

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **December 28, 2018**

Chicken Soup for the Soul Entertainment, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-38125

(Commission
File Number)

81- 2560811

(IRS Employer
Identification No.)

132 E. Putnam Avenue, Floor 2W, Cos Cob, CT

(Address of Principal Executive Offices)

06807

(Zip Code)

Registrant's telephone number, including area code: **(855) 398-0443**

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of Holdco under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

General

On December 28, 2018, Chicken Soup for the Soul Entertainment, Inc. (the “Company,” “CSSE,” “us,” “our company,” or “we” or similar pronouns), acquired 100% of the outstanding capital stock of A Sharp Inc. d/b/a A Plus (“A Plus”), pursuant to the terms of a stock purchase agreement (“SPA”)

A Plus is a digital media company that develops and distributes high-quality, empathetic short-form videos and articles to millions of people worldwide, with an emphasis on positive journalism and social change. A Plus had 4.8 billion video views in 2019 and increased its social media by 50% to over 2.9 million followers. A Plus was founded by and is chaired by renowned actor and investor, Ashton Kutcher.

Prior to the acquisition reported hereby, A Plus was majority owned by an affiliate of our parent company, Chicken Soup for the Soul, LLC (“CSS”). In September 2016, we entered into a distribution agreement with A Plus (the “A Plus Distribution Agreement”), pursuant to which we received the exclusive worldwide rights to distribute all video content (in any and all formats) and all editorial content (including articles, photos and still images) created, produced, edited or delivered by A Plus. Under the terms of the Distribution Agreement, we received a net distribution fee equal to 40% of gross revenue generated by the distribution of the A Plus video content.

As a result of the acquisition reported hereby, A Plus is now a wholly owned subsidiary of our company, and the A Plus Distribution Agreement has been terminated, resulting in our retention of 100% of the revenues generated by A Plus and projected cost savings of over \$5 million for our company in 2019 thereby significantly enhancing our future Adjusted EBITDA.

The acquisition was reviewed by the audit committee of the board of directors of our company. The analysis of the committee included a review of the terms of the acquisition, a cost-benefit analysis and consideration of all relevant information and data, including a report provided by Astrina Inc., an independent financial consultant and advisor. Finding the acquisition to be fair to and in the best interests of our company, the audit committee recommended the acquisition to our board of directors. Our board of directors undertook a similar analysis, and finding the transaction to be fair to our company and in the best interest of our company and stockholders, unanimously approved the transaction, with all independent directors voting for approval and all directors having an affiliation with CSS recusing themselves from the vote.

The Stock Purchase Agreement

The SPA was entered into as of December 28, 2018 by and among the Company, A Plus, CSS, Chicken Soup for the Soul Digital, LLC (“CSS Digital”), Christopher Kutcher (“Kutcher”), Evan Beard (“Beard”), Kendall Dabaghi (“Dabaghi”) and collectively with CSS, Kutcher and Beard, the “Sellers,” with Kutcher, Beard and Dabaghi collectively referred to as the “Individual Sellers”.

Pursuant to the terms of the SPA, the Sellers sold to the Company all the outstanding shares of common stock of A Plus (the “A Plus Shares”) for an aggregate purchase price of \$15 Million (the “Purchase Price”). The Purchase Price was paid as follows: (a) to Kutcher in consideration of all of his A Plus Shares, 322,275 shares of Class A common stock of the Purchaser (“CSSE Shares”) valued at \$2,691,000; (b) to Beard in consideration of all of his A Plus Shares, 14,012 of CSSE Shares valued at \$117,000; (c) to Dabaghi in consideration of all of his A Plus Shares, 14,012 of CSSE Shares valued at \$117,000; and (d) to CSS in consideration of all of its A Plus Shares, the balance remaining in cash. The value of CSSE Shares were measured based on the average closing price of the CSSE Shares in the five previous trading days, or \$8.35 per share.

The Purchase Price otherwise payable by the Company was reduced by approximately \$3.3 million of advances owed by A Plus to the Company. The balance of the cash portion of the Purchase Price was used to reduce all open amounts under the intercompany cash management account. Any excess amount that may be due to CSS will be deferred and will be carried in the intercompany cash management system until amortized in accordance with prior practice.

Each of the Individual Sellers agreed that the CSSE Shares received by him shall not be resold, transferred or hypothecated by him for a period of 18 months from the closing of the acquisition, unless consented to in writing by the Company prior to any such sale or transfer, which consent may be withheld by the Company for any reason or nor reason.

Upon execution of the SPA A Plus became a wholly owned subsidiary of the Company and the Distribution Agreement was terminated and all amounts, obligations or liabilities owed by any party to the other party thereunder deemed fulfilled in all respects.

Transaction Impact

The Company will account for its acquisition of A Plus in accordance with ASC 805, “*Business Combinations*”. ASC 805-50 addresses the determination of the basis at which the receiving entity in a “common control transaction” will record the net assets or business transferred. Specifically, when accounting for a transfer of assets or the exchange of shares between entities under common control, the entity receiving the net assets or equity interests shall initially measure such assets and liabilities transferred at their carrying amounts at the date of transfer.

We believe that the total purchase price will be less than the strategic value to the Company, with strategic value distinguished from fair market value, as only the former takes into account synergies and cost savings which may benefit the Company. Strategic value considers the difficulty in replicating the highly-branded, celebrity-endorsed A Plus assets and its related captive viewership base, which our company believes would cost a multiple of the purchase price in the acquisition and time to replicate. We also believe that we will save approximately \$5.1 million per year in cost of distribution. These annual reductions will flow directly down to our bottom line and could reasonably be expected to be realized in equity value EBITDA multiples of 13-15x.

The acquisition of A Plus is expected to have a material positive impact on the Company’s consolidated financial position, results of operations and cash flows.

Fees and Expenses

The Company has paid or will pay total fees and expenses for the acquisition of approximately \$75,000, including legal fees and fees payable to Astrina Inc.

Use of Non-GAAP Financial Measures

The Company’s consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). The Company uses a non-GAAP financial measure to evaluate its results of operations and as a supplemental indicator of its operating performance. The non-GAAP financial measure that the Company uses is Adjusted EBITDA. Adjusted EBITDA (as defined below) is considered a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. The Company believes that this measure provides useful information in that it excludes amounts that are not indicative of the Company’s core operating results and ongoing operations and provides a more consistent basis for comparison between periods. Due to the significance of non-cash and non-recurring expenses recognized for the years ended December 31, 2017 and 2016, and for the nine months ended September 30, 2018, and the likelihood of material non-cash and non-recurring expenses to occur in future periods, the Company believes that this non-GAAP financial measure enhances the understanding of the Company’s historical and current financial results.

Further, the Company believes that Adjusted EBITDA enables its board of directors and management to analyze and evaluate financial and strategic planning decisions that will directly affect operating decisions and investments. The presentation of Adjusted EBITDA should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items or by non-cash items. This non-GAAP financial measure should be considered in addition to, rather than as a substitute for, the Company's actual operating results included in its consolidated financial statements.

"Adjusted EBITDA" means earnings before interest, taxes, depreciation, amortization and non-cash share-based compensation expense, and also includes the gain on bargain purchase of subsidiary and adjustments for other identified charges, such as costs incurred to form the Company and to prepare for the offering of its Class A common stock to the public, prior to the Company's IPO. Identified charges also include the cost of maintaining a board of directors prior to being a publicly traded company. As the Company's IPO has been completed, director fees will be deducted from Adjusted EBITDA going forward. Adjusted EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other companies. The Company believes Adjusted EBITDA to be a meaningful indicator of the Company's performance that provides useful information to investors regarding the Company's financial condition and results of operations. The most comparable GAAP measure is operating income.

"EBITDA" means earnings before interest, taxes, depreciation and amortization. EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, EBITDA may not be comparable to similar measures presented by other companies. The Company believes EBITDA to be a meaningful indicator of Screen Media's performance that provides useful information regarding its financial condition and results of operations. The most comparable GAAP measure is operating income.

Forward-Looking Statements

This Report contains forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding expectations, intentions and strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "target," "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predicts," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this Report are based on current expectations and beliefs concerning future developments and their potential effects on the Company and its subsidiaries. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve many risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01 to the extent required.

Item 3.02 Unregistered Sale of Equity Securities

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02 to the extent required. The shares of Class A common stock issued to each of the Individual Sellers will be issued to him under an exemption from the registration requirements under the Securities Act of 1933, as amended (“Act”) under Section 4(2) of the Act, and will be when issued “restricted securities” as defined under the Act, and may not be sold or transferred by the holder thereof except pursuant to an effective registration statement under the Act or an exemption therefrom. The shares so issued are subject to lock-up provisions prohibiting sale of same during the 18-month period following the date of the acquisition without the prior written consent of Chicken Soup for the Soul Entertainment, Inc.

Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.

- (a) Financial Statements of A Sharp Inc. d/b/a A Plus

Not required.

- (b) Pro Forma Financial Information.

Not required.

The pro forma consolidated financial statements for the Company giving effect to the acquisition of Screen Media will be filed by an amendment to this Report on Form 8-K/A.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
<u>2.1</u>	<u>Stock Purchase Agreement, dated as of December 28, 2018 by and among Chicken Soup for the Soul Entertainment, Inc., A Sharp Inc., and certain other parties.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 31, 2018

CHICKEN SOUP FOR THE SOUL
ENTERTAINMENT, INC.

By: /s/ William J. Rouhana, Jr.

Name: William J. Rouhana, Jr.

Title: Chief Executive Officer

**AGREEMENT FOR THE PURCHASE AND SALE OF
THE CAPITAL STOCK OF
A SHARP INC. (D/B/A A PLUS)**

This Agreement (“Agreement”) is made as of December 28, 2018 by and among A Sharp Inc., d/b/a A Plus (the “Company”), Chicken Soup for the Soul, LLC (“CSS”), Chicken Soup for the Soul Digital, LLC (“CSS Digital”), Christopher Kutcher (“Kutcher”), Evan Beard (“Beard”), Kendall Dabaghi (“Dabaghi” and collectively with CSS, Kutcher and Beard, the “Sellers”), and Chicken Soup for the Soul Entertainment, Inc. (“Purchaser”).

WHEREAS, CSS Digital owns 6,157,903 shares, or 74.9%, of the outstanding common stock of the Company;

WHEREAS, Kutcher owns 1,899,167 shares, or 23.1%, of the outstanding common stock of the Company;

WHEREAS, Beard owns 82,215 shares, or 1.0%, of the outstanding common stock of the Company;

WHEREAS, Dabaghi owns 82,215 shares, or 1.0%, of the outstanding common stock of the Company;

WHEREAS, each of the Sellers desires to sell all of the shares of common stock of the Company it owns to Purchaser, and Purchaser desires to purchase same, on the terms set forth in this Agreement;

WHEREAS, upon consummation of the transactions contemplated by this Agreement, the Purchaser shall own 100% of the outstanding equity of the Company, free and clear of all liens, and the Company shall become a wholly owned subsidiary of the Purchaser; and

WHEREAS, Astrina Inc., an independent appraisal firm, has undertaken an independent valuation of the Company on behalf of the Purchaser, considering the operations, assets and liabilities thereof, and has delivered a report to the Purchaser (“Valuation Report”) as an internal management report for the exclusive use of the Purchaser;

WHEREAS, the audit committee of the board of directors of the Purchaser, apprised of the interests that the parent company and affiliates of CSS have in the transactions contemplated hereby, have reviewed the Valuation Report, the terms of this Agreement, and such other information as the committee deemed necessary or desirable, and found the proposed transactions prescribed hereby to be fair to the Purchaser and in the best interests of the Purchaser and its stockholders and has recommended such transactions to the board of directors of the Purchaser; and

WHEREAS, the managers and directors of each entity party to this Agreement have approved this Agreement and the transactions contemplated hereby, including the board of directors of Purchaser, with all interested directors abstaining from the vote.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Purchase and Sale.

1.1 Pursuant to the terms and conditions of this Agreement, the Sellers hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from the Sellers, all the outstanding shares of common stock of the Company (the "A Plus Shares") for an aggregate purchase price of (a) \$15 Million (the "Purchase Price").

1.2 The Purchase Price shall be paid as follows: (a) to Kutcher in consideration of all of his A Plus Shares, \$0 in cash and \$2,691,000 in shares Class A common stock of the Purchaser ("CSSE Shares"); (b) to Beard in consideration of all of his A Plus Shares, \$0 in cash and \$117,000 of CSSE Shares; (c) to Dabaghi in consideration of all of his A Plus Shares, \$0 in cash and \$117,000 of CSSE Shares; and (d) to CSS in consideration of all of its A Plus Shares, the balance remaining in cash. The CSSE Shares will be measured based on the dollar amounts noted above divided by the average closing price of the CSSE Shares in the five previous trading days.

1.3 It is hereby agreed by each of the Sellers that the CSSE Shares received by it or him shall not be resold, transferred or hypothecated by him for a period of 18 months from the Closing Date, unless consented to in writing by Purchaser prior to any such sale or transfer, which consent may be withheld by Purchaser for any reason or nor reason.

1.4 At the consummation of the Purchase and Sale, the Company shall become a wholly owned subsidiary of Purchaser and the distribution agreement ("Distribution Agreement") between the Company and Purchaser, dated as of September 21, 2016, shall be terminated and any and all amounts, obligations or liabilities owed by any party to the other party thereunder deemed fulfilled in all respects. Each party hereto waives any and all claims it may have or which may hereafter arise from any circumstances existing as of the date hereof under the Distribution Agreement and releases each and every other party to the Distribution Agreement, and each party's respective affiliates, employees, officers, directors, managers, and equity holders from any and all claims related thereto.

1.5 Notwithstanding anything to the contrary contained herein (a) the cash portion of the aggregate purchase price otherwise payable by Purchaser shall be reduced by any advance owed by the Company to Purchaser and (b) CSS will use the cash portion of the purchase price paid to it by Purchaser to reduce any open amounts under CSS's intercompany cash management account.

Section 2. Closing.

2.1 The closing shall take place concurrently with the execution of this Agreement at the principal offices of Purchaser, 132 East Putnam Ave, Cos Cob, Connecticut. The date and time of closing are herein referred to as the "Closing Date" or the "Closing."

2.2 At the Closing:

2.2.1 *Delivery of A Plus Stock Certificates.* The Sellers shall deliver to the Purchaser all certificates evidencing the A Plus Shares, duly endorsed to the Purchaser or accompanied by duly executed stock powers in blank.

2.2.2 *Delivery of Non-Stock Portion of Purchase Price.* Purchaser shall wire to each of Kutcher, Beard and Dabaghi the amount of cash prescribed by Section 1.2, above, as same is adjusted in accordance with Section 1.5, above, in accordance with the wire instructions provided in writing by Sellers to Purchaser prior to the date hereof. Subject to Section 1.5, above, Purchaser shall pay to CSS the amount of cash prescribed by Section 1.2, above.

2.2.3 *Delivery of CSSE Shares.* Purchaser shall cause its transfer agent, Continental Stock Transfer & Trust Company, to issue certificates evidencing the CSSE Shares to each of the Sellers as prescribed by Section 1.2, above. Each certificate shall bear a restrictive legend as required by the Securities Act of 1933, as amended (the "Act") and an additional legend noting that the shares are subject to a lock-up restriction for a period of 18 months from the Closing Date.

2.2.4 *Termination of Distribution Agreement.* The Distribution Agreement shall be deemed terminated and the releases and waivers prescribed by Section 1.4 above, deemed effective and irrevocable.

2.2.5 *Post-Closing Administrative Matters.* To the extent any certificates evidencing any A Plus Shares or CSSE Shares are not delivered at Closing as a result of administrative reasons or related process delays, same shall be delivered by the responsible party within twenty business days of Closing.

Section 3. **CSS and Company Representations and Warranties.** CSS represents and warrants to Purchaser that:

3.1 **Organization, Good Standing, etc.** The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business, and is in good standing, in every jurisdiction in which the nature of its business requires it to be so qualified. The Company has all requisite corporate power and authority to carry on its business as now conducted.

3.2 **No Conflict.** The execution, delivery and performance by the Company of this Agreement will not conflict with or result in the breach of or constitute a default under any other agreement or instrument to which the Company is a party or by which it or its property may be bound and will not result in the creation of any lien thereunder.

3.3 **Authorization.** This Agreement has been duly authorized, executed and delivered by the Company.

3.4 **No Violation.** The execution, delivery or performance by the Company of this Agreement does not contravene any law, regulation, order or judgment applicable to or binding on the Company, and will not result in a breach of, or constitute a default under, or contravene any provisions of, any agreement to which the Company is a party or by which it is bound.

3.5 **No Consents or Approvals.** The execution, delivery or performance by the Company of this Agreement does not require the consent or approval of, the giving of notice to, the registration with, the recording or filing of any documents with, or the taking of any other action in respect of, any federal, state or local governmental commission, authority, agency or body.

3.6 **Tax Returns.** All appropriate federal, state and local income tax returns which are required to have been filed for all of the Company's taxable periods either have been filed or timely extensions obtained. All taxes as shown on said returns have been paid when due. The Sellers do not know of any proposed material tax assessment against the Company.

3.7 **Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of the Sellers, threatened against or affecting the Company, at law or in equity, or before any governmental board, agency or instrumentality or any arbitrator. The Company is not in default with respect to any material order, writ, injunction or decree of any court or governmental board, agency or other instrumentality.

3.8 **Information and Financial Statements.** All information provided to Astrina Capital in connection with the Valuation Report is materially accurate as of the date of the Valuation Report. The Company has delivered to the Purchaser financial statements for the years ended December 31, 2016 and 2017 and unaudited financial statements for the eleven-month period ended November 30, 2018 (collectively, the "A Plus Financial Statements"). The A Plus Financial Statements comply in all respects with U.S. GAAP and accurately reflect the books and records of the Company.

3.9 **Ownership and Liens.** The Company has title to, or valid leasehold interests in, all of its properties and assets, real and personal, including the properties and assets and leasehold interest reflected in the financial statements of the Company and none of the properties and assets owned by the Company and none of its leasehold interests are subject to any lien, mortgage, pledge, security interest, or other charge or encumbrance of any kind.

Section 4. **Sellers' Representations and Warranties.** Each of the Sellers represents and warrants to Purchaser, solely with respect to such Seller, that:

4.1 **No Conflict.** The execution, delivery and performance by such Seller of this Agreement will not conflict with or result in the breach of or constitute a default under any other agreement or instrument to which such Seller is a party or by which it or its property may be bound and will not result in the creation of any lien thereunder.

4.2 **Authorization.** This Agreement has been duly authorized, executed and delivered by such Seller.

4.3 **No Violation.** The execution, delivery or performance by such Seller of this Agreement does not contravene any law, regulation, order or judgment applicable to or binding on such Seller, and will not result in a breach of, or constitute a default under, or contravene any provisions of, any agreement to which such Seller is a party or by which it is bound.

4.4 **No Consents or Approvals.** The execution, delivery or performance by such Seller of this Agreement does not require the consent or approval of, the giving of notice to, the registration with, the recording or filing of any documents with, or the taking of any other action in respect of, any federal, state or local governmental commission, authority, agency or body.

4.5 **A Plus Shares.** Such Seller is the lawful owner, of record and beneficially, of the A Plus Shares indicated above, and has good and merchantable title thereto, free and clear of all liens, encumbrances, options, charges, equities and claims of any kind whatsoever, and it or he has full right and legal capacity to transfer and sell the A Plus Shares to the Purchaser under the terms and conditions contained herein and that upon delivery of the certificates representing the A Plus Shares to Purchaser, together with executed stock powers thereof, the Purchaser will own legal and equitable title to such A Plus Shares, free and clear of all liens, encumbrances, charges options, equities and claims of any kind. The A Plus Shares being sold by the Sellers hereunder represent all of the issued and outstanding shares of the Company.

4.6 **Investment Representations.** Such Seller is an accredited investor, as such term is defined in Regulation D promulgated under the Act. Such Seller has reviewed the registration statements and quarterly, annual and current reports filed by Purchaser with the Securities and Exchange Commission under the Act and the 1934 Securities Exchange Act as amended. Such Seller understands that the CSSE Shares are being issued without registration under the Act in reliance upon an exemption from registration and that the Sellers; representations and warranties set forth herein form part of the basis for such exemption. Such Seller understands that the CSSE Shares shall bear a restrictive legend prescribed by the Act and may not be sold without registration under the Act or an available exemption therefrom, and further, shall be subject to the terms of the lock-up provisions prescribed by this Agreement, and the certificate evidencing the CSSE Shares shall bear legends noting same. Such Seller understands the risks involved in investing in Purchaser and is able to bear such risks and the illiquidity represented by such investment and the possible loss of its entire investment in Purchaser.

Section 5. **Purchaser's Representation and Warranties.** Purchaser represents and warrants to the Sellers that:

5.1 **Organization, Good Standing, etc.** Purchaser is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business, and is in good standing, in every jurisdiction in which the nature of its business requires it to be so qualified. Purchaser has all requisite corporate power and authority to carry on its business as now conducted

5.2 **No Violation.** The execution, delivery or performance by the Purchaser of this Agreement does not contravene any law, regulation order or judgment applicable to or binding on the Purchaser and will not result in a breach of, or constitute a default, or contravene any provision of, any agreement to which Purchaser is a party or by which he is bound.

5.3 **No Consents or Approvals.** Neither the execution, delivery or performance by the Purchaser of this Agreement requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any documents with, or the taking of any other action in respect of, any federal, state or local governmental commission, authority, agency or body.

5.4 **CSSE Shares.** Upon issuance in compliance with the terms of this Agreement, the CSSE Shares shall be validly issued, fully paid and nonassessable.

Section 6. **Further Assurances.**

6.1 **By Sellers.** Sellers will do, execute, acknowledge and deliver, or shall cause to be done, executed, acknowledged and delivered all such further acts, conveyances and assurances the Purchaser may reasonably require for accomplishment of the purposes of this Agreement.

6.2 **By Purchaser.** Purchaser will do, execute, acknowledge and deliver, or shall cause to be done, executed, acknowledged and delivered, all such further acts, conveyances and assurances as Sellers may reasonably require for accomplishment of the purposes of this Agreement.

Section 7. **Miscellaneous.**

7.1 **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

7.2 **Amendment.** Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing which purports to terminate, amend, supplement, waive or modify this Agreement or any of the terms hereof and is signed by the party against which the enforcement of the termination, amendment, supplement, waiver or modification is sought.

7.3 **Successors and Assigns.** The terms of this Agreement shall be binding on, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Agreement and the obligations hereunder may not be assigned or transferred by any party hereto.

7.4 **Governing Law.** This Agreement, including all matters of construction, validity and performance, shall in all respects be governed by, and construed in accordance with, the internal law of the State of Delaware. Each party hereto hereby agrees to and submits to the jurisdiction of the State of Connecticut and hereby agrees that any action brought by any party with respect to the matters governed hereby shall be heard in the State or federal courts located in the County of Fairfield in the State of Connecticut.

7.5 **Notices.** Except as otherwise provided in this Agreement, all notices hereunder shall be in writing and shall be given by mail, personal delivery, overnight courier, telecopy or any other customary means of written communication at the addresses set forth on the signature pages hereof, or at such other addresses as may be specified by written notice to the parties hereto, and shall become effective when received by the addressees.

7.6 **Severability of Provisions.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceable of such provision in any other jurisdiction.

7.7 **Headings.** The headings used herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

7.8 **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date and year first above written.

[Signatures on next page]

COMPANY:

A SHARP, INC.

By: /s/ Scott W. Seaton
Name: Scott W. Seaton
Title: Chief Operating Officer

SELLERS:

/s/ Christopher Kutcher
CHRISTOPHER KUTCHER

/s/ Evan Beard
EVAN BEARD

/s/ Kendall Dabaghi
KENDALL DABAGHI

CHICKEN SOUP FOR THE SOUL, LLC

By: /s/ William J. Rouhana, Jr.
Name: William J. Rouhana, Jr.
Title: Chairman + Chief Executive Officer

CHICKEN SOUP FOR THE SOUL DIGITAL, LLC

By: /s/ William J. Rouhana, Jr.
Name: William J. Rouhana, Jr.
Title: Chairman + Chief Executive Officer

PURCHASER:

CHICKEN SOUP FOR THE SOUL
ENTERTAINMENT, INC.

By: /s/ William J. Rouhana, Jr.
Name: William J. Rouhana, Jr.
Title: Chairman + Chief Executive Officer