

**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: **August 11, 2017**)

**Function(x) Inc.**

(Exact name of Registrant as Specified in its Charter)

**Delaware**

(State or other jurisdiction of incorporation)

**0-13803**

(Commission File Number)

**33-0637631**

(I.R.S. Employer Identification Number)

**902 Broadway, 11<sup>th</sup> Floor**

**New York, New York**

(Address of principal executive offices)

**10010**

(Zip Code)

**(212) 231-0092**

(Registrant's Telephone Number, including Area Code)

(Former name or former address, if changed since last report.)

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

**Item 1.01 Entry into a Material Definitive Agreement**

On August 11, 2017, the holders ("Holders") of an Amended and Restated 12% Secured Convertible Promissory Note due June 1, 2017 in the Principal Amount of \$3,284,000 (the "Note"), under which Function(x) Inc. (the "Company") is the borrower, entered into a Purchase and Escrow Agreement (the "Agreement") with More than Words, LLC, an unaffiliated buyer (the "Buyer"). Under the Agreement, the Buyer is purchasing the Note and the right to 440 shares of the Company's Series F Preferred Stock (the Note and shares, the "Seller Securities") on an installment basis. In connection with the Agreement, the Company consented to the transfers. The parties entered into a standstill agreement, which prevents the Holders from exercising any remedies and commencing an action against the Company and its officers and directors with respect to the Seller Securities, so long as payments are made timely. In addition, the Agreement prevents any of the parties or the Releasees (defined in the Agreement as the Seller, the Buyer, the Escrow Agent, each of their officers, directors, agents, affiliates, partners, managers, shareholders or members, and the Company and its officers and directors), from commencing any action against any other Releasee as long as the payments are made timely (except with respect to the Release and Settlement Agreement with respect to the Company's Series G Preferred Stock Offering described in the Company's Current Report on Form 8-K dated July 21, 2017, and with respect to the Buyer exercising its rights under the Note and for third parties (other than Releasees) claiming indemnification.

The parties to the Agreement have agreed that in the event that the Buyer satisfies the obligation to pay the installments and purchase the Seller Securities, reciprocal releases between the Company, Holders, Buyer, and Releasees shall become effective.

The Buyer has agreed that if it completes the purchase of the Seller Securities, the principal balance of the Note will be reduced to \$3,000,000 and the rights with respect to the 440 shares of the Company's Series F Preferred Stock will be deemed cancelled.

Payment of the purchase price under the Agreement was guaranteed by Robert F.X. Sillerman, the Company's Executive Chairman and Chief Executive Officer.

The description of the terms of the Agreement and the Guaranty set forth herein are for information purposes only and are qualified in their entirety by the terms of the Agreement filed herewith as Exhibit 10.1, the Guaranty filed herewith as Exhibit 10.2., and the letter agreement relating to the reduction of the principal balance of the Note and the cancellation of the rights with respect to the shares of the Company's Series F Preferred Stock filed herewith as Exhibit 10.3.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No. Description

- 10.1 Purchase and Escrow Agreement dated August 11, 2017 between Barry Honig, as Collateral Agent and Holder, More than Words, LLC, and Grushko & Mittman, P.C.
- 10.2 Guaranty of Robert F.X. Sillerman
- 10.3 Letter Agreement dated August 14, 2017 from Function(x) Inc. to More than Words, LLC

**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.

**FUNCTION(X) INC.**

Date: August 17, 2017

By: /s/ Mitchell J. Nelson

Name: Mitchell J. Nelson

Title: Executive Vice President

## PURCHASE AND ESCROW AGREEMENT

THIS PURCHASE AND ESCROW AGREEMENT (the "Agreement") is dated as of August 10, 2017 among Barry Honig, as Collateral Agent and Holder maintaining an address at 555 South Federal Highway, Suite 450, Boca Raton, FL 33432 ("Seller"), More than Words, LLC maintaining an address at 130 West 50<sup>th</sup> Street, New York, NY 10020 (the "Purchaser") and Grushko & Mittman, P.C. maintaining an address at 515 Rockaway Avenue, Valley Stream, NY 11581 Fax: (212) 697-3575 ("Escrow Agent" together with Seller and Purchaser, each a "Party" and collectively the "Parties").

WHEREAS, the Seller is the holder of securities issued by Function (X), Inc., a Delaware corporation (the "Company") as set forth Schedule A, (the "Seller Securities") on behalf of the parties identified in Schedule B ("Schedule B Parties").

WHEREAS, the Seller Securities were issued pursuant to that certain Exchange Agreement, dated as of April 18, 2017, between the Company and the Seller.

WHEREAS, the Purchaser desires to purchase the Seller Securities from the Seller, and the Seller desires to sell the Seller Securities to the Purchaser on the terms set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Seller and the Purchaser agree as follows:

### ARTICLE I PURCHASE AND SALE

#### 1.1. The Sale.

a) Subject to the terms and conditions set forth in this Agreement, Seller shall sell to the Purchaser and the Purchaser shall purchase from the Seller the Seller Securities for an aggregate purchase price of \$3,000,000.00 ("Purchase Price").

b) The sale shall only be effective upon the full payment of the entire Purchase Price. In the event the Purchaser fails to make any payment in excess of the first \$250,000.00 set forth in Section 1.2(a) below this agreement shall terminate and the Seller shall retain such payment as liquidated damages.

c) Provided the Purchaser makes at least the first two (2) payments set forth in Section 1.2(a) below, then upon a default of the Purchaser to make any further payment, the Seller may terminate this agreement and the Purchaser shall acquire a pro rata portion of the Seller Securities.

#### 1.2. Deliveries. The parties shall deliver or shall cause to be delivered the following:

(a) The Purchaser will deliver to the Seller the Acknowledgment annexed hereto as Exhibit A executed by the Company and deliver to the Escrow Agent the Purchase Price pursuant to the following wire instructions:

TD Bank  
516 East Central Avenue  
Cedarhurst, NY 11516  
ABA Number: 026013673  
For Credit to: Grushko & Mittman P.C., IOLA Trust Account  
Account Number: 4329260163

The Purchase Price shall be paid in the following installments:

- (i) \$250,000.00 on or before August 10, 2017;
- (ii) \$1,000,000.00 on or before September 10, 2017;
- (iii) \$1,000,000.00 on or before October 10, 2017;
- (iv) \$750,000.00 on or before November 10, 2017;

(b) Within five (5) business days, after receipt of the entire Purchase Price or terminating this Agreement in accordance with Section 1.1(c) above, the Seller shall deliver to the Purchaser the receipt (the "Receipt") appropriately completed, annexed hereto as Exhibit B.

1.3. Non-Public Information; Release. (a) In connection with the purchase of the Seller Securities, Seller, on its own behalf and on behalf of the Schedule B Parties, and Purchaser acknowledge to all the other Parties that they are aware that significant events involving the Company have occurred and, as a result thereof or otherwise, the Company may be involved in or contemplating various transactions, proceedings or negotiations not generally known to the public which may impact the value of the Seller Securities ("Excluded Information"). In connection with the sale of the Seller Securities to Purchaser, each

Party, on behalf of itself and its affiliates (including, for the purpose of this entire agreement, with respect to Seller, the Schedule B Parties), hereby represents and warrants that: (i) it has decided to engage in the transaction with the Seller Securities, based on its own independent investigation, notwithstanding the Excluded Information; and (ii) it has had the opportunity to, and did in fact, consult with counsel concerning the sale of the Seller Securities and the implications for the matters set forth in this Section 1.3.

(b) Effective upon the full payment of the entire Purchase Price and except as provided in this Agreement, the Seller Securities or as provided below, no Party nor its affiliates shall have any liability to any Releasee (defined as each Party and such Party's officers, directors, agents, affiliates, partners, managers, shareholders or members, and the Company and its officers and directors), and each Party, on behalf of itself and its affiliates, waives any and all claims it might have against any Releasee, whether under applicable securities laws or otherwise. Effective upon the full payment of the entire Purchase Price and except as provided in this Agreement, the Seller Securities or as provided below, no Party nor its affiliates shall sue or assert or maintain, any claim, suit or other proceeding, known or unknown, which the Party or its affiliates may now or in the future have against any Releasees arising from any agreement or course of dealing between the Parties or the Company (including its directors, officers and affiliates) prior to the date hereto. Provided the Purchaser is not in default under the terms of this Agreement, the Seller and its affiliates shall forebear from commencing any action against the Releasees arising from the Seller Securities. The Company and its officers and directors are intended to be third party beneficiaries of this Section 1.3, and the Parties will, at the Company's expense, take such further actions as are reasonably required to ensure that the Company and its officers and directors have the benefits of this Section 1.3. This Section 1.3 shall not be applicable to (i) any rights or obligations of the Company or its officers and directors or any other party arising from or in connection with the Amendment and Mutual Release Agreement among the Company and the holders of the Series G Preferred stock of the Company, the Amended and Restated Certificate of Designation of the Series G Stock and Robert X. F. Sillerman's guaranty of the Amendment and Mutual Release Agreement, (ii) any rights or obligations of the Company or its officers and directors with respect to Purchaser and its affiliates; (iii) indemnification rights for claims by third parties (defined as persons or entities other than Releasees); or (iv) Robert X. F. Sillerman's guaranty of this Agreement. The provisions of this Section 1.3(b) shall be (x) without effect during the pendency of any action against Seller or the Schedule B Parties (including their officers, directors, agents, affiliates, partners, managers, shareholders or members) seeking the return of all or a portion of the Purchase Price to Purchaser (including any person or entity succeeding to Purchaser's rights) with respect to the Seller Securities (allowing, inter alia, Seller or the Schedule B Parties to take any action or make any claim necessary to defend such action), and (y) null and void if any or all of the Purchase Price is required by a court of competent jurisdiction to be repaid by the Seller to Purchaser (including any person or entity succeeding to Purchaser's rights).

1.4. Conflict Waiver. Grushko & Mittman, P.C., shall act as escrow agent in this transaction in addition to acting as legal counsel to Seller. Seller and Purchaser hereby acknowledge that they have been advised of a potential conflict of interest and each acknowledges this conflict of interest and agrees that Grushko & Mittman, P.C. may act as escrow agent in this transaction.

## **ARTICLE II REPRESENTATIONS AND WARRANTIES**

2.1. Representations and Warranties of the Seller. Seller hereby makes the following representations and warranties to the Purchaser:

(a) The Seller has full power and authority to enter into this Agreement and to consummate the transaction, including, without limitation, to make representations, warranties, waivers and releases on behalf of and that are binding on the Schedule B Parties. This Agreement has been duly and validly executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect that affect creditors' rights generally, and by legal and equitable limitations on the availability of specific remedies.

(b) The execution, delivery and performance by the Seller of this Agreement and consummation by the Seller of the transaction does not and will not: (i) if the Seller is an entity, violate the organizational documents of the Seller, (ii) violate any decree or judgment of any court or other governmental authority applicable to or binding on the Seller; (iii) violate any provision of any federal or state statute, rule or regulation which is, to the Seller's knowledge, applicable to the Seller; or (iv) violate any contract to which the Seller or any of its assets or properties are bound, or conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Seller is a party. No consent or approval of, or filing with, any governmental authority or other person not a Party hereto is required for the execution, delivery and performance by the Seller of this Agreement or the consummation of this transaction.

(c) With respect to the sale of the Seller Securities the Seller has not pledged or otherwise encumbered the Seller Securities.

(d) The Seller (i) is a sophisticated person with respect to the sale of the Seller Securities; (ii) has adequate information concerning the business and financial condition of the issuer to make an informed decision regarding the sale of the Seller Securities; and (c) has independently and without reliance upon the Purchaser, and based on such information as the Seller has deemed appropriate, made its own analysis and decision to enter into this Agreement, except that the Seller has relied upon the Purchaser's express representations, warranties and covenants in this Agreement. The Seller acknowledges that the Purchaser

has not given the Seller any investment advice, credit information or opinion on whether the sale of the Seller Securities is prudent.

(e) There are no outstanding rights, options, subscriptions or other agreements or commitments obligating the Seller with respect to the Seller Securities.

(f) The Seller has taken no action that would give rise to any claim by any person for brokerage commissions, finder's fees or similar payments relating to this Agreement or the transactions contemplated hereby.

(g) No proceedings relating to the Seller Securities are pending or, to the knowledge of the Seller, threatened before any court, arbitrator or administrative or governmental body that would adversely affect the Seller's right to transfer its portion of the Seller Securities to the Purchaser.

2.2 Representations and Warranties of the Purchaser. Purchaser hereby represents, warrants and agrees as of the date hereof:

(a) Purchaser has full power and authority to enter into this Agreement and to consummate the transaction. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws in effect that affect the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies.

(b) The execution, delivery and performance by Purchaser of this Agreement and consummation by Purchaser of the transaction does not and will not: (i) violate any decree or judgment of any court or other governmental authority applicable to or binding on Purchaser; (ii) violate any provision of any federal or state statute, rule or regulation which is, to Purchaser's knowledge, applicable to the Purchaser; or (iii) violate any contract to which Purchaser is a party or by which Purchaser or any of its respective assets or properties are bound. No consent or approval of, or filing with, any governmental authority or other person not a Party hereto is required for the execution, delivery and performance by Purchaser of this Agreement or the consummation of the transaction.

(c) Purchaser is an "accredited investor" and is aware that the Seller Securities are subject to restrictions on transfer pursuant to the Securities Act.

(d) The Purchaser is acquiring the Seller Securities for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Seller Securities Act; provided, however, that by making the representations herein, such Purchaser does not agree to hold the Seller Securities for any minimum or other specific term and reserves the right to dispose of the Seller Securities at any time in accordance with or pursuant to a registration statement or an exemption under the Securities Act.

(e) Purchaser is aware of the Company's business affairs and financial condition, and has acquired sufficient information about the issuer to reach an informed and knowledgeable decision to acquire the Seller Securities.

(f) Purchaser has taken no action that would give rise to any claim by any person for brokerage commissions, finder's fees or similar payments relating to this Agreement or the transactions contemplated hereby.

### **ARTICLE III RELEASE OF ESCROW**

#### 3.1. Release of Escrow.

(a) Subject to the provisions of Section 4.2, upon the full execution of this agreement and the Escrow Agent's receipt of any portion of the Purchase Price, the Escrow Agent shall release such portion of Purchase Price to the Seller pursuant to wire instructions provided by the Seller.

(b) Notwithstanding the above, upon receipt by the Escrow Agent of joint written instructions ("Joint Instructions") signed by the Parties, it shall deliver the Purchase Price in accordance with the terms of the Joint Instructions.

(c) Notwithstanding the above, upon receipt by the Escrow Agent of a final and non-appealable judgment, order, decree or award of a court of competent jurisdiction directing delivery of Purchase Price (a "Court Order"), the Escrow Agent shall deliver the Purchase Price in accordance with such Court Order. Any Court Order shall be accompanied by an opinion of counsel for the Party presenting the Court Order to the Escrow Agent (which opinion shall be satisfactory to the Escrow Agent) to the effect that the court issuing the Court Order has competent jurisdiction and that the Court Order is final and non-appealable.

3.2. Acknowledgement of Parties; Disputes. The Parties acknowledge that the only terms and conditions upon which the Purchase Price is to be released are set forth in Articles 3 and 4 of this Agreement. The Parties reaffirm their agreement to abide by the terms and conditions of this Agreement with respect to the release of the Purchase Price. Any dispute with respect to the release of the Purchase Price shall be resolved pursuant to Section 4.2 or by agreement between the Parties.

**ARTICLE IV  
CONCERNING THE ESCROW AGENT**

4.1. Duties and Responsibilities of the Escrow Agent. The Escrow Agent's duties and responsibilities shall be subject to the following terms and conditions:

(a) The Parties acknowledge and agree that the Escrow Agent (i) shall not be responsible for or bound by, and shall not be required to inquire into whether any of the Parties is entitled to receipt of the Purchase Price pursuant to, any other agreement or otherwise; (ii) shall be obligated only for the performance of such duties as are specifically assumed by the Escrow Agent pursuant to this Agreement; (iii) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction, instrument, statement, request or document furnished to it hereunder and believed by the Escrow Agent in good faith to be genuine and to have been signed or presented by the proper person or party, without being required to determine the authenticity or correctness of any fact stated therein or the propriety or validity or the service thereof; (iv) may assume that any person believed by the Escrow Agent in good faith to be authorized to give notice or make any statement or execute any document in connection with the provisions hereof is so authorized; (v) shall not be under any duty to give the property held by Escrow Agent hereunder any greater degree of care than Escrow Agent gives its own similar property; and (vi) may consult counsel satisfactory to Escrow Agent, the opinion of such counsel to be full and complete authorization and protection in respect of any action taken, suffered or omitted by Escrow Agent hereunder in good faith and in accordance with the opinion of such counsel.

(b) The Parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and that the Escrow Agent shall not be liable for any action taken by Escrow Agent in good faith and believed by Escrow Agent to be authorized or within the rights or powers conferred upon Escrow Agent by this Agreement. The Seller and Purchasers, jointly and severally, agree to indemnify and hold harmless the Escrow Agent and any of Escrow Agent's partners, employees, agents and representatives for any action taken or omitted to be taken by Escrow Agent or any of them hereunder, including the fees of outside counsel and other costs and expenses of defending itself against any claim or liability under this Agreement, except in the case of gross negligence or willful misconduct on Escrow Agent's part committed in its capacity as Escrow Agent under this Agreement. The Escrow Agent shall owe a duty only to the Seller and Purchasers under this Agreement and to no other person.

(c) The Seller and Purchasers jointly and severally agree to reimburse the Escrow Agent for outside counsel fees, to the extent authorized hereunder and incurred in connection with the performance of its duties and responsibilities hereunder.

(d) The Escrow Agent may at any time resign as Escrow Agent hereunder by giving five (5) days prior written notice of resignation to the Parties. Prior to the effective date of the resignation as specified in such notice, the Seller and Purchasers will issue to the Escrow Agent a Joint Instruction authorizing delivery of the Purchase Price to a substitute Escrow Agent selected by the Seller and Purchasers. If no successor Escrow Agent is named by the Seller and Purchasers, the Escrow Agent may apply to a court of competent jurisdiction in the State of New York for appointment of a successor Escrow Agent, and to deposit the Purchase Price with the clerk of any such court.

(e) The Escrow Agent does not have and will not have any interest in the Purchase Price, but is serving only as escrow agent, having only possession thereof. The Escrow Agent shall not be liable for any loss resulting from the making or retention of any investment in accordance with this Escrow Agreement.

(f) This Agreement sets forth exclusively the duties of the Escrow Agent with respect to any and all matters pertinent thereto and no implied duties or obligations shall be read into this Agreement.

(g) The provisions of this Section 4.1 shall survive the resignation of the Escrow Agent or the termination of this Agreement.

4.2. Dispute Resolution: Judgments. Resolution of disputes arising under this Agreement shall be subject to the following terms and conditions:

(a) If any dispute shall arise with respect to the delivery, ownership, right of possession or disposition of the Purchase Price, or if the Escrow Agent shall in good faith be uncertain as to its duties or rights hereunder, the Escrow Agent shall be authorized, without liability to anyone, to (i) refrain from taking any action other than to continue to hold the Purchase Price pending receipt of a Joint Instruction from Seller and Purchasers, or (ii) deposit the Purchase Price with any court of competent jurisdiction in the State of New York, in which event the Escrow Agent shall give written notice thereof to the Seller and Purchasers and shall thereupon be relieved and discharged from all further obligations pursuant to this Agreement. The Escrow Agent may, but shall be under no duty to, institute or defend any legal proceedings which relate to the Shares and the Purchase Price. The Escrow Agent shall have the right to retain counsel if it becomes involved in any disagreement, dispute or litigation on account of this Agreement or otherwise determines that it is necessary to consult counsel.

(b) The Escrow Agent is hereby expressly authorized to comply with and obey any Court Order. In case the Escrow Agent obeys or complies with a Court Order, the Escrow Agent shall not be liable to the Parties or to any other person, firm, corporation or entity by reason of such compliance.

**ARTICLE V**

**MISCELLANEOUS**

5.1 Entire Agreement; Amendments. The Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.2 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Seller, Purchaser, and Escrow Agent or, in the case of a waiver, by the Party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either Party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

5.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

5.4 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.5 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each Party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York County, New York 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 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 via registered or certified mail or overnight delivery (with evidence of delivery). Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each Party irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. If either Party shall commence an action or proceeding to enforce any provisions of the documents contemplated herein, then the prevailing Party in such action or proceeding shall be reimbursed by the other Party for its attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.6 Survival. The representations, warranties, agreements and covenants contained herein shall survive the Closing.

5.7 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each Party and delivered to the other Party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or other electronic transmission, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page were an original thereof.

5.8 Severability. In case any one or more of the provisions of this Agreement shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

[REST OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Escrow Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**SELLER:**

Barry Honig, as Collateral Agent

  

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**PURCHASER:**

More than Words, LLC

  

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By:

Its:

**ESCROW AGENT:**

Grushko & Mittman, P.C.

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[Schedules and Exhibits on the following pages]

**SCHEDULE A**

1. 440 shares of the Company's Series F Convertible Preferred Stock; and
2. Amended And Restated 12% Secured Convertible Promissory Note Due June 1, 2017 in the Principal Amount of \$3,284,000 (the "Note").

**SCHEDULE B**

David Baazov  
Four Kids Investment Fund LLC  
Jonathan Honig c/f Cameron Honig UTMA FL  
Jonathan Honig c/f Jacob Honig UTMA FL  
Jonathan Honig c/f Ryan Honig UTMA FL  
Jonathan Honig c/f Harrison Honig UTMA FL  
ATG Capital LLC  
Stetson Capital Investments Inc.  
Melechdavid Inc. Retirement Plan  
Barry Honig  
Paradox Capital Partners LLC  
Stetson Capital Management LLC  
ATG Capital LLC  
GRQ Consultants Inc. Roth 401K FBO Barry Honig

**EXHIBIT A**

**ACKNOWLEDGEMENT**

Function (X), Inc., a Delaware corporation (the "Company"), acknowledges the foregoing Purchase and Escrow Agreement dated August 7, 2017 (the "Agreement"), between Barry Honig, as Collateral (the "Seller") and More than Words, LLC (the "Purchaser").

1. Consent and Transfer. The Company consents to the Seller's sale of the Seller Securities (as defined in the Agreement) to the Purchaser provided for herein. The Company agrees and acknowledges that the 440 shares of the Company's Series F Convertible Preferred Stock portion of the Seller Securities were never certificated and upon the delivery of the Receipt (as defined in the Agreement) such portion of the Seller Securities set forth in the Receipt shall be transferred to the Purchaser. In the event less than the full Note portion of the Seller Securities is being transferred the Company agrees to reissue the Note in two parts in accordance with the proportion set forth in the Receipt.

2. Release. Effective on upon the full payment of the Purchase Price under the Agreement, the Company hereby releases and discharges, unconditionally, absolutely and forever, the Seller, the Schedule B Parties, and their respective Related Parties (as defined below) from and against any and all claims the Company might have against the Seller, the Schedule B Parties, and their respective Related Parties, whether under applicable securities laws or otherwise; provided, however, this paragraph does not and is not intended to release any Party from its obligations under or in connection with the Amendment and Mutual Release Agreement among the Company and the holders of the Series G Preferred stock of the Company, the Amended



and Restated Certificate of Designation of the Series G Stock and Robert X. F. Sillerman's guaranties of the Agreement and Amendment and Mutual Release Agreement. Effective on upon the full payment of the Purchase Price under the Agreement, the Company shall not sue or assert or maintain, any claim, suit or other proceeding, known or unknown, which the Company or its affiliates may now or in the future have against the Seller, the Schedule B Parties, and their respective Related Parties arising from any agreement or course of dealing between the Company and the Seller, the Schedule B Parties, and their respective Related Parties prior to the date hereof; provided further that, unless Purchaser fails to timely pay any amount required in Section 1.2, the Company will not initiate any such suit or proceeding, but may assert claims as a defense or counterclaim in any action brought against it. For purposes hereof, the term "Related Parties" means, with respect to any Party, such Party's officers, directors, agents, affiliates, partners, managers, shareholders or members. This Paragraph 2 shall be valid and binding at any time that Section 1.3(b) of the Agreement is valid, binding and in effect.

3. Authorization; Enforcement. The Company has the requisite power and authority to enter into and to consummate the transactions contemplated by this transaction and otherwise to carry out its obligations thereunder. The execution and delivery of each of the documents by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized. Each of the documents contemplated by this transaction has been duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

4. Execution. This acknowledgement may executed and delivered via PDF signature. Such signature shall create a valid and binding obligation of the Company with the same force and effect as if such signature were an original thereof.

Function (X), Inc.

\_\_\_\_\_  
By:  
Its:

**EXHIBIT B**

**RECEIPT**

Barry Honig, as Seller under that certain Purchase and Escrow Agreement dated August 10, 2017, among Seller Family Juice, LLC as Purchaser and Grushko & Mittman, P.C. as Escrow Agent hereby acknowledges receipt of \_\_\_\_\_ percent (\_\_\_%) of the Purchase Price. Accordingly \_\_\_\_\_ percent (\_\_\_%) of the Note and \_\_\_\_ shares Series F Convertible Preferred Stock are hereby transferred to the Purchaser.

Barry Honig, as Collateral Agent

\_\_\_\_\_

## PERSONAL GUARANTY

### 1. Identification.

This Guaranty (the "Guaranty"), dated as of August 10, 2017, is made by Robert F.X. Sillerman ("Guarantor") for the benefit of Barry Honig, as Collateral Agent and Holder (the "Creditor").

### 2. Recitals.

2.1 On or about the date hereof the Creditor is entering into a Purchase and Escrow Agreement (the "Agreement") with More than Words, LLC (the "Purchaser") pursuant to which the Creditor is selling to Purchaser certain securities issued by Function(x) Inc. (the "Company"). The Guarantor is a shareholder, officer, and director of the Company and will obtain substantial benefit from the Agreement.

2.2 In consideration of the mutual promises in the Agreement and to induce the Creditor to execute the Agreement and for other good and valuable consideration, and as security for the performance by Purchaser of its obligations under the Agreement and as security for the payment by the Purchaser of all its monetary obligations in the Agreement and all other sums due from Purchaser to Creditor arising under the Agreement, collectively, the "Obligations", Guarantor, for good and valuable consideration, receipt of which is acknowledged, has agreed to enter into this Guaranty.

### 3. Guaranty.

3.1 Guaranty. Guarantor hereby unconditionally and irrevocably, jointly and severally with the Purchaser, guarantees, the punctual payment, performance and observance when due, whether at stated maturity, by acceleration or otherwise, of all of the Obligations now or hereafter existing, whether for principal, interest (including, without limitation, all interest that accrues after the commencement of any insolvency, bankruptcy or reorganization of the Purchaser, whether or not constituting an allowed claim in such proceeding), fees, commissions, expense reimbursements, liquidated damages, indemnifications or otherwise (such obligations, to the extent not paid by the Purchaser being included in the Obligations), and agrees to pay any and all reasonable costs, fees and expenses (including reasonable counsel fees and expenses) incurred by the Creditor in enforcing any rights under the Agreement and guaranty set forth herein. Without limiting the generality of the foregoing, Guarantor's liability shall extend to all amounts that constitute part of the Obligations and would be owed by Purchaser to Creditor, but for the fact that they are unenforceable or not allowable due to the existence of an insolvency, bankruptcy or reorganization involving the Company or Purchaser.

3.2 Guaranty Absolute. Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Creditor with respect thereto. The obligations of Guarantor under this Guaranty are independent of the Obligations, and a separate action or actions may be brought and prosecuted against Guarantor to enforce such Obligations, irrespective of whether any action is brought against the Purchaser or whether the Purchaser or any other Guarantor is joined in any such action or actions. The liability of the Guarantor under this Guaranty constitutes a primary obligation, and not a contract of surety, and to the extent permitted by law, shall be irrevocable, absolute and unconditional irrespective of, and Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

- (a) any lack of validity or enforceability of the Agreement or any agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Agreement, including, without limitation, any increase in the Obligations resulting from the extension of additional credit to Purchaser or otherwise;
- (c) any taking, exchange, release, subordination or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations;
- (d) any change, restructuring or termination of the corporate, limited liability company or partnership structure or existence of Purchaser; or
- (e) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Creditor that might otherwise constitute a defense available to, or a discharge of, Purchaser or any other Guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Creditor or any other entity upon the insolvency, bankruptcy or reorganization of Purchaser or otherwise (and whether as a result of any demand, settlement, litigation or otherwise), all as though such payment had not been made.

3.3 Waiver. Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty and any requirement that the Creditor exhaust any right or take any action against

Purchaser or any other Guarantor, person or entity or any collateral. Guarantor acknowledge that it will receive direct and indirect benefits from the Agreement and financing arrangements contemplated herein and that the waiver set forth in this Section 3.3 is knowingly made in contemplation of such benefits. Guarantor hereby waives any right to revoke this Guaranty and acknowledge that this Guaranty is continuing in nature and applies to all Obligations, whether existing now or in the future.

3.4 Continuing Guaranty; Assignments. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the later of the indefeasible cash payment in full of the Obligations and all other amounts payable under this Guaranty and Agreement, (b) be binding upon Guarantor, his successors and assigns and (c) inure to the benefit of and be enforceable by the Creditor and its successors, pledgees, transferees and assigns. Without limiting the generality of the foregoing clause, (c) Creditor may pledge, assign or otherwise transfer all or any portion of its rights and obligations under this Guaranty to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted such Creditor herein or otherwise.

3.5 Subrogation. Guarantor will not exercise any rights that it may now or hereafter acquire against the Creditor or other Guarantor (if any) that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Creditor or other Guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the Obligations and all other amounts payable under this Guaranty shall have been indefeasibly paid in full.

#### 4. Miscellaneous.

4.1 Expenses. Guarantor shall pay to the Creditor, on demand, the amount of any and all reasonable expenses, including, without limitation, attorneys' fees, legal expenses and brokers' fees, which the Creditor may incur in connection with exercise or enforcement of any the rights, remedies or powers of the Creditor hereunder or with respect to any or all of the Obligations.

4.2 Waivers, Amendment and Remedies. No course of dealing by the Creditor and no failure by the Creditor to exercise, or delay by the Creditor in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right, remedy or power of the Creditor. No amendment, modification or waiver of any provision of this Guaranty and no consent to any departure by Guarantor therefrom, shall, in any event, be effective unless contained in a writing signed by the Creditor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The rights, remedies and powers of the Creditor, not only hereunder, but also under any instruments and agreements evidencing or securing the Obligations and under applicable law are cumulative, and may be exercised by the Creditor from time to time in such order as the Creditor may elect.

4.3 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

To Guarantor:                   c/o Function(x)  
  Inc.  
  902 Broadway, 11th Floor  
  New York, New York 10010  
  E-mail: onerfxs1@gmail.com

To Creditor:                   to c/o Grushko & Mittman, P.C.  
  515 Rockaway Avenue  
  Valley Stream NY 11581  
  Fax: (212) 697-3575

Any party may change its address by written notice in accordance with this paragraph.

4.4 Term; Binding Effect. This Guaranty shall (a) remain in full force and effect until payment and satisfaction in full of all of the Obligations; (b) be binding upon Guarantor and its successors and permitted assigns; and (c) inure to the benefit of the Creditor and its respective successors and assigns. Upon the payment in full of the Obligations, (i) this Guaranty shall terminate and (ii) the Creditor will, upon Guarantor's request and at Guarantor's expense, execute and deliver to Guarantor such

documents as Guarantor shall reasonably request to evidence such termination, all without any representation, warranty or recourse whatsoever.

4.5 Captions. The captions of Paragraphs, Articles and Sections in this Guaranty have been included for convenience of reference only, and shall not define or limit the provisions hereof and have no legal or other significance whatsoever.

4.6 Governing Law; Venue; Severability. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts or choice of law. Any legal action or proceeding against Guarantor with respect to this Guaranty may be brought in the state and federal courts located in the State and County of New York, and, by execution and delivery of this Guaranty, Guarantor hereby irrevocably accepts for himself and in respect of his property, generally and unconditionally, the jurisdiction of the aforesaid courts. Guarantor hereby irrevocably waives any objection which they may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty brought in the aforesaid courts and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. If any provision of this Guaranty, or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect any other provisions which can be given effect without the invalid provision or application, and to this end the provisions hereof shall be severable and the remaining, valid provisions shall remain of full force and effect. **This Guaranty shall be deemed an unconditional obligation of the Guarantor for the payment of money and, without limitation to any other remedies of Creditor, may be enforced against Guarantor by summary proceeding pursuant to New York Civil Procedure Law and Rules Section 3213 or any similar rule or statute in the jurisdiction where enforcement is sought. For purposes of such rule or statute, any other document or agreement to which Creditor and Guarantor are parties or which Guarantor delivered to Creditor, which may be convenient or necessary to determine Creditor's rights hereunder or Guarantor's obligations to Creditor are deemed a part of this Guaranty, whether or not such other document or agreement was delivered together herewith or was executed apart from this Guaranty.** The Guarantor agrees that service of process in any action brought by the Creditor to enforce the terms of this Guaranty may be made by sending such documents to Guarantor in the same manner that notice is to be made in accordance with Section 4.3 of this Guaranty. Nothing herein shall preclude Creditor from effectuating service in any other manner allowable under applicable law.

4.7 Satisfaction of Obligations. For all purposes of this Guaranty, the payment in full of the Obligations shall be conclusively deemed to have occurred when the Obligations have been indefeasibly paid.

4.8 Execution. This Agreement may be executed and delivered by electronic signature and transmission.

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**IN WITNESS WHEREOF**, the undersigned has executed and delivered this Guaranty, as of the date first written above.

**GUARANTOR**

Robert F.X. Sillerman

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2017

August 14,

More than Words, LLC  
130 West 50<sup>th</sup> Street  
New York, NY 10020

Gentlemen:

Reference is made to the Purchase and Escrow Agreement entered into as of August 10, 2017 among you, Barry Honig, as Collateral Agent and Holder, and Grushko & Mittman, P.C. (the "Agreement"; defined terms used in this letter and not defined herein shall have the meanings ascribed to them in the Agreement). This will confirm that upon completion of the transaction described in the Agreement and your acquisition of all of the Seller Securities, the following modifications to the business transactions described in the agreement shall be made:

1. This will confirm that the outstanding balance of the Note will be deemed reduced to Three Million Dollars (\$3,000,000.00).
2. Additionally, the Four Hundred Forty (440) shares of the Company's Series F Convertible Preferred Stock comprising part of the Seller Securities will be deemed to have been cancelled.

Purchaser. Consideration for 1 and 2 above is the Company's consent of the transfer between Seller and

Please confirm the above by signing and returning one copy of this letter.

yours,

Very truly

INC.

FUNCTION(X)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_