

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

March 16, 2021

Verb Technology Company, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada

(State or Other Jurisdiction
of Incorporation)

001-38834

(Commission
File Number)

90-1118043

(IRS Employer
Identification No.)

**782 S. Auto Mall Drive,
American Fork, Utah**

(Address of Principal Executive Offices)

84003

(Zip Code)

Registrant's Telephone Number, Including Area Code:

(855) 250-2300

(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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001	VERB	The Nasdaq Stock Market LLC
Common Stock Purchase Warrants	VERBW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐ []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐ []

Item 8.01 Other Events.

On March 2, 2021, the United States District Court for the Central District of California (the "Court") entered an order preliminarily approving a derivative settlement and providing for notice of the settlement to stockholders of Verb Technology Company, Inc. (the "Company") in the matter captioned *Richard Moore, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. Verb Technology Company, Inc., and Rory J. Cutaia, James P. Geiskopf, and Jeff Clayborne, Defendants*, Case Number 2:19-CV-08393-AB-SS (the "Derivative Action"). The Company previously disclosed the Derivative Action in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020, filed with the Securities and Exchange Commission on November 16, 2020. The proposed settlement is subject to final approval by the Court. A final settlement hearing is scheduled for April 29, 2021 at 8:30 a.m. As required by the Court's order, the Company is hereby furnishing (1) the Stipulation and Agreement of Settlement (the "Settlement Agreement") preliminarily approved by the Court, and (2) the Notice to Current Verb Technology Company, Inc. Stockholders (the "Notice"). The Settlement Agreement provides that, among other things, the Company will pay plaintiff's counsel \$75,000 for its fees and expenses and the Company will institute certain changes and/or modifications to its corporate governance. Upon the Court's final approval of the Settlement Agreement, the Derivative Action will be dismissed with prejudice. The Company believes that the proposed settlement of the Derivative Action preliminarily approved by the Court is favorable to the Company and ultimately benefits its stockholders. Additional information concerning the terms of the proposed settlement can be found in the Notice and on the Company's website at <https://www.verb.tech/legal>. The contents of the Company's website shall not be deemed to be incorporated by reference into this Current Report on Form 8-K (this "Report").

The foregoing descriptions of the Settlement Agreement and the Notice do not purport to be complete and are qualified in their entirety by reference to the full texts of the Settlement Agreement and Notice, which are attached as Exhibits 99.1 and 99.2 to this Report, respectively, and incorporated herein by reference.

On March 16, 2021, the Company issued a press release announcing the Settlement Agreement. A copy of the press release is attached as Exhibit 99.3 to this Report. The information contained in the press release is being furnished with this Report and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section nor shall such information be deemed incorporated by reference in any filing under the

Securities Act of 1933 or the Exchange Act, unless specifically identified therein as being incorporated by reference.

This Report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Examples of such forward-looking statements include, but are not limited to, statements about the timing and completion of the proposed settlement, the scope of governance changes made as a result of the settlement, as well as the impacts of the settlement on the Company's stockholders. Such forward-looking statements are based on the reasonable beliefs of the Company's management, as well as assumptions made by and information currently available to the Company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including our failure to satisfy the conditions necessary to complete the proposed settlement. Any forward-looking statement made by the Company in this Report speaks only as of the date of this Report. Unless required by law, the Company does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	<u>The Stipulation and Settlement Agreement</u>
99.2	<u>Notice to Current Verb Technology Company, Inc. Stockholders</u>
99.3	<u>Press Release issued by Verb Technology Company, Inc. dated March 16, 2021</u>
2	

SIGNATURE

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.

Date: March 16, 2021

Verb Technology Company, Inc.

By: /s/ Rory J. Cutaia

Name: Rory J. Cutaia

Title: President and Chief Executive Officer

1 Robert C. Moest, Of Counsel, SBN 62166
2 **THE BROWN LAW FIRM, P.C.**
3 2530 Wilshire Boulevard, Second Floor
4 Santa Monica, California 90403
5 Telephone: (310) 915-6628
6 Facsimile: (310) 915-9897
7 Email: RMoest@aol.com

8 *Counsel for Plaintiff Richard Moore*

9
10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 RICHARD MOORE, derivatively on
13 behalf of VERB TECHNOLOGY
14 COMPANY, INC.,

15 Plaintiff,

16 vs.

17 RORY J. CUTAIA, JEFF
18 CLAYBORNE, and JAMES P.
19 GEISKOPF,

20 Defendants,

21 and

22 VERB TECHNOLOGY COMPANY,
23 INC.,

24 Nominal Defendant.

Case No.: 2:19-cv-08393-GW-MAA

**STIPULATION AND AGREEMENT
OF SETTLEMENT**

25 This Stipulation and Agreement of Settlement (the "Stipulation"), dated
26 January 29, 2021, is made and entered into by and among the following Parties (as
27 defined herein), each by and through their respective counsel: (i) Richard Moore
28 ("Plaintiff"), plaintiff to the above-captioned shareholder derivative action (the

1 “Derivative Action”) filed derivatively on behalf of Verb Technology Company,
2 Inc. (“Verb” or the “Company”); (ii) nominal defendant Verb; and (iii) defendants
3 Rory J. Cutaia, Jeff Clayborne, and James P. Geiskopf (collectively the “Individual
4 Defendants,” and together with Verb, the “Defendants”). This Stipulation, subject
5 to the approval of the United States District Court for the Central District of
6 California (the “Court”), is intended by the Parties to fully, finally, and forever
7 compromise, resolve, discharge, and settle the Released Claims (as defined herein)
8 and to result in the complete dismissal of the Derivative Action with prejudice,
9 upon the terms and subject to the conditions set forth herein, and without any
10 admission or concession as to the merits of any of the Parties’ claims or defenses.

11 I. INTRODUCTION

12 A. Factual Background

13 Verb is a Nevada corporation with its principal executive offices in Los
14 Angeles, California. Verb provides cloud-based software products focused on
15 Customer Relationship Management (“CRM”), an industry that is intensely
16 competitive. In January 2018, Verb entered into an agreement with Oracle America,
17 Inc. (“Oracle”), one of the largest software companies in the world and a well-
18 established player in the CRM industry.

19 Plaintiff alleges that the Individual Defendants, in breach of their fiduciary
20 duties owed to Verb, *inter alia*, willfully or recklessly misrepresented and/or caused
21 the Company to misrepresent the nature of Verb’s relationship with Oracle by
22 making false and misleading statements to the investing public that failed to
23 disclose, *inter alia*, that: (i) Oracle had not agreed to jointly develop an application
24 to integrate Verb’s principal CRM application, notifiCRM, into Oracle’s CRM
25 services platform, NetSuite; (ii) Oracle had not agreed to jointly market the
26 Company’s software to its customers and the public through, *inter alia*, Oracle’s
27 existing network of sales representatives; (iii) the agreement with Oracle had thus
28 been overstated; and (iv) the agreement with Oracle merely provided Verb with

1 access to an application developer toolkit, which Verb had to pay a fee to Oracle to
2 access. Plaintiff further alleges that these misrepresentations resulted in the artificial
3 inflation of the Company's stock. *See* Dkt. No. 1 (Verified Shareholder Derivative
4 Complaint (the "Complaint")), ¶¶ 2-4, 14, 64-74. Defendants vigorously dispute all
5 of Plaintiff's claims.

6 **B. Procedural Background**

7 On September 27, 2019, Plaintiff filed the Derivative Action in this Court
8 against the Individual Defendants, asserting claims for breach of fiduciary duty,
9 unjust enrichment, and waste of corporate assets. Dkt. No. 1.

10 On September 30, 2019, the Derivative Action was assigned to the
11 Honorable Andre Birotte Jr. Dkt. No. 5.

12 On December 17, 2019, the Parties filed a joint stipulation for extension of
13 time to respond to the Complaint, which the Court so-ordered the next day, on
14 December 18, 2020. Dkt. Nos. 12, 16.

15 On December 23, 2019, the Derivative Action was reassigned for all
16 purposes to the Honorable George H. Wu, pursuant to a transfer order relating the
17 Derivative Action to the securities class action captioned *In re Verb Technology*
18 *Company, Inc.*, No. 2:19-cv-05896 (C.D. Cal.) (the "Securities Class Action"). Dkt.
19 No. 17.

20 On January 27, 2020, the Parties filed a joint stipulation and proposed order
21 staying the Derivative Action pending resolution of the "motion to dismiss stage"
22 of the Securities Class Action, defined as resolution of the earlier of the following
23 events: (i) the dismissal of the Securities Class Action in its entirety with prejudice
24 or (ii) the filing of an answer to any complaint in the Securities Class Action. Dkt.
25 No. 20.

26 On January 31, 2020, nominal defendant Verb and the Individual Defendants
27 filed motions to dismiss the Derivative Action pursuant to Federal Rule of Civil
28 Procedure 23.1 (Dkt. Nos. 22, 24, respectively).

1 On February 1, 2020, the Court granted the Parties' joint stipulation to stay
2 the proceedings in the Derivative Action, staying all proceedings in the Derivative
3 Action pending resolution of the motion to dismiss stage of the Securities Class
4 Action. *See* Dkt. No. 26, ¶¶ 1-3.

5 **C. Settlement Negotiations**

6 The Parties began negotiating a settlement of the Derivative Action through
7 telephonic and written communications in April 2020. On April 22, 2020, counsel
8 for Plaintiff sent a settlement term sheet that included a proposal regarding
9 corporate governance reforms to Defendants' Counsel (as defined below) in an
10 effort to settle the Derivative Action.

11 Thereafter, the Parties continued to engage in settlement negotiations via
12 telephonic and written communications, and exchanged several drafts of the
13 settlement term sheet.

14 On August 28, 2020, the Parties agreed in principle to the terms of the
15 settlement reflected in the Stipulation, except for the amount of attorneys' fees and
16 expenses to be paid to Plaintiff's Counsel. As consideration for the settlement and
17 denying any wrongdoing or liability, Verb will institute certain changes and/or
18 modifications to the Company's corporate governance and business ethics
19 practices, the terms of which are fully set forth in Exhibit A attached hereto (the
20 "Amendments"). Verb has agreed to maintain the Amendments for at least five (5)
21 years, subject to a change of control at the Company.

22 Only after reaching an agreement on the Amendments did Defendants'
23 Counsel and Plaintiff's Counsel (as defined below) begin to negotiate the attorney's
24 fees and expenses to be paid to Plaintiff's Counsel. On November 5, 2020, the
25 Parties executed a term sheet setting forth the material terms of the settlement.
26 Defendants agreed not to oppose Plaintiff's Counsel's application of \$75,000 for
27 their attorneys' fees and expenses, in light of the substantial benefit that will be
28 conferred upon the Company and its stockholders by the Amendments as a result of

1 the settlement of the Derivative Action, subject to Court approval.

2 The terms of the settlement of the Derivative Action are reflected in this
3 Stipulation (the "Settlement").

4 The independent directors of Verb's Board of Directors (the "Board"), in
5 exercising their business judgment, approved the Settlement and each of its terms,
6 as set forth in the Stipulation, as in the best interest of Verb.

7 **II. PLAINTIFF'S COUNSEL'S INVESTIGATION AND RESEARCH,**
8 **PLAINTIFF'S CLAIMS, AND THE SUBSTANTIAL BENEFIT OF**
9 **SETTLEMENT**

10 Plaintiff's Counsel conducted investigations relating to the claims and the
11 underlying events alleged in the Derivative Action, which included, but are not
12 limited to: (1) reviewing and analyzing the Company's public filings with the
13 Securities and Exchange Commission ("SEC"), press releases, announcements, and
14 news articles; (2) reviewing and analyzing the allegations in the complaint filed in
15 the Securities Class Action; (3) researching and drafting the verified shareholder
16 derivative complaint filed in the Derivative Action; (4) researching the applicable
17 law with respect to the claims in the Derivative Action and the potential defenses
18 thereto; (5) researching corporate governance issues; (6) preparing corporate
19 governance reforms proposals; and (7) engaging in extensive settlement
20 negotiations with Defendants' Counsel.

21 Plaintiff's Counsel believe that the claims asserted in the Derivative Action
22 have merit and that their investigations support the claims asserted. Without
23 conceding the merit of any of Defendants' defenses or the lack of merit of any of
24 their own allegations, and in light of the substantial benefit of the Settlement, as
25 well as to avoid the potentially protracted time, expense, and uncertainty associated
26 with continued litigation, including potential trials and appeals, Plaintiff has
27 concluded that it is desirable that the Derivative Action be fully and finally settled
28 in the manner, and upon the terms and conditions, set forth in this Stipulation.

1 Plaintiff and Plaintiff's Counsel recognize the significant risk, expense, and length
2 of continued proceedings necessary to prosecute the Derivative Action against the
3 Individual Defendants through trials and possible appeals. Plaintiff's Counsel also
4 have taken into account the uncertain outcome and the risk of any litigation,
5 especially complex litigation such as the Derivative Action, as well as the
6 difficulties and delays inherent in such litigation. Based on their evaluation, and in
7 light of the substantial benefit conferred upon the Company and its stockholders as
8 a result of the Settlement, Plaintiff and Plaintiff's Counsel have determined that the
9 Settlement is in the best interests of Plaintiff, Verb, and Current Verb Stockholders
10 (as defined below), and have agreed to settle the Derivative Action upon the terms,
11 and subject to the conditions, set forth herein.

12 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

13 Defendants have denied, and continue to deny, each and every claim and
14 contention alleged by Plaintiff in the Derivative Action and affirm that they have
15 acted properly, lawfully, and in full accord with their fiduciary duties, at all times.
16 Further, Defendants have denied expressly, and continue to deny, all allegations of
17 wrongdoing, fault, liability, or damage against them arising out of any of the
18 conduct, statements, acts or omissions alleged, or that could have been alleged, in
19 the Derivative Action and deny that they have ever committed or attempted to
20 commit any violations of law, any breach of fiduciary duty owed to Verb or its
21 stockholders, or any wrongdoing whatsoever. Verb acknowledges and agrees,
22 however, that the Amendments confer substantial benefits to the Company and its
23 stockholders. Without admitting the validity of any of the claims that Plaintiff has
24 asserted in the Derivative Action, or any liability with respect thereto, Defendants
25 have concluded that it is desirable that the claims be settled on the terms and subject
26 to the conditions set forth herein to avoid the ongoing cost and distraction of
27 litigation.

28 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

1 Plaintiff, derivatively on behalf of Verb, and the Defendants, by and through
2 their respective counsel or attorneys of record, hereby stipulate and agree that,
3 subject to approval by the Court, in consideration of the substantial benefit flowing
4 to the Parties, the Derivative Action and all of the Released Claims (as defined
5 below) shall be fully, finally, and forever satisfied, compromised, settled, released,
6 discharged, and dismissed with prejudice, upon the terms and subject to the
7 conditions set forth herein as follows:

8 **1. Definitions**

9 As used in this Stipulation, the following terms have the meanings specified
10 below. In the event of any inconsistency between any definition set forth below
11 and any definition set forth in any document attached as an exhibit to this
12 Stipulation, the definitions set forth below shall control.

13 1.1 "Board" means the Verb Board of Directors.

14 1.2 "Verb" or the "Company" means nominal defendant Verb Technology
15 Company, Inc.

16 1.3 "Claims" means, collectively, any and all claims, rights, demands,
17 causes of action or liabilities of any kind, nature and character
18 (including but not limited to claims for damages, interest, attorneys'
19 fees, expert or consulting fees, and any and all other costs, expenses or
20 liabilities whatsoever), whether based on federal, state, local, statutory
21 or common law or any other law, rule or regulation, whether foreign or
22 domestic, whether fixed or contingent, accrued or unaccrued,
23 liquidated or unliquidated, at law or in equity, matured or unmatured.

24 1.4 "Court" means the United States District Court for the Central District
25 of California.

26 1.5 "Current Verb Stockholders" means, for purposes of this Stipulation,
27 any Persons who own Verb common stock as of the date of this
28 Stipulation and who continue to hold their Verb common stock as of

1 the date of the Settlement Hearing, excluding the Defendants, the
2 officers and directors of Verb, members of their immediate families,
3 and their legal representatives, heirs, successors, or assigns, and any
4 entity in which Individual Defendants have or had a controlling
5 interest.

6 1.6 “Defendants” means, collectively, the Individual Defendants and
7 nominal defendant Verb.

8 1.7 “Defendants’ Counsel” means Wilson Sonsini Goodrich & Rosati, 650
9 Page Mill Road, Palo Alto, CA 94304; One Market Plaza, Suite 3300,
10 San Francisco, CA 94105-1126.

11 1.8 “Defendants’ Released Claims” means all Claims that could be
12 asserted in any forum by the Released Persons against Plaintiff,
13 Plaintiff’s Counsel, Verb, and all Current Verb Stockholders (solely in
14 their capacity as Verb stockholders) (including known and unknown
15 Claims brought directly), arising out of, relating to, or in connection
16 with the institution, prosecution, assertion, settlement, or resolution of
17 the Derivative Action or the Released Claims; provided, however, that
18 nothing herein shall in any way release, waive, impair, or restrict the
19 rights of any Party to enforce the terms of this Settlement.

20 1.9 “Derivative Action” means the shareholder derivative action pending
21 in this Court, captioned *Moore v. Verb Technology Company, Inc., et*
22 *al.*, Case No. 2:19-cv-08393-GW-MAA.

23 1.10 “Effective Date” means the first date by which all of the events and
24 conditions specified in Section IV, ¶ 6.1 herein have been met and
25 have occurred.

26 1.11 “Fee and Expense Amount” means the sum to be paid to Plaintiff’s
27 Counsel for their attorneys’ fees and expenses, as detailed in Section
28 IV, ¶¶ 5.1-5.2 herein, subject to approval by the Court.

1 1.12 “Final” means the time when an order or judgment has not been
2 reversed, vacated, or modified in any way and is no longer subject to
3 appellate review, either because of disposition on appeal and
4 conclusion of the appellate process (including potential writ
5 proceedings) or because of passage, without action, of time for seeking
6 appellate or writ review. More specifically, it is that situation when
7 (1) either no appeal or petition for review by writ has been filed and
8 the time has passed for any notice of appeal or writ petition to be
9 timely filed in the Derivative Action; or (2) an appeal has been filed
10 and the court of appeals has either affirmed the order or judgment or
11 dismissed that appeal and the time for any reconsideration or further
12 appellate review has passed; or (3) a higher court has granted further
13 appellate review, and that court has either affirmed the underlying
14 order or judgment or affirmed the court of appeals’ decision affirming
15 the order or judgment or dismissing the appeal or writ proceeding.

16 1.13 “Individual Defendants” means, collectively, Rory J. Cutaia, Jeff
17 Clayborne, and James P. Geiskopf.

18 1.14 “Judgment” means the final order and judgment to be rendered by the
19 Court, substantially in the form attached hereto as Exhibit D.

20 1.15 “Notice to Current Verb Stockholders” or “Notice” means the notice to
21 Current Verb Stockholders of the Settlement, substantially in the form
22 of Exhibit B attached hereto.

23 1.16 “Parties” means, collectively, Plaintiff and Defendants.

24 1.17 “Person(s)” means an individual, corporation, limited liability
25 company, professional corporation, partnership, limited partnership,
26 limited liability partnership, association, joint stock company, estate,
27 legal representative, trust, unincorporated association, government or
28 any political subdivision or agency thereof, and any business or legal

1 entity, and their spouses, heirs, predecessors, successors,
2 administrators, parents, subsidiaries, affiliates, representatives, or
3 assignees.

4 1.18 "Plaintiff" means Richard Moore.

5 1.19 "Plaintiff's Counsel" means The Brown Law Firm, P.C., 240
6 Townsend Square, Oyster Bay, New York 11771; 2530 Wilshire
7 Boulevard, Second Floor, Santa Monica, California 90403.

8 1.20 "Preliminary Approval Order" means the order to be entered by the
9 Court, substantially in the form of Exhibit C attached hereto, that, *inter*
10 *alia*, preliminarily approves the terms and conditions of the Settlement
11 as set forth in this Stipulation, directs that the notice of the proposed
12 Settlement be provided to Current Verb Stockholders, and schedules
13 the Settlement Hearing in order to consider whether the Settlement and
14 Fee and Expense Amount should be finally approved.

15 1.21 "Related Persons" means each and all of a Person's past, present, or
16 future family members, spouses, domestic partners, parents, associates,
17 affiliates, subsidiaries, officers, directors, stockholders, owners,
18 members, representatives, employees, attorneys, financial or
19 investment advisors, consultants, underwriters, investment banks or
20 bankers, commercial bankers, insurers, reinsurers, excess insurers, co-
21 insurers, advisors, principals, agents, heirs, executors, trustees, estates,
22 beneficiaries, distributees, foundations, general or limited partners or
23 partnerships, joint ventures, personal or legal representatives,
24 administrators, or any other person or entity acting or purporting to act
25 for or on behalf of any Person, and each of their respective
26 predecessors, successors, and assigns.

27 1.22 "Released Claims" means any and all derivative claims, including
28 known and Unknown Claims, accrued or unaccrued, arising from,

1 related to, or in connection with any subject matter that was alleged or
2 that could have been alleged by Plaintiff or any Current Verb
3 Shareholder (on Verb's behalf) in the Derivative Action; provided,
4 however, that nothing herein shall in any way release, waive, impair,
5 or restrict the rights of any Party to enforce the terms of this
6 Settlement.

7 1.23 "Released Person(s)" means, collectively, each and all of the
8 Defendants and their Related Persons.

9 1.24 "Securities Class Action" means the federal securities class action filed
10 in this Court, captioned *Hartmann v. Verb Technology Co. et al.*, Case
11 No. 2:19-cv-05896-GW-MAA.

12 1.25 "Settlement" means the settlement of the Derivative Action as
13 documented in this Stipulation.

14 1.26 "Settlement Hearing" means the hearing by the Court to review the
15 adequacy, fairness, and reasonableness of the Settlement set forth in
16 this Stipulation and to determine: (i) whether to enter the Judgment;
17 and (ii) all other matters properly before the Court.

18 1.27 "Settlement Term Sheet" means the term sheet executed on November
19 5, 2020 setting forth the material terms associated with the Settlement.

20 1.28 "Stipulation" means this Stipulation and Agreement of Settlement,
21 dated January 29, 2021.

22 1.29 "Unknown Claims" means any Claims that Plaintiff, Verb or any
23 Current Verb Stockholder (claiming in the right of, or on behalf of, the
24 Company) does not know or suspect to exist in his, her, or its favor at
25 the time of the release of the Released Persons that, if known by him,
26 her, or it, might have affected his, her, or its settlement with and
27 release of the Released Persons, or might have affected his, her, or its
28 decision not to object to this Settlement. Unknown Claims include

1 those Claims in which some or all of the facts comprising the Claim
2 may be unsuspected, or even undisclosed or hidden. With respect to
3 any and all Released Claims, including Unknown Claims, the Parties
4 stipulate and agree that, upon the Effective Date, they shall expressly
5 waive, and every Current Verb Stockholder shall be deemed to have,
6 and by operation of the Judgment shall have, expressly waived the
7 provisions, rights, and benefits of California Civil Code § 1542, which
8 provides:

9
10 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
11 **WHICH THE CREDITOR OR RELEASING PARTY DOES**
12 **NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR**
13 **AT THE TIME OF EXECUTING THE RELEASE AND THAT,**
14 **IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY**
15 **AFFECTED HIS OR HER SETTLEMENT WITH THE**
16 **DEBTOR OR RELEASED PARTY.**

17 The Parties shall expressly waive, and every Current Verb Stockholder
18 shall be deemed to have, and by operation of the Judgment shall have,
19 expressly waived any and all provisions, rights, and benefits conferred
20 by any law of any state or territory of the United States, or principle of
21 common law or foreign law, which is similar, comparable or
22 equivalent in effect to California Civil Code § 1542. Plaintiff, Verb,
23 and any Current Verb Stockholders may hereafter discover facts in
24 addition to or different from those which he, she, or it now knows or
25 believes to be true with respect to the subject matter of the Released
26 Claims, but the Parties shall expressly have, and every Current Verb
27 Stockholder shall be deemed to have, and by operation of the
28 Judgment shall have, fully, finally, and forever settled and released any
and all Released Claims, known or unknown, suspected or
unsuspected, contingent or non-contingent, whether or not concealed
or hidden, which now exist, or heretofore have existed, upon any

1 theory of law or equity now existing or coming into existence in the
2 future, including, but not limited to, conduct which is negligent,
3 reckless, intentional, with or without malice, or a breach of any duty,
4 law or rule, without regard to the subsequent discovery or existence of
5 such different or additional facts. The Parties acknowledge, and every
6 Current Verb Stockholder shall be deemed by operation of the
7 Judgment to have acknowledged, that the foregoing waivers were
8 separately bargained for and a key element of the Settlement of which
9 this release is a material and essential part.

10 **2. Terms of the Settlement**

11 2.1 The benefit of the Settlement consists of the Amendments, the terms of
12 which are fully set forth in Exhibit A attached hereto. Verb acknowledges and
13 agrees that the filing, pendency, and settlement of the Derivative Action was the
14 primary cause of the Company's decision to adopt and implement the Amendments.
15 While Verb maintains that its Bylaws were appropriate at all times, Verb also
16 acknowledges and agrees that the Amendments confer substantial benefits upon
17 Verb and Verb stockholders.

18 2.2 Verb shall adopt the Amendments no later than thirty (30) days from
19 the date that the Court enters the Judgment and shall maintain the Amendments for
20 no less than five (5) years after the Effective Date, unless there is a change of
21 control at the Company, in which case the obligations contained in the
22 Amendments shall have no further force or effect.

23 **3. Procedure for Implementing the Settlement**

24 3.1 Promptly after execution of this Stipulation, the Parties shall submit
25 this Stipulation, together with its exhibits, to the Court and Plaintiff shall apply for
26 entry of the Preliminary Approval Order in this Court, substantially in the form of
27 Exhibit C attached hereto, requesting, *inter alia*: (i) preliminary approval of the
28 Settlement set forth in this Stipulation; (ii) approval of the method of providing

1 notice of the proposed Settlement to Current Verb Stockholders; (iii) approval of
2 the form of notice substantially in the form of Exhibit B attached hereto ("Notice");
3 and (iv) a date for the Settlement Hearing.

4 3.2 Verb shall undertake the administrative responsibility for giving notice
5 of the Settlement to Current Verb Stockholders in the manner set forth in this
6 paragraph. Verb shall be solely responsible for paying the costs and expenses
7 related to providing such notice or any notice that is required by the Court. Within
8 ten (10) business days after the Court's entry of the Preliminary Approval Order,
9 Verb shall cause the Notice and Stipulation to be filed with the SEC through an
10 SEC Form 8-K, and Verb shall post, and maintain the posting through the date of
11 the Settlement Hearing, the Notice and this Stipulation on an internet page that
12 Verb shall create for this purpose, and the Notice shall provide a link to that internet
13 page. Also within ten (10) business days after the Court's entry of the Preliminary
14 Approval Order, Verb shall publish a press release on *GlobeNewswire* notifying
15 stockholders of the Settlement and providing a link to the internet page where the
16 Stipulation and Notice can be found. The Parties believe the content of the Notice
17 and the manner of the notice procedures set forth in this paragraph constitute
18 adequate and reasonable notice to Current Verb Stockholders pursuant to applicable
19 law and due process.

20 3.3 Plaintiff shall request that the Court hold the Settlement Hearing at
21 least forty-five (45) calendar days after the deadline to provide notice of the
22 Settlement described in Section IV, ¶ 3.2 above to Current Verb Stockholders.

23 3.4 Pending the Court's determination as to final approval of the
24 Settlement, Plaintiff and Plaintiff's Counsel, and any Current Verb Stockholders,
25 derivatively on behalf of Verb, are barred and enjoined from commencing,
26 prosecuting, instigating, or in any way participating in the commencement or
27 prosecution of any action asserting any Released Claims against any of the
28 Released Persons in any court or tribunal.

1 **4. Releases**

2 4.1 Upon the Effective Date, Verb, Plaintiff, and each Current Verb
3 Stockholder shall be deemed to have, and by operation of the Judgment shall have,
4 fully, finally, and forever released, relinquished, and discharged the Released
5 Claims against the Released Persons. Verb, Plaintiff, and each Current Verb
6 Stockholder shall be deemed to have, and by operation of the Judgment shall have,
7 covenanted not to sue any Released Person with respect to any Released Claims,
8 and shall be permanently barred and enjoined from instituting, commencing or
9 prosecuting the Released Claims against the Released Persons except to enforce the
10 releases and other terms and conditions contained in this Stipulation and/or the
11 Judgment entered pursuant thereto.

12 4.2 Upon the Effective Date, each of the Released Persons shall be
13 deemed to have, and by operation of the Judgment shall have, fully, finally, and
14 forever released, relinquished and discharged Plaintiff, Plaintiff's Counsel, Verb,
15 and all Current Verb Stockholders (solely in their capacity as Verb stockholders)
16 and each of their Related Persons from Defendants' Released Claims. The Released
17 Persons shall be deemed to have, and by operation of the Judgment shall have,
18 covenanted not to sue Plaintiff, Plaintiff's Counsel, Verb, any Current Verb
19 Stockholders (solely in their capacity as Verb stockholders), or the Related Persons
20 of any of them with respect to any Defendants' Released Claims, and shall be
21 permanently barred and enjoined from instituting, commencing or prosecuting
22 Defendants' Released Claims against Plaintiff, Plaintiff's Counsel, Verb, all
23 Current Verb Stockholders (solely in their capacity as Verb stockholders), and each
24 of their Related Persons except to enforce the releases and other terms and
25 conditions contained in this Stipulation and/or the Judgment entered pursuant
26 thereto.

27 4.3 Nothing herein shall in any way release, waive, impair, or restrict the
28 rights of any of the Parties to enforce the terms of the Stipulation.

1 **5. Plaintiff's Counsel's Attorneys' Fees and Expenses**

2 5.1 In recognition of the substantial benefits provided to Verb and Current
3 Verb Stockholders by the Amendments, Defendants shall not oppose an application
4 for a Fee and Expense Amount to be paid to Plaintiff's Counsel of up to seventy-five
5 thousand dollars (\$75,000.00), subject to the Court's approval. Such Fee and
6 Expense Amount shall cover all fees and expenses for Plaintiff's Counsel in the
7 Derivative Action. The Parties agree that the Fee and Expense Amount is fair and
8 reasonable in light of the substantial benefit conferred upon Verb and Current Verb
9 Stockholders by the Amendments.

10 5.2 Within thirty (30) calendar days of the Court's entering the Preliminary
11 Approval Order, the Defendants shall pay or cause to be paid the Fee and Expense
12 Amount to the escrow account of Plaintiff's Counsel (the "Escrow Account").
13 Defendants' Counsel shall have no responsibility for, nor bear any risk or liability
14 with respect to, the Escrow Account, its operation, and any taxes or expenses
15 incurred in connection with the Escrow Account. Plaintiff's Counsel shall be solely
16 responsible for any administrative costs associated with the Escrow Account as well
17 as the filing of all informational and other tax returns with the Internal Revenue
18 Service, or any other state or local taxing authority, as may be necessary or
19 appropriate.

20 5.3 The Fee and Expense Amount shall remain in the Escrow Account until
21 the entry of an order approving the Fee and Expense Amount, at which time the Fee
22 and Expense Amount shall be immediately releasable to Plaintiff's Counsel,
23 notwithstanding the existence of any timely filed objections thereto or potential for
24 appeal therefrom, or collateral attack on the Settlement or any part thereof. Should
25 the Court order the payment of attorneys' fees and expenses to Plaintiff's Counsel in
26 an amount less than the agreed Fee and Expense Amount prior to, or at the time of,
27 entry of the Judgment, then only the Court-approved amount shall be released to
28 Plaintiff's Counsel.

1 5.4 Payment of the Fee and Expense Amount in the amount approved by
2 the Court shall constitute final and complete payment for Plaintiff's Counsel's
3 attorneys' fees and expenses that have been incurred or will be incurred in
4 connection with the filing and prosecution of the Derivative Action and the
5 resolution of the claims alleged therein. Defendants shall have no obligation to
6 make any payment to any Plaintiff's Counsel other than the payment to the Escrow
7 Account provided in Section IV, ¶¶ 5.1-5.2 herein.

8 5.5 If for any reason any condition in Section IV, ¶ 6.1 is not met and the
9 Effective Date of the Stipulation does not occur, if the Stipulation is in any way
10 cancelled or terminated, or if the Judgment is reversed on appeal, then Plaintiff's
11 Counsel and their successors shall be obligated to repay, within twenty (20)
12 calendar days after written notification of such an event, the amount of the Fee and
13 Expense Amount paid or caused to be paid by the Defendants that they received. In
14 the event of any failure to obtain final approval of the full amount of the Fee and
15 Expense Amount, or upon any appeal and/or further proceedings on remand, or
16 successful collateral attack, which results in the Judgment or the Fee and Expense
17 Amount being overturned or substantially modified, Plaintiff's Counsel and their
18 successors shall be obligated to repay, within twenty (20) calendar days, the portion
19 of the Fee and Expense Amount paid by or caused to be paid by the Defendants that
20 they received and that was ultimately not awarded to Plaintiff's Counsel.

21 5.6 Except as otherwise provided herein, each of the Parties shall bear his,
22 her, or its own costs and attorneys' fees.

23 5.7 In light of the substantial benefit Plaintiff has helped to create for all
24 Current Verb Stockholders, Plaintiff shall apply for a Court-approved service award
25 in the amount of one thousand dollars (\$1,000.00) (the "Service Award"), which the
26 Defendants shall not object to. The Service Award, to the extent that it is approved,
27 shall be funded from the Fee and Expense Amount.

28 **6. Conditions of Settlement, Effect of Disapproval, Cancellation, or**

Termination

6.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of the following events:

- (i) the final settlement of the Securities Class Action;
- (ii) the entry of the Preliminary Approval Order;
- (iii) the Court's entry of the Judgment;
- (iv) the payment of the Fee and Expense Amount in accordance with Section IV, ¶¶ 5.1-5.2 herein; and
- (v) the Judgment has become Final.

6.2 If any of the conditions specified in Section IV, ¶ 6.1 are not met, then the Stipulation shall be cancelled and terminated subject to Section IV, ¶ 6.4, and the Plaintiff and the Defendants shall be restored to their respective positions in the Derivative Action as of the date immediately preceding the date of this Stipulation unless Plaintiff's Counsel and Defendants' Counsel mutually agree in writing to proceed with the Stipulation.

6.3 Each of the Parties shall have the right to terminate the Settlement by providing written notice of their election to do so to all other Parties within twenty (20) calendar days of the date on which: (i) the Court refuses to approve this Stipulation, or the terms contained herein, in any material respect; (ii) the Preliminary Approval Order is not entered in substantially the form attached as Exhibit C hereto; (iii) the Judgment is not entered in substantially the form attached as Exhibit D hereto; (iv) the Judgment is reversed or substantially modified on appeal, reconsideration, or otherwise; (v) the payment of the Fee and Expense Amount in accordance with Section IV, ¶¶ 5.1-5.2 herein is not made; (vi) the settlement in the Securities Class Action does not become final for any reason; or (vii) the Effective Date of the Settlement cannot otherwise occur; except that such termination shall not be effective unless and until the terminating Party has, within twenty (20) calendar days of the date on which notice of the termination event has

1 been provided to all other Parties, attempted in good faith to confer with the other
2 Parties to attempt to remedy the issue. Any order or proceeding relating to the Fee
3 and Expense Amount, or any appeal from any order relating thereto or reversal or
4 modification thereof, shall not operate to cancel the Stipulation, allow for the
5 termination of the Settlement, or affect or delay the finality of the Judgment
6 approving the Settlement.

7 6.4 In the event that the Stipulation is not approved by the Court, or the
8 Settlement is terminated for any reason, including pursuant to Section IV, ¶ 6.3
9 above, the Plaintiff and the Defendants shall be restored to their respective positions
10 as of the date immediately preceding the date of this Stipulation, and all
11 negotiations, proceedings, documents prepared and statements made in connection
12 herewith shall be without prejudice to the Parties, shall not be deemed or construed
13 to be an admission by any of the Parties of any act, matter, or proposition, and shall
14 not be used in any manner for any purpose in any subsequent proceeding in the
15 Derivative Action or in any other action or proceeding. In such event, the terms and
16 provisions of the Stipulation, with the exception of Section IV, ¶¶ 1.1-1.29, 5.5,
17 6.2-6.4, 8.5-8.20 herein, shall have no further force and effect with respect to the
18 Parties and shall not be used in the Derivative Action or in any other proceeding for
19 any purpose, and any judgment or orders entered by the Court in accordance with
20 the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

21 **7. Bankruptcy**

22 7.1 In the event any proceedings by or on behalf of Verb, whether
23 voluntary or involuntary, are initiated under any chapter of the United States
24 Bankruptcy Code, including any act of receivership, asset seizure, or similar federal
25 or state law action ("Bankruptcy Proceedings"), the Parties agree to use their
26 reasonable best efforts to obtain all necessary orders, consents, releases, and
27 approvals for effectuation of this Stipulation in a timely and expeditious manner.

28 7.2 In the event of any Bankruptcy Proceedings by or on behalf of Verb,

1 the Parties agree that all dates and deadlines set forth herein will be extended for
2 such periods of time as are necessary to obtain necessary orders, consents, releases
3 and approvals from the bankruptcy court to carry out the terms and conditions of
4 the Stipulation.

5 **8. Miscellaneous Provision**

6 8.1 The Parties: (i) acknowledge that it is their intent to consummate this
7 Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to
8 effectuate and implement all terms and conditions of the Stipulation and to exercise
9 their best efforts to accomplish the foregoing terms and conditions of the
10 Stipulation.

11 8.2 Any planned, proposed or actual sale, merger or change-in-control of
12 Verb shall not void this Stipulation. The Stipulation shall run to the Parties'
13 respective successors-in-interest. In the event of a planned, proposed or actual sale,
14 merger or change-in-control of Verb, the Parties shall continue to seek court
15 approval of the Settlement expeditiously, including, but not limited to, the
16 Settlement terms reflected in this Stipulation and the Fee and Expense Amount.

17 8.3 The Parties agree that the terms of the Settlement were negotiated in
18 good faith and at arm's-length by the Parties and reflect a settlement that was
19 reached voluntarily based upon adequate information and after consultation with
20 competent legal counsel. The Parties shall not take the position that the litigation
21 was brought or defended in bad faith. The Parties and their respective counsel
22 agree that, throughout the course of the litigation, all Parties and their counsel
23 complied with Rule 11 of the Federal Rules of Civil Procedure in connection with
24 the maintenance, prosecution, defense, and settlement of the Derivative Action and
25 shall not make any application for sanctions, pursuant to Rule 11 or other court rule
26 or statute, with respect to any claim or defense in the Derivative Action.

27 8.4 While maintaining their positions that the claims and defenses asserted
28 in the Derivative Action are meritorious, Plaintiff and Plaintiff's Counsel, on the

1 one hand, and the Defendants and Defendants' Counsel, on the other, shall not
2 make any public statements or statements to the media (whether or not for
3 attribution) that disparage the Settlement or any of the others' business, conduct, or
4 reputation, or that of their counsel, in connection with the Derivative Action.
5 Notwithstanding the foregoing, each of the Parties reserves their right to rebut, in a
6 manner that such Party determines to be reasonable and appropriate, any contention
7 made in any public forum that the Derivative Action was brought or defended in
8 bad faith or without a reasonable basis.

9 8.5 Whether or not the Settlement is approved by the Court, and whether
10 or not the Settlement is consummated, the fact and terms of this Stipulation,
11 including any exhibits attached hereto, all proceedings in connection with the
12 Settlement, and any act performed or document executed pursuant to or in
13 furtherance of the Stipulation or the Settlement:

14 (a) shall not be offered, received, or used in any way against the Parties as
15 evidence of, or be deemed to be evidence of, a presumption, concession, or
16 admission by any of the Parties with respect to the truth of any fact alleged by
17 Plaintiff or the validity, or lack thereof, of any claim that has been or could have
18 been asserted in the Derivative Action or in any litigation, or the deficiency,
19 infirmity, or validity of any defense that has been or could have been asserted in the
20 Derivative Action or in any litigation, or of any fault, wrongdoing, negligence, or
21 liability of any of the Released Persons;

22 (b) shall not be offered, received, or used in any way against any of the
23 Released Persons as evidence of, or be deemed to be evidence of, a presumption,
24 concession, or admission of any fault, misrepresentation or omission with respect to
25 any statement or written document approved, issued, or made by any Released
26 Person;

27 (c) shall not be offered, received, or used in any way against any of the
28 Released Persons as evidence of, or be deemed to be evidence of, a presumption,

1 concession, or admission of any liability, fault, negligence, omission or
2 wrongdoing, or in any way referred to for any other reason as against the Released
3 Persons, in any arbitration proceeding or other civil, criminal, or administrative
4 action or proceeding in any court, administrative agency, or other tribunal; and

5 (d) shall not be offered, received, or used in any way against Plaintiff or
6 Plaintiff's Counsel as evidence of, or be deemed to be evidence of, a presumption,
7 concession, or admission that any of Plaintiff's claims are without merit or that
8 Plaintiff would not have been able to prevail on his claims at trial.

9 8.6 Neither this Stipulation nor the Settlement, nor any act performed or
10 document executed pursuant to or in furtherance of this Stipulation, or the
11 Settlement, shall be admissible in any proceeding for any purpose, except to
12 enforce the terms of the Settlement; provided, however, that, if finally approved,
13 the Released Persons may refer to the Settlement, and file the Stipulation and/or the
14 Judgment, in any action that may be brought against them to effectuate the liability
15 protections granted them hereunder, including, without limitation, to support a
16 defense or claim based on principles of *res judicata*, collateral estoppel, full faith
17 and credit, release, standing, good faith settlement, judgment bar or reduction or
18 any other theory of claim preclusion or issue preclusion or similar defense or claim
19 under U.S. federal or state law or foreign law.

20 8.7 The exhibits to the Stipulation are material and integral parts hereof
21 and are fully incorporated herein by this reference.

22 8.8 The Stipulation may be amended or modified only by a written
23 instrument signed by or on behalf of all the Parties or their respective successors-in-
24 interest. After prior notice to the Court, but without further order of the Court, the
25 Parties may agree to reasonable extensions of time to carry out any provisions of
26 this Stipulation.

27 8.9 This Stipulation and the exhibits attached hereto represent the
28 complete and final resolution of all disputes among the Parties with respect to the

1 Derivative Action, constitute the entire agreement among the Parties, and supersede
2 any and all prior negotiations, discussions, agreements, or undertakings, whether
3 oral or written, with respect to such matters.

4 8.10 The waiver by one Party of any breach of the Settlement by any other
5 Party shall not be deemed a waiver of any other prior or subsequent breach of the
6 Settlement. The provisions of the Settlement may not be waived except by a
7 writing signed by the affected Party, or counsel for that Party.

8 8.11 The headings in the Stipulation and its exhibits are used for the
9 purpose of convenience only and are not meant to have legal effect.

10 8.12 The Stipulation and the Settlement shall be binding upon, and inure to
11 the benefit of, the successors and assigns of the Parties and their Related Persons.

12 8.13 The Stipulation and the exhibits attached hereto shall be considered to
13 have been negotiated, executed, and delivered, and to be wholly performed, in the
14 State of California and the rights and obligations of the Parties to the Stipulation
15 shall be construed and enforced in accordance with, and governed by, the internal,
16 substantive laws of the State of California without giving effect to that State's
17 choice of law principles. No representations, warranties, or inducements have been
18 made to any party concerning the Stipulation or its exhibits other than the
19 representations, warranties, and covenants contained and memorialized in such
20 documents.

21 8.14 This Stipulation shall not be construed more strictly against one Party
22 than another merely by virtue of the fact that it, or any part of it, may have been
23 prepared by counsel for one of the Parties, it being recognized that it is the result of
24 arm's-length negotiations among the Parties and all Parties have contributed
25 substantially and materially to the preparation of this Stipulation.

26 8.15 All agreements made and orders entered during the course of the
27 Derivative Action relating to the confidentiality of information and documents shall
28 survive this Stipulation.

1 8.16 Nothing in this Stipulation, or the negotiations or proceedings relating
2 to the Settlement, is intended to or shall be deemed to constitute a waiver of any
3 applicable privilege or immunity, including, without limitation, the attorney-client
4 privilege, the joint defense privilege, the accountants' privilege, or work product
5 immunity; further, all information and documents transmitted between Plaintiff's
6 Counsel and Defendants' Counsel in connection with the Settlement shall be kept
7 confidential and shall be inadmissible in any proceeding in any U.S. federal or state
8 court or other tribunal or otherwise, in accordance with Rule 408 of the Federal
9 Rules of Evidence as if such Rule applied in all respects in any such proceeding or
10 forum.

11 8.17 The Parties intend that the Court retain jurisdiction for the purpose of
12 effectuating and enforcing the terms of the Settlement.

13 8.19 Any notice to any of the Parties required by this Stipulation shall be
14 submitted by overnight mail and e-mail to each of the signatories below.

15 8.20 The Stipulation may be executed in one or more counterparts,
16 including by signature transmitted via facsimile, or by a .pdf/.tif image of the
17 signature transmitted via e-mail. All executed counterparts and each of them shall
18 be deemed to be one and the same instrument. A complete set of original executed
19 counterparts shall be filed with the Court.
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1 IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to
2 be executed, by their duly authorized attorneys, dated as of January 29, 2021.

3
4 Dated: January 29, 2021

THE BROWN LAW FIRM, P.C.

/s/ Timothy Brown

5 Timothy Brown
6 240 Townsend Square
7 Oyster Bay, New York 11771
8 Telephone: (516) 922-5427
9 Facsimile: (516) 344-6204
10 Email: tbrown@thebrownlawfirm.net

11 Robert C. Moest, Of Counsel, SBN 62166
12 2530 Wilshire Boulevard, Second Floor
13 Santa Monica, California 90403
14 Telephone: (310) 915-6628
15 Facsimile: (310) 915-9897
16 Email: RMoest@aol.com

Counsel for Plaintiff Richard Moore

17
18 Dated: January 29, 2021

**WILSON SONSINI GOODRICH &
ROSATI**

/s/ Steven M. Schatz

19 Steven M. Schatz
20 Catherine E. Moreno
21 650 Page Mill Road
22 Palo Alto, CA 94304
23 Telephone: (650) 493-9300
24 Facsimile: (650) 493-6811
25 Email: sschatz@wsgr.com
26 Email: cmoreno@wsgr.com

27 Dylan G. Savage
28 One Market Plaza, Suite 3300
San Francisco, CA 94105-1126
Telephone: (415) 947-2000
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Email: dsavage@wsgr.com

*Counsel for Defendants Rory J. Cutaia, Jeff
Clayborne, and James P. Geiskopf and
Nominal Defendant Verb Technology
Company, Inc.*

**NOTICE OF PROPOSED SETTLEMENT OF DERIVATIVE
ACTION**

TO: **ALL OWNERS OF VERB TECHNOLOGY COMPANY, INC. (“VERB” OR THE “COMPANY”) COMMON STOCK (TICKER SYMBOL: VERB) AS OF JANUARY 29, 2021, WHO CONTINUE TO OWN SUCH SHARES (“CURRENT VERB STOCKHOLDERS”).**

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF STOCKHOLDER DERIVATIVE LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

IF THE COURT APPROVES THE SETTLEMENT AND DISMISSAL OF THE DERIVATIVE ACTION, STOCKHOLDERS OF VERB WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND FROM PURSUING RELEASED CLAIMS.

THIS ACTION IS NOT A “CLASS ACTION.” THUS, THERE IS NO COMMON FUND UPON WHICH YOU CAN MAKE A CLAIM FOR A MONETARY PAYMENT.

PLEASE TAKE NOTICE that this action is being settled on the terms in a Stipulation and Agreement of Settlement, dated January 29, 2021 (the “Stipulation”). The purpose of this Notice is to inform you of:

- the existence of this derivative action (the “Derivative Action”),
-

- the proposed settlement between the Plaintiff¹ and the Defendants (the “Settlement”),
- the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement,
- Plaintiff’s Counsel’s application for fees and expenses, and
- Plaintiff’s Service Award.

This Notice describes what steps you may take in relation to the Settlement. This Notice is not an expression of any opinion by the Court about the truth or merits of Plaintiff’s claims or the Defendants’ defenses. This Notice is solely to advise you of the proposed Settlement of the Derivative Action and of your rights in connection with the proposed Settlement.

Summary

On January 29, 2021, Plaintiff, Verb, in its capacity as a nominal defendant, and the Individual Defendants entered into the Stipulation to settle the above-captioned action filed derivatively on behalf of Verb in the United States District Court for the Central District of California (the “Court”). The Settlement, as documented in the Stipulation, subject to the approval of the Court, is intended by the Parties to fully, finally, and forever compromise, resolve, discharge, and settle the Released Claims and to result in the dismissal of the Derivative Action with prejudice, upon the terms and subject to the conditions set forth in the Stipulation. The proposed Settlement requires the Company to implement certain changes and/or modifications to the Company’s corporate governance and business ethics practices, as outlined in Exhibit A to the Stipulation, and provides that the Defendants shall not oppose an application for a Fee and Expense Amount to

¹ All capitalized terms used in this notice, unless otherwise defined herein, are defined as set forth in the Stipulation.

Plaintiff's Counsel of seventy-five thousand dollars (\$75,000.00) and a Service Award to Plaintiff of one thousand dollars (\$1,000.00), to be paid from the Fee and Expense Amount.

This notice is a summary only and does not describe all of the details of the Stipulation. For full details of the matters discussed in this summary, please see the full Stipulation posted on the Company's website, <http://www.verb.tech>, contact Plaintiff's Counsel at the address listed below, or inspect the full Stipulation filed with the Clerk of the Court.

What is the Lawsuit About?

The Derivative Action is brought derivatively on behalf of Verb and alleges that the Individual Defendants breached their fiduciary duties by making and/or causing Verb to make false and misleading statements of material fact to the investing public. Defendants vigorously dispute all of Plaintiff's claims.

Why is there a Settlement?

The Court has not decided in favor of the Defendants or the Plaintiff. Instead, both sides agreed to the Settlement to avoid the distraction, costs, and risks of further litigation, and because the Settlement, including the corporate governance amendments that the Company will adopt as part of the Settlement, provides a substantial benefit to, and is in the best interests of, Verb and its stockholders.

The Defendants deny each and every allegation of wrongdoing or liability arising out of or relating in any way to the events, conduct, statements, acts, or omissions alleged in the Derivative Action. The Defendants further assert that, at all times, they acted in good faith, and in a manner they reasonably believed to be and that was in the best interests of Verb and Verb's stockholders. The Defendants assert that they have meritorious defenses to the claims in the Derivative Action. Nonetheless, the Defendants have entered into the Stipulation, without admitting or

conceding any fault, liability, wrongdoing, or damage whatsoever, in order to avoid the risks inherent in any lawsuit and the burden and expense of further litigation.

The Settlement Hearing and Your Right to Object to the Settlement

On March 2, 2021, the Court entered an order preliminarily approving the Stipulation and the Settlement contemplated therein (the “Preliminary Approval Order”) and providing for the notice of the Settlement to be made to Current Verb Stockholders. The Preliminary Approval Order further provides that the Court will hold a hearing (the “Settlement Hearing”) on April 29, 2021 at 8:30 a.m. before the Honorable George H. Wu, U.S. District Court, Central District of California, Courtroom 9D, located at the United States Courthouse, 350 W. 1st Street, Los Angeles, California 90012, to among other things: (i) determine whether the proposed Settlement is fair, reasonable and adequate and in the best interests of the Company and its stockholders; (ii) consider any objections to the Settlement submitted in accordance with this Notice; (iii) determine whether a judgment should be entered dismissing all claims in the Derivative Action with prejudice, and releasing the Released Claims against the Released Persons; (iv) consider the agreed-to Fee and Expense Amount to Plaintiff’s Counsel of attorneys’ fees and the reimbursement of expenses; (v) consider the Service Award to Plaintiff, which shall be funded from the Fee and Expense Amount; and (vi) consider any other matters that may properly be brought before the Court in connection with the Settlement.

The Court may, in its discretion, change the date and/or time of the Settlement Hearing without further notice to you. The Court also has reserved the right to hold the Settlement Hearing telephonically or via videoconference without further notice to you. If you intend to attend the Settlement Hearing, please consult the Court’s calendar or Verb’s website, <http://www.verb.tech>, for any

change in date, time or format of the Settlement Hearing.

Any Current Verb Stockholder who wishes to object to the fairness, reasonableness, or adequacy of the Settlement as set forth in the Stipulation, or to the proposed award of attorneys' fees and expenses, may file with the Court a written objection. An objector must at least fourteen (14) calendar days prior to the Settlement Hearing: (1) file with the Clerk of the Court and serve upon the below listed counsel a written objection to the Settlement setting forth (a) the nature of the objection; (b) proof of ownership of Verb common stock as of January 29, 2021 and through the date of the Settlement Hearing, including the number of shares of Verb common stock held and the date of purchase; (c) any and all documentation or evidence in support of such objection; and (d) the identities of any cases, by name, court, and docket number, in which the stockholder or his, her, or its attorney has objected to a settlement in the last three years; and (2) if intending to appear and requesting to be heard at the Settlement Hearing, he, she, or it must, in addition to the requirements of (1) above, file with the Clerk of the Court and serve on the below counsel (a) a written notice of his, her, or its intention to appear at the Settlement Hearing; (b) a statement that indicates the basis for such appearance; (c) the identities of any witnesses he, she, or it intends to call at the Settlement Hearing and a statement as to the subjects of their testimony; and (d) any and all evidence that would be presented at the Settlement Hearing. Any objector who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall be foreclosed from raising any objection to the Settlement and shall not be permitted to appear at the Settlement Hearing, except for good cause shown.

IF YOU MAKE A WRITTEN OBJECTION, IT MUST BE ON FILE WITH THE CLERK OF THE COURT NO LATER THAN APRIL 15, 2021. The Clerk's address is:

Clerk of the Court
United States Courthouse
Courtroom 9D
350 W. 1st Street
Los Angeles, CA 90012

YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO PLAINTIFF'S COUNSEL AND DEFENDANTS' COUNSEL SO THEY ARE RECEIVED NO LATER THAN APRIL 15, 2021. Counsel's addresses are:

Counsel for Plaintiff:
Timothy Brown
THE BROWN LAW FIRM, P.C.
240 Townsend Square
Oyster Bay, NY 11771

Counsel for the Defendants:
Catherine E. Moreno
WILSON SONSINI GOODRICH & ROSATI
650 Page Mill Road
Palo Alto, CA 94304

An objector may file an objection on his, her or its own or through an attorney hired at his, her or its own expense. If an objector hires an attorney to represent him, her or it for the purposes of making such objection, the attorney must serve a notice of appearance on the counsel listed above and file such notice with the Court no later than fourteen (14) calendar days before the Settlement Hearing. Any Verb stockholder who does not timely file and serve a written objection complying with the above terms shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement, and any untimely objection shall be barred.

Any objector who files and serves a timely, written objection in accordance with the instructions above, may appear at the Settlement Hearing either in person or through counsel retained at the objector's expense. Objectors need not attend the Settlement Hearing, however, in order to have their objections considered by the Court.

If you are a Current Verb Stockholder and do not take steps to appear in this action and object to the proposed Settlement, you will be bound by the Judgment of the Court and will forever be barred from raising an objection to such settlement in this or any other action or proceeding, and from pursuing any of the Released Claims.

If you held Verb common stock as of January 29, 2021 and continue to hold such stock, you may have certain rights in connection with the proposed Settlement. You may obtain further information by contacting counsel for Plaintiff as follows: Timothy Brown, The Brown Law Firm, P.C., 240 Townsend Square, Oyster Bay, NY 11771, Telephone: (516) 922-5427, Email: tbrown@thebrownlawfirm.net. **Please Do Not Call the Court or Defendants with Questions About the Settlement.**

Verb Announces Court's Preliminary Approval of Proposed Settlement of Stockholder Derivative Lawsuit

NEWPORT BEACH, California and SALT LAKE CITY, Utah, March 16, 2021 (GLOBE NEWSWIRE) — Verb Technology Company, Inc. (“Verb” or the “Company”) (NASDAQ: VERB), a leader in interactive video-based sales enablement applications, including interactive livestream ecommerce, webinar, CRM and marketing applications for entrepreneurs and enterprises, issued the following announcement:

On March 2, 2021, the United States District Court for the Central District of California (the “Court”) entered an order preliminarily approving a derivative settlement and providing for notice of the settlement to stockholders of the Company in the matter captioned *Richard Moore, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. Verb Technology Company, Inc., and Rory J. Cutaia, James P. Geiskopf, and Jeff Clayborne, Defendants, Case Number 2:19-CV-08393-AB-SS* (the “Derivative Action”). The proposed settlement is subject to final approval by the Court. A final settlement hearing is scheduled for April 29, 2021 at 8:30 a.m.

The proposed settlement agreement preliminarily approved by the Court provides that, among other things, the Company will pay plaintiff’s counsel \$75,000 for its fees and expenses and the Company will institute certain changes and/or modifications to its corporate governance. Upon the Court’s final approval of the proposed settlement, the Derivative Action will be dismissed with prejudice. The Company believes that the settlement of the Derivative Action preliminarily approved by the Court is favorable to the Company and ultimately benefits its stockholders.

The Stipulation and Agreement of Settlement preliminarily approved by the Court and the full Notice to Current Verb Technology Company, Inc. Stockholders can be found on the Company’s website at <https://www.verb.tech/legal>.

About Verb Technology Company, Inc.

Verb Technology Company, Inc. (Nasdaq: VERB) is rapidly emerging as the market leader in business-focused interactive video sales and marketing tools, including livestream ecommerce, CRM, and content management applications. With offices in California and Utah, USA, VERB provides next-generation software applications to sales-based organizations in more than 60 countries and 48 languages. The Company’s proprietary, patented, and patent-pending technology platform produces real-time, measurable results, with customers reporting greater than 600% increases in conversion rates. VERB’s software-as-a-service (SaaS) products are cloud-based, accessible on all mobile and desktop devices, and are available by subscription for individual and enterprise users. The Company’s technology is also integrated into popular ERP, CRM, and marketing platforms.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Examples of such forward-looking statements include, but are not limited to, statements we make about the timing and completion of the proposed settlement, the scope of governance changes made as a result of the settlement, as well as the impacts of the settlement on the Company’s stockholders. Such forward-looking statements are based on the reasonable beliefs of the Company’s management, as well as assumptions made by and information currently available to the Company’s management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including our failure to satisfy the conditions necessary to complete the proposed settlement. Any forward-looking statement made by the Company in this press release speaks only as of the date of this press release. Unless required by law, the Company does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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