

Scambook Expedited Arbitration Program Agreement

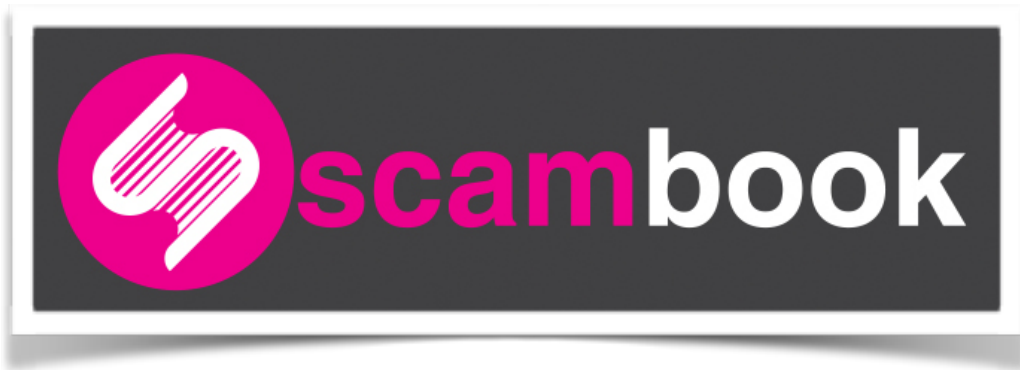
Effective January 20, 2016

1. **Short Title:** The following will be known as the Scambook Expedited Arbitration Program Agreement and may be referred to hereinafter as the “Agreement”, “Arbitration Agreement”, “Program” or “Arbitration”.
2. **Definitions and Terms:** For purposes of the Agreement, the following definitions apply:
 - a. **“Case Manager”** means an agent of Scambook assigned by Scambook to administer the Scambook Expedited Arbitration Program. The Case Manager serves as the central contact point for everyone involved in the Arbitration.
 - b. **“Arbitrator”** means the individual and/or entity chosen by Scambook to read the Submissions and Evidence and render an Arbitrator Decision. The Arbitrator will be a fair and impartial party and is not an employee or representative of Scambook.
 - c. **“Arbitrator Decision”** means the written Decision prepared by the Arbitrator, which will identify the Statements challenged by the Complainant and, as to each Statement, will state whether the Arbitrator has determined the Statement to be factually true, factually false or merely an opinion. If requested by the Complainant, the Arbitrator Decision may also make a finding regarding whether the post accurately reflected the Author’s relationship to the Complainant.
 - d. **“Scambook Expedited Arbitration Program Statement”** means the initial statement prepared by the Complainant on the form provided by Scambook.
 - e. **“Author”** means the individual who submitted the post to Scambook.
 - f. **“Author Response”** means the response statement prepared by the Author on the form provided by Scambook.
 - g. **“Complainant”** means the individual or company that is the subject of a post and who seeks an Arbitrator’s Decision regarding the truth or falsity of the post and who seek to have the post either redacted, removed, or otherwise find a potential resolution.
 - h. **“Document”** means a photograph or an authentic document that existed prior to the Post and that was not created for the purpose of Arbitration that is submitted by a party in support of its Arbitration Statement or Author Response.
 - i. **“Evidence”** means the Document(s) or Witness Statement(s) that may be



submitted in connection with the Scambook Expedited Arbitration Program Statement.

- j.** “Parties” means the Complainant, the Author, and/or their legal representation on either of their behalf.
 - k.** “Post” or “Posts” means the specific posting on Scambook that the Complainant identifies as the posting that contains false statements of fact about the Complainant and may contain additional information that may be perceived by the Arbitrator, within his/her sole discretion, as violating Scambook’s Terms of Service that are in place at the time of the Arbitrator Decision. “Post” includes the title of the posting. A Post is limited to one posting by one Author. A Post under this definition is a posting that is characterized on Scambook as a Post, Rebuttal, Update, Consumer Suggestion, or a Consumer Comment. A Post may include two or more postings by the same Author only if **(1)** the content of the posting is identical; or **(2)** one of the postings is the initial Post Filed by the Author and the other posting is an Update to that initial Post.
 - l.** “Title” means the portion of a Scambook posting that appears in red font above the body of the posting.
 - m.** “Witness Statement” means a statement based on personal knowledge, sworn under penalty of perjury, which must conform to the Witness Statement form provided by the Case Manager and cannot exceed three **(3)** pages in length.
- 3. Purpose:** Scambook established the Scambook Expedited Arbitration Program to offer a platform for an efficient, inexpensive, unbiased Arbitration of the truth or falsity of a particular post on Scambook and the merits as to the possible redaction, removal or other reasonable solution regarding a post. If the Complainant believes that the Author of the Post included one or more false statements of fact, the Complainant may use the Scambook Expedited Arbitration Program to obtain an independent decision from a neutral arbitrator regarding the truth or falsity of the posting. The Complainant may also use the Scambook Expedited Arbitration Program to obtain an independent decision from a neutral arbitrator regarding whether the Author of the Post misstated his or her relationship to the Complainant. For example, the Complainant may seek a determination that the Author was never a customer of the Complainant even though the Author represented in the Post that he or she was a customer of the Complainant. The

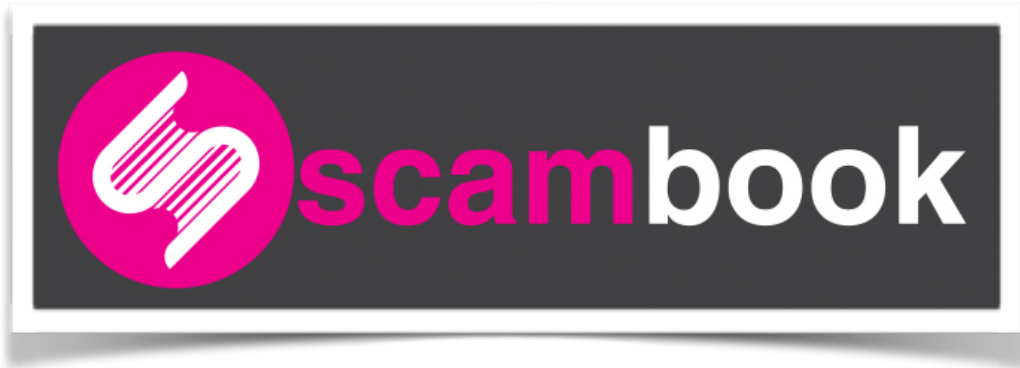


Arbitrator may, in connection with a bona fide Arbitration, review the Post for violations of Scambook's Terms of Service that are in existence at the time of the Arbitrator Decision and render a decision, based on the Arbitrator's sole discretion that certain content may be in violation of such Terms of Service.

4. **Arbitrators:** Each Arbitrator will be independent of Scambook and Scambook will have no input or influence over the Arbitrator Decision. The Arbitrator will make a decision based on the preponderance of the evidence as to factual statements being challenged and will use their sole discretion to determine if any challenged statements are perceived to be in violation of Scambook's then current Terms of Service.

5. **Arbitration Fees:** The fees for participating in the Scambook Expedited Arbitration Program are to be paid by the Complainant and are as follows:
 - a. \$2,499 per Post for up to **5** challenged allegations/statements of false facts. This fee is broken into two parts:
 - **Initial Review Fee:** \$599 (This fee is for the initial 'first glance' of the case by the Arbitrator with accompanying feedback from Scambook.
 - **Maintenance & Finalization Fee:** \$1,900
 - b. A Post for 6 or more challenged allegations/statements of false facts will require a custom quote as these Posts tend to be extremely time consuming and resource dependent. A custom quote that is accepted by the Complainant is bound to this Agreement and said terms contained herein.
 - c. Complainants looking for Priority Service to expedite the Arbitration process require a custom quote. Priority Service means the Complainants case will be reviewed before others. Priority Service does not shorten the time frame allotted for the Arbitrators review or for the Author's response.

6. **Payment Options for Arbitration:** Payment for the Scambook Expedited

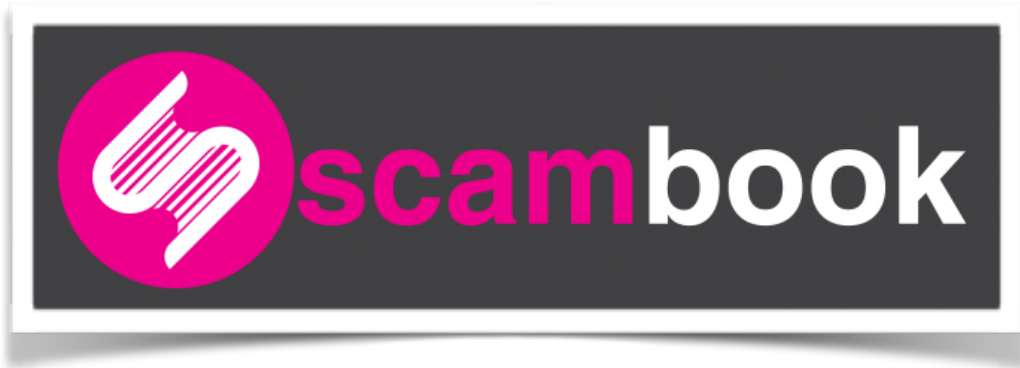


Arbitration Program can be made by certified check or credit card and **must include the Post Number(s) on the check or the Credit Card Authorization form;**

- a. Check made payable to Scambook, LLC.
- b. PayPal deposit to: info@scambook.com

7. **Computation of Deadlines and Scambook Discretion for Extensions:** If any deadline in these Rules falls on a Saturday, a Sunday, or a national holiday, the deadline is extended to the next business day. Scambook has discretion to grant short extensions of the deadlines set forth herein if either Complainant or Author requests an extension and show good cause, but Scambook is not required to do so, and may decline to do so for reasons of administrative efficiency in the Arbitration Program. The Arbitrator cannot accept submissions or grant extensions of time. Similarly, Scambook is, upon notice to the Complainant and/or Author, entitled to an extension of up to fourteen **(14)** calendar days for processing if circumstances so warrant.

8. **Arbitration Process:** The Complainant must initiate the process for Scambook expedited Arbitration Program by the following: **(1)** submit all documentation **electronically** by emailing Scambook Expedited Arbitration Department at arbitration@scambook.com. Each document shall be scanned as a separate attachment, in PDF form, and all exhibits shall be well labeled (*e.g.*, Complainant's Arbitration Statement, Complainant's Arbitration Agreement, Complainant's Exhibit 1, Arbitration Fee (copy of the check or the Credit Card Authorization form), etc.). Any and all attachments shall contain no viruses, malware, spyware, or the like that may harm or otherwise disrupt the systems of Scambook; **(2)** Mail the completed Arbitration Agreement and payment to:
Scambook, LLC

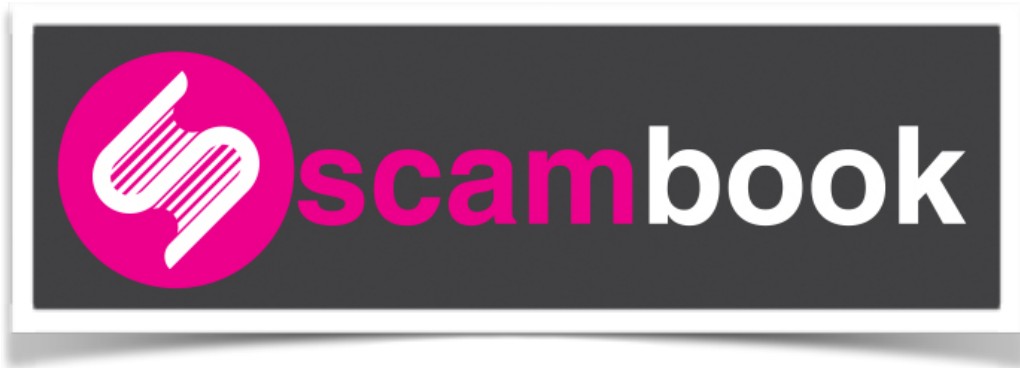


501 Franklin Avenue
Suite 200
Garden City, NY 11530

Complainant is solely responsible for ensuring that Scambook is provided with all the required documents and for verifying that all required materials are received by Scambook.

9. **Attorney Representation:** Neither the Complainant nor the Author is required to engage a lawyer or have legal representation to participate in the Scambook Expedited Arbitration Program. The Scambook Expedited Arbitration Program is structured to be informal and by paper only; briefs and legal memoranda are not part of the process. However, either or both parties may choose to be represented by an attorney in this proceeding.

10. **Arbitration Statement Compliance:** In order to be in compliance with the Rules, the Arbitration Statement must meet each of the following requirements:
 - a. The Arbitration Statement must be submitted on the forms provided Scambook.
 - b. All questions on the Arbitration Statement form must be answered. Where the Arbitration Statement Form provided by Scambook identifies a maximum number of words, such limitation cannot be exceeded.
 - c. The Arbitration Statement cannot specify more Statements of Fact/allegations of fact than what has been paid for. **Complainant shall confirm with Scambook what the fee will be PRIOR to mailing your payment to Scambook.**
 - d. The Evidence must be Witness Statements or Documents. No more than two (2) items of Evidence can be submitted to challenge any one specific Statement.



- e. The certification at the end of the Arbitration Statement must be completed and signed.

11. Burden of Proof: Each Post is presumed to be true unless rebutted by a preponderance of reliable Evidence. The burden of proof falls on the Complainant, who must show by a “preponderance of the evidence” that a particular statement is false. Preponderance of the evidence means a showing that a challenged statement is more likely false than it is true. The Arbitrator will consider the Submissions and Evidence provided by the Complainant and the Submissions and Evidence, if any, presented by the Author, and will determine whether he or she finds that it is more likely than not that the challenged statement is false. If the Arbitrator determines that it is more likely than not that the challenged statement is false, the Arbitrator will render a decision that the challenged statement is false. If the Author does not participate in the Arbitration, the Arbitrator will still make a decision on the merits and will base that decision on the content of the Post and the Arbitration Statement submitted by Complainant. The Arbitrator will apply this balancing test to each challenged statement made in the Post and, if appropriate, to determining whether the Post accurately reflects the Author’s relationship to the Complainant. **If it has been determined that the complainant made a good faith and adequate effort to address the issues raised in a Post, the Arbitrator reserves discretion in his or her ruling to request that Scambook redact or remove the post(s) in question.**

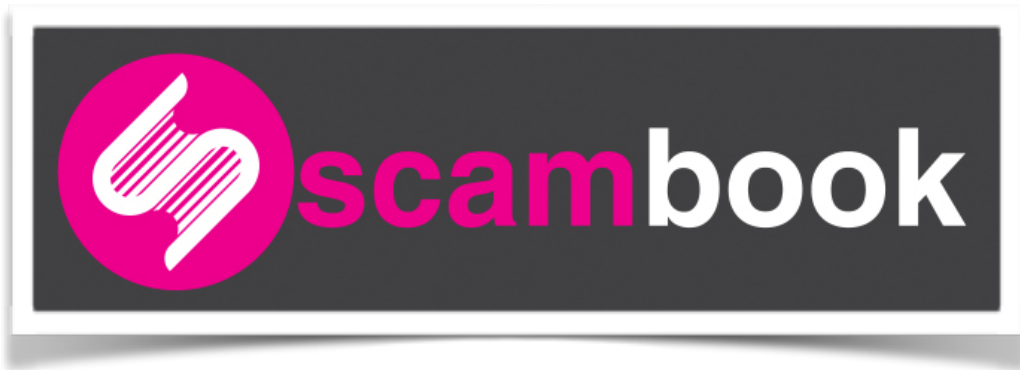
12. Non-Compliance by Complainant: Upon receipt of the executed Arbitration Agreement, Arbitration Fee in good funds and the Arbitration Statement, along with its accompanying Document(s) and Witness Statement(s), the Case Manager will review the materials for compliance with these Rules. If the materials submitted are not in compliance, Scambook will notify the



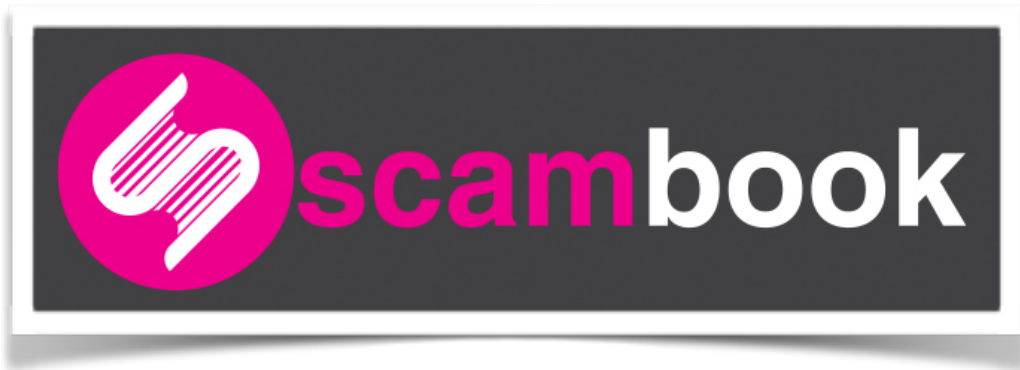
Complainant of the deficiency. The Complainant will have three (3) calendar days from date of the notification to correct the deficiency.

- 13. Invitation to Author:** Within three (3) calendar days of confirmation to Complainant from Scambook that the Arbitration materials are in compliance with the Rules, Scambook will send to Author, by e-mail, a copy of the Arbitration Statement and its accompanying Documents and Witness Statement(s) together with (i) an invitation to arbitrate the dispute (the “Invitation to Arbitrate”) and (ii) a form to be used to respond to the Arbitration Statement (the “Author Response Form”). Scambook’s record of the e-mail to the e-mail contact provided by the Author to the Scambook will be considered proof that the Author received the Invitation to Arbitrate. If the e-mail address that Author provided to Scambook is invalid or otherwise fails to work when Scambook sends the e-mail, the Author will be deemed to have waived his/her right to participate in the Arbitration.

- 14. Anonymity:** The First Amendment to the United States Constitution provides for a right of free speech, which has been interpreted by the Courts as including the right to speak anonymously. Scambook respects the First Amendment rights of the Author to remain anonymous. When an Author receives an Invitation to Arbitrate from the Case Manager, the Author may choose to not respond because he or she wants to remain anonymous. The Author may respond without providing his or her identity or identifying information. The Author may respond and disclose his or her identity. The Author’s Response, in its entirety, will be forwarded by the Case Manager, to the Arbitrator, and the Complainant. The Case Manager, will not, however, forward the mailing envelope or email from which the submission was received. The Arbitrator has the discretion to give less weight to an Author’s Response that is submitted anonymously.

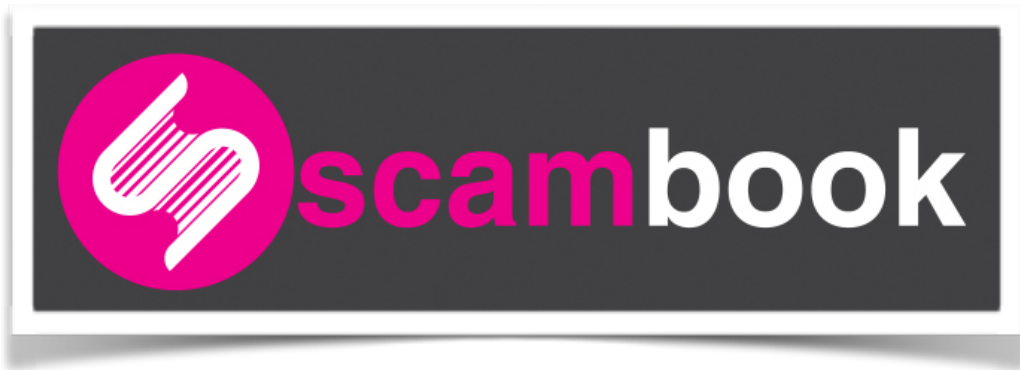


- 15. Author Response:** The Author will have ten (7) calendar days to submit its completed Author Response Form to the Case Manager by emailing the completed Arbitration Statement to: arbitration@scambook.com. The Author Response must meet each of the following requirements:
- a. The Author Response must be submitted on the form provided by Scambook.
 - b. All questions on the Author Response form must be answered. Where the Arbitration Statement Form provided by Scambook identifies a maximum number of words, such limitation cannot be exceeded.
 - c. The Evidence must be Witness Statements or Documents. No more than two (2) items of Evidence can be submitted to challenge any one specific Statement.
- 16. Non-Compliance by Author:** Upon receipt of the executed Arbitration Agreement, and the Author Response, along with its accompanying Document(s) and Witness Statement(s), Scambook will review the materials for compliance with these Rules. If the materials submitted are not in compliance, Scambook will notify the Author of the deficiency. The Author will have five (5) business days from date of the notification to correct the deficiency.
- 17. Lack of Confidentiality:** The Parties should not provide proprietary or non-public information in connection with Arbitration, as such information will be available to the Case Manager, provided to the Arbitrator and the Parties and may be referred to in the Arbitrator Decision which will be made available on request. If certain Evidence necessary to support a particular position contains private/ confidential information, it is up to the submitting party to provide an original version of the Evidence for the Arbitrator and a redacted version of the Evidence that may be submitted to the opposing party and/or be made available to the public.



- 18. Forwarding Author Response:** Within three (3) calendar days of the receipt of the Author's Response, Scambook will forward the Author's Response, together with any supporting affidavits, documents, exhibits or other materials to the Complainant.
- 19. Appointment of Arbitrator:** Within five (5) calendar days of the Case Manager's confirmation that the submitted materials are in compliance with the Rules, Scambook will appoint an arbitrator from its panel of arbitrators and notify the Arbitrator, the Complainant, and the Author of the appointment.

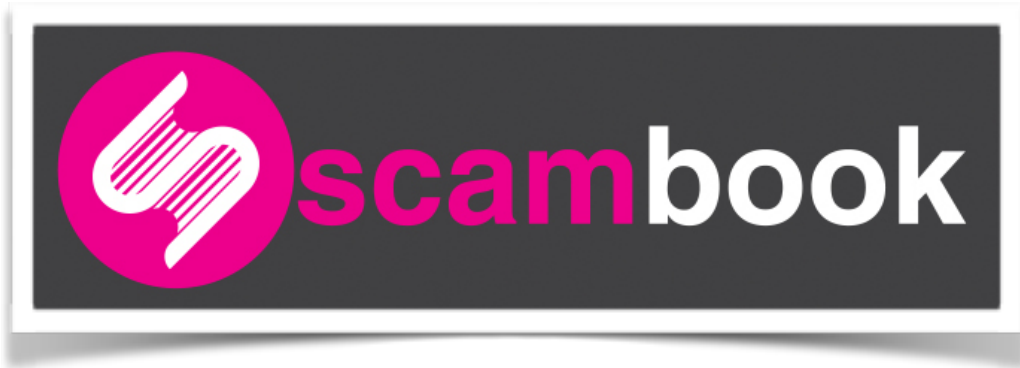
 - a. Conflicts/Recusal:** If the Arbitrator determines that he or she has a conflict of interest or that there are any circumstances that might in any way affect his or her impartiality, the Arbitrator will notify the Case Manager who will appoint a different Arbitrator.
- 20. Concluding Statement:** Complainant will submit its Concluding Statement, if any, within ten (7) calendar days after Scambook forwards the Author's Response to Complainant. The Complainant is not required to submit a Concluding Statement.
- 21. Submission to Arbitrator:** Within three (3) calendar days of the receipt of the Concluding Statement by the Complainant, or the deadline for the Concluding Statement, Scambook will submit the Arbitration Statement, the Author Response, and the Concluding Statement (collectively the "Submissions") to the Arbitrator.
- 22. Communication with Arbitrator:** Neither Complainant, nor Author, shall make any attempt to directly contact the Arbitrator or take any action to improperly



influence the Arbitrator. All communications with the Arbitrator (prior, during or after the Arbitration) are to go through Scambook.

- 23. Release of Arbitrator Liability:** The Parties, as part of the agreements that they enter into, will release the Arbitrator from all liability and will agree that they will not call the Arbitrator as a witness in any future proceeding.
- 24. Arbitrator Discretion:** When reviewing a matter based on challenged statements of false fact, the Arbitrators have the authority to, and within their sole discretion based on the totality of the circumstances and information provided to the Arbitration Case Manager by the party/parties, make the determination as to whether such additional content contained within the subject Post at issue violates the then (at the time of Arbitrator Decision) Terms of Service of the Scambook website. To the extent any of the content is perceived by the Arbitrator to be in violation of Scambook's then current Terms of Service, the Arbitrator may, at their sole discretion, make the recommendation that such additional content be redacted based upon the Terms of Service.
- 25. Arbitrator Decision:** In the absence of extenuating circumstances, the Arbitrator will render the Arbitrator Decision within twenty (20) calendar days of receipt of the Submissions.
- 26. Criteria To Be Applied:** In rendering an Arbitrator Decision, the Arbitrator will apply:

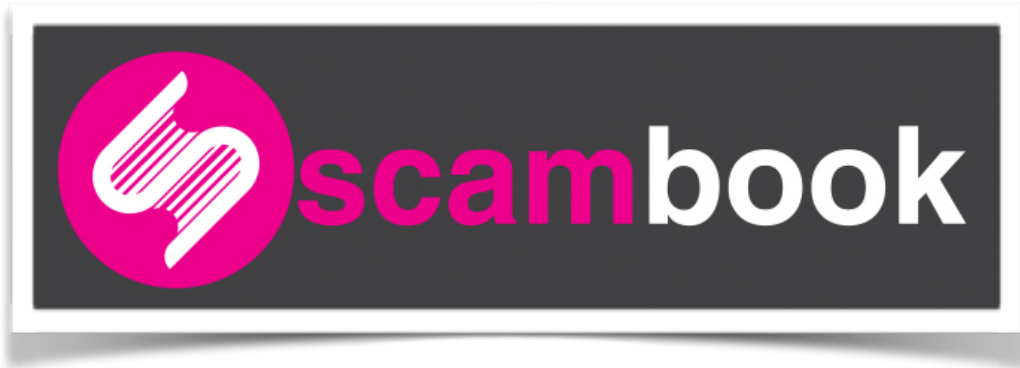
 - a. Fact vs. Opinion:** The Arbitrator will determine whether the challenged statement is a statement of fact or an opinion. Opinions are statements that are not capable of being objectively verified as true or false. If the Arbitrator determines that the challenged statement is an opinion, he or



she will not render a decision as to its truth or falsity. For example, the statement “John is a stupid idiot” is a non-provable opinion statement and not a statement of fact.

If the Arbitrator determines that the challenged statement is a statement of fact, he or she will weigh the Evidence as provided in these Rules. For example, the statement that “XYZ Co. refused to refund my money” is a statement of fact that may be proved true or false.

- b. Scam:** A statement or implication that a company, a person, or a set of circumstances is a “scam” is an opinion and will not be ruled upon by the Arbitrator.
- c. Specific vs. General:** The Arbitrator may give more weight to specific statements than to general statements.
 - i. Example 1:** The Author submits a Witness Statement that XYZ Co. does not honor its money back guarantees. XYZ submits a Witness Statement supported by a copy of the written guarantee and stating that the Author returned the product outside of the time limit for the guarantee period and that the product was returned in a worn and used condition. The Arbitrator may give more weight to XYZ’s statement.
 - ii. Example 2:** The Author submits a Witness Statement that the Author paid XYZ \$3,123 for a product that had a money back guarantee and XYZ refused to refund the money upon return of the product. XYZ submits a Witness Statement that merely states that XYZ always honors its guarantees, without specific detail about the Author’s transaction. The Arbitrator may give more weight to the Author’s statement.
- d. Discretion on Terms of Service:** The Arbitrator, based upon a totality of the circumstances, may, at his or her sole discretion, perceive certain statements contained within the Post to be in violation of Scambooks’s

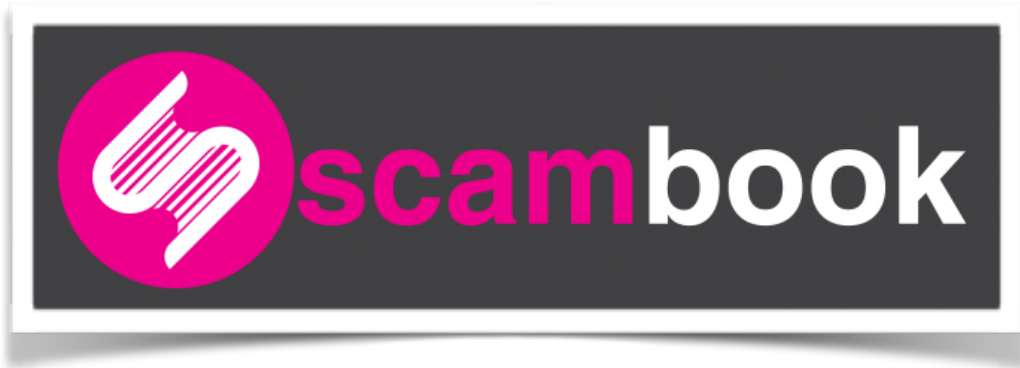


then current Terms of Service. This clause is **not** intended to cause redaction of simply unflattering opinions (e.g. calling someone a jerk) but, rather a mechanism to redact content that is perceived solely by the Arbitrator to be “over the top” and/or not relevant to the subject Post. There is no bright-line rule that will be applied to this clause as it is 100% discretionary and may not be argued by the Complainant or Author.

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27. Update to Website: In the event that the Arbitrator determines that the Post is true, there will be no updates or changes to the website related to the Arbitrator’s Decision. In the event that the Arbitrator determines that the Post contains one or more false statements of fact, within five (5) business days of receipt of the decision from the Arbitrator, the Case Manager will make the following updates to the Post:

- a. The Title of the Post will be updated so that, immediately after the name of the business and immediately preceding the then existing content of the title, the following words will be added: **“Notice: Scambook Arbitration Decision: A neutral and independent arbitrator has determined that the following Post contained one or more false statements of fact. The false statements have been redacted”**.
- b. A summary of the Arbitrator’s Decision will be posted after the Title and before the original content of the Post. The full decision of the Arbitrator will be available to the public upon request.
- c. If the Arbitrator determines that the status or role of the Author is not as stated in the Post, the Title of the Post will be updated so that, immediately after the business name and immediately preceding the then existing content of the Title, a notice will be added that describes in summary fashion the Arbitrator’s determination in that regard. For example, the notice might state, “A neutral and independent arbitrator has determined that the following Post was written by a competitor pretending



to be a customer.”

- d. Any statements of fact in the Post that the Arbitrator has determined to be false, may be redacted from the Post and replaced with the following statement: “##### This statement was deemed as false by the Arbitrator and has been REDACTED in accordance with the Scambook Expedited Arbitration Program.#####.”

- e. Any statement(s) that the Arbitrator perceives to be in violation of Scambook’s then current Terms of Service may be redacted from the Post and replaced with the following statement: “#####This statement was deemed as being in violation of the Terms of Service by the Arbitrator and has been REDACTED#####.”

- 28. **Finality:** The Arbitrator Decision will be final and non-appealable on any grounds to any tribunal.

- 29. **Immunity:** The Arbitrator is entitled to full immunity from any and all civil liability for failure to exercise care or skill in connection with the Arbitration.

- 30. **No Liability:** Neither Scambook (including its operating entities and staff), nor the Arbitrator, is liable to any Party for any act or omission in connection with the Scambook Expedited Arbitration Agreement Program.

- 31. **Future Postings:** The Scambook Expedited Arbitration Agreement Program does not have a monitoring component as a benefit. Accordingly, Scambook will not monitor for future postings to the arbitrated Post(s) or any other Posts. However, following the conclusion of the Arbitration, should Complainant



become aware of a posting that is identical to or contains substantially similar allegations to any statement about the Complainant that was determined by the Arbitrator to be false, **and** the posting is by the same Author, the Complainant may provide notice of such posting(s) by e-mailing arbitration@scambook. Upon confirmation by the Arbitration Case Manager that the subsequent posting is by the same author, Scambook will then, within five (5) business days, take action to redact such identical or substantially similar false statements from the postings and may refer, in an editorial comment, to the prior posted Post that has been previously updated pursuant to the Rules.

32. Amendments: These Rules may be updated or amended from time to time. The version of these Rules that is in place at the time of the filing of the Arbitration Statement shall be the applicable version.

I, _____, have read, understand, and agree to the above terms set forth within this Scambook Expedited Arbitration Program Agreement.

DATED this _____ day of _____, 20__

Name:
Title:
Company: