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# Why Online is screwing up the TV Ad Model

MTV NETWORKS | BET NETWORKS
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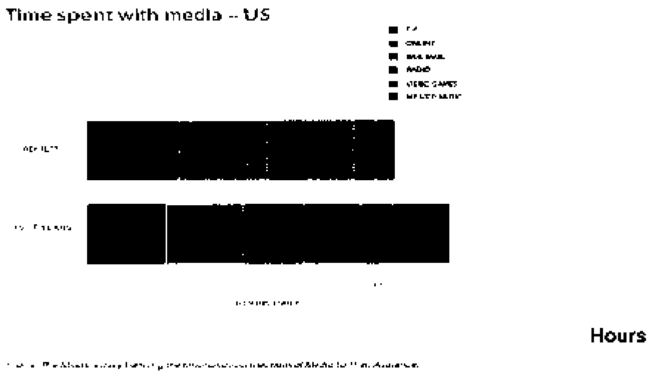
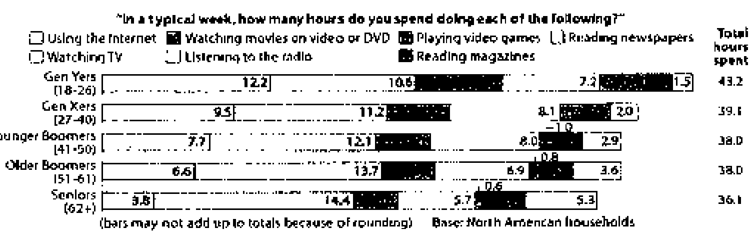
# 1. Viewership: Many Predict TV Consumption Will Shrink



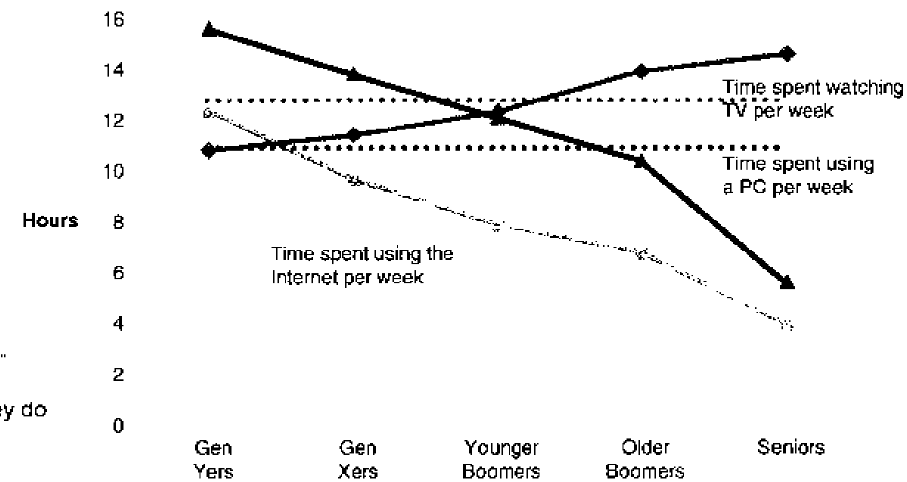

FORRESTER July 2006, Data Overview "The State Of Consumers And Technology: Benchmark 2006"

Gen Yers spend more time online every week than they do watching television




Source: Forrester's North American Consumer Technology Adoption Study 2006 Benchmark Survey

For younger users, the Internet displaces TV




Base: North American households
Source: Forrester's North American Consumer Technology Adoption Study 2006 Benchmark Survey



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VIA01497265

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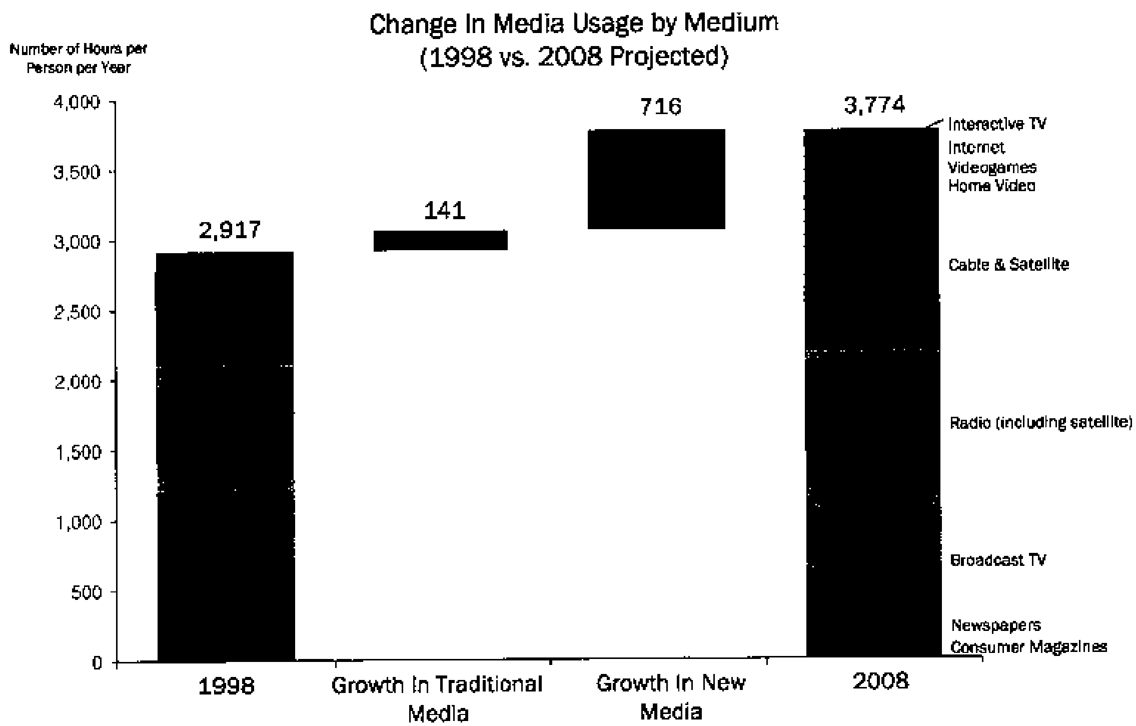
# 1. Viewership: But we Have A Problem Even if it Doesn't

Media Consumption is Growing. New Media is growing faster than TV.

Problem: If there are more "impressions" split among same Ad Dollars.

TV can grow Ratings and Still Shrink as % of Total Media Consumption.




Source: Veronis Suhler

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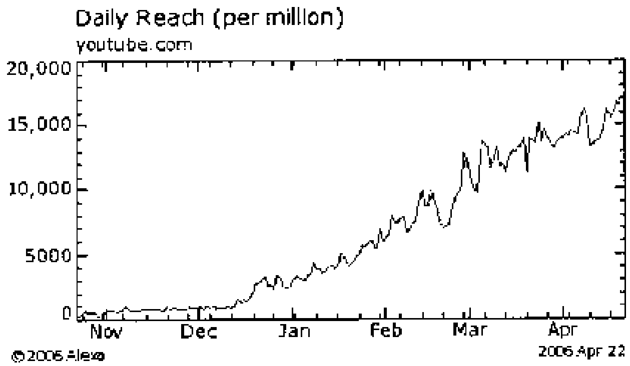
VIA01497266

# 2. Ad Sales: Online is Stealing our Buzz




**Debatable:** The Profitability of Many New Media Business Models.

**Not Debatable:** That almost no one cares.

Rumormonger: Facebook turned down Yahoo's $1.4 billion

YouTube Nearly Doubles Traffic In May

MySpace Rules the Web
> > > Traffic Patterns

# Why Online Video Alone is Not the Answer

## 1. Viewership

Advertising Revenues

x [redacted]

1. Uniques x 2. Time Online

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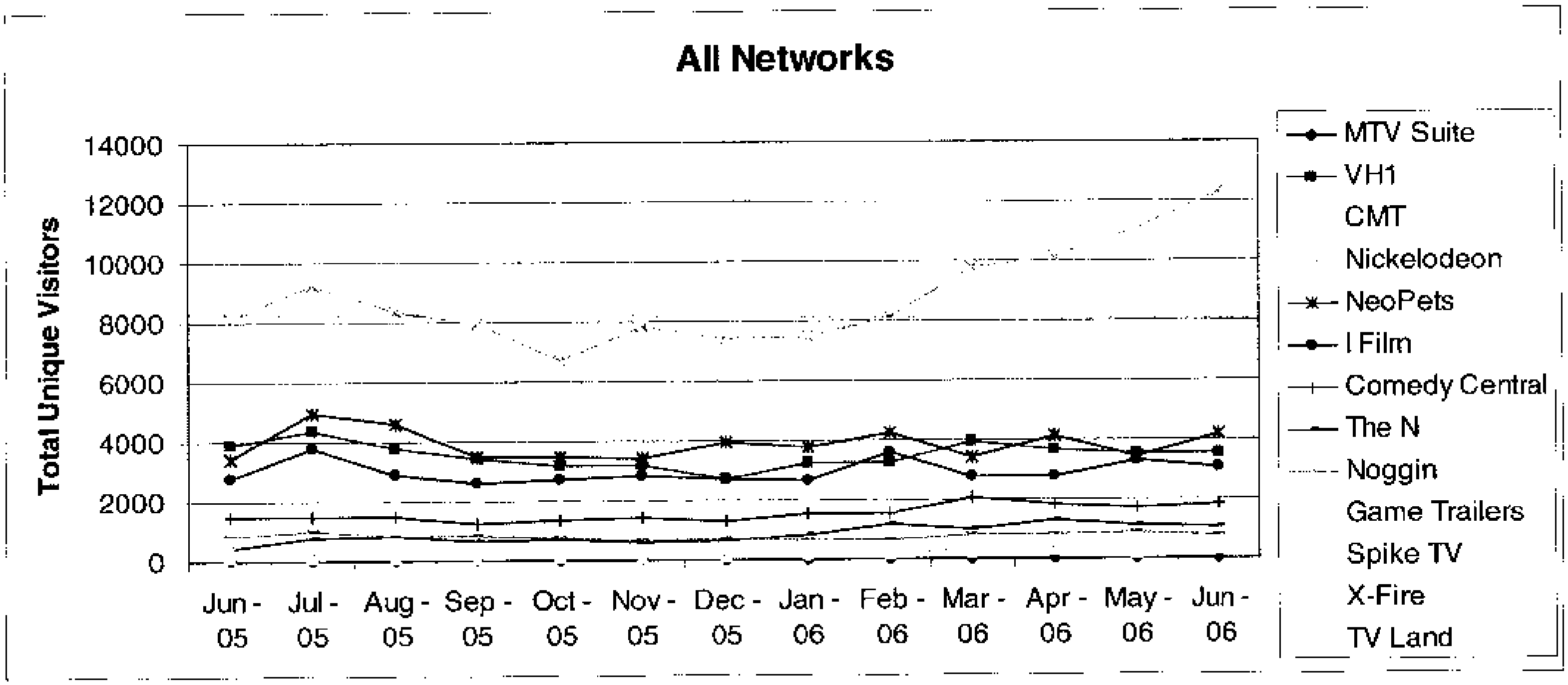
# "More TV" Online HAS NOT Increased Unique Users

## Despite the online video explosion, we've seen modest online growth (excluding Nick).



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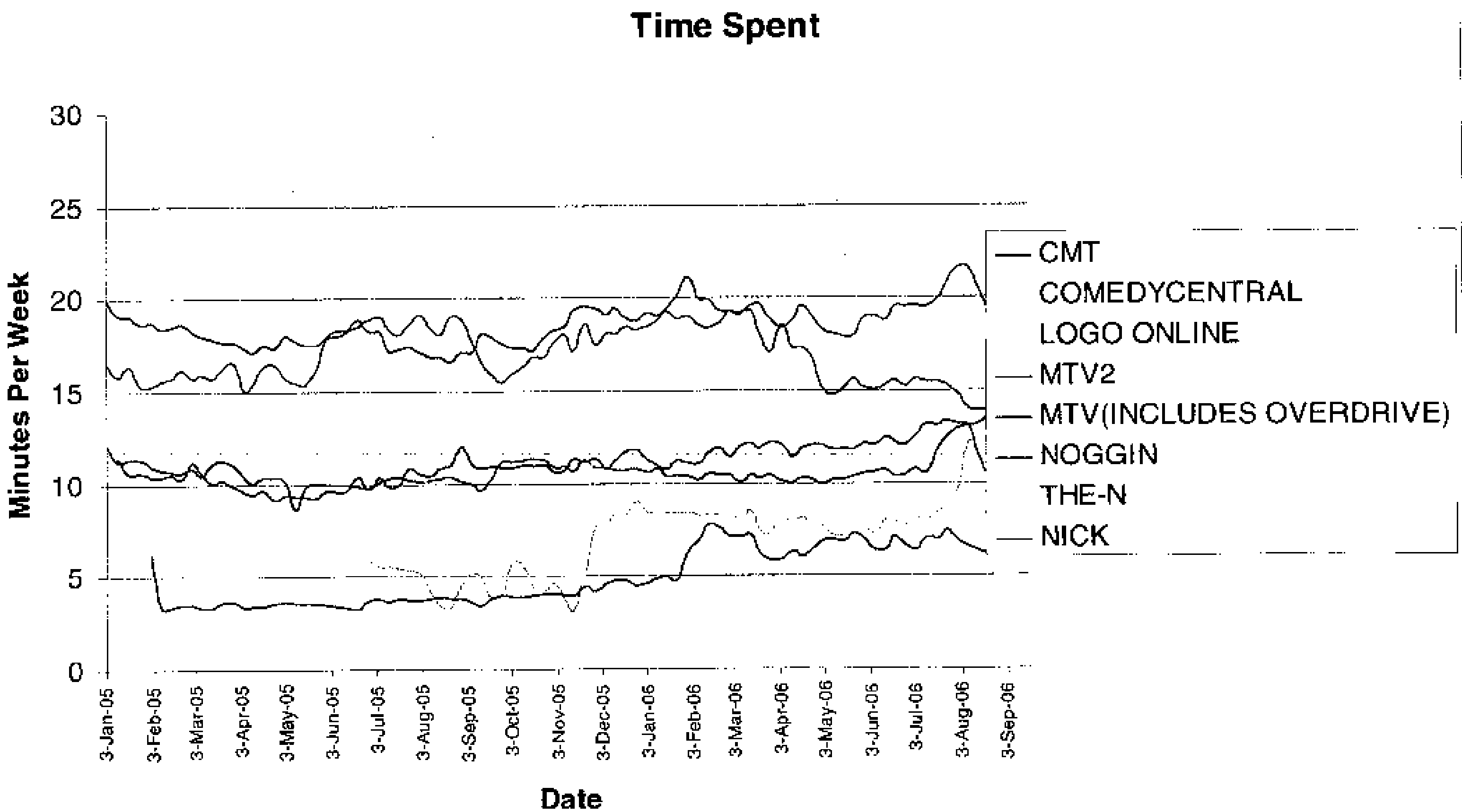
APPENDIX B – WHY ONLINE VIDEO ALONE IS NOT THE ANSWER - VIEWERSHIP B - 2

# "More TV" Online HAS NOT Increased Time Spent

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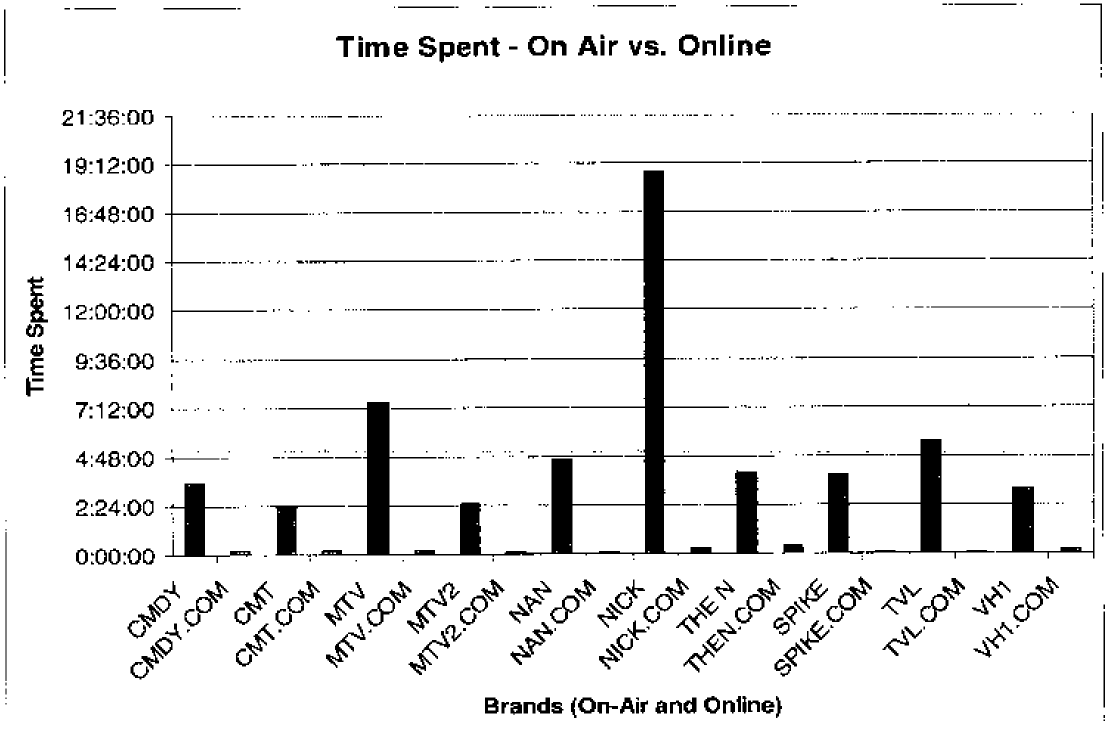
# We won't get TV-Sized Audiences on Our Sites

## Time Spent Online (Per User) is a Fraction of TV Time Spent (Per Viewer)




(Average viewer during ABC.com "test" watched 5 min or less video)

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# We Don't Make Enough TV

## We won't win with Volume


MTVN produces about 50 hours per month of original content (excluding fake news and live events)...

...while YouTube's content library grows by over 2000 hours per **day**

AND WE HAVE TO RE-THINK WHAT WORKS...

Of YouTube's top 100 viewed clips of all time, nearly ALL are user-generated

# MTVN Original Content

| | Available Today via Archive | 2007 Premieres | 2007 Current - Long & Short - 100% of on air |
|---|---|---|---|
| **MTV** | 330 | 10** | 12.5 new hours / month (10Spot and daytime) |
| **VH1** | 100 | 10 to 12 | 6-8 hours / month |
| **Comedy** | 328 | 6 to 8 | 20 hours / month |
| **Spike** | 42 | 6 to 8 | 5 hours / month |
| **Logo** | 32 | 4 | 2 new hours / month |
| **CMT** | 25 | 4 | 1 hour / month |
| **The N** | 96 | 4 to 6 | Included |
| **BET** | 150 | 8 | TBD |
| **Total** | **1103** | **54 to 62** | **45 to 50 / Month (excl. TBDs)** |

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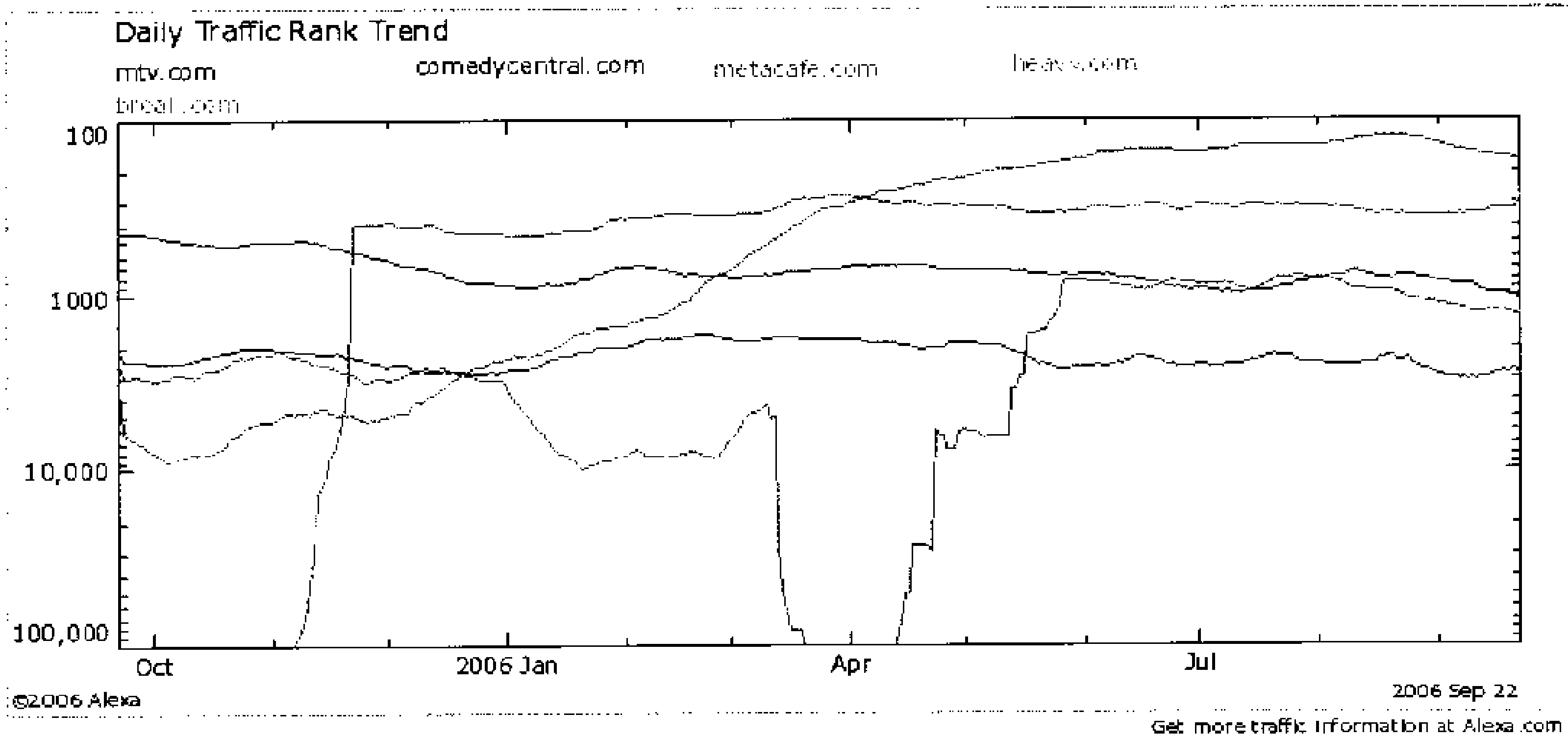
# "More TV" Online HAS NOT Crushed Our Competitors

## "Super-niche" online video providers—such as Heavy and Break—are generating more traffic than we are.



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# Why Online Video Alone is Not the Answer

## 2. Ad Sales

Advertising Revenues

[redacted] x

1. Online CPMs x 2. Online Ad Loads

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# Online Ad Loads are a Fraction of TV

## Online Ad Loads = 1/3 to 1/4 of On-Air Ad Loads

### **On-Air** Ad Avails per 22 Minute Episode

| | Ad Minutes | Less Affiliate & Marketing | Total Minutes | Total :30 Avails |
|---|---|---|---|---|
| On-Air | 8 | (2) | 6 | **12** |

### **Short-Form Online** Ad Avails per 22 Minute Episode

| | Clips Per Episode | :15 to :30 Spots/Clip | Total :30 Avails |
|---|---|---|---|
| Clips | 3 | 1 | **3** |

### **Full-Length Online** Ad Avails per 22 Minute Episode

| | Pre-Roll | Additional :15 to :30 Spots/Clip | Total :30 Avails |
|---|---|---|---|
| Full-Length | 1 | 1 Ad Every 7 Min | **4** |

# Online CPMs are High on our Sites, Poor elsewhere

**MTVN Sites:** Target Video CPM of ~$35

**Syndicated Video:** Net Effective Video CPM of $9

**TABLE: NET EFFECTIVE CPM FOR SYNDICATED VIDEO**

| Traffic Source | % of Total Traffic | CPM | Rev Share | Effective CPM | Weighted CPM |
|---|---|---|---|---|---|
| Yahoo/Portals | 30% | 25 | 50% | 12.5 | 3.75 |
| Video Aggregators | 30% | 15 | 70% | 10.5 | 3.15 |
| HyperDistribution | 20% | 10 | 70% | 7.0 | 1.40 |
| Viral | 20% | 5 | 100% | 5.0 | 1.00 |
| **Weighted Online Average CPM** | | | | | **$ 9.30** |

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# Per Episode Watched: On-Air > MTVN Sites > Syndication

## Impact of Ad Loads and CPMs

**TABLE: NET REVENUE PER 22 MINUTE EPISODE (OR RELATED CLIPS)**

| | Advertising Sales | | Ad Revenue |
|---|---|---|---|
| Traffic Source | Ad Load | Effective CPM | Per Episode |
| MTVN On-Air | 12 | $ 10 -18 | $ 180 -216 |
| MTVN Sites - Today | 4 | $ 35 | $ 140 |
| Online Syndication | 4 | $ 9 | $ 36 |

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# "More TV" Online Doesn't Bring Back the Buzz

The Broadcast Networks are putting content online, launching their own video sites and partnering with portals.

Availability Full-length content continues to grow online, yet ABC found the average online user watched only 5 minutes of their 44 minute episodes.

Google, YouTube, MySpace—the folks with the Mojo aren't providing content—they are connecting people to it.

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# SideBar: Why License Fees are Anathema to Ubiquity

<u>License Fees are anathema to Online Distributors</u>

- In the offline world, we partner with **Gatekeepers** to enable them to charge fees to consumers for access to our content .
- In the online world—unless users are charged an admission fee—content is "free"
- Admission fee models have largely failed—they **chill consumption**—in medium marked by **unlimited content providers** (no distribution costs = low barriers to entry) who are in a **constant marketshare battles** (low switching costs).
- Moreover, in an online world that is increasing "open"—where sites deep link into other sites, where search generates 30+% of traffic—**content that hides beyond admission fees are very difficult for users to get to** [e.g., WSJ online—one of the most successful premium destination—suffers tremendous loss of ancillary traffic and constantly battle amount of open-to-web content vs. premium walled garden].
- End Result: Content is EITHER free but ad-supported with broad distribution OR Premium and ad-free with a much narrower subscription base.

<u>Online, you pay to get distribute (i.e., Traffic costs money)</u>

- An extension of the above: When content is free, those who have excess traffic charge to share it. For non-relevant content, this is called advertising. For relevant content, it is usually a revenue share ranging from 30% to 50% of ad revenues generated from such content. See Appendix: More is Worse for Online "Distributors."



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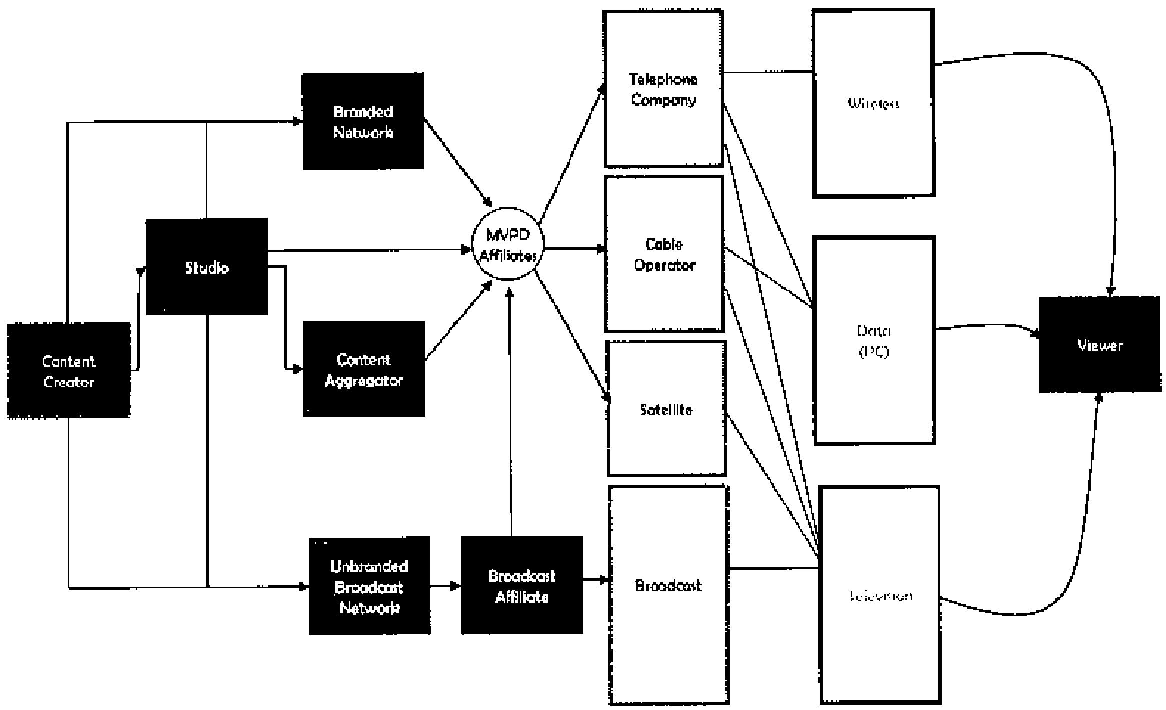
# The closed circuit is dying...

The **"Closed Circuit"** = video distribution only through Broadcast TV or MVPDs.

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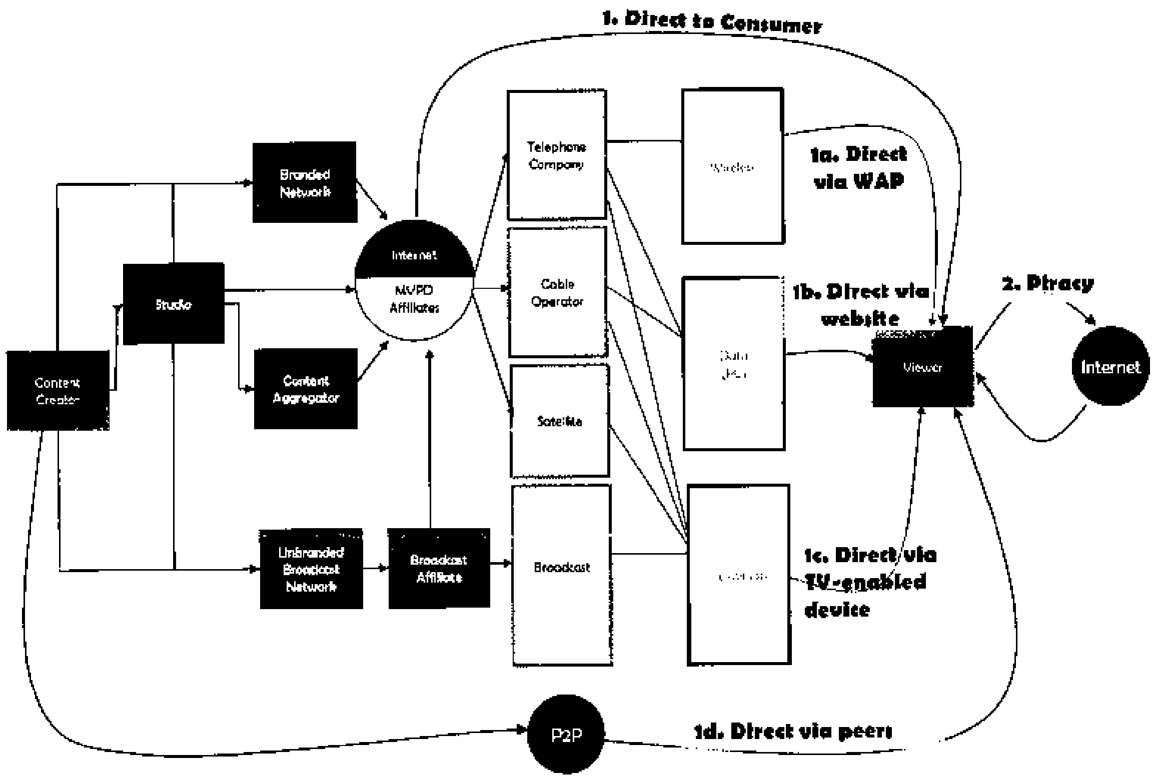
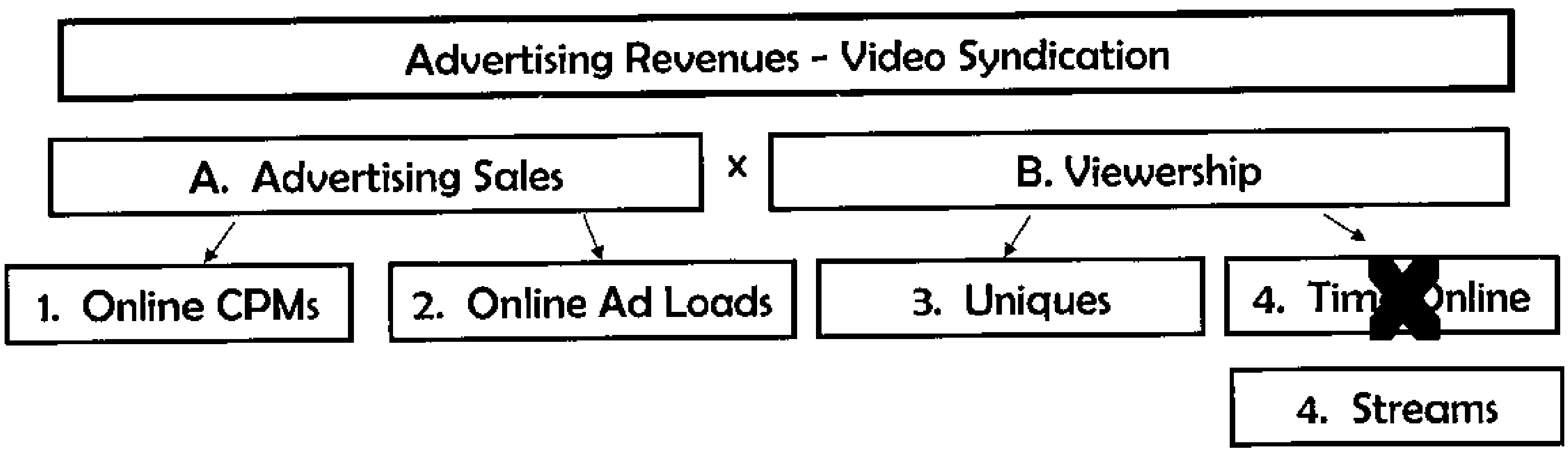
# New Distribution Systems have no Gatekeepers...

The **"Open Circuit"** = Gateways (access is no longer an issue)



# Why Online Video Alone is Not the Answer—

# 3. Online Video Syndication

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# Billions of Streams = Tens of Millions of Dollars

We'd need to nearly **match** the number of streams we are doing today via HyperSyndication—or **increase by half** via Yahoo—in order to make an incremental $10M in online advertising revenue via Video Syndication.

**Video Streams on Distributed Sites Required to Generate $10 Million for MTVN***

| Traffic Source | CPM | Rev Share | Effective CPM | **Streams to Hit $10M** | % of MTVN **Annual** Streams* |
|---|---|---|---|---|---|
| Viral (Embedded) | $ 5 | 100% | 5.0 | **2,000MM** | **110%** |
| HyperDistribution** | 10 | 70% | 7.0 | **1,428MM** | **79%** |
| Video Aggregators | 15 | 70% | 10.5 | **952MM** | **53%** |
| Yahoo/Portals | 25 | 50% | 12.5 | **800MM** | **44%** |

*Excludes iFilm and Gametrailers
**Assume 0% ad skip vs. current ~25% ad skip



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# Online "Distributors" Hate Ubiquity

As the number of distributors grows, online content becomes less valuable to each distributor

- Online distributors value content only to the extent that a consumer spends incremental time with that distributor by consuming the content (which **time is monetized** with advertising).
- As the number of sites offering our content increases:
  - a given consumer is more likely to have already consumed that content somewhere else;
  - decreased consumption = less advertising revenue = lower incentive to use precious real estate to promote content instead of something which distributor can better monetize.
- Don't Forget: This same "devaluation" can affect MTVN sites—i.e., cannibalization—as we are also a direct distributor of our content (through our sites).

Example:

- Yahoo can generally generate at least $1.3M promoting content areas on the Yahoo HomePage
- If Yahoo is the ONLY or A PRIMARY place to get that content, users will click-thru to that content
- But, if consumers are likely to have already been exposed, click-thrus value (and value to Yahoo to promote drops precipitously)

| MTVN Distribution Strategy | Click-Thru on Yahoo Homepage | Uniques Users to Yahoo Comedy | Revenue per Unique User | Total Revenue from Promotion |
|---|---|---|---|---|
| Yahoo Exclusively | 5.00% | 1,250,000 | $ 3.00 | $ 3,750,000 |
| MTVN sites + Yahoo | 2.00% | 500,000 | $ 3.00 | $ 1,500,000 |
| Broad Distribution | 0.50% | 125,000 | $ 3.00 | $ 375,000 |

# 91% of Online Ad Revenues from Non-Video

To generate an additional $10M from our sites we'd only need to increase traffic by an **additional 5%.**

## 2006 Projected Online Ad Revenues

| Video Advertising | Non-Video Advertising | Video as % of Total Online |
|---|---|---|
| $ 15M | $ 145M | **9.4%** |

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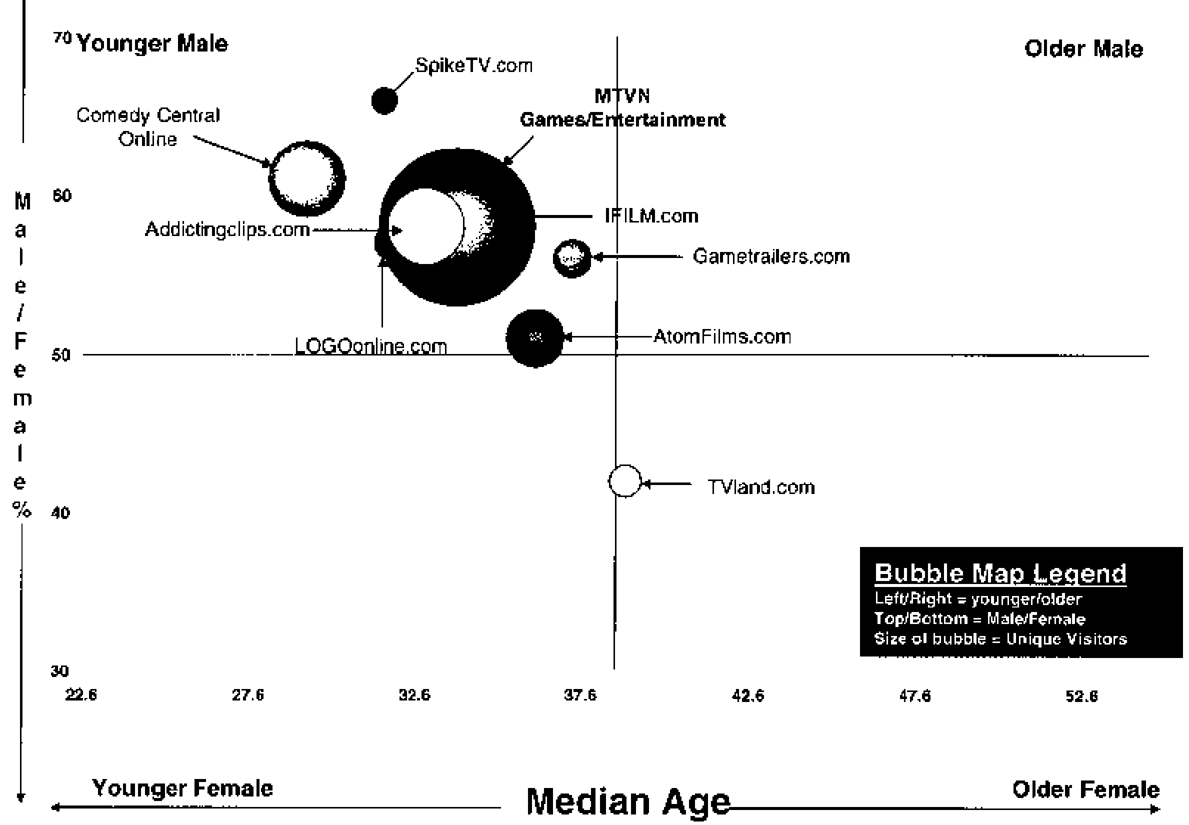
# Portfolios are as Good as Portals

We can sell Horizontally—across brands and sites—to meet advertiser-driven metrics

## MTVN Games/Entertainment




Median Age Line represents total internet median age

Source: Comscore/MMx Aug 06, US Only *MTV Networks RESEARCH & PLANNING*

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# Performance Beats Buzz

**Operational Excellence**

- **Optimize ad unit mix** to generate more higher value impressions
- Determine **optimal pricing structure** to both drive revenue and maximize impact of house ads
- Explore and expand **partnerships** with technology providers, traffic drivers and inventory managers to **maximize yield** on every impression
- Leverage our **cross site consumer insights** – these are the game changers; shared data drive audience insights which drive advertiser commitments
- Establish leadership in **knowledge of online audiences** through data mining

**Product**

- **Scale** matters – for our sites and for content experiences outside our sites
- Get the **basics** – frequency capping, sequential messaging, targeting, reporting
- Cross-network **data** capture
- Inventory **optimization** and yield management
- Innovation and **speed** to market

**Packaging**

- **OWN multi-platform** and convergence in the marketplace
- Power in numbers – **horizontal aggregation** according to advertiser-desired, data-driven characteristics



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# Understand the Online Consumer

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# Qualitative Analysis—Understanding Why and How

**Getting to great user experiences online & wireless**

Continuous usability testing (including multivariate testing)
Persona-driven search, brand and competitive analysis
Behavioral user experience heuristic analysis
Reality mapping for attracting and retaining consumers
Experience-based planning (relationships, dependencies, scenarios, features)

**Exploring new and profitable brand-consumer relationships**

Virtual world development
Influencer, 'Net Promoter' activation
Games' play and extending into new affinities
External partnerships value creation
Acquisition support (forward-facing, integration-minded)

**Identifying new, ownable revenue contributors**

ROI excellence
Social media expansion (brands, franchises, behaviors)
Lifetime value exploration (portfolio, mindset-based)

# Follow the Online Consumer—

# 1. Community and Communications

"It's not just about bringing people to the site, it's about keeping them engaged, enticing them to share and create their own content, and making sure they come back."

Lloyd Braun, Head of Yahoo Media Group
Business Week, March 13, 2006

# Communications are 40% of All Online Activity

| Total Time Spent Online (Millions of hours) | |
|---|---|
| | Total % |
| Commerce | 17% |
| **Communications** | **39%** |
| Content | 40% |
| Search | 5% |
| Total | 100% |

Video = < 5% of Content Time Spent.

**Across ALL Users:**

- 39% of Time Spent on Communication
- Communication tied with Content as the Dominant Online Activity

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# Communications are 67% of Teen Online Activity

**Teens Age 12 to 17**
**Top Categories - Average Minutes Per Visitor**
**February 2006 vs. February 2005**

| | Year over Year Growth | Percentage of Time Spent |
|---|---|---|
| **Instant Messenger** | **41%** | **40%** |
| **Email** | **33%** | **14%** |
| **Discussion/Chat** | **46%** | **13%** |
| Retail | 12% | 7% |
| Online Gaming | -42% | 7% |
| Auctions | 11% | 5% |
| **Entertainment - Kids** | **-29%** | **5%** |
| Gaming Information | 20% | 4% |
| Community - Teens | -35% | 4% |
| Sports | 73% | 3% |
| **Total** | **19%** | **100%** |

*Source: Comscore Media Metrix*

**67% Total** Time Spent = Communications

**40% Growth** in Communications over last 12 months

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# YouTube is a Social Network & MySpace runs Videos

"YouTube is **BOTH** a video viewing site and social networking site:

[it] allows users to create their own profiles, post videos, and comment on each other's posts."

Hitwise, May 2006

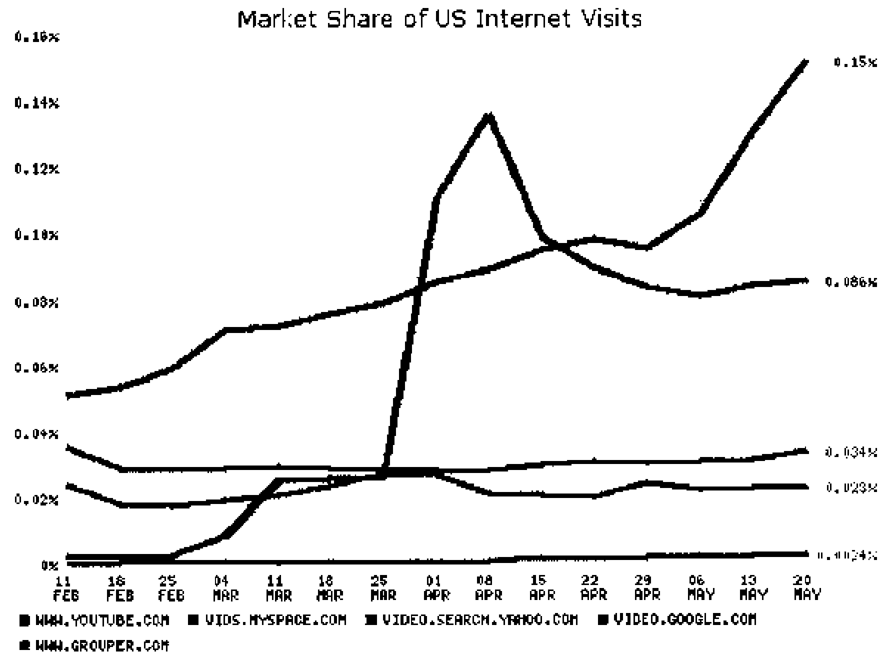


CHART OF THE WEEKLY ALL SITES MARKET SHARE IN 'ALL CATEGORIES', BASED ON VISITS.
TIME PERIODS REPRESENTED WITH BROKEN LINES INDICATE INSUFFICIENT DATA.
GENERATED ON: 05/26/2006. COPYRIGHT 2006 (C) 'HITWISE PTY LTD'.

## Top Video Sites

| Rank | Name | Domain | Market Share | Average Visit Length |
|---|---|---|---|---|
| 1 | YouTube | www.youtube.com | 42.94% | 13:20 |
| 2 | MySpace Videos | vids.myspace.com | 24.22% | 4:41 |

Note: Recent Comscore Video Report shows lower ratings



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VIA01497294

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# Its Not About the Tools—Its How You Use Them

## Context Will Rule the Next Generation of Social Networks

the next wave of successful social networking (and user-generated content) communities will come from major media websites and other content providers that offer their audiences **contextually specific** reasons to aggregate.

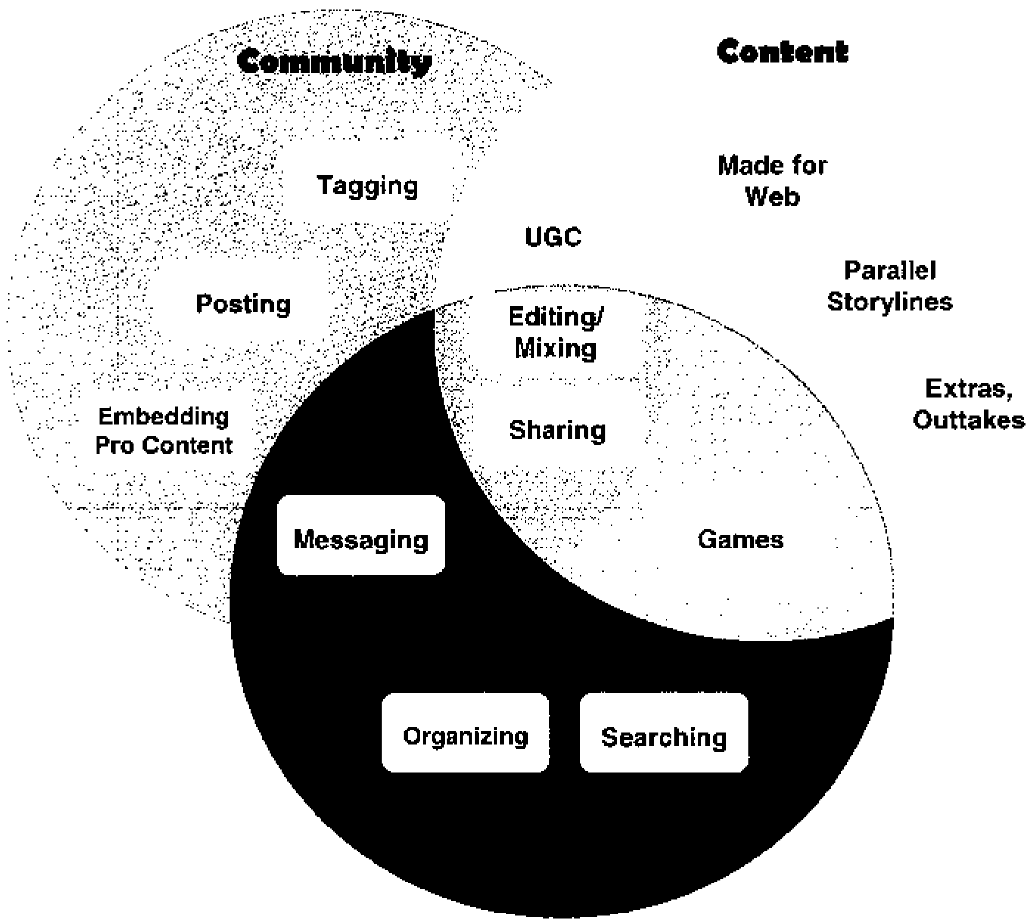
Eric Alterman
CEO, KickApps

## Example: Colbert Green Screen Challenge

Content Creation is Not Just "Cats urinating in toilets"

- 88 Unique Mashups of Colbert fighting Bears, Monsters
- 7K Reviews and Ratings by viewers of Mashups
- 1.7 Million Video Streams on YouTube Alone

# A (Baker's) Dozen Ways to enable the User to Engage



# Newspapers Lessons – The First Internet-Disrupted Media

**As newspaper publishers become convinced current online growth rates will not counteract the downward spiral of print readership and ad revenues, more and more solutions are being brought to the table.**

**Niche, user-generated and data-driven content as well as more targeted and cost-per-action advertising are among the recommended ways newspapers can open up new revenue streams.**

**"We need to move from the old monolithic business model... to a diverse and growing portfolio," declared Steve Gray, managing director of API and Newspaper Next.**

**The recommended "portfolio solution" encompasses an array of free and paid products beyond just news.**

**"The online strategy chosen by most newspapers -- essentially reproducing the newspaper online -- falls into a common disruption trap.... attempting to reproduce the old product in the new technology, and thereby missing many of the best new opportunities," notes the recently-released "Newspaper Next: The Transformation Project" report.**

**Serving niche audiences through vertical content is one obvious way newspaper companies can offer contextually-targeted advertising. The report suggests categories such as entertainment, travel and high school sports, as well as even more ad-themed verticals like autos, homes and coupons.**

**Data-driven information resources and opportunities for users to create content are also recommended. For example, E.W. Scripps Company's naplesnews.com, the Web edition of Florida's *Naples Daily News*, has searchable databases for local team and athlete comparisons. And sites like Enterprise NewsMedia's Plymouth, MA-based WickedLocal provides news content and lets users write blogs, join in discussion forums, and submit photos.**

**The American Press Institute (API)/Innosight Report**

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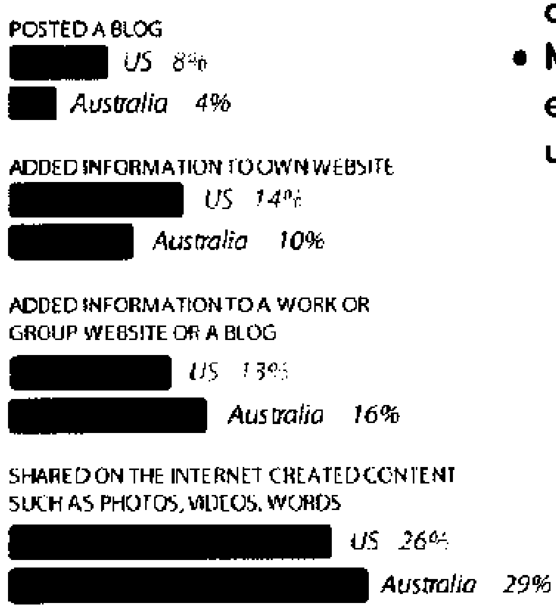
# Our Audience Will Make Content for us—and watch it

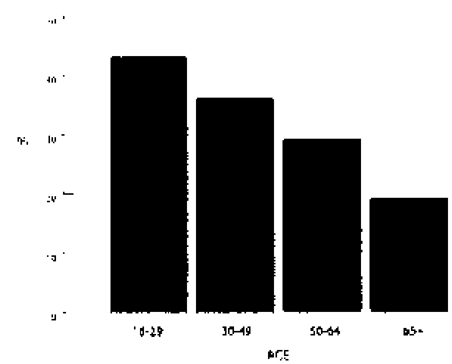
**By enabling our audiences to communicate through our platforms, we harness very powerful new content that we can monetize**

Web content creation




- User-generated video is not the only form of consumer content
- Blogs, Tags, Posts (Message Boards), Photos are significant contributions made by users
- Moreover, the younger the audiences, the more likely to engage in online content creation—nearly 50% of all online users between 18 and 29.

Web content creation by age



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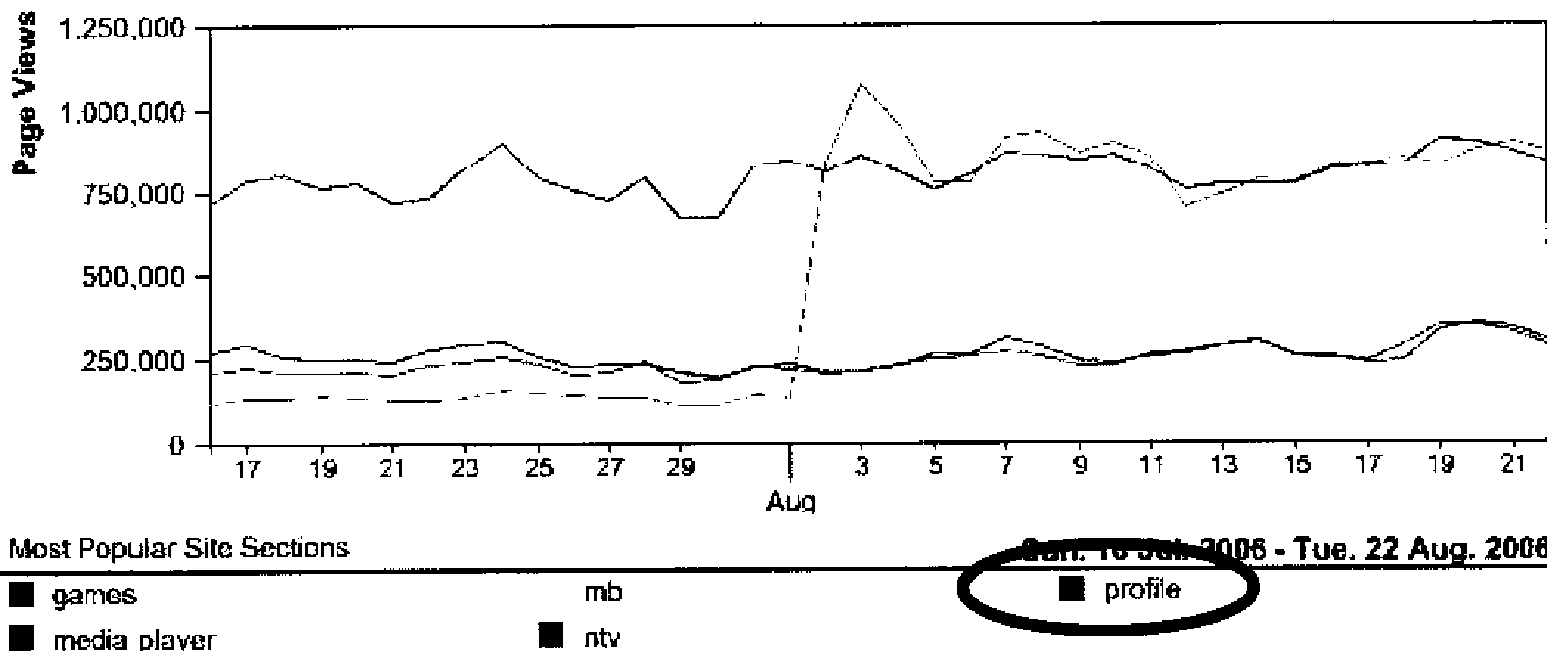
# And More Community is a Free Lunch

## TheN initiated Community Features in Profile Pages: Traffic grew dramatically with NO adverse impact to content consumption.




Graph Generated by SiteCatalyst using Report Accelerator at 05:50 PM EDT, 23 Aug 2006

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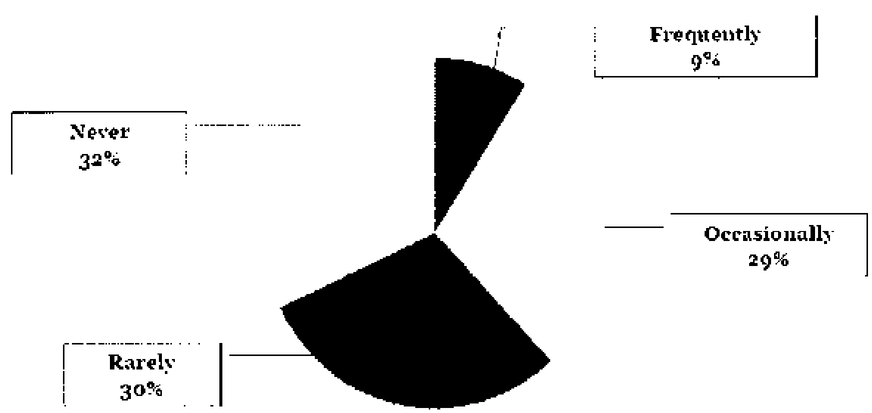
# Community increases Uniques (Viral Distribution)

## Let the Audience be the evangelist.

### Letting Others Know About Online Video Is Common



# Community and Frequency

Communications, social networking, and game playing are the most common daily activities (sorted by % doing activity daily of those that do it at all)

More do activity daily

| | Total | Do activity daily (of those that do it at all) |
|---|---|---|
| **Are you online? (% of all households)** | 71% | |
| Use e-mail | 97% | 74% |
| Use social networking sites (e.g., MySpace) | 10% | 32% |
| Use instant messaging | 34% | 31% |
| Play games alone | 50% | 31% |
| Check stock, mutual fund, or bond quotes | 22% | 27% |
| Use RSS (really simple syndication) feeds | 2% | 22% |
| Talk to someone using voice IM (e.g., Skype) | 7% | 17% |
| Listen to Internet radio | 26% | 13% |
| Read blogs | 12% | 11% |
| Look up classifieds | 21% | 5% |
| Receive photos via email | 63% | 4% |
| Research products for purchase | 63% | 3% |
| Contact customer service by online chat | 13% | 3% |
| Contact customer service by email | 46% | 2% |
| Purchase products | 62% | 1% |

Base: North American online households
Source: Forrester's North American Consumer Technology Adoption Study 2006 Benchmark Survey



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# Follow the Online Consumer—

## 2. Experiences

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# Content is Everywhere—Experiences Are Rare

Even for those who have been on the Web the longest (18-34), uncontexted TV content provides no added value to users.

Jupiter, 2006

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Experiences, not content, will be the basis of success for media companies going forward. Media outlets have great expertise in creating one-size-fits-all experiences — like making a movie, producing an album, or filming a TV show. However, content experiences of the future will differ in many ways.

Forrester, 2006

# Experiences = Re-Aggregrating Dispersed Audiences

## The Web Has Dispersed Traditional Audience Clusters

"What we are experiencing in fragmentation is a little like the aftermath in the Big Bang theory. After the "bang," all of the matter in the universe was deconstructed and dispersed. Over time, the pieces re-grouped in new, meaningful ways-- planets, stars, moons, et cetera.

Similarly, the introduction and adoption of digital technologies in our society has effected a deconstruction and dispersion of audiences across channels. The fear among media practitioners evolves from the disorder, the change in how we understand *our* universe, the media-scape, and the implications on our business models. The opportunity -- in fact, the silver lining -- is in the discovery of new patterns that may ultimately prove more compelling for consumers and more instructive and efficient for advertisers.

**Let me put it more simply. Fragmentation is just an opportunity to re-aggregate audiences in more meaningful ways."**

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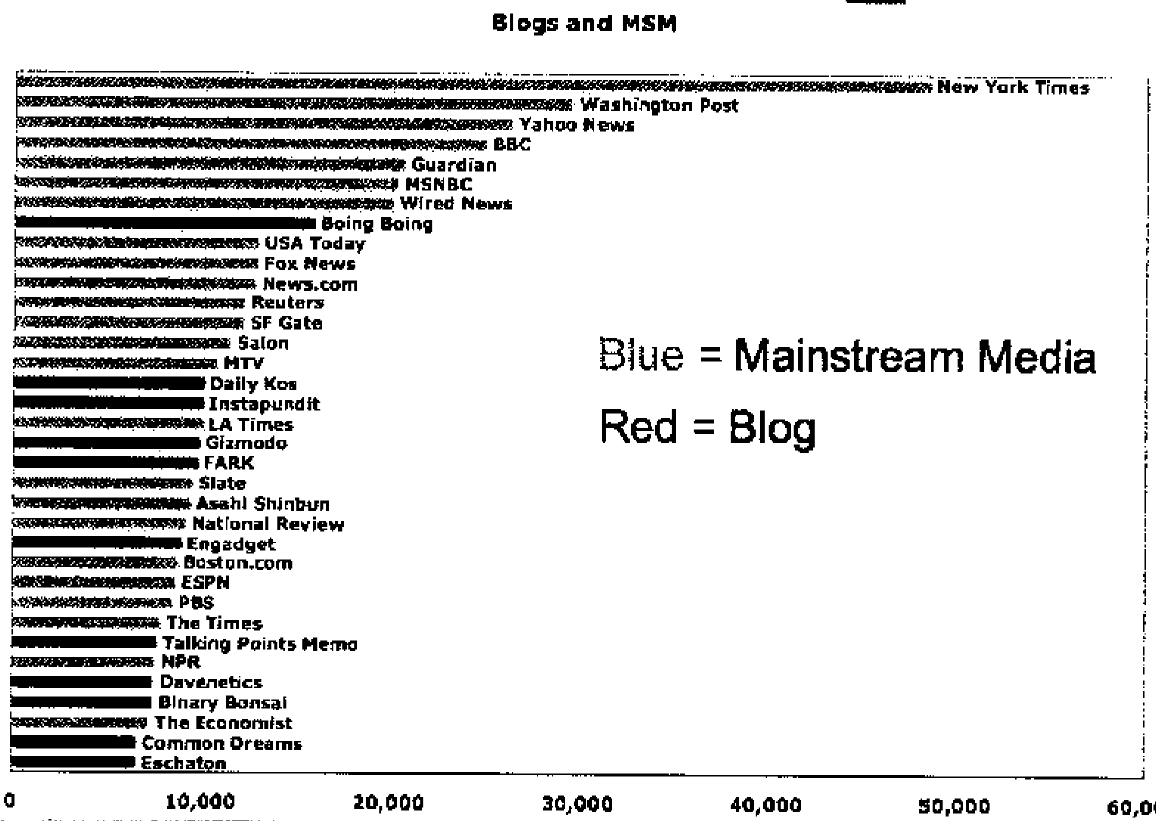
# The Devoted Niche—How Cable Beat Broadcast

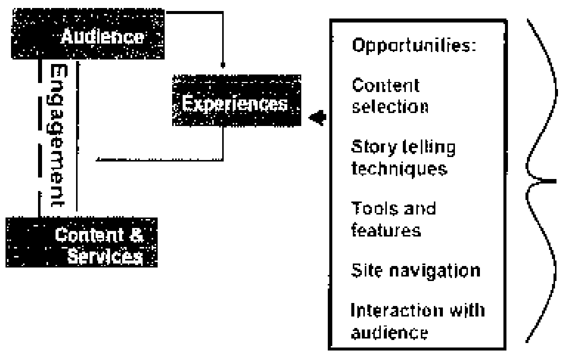
## The “Focused” Approach Can Build a Meaningful Audience

Technorati



# What Is An "Experience"?

## Programming (1) Content + (2) Software + (3) Navigation <u>for</u> Specific Effects.

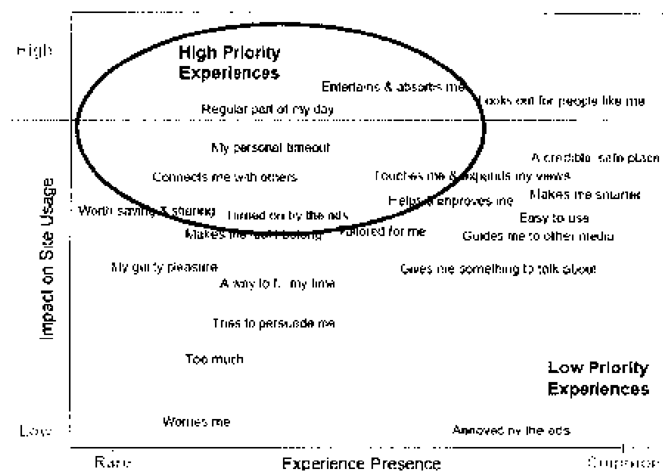



- <u>Reactions</u> – attitudinal/intellectual/emotional
  Example: anti-authority Jackass Portal
- <u>Interactions</u> – with content, functionality, community
  Example: "in control" of my video on Horizontal Platform
- <u>Activity</u> – passive vs. full immersion
  Example: Watching TV vs. Networked Video Game

**The Jackpot:** Satisfying Experiences that are otherwise absent from Consumers' Lives

### And it works:

*StarTribune* created online version of newspaper edited for young adult experience—result outstripped traditional by a **<u>2:1</u>** ratio.




A-547

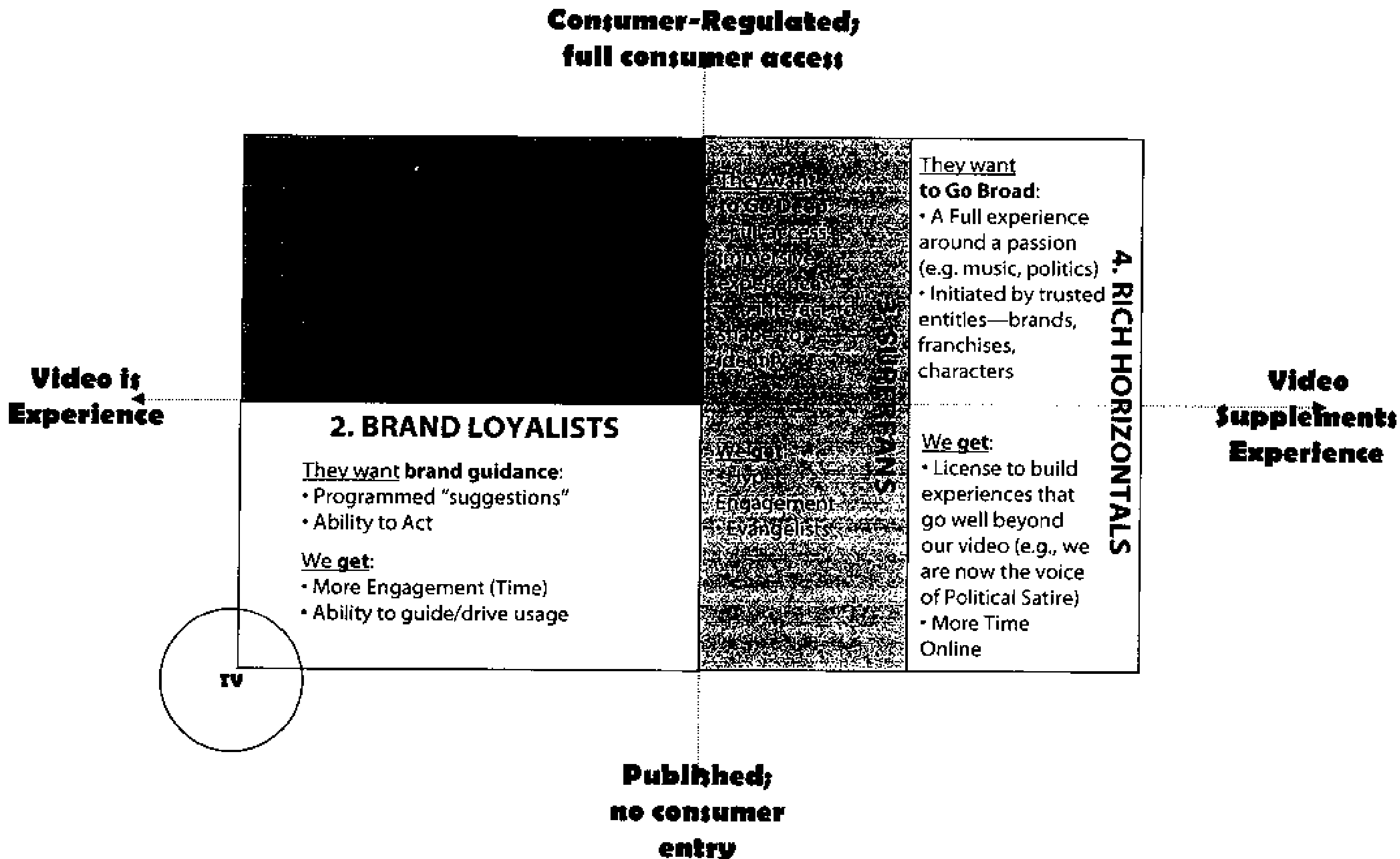
# Experiences Can Mean Hyper-Demo Targeting

"Disney.com, when it relaunches in early '07, will create a customized point of entry so the experience matches the age and interests from pre-school up."

PaidContent.org, 9/20/06

Highly Confidential

# Experiences Can Mean Re-Defining Affinities




A-549



VIA01497308

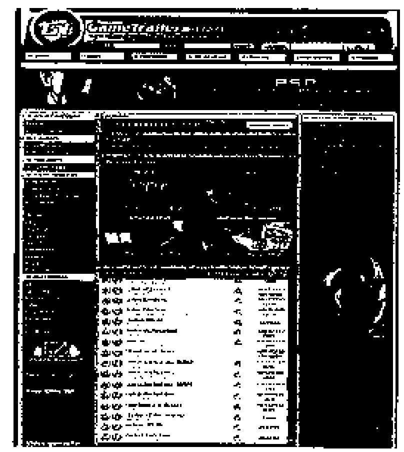
# Embrace the Portfolio of Consumers "Wants"

**1. VIDIOTS**


**2. BRAND LOYALISTS**


**3. SUPERFANS**


**4. RICH HORIZONTALS**

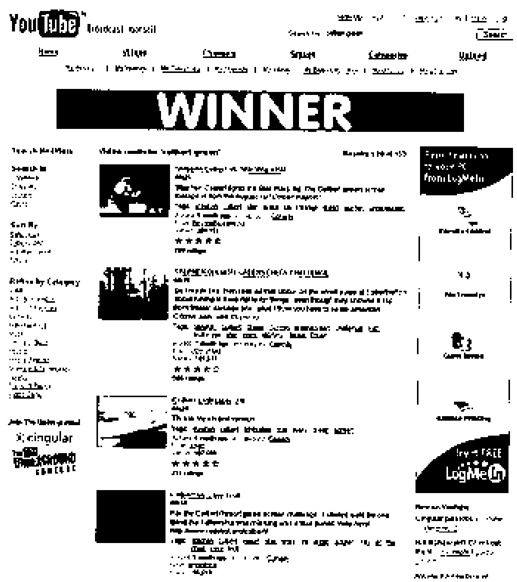


# Experience #1: The Vidiot

## They want to Control their Video

- Breadth of Content
- Personalization, Interactivity
- Ability to Create, Edit, Mash-up

Today they go to: YouTube



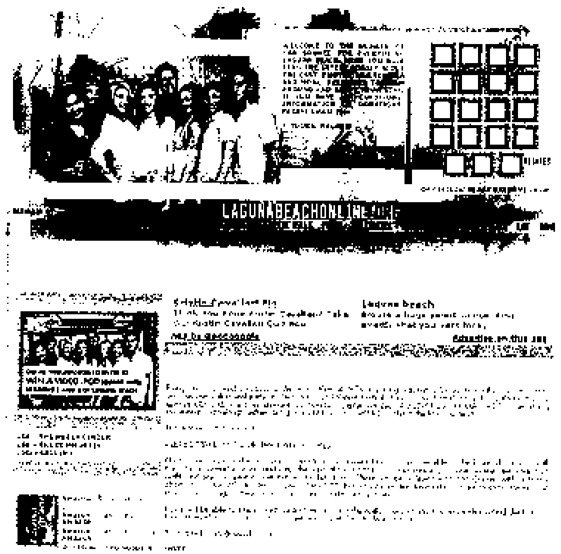

If we Build It: Feed/iFilm

# Experience #3: The SuperFan

## They want to Go Deep

- Full access, immersive experiences
- To interact, to shape, to identify with Franchises

Today they go to: UnOfficial Fan Sites



If we Build It: ??

# The "Experience" Drives Integration of Community & Applications

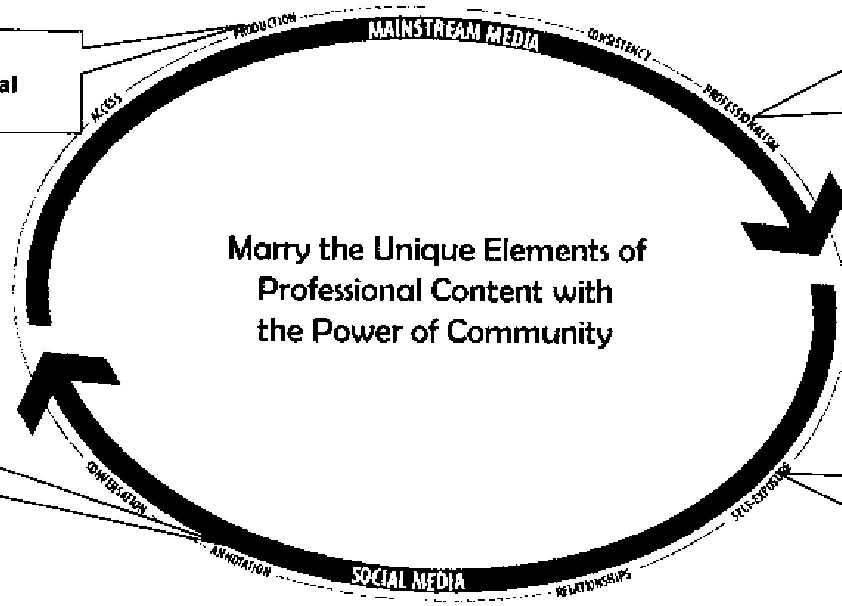
"Design [must] lead users to community. [Creators must] analyze what community means to the organization and its constituents. Virtually live through the consumer to understand how they move through the site to understand how the idea of community *should* manifest itself.

Message boards and other interactive community forums can't be located in just one area, on a separate subsite – they must be woven community features throughout the site -- no matter where someone is on the website, she should easily find her way to a chat room, message board or other appropriate tools."

"People who need People," CIO

**Production** capabilities are extremely high based on **capital investment and expertise.**

**Professionalism** is a characteristic of mainstream media cuts both ways – there are clear standards and a **high degree of talent**, yet professionalism is a box that **amateurs can easily step outside of to innovate.**




**Annotation** is commentary on and **reference to existing information and ideas.**

**Self-exposure** is a **more powerful driver** of social media than self-expression. The exhibitionism and associated **voyeurism** of blogs and social networks are a key factor driving participation.

Future of Media 2006, Future Exploration Network

# TV is Still TV—
# Beat our Competitors Silly With It

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# TV is Still TV

TV provides a crucial distinction—and critical advantage.

- TV initiates behavior and induces shared passions and experiences
- MTVN consistently demonstrates unparalleled creative leadership
- We are the Inventors of breakthrough genres and content
- We Innovators of popular culture
- Our audiences want deep tailored "Experiences" that are easy to use--not just more content
- Watching an event as it happens gives an indescribable jolt to those most engaged – quickening their concentration, giving them a sense of participation

# Old Habits Die Hard—so does TV viewing

"The rate of change is larger for new media (Internet and e-mail) than the rate of decrease for traditional media. In other words, growth happens faster than decline.

This goes a long way towards explaining why we can have overall increases in media consumption: new habits are acquired while old habits are maintained.

Traditional media seems to be able to retain or even grow users in core areas. For example, TV was up in primetime, radio was steady or up in drivetimes, and newspapers were up in the morning.

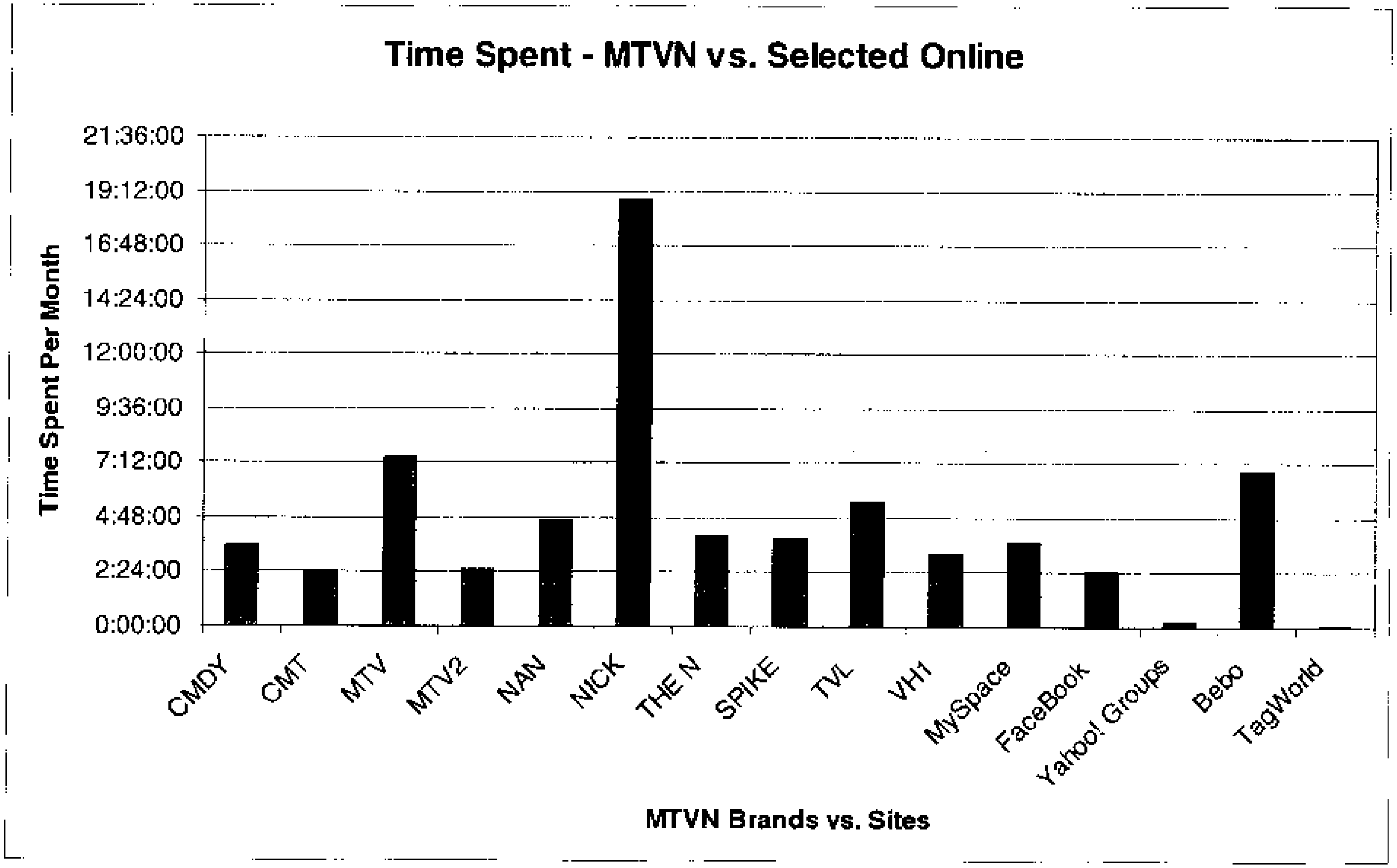
It makes sense that traditional media will compete hardest to retain users in their most successful time periods."

Jay Newell

Highly Confidential

# Our Audiences Still Spend More Time With Us

## Time Spent on MTVN Nets Still Beats Even Top Internet Sites




A-557



VIA01497316

# Cultural Activators

*Cultural Activators:*

- They give audiences something to do — some activity, some roles and goals, some meaningful form of participation.
- This can be literally the case in terms of the mechanisms of participation that surrounds reality television or computer games.
- Or it can simply be the show embeds lots of secrets and thus opens itself up to a prolonged process of decryption, as seems to be the case of *Lost*.

Almost all TV attracts Culture—it takes a unique show to activate it.

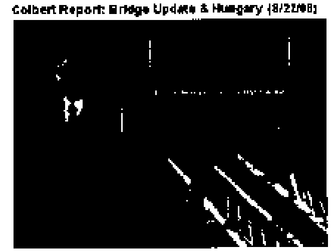
# MTVN activates our audience

Initiation: Colbert films himself in mock light-saber fight in front of green screen.

Result: (on YouTube ALONE)

- 88 Unique Mashups of Colbert fighting Bears, Monsters, the Star Wars Kid
- 7K Reviews and Ratings by viewers of Mashups
- 1.7 Million Video Streams (approx same number of mash-up streams as monthly streams of Colbert clips on Motherlode)

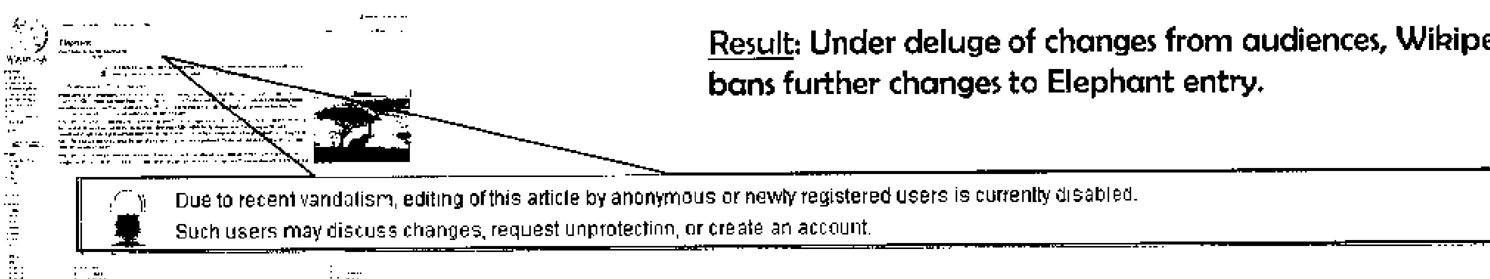
Colbert Report: Bridge Update & Hungary (8/22/06)



Initiation: Colbert urges viewers to vote for him on online poll to name new bridge in Hungary.

Result: Colbert leaps to first place with over 17M votes (leads second-leading votegetter by over 15M votes).

Initiation: Colbert encourages viewers to change Wikipedia entries to say the elephant population had tripled in the last six months. ["Any user can change any entry, and if enough other users agree with them it becomes true. If only the entire body of human knowledge worked this way."]




Result: Under deluge of changes from audiences, Wikipedia bans further changes to Elephant entry.

# Online and On-Air: Co-Viewing is Pervasive

## Audiences are Going Online while Watching TV

- 16% of ALL online usage occurs in front of the TV
- 66% of Users regularly/occasionally watch TV while online

## And they are looking online for MORE from Us

- 60% of Users visit websites of TV shows while they are watching
- 80% of Users visit the websites—at some point—of the television networks and/or programs they watch

A-560

# Online is the New Watercooler

## Initiate with TV, Enable with Online

### Online is the New Watercooler

- 54% of Users would consider participating in online communities, discussion groups, chat rooms or blogs about T
- 13% of Users currently DO!

A-561

# Putting it All Together

**① Initiate with our Franchises/Brands/Content**

**New Experiences**

**② Engage with**

- Create
- Edit
- Mix
- Upload
- Personalize

**② Enable**

- Comment
- Post
- Add

**② Enable Communication (UnTether Content)**

- Share
- Embed

**New Audiences**

A-562

# How Do We Do It? Some Early Thoughts

## Phase I – Nuts and Bolts

Online Traffic

Unique Users x Frequency x Time/Session

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# Phase I – Nuts & Bolts

Increase Uniques

1. SEO – Approve Budget and Keep Implementation Going
2. Enable "Email or IM A Friend" on Every File
3. Syndicate and Link-Back—You Tube and Others
4. Clean out the Video Search Noise
5. Go Viral—With a Plan

Increase Frequency (aka Change Consumption Patterns)

1. Alerts (e.g., Let Users know when new content is available)
2. Bookmarks (e.g., "Bookmark this page")
3. Get into Daily Consumption: Instant Messenger, Widgets & Modules

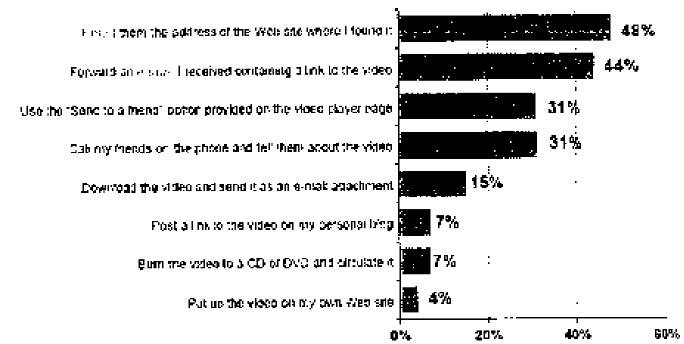
Increase Time Per Session

1. Get Search Working on Our Sites
2. Program Baseline Community
3. Enable Tagging

# Enable Email (Very Easy Viral Distribution)

## It's the Most Popular Way to Share Video


**E-mail Is The Most Widely Used Method For Sharing Online Videos**




## Put a "Share" or "Email" Button every time we run a video clip

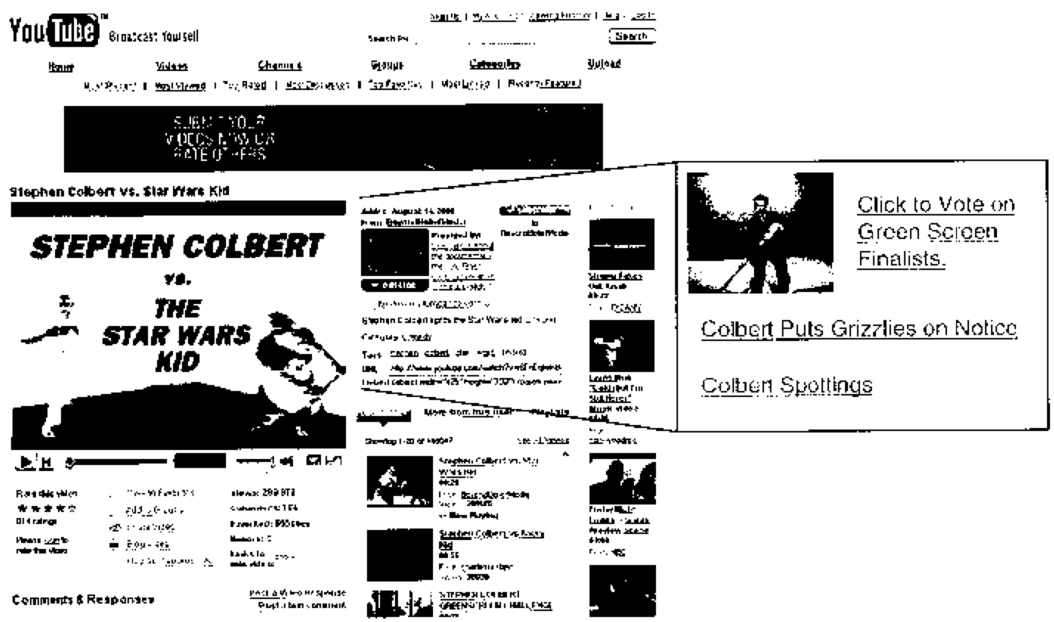


A-565

# Syndicate and Link-Back

## Distribute Content with Focus to Drive Traffic Back

1. Call-To-Action on Our Sites
2. Leverage Content Mix that Generates Awareness



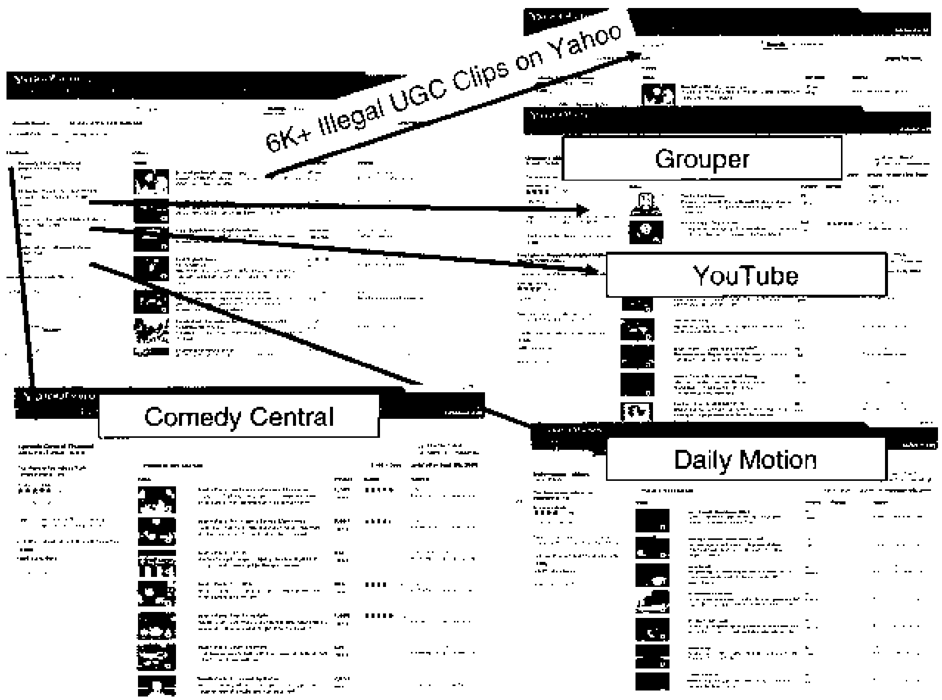

**What if:**

YouTube Drove Traffic to Us?

Video Aggregates generated new users?

# Clean Out Video Search Noise

Yahoo, Google, MSN, UnCut – All the "Search Engines" already have our content – why send users to us? We need to give them a reason




Because if you search "South Park" on Yahoo Video:

we're just a link
--one of 22--
--that gets rotated--

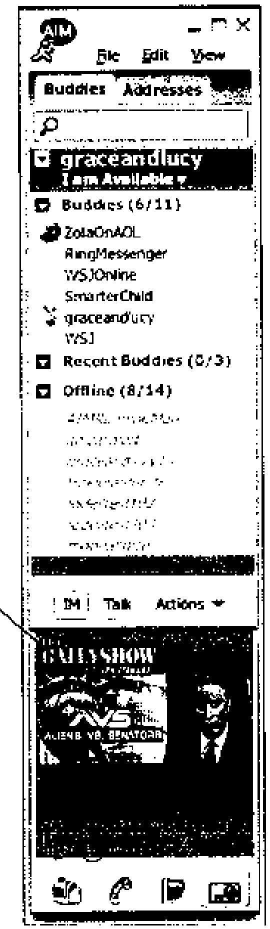
So its kind of hard to find us.

A-567

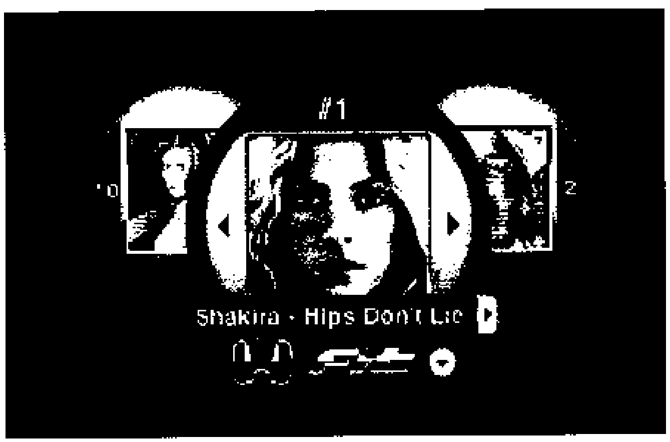
# Get Into Daily Consumption

Identify Destinations/Applications Used Most Frequently and get integrated:

1. Email
2. Instant Messaging (Modules, Bots)
3. Personalized Home Pages (Feeds, Widgets)

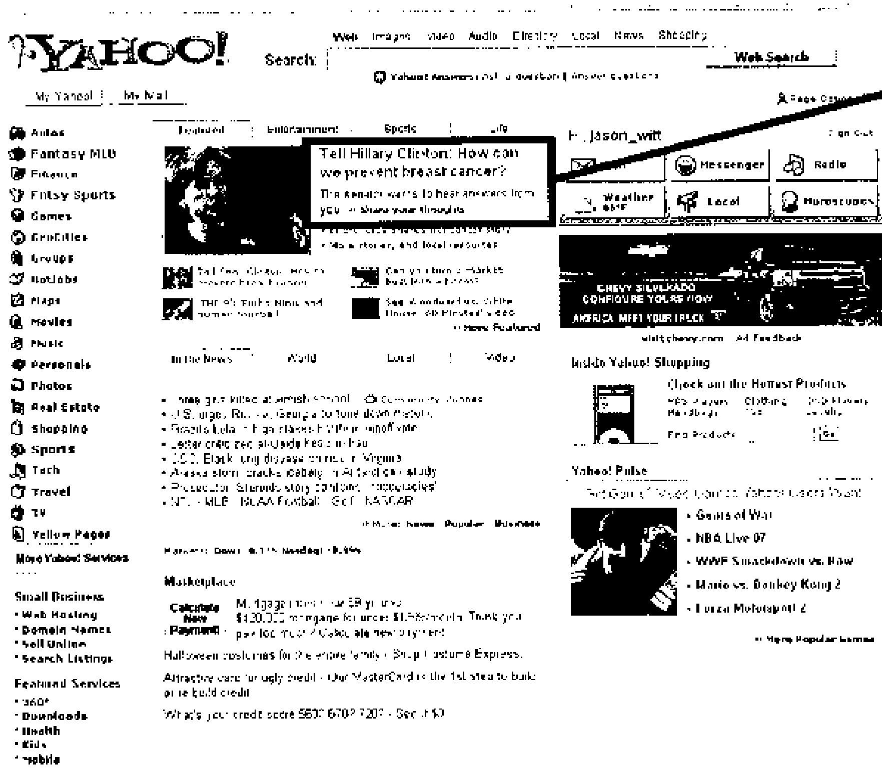


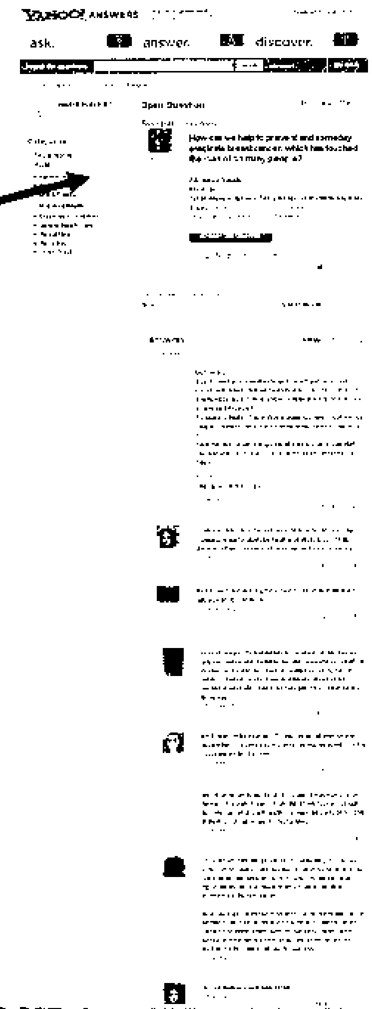

Or Go Straight-to-the-Desktop



# Program Baseline Community

## Do Simple Things (not as lame as Yahoo's) And Put it on the Front Page






Highly Confidential

A-569

VIA01497328

# How Do We Do It? Some Early Thoughts

## Phase II – Thoughts on Process

Unique Users x Frequency x Time/Session

1 Portfolio Of Experiences

2 Community & Applications

3 Initiate with TV

4 Program Platforms—TV, Online, Wireless—to Work Together

## Learn Lessons from Others – Newspapers and Music

**Four Key Online Audience Drivers:**

1. **Urgency**
2. **Utility**
3. **Visual energy**
4. **Community Interactivity**

*– Hyde Post,*
*Vice President, Internet,*
The Atlanta Journal-Constitution

The Drudge Report gets nearly 9 monthly visits per unique (versus MTVN 1-2/month)

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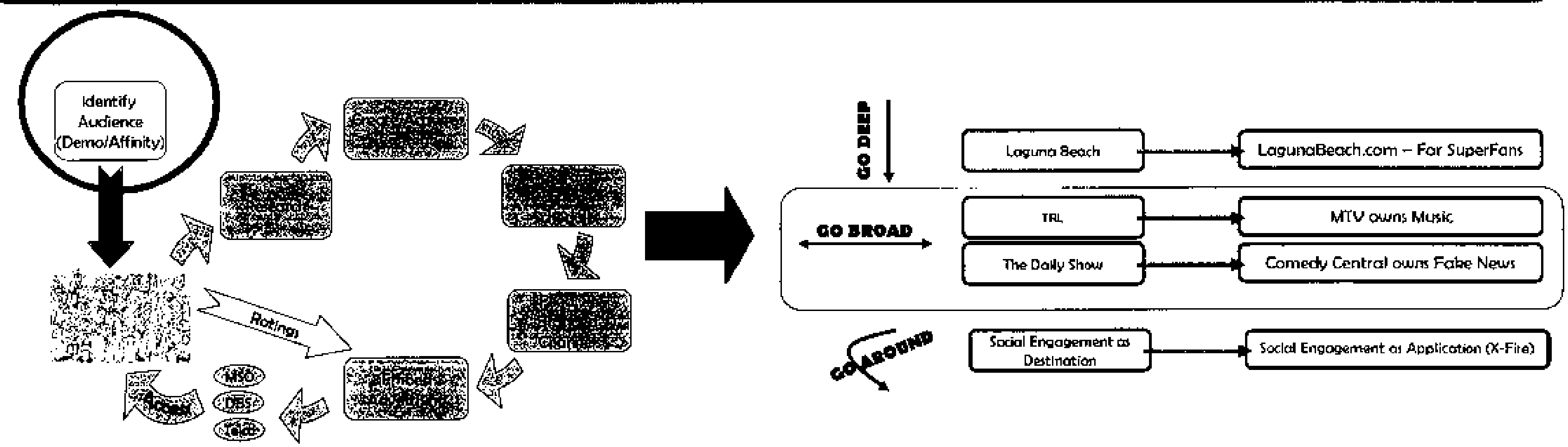
# 1. What Experiences Do We Want to Create?

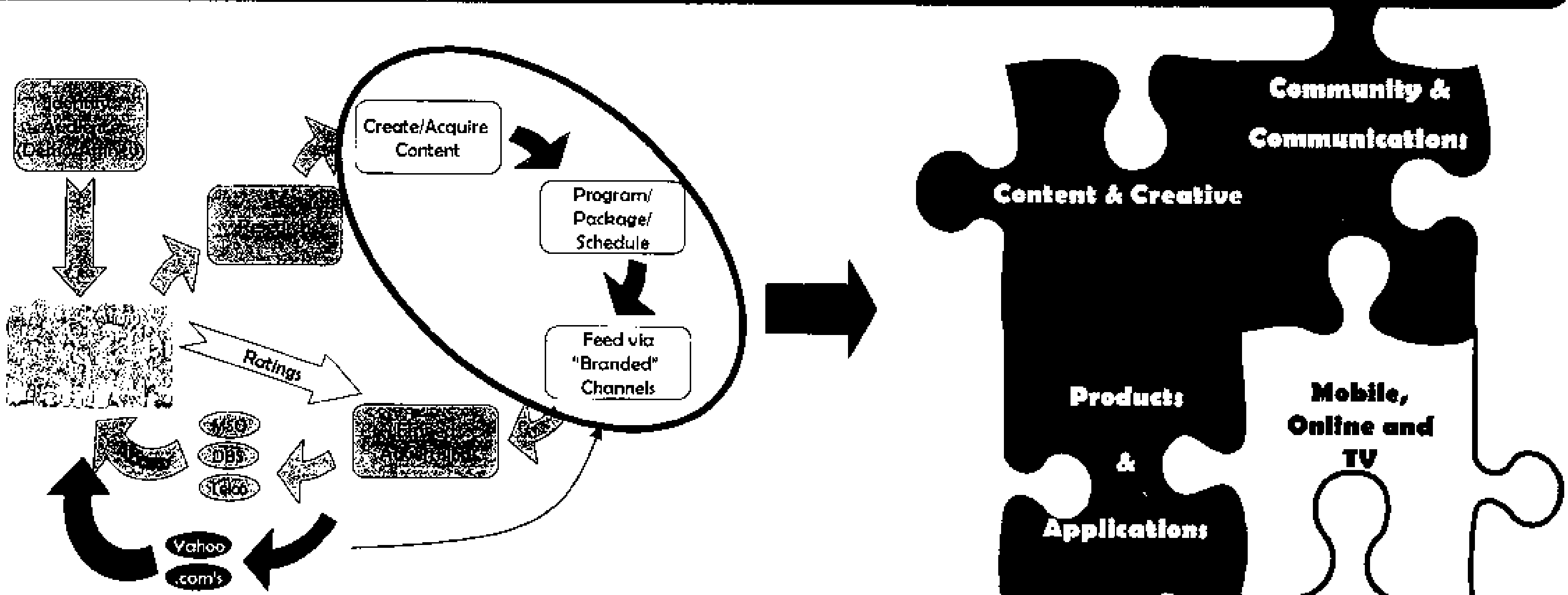



| OLD | NEW |
|---|---|
| • Identify Key Audiences within Demo or Affinities<br>• Manage by continuing to super-serve within respective areas | • Own the Horizontal (Music, Fake News)<br>• Own Depth (Enable the Laguna SuperFan)<br>• Own the Occasion (Teen Angst)<br>• And Liberate Ourselves from Destinations—we can have applications do the work (see X-Fire) |



A-572

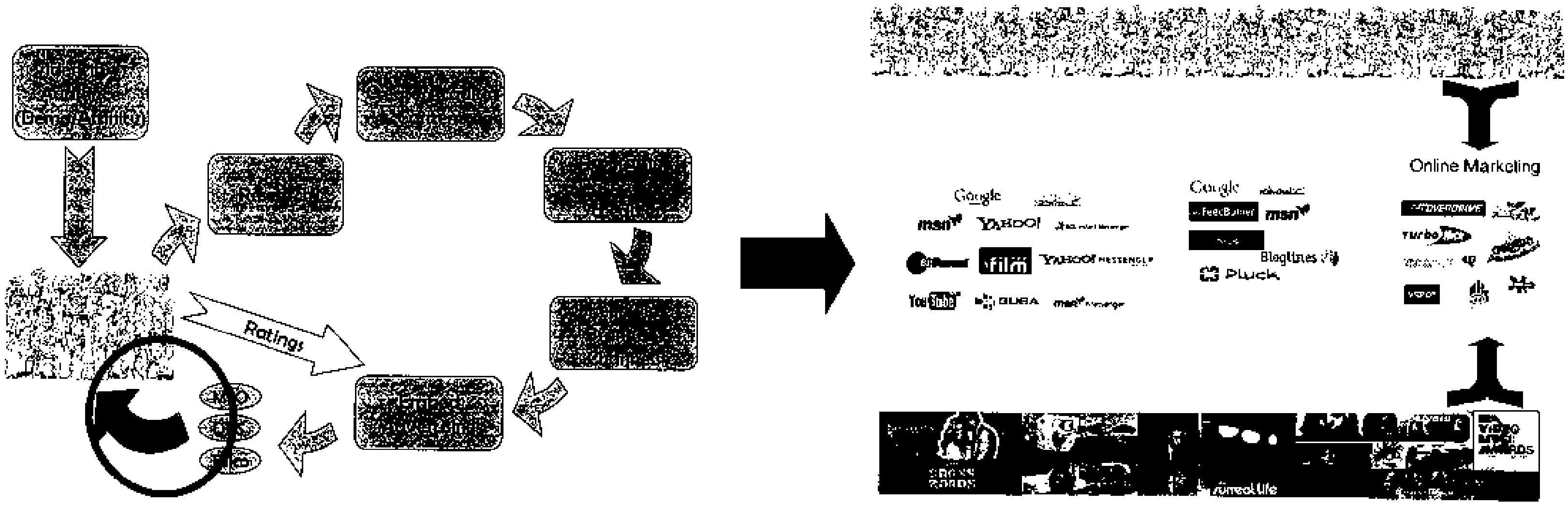
# 2. Build Experiences (with integrated Apps & Community) Across Platforms




| OLD | NEW |
|---|---|
| • Balance Consumer Engagement and Advertiser Needs by creating/acquiring **Content** designed for 10-foot experience<br>• Experiment, Test, Revise to maximize loyalty and engagement<br>• Build and maintain brands' strength and integrity with audience | Create the **Experiences** that have been identified—while they are still on the Drawing Board:<br>(1) Premium and Low-Cost Pro Content<br>(2) Applications/Products<br>(3) Community and Communications<br>(4) How the experiences are linked across mobile/TV/online |

A-573

# 3. Distribution = Connecting Audiences with MTVN Experiences



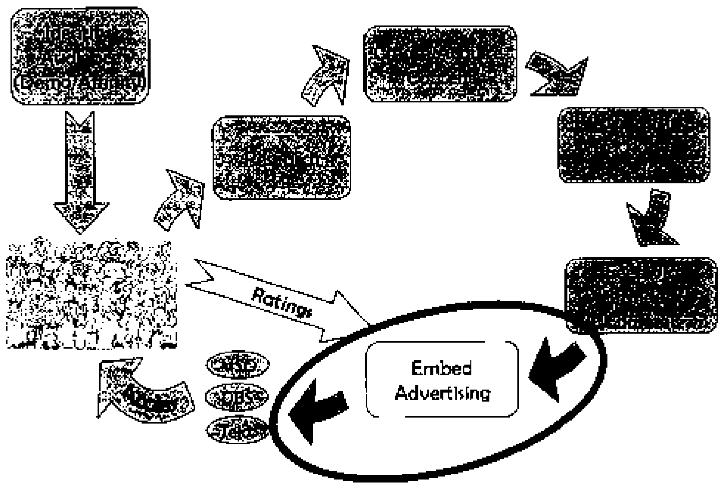

Each 1% increase of Traffic to Our Sites = $2M (at current sell-throughs & CPMs)

| OLD | NEW |
|---|---|
| • Broadly Distribute Video Content through Access Providers<br>• Maintain relationships and awareness of core brands strength and emerging brands oppty's<br>• Develop solutions (marketing, local ad sales, consumer awareness) for subscription products<br>• Develop New Products to Enable<br>• Work with Existing Distributors Across Platforms | Connecting Online Audiences with MTVN Experiences<br>• Coordinated Approach to Partnerships that Increase Traffic to Content (wherever that content resides)<br>• Syndicate Video that DRIVES TO EXPERIENCES<br>• Aggressively pursue relationships that enable Video + Display and/or Community Monetization |



A-574

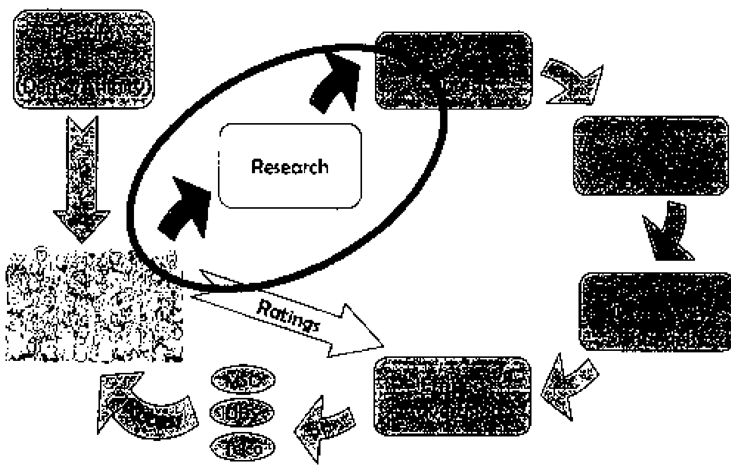
# 4. Ad Sales = Harmoniously Monetizing New Consumer Behavior






| OLD | NEW |
|---|---|
| • Selling Advertising within Video Content<br>• Selling Brands as surrogates for targeted reach within demographics or affinity groups<br>• Interruptive Advertising with premium CPMs (excellent monetization and appropriate for captive Lean-Back Mass Audiences)<br>• Ratings Driven | • Selling throughout Medium—Video, Text, Applications<br>• Selling Targeted Reach directly—across brands and sites (demos, behaviors, experiences)<br>• Increasingly integrated—not interruptive—advertising and monetization<br>• Portfolio-based approach where scale matters (more traffic across sites/demos/experiences)<br>• Performance-Driven |

# 5. Research = Taking Advantage of New Media Tracking




## NEW

- Individual user data now trackable for full monetization purposes
- Employing adaptive consumer feedback mechanisms in the process of creating multi-screen experiences ensure that consumers play a meaningful role
- Tangible benefits that come from the awareness and understanding of how consumers are literally talking about our franchises and relevant partners gives us the chances to develop specific, necessary content that will most appeal
- Intangible returns from even negative perception gives us an opportunity to develop good will and better meet the needs of our partners

## OLD

- Reporting the usage of TV channels and websites
- Reconciling actual vs projected delivery of audience reach
- Field ad effectiveness surveys off our sites to provide advertiser with empirical proof of positive value gained in-environment

## Syndicate Video for Traffic

## Monetize All Inventory for Revenue

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# Own Video AND Display (or Community) to Make Money

## Video + Display Advertising (Example: Yahoo & Comedy)

| Traffic Source | 06 Comedy Revenue | Yahoo Traffic* | Total Revenue | @50% Rev Share MTVN Revenue | @70% Rev Share MTVN Revenue |
|---|---|---|---|---|---|
| Yahoo – Comedy (Year 1) | $15MM | 101%** | $15MM | **$7.5MM** | **$10.5MM** |
| Yahoo – Comedy (Year 2) | $15MM | 169%** | $25MM | **$12MM** | **$17.5MM** |
| Yahoo – Comedy (Year 3) | $15MM | 241%** | $36MM | **$18MM** | **$25MM** |
| **Total Yahoo – Comedy** | | | | **$37.5MM** | **$53MM** |

*As a % of 2006 ComedyCentral.com Traffic
**Reflects MTVN Revised Traffic Asks. Yahoo Traffic Projections were 71%, 162% and 222% (for total of $34M over 3 years)

A-578

## Distribution Implications – Pursue Relationships that Enable Video + Display Monetization

**PROS**

Good Revenue Potential: Significant lift over current run rate.

Incremental Traffic Potential: Possible incremental traffic to ComedyCentral.com.

Awareness: Good mechanism for increasing linear awareness.

**CONS**

Community: Yahoo will likely build community features around content—risk mitigated somewhat if MTVN is focusing on "Experience" development (Supermarket metaphor)

Cannibalization: Possible risk of cannibalization of ComedyCentral.com traffic.

# Pure Video Syndication: Optimal for non-core content or awareness

## Pure Video "Syndication"

| Traffic Source | CPM | Rev Share | Effective CPM | Projected Streams | % of MTVN Current Annual Streams | Incremental Revenue |
|---|---|---|---|---|---|---|
| Viral (Embedded) | $ 5 | 100% | 5.0 | 300MM | 17% | **$1.5MM** |
| YouTube* | 8 | 70% | 5.6 | 1,000MM | 55% | **$5.6MM** |
| HyperDistribution** | 10 | 70% | 7.0 | 45MM | 2% | **$0.3MM** |
| Video Aggregators | 15 | 70% | 10.5 | 250MM | 14% | **$2.6MM** |
| Portals (AOL, MSN) | 25 | 50% | 12.5 | 800MM | 17% | **$3.8MM** |
| Total | | | | **1,895MM** | **105%** | **$13.8MM** |

*Assumes YouTube allows Pre-Roll
*Projection based on Current "Test" Levels

## Distribution Implications – Use to Monetize non-critical video and generate awareness

Poor Revenue Potential: Assuming doubling streams, MTVN would generate incremental $13.8MM online.

Incremental Traffic Potential: However, syndication may drive awareness of MTVN online offerings—incremental traffic worth approximately $2M per incremental 1% increase in traffic.

Awareness: Video Syndication retains significant value in generating awareness of new linear content and new online offerings—need to evaluate best mechanism for accomplishing.

A-579

# Schapiro Exhibit 218

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Subject: RE: WSJ- YouTube to Test Software To Ease Licensing Fights; VIACOM/GOOGLE mention
From: "Bell, Alan - Paramount" <EX:/O=VIACOM/OU=PARAMOUNT/CN=RECIPIENTS/CN=ABELL>
To: Lesinski, Thomas - Paramount
Cc: Date: Tue, 12 Jun 2007 15:48:03 +0000

Google Video fingerprinting; No, but we are invited to join the test – Viacom is working on the agreement. Audible Magic, quite familiar,

alan

---

From: Lesinski, Thomas - Paramount
Sent: Tuesday, June 12, 2007 8:09 AM
To: Bell, Alan - Paramount
Subject: FW: WSJ- YouTube to Test Software To Ease Licensing Fights; VIACOM/GOOGLE mention

Do you know about the specifics of this technology
------ Forwarded Message
From: "Brisbois, Mike - Paramount" <Mike_Brisbois@Paramount.com>
Date: Tue, 12 Jun 2007 06:27:39 -0700
To: "Grey, Brad - Paramount" <bag@paramount.com>, "Moore, Rob - Paramount" <rsm@Paramount.com>, "Rich, Gerry - Paramount" <Gerry_Rich@Paramount.com>, "Rovins, Jessica - Paramount" <Jessica_Rovins@paramount.com>, "Lesinski, Thomas - Paramount" <Thomas_Lesinski@Paramount.com>, "Yamada, Sarah - Paramount" <Sarah_Yamada@Paramount.com>, "Badagliacca, Mark - Paramount" <Mark_Badagliacca@Paramount.com>, "Lesher, John - Paramount Vantage" <JHL@paramountvantage.com>, "Weston, Brad - Paramount" <Brad_Weston@Paramount.com>, "Bannister, Nancy - Paramount" <Nancy_Bannister@Paramount.com>, "Hill, Janet - Paramount" <Janet_Hill@Paramount.com>, "Sheldon, Monica - Paramount" <Monica_Sheldon@Paramount.com>, "Martin Kelley, Katie - Paramount Vantage" <kmk@paramountvantage.com>, "Huntsberry, Frederick - Paramount" <FH@Paramount.com>, "Kaufman, Louise - Paramount" <Louise_Kaufman@Paramount.com>, "McKee, Colleen - Paramount" <Colleen_McKee@Paramount.com>, "Geller, Rona - Paramount" <Rona_Geller@Paramount.com>, "Avery, Kelley - Paramount" <Kelley_Avery@Paramount.com>, "Rehling, Tim - Paramount" <Tim_Rehling@Paramount.com>, "Ciccone, Brenda - Paramount" <Brenda_Ciccone@Paramount.com>, "Knittel, Marta - Paramount" <Marta_Knittel@Paramount.com>, "Burrows, Meagan - Paramount" <Meagan_Burrows@Paramount.com>, "Meyer, Nick - Paramount Vantage" <nm@paramountvantage.com>, <tpress@dreamworks.com>, "Batista, Christine - Paramount" <Christine_Batista@Paramount.com>, "Vollman, Michael - Paramount" <Michael_Vollman@Paramount.com>, "Waldman, David - Paramount" <David_Waldman@Paramount.com>, "Feola, Louis - Paramount" <LF@Paramount.com>, "Tharp, Jim - Paramount" <jct@paramount.com>, "Rich, Victoria - Paramount" <Victoria_Rich@Paramount.com>, "Agulnek, Michael - Paramount" <Michael_Agulnek@Paramount.com>, "Gottesman, Stuart - Paramount" <Stuart_Gottesman@Paramount.com>, "Wright, Susan - Paramount" <Susan_Wright@Paramount.com>, "Prentice, Rebecca - Paramount" <Rebecca_Prentice@Paramount.com>, "Anderson, Jon - Paramount" <Jon_Anderson@Paramount.com>, "Cripps, Andrew - Paramount" <Andrew_Cripps@Paramount.com>, "Spendlove, Randy - Paramount" <Randy_Spendlove@Paramount.com>, "Bartok, Mike - Paramount" <Mike_Bartok@Paramount.com>, "Pinto, Charlie - Paramount" <Charlie_Pinto@paramount.com>, "Davidson, Eben - Paramount" <Eben_Davidson@Paramount.com>
Cc: "Wilson, Shaleek - Paramount" <Shaleek_Wilson@Paramount.com>, "Bosari, Louie - Paramount" <Louie_Bosari@Paramount.com>, "Ostensen, Justin - Paramount" <Justin_Ostensen@Paramount.com>, "cpark@dreamworks.com" <'cpark@dreamworks.com'>, "Salvato, Laura - Paramount" <Laura_Salvato@Paramount.com>, "Martinez, Claudia - Paramount Vantage" <Claudia.Martinez@paramountvantage.com>, "Summey, Chelsey - Paramount Vantage" <Chelsey.Summey@paramountvantage.com>, "Kolker, Samantha - Paramount" <Samantha_Kolker@Paramount.com>, "Timmerman, Jody - Paramount" <Jody_Timmerman@Paramount.com>, "cschweitz@dreamworksanimation.com" <'cschweitz@dreamworksanimation.com'>, "dstromer@dreamworks.com"

<'dstromer@dreamworks.com'>, "Essel, Chris - Paramount" <Chris_Essel@Paramount.com>, "Woerner, Anita - Paramount" <Anita_Woerner@Paramount.com>, "Witte, Joan - Paramount" <Joan_Witte@Paramount.com>, "Nguyen, Ngoc - Paramount" <Ngoc_Nguyen@Paramount.com>, "Godocik, John - Paramount" <John_Godocik@Paramount.com>, "Sumpter, Andrea - Paramount" <Andrea_Sumpter@paramount.com>, "Chu, Corie - Paramount" <Corie_Chu@Paramount.com>, "Arnold, Riki Leigh - Paramount" <Riki_Leigh_Arnold@paramount.com>, "David, Elizabeth - Paramount" <Elizabeth_David@Paramount.com>, "Knudsen, Henrik A - Paramount" <Henrik_A_Knudsen@paramount.com>, "Todd, Newell - Paramount" <Newell_Todd@paramount.com>, "Giovanni, Gina - Paramount" <Gina_Giovanni@Paramount.com>, "Styron, Amanda - Paramount" <Amanda_Styron@Paramount.com>, "Valentino, Venessia - Paramount" <Venessia_Valentino@Paramount.com>, "Feinerman, Debbie - Paramount" <Debbie_Feinerman@Paramount.com>
Conversation: WSJ- YouTube to Test Software To Ease Licensing Fights; VIACOM/GOOGLE mention
Subject: WSJ- YouTube to Test Software To Ease Licensing Fights; VIACOM/GOOGLE mention

YouTube to Test Software
To Ease Licensing Fights
By KEVIN J. DELANEY
June 12, 2007; Page B2
SAN FRANCISCO -- Google Inc.'s YouTube says it will begin testing advanced video identifying technology to spot clips on the video-sharing site with media companies including Time Warner Inc. and Walt Disney Co. starting in a month.

YouTube Partner Development Director Chris Maxcy in an interview said the company was building its own video-fingerprinting technology, after concluding that existing technology from other providers wouldn't meet its needs. Video fingerprinting is based on the premise that any video content has unique attributes that allow it to be identified even from a short clip -- just as a human fingerprint identifies a person.

YouTube and other video-sharing sites hope the technology will spot television shows and films posted by consumers without the content owners' permission, so the sites can remove them or share advertising revenue. Google Chief Executive Eric Schmidt has said that fingerprinting technology is key to resolving copyright battles between media and technology companies over online video, such as Viacom Inc.'s $1 billion suit against Google filed in March. Some media executives have accused YouTube of dragging its feet in implementing such technology in order to profit from copyright infringement as long as possible, a charge the video site has denied.

A Disney spokeswoman confirmed its involvement in YouTube's planned video-fingerprinting test and said it is encouraged by the action. Time Warner declined to comment.

Mr. Maxcy said YouTube has been using audio-fingerprinting technology from closely held Audible Magic Corp. of Los Gatos, Calif., to identify songs in clips uploaded by consumers since the beginning of the year in conjunction with its music-label partners. When a user tries to upload a video to YouTube, the fingerprinting technology checks to see whether its audio matches the fingerprint of music its partners have identified to Audible Magic. Mr. Maxcy said "the overwhelming majority of the time" when there's a match, the labels license the music to YouTube, which then can sell advertising when the clip appears and shares any ad revenue with the copyright holders.

Mr. Maxcy said that YouTube uses audio fingerprinting to automatically block a clip from ever appearing on the site when a user tries to upload one that contains music the partner copyright holders don't want to appear. That blocking is known in the industry as "filtering," and some media companies have alleged in the past that YouTube was unwilling to filter.

YouTube Product Manager David King said that it also intends to use video fingerprinting to automate the filtering or licensing of video clips.

YouTube officials said they have already been testing their homegrown video fingerprinting technology in their labs. The test with content owners including Time Warner and Disney beginning in a month would also be in their labs, so it would not affect videos that users might see on the main YouTube site. YouTube CEO Chad Hurley has said the company intends to make the fingerprinting technology available to all content owners in the fall.

--Merissa Marr in Los Angeles and Matthew Karnitschnig in New York contributed to this article.

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# Schapiro Exhibit 221

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

VIACOM INTERNATIONAL, INC., COMEDY )
PARTNERS, COUNTRY MUSIC. )
TELEVISION, INC., PARAMOUNT )
PICTURES CORPORATION, and BLACK )
ENTERTAINMENT TELEVISION, LLC, )
)
Plaintiffs, )
)
vs. ) NO. 07-CV-2103
)
YOUTUBE, INC., YOUTUBE, LLC, )
and GOOGLE, INC., )
)
Defendants. )
___________________________________)
)
THE FOOTBALL ASSOCIATION PREMIER )
LEAGUE LIMITED, BOURNE CO., et al.,)
on behalf of themselves and all )
others similarly situated, )
)
Plaintiffs, )
vs. ) NO. 07-CV-3582
)
YOUTUBE, INC., YOUTUBE, LLC, and )
GOOGLE, INC., )
)
Defendants. )
___________________________________)

VIDEOTAPED DEPOSITION OF WARREN SOLOW
NEW YORK, NEW YORK
DECEMBER 18TH, 2009

JOB NO. 18304

VIDEOTAPED DEPOSITION OF WARREN SOLOW, held at the offices of Wilson, Sonsini, Goodrich & Rosati, PC, 1301 Avenue of the Americas New York, New York, pursuant to notice, before Maureen Ratto, Registered Professional Reporter and Notary Public of the State of New York on December 18, 2009, at 10:10 a.m.

A P P E A R A N C E S

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VIDEOGRAPHER: This is DVD No. 1 of the video deposition of Warren Solow in the matter of Viacom International Inc., et al, versus The Football Association Premier League Limited, et al versus YouTube, Inc., et al.

09:25:06

This deposition is being held at 1301 Avenue of the Americas, New York, New York on December 18, 2009 at approximately 9:51 a.m.

09:27:05

My name is Manuel Abreu from the firm of David Feldman Worldwide and I am the legal video specialist. The court reporter is Maureen Ratto, in association with David Feldman Worldwide.

09:27:27

Will counsel please introduce themselves?

MR. RUBIN: Michael Rubin from Wilson, Sonsini, Goodrich & Rosati for defendants YouTube and Google.

09:52:16

MS. KOHLMANN: Susan Kohlmann, Jenner & Block for the Viacom plaintiffs.

* * *

11:22:16 and other than reviewing the binder of 24-ish documents that was provided to you, did you review any other materials in connection with your preparation for today's deposition?

A. No.

Q. Did you access any systems in connection with today's deposition?

A. No.

11:23:05 MS. KOHLMANN: I'm going to object.

THE WITNESS: Sorry.

MS. KOHLMANN: It's okay.

Q. Did you access any systems at

11:23:12 BayTSP in connection with your preparation for today's deposition?

A. No.

Q. But you have the ability to do so, don't you?

11:23:22 MS. KOHLMANN: Objection.

A. Not personally.

Q. You don't have a log-in and password to any system at BayTSP?

A. If I do, I no longer remember

11:23:45 it.

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11:25:06
11:25:22
11:25:43
11:26:25

Q. When did Viacom first begin sending DMCA takedown notices to YouTube?
A. I'm not aware of the date of the first notice sent to YouTube.
Q. Did Viacom hire any third parties to assist in locat- -- strike that.
Did Viacom hire any third parties to assist in locating content on YouTube?
MS. KOHLMANN: Objection as to form.
A. Yes.
Q. Which third parties did Viacom hire to assist in locating Viacom content on YouTube?
A. BayTSP.
Q. Any others?
A. Auditude.
Q. Any others?
A. Staffing agencies.
Q. Can you identify the name of any staffing agencies that were hired for that purpose?

A. Not as I sit here now.

Q. When did Viacom hire BayTSP to assist in locating Viacom content on YouTube?

11:26:49 A. I'm not sure of the exact day that -- that that engagement began.

Q. When did Viacom hire Auditude to assist in locating Viacom content on YouTube?

11:27:14 A. In 2007.

Q. By October of 2006 Viacom was working with BayTSP to locate and send DMCA takedown notices regarding Viacom content that had been located on

11:27:45 YouTube, right?

MS. KOHLMANN: Objection as to form. You can answer.

A. By October of 2006 Viacom had hired BayTSP to monitor and send out

11:28:05 takedown notices.

Q. So the answer to my question is yes, right?

A. Yes.

Q. Several Viacom entities work

11:28:21 with BayTSP to locate their content on that they would be, but we want to avoid any claim that they might be. I think the most reasonable approach is to move expeditiously through this. We are, of course, willing to discuss anything with you as we always are. But I don't think it's going to be a significant concern.

MS. KOHLMANN: Okay. Well, as I said, I will allow Mr. Solow to testify generally but if it goes too much -- into too much depth and beyond the scope of the number 5 of the 30(b)(6), I'm going to have to discuss it again.

You can answer.

A. Would you mind repeating the question?

Q. Be more than happy to. You can't recall it after that colloquy?

A. I don't want to attempt to.

Q. I think I'll just ask the question again.

It's my tes- -- it's my recollection of your testimony, and please correct me if I'm wrong, that

11:33:09 you indicated that the individual or individuals at MTV who -- who were responsible for directing BayTSP's activities changed over time. Is that right?

A. The primary point of contact between Viacom and -- and BayTSP changed over time, in some instances.

11:33:30 Q. Is there a distinction with regard to the BayTSP Viacom relationship between primary point of contact and the individual at Viacom or MTVN who directed BayTSP's activities?

MS. KOHLMANN: Objection as to form. You can answer.

11:33:43 A. The person who articulated direction to BayTSP changed over time, as did the, potentially the makeup of the people who had input into the specifications that were provided to -- to Bay.

11:34:20 Q. At the beginning of the relationship with BayTSP who at Viacom had input into the specifications that were provided to BayTSP?

11:34:42

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11:36:38

A. Primarily members of the legal department.
Q. Can you identify them by name, please?
A. I don't have direct knowledge, specific knowledge, who those people would be at a point in time.
Q. In October of 2006 who were those people?
A. I hesitate because there would be some level of assumption in my answer.
Q. Was Michelena Hallie one of those people?
A. Yes.
Q. Was Cindy Morales one of those people?
A. Can you, again, define what one of those people are, the definition of that?
Q. Someone at Viacom or MTVN who was providing specifications to BayTSP?
A. I don't believe Cindy would have been one of those people.
Q. Was Adam Cahan one of those

people?

A. Yes.

MS. KOHLMANN: Just to be clear, you're talking October of 2006?

11:36:49 MR. RUBIN: October, 2006.

A. I would expect so, yes.

Q. Adam Cahan was not a member of the legal department, was he?

A. No.

11:36:57 Q. And he wasn't a lawyer either, was he?

A. No.

Q. A few moments ago you articulated a distinction between those 11:37:09 who provided input into specifications and those who served as points of contact for BayTSP at MTV or at Viacom. Other than Michelena Hallie and Adam Cahan, who you've identified as people 11:37:27 who provided specifications to BayTSP in the October 2006 time frame, can you identify anyone else who either provided specifications in that time frame or served as a point of contact?

11:37:37 MS. KOHLMANN: Objection as to

form.

A. I was considering the provision of specifications as somebody who was having point of contact. My separate lives distinctions were there are people who interacted with Bay directly and then there were other people who may have had input in what the messaging to Bay would be.

Q. Okay. Thank you for the clarification. So Ms. Hallie and Mr. Cahan were points of contact directly with BayTSP in that time period?

A. I believe both of them had some direct contact with BayTSP.

Q. Who at MTVN or Viacom more broadly had input into what those individuals were communicating to BayTSP with regard to specifications? In other words, where was the direction actually coming from within Viacom?

MS. KOHLMANN: Again, I'll allow Warren to answer the questions but it does seem like we're way beyond the

scope of the 30(b)(6).
You can answer.
A. I believe that there would be -- there were numerous people who would have had input into the conversation with BayTSP, but I do not have specific knowledge of any moment where that collaborative process took place and who was at the table. Again, it would be -- there would be some speculation in my answer.
Q. You can't identify a single individual at MTVN or Viacom other than Ms. Hallie and Mr. Cahan who were involved in the process in any way?
A. Involved in the process in any way, yes, I can identify.
Q. Please do so.
A. Michael Fricklas.
11:40:19 Q. Was he providing direction?
A. I don't know that I could characterize what he was providing.
Q. Michael Fricklas is the general counsel of Viacom, is he not?
11:40:35 A. Yes, he is.

11:40:46

Q. Please continue.

MS. KOHLMANN: Is there a question pending?

MR. RUBIN: Yes.

Q. Please continue listing the individuals that you're aware of participating in contact or having input into specifications with BayTSP in the October, 2006 time frame?

11:40:58

A. Limiting it to the October time frame, I'm not sure that I could -- I think that there would be too much speculation to list names of people.

Q. The mass takedown that

11:41:47

ultimately took place on February 2nd, 2007 resulted from a series of directives that were provided by Viacom to BayTSP. Isn't that right?

MS. KOHLMANN: Objection, vague.

11:42:03

A. Can you repeat that question, please?

Q. Sure. The mass takedown that ultimately took place on February 2nd, 2007 resulted from a series of

11:42:14

directives that were provided by Viacom

to BayTSP. Isn't that right?
A. The mass takedown was facilitated by instructions provided to BayTSP.
11:42:46 Q. What do you mean facilitated by, Mr. Solow?
A. They assisted in the -- the work, the effort that resulted in the takedown.
11:43:06 Q. BayTSP was acting at the express direction of Viacom, right?
A. Yes.
Q. Every action they took with regard to the mass takedown was at
11:43:17 Viacom's express direction, right?
MS. KOHLMANN: Objection.
A. That would certainly be Viacom's assumption or hope.
Q. And the rules that led to what
11:43:38 content was included or excluded from that takedown were set by Viacom, isn't that right?
MS. KOHLMANN: Objection as to form. You can answer.
11:43:48 A. Yes.

11:44:06

Q. BayTSP did not determine the set of rules that led to which content was included or excluded from the mass takedown on its own, did it?
A. That's correct.
Q. And the directives that ultimately led to the February 2nd, 2007 mass takedown changed over time, didn't they?

11:44:23

A. Yes.
Q. I'd like to introduce Exhibit 2.
(Exhibit 2 is received and marked for identification.)
Q. Mr. Solow, Exhibit 2 is a

11:44:59

document BayTSP produced in this action pursuant to YouTube's subpoena bearing Bates number BAYTSP 004306300. Do you see that?
A. Yes.

11:45:19

Q. I would describe the Bates number process at the lower right-hand corner, but you're well aware of it. Do you recognize this document?
A. I do not.

11:45:37

Q. Have you seen it before?