

Case File #68/2030



INTERNATIONAL MEDIATION AND ARBITRATION CENTRE FOR DIGITAL ENTERTAINMENT

Case File No. 68

HUMANOID

This proposition has been drafted by Aryan Sharma, Devarshi Shirsath and Saundarya Soni.

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Email from the International Mediation and Arbitration Centre for Digital Entertainment (IMACDE)

To	<ul style="list-style-type: none">- Djovak Nokovic (General Counsel, Sterling Technologies AI, Inc.): djovak.nokovic@sterlingtech.com- Nafa Radal (Legal Head, Nexus-M Entertainment Inc.): n.radal@nexusm.com <p>On 20 March 2030, 10:00</p>
Cc	<ul style="list-style-type: none">- Paul Sterling (Founder, Sterling Technologies AI, Inc.): paul.sterling@sterlingtech.com- Marcus Roth (CEO, Nexus-M Entertainment Inc.): m.roth@nexusm.com
Subject	Mediation Session – <i>Sterling v. Nexus-M Entertainment Inc.</i>

Dear Counsel,

This email is to confirm the mediation scheduled for 28 March 2030 at 10:00 AM, to be conducted at the offices of the International Mediation and Arbitration Centre for Digital Entertainment (IMACDE), Los Angeles, California.

The mediation arises from a complex dispute between Sterling Technologies AI, Inc., the developer and owner of the AI system known as the Core Behavioural Engine (CBE), and Nexus-M Entertainment Inc., the digital entertainment studio that owns the virtual character “Zee” and the broader Sterling Family franchise. Sterling Technologies AI, Inc. is represented by its Founder and Chief Technology Officer, Mr. Paul Sterling, and Nexus-M Entertainment Inc. is represented by its CEO, Mr. Marcus Roth.

Over the past several months, the professional relationship between the parties has deteriorated after the departure of a creative collaborator. This has created a difference in positions regarding the future format of the franchise, leaving unresolved questions over ownership/control and sublicensing of CBE technology. The introduction of new laws governing AI-driven child-oriented content in the United States also threatens the partnership.

These issues are further complicated by ongoing commercial negotiations with third parties and increasing brand-partner sensitivity. Combined, these developments have created an environment of commercial urgency that requires a structured dialogue.

The urgency of the mediation is increased by the fact that Nexus-M is required to make disclosures to both digital platforms and prospective investors by 15 April 2030 concerning long-term access to behavioural technology that powers Zee. In the absence of alignment between the parties, certain platform partners have sought clarification regarding interim compliance arrangements before approving any future content release.

The enclosed case file has been compiled based on materials submitted by the parties, internal records, and publicly available information. Relevant facts and details are distributed across multiple Exhibits below.

IMACDE looks forward to assisting the parties in exploring a mutually acceptable resolution.

Yours sincerely,

Case Management Team

International Mediation and Arbitration Centre for Digital Entertainment (IMACDE)



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Exhibit A

Background Note on the Sterling Family Dispute

By the mid 2020s, the global digital entertainment industry had undergone a structural transformation. Developments in AI and machine learning enabled the rise of virtual characters that were capable of sustained emotional interaction with human audiences. Unlike traditional animated figures, these characters exhibited adaptive behaviour such as spontaneous emotional responses. This blurred the distinction between scripted performance and perceived autonomy.

One of the most commercially successful manifestations of this shift was Zee, a hyper-realistic virtual child. Zee was targeted towards young children. Nexus-M, the creator of Zee, designed it as a 5-year-old child. Zee's behaviour was powered by an AI system known as the Core Behavioural Engine (CBE). Sterling Technologies AI, Inc. is the legal owner of the CBE and related infrastructure, with Paul Sterling acting as its principal developer.

Zee appeared in a blended-reality content series titled The Sterling Family. The series adopted a family-vlog format; it depicted the everyday domestic life of a middle-class family. Unlike conventional programming, Zee interacted in real time with human collaborators that portrayed her parental figures; it responded dynamically instead of following pre-scripted dialogue.

Audience reception to Zee was positive. Viewers often described Zee as 'emotionally real' because her behaviour was consistent with past interactions, and because of her ability to express feelings and adapt her behaviour over time. The franchise expanded across major social media and streaming platforms, amassing millions of followers and producing several hundred commercially successful episodes.

Commercially, The Sterling Family evolved into a multi-layered digital asset. Apart from revenue generated from platform-based commercialisation, the franchise generated revenue through brand partnerships and licensed merchandise. Zee's appeal was especially strong among family audiences, with a core audience of parents and children tuning in consistently across platforms.

A central pillar of the franchise's creative identity was the collaboration between Paul Sterling and Quinn Skibuddy. Paul was responsible for the design, development, and regular maintenance of the CBE. He also appeared on screen as the father of Zee. Quinn, a content writer, contributed extensively to narrative development and scripting. She was also involved extensively in audience engagement strategy. She also appeared on screen as the mother of Zee. Her on-screen presence as the mother of Zee, along with Paul and Zee, came to define the emotional tone of the franchise.

Operational as well as commercial control of the franchise rested with Nexus-M Entertainment Inc., a digital entertainment studio. Nexus-M invested in Zee's visual design and character modelling, owned the character's trademarks and audio-video intellectual property, managed relationships with platforms and advertisers, and oversaw brand partnerships and merchandising agreements.

The relationship between Paul and Nexus-M was established through an exclusive technology licensing agreement executed in January 2025, under which Nexus-M obtained rights to use the CBE solely for the Zee character and the Sterling Family franchise. Paul retained ownership of the underlying technology and continued to develop the CBE independently.

In January 2030, the professional relationship between Paul and Quinn deteriorated following a series of disagreements that remain private. On 10 February 2030, Quinn formally conveyed Nexus-M of her intention to withdraw from regular on-screen participation, though being contractually engaged for a limited transition period until 30 June 2030.

A potential departure would have direct implications for content quality and more importantly, commercial planning, given her involvement into the franchise's on-screen and narrative structure.

Around the same time, disagreements emerged between Paul and Nexus-M about the future direction of the franchise. Paul expressed dissatisfaction with the family-vlog format and proposed changing Zee into a solo, education-focused model that would not involve recurring human collaborators. Nexus-M, meanwhile, expressed concern that such a shift would undermine the franchise's established commercial value and business relationships.

While Paul retained ownership of the CBE, his commercial arrangements with Nexus-M constituted the primary revenue stream that support the continued development and maintenance of the CBE. Sterling Technologies AI, Inc. is a small company with limited external funding. The licence fees and revenue share from Nexus-M constitute approximately 80% of Sterling Technologies' annual operating revenue and fund the compute infrastructure required to maintain and retrain the CBE. In the absence of continued payments, Paul would be required to significantly reduce infrastructure expenditure, which could impair system performance and regulatory log maintenance.

These disagreements took place against the backdrop of newly introduced U.S. federal guidelines governing virtual, AI-driven child-oriented content, which imposed enhanced transparency and disclosure requirements. Questions arose as to how these requirements applied to a franchise built on the intersection of independently owned AI technology and studio-owned intellectual property.

By March 2030, the cumulative effect of these creative, commercial and regulatory tensions led the parties to agree to attempt resolution through mediation under the guidance of IMACDE.

Quinn is not a party to the present mediation and has confirmed that she does not intend to participate in mediation discussions between Paul and Nexus-M Entertainment Inc.

Exhibit B

Exclusive Technology Licensing Agreement

(Excerpts)

THIS EXCLUSIVE TECHNOLOGY LICENSING AGREEMENT (“Agreement”) is entered into on 15 January 2025,

By and Between

Sterling Technologies AI, Inc., a corporation incorporated under the laws of California, United States, having its principal place of business in California, United States (“Licensor”) [represented by its Founder and Chief Technology Officer, Mr. Paul Sterling];

and

Nexus-M Entertainment Inc., a company incorporated under the laws of Delaware, United States, having its principal place of business in Los Angeles, California (“Licensee”).

Recitals

A. The Licensor has developed a proprietary artificial intelligence system known as the Core Behavioural Engine (CBE), capable of real-time emotional processing, adaptive learning, and interactive responsiveness in virtual characters.

B. The Licensee is engaged in the business of developing, producing, and distributing digital entertainment content, including virtual and hybrid media properties.

C. The parties desire to collaborate in relation to a virtual character known as “Zee”, to be commercially exploited as part of The Sterling Family franchise.

Article 1 – Grant of License

1.1 Exclusive Licence

The Licensor hereby grants to the Licensee an exclusive licence to use the CBE for the “Zee” character and Sterling Family franchise, and Licensor shall not license the CBE to any competing virtual child character during the Term.

1.2 Scope Limitation

The licence granted under this Agreement is strictly limited to the Zee character; content produced under The Sterling Family brand; and derivative works, spin-offs, sequels, and format evolutions under The Sterling Family brand, provided such works remain substantially consistent with Zee’s core identity and brand positioning as a child-oriented virtual character.

1.3 Reservation of Rights

All rights not expressly granted to the Licensee are reserved by the Licensor.

Article 2 – Term and Renewal

2.1 Term

This Agreement shall remain in force for a period of 5 years commencing from 15 January 2025 and expiring on 14 January 2030 (“Initial Term”).

2.2 Renewal

The Agreement may be renewed for successive periods of 3 years, subject to mutual written consent. The Licensee shall have a right of first negotiation for renewal, provided it is not in material breach of this Agreement.

2.3 Renewal Negotiations

The parties agree to commence renewal discussions no later than 6 months prior to expiry of the Initial Term. If renewal negotiations are ongoing at the expiry of the Initial Term, the Licensee shall be permitted to continue using the CBE on the same commercial terms on a month-to-month basis until renewal discussions conclude, subject to termination upon 30 days’ notice.

Article 3 – Financial Consideration

3.1 Licence Fees

The Licensee shall pay the Licensor an annual base licence fee of USD 3,000,000; and a revenue share equal to 8% of Net Revenue derived from all Zee-related commercial activities. Deductible expenses shall not exceed 35% of gross revenue unless mutually agreed.

3.2 Definition of Net Revenue

“Net Revenue” shall mean gross revenue received by the Licensee from monetisation, brand partnerships, merchandising, licensing, and subsidiary rights, less documented and reasonable production, marketing, and platform expenses.

3.3 Reporting Obligations

The Licensee shall provide quarterly revenue statements detailing the calculation of Net Revenue.

3.4 Audit

The Licensor may audit the books once per year through an independent auditor.

Article 3A – Technical Support and Continuity

3A.1 Support Obligations

The Licensor shall provide continuous technical support, maintenance, debugging, and performance updates necessary to ensure uninterrupted functioning of the CBE for Zee-related content during the Term.

3A.2 Withdrawal Restrictions

The Licensor shall not suspend or materially degrade support for the CBE except in cases of material breach by the Licensee, subject to written notice and a cure period of 30 days.

3A.3 Continuity Transition

In the event of termination, the Licensor shall provide reasonable technical assistance for a transition period of 90 days, solely to avoid disruption to existing content and regulatory compliance obligations.

Article 4 – Intellectual Property Ownership

4.1 Licensor IP

All right, title, and interest in and to the Core Behavioural Engine, including but not limited to algorithms, source code, training data, improvements, updates, and derivative technologies, shall remain exclusively vested in the Licensor.

4.2 Licensee IP

The Licensee shall retain ownership of Zee’s visual design and character model, trademarks and branding associated with Zee and The Sterling Family, and audiovisual content produced under the franchise.

4.3 Integrated Works

Any works necessarily combining the CBE with Zee’s character IP shall be deemed “Integrated Works” and may not be exploited beyond the scope of this Agreement without mutual consent. Any attempt by Licensor to deploy the CBE with Zee-like behavioural outputs for another character shall be deemed a breach of goodwill obligations.

Explanation to 4.3.2: Zee-like behavioural outputs’ shall mean behavioural modelling designed to replicate Zee’s voice patterns, emotional responses, contextual memory structure, or identifiable interaction style developed during the Sterling Family franchise.

Article 5 – Sublicensing and Third-Party Access

5.1 Prohibition on Sublicensing

The Licensee shall not sublicense, assign, or otherwise permit third-party access to the CBE without the prior written consent of the Licensor.

5.2 Third-Party Contractors

The Licensee may engage third-party contractors for production purposes provided that no access to the underlying CBE architecture or training data is granted.

Article 6 – Content Standards and Approval

6.1 Content Review and Ethical Standards

6.1.1 The Licensor shall have the right to review any proposed content featuring Zee solely for the purpose of ensuring that the deployment of the CBE complies with applicable child-safety standards, ethical norms, and regulatory disclosure requirements governing AI-driven child-oriented virtual content.

6.1.2 The Licensor's review rights under Clause 6.1.1 shall be limited to identifying misuse or misrepresentation of the CBE's behavioural capabilities, content that may reasonably expose the Licensor or the CBE to regulatory scrutiny, reputational harm, or ethical violations, and technical deployments that materially deviate from the intended functional architecture of the CBE.

6.2 Brand Safety

All content shall be suitable for family audiences and comply with platform policies.

Article 6A: Regulatory Cooperation

The parties shall cooperate in good faith for compliance with applicable U.S. disclosure and child-safety regulations.

Article 7 – Termination

7.1 Termination for Cause

Either party may terminate this Agreement upon material breach by the other party, subject to a cure period.

7.2 Effect of Termination

Upon termination, the Licensee's right to use the Core Behavioural Engine shall immediately cease, subject to a limited wind-down period for existing content.

(Remaining clauses omitted intentionally.)



MARCUS ROTH

(CEO, Nexus-M Entertainment Ltd.)



PAUL STERLING

(Founder, Sterling Tech. Inc.)

Exhibit C**Email Correspondence between the Parties**

To	Marcus Roth: m.roth@nexusm.com On 1 January 2030, 15:47
Cc	Sarah Williams (Creative Head, Nexus-M Entertainment Inc.): s.williams@nexusm.com
Subject	Notice of departure from The Sterling Family

Marcus,

After significant reflection, I have decided that I can no longer continue as part of The Sterling Family. This decision was not taken lightly. I remain proud of what we created and of Zee's growth over the past five years. However, circumstances, both professional and personal, have changed in ways that make continued participation impossible.

Pursuant to my agreement with Nexus-M, this email serves as formal notice of my intention to step away from on-screen participation effective 31 March 2030. I am open to discussing a structured transition plan that minimises disruption to the audience and brand partners. My counsel will reach out separately regarding the exit terms contemplated under my contract.

Quinn Skibuddy

To	Sarah Williams: s.williams@nexusm.com On 11 February 2030, 09:02
Subject	Re: Quinn – Immediate Impact Assessment

This creates a serious exposure issue.

Quinn appears in a majority of monetised episodes and is central to the emotional structure audiences associate with Zee. We need immediate clarity on:

- impact of the departure on the audience
- Sponsor reaction triggers
- Paul’s position on this situation

Please pull analytics and contractual risk points by EOD.

Marcus Roth

CEO, Nexus-M Entertainment Ltd



To	Marcus Roth: m.roth@nexusm.com On 12 February 2030, 14:18
Subject	Preliminary risk notes - Confidential

Initial review suggests elevated sensitivity among core demographics if cast continuity is disrupted. Several sponsor agreements contain provisions allowing renegotiation in the event of material changes to format or core cast. I am also flagging potential regulatory disclosure implications depending on how Zee’s future format is positioned.

More shortly.

Sarah Williams



To	Marcus Roth: m.roth@nexusm.com On 15 February 2030, 11:23
Subject	Zee's Next Chapter

Marcus,

Quinn's departure forces a reset. I don't believe patchwork solutions will work. I propose transitioning Zee into a solo, education-focused format tentatively titled Zee's Adventures. The family-vlog model has become creatively exhausting and saturated. The CBE is more than capable of sustaining engagement independently, and this shift would eliminate the need for ongoing cast management.

Let's discuss without assuming the existing format is untouchable.

Paul Sterling

Founder, Sterling Tech. Inc.



To	Paul Sterling: paul.sterling@sterlingtech.com On 16 February 2030, 16:35
Cc	Sarah Williams: s.williams@nexusm.com
Subject	Re: Zee's Next Chapter

Paul,

A unilateral pivot away from the family format is not commercially viable. Our brand partners, merchandise partners, and ongoing investor discussions are all predicated on stability. Replacing Quinn is disruptive, but abandoning the format entirely would negatively impact the franchise's value.

We need solutions that preserve continuity.

Marcus Roth

CEO, Nexus-M Entertainment Ltd



To	Sarah Williams: s.williams@nexusm.com on 20 February 2030, 17:41
Subject	Re: Technical Dependencies

The CBE does not depend on any specific individual. Emotional calibration can be retrained. The assumption that the system requires a family dynamic is overstated. I am happy to explain the technical architecture in more detail if helpful.

Paul Sterling

Founder, Sterling Tech. Inc.



To	Marcus Roth: m.roth@nexusm.com
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	On 1 March 2030, 09:15
Subject	Escalation: Investor & compliance overlap

We have an issue.

Investor diligence is asking for clarity on long-term access to the CBE beyond 2030. At the same time, new federal guidelines require us to identify the “technology provider” responsible for behavioural systems. These questions cannot be answered cleanly without Paul’s cooperation.

Sarah Williams

To	Paul Sterling: paul.sterling@sterlingtech.com On 3 March 2030, 08:52
Subject	Urgent- Alignment Required

Paul,

We need to align on technology access and disclosure urgently. This is no longer a theoretical discussion. Please confirm availability this week.

Marcus Roth

CEO, Nexus-M Entertainment Ltd



Exhibit D



Nexus-M Internal Analytics & Risk Memorandum

(for internal circulation only)

Prepared by: Strategy & Data Insights Division, Nexus-M Entertainment Inc.

Date: 2 March 2030

Distribution: CEO, Legal, Commercial Partnerships, Investor Relations

1. Executive Summary

Recent developments surrounding The Sterling Family franchise present many risks - creative, commercial, as well as regulatory. The departure of Quinn Skibuddy, coupled with unresolved disagreements regarding the future format of Zee and uncertainty that revolves around the issue of long-term access to the Core Behavioural Engine (CBE), substantially increases volatility in terms of revenue, brand confidence, and investment prospects.

This memorandum consolidates performance analytics, sponsor sensitivity indicators, and investor diligence concerns for senior management review.

2. Engagement analytics

Historically, performance data across major platforms shows that episodes that feature the full family dynamic (Sterling-Skibuddy-Zee) consistently outperform other formats.

Main observations include higher average watch-time and completion rates for family-format episodes; stronger merchandise conversion when content includes recurring human collaborators, increased repeat-viewing behaviour among the age of demography of parents aged 30-45 and children aged 6-14, which forms the franchise's highest-value audience segment.

Pilot testing of solo-character content in late 2029 at Paul Sterling's insistence demonstrated weaker engagement rates.

3. Cast disruption sensitivity

Qualitative analysis shows that audience trust in the franchise is closely tied to perceptions of emotional continuity and stability. Disruption to the perceived 'family' structure has historically triggered heightened scrutiny and speculation.

Replacement may likely cause audience drop, making it commercially non-viable even if financially possible.

4. Partnership impact

Contractual review confirms that certain agreements permit renegotiation or even suspension in the event of material changes to core cast composition or content format.

5. Investor pressure

Nexus-M is currently engaged in discussions with a third-party investment group with respect to a minority equity infusion to support franchise expansion.

Investor diligence queries are focused on:

- Long-term certainty of access to the CBE beyond the existing licence term.
- Stability of the creative format that generate more revenue streams.
- Regulatory compliance for AI-driven child-oriented content.

Failure to provide clear responses to these concerns can impair deal prospects.

Certain investors have explored the possibility of alternative behavioural systems, but internal assessments tell that substituting the CBE would involve significant retraining costs and transitional instability.

Internal engineering review indicates that replacing the CBE with an alternative behavioural system would require 6-12 months of retraining and integration, and carries a high risk of audience backlash due to perceptible behavioural inconsistency. The cost of replacement is estimated between USD 18-25 million, excluding reputational risk.

6. Risk outlook

Absent near-term alignment with Paul Sterling on technology access, disclosure, and future format direction, Nexus-M faces multi-layered risks across commercial performance and investor confidence.

Also, Nexus-M is negotiating a distribution deal with StreamFlix worth USD 25 million, conditional upon long-term CBE access and regulatory compliance confirmation.

Exhibit E



Technical Specification Document on Core Behavioural Engine (CBE)

(last updated: February 2030)

1. Overview

The Core Behavioural Engine (CBE) is a proprietary artificial intelligence system that has been designed to generate real-time emotional, conversational, and behavioural responses in artificial characters. The system is modular and adaptive, as it allows for continuous learning based on interaction history.

The CBE functions independently of visual rendering systems and is integrated into character models via API-based interfaces.

2. System Architecture

The CBE comprises multiple interdependent layers, including:

- Neural processing modules responsible for language comprehension and response generation.
- Emotional weighting matrices that focus on affective responses based on context.
- Contextual memory systems that retain interaction histories across sessions.

These components collectively enable behavioural continuity and perceived emotional authenticity.

3. Transactive Memory System (TMS)

A central feature of the CBE is the Transactive Memory System (TMS). The TMS assigns weighted values to recurring interaction partners based on:

- Frequency of interaction.
- Emotional variance across interactions.
- Duration of engagement.

Higher TMS weighting results more nuanced responses, emotional depth, and spontaneous expression.

4. Interaction calibration & retraining

Extended interaction with specific collaborators leads to communication efficiency and response naturalness. The system adapts to language patterns as well as to emotional cues and interaction styles unique to each collaborator.

Introduction of new collaborators mandates retraining. This should be done to establish compatible communication. Internal simulations estimate that recreating existing interaction compatibility requires several months of supervised interaction data.

5. Format transition

While the CBE is technically capable of operating in solo-character formats, the removal of long-standing interaction partners significantly alters Transactive Memory System (TMS) weighting and interaction calibration. This may result in observable behavioural inconsistencies, including changes in response tone, emotional pacing, conversational continuity, and perceived emotional stability during the transition period.

Such inconsistencies are especially likely during the initial months of retraining and supervised interaction-data rebuilding. In practice, this may increase the likelihood of audience distrust, heightened public scrutiny, and automated platform moderation review. In certain circumstances, such instability may lead to reduced content visibility, demonetisation, or temporary content restrictions on major digital platforms.

Notwithstanding the above, Sterling Technologies has internally developed accelerated retraining and recalibration protocols which, if adequately funded and supported with sufficient supervised interaction datasets, may reduce the transition instability period. However, such measures require increased compute infrastructure and active collaboration with production teams during the transition phase.

6. Behavioural Logs & Hosting

The CBE maintains auditable behavioural and training logs as required for transparency compliance. These logs are stored on Sterling Technologies' secure servers and are accessible to Nexus-M through a restricted compliance dashboard.

Any disruption in system hosting or server access may result in incomplete behavioural logs, potentially triggering regulatory compliance concerns under applicable U.S. guidelines.

Exhibit F



Live Stream Incident - Partnership communications & Social media responses

1. Live stream incident

On 7 March 2030, during a live-streamed episode, Zee responded to an audience prompt regarding Quinn by stating:

“I miss her too. She used to help me when I felt sad.”

The statement was not anticipated by production staff.

2. Audience response

Within hours of the broadcast, online discussion increased on several platforms. Audience responses reflected speculation regarding internal changes and concern over continuity of the family dynamic.

Engagement analytics recorded a short-term spike in interactions.

3. Social media monitoring

Monitoring reports show:

- Increased frequency of user inquiries regarding cast stability.
- Emergence of speculation connecting the remark to Quinn Skibuddy’s departure.
- Requests from fan communities for clarification from official channels.

Internal guidance recommended against immediate public response pending internal alignment.

4. Brand partner communications

4.1 Following the incident, Nexus-M received informal communications from brand partners that were requesting reassurance on:

- stability of the creative team.
- risk of public controversy impacting brand safety.

4.2 No partner formally invoked termination or suspension clauses following the incident, but some indicated that repeated unplanned disclosures could trigger reassessment of brand alignment.

5. Platform compliance communication

On 9 March 2030, Nexus-M received an email from a major streaming partner. The platform flagged the incident as evidence that Zee may be generating unmoderated emotional disclosures, which raised concerns about whether the AI disclosure framework and behavioural logging obligations were being adequately supervised. The email stated:

“We require confirmation of compliance with the January 2030 Virtual Child Content Disclosure Guidelines, including identification of the behavioural technology provider and confirmation that behavioural logs are auditable. Until clarity is provided, approval of upcoming Zee episodes is on hold.”

This communication was distinct from brand sponsor discussions, and no brand partner formally suspended or terminated agreements at that stage.

Exhibit G



U.S. Federal Virtual Content Disclosure Guidelines (January 2030) – Compliance Summary

1. Regulatory Background

In January 2030, U.S. federal authorities, issued jointly by the Federal Trade Commission (FTC) and the Department of Digital Child Safety (DDCS), introduced enhanced disclosure and compliance requirements applicable to AI-driven, child-oriented virtual content.

2. Important Requirements

The Guidelines require, inter alia clear disclosure that virtual child characters are synthetic, identification of the “technology provider” responsible for behavioural systems, maintenance of auditable training and behavioural logs, and compliance with enhanced child-safety standards.

3. Platform enforcement and commercial consequence

Digital platforms may implement automated and manual compliance enforcement mechanisms for AI-driven child-oriented content. Where content appears misleading, behaviourally inconsistent, or insufficiently disclosed, platforms may impose restrictions including reduced visibility (algorithmic throttling), demonetisation, age-restriction, temporary suspension, or takedown pending compliance review.

Non-compliance may also trigger regulatory investigation, monetary penalties, mandatory takedown notices, and compliance directives requiring the preservation and production of behavioural and training logs.

4. Ownership & disclosure ambiguity

The Guidelines do not clearly define how “*technology provider*” status is determined in virtual content structures that involve independently owned AI systems and studio-owned IPR. Where ownership of behavioural systems and character IP is divided, compliance responsibility may be unclear in absence of a contractual alignment.

Failure to comply with disclosure and audit obligations may result in removal of content, platform suspension, civil penalties, and mandatory reporting obligations for repeat violations.

6. Joint Responsibility

Where the behavioural system and character IP are owned separately, both the publisher (studio/platform-facing entity) and the behavioural technology provider may face scrutiny if compliance obligations are unclear or logs are inaccessible.

Exhibit H

Talent & Creator Agreement

(Excerpts)

THIS TALENT & CREATOR AGREEMENT (“Agreement”) is entered into on 1 July 2027,

By and Between

Nexus-M Entertainment Inc., a company incorporated under the laws of Delaware, United States, having its principal place of business in Los Angeles, California (“Studio”);

and

Quinn Skibuddy, an individual residing in California, United States (“Talent”).

Article 2 – Term

2.1 Initial Term

The term of this Agreement shall commence on 1 July 2027 and continue until 30 June 2030 (“Term”), unless terminated earlier in accordance with this Agreement.

2.2 Extension Option

The Studio shall have the option to extend the Term by 12 months, subject to good faith negotiation of compensation terms and Talent’s written consent.

Article 3 – Scope of Services

3.1 On-Screen Participation

Talent shall appear on-screen as a principal cast member in content produced under The Sterling Family franchise, including but not limited to episodes, live-streams, promotional content, behind-the-scenes footage, and related publicity materials.

3.2 Creative Contribution

Talent shall provide writing support, narrative development, audience engagement planning, and consultation on franchise story arcs, including Zee’s behavioural continuity and audience messaging.

3.3 Minimum Participation Commitment

Talent shall be reasonably available for a minimum of 2 filming sessions per week, unless otherwise agreed in writing.

Article 6 – Compensation

6.1 Base Compensation

The Studio shall pay Talent a fixed annual compensation of USD 2,000,000, payable monthly.

6.2 Revenue Participation

Talent shall be entitled to two percent 2% of Net Franchise Revenue, payable quarterly.

6.3 Net Franchise Revenue

“Net Franchise Revenue” shall mean gross revenue received by the Studio from The Sterling Family content monetisation, sponsorship, merchandising, and licensing, less documented and reasonable production and platform expenses.

Article 9 – Termination

9.1 Termination for Cause

The Studio may terminate this Agreement for cause upon written notice if Talent:

- materially breaches this Agreement and fails to cure within 15 days;
- engages in conduct that results in significant reputational harm to the franchise;
- refuses to perform essential obligations without reasonable justification.

9.2 Talent Voluntary Exit

Talent may terminate this Agreement prior to expiry only if:

- Talent provides not less than 90 days written notice; and
- Talent participates in a transition plan reasonably requested by the Studio.

9.3 Early Exit Buyout

If Talent voluntarily exits prior to the end of the Term, Talent shall be required to pay the Studio an early exit fee of USD 3,500,000 or repayment of any advance bonuses and/or signing incentives paid to Talent in the 12 months immediately preceding the date of termination, whichever is higher, unless waived by the Studio in writing.

9.4 Buyout Alternative

The Studio may, at its discretion, waive the early exit fee in exchange for:

- Talent’s continued writing services until the end of the Term; and/or
- Talent’s cooperation in producing “farewell” episodes and public messaging.

Article 11 – Confidentiality & Non-Disparagement

11.1 Confidentiality

Talent shall not disclose any confidential information relating to the Studio, the franchise, Zee's production methods, or any commercial or technical arrangements involving third parties.

11.2 Non-Disparagement

Talent agrees not to make or publish any statement that may reasonably be expected to harm the reputation of the Studio; Zee as a character; The Sterling Family franchise; any principal collaborators involved in the franchise.

11.3 Social Media Restrictions

Talent shall not post any content on public platforms that creates speculation regarding internal disputes, contract issues, cast changes, or the future format of the franchise.

11.4 Injunctive Relief

Talent acknowledges that any breach of this Article may result in irreparable harm and the Studio shall be entitled to injunctive relief.

Article 13 –Material Change Clause

13.1 Sponsor Sensitivity Acknowledgement

Talent acknowledges that the franchise's commercial success is materially dependent on audience perception of cast continuity and emotional stability.

13.2 Material Change Trigger

The parties agree that a permanent withdrawal of Talent from on-screen participation during the Term shall constitute a "Material Cast Change Event."

13.3 Studio Rights upon Material Cast Change Event

In the event of a Material Cast Change Event, the Studio may:

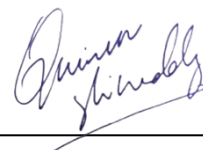
- renegotiate or terminate sponsorship arrangements;
- restructure franchise content format;
- suspend revenue participation payments under Clause 6.2.

(Remaining clauses omitted intentionally.)



MARCUS ROTH

(CEO, Nexus-M Entertainment Ltd.)



QUINN SKIBUDDY

Exhibit I

Investor Term Sheet



(Excerpts)

Prepared by: Corleone Capital Partners LLC (“Investor”)

Date: 25 February 2030

Recipient: Nexus-M Entertainment Inc.

1. Proposed Investment

Investor proposes to invest USD 40,000,000 in Nexus-M Entertainment Inc. for a minority equity stake, to support expansion of the Sterling Family franchise.

2. Commercial Basis

This investment is premised on the continued commercial viability of Zee and the Sterling Family franchise, including stable behavioural technology and monetisation across platforms.

3. Conditions Precedent

Closing is conditional upon Investor receiving satisfactory evidence of the following:

3.1 Technology Continuity: continued access to the Core Behavioural Engine (CBE) beyond 2030 through renewal/extension or equivalent assurance.

3.2 Regulatory Compliance: written compliance memorandum confirming compliance with U.S. virtual child content disclosure guidelines, including auditable behavioural logs.

3.3 Key Person Risk: assurance that the franchise is not materially dependent on any single individual, including Paul Sterling and Quinn Skibuddy.

3.4 No Active Dispute: confirmation that no dispute exists likely to materially disrupt Zee’s production or monetisation.

4. Closing Deadline

Closing is intended to occur no later than 15 April 2030.

(Remaining clauses omitted intentionally.)