

September 24, 2020

Douglas Fuchs
Gibson Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, CA 90071-3197

Re: Settlement Communication Regarding Halo Beauty Dispute

Dear Doug:

I'm writing at Clark's request to make one last attempt to resolve this short of litigation. I think the most significant obstacle we face is your clients' refusal to acknowledge the deal they made with Clark on his patio in Marina del Rey.

Contrary to what you are being told, there was no discussion of Klonopin on that patio. There was no discussion about how Clark was not dedicating his time to the business. And there was no discussion about supposed "erratic" behavior.

I know this because the conversation was recorded by Mr. Swanson with the Westbrooks' consent. If this matter is going to be resolved short of litigation, they need to acknowledge the truth and their liability to Clark.

We have had the recording transcribed. I have listened to the entire recording myself. Below are excerpts that prove Clark's complaint and directly contradict the Westbrooks' story:

First, Tati and James explicitly promised to make Halo Beauty her exclusive brand in exchange for more equity:

TATI WESTBROOK

So, where I'm at is fine. If I'm 25%, of this business, that's fine. I'll shill the vitamins. I'll put my name on it, but I'm going to fucking launch other products too. Where I would feel more comfortable is if this was an actual brand, where I felt like I was a part of it.

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I understand.

TATI WESTBROOK

Instead of just a little, you know, portion of it on the side because I want to build something gigantic.

CLARK SWANSON

Ok, let's then agree on this. I hear what you're saying, I, first of all I really appreciate your candor.

TATI WESTBROOK

I've lost sleep over this I'm just like Arrgggg!!!

....

TATI WESTBROOK (Continued)

I have not even talked to you about this. I trust you. I trust you. **I want to build a great brand.** Now my name's on it, **I need really smart capable people that are going to help me expand, and help all of this happen, and you know, whether it is into a wet line or cosmetics, or skin care, there's so much that we can tap into, and I would prefer that its under an umbrella than just do vitamins and then me go over here.** So, I think that's added value to the table as well.

....

TATI WESTBROOK

I'm 100% good to- to shut that conversation down, if we're all in agreement, if we all feel good about it. I will be much happier than before, and I know you will be. **I hope you'd feel, like we're ready to build a brand,**

CLARK SWANSON (interrupted)

Yeah. Alright.

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TATI WESTBROOK (Continued)

And not just a fucking bottle of vitamins, but the whole big thing.

CLARK SWANSON

Yeah, if we're going to do it that way, I agree.

....

JAMES WESTBROOK

I think he would, I think he will do it. Here's the counter argument to what you guys are saying if you guys disagree with it, I'm with you. Halo Beauty Nutraceuticals, Halo Beauty Skincare, Halo Beauty Cosmetics - **Halo Beauty is the umbrella.**

TATI WESTBROOK

Mmm-hmm.

JAMES WESTBROOK

But Nutraceuticals is the line.

CLARK SWANSON

That's right.

JAMES WESTBROOK

Skincare is the line.

CLARK SWANSON

That's right.

JAMES WESTBROOK

Cosmetics is the line.

CLARK SWANSON

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Yeah.

Second, Ms. Westbrook bragged about her ability to sell “shit” products:

TATI WESTBROOK

But I think we all have value, and I know, I have to say I'm sitting here as the silent person in the room who hasn't really been involved in the discussion that the two of you had.

....

TATI WESTBROOK

I want to know what my value is, because I'm not happy, and what I bring to the table is enormous.

CLARK SWANSON

I know it.

TATI WESTRBOOK

And that's what everyone wants in a business right now is someone that can grab those millions of customers because I'm seeing it with my friends. I know what's around the corner, I know what's coming and it's all happening right now, even in the vitamin world. It's all happening. I know as far as our repeat customer, it doesn't matter. **What I put my name on is going to work, is going to sell, period, because of the seven years I put in building an audience.**

CLARK

If you have a good product.

TATI

Doesn't even matter. I could have a shit product. Gummy bear hair? Blowing up, it's biotin in a fancy bottle. I could go to them -

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Boom! Sell it. People will buy it because the way social media is and I have the kind of knowledge in social media, that people cannot turn to anywhere else.

Third, she acknowledged that Clark was working hard for Halo Beauty:

CLARK

Well you can do that, I mean there are private labs, I means there's a million private labels, you can go and slap your name on anything.

TATI

I could. That being said, I need to know I'm apart of this, because I feel like my name's going to be on a bottle, I've built my entire career up to this very important point, and I feel left out, I feel I'm not even apart of this. Yet, what I would be bringing forward, **you guys are doing the work right now, you're involved, I see you working, I know you're working**, but when this launches, the person that is going to light that flame, and make this be the fucking success that it's going to be, that's on me. That's me, that my peers, that's the powerhouse pack that I walk with on Youtube, that's what's changing the world, changing the industry, changing everything right now. That's what I have and if **I'm not an equal partner in this, I think that that feels really insulting to me, and that's with this whole triangle here.**

Finally, she bragged about her ability to manipulate the influencer market:

TATI WESTBROOK

I'll tell you this.. I have been called into a clique... the most powerful people on YouTube. It is impossible to penetrate this clique. Just is. They're the top people and,

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JAMES WESTBROOK (interrupted)

Well, you're a part of the top people

TATI WESTBROOK

No but there is..

JAMES WESTBROOK (interrupted)

Just like LeBron James and Carmello Anthony.... Russell Westbrook.

TATI WESTBROOK

The difference is a lot of the top people work so well, and you have a small little circle of people that are smart enough to really help each others endeavors. And, I know were going to have so much support, because of my relationships. Ummm, I just- I don't know if we need to mess with smaller influencers.

JAMES WESTBROOK

Well, see, this is the thing. We've got Jeffery, Manny, and Laura are all... Jeffery already has his cosmetics line, he's expanding it. Manny's getting ready to launch his, Laura is getting ready to launch theirs. Tati is the number one beauty product guru in the world. **They have to have her endorsement on everything they launch. People lean on it. People aren't gonna buy it. They're gonna be "Tati, what do you say?" So, if Tati is gonna to give her blessing on their products, they're gonna to give their blessings on Tati's products.** So, you have the magnitude, the three of them together, they're huge. Tati's gonna get the biggest push, because it's her product. But, you add in those other three, you're putting a 2x on top of her efforts. And then when you have those 4 together, it's gonna waterfall down to be, you know, a wave of influences across the influencers, and that's another 2 or 3 x that comes on top of it. So, I think we're going to be really busy.

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CLARK SWANSON

Ok, got it.

....

JAMES WESTBROOK

Jefferey sat at our at our dining room table saying that Sugarbear Hair offered up 200k for a video, and he's like "you know, why shouldn't I take it?". We were like... we have Laura, Manny, James, and, Jeffery there, and we had to tell the group, "Ok, this is why you shouldn't do it - we're launching a brand! It's a hair, skin, and nails vitamin."

CLARK SWANSON

And you want to say Sugarbear Hair was amazing, 5 stars, and this one?

TATI WESTBROOK

No, and they, and they all turned it down and now Sugarbear Hair is kind of going "what the fuck is going on?", because they have heavy affiliations with Kardashians.... Ummm, they're mega successful, mega fucking successful, and it's a bullshit product, people keep buying it.

I'm also attaching wave files of these excerpts for your clients to review.

Clark still hopes to resolve this short of litigation. To do so, however, the Westbrooks need to acknowledge the truth about the deal they struck with Clark and stop deceiving themselves and others about what really happened. Until they can acknowledge the truth, we are not going to get anywhere without judicial intervention.

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Please let me know by close of business on Monday if your clients will reconsider their settlement posture and make a serious attempt to resolve this dispute.

Very truly yours,

Nathan M. Smith
of BROWN, NERI, SMITH & KHAN LLP