyright. Grossman denies saying that. Jenkins' email could be a self-serving email, or it could be an accurate report of a conversation. Grossman was an outside counsel for CBS in litigation, but was not an officer or inhouse counsel of CBS with authority to bind CBS to a general commitment of that nature.

The parties dispute whether the email is hearsay. It is hearsay: it is not a business record, or a contemporaneous statement, or an adoptive admission against interest. However, hearsay is admissible in arbitration, and it was admitted as evidence. Having been admitted, it is one piece of evidence to be considered in context of the in-person testimony of Grossman, and the other factors discussed above. There was nothing else offered to support Respondents' interpretation of the Jenkins-Grossman emails, no testimony, or documents, from the referenced Peters-Jenkins lawsuit in which the Jenkins email and any "approval" by CBS would have been important pieces of evidence. Nor did Peters call Jenkins as a witness to explain the email and rebut Grossman's testimony. The timeline established that Peters had already sued Jenkins and Jenkins had already filed his copyright registrations before Jenkins spoke with Grossman. Grossman explained that Jenkins' statement in the email that Grossman told him CBS did not have a problem was not true. ("It's not a true statement. I am not CBS, and I did not make that statement on behalf of CBS....Mr. Jenkins was concerned that he would be sued for submitting a

copyright relating to Axanar by CBS, and I did not give him comfort one way or the other, but I did not let him know that we were imminently going to sue him either." Tr. 257.) ("Again, I don't think he says in his E-mail that I gave him permission, and that would be false if he implied that, and I did, in fact, have a conversation with him after I saw this E-mail." Tr. 260:22-25); ("Q. But you had no objection to Jenkins doing so, did you? A. That's inaccurate. Q. I'm sorry? A. That's inaccurate." Tr. 267:10-14).

Further, there was no evidence to support Respondents' allegation that they relied on the application of the Fan Film Guidelines to "protect their Axanar IP from any unscrupulous individual." Nor was any evidence introduced to support the allegation that Respondents "never would have agreed to the Settlement if they knew Respondent's would not apply the restrictions on copyright to other individuals", nor that Mr. Grossman "insisted" that the guidelines be included in the Settlement Agreement, or that he "himself incorporated" them.

# G. <u>The Axamonitor Counterclaim</u>.

Respondents' Second Counterclaim alleges that since 2016, Claimants have used a group of toxic fans, a Facebook "hate" group, formerly in a group called "CBS/Paramount vs Axanar" and currently identifying themselves as "Axamonitor," to harass, bully and stalk Peters with the purpose of harassing Peters into abandoning making the Permitted Axanar Segments. Peters alleged that these fans have been in touch with CBS and Grossman.

Peters did not present any evidence at the hearing in support of this counterclaim. In addition, the claim is not within the Arbitrator's jurisdiction in this arbitration. It is not mentioned in the Settlement Agreement, the Arbitrator's source of arbitral authority, and Peters has not shown how it is connected to the Settlement Agreement.

# H. <u>Respondents' claims of cure</u>

During the arbitration hearing, and in post-arbitration submissions, Mr. Peters claimed that he had cured many of the breaches set forth in the Claimants' breach letters and about which Claimants presented evidence during the arbitration hearing. Claimants presented evidence that Mr. Peters had not removed all "Star Trek" tags in the YouTube videos, that the videos were still online, that Mr. Peters had not stopped using the Axanar star logo, and that he was still fundraising as recently as the arbitration hearing. Although Mr. Peters claimed that certain violations were "cured" because the videos were removed before the arbitration, Claimants offered evidence of a screenshot taken at the start of the arbitration showing the "Axanar SWAG" playlist was public (Ex. 26), livestream videos available on YouTube at various times, including examples between January 2022 – January 2023 (Exs. 32, 123, 127), and Peters admitted in his testimony that Axanar Update videos were up on the channel, livestreamed and broadcast on Facebook.

# III. ANALYSIS

# A. <u>Declaratory relief standard</u>

Claimants seek a declaration and injunctive relief that are Respondents' conduct violates the Settlement Agreement, and that Claimants did not violate any provision of the Settlement Agreement with respect to Peters' lawsuit against Jenkins. Claimants contend that Respondents' have breached the Settlement Agreement by publicly fundraising, publicly soliciting donations for Axanar (even if nominally through Ares), selling merchandise using Star Trek symbols, making commercial use of *Prelude*, selling merchandise containing the Axanar star logo, using the Axanar star logo in contexts other than in *Prelude* and the Permitted Axanar segments, using "Star Trek" and related terms in posts promoting Axanar, and making disparaging remarks against Claimants. In addition, Claimants contend that they did not violate the Settlement Agreement by not taking action against Paul Jenkins, and do not therefore owe Peters hundreds of thousands of dollars to cover his legal fees in his lawsuit.

Respondents have denied the allegations, and seek a declaration and injunctive relief that Claimants have violated the Settlement Agreement in authorizing Paul Jenkins to violate the Star Trek Fan Film Guidelines, and damages, and a declaration and injunctive relief that Claimants have violated the Settlement Agreement working with the 'Axamonitor' hate group<sup>1</sup>.

California recognizes the right of a party to a contract to seek a binding declaration of rights, declaratory relief, in cases of actual controversy relating to the legal rights and duties of the respective parties. C.C.P. §1060. Declaratory relief may be asked for alone or with other relief, and whether or not other relief is or could be claimed at the time. *Ermolieff v. R. K. O. Radio Pictures*, 19 Cal. 2d 543, 547 (1942). Declaratory relief is available either before or after a breach of a legal duty. *Tolle v. Struve*, 124 Cal. App. 263, 268 (1932).

Claimants and Respondents disagree regarding al of the alleged violations of the Settlement Agreement. Therefore, there is an actual controversy regarding the parties' rights and duties under California law.

# B. <u>Claimants' Claim for Declaratory Relief that Respondents' activities,</u> <u>including public fundraising, use of Star Trek marks, selling merchandise containing Star</u> <u>Trek elements, using the Axanar star logo, and disparaging Claimants, violate the</u> <u>Settlement Agreement.</u>

Based on the factual findings above, the Arbitrator determines that Respondents' activities, including public fundraising, use of Star Trek marks, selling merchandise containing Star Trek elements, using the Axanar star logo, and disparaging Claimants, violate the Settlement Agreement, specifically Paragraphs 5.16, 5.3, 5.9 and 3.

<sup>&</sup>lt;sup>1</sup> As set forth above, Respondents dropped their third claim for tortious interference in Respondents' business during the hearing .

In Respondents' post-arbitration brief, they raise the suggestion that the statute of limitations bars claims for some of their breaches. However, Peters has not explained which to claims the statute of limitations may apply. Nor did he assert the defense in his Response, or at any time during the arbitration hearing. Thus, Peters has forfeited any defense based on the statute of limitations. JAMS Rule 9(a).

# C. <u>Claimants' Claim for Declaratory Relief concerning Peters' claim that</u> <u>Claimants breached the Settlement Agreement by not taking action against Paul Jenkins</u> <u>and therefore owed Peters hundreds of thousands of dollars to cover his legal fees in this</u> <u>lawsuit; Respondents' Counterclaim for Declaratory and Injunctive Relief that Claimants</u> <u>violated the Settlement Agreement by authorizing Paul Jenkins to violate the Star Trek Fan</u> <u>Film Guidelines</u>

Respondents' first counterclaim is for declaratory relief and seeks a declaration that Claimants breached the Settlement Agreement by "authorizing Paul Jenkins to violate the Star Trek Fan Film Guidelines." Peters argues that the Star Trek Fan Film Guidelines, incorporated into the Settlement Agreement, and which prohibited Peters from filing a copyright on Axanar IP also should have been applied by Claimants against Mr. Jenkins to prohibit him from filing a copyright, and that Respondents never would have agreed to the Settlement Agreement if they knew Claimants would not apply the restrictions on copyright to other individuals. Claimants seek a declaration that they did not violate the Settlement Agreement by not taking action against Jenkins.

Respondents contend that Claimants' conduct in the Jenkins matter, while not expressly prohibited by the Settlement Agreement, violates the covenant of good faith and fair dealing. The covenant of good faith and fair dealing is implied by law in every contract to prevent one contracting party from unfairly frustrating the other party's right to receive the benefits of the agreement actually made. However, the covenant does not "impose substantive duties or limits on the contracting parties beyond those incorporated in the specific terms of their agreement." *Guz v. Bechtel Nat'l,* Inc., 24 Cal. 4th 317, 350 (2000)

The Settlement Agreement provided that Claimants would dismiss the underlying copyright infringement case and agree not to sue Peters to enjoin him from making two short fifteen-minute fan-film "segments," the Permitted Axanar Segments. As such, the covenant of good faith and fair dealing imposes an obligation on Claimants not to interfere with Respondents making the Permitted Axanar Segments. Claimants did not assume independent obligations to run interference for Peters by, as he argues, suing Jenkins, or take any affirmative actions to assist Peters to complete his two fan film segments.

Peters argues that Jenkins is frustrating his ability to make the Permitted Segments, and that Claimants have aided Jenkins by allowing Jenkins to register a copyright on his work in *Axanar*, by not suing Jenkins for registering that copyright, while at the same time the Settlement Agreement prohibited Peters from registering a copyright on *Axanar*. In addition, Peters argues that Claimants had an obligation to enforce the Star Trek Fan Film Guidelines against Jenkins.

Peters agreed in the Settlement Agreement that he would be bound by the Star Trek Fan Film Guidelines and thus he argues that Claimants have an obligation to ensure that Jenkins complies with those Guidelines as well. However, neither the Settlement Agreement itself nor the covenant of good faith and fair dealing imposes an affirmative obligation for Claimants to take affirmative legal action against a third party for Peters' benefit.

The evidence did not establish that Claimants did anything to frustrate Peters' ability to complete the Permitted Axanar Segments: they did not register any copyrights in Axanar, or seek to enjoin or stop Peters from making the Permitted Axanar Segments. Respondents point to the Jenkins emails and conversations with Grossman. However, as set forth above, the evidence did not establish that Grossman authorized Jenkins to file a "fraudulent" copyright, or to take any actions to frustrate Peters. Nor was there any evidence to support Respondents' allegation that they relied on the application of the Fan Film Guidelines to "protect their Axanar IP from any unscrupulous individual", that they "never would have agreed to the Settlement if they knew Respondent's would not apply the restrictions on copyright to other individuals", or that Mr. Grossman "insisted" that the guidelines be included in the Settlement Agreement.

Claimants may or may not have had a copyright infringement claim against Jenkins, but nothing in the Settlement Agreement imposes any obligation upon Claimants to pursue legal actions against third parties.

Based on the factual findings above, the Arbitrator denies Respondents' Counterclaim and grants Claimants' Claim.

# D. <u>Respondents' Counterclaim for Declaratory and Injunctive Relief that</u> <u>Claimants have violated the Settlement Agreement working with the 'Axamonitor' hate</u> <u>group</u>

There is no mention of this group in the Settlement Agreement, nor did Peters make any argument connecting it to the Settlement Agreement. As such, the Arbitrator has no authority to adjudicate this claim. In any event, Respondents did not present any evidence in support of this claim at the arbitration hearing.

Based on the factual findings above, the Arbitrator denies this Counterclaim.

# E. <u>Respondents' counterclaim for Injunctive Relief against Claimant's</u> <u>Tortious Interference in Respondent's Business.</u>

Respondents dropped this Counterclaim at the time of the Hearing.

# F. <u>Attorneys' Fees and Costs</u>.

The Settlement Agreement provides that: "In any arbitration between the parties, the arbitrator shall award reasonable attorneys' fees and costs to the prevailing party." (Settlement Agreement, Section 10. Claimants have prevailed on all causes of action and the Arbitrator has found that Claimants are the prevailing parties. JAMS Rule 24(f) provides that the Arbitrator may allocate Arbitration fees and Arbitrator compensation and expenses, unless such an allocation is expressly prohibited by the Parties' Agreement. The Parties' Agreement does not prohibit including Arbitration fees and Arbitrator compensation within reasonable costs.

Claimants request that the Arbitrator grant Claimants' their attorneys' fees and costs totaling \$292,372.54.

Under California law, attorneys' fees may be awarded as authorized by contract (Cal. Code Civ. Proc. § 1033.5(a)(10)), and the amount of fees awarded is "based on the 'careful compilation of the time spent and reasonable hourly compensation of each attorney...involved in the presentation of the case." *Ketchum v. Moses*, 24 Cal.4th 1122, 1131-32 (2001) (citation omitted). Additionally, "an award of attorney fees may be based on counsel's declarations, without production of detailed time records." *Raining Data Corp. v. Barrenechea*, 175 Cal.App.4th 1363, 1375 (2009); *see also Steiny & Co. v. California Elec. Supply Co.*, 79 Cal.App.4th 285, 293 (2000) ("[T]here is no legal requirement that such statements be offered in evidence. An attorney's testimony as to the number of hours worked is sufficient evidence to support an award of attorney fees, even in the absence of detailed time records.").

Claimants submitted two detailed Declarations from David Grossman, counsel for Claimants in this arbitration (Declaration of David Grossman in Support of Claimants' Motion for Attorney's Fees and Costs, and Supplemental Declaration of David Grossman in Support of Claimants' Motion for Attorney's Fees and Costs). The Declarations document the number of hours, and hourly rates, of the attorneys, as well as the costs incurred by Claimants. The Arbitrator finds that the hourly rates are reasonable, and even discounted, for comparable attorneys in Los Angeles in commercial arbitration matters, and the costs are reasonable and necessary to the arbitration. Claimants have shown that they incurred attorneys' fees totaling at least \$222,523.74 and costs paid directly by Claimants totaling \$70,748.80, for a total of \$292,372.54.

Respondents object to the fees and costs on the ground that Claimants did not seek damages, but rather only declaratory relief. First, the attorney fee provision in the Settlement Agreement is not limited to claims for damages. Second, Claimants successfully defended against Respondents' counterclaim for damages for the fees Peters incurred in the Georgia Action.

# IV. <u>CONCLUSION</u>

1. Claimants Paramount Pictures Corporation and CBS Studios Inc. have established their right to a declaration regarding the parties' rights and obligations under the Settlement Agreement with Respondents Alec Peters and Axanar Productions, Inc. as follows:

a. Respondents Alec Peters and Axanar Productions, Inc.'s creation and promotion of a public fundraiser to pay for the set and studio where the Permitted Axanar Segments are filmed violates the Settlement Agreement;

b. Respondents Alec Peters and Axanar Productions, Inc.'s placement of a direct link to the Donor Portal on the Axanar homepage violates the Settlement Agreement;

c. Respondents Alec Peters and Axanar Productions, Inc.'s posting of links to the Donor Portal on social media violates the Settlement Agreement;

d. Respondents Alec Peters and Axanar Productions, Inc.'s use of the term "Star Trek" and related terms, including as "tags" or metatags, on public internet postings violates the Settlement Agreement;

e. Respondents Alec Peters and Axanar Productions, Inc.'s direct or indirect creation and sale of merchandise that contains any Star Trek elements, including, but not limited to, for sale in the Ares store, on eBay, or on Facebook, violates the Settlement Agreement;

f. Respondents Alec Peters and Axanar Productions, Inc.'s use of the Axanar star logo in any context other than on Prelude to Axanar and the yet-to-be-made Permitted Axanar Segments, including, but not limited to, on merchandise, violates the Settlement Agreement; and

g. Respondents Alec Peters and Axanar Productions, Inc.'s statements that Claimants bankrupted Axanar, did not want Axanar to be made because it was "too good," and do not treat their fans well are disparaging and violate the Settlement Agreement.

h. Claimants did not violate any provision of the Settlement Agreement with respect to Peters' lawsuit against Paul Jenkins, and Claimants are not responsible for attorneys' fees or costs (if any) that Peters incurs in connection with his action against Mr. Jenkins.

2. Respondents Alec Peters and Axanar Productions, Inc.'s Counterclaims for declaratory and injunctive relief, and damages are not established and are denied.

3. Claimants Paramount Pictures Corporation and CBS Studios Inc. are awarded attorney fees in the amount of 222,523.74 and costs in the amount of \$70,748.80, for a total of \$292,372.54 in attorneys' fees and costs, from Alec Peters and Axanar Productions, Inc.

This Final Award resolves all claims between the parties submitted for decision in this proceeding. All claims and defenses not expressly granted are denied. This Final Award may be confirmed by any state or federal court of appropriate jurisdiction.

Dated: September 1, 2023

Barbara Catleever

Barbara A. Reeves Arbitrator