

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

SOURCEBOOKS, INC.,

Plaintiff,

v.

CIVIL ACTION NO. 1:11-CV-07738  
The Honorable Amy J. St. Eve

ANITA CLENNEY,

Defendant and Third-Party Plaintiff,

v.

REED SMITH LLP and  
DAVIS WRIGHT TREMAINE LLP,

Third-Party Defendants.

**ANSWER, COUNTERCLAIM, AND THIRD-PARTY COMPLAINT**

**ANSWER**

Defendant Anita Clenney, by counsel, responds to Plaintiff Sourcebooks, Inc.'s complaint as follows:

**FIRST DEFENSE**

1. Defendant Anita Clenney ("Clenney") admits that she entered into a contract with Plaintiff Sourcebooks, Inc. ("Sourcebooks") for the publication of a three-book series of romance novels. She further admits

that the first of the two books published by Sourcebooks has been recognized as a best seller by *USA Today*. Clenney denies the remainder of paragraph 1.

2. Clenney admits that prior to delivery of the third book in the series, she, through her agent, informed Sourcebooks that it had breached her contract by failing to obtain Clenney's consent or to compensate Clenney prior to placing advertisements in Clenney's first book for other authors published by Sourcebooks. Clenney denies the remainder of paragraph 2.
3. Clenney denies the allegations in paragraph 3.
4. Paragraph 4 states a conclusion of law to which no response is required. Insofar as a response is required, however, Clenney denies the allegations in paragraph 4.
5. Paragraph 5 states a conclusion of law to which no response is required. Insofar as a response is required, however, Clenney denies the allegations in paragraph 5.
6. Paragraph 6 states a conclusion of law to which no response is required. Insofar as a response is required, however, Clenney denies the allegations in paragraph 6.
7. Clenney admits the allegations contained in paragraph 7.
8. Clenney admits the allegations contained in paragraph 8.

9. Paragraph 9 characterizes a contract between the parties, which speaks for itself.
10. Clenney admits the allegations contained in paragraph 10.
11. Clenney admits that she delivered the manuscripts for the first two books in the series in accordance with her contract with Sourcebooks and that the second book in the series was published on November 1, 2011. Clenney is unable to admit or deny that gross receipts from sales of her first book alone have been in excess of \$96,000, as Sourcebooks has not provided her with any royalty statement or other accounting for the book's receipts and to date has paid her only \$2,000, and therefore denies the same.
12. Clenney admits the allegations in paragraph 12.
13. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 13 and therefore denies the same.
14. Paragraph 14 characterizes a provision in the parties' contract, which speaks for itself. Clenney denies the remainder of the allegations in paragraph 14.
15. Clenney admits the allegations contained in paragraph 15.

16. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 16 and therefore denies the same.
17. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 17 and therefore denies the same.
18. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 18 and therefore denies the same.
19. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 19 and therefore denies the same.
20. Clenney denies the allegations contained in paragraph 20.
21. Clenney denies the allegations contained in paragraph 21.
22. Clenney admits that on May 1, 2011, her agent emailed Dominique Raccah at Sourcebooks and asked how Sourcebooks intended to compensate Clenney for including advertisements in her book for other Sourcebooks' authors, which Sourcebooks had not mentioned during the contract negotiations and which was not addressed in Clenney's contract. Clenney denies the remainder of the allegations in paragraph 22.

23. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 23 and therefore denies the same.
24. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 24 and therefore denies the same.
25. Paragraph 25 characterizes an email from Sourcebooks to Clenney's agent, which speaks for itself.
26. Clenney lacks knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 26 and therefore denies the same.
27. Paragraph 27 characterizes an email from Clenney's agent to Sourcebooks, which speaks for itself. Clenney admits that her agent renewed her request that Sourcebooks compensate Clenney for the advertisements that Sourcebooks included in her book without her consent.
28. Paragraph 28 characterizes a letter from Clenney's counsel to Sourcebooks, which speaks for itself. Clenney admits that with his letter, her counsel returned to Sourcebooks her advance for the third book in the series.

29. Paragraph 29 characterizes a letter from Sourcebooks to Clenney's counsel, which speaks for itself. Clenney is unable to admit or deny the remaining allegations in paragraph 29 and therefore denies the same.
30. Paragraph 30 characterizes a letter from Clenney's counsel to Sourcebooks, which speaks for itself. Clenney denies the remainder of the allegations contained in paragraph 30.
31. Clenney denies the allegations contained in paragraph 31.
32. Clenney denies the allegations contained in paragraph 32.
33. Clenney incorporates by reference hereto paragraphs 1 through 32.
34. Paragraph 34 states a conclusion of law to which no response is required.
35. Clenney admits that Sourcebooks breached its contract with her by failing to obtain her consent or compensate her for advertisements for other authors published by Sourcebooks that Sourcebooks placed in her book and that she has informed Sourcebooks that her contract is no longer in effect.
36. Paragraph 36 states a conclusion of law, to which no response is required. Insofar as a response is required, however, Clenney admits that Sourcebooks' position is that it was permitted to include in Clenney's book advertisements for other authors published by Sourcebooks and that in so doing, it did not breach its contract with Clenney.

37. Clenney denies the allegations contained in paragraph 37.
38. Paragraph 38 states a conclusion of law to which no response is required. Insofar as a response is required, however, Clenney denies the allegations contained in paragraph 38.
39. Paragraph 39 states a conclusion of law to which no response is required.
40. Clenney denies that Sourcebooks is entitled to any relief, including a declaration that the parties' contract remains in full force and effect and that her failure to comply with its terms by delivering a manuscript for the third book in the series constitutes a material breach, an award of attorney's fees and costs, and any other relief.
41. Clenney denies each and every allegation that is not expressly admitted herein.

#### **SECOND DEFENSE**

The complaint fails to state a claim upon which relief may be granted.

#### **THIRD DEFENSE**

Sourcebooks' claim for relief is barred because Sourcebooks has unclean hands.

#### **FOURTH DEFENSE**

Any damages suffered by Sourcebooks were proximately caused by Sourcebooks' breach of its contract with Clenney.

**FIFTH DEFENSE**

Sourcebooks' claims are barred by the doctrines of waiver and estoppel.

**SIXTH DEFENSE**

Sourcebooks has failed to mitigate its damages, if any.

**SEVENTH DEFENSE**

Clenney incorporates by reference hereto any and all affirmative defenses generally recognized as applicable to actions of this type, including, but not limited to, the fellow-servant rule, contributory negligence, comparative negligence, assumption of risk, res judicata, collateral estoppel, those defenses set forth at Fed. R. Civ. P. 8(c), and any other affirmative defense known under existing law, rule, regulation, or statute, or which may become recognized in the future by courts or promulgated by rule or regulation or otherwise enacted into law.

**WHEREFORE**, having answered the complaint, Defendant Anita Clenney prays that this action be dismissed and that she be awarded her attorney's fees and costs.

**DEFENDANT ANITA CLENNEY DEMANDS A TRIAL BY JURY**



## COUNTERCLAIM

### INTRODUCTION

1. As described in paragraphs 26-28, *infra*, nearly all the major publishers whose contracts set the “industry standard,” which has never included Sourcebooks, include specific language in their contracts that secures the author’s consent for the placement of such advertisements in his or her books.
2. Sourcebooks is a small, regional publisher with a history of breaching its authors’ contracts and engaging in conduct that benefits itself at its authors’ expense.
3. Sourcebooks’ contract with Clenney did not mention or address the presence of advertisements for other Sourcebooks’ authors’ books or “cross-promotions,” as they are also known, in Clenney’s books. Sourcebooks did not ask to have such language included in the contract, nor did Sourcebooks offer to compensate Clenney if it decided to include such advertisements.
4. Despite the absence of such language in the contract, when Sourcebooks released Clenney’s first book, *Awaken the Highland Warrior*, in May 2011, Sourcebooks included several pages of advertisements for books of other authors whom it published.

5. Sourcebooks routinely and regularly places advertisements in its authors' books, and justifies its refusal to include language in its contract authorizing such advertisements and compensating the author, by claiming that including such advertisements is a standard practice in the publishing industry.
6. Sourcebooks' romance line, Casablanca, which published *Awaken the Highland Warrior*, released its first title in or around 2008 and therefore does not have an extensive publishing history.
7. Sourcebooks was obligated to negotiate the placement of such advertisements as a provision in Clenney's contract and, if Clenney consented to placement of the advertisements in her book, to compensate her appropriately.
8. Sourcebooks materially breached Clenney's contract by failing to negotiate language that authorizes the placement of advertisements for other authors' books in her book and provides appropriate compensation, then proceeding to include such ads in her book without her consent.

**PARTIES, JURISDICTION, AND VENUE**

9. Clenney is a citizen and resident of the Commonwealth of Virginia.

10. Sourcebooks is a corporation incorporated under the laws of the State of Illinois, with its principal place of business in the State of Illinois.
11. Clenney seeks a declaration of her rights under 28 U.S.C. §§ 2201(a) and 2202 to resolve an actual controversy within this Court's jurisdiction between the parties.
12. This Court has jurisdiction of this action under 28 U.S.C. § 1332(a) because the parties are citizens of different states and the amount in controversy exceeds \$75,000.
13. Venue is proper with this Court under 28 U.S.C. § 1391(a) because a substantial part of the events or omissions giving rise to Clenney's claims occurred in this district.

### FACTS

**Sourcebooks claims to adhere to the standard practice of the publishing industry, but the reality is that Sourcebooks materially breached Clenney's contract by failing to obtain her consent before placing advertisements for other authors' books in *Awaken the Highland Warrior* and to compensate her thereafter.**

14. In 2010, Clenney and Sourcebooks entered into a contract whereby Clenney would write and Sourcebooks would publish a three-book series of romance novels under its Casablanca line.

15. As required by the contract, Clenney delivered the manuscript for the first book, *Awaken the Highland Warrior*, by the specified date of June 30, 2010. She also delivered the manuscript for the second book, *Embrace the Highland Warrior*, by the specified date of December 31, 2010 (which was extended by the parties' agreement to January 2, 2011 because of the holiday).
16. Sourcebooks released *Awaken the Highland Warrior* on May 1, 2011. Even though Sourcebooks had not sought, much less obtained, Clenney's consent to do so or agreed to compensate her appropriately, Sourcebooks included eight pages of advertisements for books by other Sourcebooks' authors in Clenney's book. The advertisements are attached collectively as Exhibit A.
17. On the day that Sourcebooks released *Awaken the Highland Warrior*, Clenney's agent informed Dominique Raccah, Sourcebooks' publisher, that Sourcebooks had not obtained Clenney's permission to place the advertisements in her book, and asked how Sourcebooks intended to compensate Clenney.
18. Sourcebooks' vice president and editorial director, Todd Stocke, responded two days later and explained that cross-promoting authors on back pages of books is "incredibly common," especially within genres,

and “has been so for decades.” He further explained that “there is no compensation for authors for such promotional pages,” and claimed that “some agents choose to add a ‘no advertisement’ clause” to their clients’ contracts, which was not done here.

19. Clenney’s agent responded to Stocke on the same date, and pointed out that while cross-promoting authors may be common, a publishing contract has a clause that gives the publisher permission to include them, which Sourcebooks did not do. Clenney’s agent informed Stocke that Sourcebooks did not have Clenney’s permission to “cross-promote in any book, past, present, or “future ...” and again asked Stocke how Sourcebooks intended to compensate Clenney.
20. Neither Stocke nor anyone else from Sourcebooks responded further to Clenney’s agent about its inappropriate placement of advertisements in *Awaken the Highland Warrior*.

**Sourcebooks does not understand and therefore does not adhere to the publishing industry’s “standard practice” regarding the placement of advertisements in its authors’ books**

21. Sourcebooks claims to rely on the “industry standard” or similar convention as support for its unilateral right to place, in Clenney’s book, advertisements for its other authors’ books.

22. Unfortunately for Sourcebooks, its understanding of actual publishing industry practice as to the placement of advertisements in books is incorrect. Therefore, Sourcebooks does not actually adhere to the industry standard by having unilaterally placed advertisements for its authors' books in *Awaken the Highland Warrior* without having first obtained Clenney's consent and agreeing to compensate her.
23. As other, larger publishers' contracts reflect, the placement of advertisements, whether for the book's author or others, is a matter of negotiation, and the publisher's right to do so is agreed upon and set forth in the contract.
24. According to a contract from the Berkley Publishing Group, the "industry standard" for publishers is established according to the practices of at least two major publishers (such as Random House, Harper/Morrow, Grand Central Publishing/Little Brown, and Simon & Schuster). The relevant portions of Berkeley Publishing Group's contract are attached as Exhibit B.
25. The custom and practice regarding advertisements of those publishers who set the "industry standard" is relevant to demonstrating that Sourcebooks did not comply with industry practice.

26. Simon & Schuster, one of the publishers referenced in the Berkley Publishing Group's contract, has the following language in its contract regarding advertisements:

**Publication**

- (f) Author hereby consents to Publisher's advertising inside the front and back covers and/or in the last four pages of Publisher's editions, books in print of Author or others, and any other publishing-related advertisement associated with Publisher or with any other of Publisher's parent, subsidiaries, affiliates or divisions. No other advertising will be printed in, included in (bound or unbound), distributed with or inserted into any copies of Publisher's editions of the Work without Author's prior written consent.

The relevant portions of Simon & Schuster's contract are attached as Exhibit C.

27. Similarly, the contract used by St. Martin's Press, another of the "Big Six" publishers, employs the following language:

**INSERT OF ADVERTISEMENTS**

24. Advertisements other than for other books may not be printed in any edition of the Work, whether issued by the Publisher or its licensee, without the Author's written consent. The Author may require that a share of the advertising proceeds, if any, be paid to the Author as a condition for the Author's consent, if the Author so elects. Nothing herein will preclude the Publisher from authorizing a book club to include notices of availability of other products from the book club within the book club's edition of the Work.

The relevant portions of St. Martin's Press' contract are attached as Exhibit D.

28. Similarly, Harlequin Books S.A., a leading publisher of romance novels like Clenney's, specifically addresses in its contract the placement of advertisements:

(iv) **Advertising**

On third party advertisements inserted into, printed in, or linked via an embedded hypertext link or other process, any edition of use of the Work: fifty percent (50%) of the Net Amount Received. No royalties shall be payable on advertisements or listings of other books, products or services of Publisher or its Related Licensees.

The relevant portions of Harlequin Books' contract are attached as Exhibit E.

**Sourcebooks has routinely breached its authors' contracts**

29. Prior to its dealings with Clenney, Sourcebooks had breached its contracts with other authors as to various issues.

**Author A**

30. In 2009, Sourcebooks entered into a contract with a previously unpublished writer represented by Book Cents Literary Agency, LLC for a three-book series directed at middle-grade and YA (young adult) readers.



31. To compensate for its low advances, Sourcebooks induced Author A to enter a contract by agreeing to spend \$50,000 in marketing and promotion efforts. Author A relied on Sourcebooks' representations and signed the contract to write the three-book series.
32. Sourcebooks published the first book in the series, but did not engage in the marketing and promotion efforts that it had promised to Author A.
33. Sourcebooks' failure to perform as agreed resulted in abysmally low sales of the first book, and jeopardized the success of the entire series.
34. Author A retained counsel, who advised Sourcebooks that as a result of its conduct, Author A intended to assert claims for breach of contract, detrimental reliance, misrepresentation, negligence, and fraud.
35. Prior to filing suit, Author A and Sourcebooks subsequently agreed that, with no admission of liability on Sourcebooks' part, Sourcebooks would release Author A from the obligations of her contract, permit her to retain the advances she had received, declare Author A's book out of print, and destroy its existing inventory of Author A's book.

**Author B**

36. In August 2010, Author B, who was not represented by Book Cents Literary Agency, LLC, signed a contract with Sourcebooks to write two

books under her own name, as opposed to a pen name that she used for another series.

37. Although Author B complied with Sourcebooks' contract, she did not receive her advance until six months after it was due, did not receive any editorial feedback on her submitted manuscript, and never received payment upon Sourcebooks' acceptance of the manuscript.
38. Then, Sourcebooks put two different covers (with two different names) on Amazon for the sale of the book and used Author B's pen name in order to take advantage of Author B's name recognition, even though Author B had not agreed to write the books for Sourcebooks using her pen name and had not given Sourcebooks permission to use the pen name.
39. Even after Author B's counsel brought Sourcebooks' conduct to its attention, Sourcebooks continued to attempt to sell and promote the books (under Author B's pen name) on various sites, including Amazon's sites in the United States and the United Kingdom and on Sourcebooks' own site and in its catalog.
40. Sourcebooks retained Author B's funds and continued to move forward with publication until Author B, through counsel, advised Sourcebooks of Author B's potential claims.

41. Sourcebooks ultimately accepted Author B's return of her advance, agreed that her contract was no longer in effect, and had Author B's books removed from the sites where they were for sale.

**Author C**

42. In 2009, after Author C, who was represented by Book Cents Literary Agency, LLC, signed and returned her contract to Sourcebooks, Sourcebooks had "buyer's remorse" (or could not afford to pay the agreed amounts) and tried to cancel the contract on the grounds that Sourcebooks had not yet executed the contract and paid any money to the author, and therefore the contract was not in effect.
43. Author C's agent informed Sourcebooks that her client had executed the contract in the manner specified by the contract, which made it binding on Sourcebooks. After further consideration, Sourcebooks decided to move forward with the contract.
44. As of December 2010, Book Cents Literary Agency, LLC stopped doing business with Sourcebooks, due in large part to Sourcebooks' history of breaching its contracts with authors.
45. These examples make clear that Sourcebooks has had an extensive history of disregarding its authors' rights and breaching their contracts

when it suits Sourcebooks' needs, while insisting that its authors adhere without exception to those same contracts.

46. Sourcebooks' treatment of Authors A, B, and C were the subject of a complaint filed by Book Cents Literary Agency, LLC with the Romance Writers of America in July 2011.

**Sourcebooks wrongfully disseminated confidential information about Clenney as part of its complaint**

47. On October 31, 2011, Sourcebooks, by and through its counsel, Reed Smith LLP and Davis Wright Tremaine LLP, filed a declaratory judgment action against Clenney in this Court.
48. Sourcebooks attached its contract with Clenney to the complaint as an exhibit.
49. Clenney's contract bore her Social Security number, home address, home and cell telephone numbers, and personal email address.
50. Sourcebooks and its counsel did not redact her Social Security number before filing its complaint, as required by this Court's rules, the Federal Rules of Civil Procedure, the Illinois Personal Information Protection Act, and the Illinois Consumer Fraud and Deceptive Business Practices Act, nor did Sourcebooks and its counsel safeguard the confidentiality of Clenney's other information.

51. Sourcebooks and its counsel certified falsely that they had complied with the redaction requirements of Rule 5.2 of the Federal Rules of Civil Procedure in filing the complaint.
52. Clenney's private and confidential information was available for review on PACER as soon as Sourcebooks filed its complaint.
53. In addition, Sourcebooks' complaint, including Clenney's unredacted contract with her Social Security number, was posted on the Northern District of Illinois' website as a newly filed case, which is accessible without a user name and password, and may be viewed and downloaded by anyone with Internet access.
54. Sourcebooks and its counsel never informed Clenney of their violations and breach of her confidentiality.
55. On November 2, 2011, Sourcebooks, by and through its counsel, filed an amended complaint with a redacted copy of Clenney's contract as an exhibit, which eliminated PACER access to the original unredacted contract.
56. Sourcebooks and its counsel failed to notify the clerk's office of their violation in disclosing Clenney's private and confidential information and to ask that the link to the original complaint and exhibit be removed, however.

57. On November 18, 2011, Clenney's counsel contacted Sourcebooks' counsel and informed them of their violation. Clenney's counsel also asked Sourcebooks' counsel how they intended to remedy their violation and asked them for a response by November 21, 2011. Sourcebooks' counsel did not respond.
58. Clenney's Social Security number remained available on the Northern District of Illinois' website to be viewed and downloaded by anyone with Internet access until November 18, 2011, when Clenney's counsel informed Sourcebooks' counsel of their violation and they contacted the clerk's office and had the link removed from the newly filed cases listing.
59. Because of the nature of Sourcebooks' allegations and overall tenor of its complaint, Sourcebooks' complaint has attracted a great deal of attention on the Internet, particularly on websites and blogs maintained and frequented by writers and authors, who are interested in the issues presented by the case and how the case develops.
60. Such interest has necessarily resulted in Sourcebooks' complaint, including Clenney's unredacted contract with her Social Security number, being viewed, downloaded, and shared on a world-wide basis.

61. For example, an analysis of the link posted on the Northern District of Illinois' website reflects that the original complaint, including the unredacted contract with Clenney's Social Security number and other information, has been downloaded in China, Mexico, Singapore, India, Malaysia, Turkey, Poland, Israel, the Netherlands, Belgium, the United Kingdom, Hungary, Denmark, Ireland, Germany, Sweden, South Africa, Canada, Switzerland, France, Portugal, Spain, Australia, Japan, and multiple locations in the United States.

**COUNT I**  
**DECLARATORY JUDGMENT**

62. Clenney incorporates paragraphs 1 through 61 by reference hereto as if set forth verbatim hereinafter.

63. The dispute created by Sourcebooks' assertion that it has not breached Clenney's contract is an actual, substantial, and justiciable controversy between the parties that requires resolution by the Court.

64. Sourcebooks included advertisements for other Sourcebooks' authors in *Awaken the Highland Warrior* without obtaining Clenney's consent and without compensating her.

65. Upon information and belief, *Awaken the Highland Warrior*, which Sourcebooks released on May 1, 2011, has earned gross receipts from sales in excess of \$96,000.
66. The financial benefit to Sourcebooks by including advertisements for its other authors in *Awaken the Highland Warrior* is obvious, but Clenney receives no benefit even though her book is the vehicle for the advertisements and thereby serves to generate sales that benefit other Sourcebooks' authors and ultimately Sourcebooks.
67. To resolve this actual controversy, Clenney seeks a declaration that Sourcebooks has materially breached her contract by including advertisements for other Sourcebooks' authors' books in *Awaken the Highland Warrior* without obtaining her consent and without compensating her for those advertisements.
68. A declaration by the Court will resolve a substantial majority, if not all, of the parties' dispute.

**COUNT II**  
**CLAIM FOR ACCOUNTING**

69. Clenney incorporates paragraphs 1 through 68 by reference hereto as if set forth verbatim hereinafter.



70. Sourcebooks' contract with Clenney required Sourcebooks to pay royalties and render a royalties statement to Clenney on or before October 31, 2011.
71. Although Sourcebooks has asserted that *Awaken the Highland Warrior* has had gross receipts from sales in excess of \$96,000, Clenney has been paid only \$2,000 (\$1,000 upon signing her contract and \$1,000 upon delivery of her manuscript) and has received no royalties or royalties statement as required by her contract.
72. Upon information and belief, when Sourcebooks attempted to return Clenney's advance of \$1,000 to her, which her counsel had sent to Sourcebooks when he informed Sourcebooks of its breach, Sourcebooks also included Clenney's royalties check, apparently hoping that Clenney would refuse delivery and enable Sourcebooks to claim — as it has — that Clenney has refused to accept her royalties check.
73. But given the huge disparity between Sourcebooks claims *Awaken the Highland Warrior* has earned and the amount that Sourcebooks has paid Clenney thus far, Clenney asks that the Court order an accounting of all expenses incurred and monies earned by any and all editions of *Awaken the Highland Warrior* and *Embrace the Highland Warrior* (the second book in the series) and order Sourcebooks to pay Clenney all monies currently due and to place any other monies owed to Clenney, but not currently due, in

an interest-bearing account, and to render a royalties statement immediately.

**COUNT III**  
**BREACH OF CONFIDENTIALITY**

74. Clenney incorporates paragraphs 1 through 73 by reference hereto as if set forth verbatim hereinafter.
75. Rule 5.2 of the Federal Rules of Civil Procedure requires, in civil cases, the redaction of an individual's Social Security number from any filing made with the court.
76. A party filing a document using the Court's CM/ECF system must certify that it has complied with the redaction rules.
77. This Court's Local Rules requires compliance with the redaction rules.
78. The Illinois Consumer Fraud and Deceptive Business Practices Act provides, at § 815 ILCS 505/2RR, that a person may not "publicly post or publicly display in any manner an individual's social security number[,]" which, under the statute, means to "intentionally communicate or otherwise make available to the general public."
79. The Illinois Personal Information Protection Act, at § 815 ILCS 530, requires the confidentiality of certain information, including an individual's Social Security number.

80. The Personal Information Protection Act also provides that a violation of its terms is a *per se* violation of the Consumer Fraud and Deceptive Business Practices Act.
81. Sourcebooks and its counsel violated Rule 5.2 of the Federal Rules of Civil Procedure by failing to redact Clenney's Social Security number from the contract they attached as an exhibit to Sourcebooks' complaint.
82. Sourcebooks and its counsel certified falsely that they had complied with the redaction rules in filing the complaint and exhibit.
83. Sourcebooks and its counsel violated the Illinois Consumer Fraud and Deceptive Business Practices Act by failing to redact Clenney's Social Security number from the contract they attached as an exhibit to Sourcebooks' complaint.
84. Sourcebooks and its counsel violated the Illinois Personal Information Protection Act by failing to redact Clenney's Social Security number from the contract they attached as an exhibit to Sourcebooks' complaint.
85. Sourcebooks and its counsel should have redacted other information personal to Clenney, including her home address, home and cell phone numbers, and personal email address, as that information was not germane to Sourcebooks' claims and its disclosure only added to Clenney's loss of privacy.

86. Sourcebooks and its counsel's failure to redact Clenney's Social Security number and to safeguard the privacy of Clenney's other information violated their obligation, under appropriate statutes and rules, to maintain the confidentiality and privacy of her confidential information.
87. Sourcebooks and its counsel's failure to redact Clenney's Social Security number and to safeguard the privacy of Clenney's other information caused that information to be posted publicly and therefore to be available to anyone with Internet access.
88. As a direct and proximate result of Sourcebooks and its counsel's acts and/or failures to act, Clenney's Social Security number and other information have been viewed, downloaded, and shared all over the world, with no way to know or identify those who have viewed, downloaded, and shared the information.
89. As a further direct and proximate result of Sourcebooks and its counsel's acts and/or failures to act, Clenney has experienced severe emotional distress and anxiety because of the unlimited and uncontrolled dissemination of her personal and confidential information.
90. As a further direct and proximate result of Sourcebooks and its counsel's acts and/or failures to act, Clenney has been forced to incur expenses to forestall any further breach of her confidentiality by those who have

viewed, downloaded, and shared her personal and confidential information.

91. As a further direct and proximate result of Sourcebooks and its counsel's acts and/or failures to act, Clenney has sustained other and further harm.

**WHEREFORE**, Defendant Anita Clenney prays that this Court declare that Sourcebooks, Inc. breached its contract with her, which relieves her of any further obligation to perform under the contract; order Sourcebooks, Inc. to perform an accounting of all expenses incurred and monies earned by any and all editions of *Awaken the Highland Warrior* and *Embrace the Highland Warrior*; order Sourcebooks to deposit all such monies owed to Clenney in an interest-bearing account; order Sourcebooks to render a royalties statement; award appropriate compensatory damages; award attorney's fees and expenses; and grant any other relief the Court deems just and proper.

**DEFENDANT ANITA CLENNEY DEMANDS A TRIAL BY JURY**

**THIRD-PARTY COMPLAINT**

**PARTIES, JURISDICTION, AND VENUE**

1. Defendant/Third-Party Plaintiff Anita Clenney ("Clenney") is a citizen and resident of the Commonwealth of Virginia.

2. Third-Party Defendant Reed Smith LLP (“Reed Smith”) is a limited liability partnership organized under the laws of the State of Delaware.
3. Third-Party Defendant Davis Wright Tremaine LLP (“Davis Wright Tremaine”) is a limited liability partnership organized under the laws of the State of Washington.
4. Clenney’s claims against Reed Smith and Davis Wright Tremaine derive from Sourcebooks’ complaint against Clenney and therefore may be asserted in this action under Fed. R. Civ. P. 14(a).

#### **FACTS**

5. Douglas L. Albritton and Peter M. Stasiewicz, who practice with Reed Smith, represent Sourcebooks in its claims against Clenney.
6. Elizabeth McNamara, who practices with Davis Wright Tremaine, also represents Sourcebooks in its claims against Clenney.
7. On October 31, 2011, Sourcebooks, by and through its counsel, Reed Smith and Davis Wright Tremaine, filed a declaratory judgment action against Clenney in this Court.
8. Sourcebooks attached its contract with Clenney to the complaint as an exhibit.

9. Clenney's contract bore her Social Security number, home address, home and cell telephone numbers, and personal email address.
10. Reed Smith and Davis Wright Tremaine did not redact her Social Security number before filing Sourcebooks' complaint, as required by this Court's rules, the Federal Rules of Civil Procedure, the Illinois Personal Information Protection Act, and the Illinois Consumer Fraud and Deceptive Business Practices Act, nor did Reed Smith and Davis Wright Tremaine safeguard the confidentiality of Clenney's other information.
11. Reed Smith and Davis Wright Tremaine certified falsely that they had complied with the redaction requirements of Rule 5.2 of the Federal Rules of Civil Procedure in filing the complaint.
12. Clenney's private and confidential information was available for review on PACER as soon as Sourcebooks filed its complaint.
13. In addition, Sourcebooks' complaint, including Clenney's unredacted contract with her Social Security number, was posted on the Northern District of Illinois' website as a newly filed case, which is accessible without a user name and password, and may be viewed and downloaded by anyone with Internet access.
14. Reed Smith and Davis Wright Tremaine never informed Clenney of their violations and breach of her confidentiality.

15. On November 2, 2011, Sourcebooks, by and through its counsel, filed an amended complaint with a redacted copy of Clenney's contract as an exhibit, which eliminated PACER access to the original unredacted contract.
16. Reed Smith and Davis Wright Tremaine failed to notify the clerk's office of their violation in disclosing Clenney's private and confidential information and to ask that the link to the original complaint and exhibit be removed, however.
17. On November 18, 2011, Clenney's counsel contacted Sourcebooks' counsel and informed them of their violation. Clenney's counsel also asked Sourcebooks' counsel how they intended to remedy their violation and asked them for a response by November 21, 2011. Sourcebooks' counsel did not respond to Clenney's counsel.
18. Clenney's Social Security number remained available on the Northern District of Illinois' website to be viewed and downloaded by anyone with Internet access until November 18, 2011, when Clenney's counsel informed Sourcebooks' counsel of their violation and they contacted the clerk's office and had the link removed from the newly filed cases listing.
19. Because of the nature of Sourcebooks' allegations and overall tenor of its complaint, Sourcebooks' complaint has attracted a great deal of attention



on the Internet, particularly on websites and blogs maintained and frequented by writers and authors, who are interested in the issues presented by the case and how the case develops.

20. Such interest has necessarily resulted in Sourcebooks' complaint, including Clenney's unredacted contract with her Social Security number, being viewed, downloaded, and shared on a world-wide basis.
21. For example, an analysis of the link posted on the Northern District of Illinois' website reflects that the original complaint, including the unredacted contract with Clenney's Social Security number and other information, has been downloaded in China, Mexico, Singapore, India, Malaysia, Turkey, Poland, Israel, the Netherlands, Belgium, the United Kingdom, Hungary, Denmark, Ireland, Germany, Sweden, South Africa, Canada, Switzerland, France, Portugal, Spain, Australia, Japan, and multiple locations in the United States.

**COUNT I**  
**BREACH OF CONFIDENTIALITY**

22. Clenney incorporates by reference hereto paragraphs 1 through 21 as if set forth verbatim hereinafter.

23. Rule 5.2 of the Federal Rules of Civil Procedure requires, in civil cases, the redaction of an individual's Social Security number from any filing made with the court.
24. A party filing a document using the Court's CM/ECF system must certify that it has complied with the redaction rules.
25. This Court's Local Rules requires compliance with the redaction rules.
26. The Illinois Consumer Fraud and Deceptive Business Practices Act provides, at § 815 ILCS 505/2RR, that a person may not "publicly post or publicly display in any manner an individual's social security number[,]" which, under the statute, means to "intentionally communicate or otherwise make available to the general public."
27. The Illinois Personal Information Protection Act, at § 815 ILCS 530, requires the confidentiality of certain information, including an individual's Social Security number.
28. The Personal Information Protection Act also provides that a violation of its terms is a *per se* violation of the Consumer Fraud and Deceptive Business Practices Act.
29. Reed Smith and Davis Wright Tremaine violated Rule 5.2 of the Federal Rules of Civil Procedure by failing to redact Clenney's Social Security

- number from the contract they attached as an exhibit to Sourcebooks' complaint.
30. Reed Smith and Davis Wright Tremaine certified falsely that they had complied with the redaction rules in filing the complaint and exhibit.
  31. Reed Smith and Davis Wright Tremaine violated the Illinois Consumer Fraud and Deceptive Business Practices Act by failing to redact Clenney's Social Security number from the contract they attached as an exhibit to Sourcebooks' complaint.
  32. Reed Smith and Davis Wright Tremaine violated the Illinois Personal Information Protection Act by failing to redact Clenney's Social Security number from the contract they attached as an exhibit to Sourcebooks' complaint.
  33. Reed Smith and Davis Wright Tremaine should have redacted other information personal to Clenney, including her home address, home and cell phone numbers, and personal email address, as that information was not germane to Sourcebooks' claims and its disclosure only added to Clenney's loss of privacy.
  34. Reed Smith and Davis Wright Tremaine's failure to redact Clenney's Social Security number and to safeguard the privacy of Clenney's other information violated their obligation, under appropriate statutes and

- rules, to maintain the confidentiality and privacy of her confidential information.
35. Reed Smith and Davis Wright Tremaine's failure to redact Clenney's Social Security number and to safeguard the privacy of Clenney's other information caused that information to be posted publicly and therefore to be available to anyone with Internet access.
  36. As a direct and proximate result of Reed Smith and Davis Wright Tremaine's acts and/or failures to act, Clenney's Social Security number and other information have been viewed, downloaded, and shared all over the world, with no way to know or identify those who have viewed, downloaded, and shared the information.
  37. As a further direct and proximate result of Reed Smith and Davis Wright Tremaine's acts and/or failures to act, Clenney has experienced severe emotional distress and anxiety because of the unlimited and uncontrolled dissemination of her personal and confidential information.
  38. As a further direct and proximate result of Reed Smith and Davis Wright Tremaine's acts and/or failures to act, Clenney has been forced to incur expenses to forestall any further breach of her confidentiality by those who have viewed, downloaded, and shared her personal and confidential information.

39. As a further direct and proximate result of Reed Smith and Davis Wright Tremaine's acts and/or failures to act, Clenney has sustained other and further harm.

**WHEREFORE**, Defendant Anita Clenney demands judgment against Defendants Reed Smith LLP and Davis Wright Tremaine LLP, jointly and severally, for compensatory damages; pre- and post-judgment interest; attorney's fees; court costs; and grant any other relief the Court deems just and proper.

**THIRD-PARTY PLAINTIFF ANITA CLENNEY DEMANDS A TRIAL BY JURY**

**ANITA CLENNEY**  
**By Counsel**

Adam M. Salzman  
Adam M. Salzman (ARDC 6287280)  
The Salzman Law Office  
1111 South Boulevard  
Oak Park, IL 60302  
(708) 320-9888

Jeffrey V. Mehalic (Admitted *pro hac vice*)  
Law Offices of Jeffrey V. Mehalic  
2011 Quarrier Street  
P. O. Box 11133  
Charleston, WV 25339-1133  
(304) 346-3462

*Counsel for Defendant Anita Clenney*

# call of the highland moon

BY KENDRA LEIGH CASTLE

---

A Highlands werewolf fleeing his destiny, and the warm-hearted woman who takes him in...

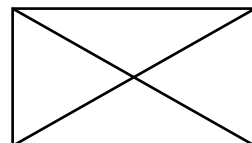
---

Not ready for the responsibilities of an alpha wolf, Gideon MacInnes leaves Scotland and seeks the quiet hills of upstate New York. When he is attacked by rogue wolves and collapses on Carly Silver's doorstep, she thinks she's rescuing a wounded animal. But she awakens to find that the beast has turned into a devastatingly handsome, naked man.

With a supernatural enemy stalking them, their only hope is to get back to Scotland, where Carly has to risk becoming a werewolf herself, or give up the one man she's ever truly loved.

***"Call of the Highland Moon* thrills with seductive romance and breathtaking suspense." —Alyssa Day, *USA Today* bestselling author of *Atlantis Awakening***

978-1-4022-1158-4 • \$6.99 U.S. / \$8.99 CAN



# WILD HIGHLAND MAGIC

BY KENDRA LEIGH CASTLE

*She's a Scottish Highlands werewolf*

Growing up in America, Catriona MacInnes always tried desperately to control her powers and pretend to be normal...

*He's a wizard prince with a devastating secret*

The minute Cat lays eyes on Bastian, she knows she's met her destiny. In their first encounter, she unwittingly binds him to her for life, and now they're both targets for the evil enemies out to destroy their very souls.

Praise for Kendra Leigh Castle:

**"Fans of straight up romance looking for a little extra something will be bitten."** — *Publishers Weekly*

978-1-4022-1856-9 • \$6.99 U.S. / \$8.99 CAN

# Highland Rebel

BY JUDITH JAMES

**"An unforgettable tale."** — *The Romance Studio*

RAISED TO RULE HER CLAN, SHE'LL STOP AT  
NOTHING TO PROTECT HER OWN

Daughter of a Highland laird, Catherine Drummond rebels against ladylike expectations and rides fearlessly into battle against the English forces sent to quell the Scots' rebellion. When Catherine falls into the hands of vicious mercenaries, she is saved from a grim fate by an unlikely hero. Jamie Sinclair only wants to finish one last mission for his king and collect his reward. But in a world where princes cannot be trusted and faith fields intolerance, hatred, and war, no good deed goes unpunished...

**"Complex, compelling characters and a good, galloping plot... Upscale historical romance at its best!"**

— *Historical Novel Review*

**"The romance is tender, yet molten hot."**

— *Wendy's Minding Spot*

**"Wonderfully written. It's captivating and heart wrenching."** — *Anna's Book Blog*

978-1-4022-2433-1 • \$6.99 U.S. / \$8.99 CAN

# HIGHLAND FELLCAT

BY MARY WINE



"DEEPLY ROMANTIC, SCINTILLATING, AND ABSOLUTELY DELICIOUS." —*Sylvia Day, national bestselling author of The Stranger I Married*

## HE WANTS A WIFE HE CAN CONTROL...

Connor Lindsey is a Highland laird, but his clan's loyalty is hard won and he takes nothing for granted. He'll do whatever it takes to find a virtuous wife, even if he has to kidnap her...

## SHE HAS A SPIRIT THAT CAN'T BE TAMED...

Brina Chattan has always defied convention. She sees no reason to be docile now that she's been captured by a powerful laird and taken to his storm-tossed castle in the Highlands, far from her home.

When a rival laird's interference nearly tears them apart, Connor discovers that a woman with a wild streak suits him much better than he'd ever imagined...

Praise for *To Conquer a Highlander*:

"Hot enough to warm even the coldest Scottish Nights..."

—*Publishers Weekly* starred review

"I have read numerous Scottish-themed romances, but none compare to this amazing book." —*The Royal Reviews*

978-1-4022-3738-6 • \$6.99 U.S. / \$8.99 CAN

# HUNDREDS OF YEARS TO REFORM A RAKE

BY LAURIE BROWN

## HIS TOUCH PULLED HER IRRESISTIBLY

ACROSS THE MISTS OF TIME

Deverell Thornton, the ninth Earl of Waite, needs Josie Drummond to come back to his time and foil the plot that would destroy him. Josie is a modern career woman, thrust back in time to the sparkling Regency period, where she must contend with the complex manners and mores of the day, unmask a dangerous charlatan, and in the end, choose between the ghost who captivated her or the man himself. But can she give her heart to a notorious rake?

"A smart, amusing, and fun time travel/Regency tale." —  
*All About Romance*

"Extremely well written...A great read from start to finish." —*Revisiting the Moon's Library*

"Blends Regency, contemporary and paranormal romance to a charming and very entertaining effect." —*Book Loons*

978-1-4022-1013-6 • \$6.99 U.S. / \$8.99 CAN



# *The* WILD IRISH SEA

BY LOUCINDA MCGARY



## DRAWN TO A FORCE HE CAN'T RESIST...

Former police officer Kevin Hennessey is running from his past—choosing to battle smugglers instead of dealing with his personal demons. When a desperate, rain-drenched American woman appears on his doorstep with wild tales of danger, Kevin is drawn to help her, despite his reservations...

## SHE NEVER SAW HIM COMING...

Amber O'Neill knew without a doubt that her brother was in mortal danger. Rushing heedlessly to the rocky shores of Ireland, Amber was stunned to find her rescue mission derailed by a gorgonous, but deeply flawed Irishman...

The tumultuous sea, the intertwined fates of the coastal villagers, and unearthly tales of a hidden selkie prince bring Kevin and Amber together in a connection of mind, body, and soul that neither can deny...



## Praise for *The Wild Sight*:

"McGarry never shortchanges the sizzling romance... building to a dramatic, memorable conclusion."

—*Publishers Weekly*

"A masterful blend of mystery, magic, and romance."

—*Long and Short of It Reviews*

978-1-4022-2671-7 • \$6.99 U.S. / \$8.99 CAN

# *The* WILD SIGHT

BY LOUCINDA MCGARY



"A magical tale of romance and intrigue. I couldn't put it down!" —Pamela Palmer, author of *Dark Deceiver* and *The Dark Gate*

## HE WAS CURSED WITH A "GIFT"

Born with the clairvoyance known to the Irish as "The Sight," Donovan O'Shea fled to America to escape his visions. Upon his return, staggering family secrets threaten to turn his world upside down...

## SHE'S LOOKING FOR THE FAMILY SHE NEVER KNEW...

After her mother's death, Rylie journeys to Ireland to find her mysterious father. She needs the truth—but how can Donovan be her half-brother when the chemistry between them is nearly irresistible?

UNCOVERING THE PAST LEADS THEM DANGEROUSLY CLOSE TO MADNESS...

"McGarry never shortchanges the sizzling romance... building to a dramatic, memorable conclusion."

—*Publishers Weekly*

"A masterful blend of mystery, magic, and romance."

—*Long and Short of It Reviews*

978-1-4022-1394-6 • \$6.99 U.S. / \$7.99 CAN

# The TREASURES of Venice

BY LOUCINDA MCGARY

*"Bursting with passion."*

—Darque Reviews

.....  
**An Irish rogue who never met a lock he couldn't pick...**

With danger at every corner and time running out, Keirnan Fitzgerald must use whatever means possible to uncover the missing Jewels of the Madonna. Samantha Lewis is shocked when Keirnan approaches her, but she throws caution to the wind and accompanies the Irish charmer into his dangerous world of intrigue, theft, and betrayal. As the centuries-old story behind the Jewels' disappearance is revealed, Samantha must decide whether Keirnan is her soul mate from a previous life, or if they are merely pawns in a relentless quest for a priceless treasure...

.....  
*"Lost jewels, a sexy Irish hero, and an exotic locale make for a wonderful escape. Don't miss this charming story."*

—Brenda Novak, *New York Times* bestselling author of *Watch Me*

*"A brilliant novel that looks to the past, entwines it in the present, and makes you wonder at every twist and turn if the hero and heroine will get out alive. Snap this one up, it's a keeper!"* —Jeanne Adams, author of *Dark and Deadly*

978-1-4022-2670-0 • \$6.99 U.S. / \$8.99 CAN

AGREEMENT made this 15<sup>th</sup> day of June, 2010

between [redacted] (name)

residing at [redacted] (address)

[redacted] (city) [redacted] (state, zip code, country)

and [redacted] (name)

residing at [redacted] (address)

[redacted] (city) [redacted] (state, zip code, country)

(individually or collectively the "Author") and The Berkley Publishing Group, a division of Penguin Group (USA) Inc., whose principal office is located at 375 Hudson Street, New York, NY 10014 (the "Publisher").

\*(The final title of the Work shall be subject to consultation with the Author. It is understood, however, that this is a right of consultation, not approval, and in the event of a dispute the Publisher shall prevail.)

WHEREAS the Author is or will be the proprietor of the following described literary works (each individually a "Book" and collectively the "Work"):

Tentative Title\*: BOOK I: [redacted] BOOK II: [redacted] BOOK III: [redacted]

Subject Matter Description:

An exciting new mystery series involving a professor of the occult and a skeptic who team up to solve crimes.

(including the proprietor or authorized licensee of the photographs, drawings, captions, maps, charts, tables, appendixes, notes, bibliography and index included in the Work and such other matter as set forth herein); and

WHEREAS the Author desires to have the Publisher publish, and the Publisher desires to publish, the Work on the terms and conditions and in consideration of the covenants set forth herein;

AUTHOR AND PUBLISHER AGREE:

Author's Grant

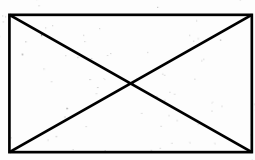
1. The Author hereby grants to the Publisher during the full term of copyright, and any renewals, continuations and extensions thereof, in each of the following countries and territories:

(a) The exclusive right to print, publish and sell the Work, in whole or in part, in the English language in the United States of America, its territories and possessions, the Philippine Republic and Puerto Rico (the "Exclusive Territory"), and to sell the same nonexclusively for export to the "Nonexclusive Territory," that is all countries other than those designated as exclusive in this subparagraph and in subparagraph 1(b) and in Schedule A, which is attached to and is part of this Agreement (the "Schedule A Countries");

(b) The exclusive right to print, publish and sell the Work and to license the Work, in whole or in part, for publication, in the English language in Canada (which shall be included in the designation "Exclusive Territory");

(c) The exclusive right to print, publish and sell the Work and to license the Work, in whole or in part, for publication, in book form in the English language in the Schedule A Countries and in the Nonexclusive Territory;

(d) The exclusive right to print, publish and sell the Work, and to license the Work, in whole or in part, for publication throughout the world in all languages other than English;



**Additional Provisions**

37. Anything to the contrary in this Agreement notwithstanding, the three (3) Books covered herein shall be separately accounted.

38. In the event that the Publisher's mass market edition of any Book appears on the printed New York Times bestseller list, the Publisher shall pay to the Author, on the Author's written notification, as an additional advance against royalties with respect to such Book, the following:

Ten Thousand Dollars (\$10,000.00) per week for each week that the Book appears in position #1; and

Seven Thousand Five Hundred Dollars (\$7,500.00) per week for each week that the Book appears in position #2-5;

Five Thousand Dollars (\$5,000.00) per week for each week that the Book appears in positions #6-#10; and

Two Thousand Five Hundred Dollars (\$2,500.00) per week for each week that the Book appears in positions #11-#15.

One Thousand Five Hundred Dollars (\$1,500.00) per week for each week that the Book appears in positions #16-#20.

Anything to the contrary contained herein notwithstanding, the total amount payable under this paragraph 38 shall not exceed Twenty-Five Thousand Dollars (\$25,000.00) per Book.

39. The Publisher shall consult with the Author regarding the cover copy and design for the Publisher's edition(s) of the Work. It is understood, however, that this is a right of consultation, not approval, and in the event of a dispute, the Publisher shall prevail.

**RIDER TO SUBPARAGRAPH 9(b)(i):**

In the event that the industry standard royalty rate for e-books has increased at any time up to five (5) years from the date of the Publisher's initial publication of the electronic edition of the Work, then upon the Author's request such royalty rate shall be subject to re-negotiation with the Publisher in accordance with such new industry standard. "Industry standard" as used herein shall mean the e-book royalty rate that is routinely paid by at least two (2) major publishers (such as Random House, Harper/Morrow, Grand Central Publishing/Little Brown, and Simon & Schuster) to authors whose stature is similar to that of the Author.

**RIDER TO SUBPARAGRAPH 9(b)(ii):**

In the event that the industry standard royalty rate for such third party digital sales and/or other third party digital access without a retail price suggested or established by the Publisher has increased at any time up to five (5) years from the date of this Agreement, then upon the Author's request such royalty rate shall be subject to re-negotiation with the Publisher in accordance with such new industry standard. "Industry standard" as used herein shall mean the royalty rate for such third party digital sales and/or other third party digital access that is routinely paid by at least two (2) major publishers (such as Random House, Harper/Morrow, Grand Central Publishing/Little Brown, and Simon & Schuster) to authors whose stature is similar to that of the Author.

**RIDER TO PARAGRAPH 27:**

**All sums due the Author and the Agent under this Agreement shall be paid by the Publisher to the Author and the Agent, respectively, and receipt of such payments by the Author and the Agent, respectively, shall be a full and valid discharge of the Publisher's obligation. ~~Such payments by the Publisher shall be made separately to the Author and the Agent, and shall reflect that from all gross monies accruing to the Author's account under this Agreement, the Agent shall be paid a sum equal to 15% of domestic sales, 20% of subsidiary sales, and 20% of foreign sales.~~**

All payments to be made under this Agreement shall be made as follows:



day period, and after that period the Publisher may publish the Work without the Author's approval of the proofs.

**Cost of Author's Alterations**

15. If, in the correction of proofs, the Author requests changes from the text of the manuscript, the Author shall bear the cost of such changes, over 15% of the original cost of composition, as follows: (a) Author shall pay such costs upon receipt of an invoice from the Publisher; (b) Publisher may withhold a portion of any advances payable to the Author under this Agreement and deduct such costs from said advances; or (c) at Publisher's option, Publisher may charge such cost to Author's royalty account, provided however that if the advance payable to the Author under this Agreement is unearned one year after publication of the Work, then the Author will reimburse Publisher for such costs upon receipt of an invoice from Publisher. At Author's request Publisher shall submit an itemized statement of such charges and shall make available corrected proofs for the Author's inspection at the Publisher's office.

**Publication**

16. (a) The Publisher shall publish **each Book** in book form within 18 months after acceptance of the manuscript **for each Book**. Publication shall be in any edition and under any imprint of Publisher or its affiliates that Publisher elects.

(b) Publisher shall have the right to use the name, pseudonym, portrait and picture of and biographical material concerning Author in and on the Work, in the advertising, publicity and promotion thereof, and in connection with any rights granted hereunder. Author shall furnish Publisher, free of charge, original photographs of Author which Publisher may use for such purposes without additional payment to or permission from any third party.

(c) The title of **each of Book #1 and Book #2** as set forth on page 1 may be changed by mutual agreement of the Author and the Publisher.

(d) The format, imprint, style of printing and binding, and all matters relating to the manufacture, sale, distribution and promotion of the Work shall be determined at the sole discretion of the Publisher.

(e) The Publisher may publish and authorize others to publish extracts of the Work containing not more than one chapter for promotion of the Work, without compensation therefor. If compensation is received it shall be shared equally by Author and Publisher.

(f) Author hereby consents to Publisher's advertising inside the front and back covers and/or in the last four pages of Publisher's editions, books in print of Author or others, and any other publishing-related advertisement associated with Publisher or with any other of Publisher's parent, subsidiaries, affiliates or divisions. No other advertising will be printed in, included in (bound or unbound), distributed with or inserted into any copies of Publisher's editions of the Work without Author's prior written consent.

-TP

**ST. MARTIN'S PRESS, LLC  
AUTHOR CONTRACT**

This Agreement is made as of **August 26, 2010** (the "Effective Date") between [REDACTED] care of [REDACTED] (the "Author") and **St. Martin's Press, LLC, 175 Fifth Avenue, New York, NY 10010** (the "Publisher").

The Author and the Publisher mutually agree to the following:

**THE WORK, THE GRANT OF RIGHTS, TERRITORY AND DURATION**

1. (a) This Agreement concerns a work provisionally entitled [REDACTED] to be written by [REDACTED] which will be a work of **fiction**, approximately [REDACTED] words in length, [REDACTED] (the "Work").

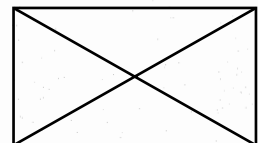
(b) The Author grants to the Publisher the sole and exclusive right to exercise and license (i) the right to reproduce, publish, distribute and sell ("publish") the full length Work in the English language in a product reproduced in print-on-paper or other physical media ("book form"), (ii) the right to use the full length content of the Work in the English language in electronic media, and (iii) the additional and subsidiary rights in the Work specified in paragraph 4 below, in the following territory: **the United States, its territories and dependencies (including but not limited to U.S. diplomatic, military and educational installations wherever located), the Republic of the Philippines and Canada (the "Exclusive Territory") and the same rights, but non-exclusively, in the Open Market, i.e., the rest of the world except for the territories listed on the Schedule of Excluded Territory attached as Exhibit A.**

Notwithstanding the foregoing, for any country listed on Exhibit A whose copyright laws require publication or distribution of a book in that country within a specified period of time from original publication in order to secure or maintain full copyright protection, if the Work is not published in that country within that specified period of time then the Publisher will have the non-exclusive right to ship its editions of the Work into that country.

If the Work consists of more than one Book, the rights granted in this Agreement will apply to each Book separately.

(c) Each of the rights granted in this Agreement is granted for the full period(s) of copyright protection (including all renewals and extensions) provided under any copyright laws now or hereafter in force in each country included within the territory granted to the Publisher.

**ADVANCE**



**Nothing in this paragraph 23 will be deemed to change the amounts otherwise payable by the Publisher under this Agreement.**

#### **INSERT OF ADVERTISEMENTS**

24. Advertisements other than for other books may not be printed in any edition of the Work, whether issued by the Publisher or its licensee, without the Author's written consent. The Author may require that a share of the advertising proceeds, if any, be paid to the Author as a condition for the Author's consent, if the Author so elects. Nothing herein will preclude the Publisher from authorizing a book club to include notices of availability of other products from the book club within the book club's edition of the Work.

#### **ASSIGNMENT**

25. This Agreement will be binding upon and inure to the benefit of the successor and assigns of the Publisher. This Agreement will be binding upon the successors, heirs and estate of the Author. The Publisher may assign this Agreement and the rights granted to it hereunder. The Author may assign any net sums due to the Author hereunder, but may not otherwise assign any of the Author's rights under this Agreement or delegate any of the Author's duties or obligations under this Agreement.

#### **FURTHER DOCUMENTS**

26. The Author agrees to execute and deliver to the Publisher any and all documents in proper or customary form **reasonably** necessary or helpful to the exercise, sale, license or other disposition of any or all rights granted to the Publisher herein, or for more fully carrying out the purposes and intent of this Agreement. ~~The Author hereby irrevocably appoints the Publisher as the Author's attorney in fact to execute any such documents.~~

#### **FORCE MAJEURE**

27. The Publisher will not be liable for delays in its performance caused by wars, civil riots, terrorism, strikes, fires, acts of nature, governmental restrictions, unavailability of materials, supplies or press time or other circumstances beyond its reasonable control.

#### **PUBLISHER'S DEFAULT**

28. If the Publisher commits a material breach of this Agreement (including, without limitation, a material default in its obligation to pay royalties) and neglects or refuses (other than by reason of Force Majeure) for a period of 30 days after receiving written notice specifying such default sent by the Author by certified or registered mail, return receipt requested, to cure such default (or, if such default is of a nature that it cannot reasonably be completely cured during such 30 days, neglects or refuses, other than by reason of Force Majeure, to commence to cure such default before the end of such 30 days or thereafter to diligently continue to cure such default), the Author may terminate this Agreement by promptly sending a written notice of termination to the Publisher by certified or registered mail, return receipt requested. ~~However, the Author will have no right to terminate this Agreement in the event of a bona fide dispute over whether or not the Publisher has committed a material breach of this Agreement, unless and until the Publisher neglects or refuses to cure such default for a period of 30 days after a court o~~





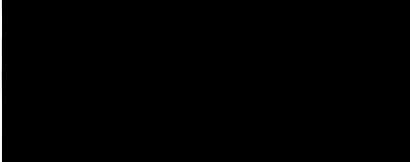
**HARLEQUIN BOOKS S.A.  
AUTHOR AGREEMENT  
TERM SHEET**

**Agreement No: GA120121/01**

**IN CONSIDERATION** of the mutual covenants and consideration contained herein, the parties agree as follows:

Agreement Date: July 23, 2010 (the "Effective Date")

**BETWEEN:** Harlequin Books S.A.  
Route de Chantemerle 58  
1763 Granges-Paccot, Switzerland (the "Publisher")

**AND:**  (the "Author")

Writing as:  (the Author's "Pseudonym")

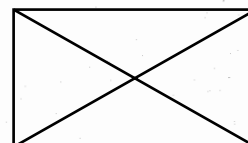
For the work(s) tentatively entitled:   
Name for Copyright Notice:  (the "Work")

**Manuscript Details**

|                                       |               |
|---------------------------------------|---------------|
|                                       | Work #1       |
| Manuscript Delivery Date on or before | July 01, 2010 |
| Manuscript Length                     | 97000 words   |

**Editorial Process**

|                                    |                                  |
|------------------------------------|----------------------------------|
| Publisher's Review Period          | 30 days after receipt            |
| Author's Revisions Period          | 15 days after receipt            |
| Publisher's Revision Review Period | 15 days after receipt            |
| Publication Period                 | 18 months from date of Agreement |



| Initials  |        |
|-----------|--------|
| Publisher | Author |
|           |        |

| Initials  |        |
|-----------|--------|
| Publisher | Author |
|           |        |

15(b) and (c), based on the Cover Price reduced by fifteen percent (15%). Such royalties will be accounted for separately and apart from royalties for sales at retail.

(e) **General**

(i) **Special Sales/Custom Product Deals/Premium Offers**

On Net Copies Sold to a third party in any Language, in any Territory for special sales, custom product deals and premium offers: fifty percent (50%) of the Net Amount Received.

(ii) **Royalty Free Copies**

On copies of any edition distributed free by Publisher or third party retailers with the purpose of promoting the sale and distribution of the Work to consumers or book reviewers or used as advertising samples or introductory offers, no royalties shall be paid. Publisher shall provide written notification to Author of any such uses by Publisher or third party retailers and if the Work is used in any free or introductory offers, such uses shall not be offered for a period exceeding three (3) months in any twelve (12) month period.

(iii) **Remainders/Unbound Sheets**

On Net Copies Sold as overstock or remaindered at a reduced price, or sold as unbound sheets, a royalty of fifty percent (50%) of the Net Amount Received, except that no royalties shall be paid on copies sold at or below cost price, or on copies sold at a discount equal to or greater than eighty-five percent (85%) of Cover Price. Any royalties payable pursuant to this section shall be in lieu of any other royalties.

(iv) **Advertising**

On third party advertisements inserted into, printed in, or linked via an embedded hypertext link or other process, any edition or use of the Work: fifty percent (50%) of the Net Amount Received. No royalties shall be payable on advertisements or listings of other books, products or services of Publisher or its Related Licensees.

(v) **All Other Rights**

On all other Rights exercised by Publisher or its Related Licensees: fifty percent (50%) of the Net Amount Received for the exercise, license or sale of said Rights. The Net Amount Received for the sale or license of Rights by Publisher to a Related Licensee shall, in Publisher's estimate, be equivalent to the amount reasonably obtainable by Publisher from an Unrelated Licensee for the license or sale of the same or similar rights.

(vi) **Anthology and Collection Editions**

Where any of the Rights are exercised in a manner or format which uses or combines any Work with any other edition or editions of any other title, the royalty payable shall be pro-rated and apportioned between such titles in direct proportion to the total number of works combined or contained therein.

**16. SUBSIDIARY RIGHTS**

(a) Where Publisher licenses, sublicenses or sells to an Unrelated Licensee any of the Rights, then the Net Amount Received for said license, sublicense or sale shall be apportioned equally between the Author and Publisher except as follows:

| <b>Right Being Exercised</b>                   | <b>Author's Share</b> | <b>Publisher's Share</b> |
|--|-----------------------|--------------------------|
| Motion-Picture                                 | 70%                   | 30%                      |
| Dramatic Stage Play Adaptation and Performance | 70%                   | 30%                      |
| Television                                     | 70%                   | 30%                      |
| Radio  | 70%                   | 30%                      |

(b) Where any of the Rights are exercised in a manner or format which combines any Work with any other edition or editions of any other work, the net amount payable to Author shall be calculated by pro-rating and apportioning between such works the Net Amount Received in direct proportion to the total number of works combined or contained therein.