

**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): **March 8, 2024**

JAKKS PACIFIC, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-28104
(Commission
File Number)

95-4527222
(IRS Employer
Identification No.)

2951 28th Street, Santa Monica, California
(Address of principal executive offices)

90405
(Zip Code)

Registrant's telephone number, including area code: **(424) 268-9444**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.001 par value	JAKK	NASDAQ Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant 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 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.

On March 8, 2024, the registrant entered into a Redemption Agreement (the “Redemption Agreement”) with the holders of its Series A Senior Preferred Stock (the “Preferred Stock”). Pursuant to the terms of the Redemption Agreement, the Company redeemed all outstanding shares of the Preferred Stock for an aggregate purchase price of \$35 million, consisting of \$20 million of cash and 571,295 shares of its common stock (the “Common Stock”), valued at \$15 million, or \$26.26 per share. The Redemption Agreement also provides that the Company will register the shares of Common Stock pursuant to the terms of a Registration Rights Agreement (the Registration Rights Agreement”), which was also entered into together with the Redemption Agreement.

The foregoing descriptions of the Redemption Agreement and the Registration Rights Agreement are qualified in their entirety by reference to the full texts thereof, copies of which are filed as Exhibits 10.1 and 10.2, respectively, to this Form 8-K and is incorporated by reference into this Item 1.01.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Description

10.1*	Redemption Agreement
10.2*	Registration Rights Agreement
104	Cover Page Interactive Data File (formatted as Inline XBRL)

* Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K under the Securities Act. The Company agrees to furnish supplementally any omitted schedules to the Securities and Exchange Commission upon request.

SIGNATURES

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.

JAKKS PACIFIC, INC.

Dated: March 14, 2024

By: /s/ JOHN L. KIMBLE
John L. Kimble, CFO

PREFERRED STOCK REDEMPTION AGREEMENT

This Preferred Stock Redemption Agreement (the “Agreement”) is made and entered into on March 8, 2024 (the “Execution Date”) between JAKKS Pacific, Inc., a Delaware corporation (the “Company”), and the holders of the Company’s Series A Senior Preferred Stock, par value \$0.001 per share (the “Preferred Stock”), listed on Schedule A hereto (each a “Shareholder” and collectively, the “Shareholders”).

RECITALS:

WHEREAS, the Shareholders own the number of shares of Preferred Stock listed next to their respective names on Schedule A attached hereto (the “Preferred Shares”), which represent all of the issued and outstanding shares of Preferred Stock;

WHEREAS, the Company desires to redeem the Preferred Shares (the “Redemption”) for the Redemption Price (as defined below) consisting of a combination of cash and shares of the Company’s Common Stock, par value \$.001 per share (the “Common Stock”); and

WHEREAS, the Shareholders desire to have their Preferred Shares redeemed for the Redemption Price, all upon the terms and conditions contained herein.

NOW, THEREFORE, the Company and the Shareholders, intending to be legally bound, hereby agree as follows:

1. Redemption Process.

(A) Redemption Price. The “Redemption Price” shall consist of an aggregate of (i) Twenty Million Dollars (\$20,000,000) in cash (the “Cash Component”) and (ii) Fifteen Million Dollars (\$15,000,000) of value of shares of the Common Stock (the “Stock Component”). The Stock Component shall be calculated based upon the ten (10) day volume-weighted average price (“VWAP”) of the Common Stock ending on the Execution Date. Each Shareholder shall receive the portion of the Cash Component and the percentage of the Stock Component listed next to its name on Schedule A hereto.

(B) Registration Rights Agreement. Concurrently with the execution of this Agreement, the Shareholders and the Company have executed the Registration Rights Agreement in the form annexed hereto (the “Registration Rights Agreement”).

(C) Closing. The closing of the Redemption (the “Closing”) shall occur on March 11, 2024 (the “Closing Date”). On the Closing Date, the Company will (i) deliver the appropriate amount (i.e. the amount listed on Schedule A hereto) of the Cash Component to each Shareholder by wire transfer to the account designated by each Shareholder on Schedule A hereto and (ii) instruct its transfer agent to issue the number of shares of Common Stock to each Shareholder listed next to each Shareholder’s name on Schedule A hereto (the “Shares”), representing the Stock Component deliverable to each Shareholder. All of such Shares will be uncertificated and will be issued electronically by the Company’s transfer agent to the Shareholder’s account listed on Schedule A hereto. Until such time as a registration statement has been declared effective by the U.S. Securities and Exchange Commission (the “SEC”) with respect to the sale of the Shares by the Shareholders, the Shares will be identified as restricted and that they may not be sold, offered for sale, pledged or hypothecated in the absence of an effective registration statement for the Shares under the Securities Act of 1933, as amended (the “Securities Act”) or an opinion of counsel reasonably satisfactory to the Company that such registration is not required, including, for example, with respect to sales of the Shares made pursuant to Rule 144 promulgated under the

Securities Act (“Rule 144”). The certificates representing the Shares shall have been duly signed and have endorsed thereon a legend in substantially the following form: “The Shares represented by this Certificate have not been registered under the Securities Act of 1933, as amended”. Not later than five (5) business days after the Closing, each Shareholder shall deliver to the Company the original stock certificate(s) representing all of the shares of Preferred Stock held by it. In the event the calculation of Shares deliverable to a Shareholder results in a fractional Share, the Company shall round down such fractional number to the nearest whole number of Shares and then pay the value of the fractional Share in cash.

2. Representations and Warranties of the Shareholders. Each Shareholder, solely for itself and with respect to itself, and not jointly or severally or on behalf of any other Shareholder, represents and warrants as follows:

(A) Federal Securities Laws Matters. The Shareholder acknowledges that (i) the Shares have not yet been registered under the Securities Act; (ii) the Shareholder must continue to bear the economic risk of owning the Shares until such Shares are registered under the Securities Act, or an exemption from such registration (including, for example, Rule 144) is available; and (iii) a notation shall be made in the appropriate records of the Company’s transfer agent indicating that the Shares are subject to restrictions on transfer.

(B) Shareholder Status. The Shareholder is an “accredited investor” as such term is defined in Rule 501(a) promulgated under the Securities Act; the Shareholder’s financial situation is such that the Shareholder can afford to bear the economic risk of owning the Shares for an indefinite period of time; the Shareholder can afford to suffer complete loss of its investment represented by the Shares; the Shareholder’s knowledge and experience in financial and business matters are such that the Shareholder is capable of evaluating the merits and risks of participating in the Redemption; and the Shareholder understands and has taken cognizance of all the risk factors related to ownership of the Shares. The Shareholder’s acquisition of and its beneficial ownership of the Shares, will not violate any applicable United States securities laws or the laws of its jurisdiction of organization.

(C) Due Execution and Delivery. The Shareholder has duly executed and delivered this Agreement and the Registration Rights Agreement; this Agreement and the Registration Rights Agreement constitute legal, valid and binding obligations of the Shareholder, enforceable in accordance with their respective terms; and no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by the Shareholder in connection with the execution and delivery of this Agreement or the Registration Rights Agreement, or the performance of the Shareholder’s obligations hereunder or thereunder.

(D) Acquisition Entirely for Own Account. This Agreement is made with the Shareholder in reliance upon the Shareholder’s representation to the Company, which by the Shareholder’s execution of this Agreement Shareholder hereby confirms, that the Shares to be acquired hereunder will be acquired for investment for the Shareholder’s own account and/or the accounts of funds and other entities managed by the Shareholder (any such funds or other entities managed by the Shareholder, the “Shareholder Clients”), and not with a view to the distribution of any part thereof to any person or entity other than the Shareholder Clients, and that the Shareholder has no present intention of selling, granting any participation in, or otherwise distributing the Shares or any interest therein to any person or entity other than the Shareholder Clients. By executing this Agreement, Shareholder further represents and warrants that the Shareholder does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer, pledge or grant participations in the Shares to such person or entity other than the Shareholder Clients.

(E) Certain Transactions. The Shareholder has not, during the ten (10) days prior to the Execution Date, directly or indirectly traded in the Common Stock or established any hedge or other position in the Common Stock or any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Common Stock, that is outstanding on the date of this Agreement and that is designed to or could reasonably be expected to lead to or result in a direct or indirect sale, offer to sell, solicitation of offers to buy, disposition of, loan, pledge or grant of any right with respect to the Common Stock or other securities of the Company by the Shareholder or any other person. Such prohibited hedging or other transactions would include, without limitation, effecting any short sale or having in effect any short position (whether or not such sale or position is against the box and regardless of when such position was entered into) or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to the Common Stock or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Common Stock.

(F) Acknowledgment Regarding Shareholder's Acquisition of Shares. The Shareholder is acting solely in the comparable capacity of arm's length purchaser with respect to this Agreement and the transactions contemplated hereby and as of the date hereof, neither the Shareholder nor any of its affiliates own any Common Stock or other securities of the Company except as listed on Schedule A hereto.

(G) Withholding. Each Shareholder has conducted an analysis of their respective facts and circumstances concerning the Redemption and believes the Redemption would qualify for sale or exchange treatment under Internal Revenue Code Section 302(a), and, in particular, believe the Redemption would satisfy the requirements of Internal Revenue Code Section 302(b)(1), taking into account all shares (common and preferred) owned by such Shareholder before and after the Redemption.

3. Representations and Warranties of the Company. The Company represents and warrants as follows:

(A) Organization Form. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own or lease and operate its properties and to carry on its business as now conducted and described in the SEC Reports (as defined below).

(B) Authority. The Company has all requisite power and authority to enter into and perform all of its obligations under this Agreement and to carry out the transactions contemplated hereby, including all requisite power and authority to issue the Shares. The Shares, when issued, delivered and paid for in accordance with the terms hereof, will be duly and validly issued, fully paid and non-assessable and free and clear of any mortgage, pledge, security interest, encumbrance, deposit agreement, lien (statutory or otherwise) or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement). The holders of outstanding shares of Common Stock are not entitled to statutory, preemptive or other similar contractual rights to subscribe for shares of Common Stock; and no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, securities of the Company or equity interests in the Company are outstanding except as described in the Company's SEC Reports. The term "SEC Reports" means all documents and other materials including the exhibits thereto and documents incorporated by reference therein, filed by the Company or on its behalf under the Securities Act, the Securities Exchange Act, as amended (the "Exchange Act") and Forms 4 filed pursuant to Section 16 of the Exchange Act by or on behalf of the Company's executive officers.

(C) Actions Authorized. The Company has taken all corporate actions necessary to authorize it to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(D) Due Execution and Delivery. The Company has duly executed and delivered this Agreement and the Registration Rights Agreement; this Agreement and the Registration Rights Agreement will constitute legal, valid and binding obligations of the Company, each enforceable in accordance with their respective terms; and no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third party is required to be obtained by the Company in connection with the execution and delivery of this Agreement and of the Registration Rights Agreement or the performance of the Company's obligations hereunder or thereunder.

(E) No Conflicts. Neither the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated hereby by the Company will conflict with the (i) certificate of incorporation by-laws, or other constituent document of the Company, (ii) any federal, state, local or foreign order, writ, injunction, judgment, settlement, award, decree, statute, law, rule or regulation applicable to the Company or its subsidiaries or injunction of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries, or (iii) result in any breach of, or constitute a default under any contract, agreement or instrument to which the Company is a party or by which it or any of its assets is bound, except in the case of clauses (ii) and (iii) for such conflict, breach, violation or default that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the condition (financial or otherwise), results of operations, business, properties, management, consolidated financial position, stockholders' equity or prospects of the Company and its subsidiaries taken as a whole or the ability of the Company to consummate the transactions contemplated by this Agreement on a timely basis (a "Material Adverse Effect").

(F) NASDAQ Stock Market Compliance. The Common Stock is registered pursuant to Section 12(b) or Section 12(g) of the Exchange Act and is listed or quoted on the NASDAQ Global Select Market (the "Principal Market"), and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or de-listing the Common Stock from the Principal Market, nor has the Company received any notification that the SEC or the Principal Market is contemplating terminating such registration or listing.

(G) SEC Reports. Except as previously disclosed in an SEC Report, the Company has filed in a timely manner all SEC Reports that the Company was required to file under the Exchange Act during the twenty-four (24) months preceding the Execution Date.

(H) Compliance with Law. The Company and its subsidiaries and all of their respective properties and facilities are in compliance in all material respects with all foreign, federal, state, local and regional statutes, laws, ordinances and judicial or administrative orders, judgments, rulings and regulations, except, in any case, where failure to comply could not reasonably be expected to have a Material Adverse Effect.

(I) Capitalization. The authorized equity capitalization of the Company is as set forth in the SEC Reports; as of the Execution Date, prior to the issuance of the Shares, as contemplated hereby, there are 10,227,058 issued and outstanding shares of Common Stock and 1,145,939 shares of

Common Stock are issuable under restricted stock unit agreements between the Company and certain executives and employees, and no other shares of Common Stock or other securities of the Company are issuable upon conversion, exchange or exercise of outstanding securities, options or other agreements.

(J) Exempt Issuance. Assuming the accuracy of the Shareholders' representations and warranties set forth in Section 2 of this Agreement (i) no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Shareholders hereunder, and (ii) the issuance and sale of the Shares hereunder does not contravene the rules and regulations of the Principal Market and will not violate any applicable United States securities laws or the laws of the Company's jurisdiction of organization.

(K) Withholding. The Company will not withhold any part of the Purchase Price in reliance on statements by each Shareholder that it has conducted an analysis of its respective facts and circumstances concerning the Redemption and believes the Redemption would qualify for sale or exchange treatment under Internal Revenue Code Section 302(a), and, in particular, believe the Redemption would satisfy the requirements of Internal Revenue Code Section 302(b)(1), taking into account all shares (common and preferred) owned by such Shareholder before and after the Redemption.

4. Registration Rights Agreement. The Registration Rights Agreement shall provide, among other customary provisions, that (i) within fifteen (15) days following the Execution Date (and if the 15th day is not a business day, on the first day thereafter that the SEC is open) the Company shall cause to be filed with the SEC a Registration Statement providing for the registration of the Shares under the Securities Act and (ii) the Company shall use its best efforts to have such Registration Statement declared effective by the SEC as soon as practicable thereafter and to keep such Registration Statement continuously effective until such time as all of such securities registered for sale thereunder have been disposed of or can be disposed of without any restriction under the Securities Act.

5. Miscellaneous.

(A) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement and their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(B) Waiver. Any party hereto may by written notice to the other parties (i) extend the time for the performance of any of the obligations or other actions of any other party under this Agreement; (ii) waive compliance with any of the conditions or covenants of any other party contained in this Agreement; and (iii) waive or modify performance of any of the obligations of any other party under this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by any party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

(C) Disclosure of Transaction. The Company shall issue a press release and file a Current Report on Form 8-K with the SEC describing the transactions contemplated by this Agreement, and provide a copy of the proposed press release and Current Report on Form 8-K to the Shareholders in advance of issuance or filing, as the case may be, on or before 9:00 a.m., New York City time, on the third business day following the Execution Date. The parties hereto acknowledge, confirm and agree that each party (or its parent company or other affiliates) shall be entitled, without the prior approval of any other party, to make any press release or other public disclosure with respect to the transactions contemplated hereby as is required by applicable law, regulations and stock exchange rules.

(D) Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile or e-mail if sent during normal business hours of the recipient; if not, then on the next business day, (c) one (1) day after deposit with a nationally recognized overnight courier with written verification of receipt. All communications shall be sent to the Company and to the Shareholders at the addresses for the Company and the Shareholder on the counterpart signature page(s) hereto (or at such other addresses as shall be specified by notice given in accordance with this Section).

(E) Amendments. Neither this Agreement nor any term or provision hereof may be amended, modified, waived or supplemented orally, but only by a written instrument executed by the parties hereto.

(F) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or the Shareholders without the prior written consent of the other parties hereto.

(G) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware, regardless of the law that might be applied under principles of conflicts of law.

(H) Entire Agreement. This Agreement and the Registration Rights Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and no party shall be liable or bound to any other party in any manner by any warranties, representations, or covenants except as specifically set forth herein or therein.

(I) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement and any counterpart hereof may be executed and delivered by facsimile copies or executed and delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.

(J) Section Headings. The section headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Execution Date.

COMPANY:

JAKKS Pacific, Inc.

By: _____

Name: John L. Kimble

Title: Chief Financial Officer

Address: 2951 28th Street
Santa Monica, CA 90405

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

SHAREHOLDER:

BENEFIT STREET PARTNERS LLC

**For itself and on behalf of the Shareholders listed on Schedule
A hereto and identified as BSP Shareholders**

By: _____

Name: Mike Frick

Title: Authorized Signer

Address: 9 West 57th Street, Suite 4920
New York, NY 10019

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

SHAREHOLDER:

**AXAR MASTER FUND LTD.,
For itself and on behalf of the Shareholders listed on Schedule
A hereto and identified as Axar Shareholders**

By: _____

Name: Andrew Axelrod

Title: Authorized Signatory

Address: 402 West 13th Street, 5th Floor
New York, New York 10014

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

SHAREHOLDER:

**CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC
MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1**

By: _____

Name: Tom Krasner

Title: Portfolio Manager

Address: Concise Capital Management, LP
1111 Brickell Avenue, Suite 1525
Miami, FL 33131

SCHEDULE A

BSP Shareholders

BSP Special Situations Master A L.P.
Benefit Street Partners Dislocation Fund L.P.
Benefit Street Partners Dislocation Fund (Cayman) Master L.P.
Benefit Street Partners Debt Fund IV L.P.
Benefit Street Partners Debt Fund IV Master (Non-US) L.P.
Benefit Street Partners SMA-C II L.P.
Benefit Street Partners SMA-K L.P.
Franklin BSP Capital Corporation

Axar Shareholders

Blackwell Partners LLC - Series E
Star V Partners LLC

Concise Shareholders

Concise Short Term High Yield Master Fund, SPC
Mercer QIF Fund PLC – Mercer Investment Fund 1

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated March 8, 2024, by and between JAKKS Pacific, Inc., a Delaware corporation, with headquarters located at 2951 28th Street, Santa Monica, California 90405 (the "**Company**"), and the shareholders listed on Schedule A attached hereto (each a "**Holder**" and collectively, the "**Holders**").

WHEREAS:

A. In connection with the Redemption Agreement by and among the parties thereto (which are the parties hereto), of even date herewith (the "**Redemption Agreement**"), the Company has agreed, upon the terms and subject to the conditions of the Redemption Agreement, to issue to the Holders on the date hereof an aggregate of 571,295 shares of the Company's common stock, par value \$0.001 per share (the "**Common Stock**") in such amount to each Holder as described in the Redemption Agreement and as listed on Exhibit A hereto.

B. In accordance with the terms of the Redemption Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holders hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Redemption Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

(b) "**Closing Date**" shall have the meaning ascribed to such term in the Redemption Agreement.

(c) "**Effective Date**" means the date the SEC declares the Registration Statement effective.

(d) "**Effectiveness Deadline**" means the date which is the earlier of (x) (i) in the event that the Registration Statement is not subject to a full review by the SEC, seventy five (75) calendar days after the Closing Date or (ii) in the event that the Registration Statement is subject to a full review by the SEC, one hundred five (105) calendar days after the Closing Date and (y) the fifth (5th) Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the

SEC that the Registration Statement will not be reviewed or will not be subject to further review; provided, however, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business.

(e) "**Eligible Market**" means the Principal Market, The New York Stock Exchange, Inc., the NYSE American LLC, The NASDAQ Capital Market or The NASDAQ Global Market.

(f) "**Filing Date**" means the date on which the Registration Statement is filed with the SEC.

(g) "**Filing Deadline**" means the date which is fifteen (15) calendar days after the Closing Date, provided that if such date is not a Business Day, on the next Business Day thereafter.

(h) "**Holder**" means the holder or any transferee or assignee thereof to whom the Holder assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(i) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(j) "**Principal Market**" means The NASDAQ Global Select Market.

(k) "**Register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing a Registration Statement (as defined below) in compliance with the 1933 Act and pursuant to Rule 415, and the declaration or ordering of effectiveness of such Registration Statement by the SEC.

(l) "**Registrable Securities**" means the aggregate of 571,295 shares of Common Stock issued to the Holders pursuant to the terms of the Redemption Agreement.

(m) "**Registration Statement**" means a registration statement of the Company filed under the 1933 Act covering the resale of the Registrable Securities.

(n) "**Required Holders**" means the Holders of at least a majority of the Registrable Securities.

(o) "**Rule 415**" means Rule 415 promulgated under the 1933 Act or any successor rule providing for offering securities on a continuous or delayed basis.

(p) "**SEC**" means the United States Securities and Exchange Commission.

(q) "**Trading Day**" means any day on which the Common Stock is traded on

the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded; provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 p.m., New York time).

2. Registration.

(a) Mandatory Registration. The Company shall prepare, and, as soon as practicable but in no event later than the Filing Deadline, file with the SEC the Registration Statement on Form S-3 covering the resale of all of the Registrable Securities, subject to the limitations set forth below. In the event that Form S-3 is unavailable for such a registration, the Company shall use such other form as is available for such a registration on another appropriate form reasonably acceptable to the Required Holders. The Registration Statement prepared pursuant hereto shall register for resale the number of shares of Common Stock equal to the Registrable Securities. The Registration Statement shall contain (except if otherwise directed by the Required Holders) the "Plan of Distribution" and "Selling Shareholders" sections in substantially the form attached hereto as Exhibit B. The Company shall use its reasonable best efforts to have the Registration Statement declared effective by the SEC as soon as practicable, but in no event later than the Effectiveness Deadline.

(b) Legal Counsel. Subject to Section 5 hereof, on behalf of all of the Holders, the Required Holders shall have the right to select one legal counsel to review and oversee any registration pursuant to this Section 2 ("Legal Counsel"), which shall be Lowenstein Sandler LLP or such other counsel as thereafter designated by the Required Holders. The Company and Legal Counsel shall reasonably cooperate with each other in performing the Company's obligations under this Agreement.

(c) Ineligibility for Form S-3. In the event that Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on Form S-1 or another appropriate form reasonably acceptable to the Required Holders and (ii) undertake to register the Registrable Securities on Form S-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the SEC. In the event the Registrable Securities are registered on a Form S-1 (or such other form other than a Form S-3), the Effectiveness Deadline shall not be applicable and the Company shall be obligated to use its reasonable efforts to have the Registration Statement declared effective by the SEC as soon as reasonably practicable following the filing thereof.

(d) Declination of Rights. In the event a Holder declines to have its shares of Common Stock which qualify as Registrable Securities to be included in the Registration Statement prepared and filed by the Company pursuant to its obligation under the Redemption Agreement and this Agreement, such Holder shall no longer be deemed a Holder hereunder and the Company shall have no further obligation to register its shares.

3. Related Obligations.

At such time as the Company is obligated to file a Registration Statement with the SEC pursuant to Section 2, the Company will use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to the Registrable Securities and use its reasonable best efforts to cause such Registration Statement relating to the Registrable Securities to become effective as soon as practicable after such filing (but in no event later than the Effectiveness Deadline). The Company shall keep the Registration Statement effective pursuant to Rule 415 at all times until the earlier of the date as of which the Holders may sell all of the Registrable Securities covered by the Registration Statement without restriction or limitation pursuant to Rule 144 (as defined below) and without the requirement to be in compliance with Rule 144(c)(1) (or any successor thereto) promulgated under the 1933 Act (the "**Registration Period**"). The Company shall ensure that the Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading. The term "reasonable best efforts" shall mean, among other things, that the Company shall submit to the SEC, within two (2) Business Days after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the staff of the SEC or that the staff has no further comments on a particular Registration Statement, as the case may be, and (ii) the approval of Legal Counsel pursuant to Section 3(c) (which approval is promptly sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than two (2) Business Days after the submission of such request. The Company shall respond in writing to comments made by the SEC in respect of a Registration Statement as soon as practicable, but in no event later than fifteen (15) days after the receipt of comments by or notice from the SEC that an amendment is required in order for a Registration Statement to be declared effective.

(b) The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the prospectus used in connection with such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep such Registration Statement effective at all times during the Registration Period, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by the Registration Statement until such time as all of the Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in the Registration Statement. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 3(b)) by reason of the Company filing a report on Form 10-K, Form 10-Q, Form 8-K or any analogous report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC on the same day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment

upon (i) a Registration Statement at least two (2) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to all Registration Statements (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) to the extent that Legal Counsel reasonably objects to disclosure regarding a Holder in any Registration Statement or amendment or supplement thereto, not file such Registration Statement or amendment or supplement thereto. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto without the prior approval of Legal Counsel, which consent shall not be unreasonably withheld. The Company shall furnish to Legal Counsel, without charge, unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC (i) copies of any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to any Registration Statement, (ii) promptly after the same is prepared and filed with the SEC, one copy of any Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, if requested by a Holder, and all exhibits and (iii) upon the effectiveness of any Registration Statement, one copy of the prospectus included in such Registration Statement and all amendments and supplements thereto. The Company shall reasonably cooperate with Legal Counsel in performing the Company's obligations pursuant to this Section 3.

(d) The Company shall furnish to each Holder whose Registrable Securities are included in any Registration Statement, without charge, (i) promptly after the same is prepared and filed with the SEC, at least one copy of such Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, if requested by a Holder, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of any Registration Statement, ten (10) copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Holder may reasonably request) and (iii) such other documents, including copies of any preliminary or final prospectus filed with the SEC, as such Holder may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Holder. The above notwithstanding, the Company shall not be required to comply with the terms of this provision if such documents are available to the public through the EDGAR system promptly after the same are prepared and filed with the SEC.

(e) The Company shall use its reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Holders of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Holder who holds Registrable Securities of the receipt by the Company of any notification with respect to the

suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Holder in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission and provide copies of such corrected filing to Legal Counsel and the Holders as provided for above. The Company shall also promptly notify Legal Counsel and each Holder in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Holder by facsimile or email on the same day of such effectiveness and by overnight mail), (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate.

(g) The Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify Legal Counsel and each Holder who holds Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Holder is required under applicable securities laws to be described in the Registration Statement as an underwriter or a Holder believes that it could reasonably be deemed to be an underwriter of Registrable Securities, at the reasonable request of such Holder, the Company shall furnish to such Holder, on the date of the effectiveness of the Registration Statement and thereafter from time to time on such dates as a Holder may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to such Holder, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to such Holder.

(i) If any Holder is required under applicable securities laws to be described in the Registration Statement as an underwriter or a Holder believes that it could reasonably be deemed to be an underwriter of Registrable Securities, the Company shall make available for inspection, unless the Company is legally restricted to do so, by (i) such Holder, (ii) Legal Counsel and (iii) one firm of accountants or other agents retained by such Holder (collectively, the "**Inspectors**"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall be reasonably deemed necessary by each Inspector, and cause the

Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, that each Inspector shall agree to hold in strict confidence and shall not make any disclosure (except to a Holder, who shall also agree to hold in strict confidence and shall not make any disclosure and who shall indemnify the Company against any loss directly related to such disclosure) or use of any Record or other information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (a) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (b) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (c) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement. Each Holder agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and any Holder) shall be deemed to limit the Holders' ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.

(j) The Company shall hold in confidence and not make any disclosure of information concerning a Holder provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning a Holder is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Holder and allow such Holder, at the Holder's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) The Company shall use its reasonable best efforts either to (i) cause all of the Registrable Securities covered by a Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange or (ii) secure the inclusion for quotation of all of the Registrable Securities on the Principal Market or (iii) if, despite the Company's reasonable best efforts, the Company is unsuccessful in satisfying the preceding clauses (i) and (ii), to secure the inclusion for quotation on another Eligible Market for such Registrable Securities and, without limiting the generality of the foregoing, to use its reasonable best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority, Inc. as such with respect to such Registrable Securities. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(k).

(l) The Company shall cooperate with the Holders who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the Holders may reasonably request and registered in such names as the Holders

may request. The above notwithstanding, the parties hereto understand that the Registrable Securities will be uncertificated and, pursuant to the terms of the Redemption Agreement, will be issued electronically.

(m) If requested by a Holder, the Company shall as soon as practicable (i) incorporate in a prospectus supplement or post-effective amendment such information as a Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement if reasonably requested by a Holder holding any Registrable Securities, provided in all of the cases listed above, that such disclosure is required.

(n) The Company shall use its reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities into an Eligible Market.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of a Registration Statement.

(p) The Company shall otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is ordered effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Holders whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC in the form attached hereto as Exhibit A.

(r) Notwithstanding anything to the contrary herein, at any time after the Effective Date, the Company may delay the disclosure of material, non-public information concerning the Company the disclosure of which at the time is not, in the good faith opinion of the Board of Directors of the Company and its counsel, in the best interest of the Company and, in the opinion of counsel to the Company, otherwise required (a "**Grace Period**"); provided, that the Company shall promptly (i) notify the Holders in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each notice the Company will not disclose the content of such material, non-public information to the Holders) and the date on which the Grace Period will begin, and (ii) notify the Holders in writing of the date on which the Grace Period ends; and, provided further, that no Grace Period shall exceed ten (10) consecutive days and during any three hundred sixty five (365) day period such Grace Periods shall not exceed an aggregate of thirty (30) days and the first day of any Grace Period must be

at least five (5) Trading Days after the last day of any prior Grace Period (each, an "**Allowable Grace Period**"). For purposes of determining the length of a Grace Period above, the Grace Period shall begin on and include the date the Holders receive the notice referred to in clause (i) and shall end on and include the later of the date the Holders receive the notice referred to in clause (ii) and the date referred to in such notice. The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of the Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver (or electronically transfer) unlegended shares of Common Stock to a transferee of a Holder in connection with any sale of Registrable Securities with respect to which a Holder has entered into a contract for sale, prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(s) Neither the Company nor any of its subsidiaries or affiliate thereof shall identify any Holder as an underwriter in any public disclosure or filing with the SEC, the Principal Market or any Eligible Market without the prior written consent of such Holder; provided, however, that the foregoing shall not prohibit the Company from including the disclosure found in the "Plan of Distribution" section attached hereto as Exhibit B in the Registration Statement. The Company shall be relieved of its registration rights obligations set forth in this Agreement (and the Redemption Agreement) if (i) the SEC requires a Holder to be named as an underwriter in a Registration Statement after the Company's reasonable best efforts to persuade the SEC to the contrary and (ii) such Holder refuses to be so named.

(t) Neither the Company nor any of its subsidiaries has entered, as of the date hereof, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The Company shall not be deemed to have violated this Section 3(t) to the extent that the Company or any of its subsidiaries enters into an agreement causing it to trigger an Allowable Grace Period.

4. Obligations of the Holders.

(a) At least five (5) Business Days prior to the anticipated Filing Date of a Registration Statement, the Company shall notify each Holder in writing of the information the Company requires from each such Holder if such Holder elects to have any of such Holder's Registrable Securities included in such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete any registration pursuant to this Agreement with respect to the Registrable Securities of a particular Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Holder, by such Holder's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless such Holder has notified the Company in writing of such Holder's election to exclude all of such Holder's Registrable Securities from such Registration Statement.

(c) Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f), such Holder will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement covering the Registrable Securities until such Holder's receipt of copies of the supplemented or amended prospectus as contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice from the Company that no supplement or amendment is required. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver (or electronically transfer) unlegended shares of Common Stock to a transferee of a Holder in connection with any sale of Registrable Securities with respect to which a Holder has entered into a contract for sale prior to the Holder's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which the Holder has not yet settled.

(d) Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the 1933 Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to the Registration Statement.

5. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company shall be paid by the Company.

6. Indemnification.

In the event any Registrable Securities are included in a Registration Statement under this Agreement:

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Holder, the directors, officers, partners, members, employees, agents, representatives of, and each such Person, if any, who controls any Holder within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Person**"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement or expenses, joint or several (collectively, "**Claims**"), incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered, or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue

statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement or (iv) any violation of this Agreement (the matters in the foregoing clauses (i) through (iv), each, a "**Violation**"). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto, if such prospectus was timely made available by the Company pursuant to Section 3(d); and (ii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Registrable Securities by the Holders pursuant to Section 9.

(b) In connection with any Registration Statement in which a Holder is participating, each such Holder agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Holder expressly for use in connection with such Registration Statement; and, subject to Section 6(c), such Holder shall reimburse the Indemnified Party for any legal or other expenses reasonably incurred by an Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Holder, which consent shall not be unreasonably withheld or delayed; provided, further, however, that the Holder shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Registrable Securities by the Holders pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim

in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for all such Indemnified Person or Indemnified Party to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the Indemnified Person or Indemnified Party, as applicable, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. In the case of an Indemnified Person, legal counsel referred to in the immediately preceding sentence shall be selected by the Holders holding at least a majority in interest of the Registrable Securities included in the Registration Statement to which the Claim relates. The Indemnified Party or Indemnified Person shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent.

(d) No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such Claim or litigation and such settlement shall not include any admission as to fault on the part of the Indemnified Party. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

(e) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by

law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the sale of such Registrable Securities pursuant to such Registration Statement.

8. Reports Under the 1934 Act.

With a view to making available to the Holders the benefits of Rule 144 promulgated under the 1933 Act or any other similar rule or regulation of the SEC that may at any time permit the Holders to sell securities of the Company to the public without registration ("**Rule 144**"), the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Holder so long as such Holder owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting requirements of Rule 144, the 1933 Act and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Holders to sell such securities pursuant to Rule 144 without registration. The above notwithstanding, the Company shall not be obligated to deliver copies of any filings which are publicly available through EDGAR.

9. Assignment of Registration Rights.

The rights under this Agreement shall be automatically assignable by the Holders to any transferee of all or any portion of such Holder's Registrable Securities if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned; (iii) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the 1933 Act or applicable state securities laws; and (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein. To the extent that a transfer requires an amendment or a prospectus supplement to a Registration Statement, such transfer shall not be effective until such amendment or prospectus supplement has been filed with the SEC.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Required Holders; provided that any such amendment or waiver that complies with the foregoing but that disproportionately, materially and adversely affects the rights and obligations of any Holder relative to the comparable rights and obligations of the other Holders shall require the prior written consent of such adversely affected Holder. Any amendment or waiver effected in accordance with this Section 10 shall be binding upon each Holder and the Company. No such amendment shall be effective to the extent that it applies to less than all of the Holders of the Registrable Securities. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration (other than the reimbursement of legal fees) also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by electronic mail (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses, facsimile numbers and email addresses for such communications shall be:

If to the Company:

JAKKS Pacific, Inc. 2951 28th Street
Santa Monica, California 90405
Telephone: 424-268-9450
Attention: John Kimble
Email: jkimble@jakks.net

With a copy (for informational purposes only) to:

Feder Kaszovitz LLP
845 Third Avenue, 11th Floor
New York, New York 10022
Telephone: (212) 888-8200
Attention: Geoffrey A. Bass
Email: gbass@fedkas.com

If to the Transfer Agent:

Computershare Inc.
462 South 4th Street, Suite 1600
Louisville, KY 40202
Telephone: 303-262-0785
Attention: Dmitriy Podolny
E-mail: Dmitriy.Podolny@computershare.com

If to Legal Counsel:

Lowenstein Sandler LLP
1251 Avenue of the Americas, 17th Floor
New York, NY 10020
Telephone: (646) 414-6930
Attention: Robert G. Minion
Email: rminion@lowenstein.com

If to the Holder, to its address and email address set forth on Schedule I attached hereto, with copies to the Holder's representatives as set forth on Schedule I, or to such other address and email address to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's email containing the time, date and recipient or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of

process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(e) If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(f) This Agreement and the instruments referenced herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement and the instruments referenced herein supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

(g) Subject to the requirements of Section 9, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) This Agreement may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile or electronic transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) All consents and other determinations required to be made by the Holders pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(l) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

(m) This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(n) The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder, and no provision of this Agreement is intended to confer any obligations on any Holder vis-à-vis any other Holder. Nothing contained herein, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Holders and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed on the date first written above.

COMPANY:

JAKKS PACIFIC, INC.

Name: John L. Kimble
Title: Chief Financial Officer

IN WITNESS WHEREOF, the Holders and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed on the date first written above.

HOLDER:

BENEFIT STREET PARTNERS LLC
For itself and on behalf of the Shareholders listed on Schedule A
hereto and identified as BSP Shareholders

By: _____

Name: Mike Frick

Title: Authorized Signer

Address: 9 West 57th Street, Suite 4920
New York, NY 10019

IN WITNESS WHEREOF, the Holders and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed on the date first written above.

HOLDER:

**AXAR MASTER FUND LTD.,
For itself and on behalf of the Shareholders listed on Schedule A
hereto and identified as Axar Shareholders**

By: _____
Name: Andrew Axelrod
Title: Authorized Signatory
Address: 402 West 13th Street, 5th Floor
New York 10014

IN WITNESS WHEREOF, the Holders and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed on the date first written above.

HOLDER:

**CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC,
MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1**

By: _____
Name: Tom Krasner
Title: Portfolio Manager
Address: c/o Concise Capital Management, LP
1111 Brickell Avenue, Suite 1525
Miami, FL 33131

SCHEDULE A

BSP Shareholders

BSP Special Situations Master A L.P.
Benefit Street Partners Dislocation Fund L.P.
Benefit Street Partners Dislocation Fund (Cayman) Master L.P.
Benefit Street Partners Debt Fund IV L.P.
Benefit Street Partners Debt Fund IV Master (Non-US) L.P.
Benefit Street Partners SMA-C II L.P.
Benefit Street Partners SMA-K L.P.
Franklin BSP Capital Corporation

Axar Shareholders

Blackwell Partners LLC - Series E
Star V Partners LLC

Concise Shareholders

Concise Short Term High Yield Master Fund, SPC
Mercer QIF Fund PLC – Mercer Investment Fund 1