EXHIBIT A

EXHIBIT A

Vu, Hong-An

From:	Vu, Hong-An
Sent:	Tuesday, May 13, 2014 10:29 AM
To:	Patricia Jones Winograd; Hainline, Forrest A; Jones, Michael T
Cc:	Fred Heather
Subject:	RE: Expert Report

Thanks Patti. I just called and left a message. Do you mind calling me at [redacted] to discuss the expert reports in general? We just want to make sure we are all on the same page now that the Court has extended the deadlines.

Thanks,
Hong-An

-----Original Message-----
From: Patricia Jones Winograd [mailto:pwinograd@glaserweil.com]
Sent: Tuesday, May 13, 2014 10:05 AM
To: Vu, Hong-An; Hainline, Forrest A; Jones, Michael T
Cc: Fred Heather
Subject: RE: Expert Report

Thank you for your response, Hong-An. I am looking into Dr. Isaacson's data. We'd certainly agree to an exchange of databases. Let me know what you are able to find out.

Thanks,
Patti

-----Original Message-----
From: Vu, Hong-An [mailto:HVu@goodwinprocter.com]
Sent: Monday, May 12, 2014 6:35 PM
To: Patricia Jones Winograd; Hainline, Forrest A; Jones, Michael T
Cc: Fred Heather
Subject: RE: Expert Report

Patti,

We are checking into whether we have the survey data in the below formats. Do you have Dr. Isaacson's data in excel or other native format? Regarding the data maps, I believe what you need can be found in appendices K and L of the supporting materials. Please let us know if this is not what you are requesting.

Thanks,
Hong-An

>Hong-An Vu
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-----Original Message-----
From: Patricia Jones Winograd [mailto:pwinograd@glaserweil.com]
Sent: Monday, May 12, 2014 6:04 PM
To: Vu, Hong-An; Hainline, Forrest A; Jones, Michael T
Cc: Fred Heather
Subject: Expert Report

Counsel:

Would you be in a position to forward us a copy of the database in standard electronic format, such as Excel or comma delimited, containing the responses to all questions from all respondents in connection with your expert report. We would appreciate receiving the database and any data map or key explaining how data fields or data codes correspond to questions and responses. If we missed it among your appendices, please let us know. Please let us know as soon as possible if you are able to provide this information.

Regards,
Patti

Exhibit B

Exhibit B

PATRICIA L. GLASER - State Bar No. 55668
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Attorneys for Plaintiff
LegalZoom.com, Inc.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

LEGALZOOM.COM, INC., a Delaware corporation, Plaintiff, v. ROCKET LAWYER INCORPORATED, a Delaware corporation, Defendant.	CASE NO.: CV 12-9942-GAF (AGRx) Hon. Gary A. Feess **LEGALZOOM.COM, INC.'S RESPONSE TO ROCKET LAWYER INCORPORATED'S THIRD SET OF REQUESTS FOR PRODUCTION**

Pursuant to *Federal Rule of Civil Procedure* 34, Plaintiff LegalZoom.com, Inc. (hereinafter "LegalZoom") responds to the Third Set of Requests for Production served by Defendant Rocket Lawyer Incorporated ("Rocket Lawyer") on July 1, 2014, as follows:

PRELIMINARY STATEMENT

1. The following responses are based solely on the facts, information, documents and witnesses presently available and specifically known and recalled by LegalZoom, which LegalZoom presently recognizes as relevant and responsive to the Requests. LegalZoom has not completed its investigation, research and analysis as to all facts, circumstances, documents and witnesses relevant to this action. LegalZoom anticipates that its discovery, investigation, research and trial preparation may reveal additional facts, documents and witnesses not presently known or recalled by them, which they may introduce or rely upon at trial. LegalZoom anticipates that discovery, investigation, research and trial preparation will add meaning to known facts, documents and witnesses, thereby leading to new contentions and conclusions which it may introduce or rely upon at trial. LegalZoom further anticipates that discovery, investigation, research and trial preparation will render relevant or responsive additional facts, documents and witnesses, which it did not recognize as relevant or responsive when responding to these Requests. Consequently, the following discovery responses are not intended to, and shall not, preclude LegalZoom from asserting further objections, making further contentions and relying upon or introducing additional facts, witnesses and documents at trial, based upon the results of subsequent discovery, investigation, research and trial preparation.

2. By these responses, LegalZoom does not waive and, in fact, expressly reserves: (a) any objections as to the admissibility, competency, relevancy and materiality of evidence and any privilege attaching to any documents or information produced; and (b) the right to object to other discovery requests or undertakings

involving or reflecting the subject matter of the documents or information requested herein.

GENERAL OBJECTIONS

LegalZoom in general objects to the Requests on each and every one of the following grounds, which are incorporated into and made a part of LegalZoom's response to each and every individual request.

1. LegalZoom objects to the extent the Requests seek to impose obligations upon LegalZoom not required by the Federal Rules of Civil Procedure.

2. LegalZoom objects to the extent the Requests call for documents or things that are neither relevant to the claim or defense of a party, nor reasonably calculated to lead to the discovery of admissible evidence.

3. LegalZoom objects to the extent the Requests, individually and taken as a whole, are unduly burdensome and oppressive and virtually unlimited in time and scope.

4. LegalZoom objects to the extent the Requests call for the disclosure of documents subject to the attorney-client privilege, the attorney work-product doctrine, the taxpayer privilege or any other applicable privileges.

5. LegalZoom objects to the extent the Requests seek the production of documents that are in the possession of independent parties over whom LegalZoom has no control or that are publicly available and hence equally available to all parties to this litigation.

6. LegalZoom objects to the definition of "You" and "Your" as including LegalZoom's "past and present agents, representatives, and all persons now or previously under its control, and all persons currently or previously acting or purporting to act on its behalf." This definition is impermissibly vague, ambiguous, and overly broad, and renders any related requests unduly burdensome, unreasonable, and oppressive. LegalZoom shall limit the terms "You" and "Your" to mean LegalZoom.com, Inc.

RESPONSES TO REQUESTS FOR DOCUMENTS

REQUEST FOR DOCUMENTS NO. 1:

All Documents and Communications Concerning the answers provided in Your response to Rocket Lawyer's Second Set of Interrogatories.

RESPONSE TO REQUEST FOR DOCUMENT NO. 1:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is vague, overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope.

REQUEST FOR DOCUMENTS NO 2:

All Documents relied on by Your experts in rendering their expert opinion.

RESPONSE TO REQUEST FOR DOCUMENT NO. 2:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is not properly directed to LegalZoom, overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope.

REQUEST FOR DOCUMENTS NO 3:

All Documents Concerning any analysis You have conducted on Your customers such as, analysis into their purchasing decisions, their experience on LegalZoom.com, their thoughts on LegalZoom.com compared to competitors such as Rocket Lawyer or Law Depot, and their reactions to Your products and services.

RESPONSE TO REQUEST FOR DOCUMENT NO. 3:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is vague, compound, overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope.

REQUEST FOR DOCUMENTS NO 4:

All Documents Concerning how much You spend on advertising each quarter.

RESPONSE TO REQUEST FOR DOCUMENT NO. 4:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope.

REQUEST FOR DOCUMENTS NO 5:

All Documents Concerning Your advertising spend by channel, including, but not limited, radio, television, online, etc.

RESPONSE TO REQUEST FOR DOCUMENT NO. 5:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is overbroad, unduly burdensome, harassing, virtually unlimited in time and scope, and seeks irrelevant documentation.

REQUEST FOR DOCUMENTS NO 6:

All Document Concerning Your advertising spend by product.

RESPONSE TO REQUEST FOR DOCUMENT NO. 6:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is overbroad, unduly burdensome, harassing, virtually unlimited in time and scope, and seeks irrelevant documentation.

REQUEST FOR DOCUMENTS NO 7:

All Documents Concerning Your customers, including, but not limited to:

(a) how many customers You have had since November 2008;

(b) how customers are enrolled – whether by organic traffic vs. paid advertising;

(c) the average amount spent on LegalZoom.com by your customers;

(d) the average length of time Your customers are enrolled in a LegalZoom plan;

(e) breakdown of customer purchases by product;

(f) percentage of customer who make repeat purchases;

(g) percentage breakdown of customers; and

(h) Average order size per customer.

RESPONSE TO REQUEST FOR DOCUMENT NO. 7:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is vague, compound, overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope.

REQUEST FOR DOCUMENTS NO 8:

All Documents Concerning your average order size.

RESPONSE TO REQUEST FOR DOCUMENT NO. 8:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope. LegalZoom further objects to the term "average order size" as vague and ambiguous, causing LegalZoom to speculate as to what documents and information, if any, is responsive.

REQUEST FOR DOCUMENTS NO 9:

All Documents Concerning the number of transactions customers have completed on your website.

RESPONSE TO REQUEST FOR DOCUMENT NO. 9:

LegalZoom incorporates by reference each of the foregoing General Objections. LegalZoom further objects to this Request to the extent that it is overbroad, unduly burdensome, harassing, and virtually unlimited in time and scope. LegalZoom further objects to the term "transactions" as vague and ambiguous, causing LegalZoom to speculate as to what documents and information, if any, is responsive.

DATED: July 30, 2014

GLASER WEIL FINK
HOWARD AVCHEN & SHAPIRO LLP

By: ______________________
PATRICIA L. GLASER
FRED D. HEATHER
AARON P. ALLAN
Attorneys for Plaintiff
LegalZoom.com, Inc.

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California; I am over the age of 18 and not a party to the within action; my business address is 10250 Constellation Boulevard, 19th Floor, Los Angeles, California 90067.

On July 31, 2014, I served the foregoing document(s) described as **LEGALZOOM.COM, INC.'S RESPONSE TO ROCKET LAWYER INCORPORATED'S THIRD SET OF REQUESTS FOR PRODUCTION** on the interested parties to this action by delivering thereof in a sealed envelope addressed to each of said interested parties at the following address(es):
SEE ATTACHED LIST

☒ **(BY MAIL)** I am readily familiar with the business practice for collection and processing of correspondence for mailing with the United States Postal Service. This correspondence shall be deposited with the United States Postal Service this same day in the ordinary course of business at our Firm's office address in Los Angeles, California. Service made pursuant to this paragraph, upon motion of a party served, shall be presumed invalid if the postal cancellation date of postage meter date on the envelope is more than one day after the date of deposit for mailing contained in this affidavit.

☐ **(BY ELECTRONIC SERVICE)** by causing the foregoing document(s) to be electronically filed using the Court's Electronic Filing System which constitutes service of the filed document(s) on the individual(s) listed on the attached mailing list.

☒ **(BY E-MAIL SERVICE)** I caused such document to be delivered electronically via e-mail to the e-mail address of the addressee(s) set forth in the attached service list.

☐ **(BY PERSONAL SERVICE)** I caused such envelope to be delivered by hand to the offices of the above named addressee(s).

☐ (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☒ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made. I declare under penalty of perjury that the above is true and correct.

Executed on July 31, 2014 at Los Angeles, California.

Cheree L. Castille
CHEREE L. CASTILLE

Glaser Weil Fink Jacobs
Howard Avchen & Shapiro LLP

SERVICE LIST

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Counsel for Defendant Rocket Lawyer Incorporated

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Howard Avchen & Shapiro LLP

Exhibit C

Exhibit C

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

LEGALZOOM.COM, INC., A DELAWARE CORPORATION, PLAINTIFF, V. ROCKET LAWYER INCORPORATED, A DELAWARE CORPORATION, DEFENDANT.	NO. CV-12-9942-GAF (AGRX)

DEPOSITION OF YORAM (JERRY) WIND, TAKEN ON BEHALF OF THE PLAINTIFF, AT 1650 MARKET STREET, SUITE 5150, PHILADELPHIA, PENNSYLVANIA, COMMENCING AT 10:51 A.M., TUESDAY, JULY 15, 2014, BEFORE KRISTY L. LIEDTKA, A PROFESSIONAL COURT REPORTER AND NOTARY PUBLIC IN AND FOR THE COMMONWEALTH OF PENNSYLVANIA.

DISTRICT COURT IN THE CENTRAL DISTRICT OF CALIFORNIA?

A. YES.

Q. DO YOU HAVE AN IDEA OF WHAT THE LAWSUIT IS ABOUT?

A. AT LEAST THE SECTION THAT RELATES TO MY REPORTS, YES.

Q. WELL, WHY DON'T YOU TELL ME WHAT YOUR UNDERSTANDING OF WHAT THE DISPUTE IS BETWEEN LEGALZOOM AND ROCKET LAWYER?

A. WELL, LEGALZOOM PRIMARILY HAS TWO MAJOR COMPLAINTS I ADDRESSED. THEY HAVE SOME OTHER, BUT THE ONE THAT I ADDRESSED WHICH IS, ONE, TO WHAT EXTENT THE USE OF THE WORD "FREE" IN THE INCORPORATION OFFERING WITHOUT SPECIFYING STATE FEES IS DECEPTIVE AND MISLEADING TO THE CONSUMERS, AND THE SECOND RELATES TO THE USE OF THE TERM "FREE TRIAL" IN SOME OF THE LEGAL SERVICES OFFERED BY ROCKET LAWYER.

Q. THANK YOU.

I'D LIKE TO PIN DOWN AND CONFIRM THE REPORTS THAT YOU'VE AUTHORED AND SUBMITTED FOR THIS CASE. I'D LIKE TO JUST KIND OF GO THROUGH THE LIST AND HAVE YOU TELL ME WHETHER I'VE COVERED ALL OF THE REPORTS THAT YOU'VE AUTHORED.

11:01:08 ANYTHING ELSE THAT WAS NOT PREPARED BY ME, THEN --
11:01:13 BUT BY THE LAWYERS, THEN THE LAWYERS WERE WORKING
11:01:17 WITH THE COMPANY, WITH ROCKET LAWYER, TO PREPARE
11:01:19 THE STIMULI BASED ON THE DIRECTIONS THAT I GAVE
11:01:23 THEM HOW TO PREPARE THE STIMULI FOR THE STUDY.
11:01:28 Q. I SEE. AND WHICH STIMULI WAS THAT?
11:01:32 WOULD THAT BE THE STIMULI FOR BOTH THE
11:01:34 INCORPORATION STUDY AS WELL AS THE FREE TRIAL
11:01:38 STUDY?
11:01:38 A. CORRECT. AND YOU DON'T HAVE IT
11:01:39 HERE IN THE MATERIAL I GOT HERE, BUT THERE IS A
11:01:42 WHOLE SET OF APPENDICES TO THE SUPPLEMENTAL -- TO
11:01:47 THE ORIGINAL REPORT THAT INCLUDED ALL OF THE
11:01:49 STIMULI.
11:01:52 Q. OKAY. AND SO THE ATTORNEYS AT
11:01:54 ROCKET LAWYER PREPARED THAT AT YOUR DIRECTION; IS
11:01:58 THAT CORRECT?
11:01:58 A. I DON'T KNOW IF THEY PREPARED IT OR
11:02:01 ROCKET LAWYER OR SOMEONE ELSE, BUT BASICALLY THEY
11:02:03 TOOK CARE OF PREPARING THE STIMULI BASED ON MY
11:02:06 DIRECTIONS.
11:02:07 Q. I SEE. WE TALKED ABOUT FACTS AND
11:02:13 DATA THAT ROCKET LAWYER'S ATTORNEYS GAVE YOU IN
11:02:18 CONNECTION WITH YOUR REPORTS.
11:02:19 I'D LIKE TO ASK YOU, WERE YOU

11:02:22 PROVIDED ANY FACTS OR DATA BY ROCKET LAWYER ITSELF?
11:02:31 A. NO, THERE WAS -- THERE WAS ONE -- THE CFO OF ROCKET LAWYER, I DON'T REMEMBER HIS NAME, HE BASICALLY HAD A DECLARATION WITH SOME FACTS THAT I RELIED ON AND VERY EARLY IN THE GAME IN THIS CASE I BELIEVE THAT SOMEONE FROM ROCKET LAWYER WAS ON ONE OF OUR TELEPHONE DISCUSSIONS.
11:03:09 Q. OKAY. OTHER THAN THAT TELEPHONE DISCUSSION THAT YOU JUST REFERENCED, DID YOU HAVE ANY OTHER DIRECT COMMUNICATIONS WITH ANYONE AT ROCKET LAWYER?
11:03:18 A. NO.
11:03:22 Q. WHAT HOURLY RATE ARE YOU CHARGING ROCKET LAWYER FOR YOUR WORK ON THIS MATTER?
11:03:26 A. MY REGULAR RATE, A THOUSAND DOLLARS AN HOUR.
11:03:30 Q. OKAY. AND IS THIS ALSO YOUR HOURLY RATE FOR TESTIFYING AT TRIAL?
11:03:33 A. YES.
11:03:38 Q. AND ROCKET LAWYER'S COUNSEL PRODUCED A SET OF INVOICES FROM YOU. DID YOU HAVE AN OPPORTUNITY TO LOOK THOSE OVER BEFORE THEY WERE PRODUCED?
11:03:50 A. NO. ONLY WHEN THEY WERE BEING --

A. NO.

Q. OKAY.

A. I THINK THEY WERE -- AS I MENTIONED BEFORE, I THINK THEY WERE IN ONE PHONE CALL VERY EARLY IN THE GAME, BUT I DID NOT REALLY INCLUDE THEM AS PART OF THE TEAM.

Q. DO THE DESCRIPTIONS ON YOUR INVOICES ACCURATELY DESCRIBE THE WORK THAT YOU PERFORMED?

A. AS BEST AS I, YOU KNOW, COULD HAVE -- CAN DESCRIBE WHAT I DO, YEAH.

Q. AND DID YOU BILL FOR ALL OF THE TIME THAT YOU ACTUALLY SPENT WORKING ON THIS MATTER?

A. YEAH, THE BILLS ACCURATELY REFLECT THE TIME SPENT ON THE PROJECT.

Q. OTHER THAN YOU AND MR. KRIEGER, HAS ANYONE ELSE ON YOUR STAFF OR AT WHARTON WORKED WITH YOU ON THIS ENGAGEMENT?

A. YEAH, MY ASSISTANT AT HOME. I HAVE A CONSULTING OFFICE AND MY ASSISTANT PREPARED THE FIRST DRAFT OF THE REPORTS.

Q. WAS THAT BASICALLY JUST TYPING IT UP?

A. YEAH. I TYPICALLY TYPE VERY POORLY

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11:13:42 AND WITH -- WITHOUT REALLY PAYING MUCH ATTENTION FOR FORMATTING. SO SHE TYPICALLY CLEANS IT AND THEN FORWARDED LET'S SAY THE ORIGINAL REPORT CASE TO RADIUS AND THEY DID THE FINAL FORMATTING AND TYPING OF THE REPORT. THE SAME WITH THE QUESTION --

11:14:02 Q. OTHER THAN WITH THE TYPING --

11:14:02 A. THE SAME WITH THE QUESTIONNAIRE.

11:14:04 Q. I'M SORRY.

11:14:04 A. I PREPARED A QUESTIONNAIRE VERY ROUGH. MY ASSISTANT CLEANED IT, SENT IT TO RADIUS, THEY FORMATTED, PROGRAMMED IT.

11:14:16 Q. OTHER THAN TYPING AND CLEANING UP AND THINGS OF THAT NATURE, DID ANYONE PROVIDE ANY SUBSTANCE IN TERMS OF THE WORK THAT WAS PERFORMED ON THIS MATTER FROM WHARTON OR FROM YOUR CONSULTING FIRM?

11:14:30 A. NO.

11:14:34 Q. DO YOU MAINTAIN A DATABASE FOR THIS MATTER WHICH CONTAINS ALL OF THE RESPONSES FROM THE RESPONDENTS TO YOUR SURVEYS?

11:14:46 A. NO, I DON'T. THE DATA TYPICALLY IN THIS SPECIFIC CASE IS BASICALLY HOUSED AT RADIUS AND THEY SEND THE DATA FILE TO ABBA KRIEGER. HE DID THE ANALYSIS. WHEN THE PROJECT IS DONE,

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11:25:53 IS THAT OKAY?
11:25:54 A. YES.
11:25:56 Q. SO WHEN I SAY "ONLINE LEGAL SERVICES," YOU'LL UNDERSTAND THAT'S WHAT I'M REFERRING TO; IS THAT RIGHT?
11:26:04 A. YES.
11:26:04 Q. PRIOR TO THIS CASE, HAVE YOU OFFERED ANY EXPERT OPINIONS ON ANY MATTER PERTAINING TO ONLINE LEGAL SERVICES?
11:26:11 A. NO.
11:26:12 Q. DO YOU HAVE ANY EXPERTISE OR SPECIALIZED KNOWLEDGE REGARDING THE ONLINE LEGAL SERVICES INDUSTRY IN WHICH ROCKET LAWYER AND LEGALZOOM COMPETE?
11:26:22 A. NO.
11:26:24 Q. IN THE COURSE OF DOING YOUR EXPERT WORK IN THIS CASE, DID YOU CONSULT WITH ANY OTHER EXPERTS?
11:26:40 A. NO.
11:26:41 Q. WHAT STEPS DID YOU TAKE TO BECOME EDUCATED ABOUT THE ONLINE LEGAL SERVICES INDUSTRY BEFORE DESIGNING YOUR SURVEY IN THIS CASE?
11:26:50 A. WENT ONLINE AND PLAYED WITH SOME OF THOSE SERVICES AND HAD SOME DISCUSSIONS WITH THE LAWYERS AND RELIED ON THE POSITION OF THE CFO OR

11:27:07 DECLARATION OF THE CFO OF ROCKET LAWYER.

11:27:21 Q. DO YOU KNOW WHAT THE TARGET MARKET 11:27:23 IS FOR ONLINE LEGAL SERVICES?

11:27:25 A. IT'S PRETTY WIDE DEPENDING ON THE 11:27:27 TYPE OF FORUMS OR AREA OF INTEREST OF THE 11:27:30 CONSUMERS. AND SO GENERALLY, AND THE WAY I 11:27:34 STRUCTURED MY STUDY, MY UNDERSTANDING IS THERE IS 11:27:38 ABOUT HALF OF THE MARKET FOCUSES ON INCORPORATION 11:27:42 OR FORMING A LEGAL ENTITY, AND THAT TYPICALLY 11:27:47 WOULD BE CONSIDERED MORE OF THE SMALL BUSINESSES 11:27:50 OR PEOPLE WHO WOULD LIKE TO START A BUSINESS, AND 11:27:54 THE OTHER HALF WILL BE PRIMARILY CONSUMERS WITH 11:28:00 ALL TYPE OF NEEDS, WHETHER TO LEASE A PROPERTY, 11:28:04 DIVORCE, OR WHATEVER, AND I THINK THERE IS A VERY 11:28:13 TINY PERCENTAGE OF OTHER, NOT IN THESE TWO 11:28:16 CATEGORIES, THAT RELATES TO GOVERNMENT OR OTHERS 11:28:19 WHO MAY USE ONLINE LEGAL SERVICES.

11:28:24 Q. DO YOU KNOW -- DO YOU KNOW IF 11:28:26 THERE'S AN AGE RANGE THAT ONLINE LEGAL SERVICES 11:28:33 ARE BEING TARGETED TO BY ROCKET LAWYER OR 11:28:37 LEGALZOOM?

11:28:38 A. I THINK IT DEPENDS ON THE SPECIFIC 11:28:41 TOPIC. SO IF THEY HAVE ESTATE PLANNING, THEN 11:28:44 PEOPLE WHO ARE IN ESTATE PLANNING STAGE WILL 11:28:48 BASICALLY BE THE TARGET MARKET AND THIS CAN GO ALL

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11:28:51 THE WAY TO 70, 80, WHATEVER. AND --
11:28:56 Q. WHAT ABOUT --
11:28:57 A. AND INCREASING NUMBER OF PEOPLE WHO ARE INTERESTED IN ENTREPRENEURIAL VENTURES AND STARTING COMPANIES, A SECOND OR THIRD CAREER. AGAIN, THERE IS NO -- NO SPECIFIC AGE LIMIT ON THIS. SO I THINK IT DEPENDS ON THE SPECIFIC SERVICE THAT WE'RE DEALING WITH.
11:29:18 Q. OKAY. WELL, LET'S TALK ABOUT BUSINESS INCORPORATION FOR A MINUTE. DO YOU KNOW WHETHER ROCKET LAWYER OR LEGALZOOM OR THEIR COMPETITORS HAVE A TARGET AGE GROUP FOR PITCHING BUSINESS INCORPORATION ONLINE LEGAL SERVICES?
11:29:33 A. NO, I DON'T.
11:29:38 Q. IN ONE OF YOUR REPORTS, YOU TALK ABOUT HOW YOUR SURVEY TAKES RESPONDENTS ON THE, QUOTE, TYPICAL CONSUMER JOURNEY, CLOSE QUOTE, THAT CONSUMERS CONFRONT BEFORE MAKING THE DECISION TO SELECT ROCKET LAWYER FOR ONLINE LEGAL SERVICES; IS THAT CORRECT?
11:29:58 A. CORRECT.
11:29:59 Q. HOW DID YOU DETERMINE WHAT WAS A "TYPICAL CONSUMER JOURNEY" IN THAT REGARD?
11:30:05 A. WELL, THERE'S -- WHEN YOU'RE DEALING WITH ANY ONLINE SERVICE, VERY OFTEN THE

COMPLAINTS, REGARDLESS OF WHAT THEY SAY, WOULD HAVE CHANGED MY EVALUATION OF EITHER MY CONCLUSIONS OR THE CONCLUSION CONCERNING DR. ISAACSON.

Q. OKAY. DID YOU RELY UPON INFORMATION PROVIDED BY ROCKET LAWYER TO ESTABLISH WHAT WAS A TYPICAL CONSUMER JOURNEY THROUGH ROCKET LAWYER'S WEBSITE?

A. I THINK WE TALKED ABOUT THIS AFTER I HAD THE CHANCE TO GO THROUGH THE WEBSITE A NUMBER OF TIMES IN THE BEGINNING WHEN I DESIGNED THE STUDY. I'M SURE WE DISCUSSED THIS WITH THE TEAM.

Q. AND WHEN YOU SAY "WITH THE TEAM," DOES THAT INCLUDE SOMEONE AT ROCKET LAWYER?

A. MOST LIKELY NO. MOST LIKELY THE ROCKET LAWYER -- THE LAWYERS IN THIS CASE WOULD PROBABLY HAVE BEEN HONG-AN.

Q. NOW, EARLIER YOU MENTIONED LOOKING AT A DECLARATION FROM A CFO AT ROCKET LAWYER.

DO YOU RECALL THAT TESTIMONY?

A. YES, I DO.

Q. DID YOU RELY UPON THAT DECLARATION IN ORDER TO ESTABLISH WHAT WAS A TYPICAL CONSUMER JOURNEY THROUGH ROCKET LAWYER'S WEBSITE?

11:38:32 A. WELL, IT WAS AN INPUT TO MY DESIGN.
11:38:36 I'M NOT SURE SPECIFICALLY WITH RESPECT TO THE
11:38:39 CONSUMER JOURNEY.
11:38:41 CONSUMER JOURNEY IS AN AREA THAT
11:38:42 I'VE BEEN FOCUSING ON FOR A LONG TIME IN TERM OF
11:38:47 UNDERSTANDING HOW THE TRADITIONAL FINAL APPROACH
11:38:51 OF THE HIERARCHY OF EFFECT THAT WAS DOMINANT IN
11:38:54 MARKETING FOR MANY YEARS HAS CHANGED OVER THE
11:38:57 LAST YEARS WITH THE DEVELOPMENT AND ADVANCES IN
11:39:01 INTERNET MARKETING AND GENERAL MARKETING
11:39:04 PRACTICES. SO I'M PRETTY FAMILIAR WITH THE AREA
11:39:08 OF CONSUMER JOURNEY, AND IN THIS CASE, IT WAS
11:39:08 RELATIVELY STRAIGHTFORWARD.
11:39:11 Q. OTHER THAN WHAT IS IDENTIFIED IN
11:39:13 YOUR REPORTS, ARE THERE ANY MATERIALS THAT YOU
11:39:17 REVIEWED OR CONSIDERED IN FORMING YOUR OPINIONS?
11:39:21 A. WELL, MY GENERAL KNOWLEDGE OF THE
11:39:26 FIELD OF MARKETING AND REGULAR RESEARCH AND WORK
11:39:28 THAT I DO IN THE FIELD INFORMED WHAT I'M DO --
11:39:33 WHAT I DID HERE. BUT THERE'S NO PARTICULAR KIND
11:39:38 OF SPECIFIC DOCUMENTS THAT I CAN PINPOINT TO.
11:39:46 Q. HAVE YOU PERSONALLY USED ANY FORMS
11:39:49 OR PRODUCTS OFFERED BY ROCKET LAWYER?
11:39:51 A. NO, I HAVE NOT.
11:39:53 Q. HOW ABOUT BY LEGALZOOM? HAVE YOU

11:39:56 PERSONALLY USED ANY FORMS OR PRODUCTS OFFERED BY
11:39:59 LEGALZOOM?
11:39:59 A. NO, I HAVE NOT.
11:40:01 Q. HAVE YOU PERSONALLY EXPLORED
11:40:05 LEGALZOOM'S WEBSITE?
11:40:06 A. YES.
11:40:07 Q. AND HOW ABOUT ROCKET LAWYER'S
11:40:08 WEBSITE?
11:40:09 A. YES.
11:40:13 Q. IN FORMING YOUR EXPERT OPINIONS,
11:40:17 YOU RELIED ON AN ONLINE SURVEY OF CERTAIN
11:40:21 RESPONDENTS, CORRECT?
11:40:22 A. CORRECT.
11:40:26 Q. AND I THINK WE'VE TALKED A LITTLE
11:40:28 BIT ABOUT HOW THE SURVEY WAS ORIGINALLY DEVELOPED,
11:40:32 BUT I WOULD LIKE TO JUST ASK YOU BROADLY, HOW DID
11:40:35 YOU GO ABOUT DESIGNING THE SURVEY FOR YOUR EXPERT
11:40:40 WORK IN THIS CASE?
11:40:44 A. I'M NOT SURE I UNDERSTAND THE
11:40:46 QUESTION. WHAT DO YOU MEAN?
11:40:52 Q. WELL, HOW DID YOU DECIDE WHAT
11:40:55 QUESTIONS TO ASK IN WHAT ORDER? WHAT WAS THE
11:40:58 PROCESS THAT YOU WENT THROUGH IN ORDER TO COME UP
11:41:01 WITH A DESIGN FOR THE SURVEY?
11:41:04 A. I'M NOT SURE I CAN ARTICULATE THIS.

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THIS IS -- I'VE DONE PROBABLY THOUSANDS OF STUDIES FOR EITHER LITIGATION OR MOSTLY CONSULTING IN BASIC RESEARCH OVER THE YEARS AND I DESIGN A STUDY THE WAY THAT I BELIEVE IS THE BEST OBJECTIVE WAY OF ASSESSING CONSUMERS' PERCEPTIONS OF THE PHENOMENON OF INTEREST. AND SO --

Q. AND DON'T --

A. SO I'M NOT SURE THERE IS -- I CAN GIVE YOU, YOU KNOW, LIKE I DID ONE, TWO, THREE. IT'S BASICALLY INSTINCTIVELY AND BASED ON, YOU KNOW, KIND OF A LOT OF EXPERIENCE.

I TEACH HOW TO DESIGN SURVEYS, I PRACTICE, I EVALUATE. SO I'M NOT SURE I CAN ANSWER IT.

Q. WHAT DID YOU UNDERSTAND TO BE THE PHENOMENON OF INTEREST IN THIS MATTER?

A. I THINK THAT'S WHAT WE STARTED WITH. THE TWO QUESTIONS, WHICH IS, ARE CONSUMERS -- AND IF YOU LOOK AT THE EXPLICIT DEFINITION OF THIS, IF YOU LOOK AT THE OBJECTIVE OF THE STUDY, WHICH WILL BE ON PAGE 6, BUT PRIMARILY WAS THE QUESTION OF, TO WHAT EXTENT THE USE OF THE WORD "FREE" WITHOUT REFERENCE TO STATE FEES IS MISLEADING AND DECEPTIVE IN THE INCORPORATION AREA AND TO WHAT EXTENT THE FREE

11:42:30 TRIAL IS MISLEADING BECAUSE IT DID NOT HAVE THE
11:42:35 HIGHLIGHTED FORMAT THAT LEGALZOOM WANTED. THAT'S
11:42:40 BASICALLY THE KEY DIRECTION.
11:42:44 THEN THERE WAS SUBQUESTIONS, WHICH
11:42:50 ARE OUTLINED ON PAGE 6 AND 7 OF MY REPORT. SO
11:42:50 THESE ARE THE ONES THAT GUIDED.
11:42:54 SO ONCE I KNEW THE OVERALL
11:42:56 OBJECTIVE AND I HAD THE OBJECTIVE -- THE SPECIFIC
11:42:59 OBJECTIVE LISTED ON PAGE 6 AND 7, THEN WENT ABOUT
11:43:03 DESIGNING THE SURVEY THE WAY THAT I TYPICALLY
11:43:06 DESIGN SURVEYS.
11:43:09 Q. IN YOUR SUPPLEMENTAL REPORT, WHICH
11:43:11 IS EXHIBIT 2, AT PAGE 13, YOU MENTION THAT RADIUS
11:43:17 GLOBAL MARKET FORMATTED THE QUESTIONNAIRE.
11:43:22 A. CORRECT.
11:43:22 Q. AND I'M WONDERING WHAT YOU -- I'M
11:43:27 WONDERING WHAT YOU MEANT BY "FORMATTED."
11:43:28 A. WELL, WHEN I WRITE A QUESTIONNAIRE,
11:43:30 I WRITE IT BASICALLY THE EXACT SEQUENCING. BUT IF
11:43:36 YOU -- IF YOU HAD THE QUESTIONNAIRE HERE -- DO WE
11:43:38 HAVE THE QUESTIONNAIRE AS ONE OF THE EXHIBITS? IT
11:43:42 WAS IN THE APPENDIX --
11:43:43 Q. WHY DON'T YOU --
11:43:44 A. -- IT WAS IN THE APPENDIX TO THE
11:43:46 ORIGINAL REPORT. SO IF YOU LOOK --

11:43:48 Q. NO, WE DON'T HAVE -- WE DON'T HAVE THAT HANDY, SO WHY DON'T YOU JUST TRY TO ANSWER MY QUESTION WITHOUT IT.

11:43:54 A. OKAY. SO IF YOU -- IF YOU WOULD LOOK AT THE ACTUAL QUESTIONNAIRE, YOU'LL SEE THAT THERE ARE A LOT OF INSTRUCTIONS THERE IN TERM OF DO THIS, DO THAT, YOU KNOW, THE SPECIFIC FORMAT -- FORMAT IN WHICH IT IS, THE RESPONSE CATEGORIES AND THE LIST -- THE NUMBERING OF RESPONSE CATEGORIES AND OTHERS.

11:44:16 WHEN I PREPARE THE DRAFT OF THE QUESTIONNAIRE, THERE ARE JUST THE QUESTIONS AND THEN I MAY SAY NEXT TO IT WILL BE YES, NO, DON'T KNOW, AND BUT WITHOUT LIKE THE SEPARATE LINE FOR EACH ONE OF THEM. THEN RADIUS TAKES IT AND FORMAT THIS INTO A FORM OF A QUESTIONNAIRE, THE ONE THAT WAS INCLUDED IN THE APPENDIX TO THE REPORT. AND THEN ONCE I APPROVE IT, THEN THEY TAKE IT TO A PROGRAMMER WHO PROGRAMS THE QUESTIONNAIRE AND THEN ONCE THE QUESTIONNAIRE IS BEING PROGRAMMED, THEN I RUN THROUGH IT AS A RESPONDENT, WHAT YOU ACTUALLY WANT TO DO NOW.

11:44:56 SO I RUN THROUGH IT AS A RESPONDENT. AND ONCE I FIND THAT -- AND I DO IT WITH DIFFERENT ITERATIONS BECAUSE DEPENDING ON THE

11:45:02 SEQUENCE OF RESPONSES, THEY CAN TERMINATE YOU,
11:45:06 THEY CAN MOVE -- THEY STOP RESPONSES. SO I GO
11:45:10 THROUGH A NUMBER OF ITERATIONS WITH DIFFERENT TYPE
11:45:12 OF RESPONSE. WHEN I FEEL COMFORTABLE WITH THE
11:45:16 QUESTIONNAIRE, THEN THE QUESTIONNAIRE GOES TO THE
11:45:19 FIELD.
11:45:21 Q. SO DID YOU GIVE RADIUS THE
11:45:23 QUESTIONS AND THEN YOU ALSO GAVE THEM THE
11:45:25 AVAILABLE RESPONSE CHOICES?
11:45:29 A. YEAH. WHEN IT WAS -- WHEN IT'S
11:45:33 STRUCTURED. WHEN IT'S OPEN-ENDED, I JUST WROTE
11:45:35 THE QUESTION, TYPICALLY.
11:45:38 Q. AND DID RADIUS HAVE ANY INPUT INTO
11:45:41 THE FORM OR SUBSTANCE OF THE QUESTIONS?
11:45:46 A. YOU SHOULD SEPARATE THE TWO. THE
11:45:49 FORMATTING, YES; THE SUBSTANCE, NO.
11:45:53 Q. OKAY. WELL, LET'S TALK ABOUT THE
11:45:54 FORM OR FORMATTING. IN WHAT SENSE DID RADIUS HAVE
11:45:59 INPUT INTO THE FORM OF THE QUESTION? AND BY THAT
11:46:03 I'M TALKING ABOUT THE GRAMMATICAL FORM OR THE WORD
11:46:08 CHOICE. I'M NOT TALKING ABOUT HOW IT APPEARS ON
11:46:10 THE PAGE OR HOW IT'S PROGRAMMED.
11:46:12 A. NO.
11:46:12 Q. DO YOU UNDERSTAND THE DIFFERENCE?
11:46:14 A. YEAH. IN THIS CASE, THEY DID NOT

11:46:17 HAVE ANY INVOLVEMENT IN THE FORM. THEIR INVOLVEMENT WAS IN THE FORMATTING.
11:46:21 Q. OKAY.
11:46:22 A. SO, FOR EXAMPLE, LEAVING SPACE AFTER AN OPEN-ENDED QUESTION.
11:46:25 Q. WHO DECIDED WHAT ORDER THE QUESTIONS WOULD BE ASKED?
11:46:29 A. I DID.
11:46:30 Q. OKAY. AND IS IT TRUE THAT YOU AUTHORED ALL OF THE QUESTIONS?
11:46:35 A. YES.
11:46:37 Q. DID YOU RECEIVE ANY QUESTIONS OR SUGGESTED QUESTIONS FROM ROCKET LAWYER?
11:46:43 A. I DON'T RECALL RECEIVING ANY SUGGESTED QUESTIONS, BUT THEY DID SIT AND WE DID DISCUSS IT. SO THEY MAY HAVE HAD SOME MINOR SUGGESTIONS IN THE DISCUSSION, BUT I HAVE NOT RECEIVED ANY SPECIFIC QUESTIONS OR SUGGESTIONS FROM THEM.
11:47:01 Q. OKAY. AND THE SAME QUESTION FROM GOODWIN PROCTER. DID YOU RECEIVE ANY QUESTIONS OR SUGGESTED QUESTIONS FROM GOODWIN PROCTER?
11:47:11 A. NO. AND MY PREVIOUS ANSWER REALLY REFERRED TO INTERACTION WITH GOODWIN PROCTER AND NOT WITH ROCKET LAWYER BECAUSE I NEVER HAD

11:47:23 INTERACTION REALLY WITH ROCKET LAWYER.

11:47:25 Q. OKAY. THANK YOU FOR THAT 11:47:27 CLARIFICATION.

11:47:28 WHO ACTUALLY PROGRAMMED THE SURVEY?

11:47:30 A. THE PROGRAMMERS OF RADIUS. THEY 11:47:32 HAVE A PROGRAMMING DEPARTMENT, SO I DON'T KNOW WHO 11:47:34 THE SPECIFIC INDIVIDUALS.

11:47:38 Q. AND DO YOU KNOW WHO WROTE THE 11:47:44 COMPUTER CODE THAT ALLOWED THE SURVEY TO BE 11:47:46 ADMINISTERED ONLINE?

11:47:51 A. NO. I ASSUME YOU'RE REFERRING HERE 11:47:55 TO RESEARCH NOW. AND THEY'RE -- THAT'S BASICALLY 11:47:57 THE PANEL OPERATIONS. THE PANEL THAT WE USED WAS 11:48:01 A RESEARCH NOW PANEL.

11:48:06 SO ALL THE ACCESS TO THE PANEL AND 11:48:11 THE PROGRAMMING RELATED TO THIS WOULD ALL BE 11:48:13 RESEARCH NOW. THE PROGRAMMING OF THE 11:48:13 QUESTIONNAIRE WERE DEVELOPED BY RADIUS.

11:48:16 Q. YEAH, NO, I'M REFERRING TO WHAT 11:48:17 ALLOWED THE SURVEY TO BE VIEWED ONLINE BY 11:48:22 RESPONDENTS. AND I'M ASSUMING THERE WAS SOME 11:48:29 COMPUTER CODE INVOLVED IN DOING THAT AND THAT 11:48:31 WOULD HAVE BEEN PERFORMED BY RESEARCH NOW?

11:48:34 A. THE BASIC ONE, YES. THE BASIC 11:48:36 STRUCTURE OF THE INTERACTION AND THE FORMAT OF THE

11:48:39 PANEL WOULD BE RESEARCH NOW, BUT THE SPECIFIC FOR THE PROGRAMMING OF THIS PARTICULAR SURVEY WAS DONE BY RADIUS.

11:48:47 Q. OKAY. AND ONCE THE SURVEY WAS COMPLETED, BEFORE IT WAS ADMINISTERED, YOU TESTIFIED THAT YOU DID A TEST RUN OF THE SURVEY?

11:48:56 A. CORRECT. RUNS, PLURAL.

11:49:00 Q. HOW MANY RUNS?

11:49:05 A. I HAVE -- I HAVE NO IDEA. 20, 30. I DON'T KNOW. A FAIR NUMBER OF RUNS BECAUSE YOU WANT TO TEST DIFFERENT CONFIGURATIONS.

11:49:17 Q. AND BASED ON THE TEST RUNS THAT YOU DID, DID YOU END UP CHANGING THE ORDER OF THE QUESTIONS OR THE CONFIGURATIONS?

11:49:24 A. NO, TIP -- NOT THAT I RECALL. TYPICALLY THE RUNS ARE, FOR EXAMPLE, MAKE SURE THAT THERE IS NO TERMINATION AT GIVEN POINT.

11:49:33 THE REASON THERE'S SO MANY RUNS BECAUSE IF YOU -- YOU'RE TRYING TO SEE TO WHAT EXTENT -- IF YOU ARE GIVING AN ANSWER, LET'S SAY YOUR AGE, YOU'RE SAYING 16, IT SHOULD BE TERMINATED BECAUSE IT SHOULD NOT HAVE SOMEONE UNDER 18. SO YOU WANT TO TRY DIFFERENT RESPONSES TO SEE TO WHAT EXTENT, YOU KNOW, THE PROGRAM IS STABLE.

11:52:36 NUMBER OF INSTRUCTIONS. SO TO -- AND THE
11:52:39 RESPONDENT IS A MEMBER OF A VERIFIED PANEL. SO
11:52:39 THERE'S A LOT OF SAFEGUARDS IN INTERNET PANELS
11:52:44 THAT YOU DON'T HAVE THIS EXTERNAL STEP. SO THE
11:52:48 EVALUATION WAS PRIMARILY EVALUATING THE ACTUAL
11:52:53 RESPONSES WE GOT.
11:52:55 Q. WHO WAS RESPONSIBLE FOR COLLECTING
11:52:58 DATA GENERATED BY THE SURVEY?
11:53:01 A. RADIUS WAS THE PRIMARY PROJECT
11:53:03 MANAGER FROM MY POINT OF VIEW AND THEY WORKED VERY
11:53:06 CLOSELY WITH RESEARCH NOW.
11:53:10 Q. AND WAS THERE A CODING PROCESS THAT
11:53:13 YOU RELIED UPON IN CONNECTION WITH GATHERING AND
11:53:18 ANALYZING THE SURVEY RESPONSES?
11:53:21 A. YES. SINCE WE HAD SO MANY
11:53:25 OPEN-ENDED RESPONSES -- FOR ANY OPEN-ENDED
11:53:27 RESPONSES, I RELY ON A CODER.
11:53:31 DATA -- DATA -- AGAIN, RADIUS HAS
11:53:35 A CODING DEPARTMENT AND AN INDEPENDENT CODER WHO
11:53:39 WORKED THROUGH THE OPEN-ENDED RESPONSES, DEVELOP
11:53:43 CODE CATEGORIES, TESTED THEM, SHOWED THEM TO ME,
11:53:47 I APPROVED THEM. I DID NOT CHANGE THEM.
11:53:51 I BASICALLY APPROVED HIS CODING.
11:53:53 AND THIS IS THE CODING SCHEME THAT IS INCLUDED IN
11:53:53 ONE OF THE APPENDICES, WHICH BASICALLY ALLOWED US

11:54:00 TO CODE THE OPEN-ENDED RESPONSES INTO RESPONSES
11:54:02 THAT APPEAR IN THE TABLE. SO IF YOU LOOK, FOR
11:54:08 EXAMPLE, IN THE RESULTS LIKE TABLE 3, WHICH IS
11:54:15 PAGE 27 OF THE EXHIBIT 3, MY ORIGINAL REPORT,
11:54:18 YOU'LL SEE VARIOUS RESPONSES FROM OPEN-ENDED
11:54:23 QUESTIONS THAT ARE CODED AND THESE ARE BASED ON
11:54:29 THE CODING SCHEME THAT THE CODER DEVELOPED.
11:54:29 Q. YOU MAY HAVE ALREADY SAID THIS, BUT
11:54:32 I DIDN'T HEAR YOU. WHO ACTUALLY DEVELOPED THE
11:54:35 CODES?
11:54:35 A. THE INDEPENDENT CODER. IT'S
11:54:38 IMPORTANT THAT --
11:54:38 Q. AND WHO IS THAT?
11:54:42 A. IT'S -- MY BELIEF IT'S GREG PIERCE,
11:54:47 WHO IS INDEPENDENT CODER WHO WORKS FOR RADIUS AND
11:54:52 WHO DID NOT KNOW THE PURPOSE OF THE STUDY OR THE
11:54:59 SPONSOR OF THE STUDY. SO HE WAS TRULY
11:55:03 DOUBLE-BLIND IN THE DEVELOPMENT OF THE CODES.
11:55:05 Q. SO HE DEVELOPED THE CODES AND DID
11:55:07 HE ACTUALLY DO THE CODING?
11:55:09 A. YES.
11:55:13 Q. AND DID YOU TAKE ANY STEPS TO
11:55:15 VALIDATE THAT THE CODING WAS DONE PROPERLY?
11:55:17 A. WELL, AS I MENTIONED BEFORE, I
11:55:19 REVIEWED THE CODE SCHEME THAT HE DEVELOPED, MADE

11:55:22 SENSE TO ME AND I APPROVED AND WE MOVED FORWARD.
11:55:29 Q. I'M SORRY, COULD YOU REPEAT THAT ANSWER? YOU GOT CUT OFF THERE FOR A MINUTE.
11:55:34 A. AS I MENTIONED BEFORE, I REVIEWED THE CODES ONCE HE DEVELOPED THE CODING CATEGORY, THAT YOU HAVE THIS IN ONE OF YOUR APPENDICES, AND I DID NOT CHANGE IT. I THOUGHT THE CODES WERE RIGHT ON TARGET. AND THEN HE PROCEEDED.
11:55:54 Q. AND DID YOU EVER LOOK AT THE ACTUAL VERBATIM RESPONSES TO VERIFY WHETHER THEY HAD BEEN CODED PROPERLY?
11:56:04 A. THAT'S THE ONLY WAY I COULD VERIFY THE CODE SCHEME, BY CHECKING THE CODE AGAINST ACTUAL RESPONSES.
11:56:13 Q. SO ARE YOU SAYING YOU DID DO THAT?
11:56:15 A. YES.
11:56:17 Q. DID YOU DO THAT WITH ALL OF THE VERBATIM RESPONSES OR JUST A SAMPLING?
11:56:24 A. A SAMPLE.
11:56:25 Q. APPROXIMATELY HOW MANY VERBATIM RESPONSES DID YOU LOOK AT IN ORDER TO DO THAT?
11:56:34 A. PROBABLY ABOUT 20 OR SO.
11:56:42 Q. WHAT OTHER STEPS DID YOU TAKE TO QUALITY CONTROL THE SURVEY?
11:56:50 A. WELL, I THINK THE FIRM THAT I USED,

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12:10:26 Q. CAN YOU SHOW ME IN YOUR ORIGINAL REPORT THE POINT THAT YOU JUST MADE ABOUT INTENT TO BUY?
12:10:35 A. I NEED THE QUESTIONNAIRE.
12:10:41 Q. OKAY. LET'S LOOK AT PAGE 16 OF YOUR ORIGINAL REPORT, EXHIBIT 3.
12:10:46 A. YEP.
12:10:48 Q. AND IF YOU LOOK AT THE BOTTOM OF PAGE 16, YOU'VE PROVIDED THREE CRITERIA: 1. LOOKED FOR ONLINE LEGAL SERVICE IN THE PAST FEW YEARS; 2. POTENTIAL TO LOOK FOR ONLINE LEGAL SERVICES IN THE NEXT 6 MONTHS; 3. IF SELECTED INCORPORATION: PRIMARY DECISION MAKER.
12:11:11 DO YOU SEE THAT?
12:11:11 A. CORRECT, YEP.
12:11:12 Q. AND SO WHAT I'M WONDERING IS WHERE DOES IT SAY IN YOUR REPORT THAT THERE'S ANOTHER CRITERIA THAT THEY ACTUALLY INTEND TO BUY?
12:11:21 A. WELL, THAT'S A POTENTIAL TO LOOK FOR ONLINE LEGAL SERVICES IN THE NEXT SIX MONTHS. IF YOU LOOK AT THE QUESTIONNAIRE, THE QUESTIONNAIRE CLEARLY HAS A QUESTION IN THE BEGINNING, INTENTION TO BUY FROM -- RANGES FROM DEFINITELY WOULD BUY TO DEFINITELY WOULD NOT BUY AND THE TOP THREE CATEGORIES WERE NECESSARY

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12:11:43 RESPONSES FOR INCLUSION IN THE SURVEY.
12:11:46 Q. AND ONE OF THOSE WAS MAY OR MAY
12:11:49 NOT --
12:11:49 A. CORRECT.
12:11:50 Q. -- BUY, CORRECT?
12:11:51 A. CORRECT.
12:11:51 Q. AND LET'S LOOK AT YOUR SUPPLEMENTAL
12:11:54 REPORT NOW, EXHIBIT 2, AND TAKE A LOOK AT PAGE 8.
12:12:02 A. YES.
12:12:08 Q. AND IF YOU LOOK IN THE MIDDLE OF
12:12:10 THE PAGE AFTER THE LITTLE ROMANETTES THERE'S A
12:12:14 SENTENCE THAT SAYS:
12:12:16 "VALIDATION STUDIES OVER
12:12:18 THE YEARS HAVE SHOWN THAT WHEN INTENDED
12:12:23 BEHAVIOR IS COMPARED TO ACTUAL
12:12:23 BEHAVIOR, MANY OF THOSE WHO RESPONDED
12:12:27 'MAY OR MAY NOT' ACTUALLY DO THE
12:12:30 INTENDED BEHAVIOR."
12:12:31 DO YOU SEE THAT SENTENCE?
12:12:32 A. CORRECT, YES.
12:12:33 Q. ARE YOU ABLE -- ARE YOU ABLE TO
12:12:34 CITE ME TO A SINGLE STUDY THAT SUPPORTS YOUR
12:12:36 STATEMENT?
12:12:37 A. I'LL HAVE TO LOOK FOR THIS. THIS
12:12:40 IS -- BASICALLY REFLECTS MY EXPERIENCE OVER MANY

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12:12:43 YEARS OF USING INTENTION TO BUY DATA IN MANY
12:12:46 COMMERCIAL STUDIES WHERE WE VALIDATED THE RESPONSE
12:12:50 FROM THE STUDY AGAINST ACTUAL SUBSEQUENT BEHAVIOR.
12:12:54 THEY'RE MOSTLY COMMERCIAL STUDIES.
12:13:00 AND THE GRAPH THAT I DREW AT THE BOTTOM OF THE
12:13:03 PAGE REPRESENTS MY EXPERIENCE AND I ACTUALLY HAVE
12:13:05 BEEN USING THIS IN TEACHING AS WELL. AND WE CAN
12:13:09 DO A LITERATURE SEARCH AND TRY TO FIND IT, BUT I
12:13:12 DON'T -- I DON'T HAVE ANY PARTICULAR REFERENCE
12:13:15 NOW THAT I CAN GIVE YOU.
12:13:16 Q. OKAY. AND WHEN YOU SAY IN THAT
12:13:18 SENTENCE THAT "MANY OF THOSE WHO RESPONDED," DO
12:13:22 YOU HAVE A PERCENTAGE IN MIND WHAT YOU MEAN BY
12:13:24 "MANY OF THOSE WHO RESPONDED"?
12:13:26 A. IT VARIES BY STUDY. THAT'S THE
12:13:28 REASON IF YOU LOOK AT THE BOTTOM GRAPH, YOU SEE A
12:13:31 RANGE.
12:13:31 SO TO EXPLAIN THE GRAPH, IT
12:13:36 BASICALLY EXPLAINED THIS SENTENCE THERE. SO ON
12:13:38 THE "DEFINITELY WOULD BUY," I'M PUTTING IT HERE
12:13:42 AROUND 80 PERCENT AND BASICALLY THE PROBABILITY
12:13:49 MAY GO AS HIGHER TO THE RELATION TO 90 PERCENT
12:13:51 ALL THE WAY TO 70 OR EVEN A WIDER RANGE OF THOSE
12:13:57 WHO SAID THEY DEFINITELY WOULD BUY WHO ACTUALLY
12:13:57 BOUGHT THE PRODUCT OR THE SERVICE IN SUBSEQUENT

MONTHS.

AND THE REASON FOR THIS IS THERE ARE MANY VARIABLES THAT AFFECT CONSUMER BEHAVIOR BETWEEN THE TIME THEY RESPOND TO A QUESTION IN A SURVEY AND THE TIME THEY ACTUALLY BEHAVE IN THE MARKETPLACE. SO THIS VARIABILITY MIGHT BE ACTUALLY MUCH LARGER THAN I AM PORTRAYING HERE. AND THIS IS TRUE IN ANY ONE OF THESE. BUT IMPORTANT TO NOTE IS THAT IN NONE OF THESE YOU HAVE A PERFECT CORRELATION THAT SAYS WITH DEFINITELY WOULD BUY A HUNDRED PERCENT OF THEM ACTUALLY BUY AND SAID DEFINITELY WOULD NOT BUY ZERO PERCENT OF THEM ACTUALLY BUY. YOU HAVE SOME RANGE AROUND THIS AND THERE IS -- IT DEPENDS ON THE SPECIFIC CONTEXT INVOLVED IN THE INDIVIDUALS.

Q. OKAY. AND SO TO ANSWER MY QUESTION, WHICH IS, IF YOU HAVE A PERCENTAGE IN MIND FOR MANY OF THOSE WHO RESPONDED MAY OR MAY NOT ACTUALLY DO THE INTENDED BEHAVIOR, WOULD IT BE FAIR TO SAY THAT YOUR ANSWER IS SOMEWHERE BETWEEN 30 AND 50 PERCENT?

A. CAN BE LARGER. I DON'T KNOW.

IT REALLY DEPENDS ON SITUATION. YOU HAVE TO STUDY THIS EXPLICITLY. THE ONLY WAY TO ANSWER YOUR QUESTION IN A MORE RIGOROUS

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FASHION WILL BE TO DO A FOLLOW-UP STUDY AMONG THE PEOPLE IN MY STUDY LET'S SAY FEW MONTHS FROM NOW AND FIND OUT HOW MANY OF THESE PEOPLE WHO SAID THEY MAY OR MAY NOT ACTUALLY BOUGHT THE SURVEY. THIS IS THE TYPE OF VALIDATION THAT HAS BEEN DONE BEFORE IN OTHER CIRCUMSTANCES THAT I AM REFERRING TO IN THE PARAGRAPH ABOVE.

Q. OKAY. BUT AS YOU SIT HERE TODAY FOR THIS CIRCUMSTANCE IN THIS LAWSUIT, YOU DON'T KNOW THE ANSWER, CORRECT?

A. WELL, I KNOW ENOUGH TO SAY THAT I CANNOT -- THAT DR. ISAACSON'S SUGGESTION TO THAT BASICALLY NONE OF THEM SHOULD BE INCLUDED HERE IS WRONG BECAUSE I CAN GUARANTEE YOU THAT IF WE WERE TO DO ANOTHER STUDY, A NUMBER OF THEM WOULD ACTUALLY HAVE BOUGHT THE PRODUCT, EVEN THOUGH THEY SAID MAY OR MAY NOT. THE SAME WAY THAT NUMBER OF PEOPLE MIGHT ALSO SAY THEY DEFINITELY WOULD BUY PROBABLY WOULD NOT BUY THE PRODUCT.

Q. BUT YOU DON'T KNOW WHAT THAT NUMBER IS, RIGHT?

A. NO, BECAUSE THE NUMBER DEPENDS ON THE SPECIFICS OF THE SITUATION AND CONTEXT AND THE PEOPLE INVOLVED.

Q. OKAY. AND YOU HAVEN'T STUDIED THAT

12:16:32 QUESTION IN THIS CONTEXT TO GIVE ME A NUMBER TODAY, CORRECT?

12:16:37 A. CORRECT. BUT I STUDIED ENOUGH THIS ISSUE OVER 40 YEARS OR MORE TO KNOW THAT I SHOULD NOT DELETE "MAY OR MAY NOT."

12:16:45 AND FURTHERMORE, IF YOU LOOK --

12:16:46 Q. YEAH, I --

12:16:48 A. AND IF YOU LOOK THEN AT THE NEXT PAGE, THE ANALYSIS THAT WE'VE DONE, WE ACTUALLY SHOW THAT IT DOESN'T MAKE ANY DIFFERENCE. THAT THE MAY OR MAY NOT HAVE THE SAME CHARACTERISTICS AS THE DEFINITELY OR PROBABLY WITH RESPECT TO THE DIFFERENCE BETWEEN THE TEST AND THE CONTROL.

12:17:04 Q. OKAY. WELL, LET ME ASK YOU A LITTLE BIT MORE ABOUT YOUR CHART AT THE BOTTOM OF PAGE 8, AND I JUST WANT TO MAKE SURE THAT I UNDERSTAND THE NUMBERS. THE NUMBERS ALONG THE LEFT-HAND SIDE OF THE CHART, AM I CORRECT THAT THAT'S A PERCENTAGE OF PERSONS WHO WOULD ACTUALLY DO THE BEHAVIOR AT ISSUE, WHICH IS TO BUY THE PRODUCT?

12:17:30 A. CORRECT.

12:17:34 Q. AND THE THREE LINES ARE THE RANGE -- THEY SORT OF DEFINE THE RANGE OF RESPONDENTS WHO WOULD DO THAT BEHAVIOR AS YOU JUST

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TESTIFIED PREVIOUSLY, CORRECT?

A. RIGHT. AND THAT'S ILLUSTRATIVE RANGE.

THE RANGE MAY BE MUCH LARGER THAN THIS AND WILL VARY DEPENDING ON SITUATIONS. AND I DREW -- THAT'S BASICALLY A CHART THAT I USE, WITHOUT THE LINES FOR THE ISAACSON, THAT'S A LINE IN THE CHART THAT I'VE BEEN USING FOR YEARS IN MY MARKETING STRATEGY COURSE.

Q. AND WHERE DID YOU COME UP WITH THE NUMERICAL VALUES THAT PLOTTED THE THREE LINES ON YOUR CHART?

A. WELL, THAT'S WHAT I'M SAYING. THAT'S BASICALLY BASED ON MY EXPERIENCE IN MANY ACTUAL VALIDATION STUDIES.

THAT -- AND THAT'S A VERY OLD CHART ACTUALLY THAT I JUST REPRODUCED AND CLEANED FOR THE PURPOSE OF THIS THAT I HAVE USED IN CLASS. SO THE RANGE, IF ANYTHING, PROBABLY WOULD BE MUCH LARGER THAN REPRESENTED HERE. AND THE RANGE, IT'S NOT NECESSARILY SYMMETRIC. SO THIS IS ALMOST LIKE DRAWN FOR THE CONVENIENCE OF THE PERSON WHO DREW IT, WHICH IS MY ASSISTANT IN THIS CASE, AND NOT NECESSARILY REPRESENTING EXACTLY THE RANGE.

12:18:49 SO THIS IS -- THIS CHART IS DESIGNED TO MAKE TWO SIMPLE POINTS. ONE IS THERE IS NO LINEAR RELATIONSHIP BETWEEN INTENTION TO BUY AND ACTUAL BEHAVIOR. THAT -- AND, THEREFORE, PEOPLE WHO MAY OR MAY NOT ALSO HAVE ACTUALLY HISTORICALLY IN STUDIES THAT LOOKED AT VALIDATION, A SIGNIFICANT NUMBER OF THEM ACTUALLY BOUGHT THE PRODUCT, EVEN THOUGH THEY SAID MAY OR MAY NOT, AND TWO IS THAT THERE IS NO SINGLE NUMBER, BUT WE HAVE TO CONSIDER A RANGE HERE THAT REFLECT DIFFERENCES IN SITUATIONS.

12:19:31 Q. FOR YOUR BUSINESS INCORPORATION SURVEY, DID YOU OBTAIN ANY FEEDBACK FROM RESPONDENTS REGARDING THEIR COMPREHENSION OF THE QUESTIONS AND THE INSTRUCTIONS?

12:19:45 A. NOT EXPLICITLY AS PROBING THEM TO WHAT EXTENT THEY UNDERSTOOD OR NOT, BUT BASICALLY WE CAN JUDGE BASED ON THE CONTENT OF THEIR RESPONSES IF THEY UNDERSTOOD IT OR IF THEY RESPONDED CORRECTLY OR NOT.

12:20:02 Q. OKAY. WHAT ABOUT FOR YOUR OTHER SURVEYS?

12:20:06 A. THE SAME ANSWER.

12:20:07 Q. THE SAME ANSWER?

12:20:08 A. SAME ANSWER.

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12:41:07 AFFECT LEGALZOOM BECAUSE THESE GUYS DID NOT SELECT ROCKET LAWYER FOR WHATEVER REASON. YOU KNOW, KIND OF BASICALLY THE PEOPLE IN THE CONTROL, WHICH IS THE CURRENT AD, ABOUT 56 PERCENT OF THEM DID NOT SELECT ROCKET LAWYER AND ACTUALLY THERE IS NO DIFFERENCE BETWEEN THEM AND THE TEST.

12:41:25 SO EVEN IF YOU MAKE THE CHANGE TO WHAT LEGALZOOM WANTED, IT DOES NOT REALLY MAKE A DIFFERENCE HERE. SO, YEAH, I CAN DEFINITELY, BASED ON THIS, CLAIM THAT EVEN AT THIS EARLY STEP ABOUT 55 PERCENT OF THE CONSUMERS ARE NOT LIKELY TO BE DECEIVED.

12:41:49 Q. OKAY. SO IF I TELL YOU THAT I'VE LOOKED AT THE ADS AND I'M NOT INTERESTED IN EXPLORING ROCKET LAWYER'S WEBSITE OR CHOOSING ROCKET LAWYER, FROM THAT YOU CAN DRAW THE CONCLUSION THAT I HAVE NOT BEEN DECEIVED OR MISLED OR CONFUSED ABOUT ROCKET LAWYER'S PRODUCTS AND SERVICES? IS THAT YOUR TESTIMONY?

12:42:15 A. WELL, YOU'RE MISSING ONE COMPONENT OF MY ANSWER AND THERE'S NO DIFFERENCE BETWEEN THE TEST AND THE CONTROL. SO, YEAH. SO WHEN YOU LOOK AT -- BASICALLY AT THIS FIRST BOX AND YOU REALIZE THAT BASICALLY SOMEWHERE -- BASICALLY, THERE'S NO DIFFERENCE BETWEEN THOSE WHO SAW THE ORIGINAL

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12:42:38 LEGAL ROCKET LAWYER AD AND THOSE WHO SAW THE CORRECTED ONE, THAT CLEARLY INCLUDE IN IT STATE FEES, THEN YOU KNOW THAT ADDING THIS WILL NOT MAKE A DIFFERENCE AND YOU KNOW THAT ABOUT 55 PERCENT OF THE PEOPLE BECAUSE OF BOTH OF THESE GROUPS ARE NOT BEING DECEIVED BY THE ADS.

12:43:06 Q. I'M, FRANKLY, A LITTLE SURPRISED BY YOUR RESPONSE, AND I'D LIKE TO ASK YOU HOW IS IT THAT YOU CAN TELL THAT SOMEONE WHO DECIDES NOT TO GO FURTHER IN THE SURVEY AND WHO IS BASICALLY JUST SAYING I'M NOT INTERESTED IN PURSUING LOOKING AT ROCKET LAWYER ANY FURTHER, HOW CAN YOU TELL WHETHER THAT PERSON WAS CONFUSED OR DECEIVED OR MISLED BY THE AD?

12:43:34 A. IT IS OBVIOUS THAT THE --

12:43:35 Q. BASED ON JUST -- BASED ON JUST THE INFORMATION THAT THEY'RE NOT WILLING TO EXPLORE FURTHER?

12:43:42 A. WELL, WE'RE LOOKING AT TWO THINGS. WE'RE LOOKING AT THE FACT THEY WERE NOT WILLING TO EXPLORE FURTHER AND THAT THERE WAS NO DIFFERENCE BETWEEN THE TEST AND CONTROL.

12:43:52 SO WE TESTED HERE. WE CHANGED THE STIMULI AND WE CORRECTED THE STIMULI THE WAY THAT BASICALLY LEGALZOOM WANTED, TO MAKE EXPLICIT THE

12:44:06 STATE FEE AND THERE'S NO DIFFERENCE BETWEEN HAVING THE STATE FEE AND NOT HAVING THE STATE FEE IN AND FUNDAMENTALLY THESE GUYS ARE NOT DECEIVED. SO EVEN AT THIS EARLY STAGE, AT STAGE 1, WE CAN IDENTIFY AND BASICALLY SAY THAT A SIGNIFICANT NUMBER OF THE CONSUMERS ARE NOT DECEIVED BY THE ROCKET LAWYER AD.

12:44:30 Q. OKAY. IS IT POSSIBLE THAT SOMEONE COULD BE DECEIVED BY THE AD AND YET STILL DECIDE FOR OTHER REASONS THAT THEY DON'T WANT TO EXPLORE ROCKET LAWYER AND THEY DON'T WANT TO LOOK AT THE ROCKET LAWYER WEBSITE AND THEY DON'T WANT TO CHOOSE ROCKET LAWYER?

12:44:50 A. I THINK THIS ALL DEPENDS ON YOUR DEFINITION OF "DECEIVE." MY DEFINITION OF "DECEIVE" IS -- IS THAT BASICALLY THE AD, WHICH IS THE CONTROL AD, THE CURRENT AD DIFFERENT FROM A TEST AD WHERE WE ARE CORRECTING FOR SUPPOSEDLY THE DECEIVING PART AND IF THERE WAS NO DIFFERENCE BETWEEN THE TWO AND THE AD DOES NOT REALLY AFFECT IT IN ANY WAY AND THE MAJORITY OF THE PEOPLE IN BOTH THE TEST AND CONTROL ARE INDICATING THAT THEY ARE NOT INTERESTED IN THE ROCKET LAWYER OFFERING, TO ME THERE'S NO DECEPTION.

12:45:37 Q. SO YOU'RE EQUATING THE DECISION NOT

12:45:41 TO EXPLORE THE ROCKET LAWYER WEBSITE AND NOT TO
12:45:48 CHOOSE ROCKET LAWYER, YOU'RE EQUATING THAT
12:45:50 DECISION WITH BEING AN INDICATION OF WHETHER OR
12:45:54 NOT THE CONSUMER WAS DECEIVED OR MISLED ABOUT
12:45:57 ROCKET LAWYER'S PRODUCTS AND SERVICES. AM I
12:46:00 CORRECT?
12:46:00 A. NO, BECAUSE AGAIN YOU'RE LEAVING
12:46:02 OUT A KEY COMPONENT OF THIS, WHICH IS THAT THERE
12:46:04 WAS NO DIFFERENCE BETWEEN THE TEST AND THE
12:46:06 CONTROL. YOU KNOW, YOU'RE MISSING THE KEY -- KEY
12:46:10 ASPECT OF THE WHOLE STUDY.
12:46:13 THE WHOLE STUDY IS DESIGNED IN
12:46:17 LOOKING TO WHAT EXTENT WHEN YOU CORRECT THE ITEM
12:46:21 THAT LEGALZOOM CLAIMS ARE DECEPTIVE YOU CORRECT
12:46:26 THE AD AND YOU INCLUDE THERE EXPLICITLY THAT
12:46:32 BASICALLY THE STATE FEES HAVE TO BE PAID. AND
12:46:34 THERE'S NO DIFFERENCE BETWEEN THE TWO SITUATIONS
12:46:39 WITH RESPECT TO FOLLOWING FORWARD AND DECIDING,
12:46:41 YEAH, I'M INTERESTED IN ROCKET LAWYER. SO THIS
12:46:45 SEGMENT, THIS 55 PERCENT OF THE PEOPLE BASICALLY
12:46:47 ARE NOT DECEIVED AND WE SHOULD NOT INCLUDE
12:46:47 THEM --
12:46:48 Q. WELL --
12:46:49 A. -- IN THE HARMED POPULATION.
12:46:52 Q. WELL, WHAT IT MEASURES THERE IS

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12:46:56 SIMPLY THE IMPACT OF WHETHER THE AD, WHETHER IT'S
12:47:00 TEST OR CONTROL, WOULD CAUSE PEOPLE TO SELECT
12:47:05 ROCKET LAWYER OR INDICATE A WILLINGNESS TO EXPLORE
12:47:09 THEIR WEBSITE FURTHER, THAT'S WHAT YOUR TEST AND
12:47:12 CONTROL MEASURES AT STEP 1 OF YOUR DECISION TREE,
12:47:17 AM I CORRECT?
12:47:18 A. YES, BUT YOU ASKED ME THEN WHAT
12:47:21 DOES IT MEAN IN TERM OF DECEPTION. I'M SAYING
12:47:24 THIS MEAN THAT THESE GUYS ARE NOT LIKELY TO BE
12:47:26 DECEIVED AND, THEREFORE, SHOULD BE EXCLUDED FROM
12:47:29 THE FINAL STEP IN THE TREE, WHICH IS THE
12:47:31 POTENTIALLY HARMED POPULATION.
12:47:34 Q. OKAY. NOW, YOU'VE SAID SOMETHING
12:47:36 SLIGHTLY DIFFERENT, WHICH IS THAT THEY ARE NOT
12:47:38 LIKELY TO BE DECEIVED AND SHOULD, THEREFORE, BE
12:47:41 ELIMINATED FROM THE REST OF THE TREE. I
12:47:44 UNDERSTAND THAT. AND THAT'S WHAT YOU'VE DONE WITH
12:47:45 YOUR TREE.
12:47:45 THIS IS A TREE THAT'S DESIGNED TO
12:47:47 FUNNEL DOWN THE RESPONDENTS TOWARDS AN END GROUP
12:47:51 THAT IS GOING TO GIVE YOU YOUR IMPACT AS IT WERE.
12:47:56 BUT I'M NOW JUST FOCUSING ON THIS STEP 1, AND I
12:48:01 UNDERSTAND WHAT YOU'VE JUST SAID, WHICH IS THAT
12:48:03 THESE ARE PEOPLE WHO ARE UNLIKELY TO BE DECEIVED
12:48:06 BASED ON THE RESPONSE AND, THEREFORE, SHOULD BE

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13:10:22 EXACTLY THE WORDING I USED.

13:10:25 YOU DON'T HAVE TO COMPLETE THE
13:10:27 ACTUAL FORM AS YOU GO THROUGH THE WEBSITE. WE
13:10:30 WOULD LIKE YOU JUST TO ANSWER THE QUESTIONS.

13:10:30 SO THIS IS BASICALLY THE ACCEPTED
13:10:34 FREE TRIAL AND BOUGHT OF THE PRODUCT. THIS IS
13:10:36 BASED ON THE RESPONSE TO THE QUESTIONNAIRE, TO
13:10:39 THE QUESTIONS.

13:10:41 Q. OKAY. SO THEY NEVER HAD TO
13:10:44 ACTUALLY ENTER THEIR CREDIT CARD INFORMATION IN
13:10:46 ORDER TO INDICATE THAT THEY WERE READY TO BUY; IS
13:10:50 THAT CORRECT?

13:10:50 A. RIGHT. NOR ANY OF THE OTHER
13:10:52 INTERIM RESPONSES ON THE WEBSITE ITSELF. SO IF
13:10:55 YOU LOOK AT THE QUESTIONNAIRE, I THINK IT WILL
13:10:58 MAKE IT VERY CLEAR.

13:11:00 Q. NO, THAT'S OKAY.

13:11:02 AND IN ORDER FOR THEM TO ACCEPT THE
13:11:05 FREE TRIAL, THEY DIDN'T ACTUALLY HAVE TO ACCEPT
13:11:07 THE FREE TRIAL; IS THAT CORRECT?

13:11:09 A. CORRECT. THAT'S ACCEPT FREE TRIAL
13:11:11 IN THE QUESTIONNAIRE IS ONE OF THE QUESTIONS THAT
13:11:13 WE ASKED.

13:11:14 Q. DO YOU RECALL WHAT THAT QUESTION --
13:11:18 DO YOU RECALL WHAT THAT QUESTION WAS?

A. LET ME TRY TO GET IT.

(DOCUMENT REVIEWED BY DEPONENT.)

THE DEPONENT: THIS WOULD BE IN -- I THINK FOR TABLE 12, PAGE 37, TAKE A FREE TRIAL CONTINUE, SEARCHING ON OTHER ONLINE LEGAL SERVICE SITE, ASK OTHER PEOPLE ABOUT HE SERVICE, DECIDE NOT TO BUY AN ONLINE LEGAL SERVICE, PAY FOR INCORPORATION SERVICE WITHOUT FREE TRIAL, OTHER. AND THIS IS AFTER -- THIS IS THE STRUCTURED QUESTION AFTER A PRECEDING QUESTION ON TABLE -- BECAUSE THEY WERE ASKED ALSO OPEN-ENDED QUESTION, WHAT WILL THEY DO.

BY MR. ALLAN:

Q. I'M SORRY, COULD YOU TELL ME WHAT PAGE YOU WERE LOOKING AT AGAIN?

A. THIS WAS PAGE 37. IT REALLY WOULD HELP IF I HAD THE QUESTIONNAIRE IN FRONT OF ME.

Q. OF YOUR ORIGINAL REPORT?

A. MY ORIGINAL REPORT, YEAH.

MS. VU: AARON, AT THIS STAGE, WOULD YOU WANT US TO TAKE A BREAK TO PRINT OUT A COPY OF THE QUESTIONNAIRE SINCE IT KEEPS COMING UP?

MR. ALLAN: NO.

MS. VU: OKAY.

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13:14:22 REPRESENT THE RESPONSE TO THE OPEN-ENDED QUESTION
13:14:25 AND TO THE CLOSED-END QUESTION.
13:14:26 Q. ALL RIGHT. AND SO GOING BACK TO
13:14:31 YOUR DECISION TREE ON PAGE 42, STEP 5 PROVIDES A
13:14:39 POPULATION OF 28 RESPONDENTS THAT WERE EXAMINED
13:14:47 WITH RESPECT TO THE TEST AND CONTROL QUESTIONS TO
13:14:51 DETERMINE WHETHER OR NOT CONSUMERS WERE DECEIVED
13:14:55 BY THE ROCKET LAWYER ADVERTISEMENT, CORRECT?
13:14:59 A. RIGHT. AND PART OF IT IS ALSO THE
13:15:02 FACT THAT THERE WAS NO SIGNIFICANT DIFFERENCE
13:15:07 BETWEEN THE TEST AND THE CONTROL.
13:15:08 Q. ISN'T IT TRUE THAT SOME CONSUMERS
13:15:11 MIGHT MAKE A PURCHASING DECISION BEFORE GETTING TO
13:15:13 THE POINT AT WHICH THE CONSUMER ACTUALLY ENTERS
13:15:17 CREDIT CARD INFORMATION AT ROCKET LAWYER'S
13:15:20 WEBSITE?
13:15:25 A. I DON'T RECALL. I'D HAVE TO LOOK
13:15:29 AT THE WEBSITE. I DON'T RECALL.
13:15:32 Q. OTHER THAN YOUR SURVEY FOR THIS
13:15:35 CASE, ARE YOU AWARE OF ANY PRIOR FALSE ADVERTISING
13:15:39 SURVEY IN WHICH THE ADVERTISEMENT IN QUESTION IS
13:15:42 SHOWN TOGETHER WITH COMPETITOR ADVERTISEMENTS ON A
13:15:45 SINGLE SCREEN?
13:15:50 A. YEAH, ALL THE TIME. IF YOU'RE
13:15:52 DEALING WITH INTERNET SURVEY AND ADS ON -- ADS ON

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13:15:59 A SEARCH ENGINE, THE WAY YOU DO IT, YOU TYPICALLY
13:16:02 SHOW THE ADS IN THE REAL CONTEXT OF THE AD.
13:16:08 Q. AND ARE YOU AWARE OF ANYTHING --
13:16:11 A. I'VE NEVER SEEN BEFORE A SITUATION
13:16:16 OF CIRCLING ONLY THE AD IN REAL WORLD PROJECT
13:16:21 ALONG THIS LINE AND BLURRING THE COMPETITORS. YOU
13:16:24 ALWAYS SHOW IT IN A COMPETITIVE CONTEXT.
13:16:27 Q. IN YOUR OPINION, WHY DO YOU BELIEVE
13:16:29 THAT PLACEMENT OF ROCKET LAWYER'S ADVERTISEMENTS
13:16:32 ON A SCREEN WITH OTHER ADVERTISEMENTS IMPACTS
13:16:36 WHETHER THE ROCKET LAWYER AD IS EITHER FALSE OR
13:16:41 MISLEADING?
13:16:42 A. WELL, IT DETERMINES BASICALLY THE
13:16:46 PERCEPTION OF THE AD, THAT CONSUMERS DON'T
13:16:49 PERCEIVE AN AD IN ISOLATION FROM A COMPETITIVE
13:16:52 CONTEXT. THEY LOOK AT BASICALLY THE CONTEXT IN
13:16:54 WHICH THEY SEE THE AD AND THE AD NEVER APPEARS BY
13:16:57 ITSELF. IT ALWAYS APPEARS WITH OTHER KIND OF
13:17:00 ENTRIES ON THE SEARCH PAGE.
13:17:06 Q. DO YOU HAVE AN UNDERSTANDING AS TO
13:17:08 WHETHER THE STANDARDS FOR ACCEPTING SURVEY WORK IN
13:17:12 THE ACADEMIC ARENA DIFFER FROM THE STANDARDS IN A
13:17:15 COURT OF LAW?
13:17:16 A. I THINK IDEALLY THEY'RE VERY
13:17:21 SIMILAR. I THINK IF YOU LOOK AT THE MANUAL FOR

13:59:52 SO THAT THE REASON PEOPLE -- YOU KNOW, BASICALLY THEY TEND TO READ WHAT IS THE FREE TRIAL. THAT'S THE REASON MY -- THE RESPONSE TO YOUR PET -- YOU KNOW, THE PET SHOP, YOU KNOW, THAT SOME CONSUMERS MAY BASICALLY INTERPRET THE SIGN TO SAY I CAN COME IN AND GET A GOLDFISH FREE AND SOME WILL SAY, WELL, THAT'S AN OFFER, LET ME GO IN AND FIND OUT WHAT IS INVOLVED HERE AND START ENGAGING THE RETAILER TO TELL HIM WHAT WILL IT TAKE IF THEY GET A FREE GOLDFISH. AND, AGAIN, THIS GOES BACK TO THE WHOLE QUESTION OF A MORE SKEPTICAL CONSUMER THAT I DISCUSSED AT LENGTH IN THE REPORT AND IN THE -- MY SUPPLEMENTARY REPORT.

14:00:37 Q. WAS YOUR SURVEY DESIGNED TO DETERMINE WHETHER MORE CONSUMERS IN THE CONTROL GROUP WERE DRAWN TO ROCKET LAWYER'S WEBSITE THAN IN THE TEST GROUP?

14:00:48 A. YEAH, DEFINITELY. THE WHOLE -- THE WHOLE ANALYTICAL PLAN WAS DESIGNED TO SEE IS THERE A SIGNIFICANT DIFFERENCE BETWEEN THE TEST AND CONTROL AND IF THERE IS A DIFFERENCE, IN WHAT DIRECTION AND THE MAGNITUDE. AND THAT'S WHAT THE STATISTICAL ANALYSIS DID. THE STATISTICAL ANALYSIS IS -- BASICALLY EVALUATES THE DIFFERENCE BETWEEN THE TEST AND CONTROL ON THE ONE SIDE FOR

14:01:17 IS THE TEST GREATER THAN CONTROL, IS THE CONTROL
14:01:20 GREATER THAN TEST AND A TWO-SIDED TEST IN TERMS OF
14:01:22 IS THERE ANY DIFFERENCE BETWEEN THE TEST OR THE
14:01:25 CONTROL.

14:01:26 Q. WAS YOUR SURVEY DESIGNED TO
14:01:28 DETERMINE WHETHER CONSUMERS IN THE TEST GROUP WERE
14:01:30 MORE LIKELY TO UNDERSTAND THAT THEY MUST PAY STATE
14:01:34 FEES EVEN IF ROCKET LAWYER'S SERVICES WERE FREE
14:01:38 THAN IN THE CONTROL GROUP?

14:01:41 A. WELL, IT WAS DESIGNED TO SEE DOES
14:01:43 IT MAKE A DIFFERENCE, THAT NOW THAT IN THE TEST --
14:01:46 NOW THAT WE INCLUDE -- EXPLICITLY INCLUDE STATE
14:01:52 FEES, DOES IT LEAD CONSUMERS TO DIFFERENT RESPONSE
14:01:55 THAN IN THE CONTROL, WHICH IS THE CURRENT AD THAT
14:01:58 BASICALLY DOES NOT -- OR AT LEAST THE AD AT THE
14:02:02 TIME, THAT DOES NOT STATE EXPLICITLY THE STATE
14:02:06 FEES.

14:02:07 Q. ALL RIGHT. I'M GOING TO ASK YOU A
14:02:08 QUESTION AND I'D LIKE YOU TO ANSWER IT IN EITHER
14:02:12 "YES" OR "NO" OR "IT DEPENDS." OKAY?

14:02:14 A. UH-HUH.

14:02:14 Q. HERE'S THE QUESTION: WAS YOUR
14:02:17 SURVEY DESIGNED TO DETERMINE WHETHER CONSUMERS IN
14:02:19 THE TEST GROUP WERE MORE LIKELY --

DEPOSITION OFFICER: WAIT A MINUTE.

STATE OF PENNSYLVANIA)
)SS
COUNTY OF PHILADELPHIA)

I, KRISTY L. LIEDTKA, CERTIFIED SHORTHAND REPORTER FOR THE STATE OF PENNSYLVANIA, HEREBY CERTIFY:

THE FOREGOING PROCEEDINGS WERE TAKEN BEFORE ME AT THE TIME AND PLACE THEREIN SET FORTH, AT WHICH TIME THE DEPONENT WAS PLACED UNDER OATH BY ME;

THE TESTIMONY OF THE DEPONENT AND ALL OBJECTIONS MADE AT THE TIME OF THE EXAMINATION WERE RECORDED STENOGRAPHICALLY BY ME AND WERE THEREAFTER TRANSCRIBED;

THE FOREGOING TRANSCRIPT IS A TRUE AND CORRECT TRANSCRIPT OF MY SHORTHAND NOTES SO TAKEN;

I FURTHER CERTIFY THAT I AM NEITHER COUNSEL FOR NOR RELATED TO ANY PARTY TO SAID ACTION, NOR IN ANY WAY INTERESTED IN THE OUTCOME THEREOF.

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME THIS 17TH DAY OF JULY, 2014.

____

Exhibit D

Exhibit D

Bcc: Jsuhbiz@Gmail.com[Jsuhbiz@Gmail.com]
To: Carter Gaffney[cgaffney@legalzoom.com]; John Suh[jsuh@legalzoom.com]; Brian Liu[bliu@legalzoom.com]
Cc: Scott MacDonell[scottm@legalzoom.com]; Bo Kjaer[bkjaer@legalzoom.com]; Serge Topjian[stopjian@legalzoom.com]
From: Dorian Quispe
Sent: Fri 2/24/2012 12:35:06 AM
Subject: RE: LZ & RL: Site Also Visited Stats

Affinity

A numeric score assigned to sites and keywords in DoubleClick Ad Planner.

The affinity score shows the relationship between audiences of two sites or between a site and a keyword. That is, the affinity score estimates how many times more likely you are to reach an audience who visits a specific site or searches for specific keywords versus an audience on the internet overall.

For example, say you're reviewing the site profile page for TropicalFishInfoCentral.com:

•□□□□□□□□ In the 'Sites also visited' box, you see PetFishBlog.com, with an affinity score of 200.0x.

•□□□□□□□□ In the 'Keywords searched for' box, you see 'algae eater,' with an affinity score of 350.0x.

These affinity scores suggest that:

•□□□□□□□□ A TropicalFishInfoCentral.com visitor is 200 times more likely than the average internet user to be found on PetFishBlog.com.

•□□□□□□□□ A PetFishBlog.com visitor is 200 times more likely than the average internet user to visit TropicalFishInfoCentral.com.

•□□□□□□□□ A person searching for the keywords 'algae eater' is 350 times more likely than the average internet user to visit TropicalFishInfoCentral.com.

Dorian E. Quispe | Sr. Director of Online Media | LegalZoom | 323.962-8600 X8770 | dquispe@legalzoom.com

From: Carter Gaffney
Sent: Thursday, February 23, 2012 4:30 PM
To: Dorian Quispe; John Suh; Brian Liu
Cc: Scott MacDonell; Bo Kjaer; Serge Topjian
Subject: Re: LZ & RL: Site Also Visited Stats

What's the definition of affinity in this context?

Carter Gaffney
Vice President, Attorney Services

M: 617.320.8437

LegalZoom.com

From: Dorian Quispe <dquispe@legalzoom.com>
Date: Thu, 23 Feb 2012 16:27:11 -0600
To: John Suh <jsuh@legalzoom.com>, Brian Liu <bliu@legalzoom.com>, Carter Gaffney <cgaffney@legalzoom.com>
Cc: Scott MacDonell <scottm@legalzoom.com>, Bo Kjaer <bkjaer@legalzoom.com>, Serge Topjian <stopjian@legalzoom.com>
Subject: LZ & RL: Site Also Visited Stats

Hi Everyone,

I was doing some research via Google Adplanner and noticed this very interesting stat in regards to "sites also visited" for both LegalZoom and RocketLawyer.

LegalZoom: RocketLawyer ranks #6 with 30.0 affinity.

RocketLawyer: LightWaveLaw ranks #1 with 276.0 affinity. (see below)

Interesting enough Legalzoom is nowhere to be seen in the top 10 for RocketLawyer, and LightWaveLaw enjoys the company of three other free legal form domains. This would reinforce our assumption that it will be difficult to sway users looking for "free" toward a quality product that has a price tag.

Let me know if you have any questions.

Thanks,

dq

Search by site | Search for placements | Audience planning

domain: legalzoom.com

Sites also visited

Add to media plan

Site	Affinity
directincorporation.com	77.7x
legacywriter.com	70.8x
bizfilings.com	58.4x
lawdepot.com	33.0x
uslegalforms.com	33.0x
rocketlawyer.com	30.0x
copyright.gov	30.0x
findlegalforms.com	27.3x
nolo.com	20.5x
incorporate.com	20.5x

Search by site | Search for placements | Audience planning

domain: rocketlawyer.com

Sites also visited

Add to media plan

Site	Affinity
lightwavelaw.com	276.1x
myfreelegalforms.com	276.1x
freebusinessforms.com	207.4x
free-legal-document.com	188.6x
forms.findlaw.com	171.3x
lawdepot.com	141.7x
legacywriter.com	128.8x
legalforms.com	128.8x
theeasyforms.com	128.8x
ezlandlordforms.com	117.1x

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Visit us:

EXHIBIT E

[CONFIDENTIAL LODGED UNDER SEAL]

EXHIBIT E

Exhibit F

Exhibit F

IBISWorld

WHERE KNOWLEDGE IS POWER

Cyber security: Cheaper legal services online will lead to higher revenue

IBISWorld Industry Report OD5638
Online Legal Services in the US

May 2014

Will McKitterick

About this Industry

Industry Definition

Operators in this industry provide legal services to clients using the internet and associated technologies as the primary means of communication. The industry includes virtual law firms without brick-and-mortar locations that offer both bundled and unbundled services, as well as companies that primarily provide online legal documentation services like interactive documents that can be tailored to a client's specific need.

Main Activities

The primary activities of this industry are

- Providing online family law services
- Providing online estate law services
- Providing online intellectual property law services
- Providing online real estate law services
- Providing online tax law services
- Providing online commercial law services
- Providing online personal injury services
- Providing online property law services

The major products and services in this industry are

- Interactive legal documents
- Subscription legal plans
- Other services

Similar Industries

52592 Trusts & Estates in the US
This industry includes personal trusts, estates and agency accounts that are managed on behalf of beneficiaries under terms of a trust agreement, will or agency agreement.

54111 Law Firms in the US
This industry comprises offices of legal practitioners, known as lawyers or attorneys, who primarily practice law.

54121d Tax Preparation Services in the US
Tax preparation firms provide financial and associated management services.

54161 Management Consulting in the US
This industry advises organizations in areas such as organizational design, human resources, corporate strategy, information technology strategy, marketing and sales, finances and logistics.

45411a E-Commerce & Online Auctions in the US
This industry encompasses establishments that primarily sell goods online over the internet.

About this Industry

Additional Resources

For additional information on this industry

www.americanbar.org
American Bar Association

www.elawyeringredux.com
eLawyering Blog

www.americanlawyer.com
The American Lawyer

www.nalp.org
The Association for Legal Career Professionals

Industry at a Glance

Online Legal Services in 2014

Key Statistics Snapshot

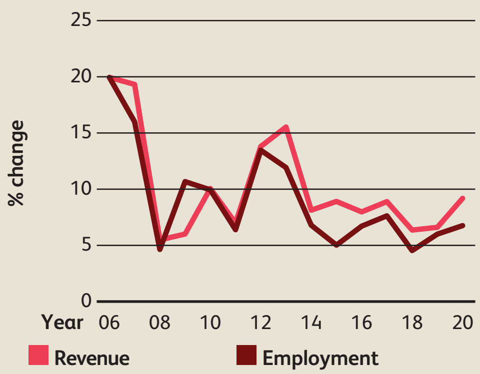
Revenue	Annual Growth 09-14	Annual Growth 14-19
$4.1bn	10.9%	7.7%
Profit	**Wages**	**Businesses**
$596.8m	$1.3bn	16,692

Market Share

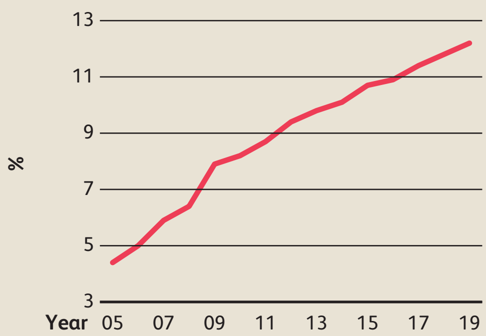
Legalzoom 5.8%

p. 25

Revenue vs. employment growth



Percentage of services conducted online



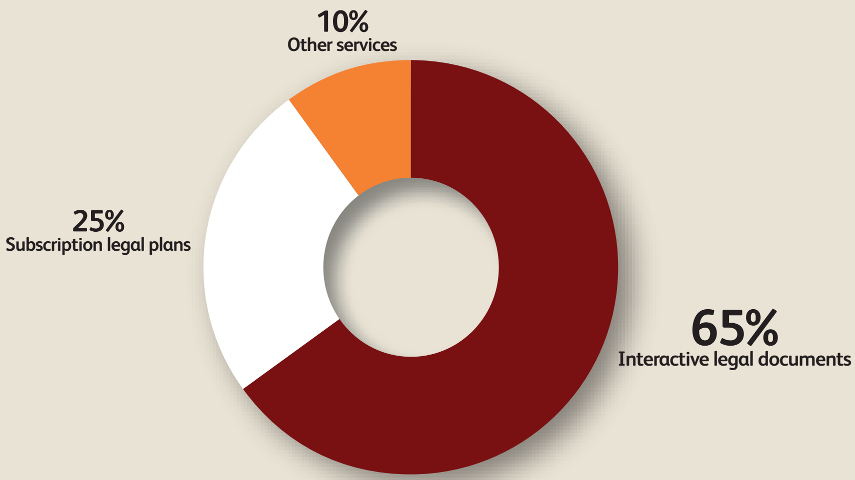
SOURCE: WWW.IBISWORLD.COM

Key External Drivers

- Number of businesses
- Percentage of services conducted online
- Corporate profit
- Per capita disposable income
- Crime rate

p. 5

Products and services segmentation (2014)



SOURCE: WWW.IBISWORLD.COM

Industry Structure

Life Cycle Stage	Growth	Regulation Level	Heavy
Revenue Volatility	Medium	Technology Change	High
Capital Intensity	Low	Barriers to Entry	Low
Industry Assistance	Low	Industry Globalization	Low
Concentration Level	Low	Competition Level	High

FOR ADDITIONAL STATISTICS AND TIME SERIES SEE THE APPENDIX ON PAGE 33

Industry Performance

Executive Summary | Key External Drivers | Current Performance
Industry Outlook | Life Cycle Stage

Executive Summary

The Online Legal Services industry has experienced robust growth over the past five years. The industry has expanded at an annualized rate of 10.9% in the five years to 2014 due to a number of factors that have made generic legal services more accessible to consumers and small-businesses. Demand has been driven by price-conscious consumers and businesses seeking reasonably priced alternatives to traditional lawyers. Industry growth has been assisted by improved technology, such as highly interactive web interfaces and seamless payment systems have made online legal services more convenient and reliable. In 2014, industry revenue is expected to continue its upward trend, growing 8.1% to $4.1 billion.

Demand has been driven by consumers and businesses seeking cheaper alternatives to traditional lawyers

The industry consists of two main segments: traditional law firms that employ qualified attorneys that primarily interact with clients using the internet or other electronic communications and legal document service providers. The second segment comprises of companies that have no lawyer-client relationship and supply documents that can be customized using interactive software. The number of websites offering legal document services has steeply escalated over the past five years to meet the huge demand for generic legal services, allowing customers to draw up their own business incorporation, wills and trusts and powers of attorney. These legal startups have been controversial with some lawyers and bar associations because they are not law firms and are barred from dispensing legal advice. However, in 2012, the American Bar Association's eLawyering Task Force released best practice guidelines covering entities that operate outside the lawyer-client relationship, helping to legitimize the practice.

Strong demand for online legal services is projected to continue over the five years to 2019. Competition to provide web-enabled legal document preparation will heat up as better technology allows a wider range of forms and legal actions to be completed online. Interactive advice provided online by attorneys is also projected to grow as web platforms continue to develop and nationally branded networks allow small firms to band together to increase their visibility. The industry is projected to grow 7.7% to $5.9 billion over the five years to 2019.

Key External Drivers

Number of businesses

Small businesses employing less than 10 people are the most likely to require online legal services because they are more likely to be price-conscious. Small businesses require legal assistance to incorporate their business, register trademarks and meet compliance obligations, as well as when entering into legal contracts. The number of businesses is expected to increase in 2014.

Percentage of services conducted online

The percentage of services conducted online represents the money spent by businesses and consumers on the internet for services, such as legal assistance, that they traditionally paid for in a physical form. The industry benefits from higher numbers of consumers and businesses transacting online. The percentage of services conducted online is projected to increase in 2014.

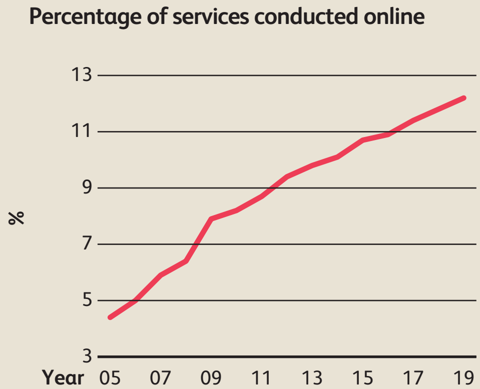
Industry Performance

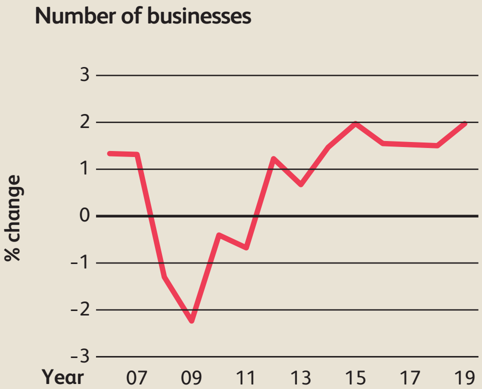
Key External Drivers continued

Corporate profit
Businesses are more likely to engage in transactions that require legal services when corporate profit is high or growing. When corporate profit is healthy, businesses generally hire employees, buy or rent property, protect intellectual property rights or conduct lawsuits, all of which may require online legal services. Corporate profit is expected to increase throughout 2014.

Per capita disposable income
Consumers are a major market for online legal services and per capita disposable income determines an individual's ability to purchase goods or services. Changes in income can occur because of movements in wages, government benefits, unemployment levels, tax rates and returns on assets. When income is rising, people are more able to afford basic legal services, generally benefiting the industry. Per capita disposable income is expected to increase over 2014, creating a potential opportunity for industry growth.

Crime rate
An increase in the rate of reported violent and nonviolent crimes generally leads to higher demand for legal advice. While the industry specializes in unbundled services, those in trouble with the law may seek online legal services as a first resort. The crime rate is expected to follow its long-term trend in 2014 and decline, representing a potential threat to the industry.





SOURCE: WWW.IBISWORLD.COM

Industry Performance

Current Performance

The Online Legal Services industry has surged ahead over the past five years as demand for affordable alternatives to traditional lawyers has boomed and technology to facilitate online services has improved. Online legal platforms have made legal services more accessible to small businesses and consumers, which were both hurt by the recession and have remained price-conscious. Demand for online legal services increased during the recession while the rest of the economy floundered, as consumers and small businesses sort to avoid unnecessary legal fees by completing basic legal documents, including wills and trusts, power of attorneys and trademark registrations themselves online. The industry has recorded annualized growth of 10.9% over the past five years and its upward trajectory is expected to continue in 2014. With more consumers migrating online to purchase legal services, industry revenue is expected to reach $4.1 billion in 2014, representing growth of 8.1% for the year.

Industry structure

The Online Legal Services industry encompasses two main segments. Traditional law firms that employ attorneys that interact with clients using the internet or other electronic communications make up the first segment. According to the American Bar Association's 2013 Legal Technology Survey, 5.0% of lawyers describe their practice as a "virtual" law practice. While the definition for such a practice varies from "lack of traditional physical office" to "minimal in-person contact with clients" or "use of web-based tools for client interaction", the number of virtual law firms is on the rise. Small firms have been helped by nationally branded networks like www.ezlaw.com and www.smarterwill.com that aggregate their marketing resources, allowing them to compete with larger non-lawyer technology companies. This has helped push up the number of industry enterprises by 10.5% to 16,692 over the five years to 2014.

The industry's second segment consists of online legal document service providers that are not law firms. Technology startups have shaken up the entire legal fraternity by rushing to meet demand for generic legal documents that can be customized by clients online to meet their specific needs. LegalZoom, one such service, is estimated to earn revenue of $235.8 million in 2014, making it by far the industry's largest player. However, these online legal documentation companies have stirred up controversy with some lawyers and bar associations because they are not law firms and are barred from dispensing legal advice. These companies refer more complicated legal cases to attorney partners for a fee. Legal document service providers were helped by the American Bar Association's eLawyering Task Force, which released best practice guidelines for them in 2012. While these guidelines

Industry Performance

Industry structure continued

do not take a position on whether certain document services constitute an unauthorized practice of law if not performed by a licensed attorney, they help to legitimize the common practice and aid transparency of the industry.

Profit and labor intensity

Online legal services companies generally have lower profit margins than traditional brick-and-mortar law firms that conduct high-value work for corporations and high-income households. The generic unbundled legal services that online firms provide elicit lower prices, which lead to slimmer profit margins; many firms rely on volume to earn a profit. Increased competition within the industry over the past five years has limited profit margin growth due to fierce price-competition, especially from legal document service providers that provide some basic services free of charge to drive web traffic. However, growing aggregate demand for online legal services has allowed many firms to reach a critical mass of clients that justifies their heavy investment in technology.

Industry profit margins have increased over the past five years, helped by more advanced technology that has increased turn-around times and reduced the labor-intensity of the industry's services. Fully integrated web and software platforms that automate simple tasks like creating generic legal documents have disrupted traditional business models. However, more complex tasks normally require the attention of a qualified attorney, meaning labor costs are still high as a percentage of revenue. The typical industry firm spends 31.0% of its revenue on labor costs in 2014, although this amount is much lower for legal document service providers that do not employ attorneys directly. Wages paid by the industry are expected to grow 9.5% per year on average to $1.3 billion over the five years to 2019, at a slightly slower rate than revenue.

Complex cases still require the attention of a qualified attorney, meaning labor costs are still high

Industry Performance

Industry Outlook

The Online Legal Services industry's healthy growth is expected to continue over the five years to 2019 as demand for affordable alternatives to traditional lawyers surges. Competition to provide online legal document preparation will intensify as more startups seek to improve on the technology of existing companies to make a wider range of legal services available online. Legal advice provided by qualified attorneys through virtual law firms is also projected to grow as web platforms continue to develop and nationally branded networks allow small firms to band together to increase their visibility. In light of these positive trends, the industry is projected to grow 7.7% per year on average to $5.9 billion over the five years to 2019.

Fundamentals to drive demand

The industry will be boosted by growth of the broader economy over the next five years. The number of businesses is anticipated to increase 1.7% per year on average over the outlook period. New businesses will require legal services like Limited Liability Partnership and trademark registrations and documents to meet compliance requirements. Corporate profit is also expected to grow, increasing at an average annual 3.4% over the five years to 2019, meaning companies are more likely to invest in new product lines, engage in more services and undertake more transactions, all of which require legal services. Furthermore, per capita disposable income is anticipated to grow 2.2% per year on average over the next five years, arming consumers with deeper pockets to purchase legal services. The industry's services are squarely aimed at price-conscious middle-market consumers that cannot afford or are unwilling to pay a premium for full-service lawyer fees. Any increase in household income is unlikely to change consumer preferences to any large degree, meaning consumers are unlikely to substitute online legal services for full-service law firms.

The industry's services are squarely aimed at price-conscious middle-market consumers

Industry structure

To compete with the increasing power of legal document service providers, small and medium-sized law firms will continue to band together under nationally branded networks. To attract web traffic, these networks will provide free legal information, complementary legal forms and question and answer services from lawyers in the network. Individual firms will continue to agglomerate around vertical specialties, such as wills and trusts, bankruptcy and business legal needs in order to establish nationally recognized brands. This will allow more new firms to enter the industry, resulting in growth in the number of establishments of 6.4% to 23,161 over the five years to 2019.

Legal document service providers are likely to continue to ramp-up their subscription-based segments over the next five years to compete with virtual law firms that can offer specialized advice through qualified attorneys. LegalZoom is expected to continue to command top place in terms of market share by

Industry Performance

Industry structure continued

investing heavily in marketing campaigns to promote its subscription legal plans that connect customers with experienced attorneys. An industry-wide movement towards subscription models, which require less fulfillment labor, will likely see wages decline as a percentage of revenue, benefiting profit margins.

Technology

Technology will continue to improve throughout the industry, allowing law firms to deliver online services faster and with less labor. The percentage of services conducted online is expected to grow 3.9% per year on average to 12.2% over the next five years, with consumers increasingly expecting to be able to conduct most professional services online. Online legal firms will make use of automated systems that quickly turn intake questionnaires into a draft document for a lawyer's review, analysis and revision. Widespread adoption of this technology is expected, especially among small law firms. As a result, wages are anticipated to grow at a slower rate than revenue, by 7.1% to $1.8 billion over the five years to 2019, indicating the industry's reliance on human capital will decline.

> Technology will continue to improve throughout the industry, allowing faster online services

Industry Performance

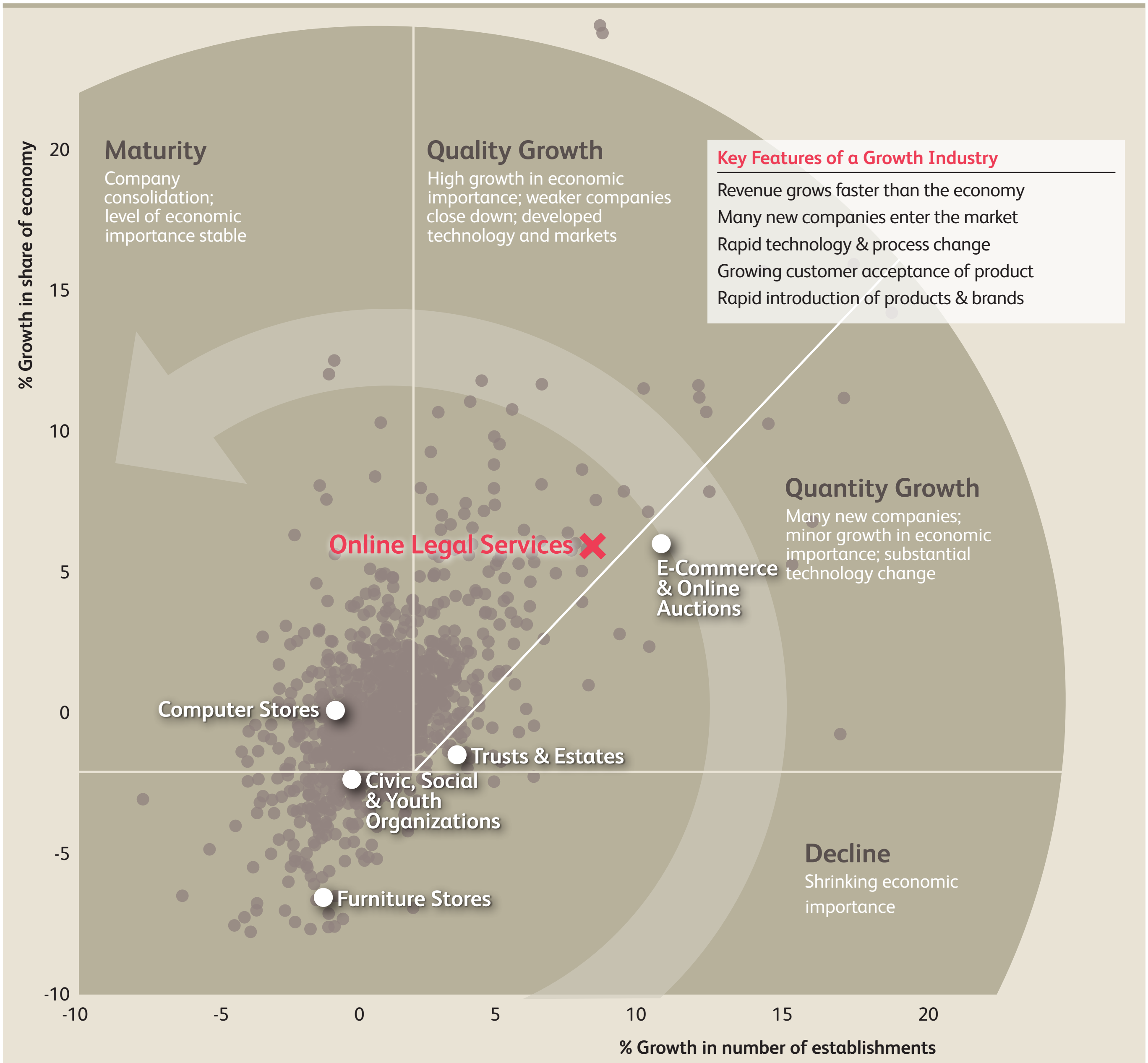
Life Cycle Stage

The industry's contribution to the economy is increasing

The percentage of services conducted online is growing rapidly

The law is an important aspect of society

New startups are rushing to meet the legal needs of small-business owners and consumers with limited legal budgets



SOURCE: WWW.IBISWORLD.COM

EXHIBIT F -82-

Industry Performance

Industry Life Cycle

This industry
is **Growing**

The Online Legal Services industry is well and truly entrenched in the growth stage of its life cycle. In the ten years to 2019, industry valued added, which measures the industry's contribution to the overall economy, is anticipated to grow an annualized 8.8%. This compares with GDP growth of 2.7% per year on average over the same period. Online legal document service providers have provided significant competition to small and medium-sized law firms that offer legal advice over the internet, resulting in some virtual law firms exiting the industry, as they were unable to compete with the greater economies of scale the larger firms command. However, aside from this segment, all aspects of the industry are currently growing due to the rapid adoption of online services by consumers and businesses. New startups are rushing to meet the legal needs of small-business owners and consumers with limited legal budgets.

The industry's growth can be attributed in large part to an increase in e-commerce demand driven by the rising prevalence of high-speed internet services, reliable payment systems and high penetration of mobile devices with internet access. The percentage of services conducted online is anticipated to reach 12.2% by 2019, representing annualized growth of 4.4% over the ten year period. These services have allowed more consumers to use the internet to research and buy services quickly and efficiently. As a result of this added convenience, more consumers have been able to make purchases online.

The industry is unlikely to decline in the near future. Legal services will always be needed because property disputes, business activity and criminal justice require a legal framework. While regulatory barriers do exist for the industry, greater clarity has been brought to gray areas of the industry (such as the ability of online operators to provide legal document services) by the recently published best practices guidelines by the American Bar Association' eLawyering Task Force, which serve to legitimize services that fall outside the lawyer-client relationship. Demand for low-cost legal services are likely to remain high as consumers and small businesses recognize the benefits of avoiding unnecessary professional fees.

Products & Markets

Supply Chain | Products & Services | Demand Determinants
Major Markets | International Trade | Business Locations

Supply Chain

KEY BUYING INDUSTRIES

54111	**Law Firms in the US** Paralegals use online legal services to help expedite the process of filling out legal documents.
81341	**Civic, Social & Youth Organizations in the US** Civic, social & youth organizations use online legal services to apply for 501(c)(3) tax-exempt status.
92	**Public Administration in the US** Public administrations use online legal services to assist them with legal document reviews.
99	**Consumers in the US** Consumers use online legal services when filling out documents related to bankruptcy, divorce or real estate law.
NN007	**Commercial Real Estate in the US** Entrepreneurs use online legal services when attempting fill out a real estate lease for their business.

KEY SELLING INDUSTRIES

44211	**Furniture Stores in the US** Office furniture stores supply online legal service companies with office equipment.
44312	**Computer Stores in the US** Computer stores supply online legal service companies with office equipment.
51121	**Software Publishing in the US** Software publishers develop legal software for online legal companies such as automated document programs.
53112	**Commercial Leasing in the US** The Commercial Leasing industry supplies online legal service companies with office spaces for lease.

Products & Services

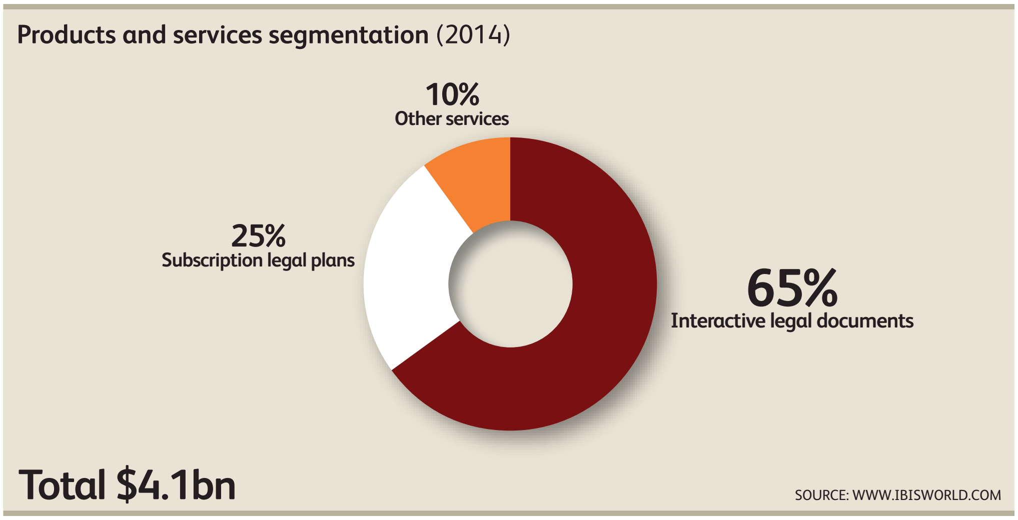
Interactive legal documents

Industry operators provide customers with access to interactive software programs that help them prepare legal documents for processing. Interactive legal documents are typically formatted to meet the needs of two groups of customers: individuals and small businesses. Automated services help customers fill out forms necessary for a variety of different actions, including starting a business, incorporating a business, filing for bankruptcy or divorce. Companies charge their customers to either gain access to their forms or after they have filled them out before filing.

Although industry operators differ in the extent to which they provide assistance, most offer customers an initial questionnaire to help determine what legal documents customers need to file. Once the document has been determined, automated online services will assist users in filling out each form by asking or simplifying questions and providing complimentary services throughout the process. When customers are finished filling out their forms, the interactive system will check the document for any errors including spelling and grammatical mistakes. Finally, the system will fill out any additional information necessary to address the document to the proper authority. For a fee, some companies offer to package and ship documents or track their progress through the workflow cycle, giving confirmation when forms

Products & Markets

Products & Services continued



are finished being processed by a government agency.

This segment has decreased as a percentage of total industry revenue over the past five years, as subscription plans have increased. However, a greater variety of interactive legal documents have become available and more companies are now offering these services. For example, prenuptial agreements, state-specific divorce documents and state-specific marital settlement agreements have all been introduced over the past five years.

Attorney-to-client services

Clients that seek legal aid that goes beyond the filing of legal documents can access a lawyer through law firm websites or through legal matching platforms. Small virtual law firms provide a section of their website known as a secure "client portal" through which customers can log in with a unique user name and password. The portal can be accessed by both clients and attorney's anywhere using an internet connection and allows both parties to communicate securely, download or upload documents and conduct other business normally carried out in face-to-face meetings. Features will differ depending on the online law service, but most use a web-based software-as-a-service (SaaS) application to provide portal access and store documents on a cloud computing system.

Purely online-based legal service providers offer a slightly different set of attorney to client services through a variety of packages for customers and businesses that want to gain access to unbundled legal advice. These plans connect subscribers to experienced attorneys licensed in their jurisdiction to address their specific legal needs. Most of the lawyers that participate in these services operate out of small law firms and use the agreement to help supplement income earned at their practice. The online legal service provider pays each lawyer a monthly subscription fee per paid customer subscription to provide consultations. Plans may vary depending on the size and requirements of the customer, i.e. if they are a small business or an individual seeking legal aid. This service is relatively new to the industry but is gaining widespread acceptance due to the low cost to industry operators of providing such intermediary services.

This segment has increased over the past five years as companies have made headway in new states and marketing of

Products & Markets

Products & Services continued

these services has increased. Growth of subscription legal plans is expected to continue over the next five years as they offer a more profitable and less labor-intensive revenue stream for legal document service providers.

Other services

Online legal service companies also provide a number of assorted services that do not fall into one particular category. These may include access to libraries of information on legal documents, electronic storage for documents and document revision services. Over time, new primary segments are likely to develop from this group of assorted services as operators strive to attract and retain customers with new products in this rapidly evolving industry.

Demand Determinants

Demand for online legal services depends on the general economic and business environment and comes from a variety of sources. Clients tend to seek out online legal services to deal with piecemeal legal issues that are not substantial or pressing enough to warrant the higher cost of a traditional legal services. Clients demand legal services to deal with banking and finance law, family law, wills and probate, criminal law, intellectual property and commercial regulations. The industry is also counter cyclical in that it benefits during economic downturns. Online legal services are relatively less expensive than traditional legal services and are therefore more likely to be utilized when household incomes fall.

Internet use

Online legal services have benefited from growth in the number of consumers with broadband connections. Greater internet connectivity allows industry operators to tap into new markets of consumers to service. Therefore, the industry benefits from higher numbers of consumers and businesses transacting online.

Regulation

Changes to legislation affect demand for online legal services, especially within a commercial environment. Changes in regulations occur in nearly every downstream industry, including foodservice and retail. Generally, changes to laws and regulations increase demand for law firms, as clients often require expertise to interpret and comply with these types of changes.

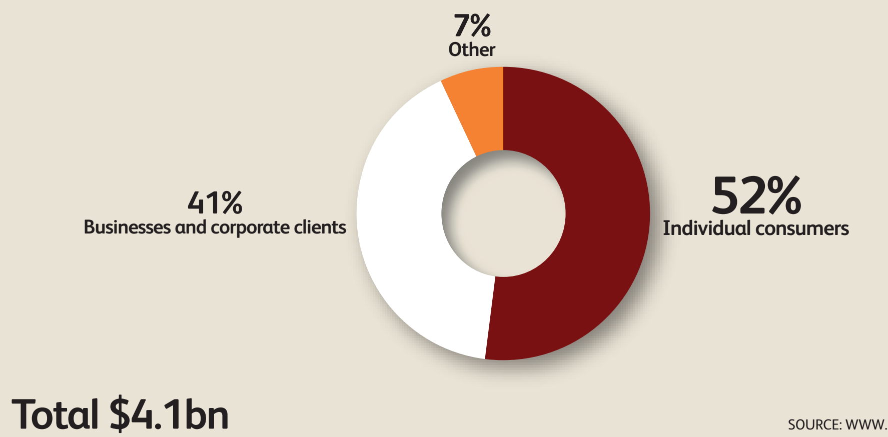
Small business creation

Operators provide a number of services to help individuals or groups navigate the complicated process of setting up a new business. For example, online legal services are tailored to help customers establish LLCs, incorporations, sole proprietorships and general and limited partnerships. Demand for these services typically comes from smaller enterprises with less capital to spend on legal advice. The greater the number of individuals or groups attempting to establish a new business, the more demand there will be for relatively less expensive online legal services.

Products & Markets

Major Markets

Major market segmentation (2014)



SOURCE: WWW.IBISWORLD.COM

As with traditional brick-and-mortar law firms, online legal service providers offer a variety of legal aid services to numerous types of clients. However, the industry's largest markets consist of individual consumers and small to medium-sized businesses looking to purchase unbundled legal services. Over the past five years, the industry has invested in marketing its products to businesses that are more likely to purchase higher priced subscription legal plans. As a result, the individual consumers market segment for industry products has shrunk slightly relative to the business segment. Nevertheless, both segments have and will continue to grow as more consumers and businesses become aware of the benefits of using online legal services over the next five years.

Individual consumers

The cost of legal services provided by brick-and-mortar law firms has risen over the past ten years, pricing out a significant number of middle class individuals. As a result, more consumers have turned to a growing number of online legal services that provide unbundled or limited scope representation for a variety of their legal aid needs. The majority of customers using online legal aid services tend to be part of the 25 to 44 year old age cohort. This group of consumers is old enough to have a wider variety of legal needs, such as filing for divorce or a personal injury evaluation. The next largest cohort of online legal service customers is part of the 18 to 24 year old cohort. Consumers in this age group tend to be more tech savvy and used to using online services than older generations. They also have less income than older generations and are likely to seek less expensive means for acquiring legal assistance. The smallest group of customers includes those that are 45 and older. Individuals at this age are more likely to require end-of-life legal assistance in the form of wills, estate planning and insurance policy assistance.

Businesses

As with traditional brick-and-mortar law firms, businesses account for a substantial share of the Online Legal Services industry's revenue. However, while traditional law firms provide legal aid to clients of all sizes (from mom and pop shops to multinational corporations), online legal services tend to cater their services to small to medium-sized businesses. Industry operators specialize in assisting entrepreneurs looking

Products & Markets

Major Markets continued

to start a business fill out the proper documentation to register their company or trademark their products. Start-ups are a particularly important customer base because they are more likely to use less expensive services to satisfy their legal needs. Medium-sized businesses may also seek to use online legal services and their unbundled products rather than paying a higher price to retain a lawyer.

Other

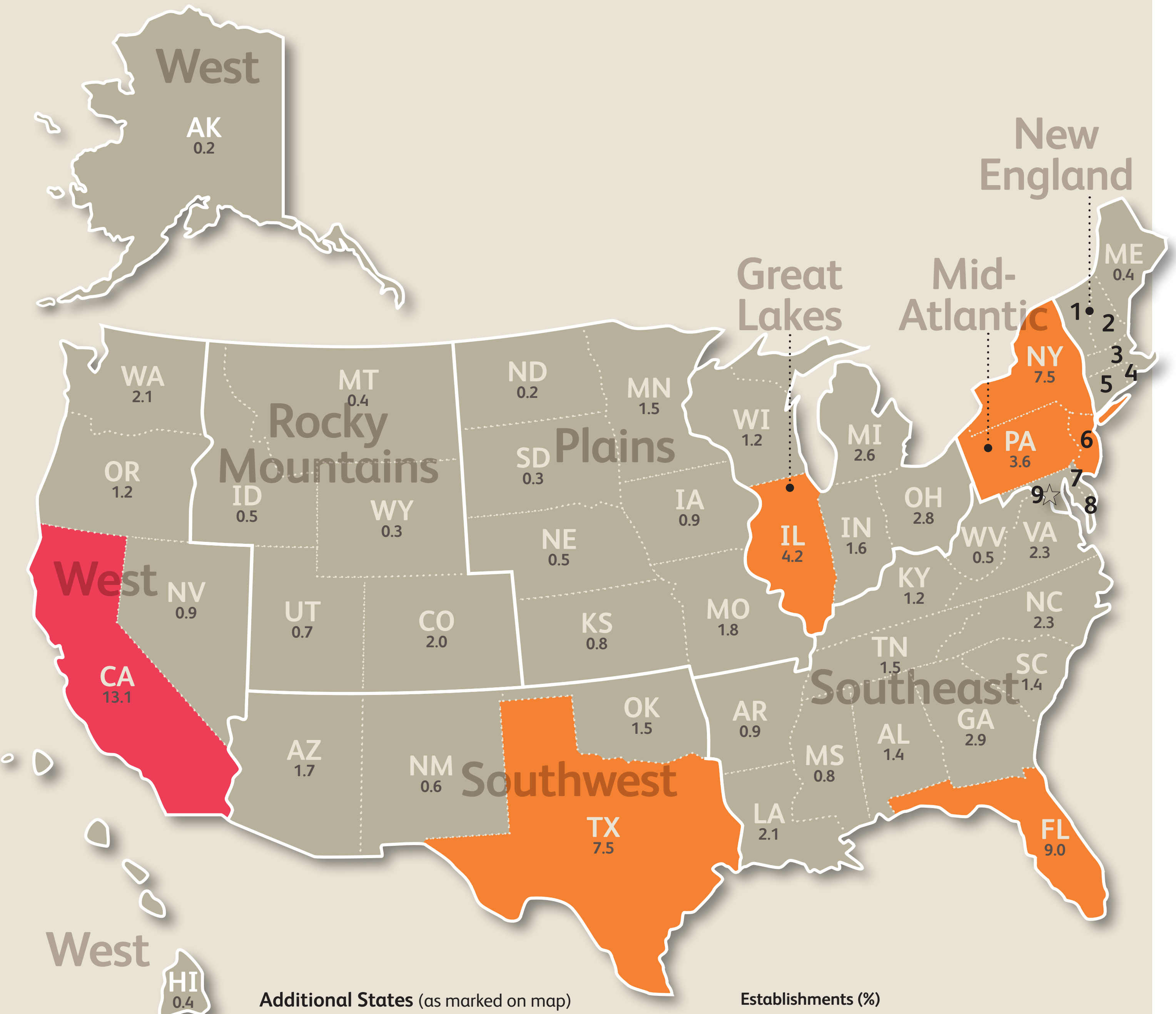
The industry also services a smaller group of varied customers, including government, public and nonprofit clients. For example, industry leader LegalZoom provides individuals or groups looking to establish non-profit organizations with assistance registering for 501(c)(3) tax-deductible status. Federal, state or municipal agencies may also use certain services provided by industry operators, although on a much more limited basis given that many government bodies already retain in-house legal council.

International Trade

Given the service-based nature of the industry, exports and imports are not applicable. Moreover, the majority of industry participants only operate in the United States. As a result, international trade is not applicable for the Online Legal Services industry.

Products & Markets

Business Locations 2014



Additional States (as marked on map)

1 VT 0.2	2 NH 0.4	3 MA 2.6	4 RI 0.4	
5 CT 1.5	6 NJ 3.0	7 DE 0.2	8 MD 1.8	9 DC 0.7

Establishments (%)

- Less than 3%
- 3% to less than 10%
- 10% to less than 20%
- 20% or more

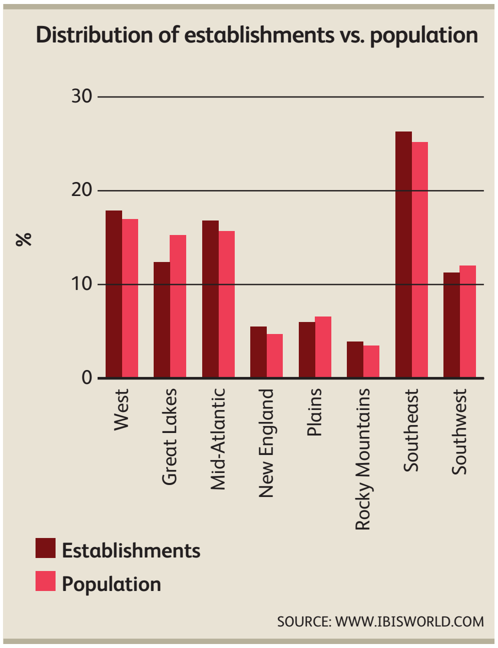
SOURCE: WWW.IBISWORLD.COM

Products & Markets

Business Locations

The service-based nature of the industry dictates that the industry is generally distributed in line with the population, per capita disposable income and business activity. While the industry's services are distributed over the internet, lawyers providing services online must be registered with the American Bar Association in the state in which they practice.

Online legal document service provides are an exception to the above rule. The growth of technology companies like Rocket Lawyer and LegalZoom has influenced the industry's geographic distribution. Technology companies are not traditional law firms and outsource specialty legal services to approved attorneys in the relevant jurisdiction. Online legal document service providers rely more heavily on tech-savvy labor, such as computer programmers, and, therefore, benefit from being proximate to other technology companies and venture capital. For this reason, California has a higher concentration of online legal services operators compared to its population as it possess the country's biggest collection of technology companies.



Competitive Landscape

Market Share Concentration | Key Success Factors | Cost Structure Benchmarks
Basis of Competition | Barriers to Entry | Industry Globalization

Market Share Concentration

Level
Concentration in this industry is **Low**

The Online Legal Services industry has a low level of market share concentration. In 2014, IBISWorld estimates that the three largest companies operating in the industry will account for less than 9.0% of the available market share. A combination of low barriers to entry and rapid growth potential due to rising demand for low cost legal services has encouraged a flood of new operators to enter the industry over the past five years. The number of new online legal service operators is expected to grow at an annualized 10.5% to 16,692 over the five years to 2014. As a result, the industry is highly fragmented with only one major player controlling over 5.0% of market share.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Ability to quickly adopt new technology
Ever-changing software systems, internet speeds and personal information security systems require operators to continually update their business to keep pace with recent technology.

Must comply with government regulations
Online legal service providers must comply with state and federal legislation, which impacts the services they can provide.

Effective product promotion
In a concentrated industry with little product differentiation, operators must effectively promote their product or service to be successful.

Development of new products
To distinguish themselves from their competition, industry firms must be able to develop new products and services as demanded by clients and users.

Providing client confidentiality
Clients and users submit sensitive and private information to online legal services sites. Therefore, it is important for players to ensure total confidentiality in all areas of operation and dealings with clients.

Cost Structure Benchmarks

Profit
The Online Legal Services industry's profit (defined as earnings before interest and taxes) is expected to account for 14.6% of the average firm's revenue in 2014. Brick-and-mortar law firms that conduct high-value work for corporations typically earn higher profit margins, with the biggest firms earning profit in excess of 20.0% of revenue. However, online operators typically offer more generic unbundling legal services, such as document drafting and form preparation. These services generally have lower profit margins as consumers and small businesses that demand them are price-conscious and go online looking for affordable alternatives to full-service law firms. Industry profit margins are also limited by the industry's increasingly high level of competition. The average industry profit margin has increased over the past five years as demand has increased, allowing many fledgling firms to reach a critical mass of clients that has enabled them to break even. For example, LegalZoom, the industry's largest player, made its first profit in 2011 once it reached a critical scale and cut back on marketing. Also, improved technology has reduced labor costs and increased turn-around times, ultimately helping profit margins.

Competitive Landscape

Cost Structure Benchmarks continued

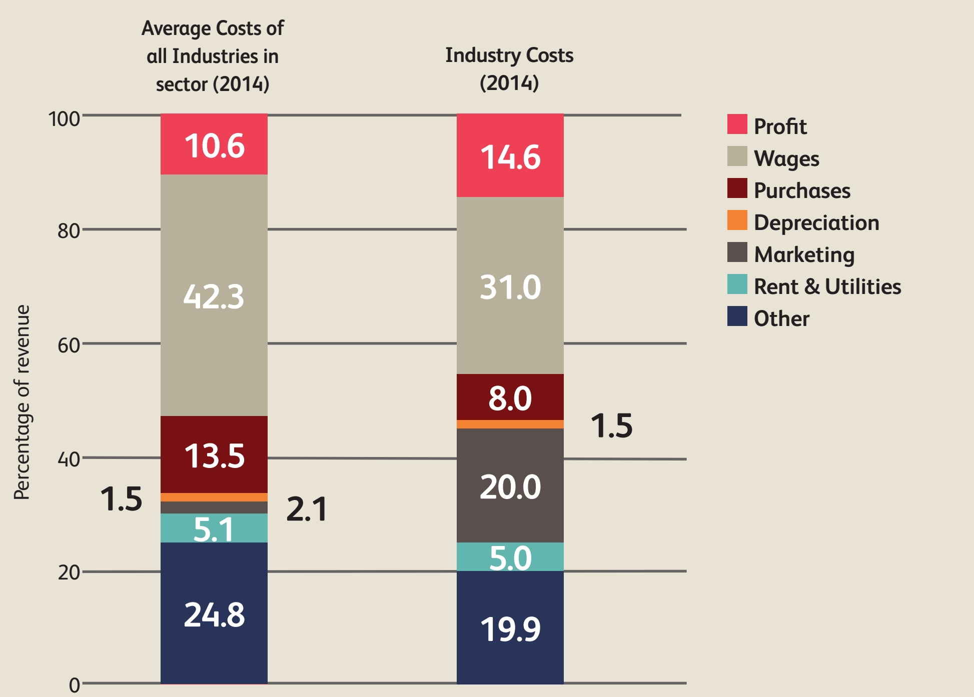
Wages

Wages account for an estimated 31.0% of the average firm's revenue in 2014, which is lower than the average wage cost of a traditional brick-and-mortar law firm. While the majority of industry firms employ a high degree of specialized labor, firms providing online legal services generally specialize in unbundled services that are not as labor-intensive. The rapid rise of online legal documentation services like LegalZoom and Rocket Lawyer, which have much lower wage costs due to their focus on providing generic interactive legal documents, has lowered the industry's reliance on labor over the past five years. These online legal documentation services have moved towards subscription models that require less fulfillment labor. This trend is expected to continue over the next five years, leading to lower industry-wide labor costs.

Depreciation

While the industry excludes operators with brick-and-mortar storefronts, online operators are still faced with depreciation on fixed assets, such as furniture and fixtures for offices from which they operate. Depreciation is also recorded against technology infrastructure, internal-use software and website development. The nature of the industry means there is a need to continuously maintain and update websites and databases. Depreciation costs vary among operators depending on their size and business-model, with virtual law firms generally having lower depreciation costs than online legal documentation services due to their less advanced technology infrastructure. Depreciation costs for this industry have increased in recent years due to evolving technology and software programs and more advanced web interfaces and payment systems.

Sector vs. Industry Costs



SOURCE: WWW.IBISWORLD.COM

Competitive Landscape

Cost Structure Benchmarks continued

Marketing

The amount of revenue a firm devotes to its marketing budget varies considerably depending on its size, life-cycle and business model. Online marketing is especially important for firms in this industry as their services are targeted at consumers or businesses that are actively online and are likely to discover a firm's services through a search engine or via online advertising. Online legal documentation startups usually devote a considerable amount to marketing in their initial years to build brand awareness and then slowly taper this over time. For example, LegalZoom devoted over 30.0% of its revenue to sales and marketing during its high-growth phase, then reduced this amount over time. Online firms have ramped up their marketing over the past five years as competition has intensified.

Other costs

The industry is exposed to a range of other costs associate with the normal course of doing business, including rent and utilities, insurance costs, administrative expenses, travel expenses and professional fees paid to accountants and external law firms. Administrative overheads tend to be high, but steady as a percentage of overall revenue due to the transactional nature of the work.

Basis of Competition

Level & Trend
Competition in this industry is **High** and the trend is **Increasing**

Operators in this industry experience a high degree of internal and external competition. The industry is highly fragmented due to the large number of new industry entrants each year. Barriers to entry into the industry are relatively low, allowing a large number of new startup firms to compete for growing demand for less expensive do-it-yourself legal advice. At the same time, online legal services face steady competition from a variety of traditional legal services, such as law firms, solo attorneys and national legal plan providers.

Internal

Online legal service providers compete on the basis of price, customer service, brand recognition and online site efficiency. Price is an important competition point for industry operators due to the relatively homogenous nature of services each provides. This has forced many industry operators to develop innovative pricing schemes to help attract customers to their services. For example, some operators have made some of their entry-level primary services free while charging for supplementary services in order to attract consumers to their sites.

Operators also compete over service quality. It is extremely important that customers have an intuitive, hassle free experience when using online legal service websites, which deal with complex legal issues. This is particularly true given that sites offer do-it-yourself services, which require a greater degree of engagement with the customer than most other online experiences. As such, operators must commit a large amount of time and resources to develop websites that can provide an optimal customer experience.

Finally, industry participants compete over their ability to build and market a recognizable brand. In the vast world of ecommerce, it is critical for online service providers to spend large amounts of startup capital on advertising to establish themselves with the public. For example, in 2009, industry leader LeagalZoom spent 31.7% of its revenue on sales and marketing to build awareness of its product. Marketing will become increasingly important within the

Competitive Landscape

Basis of Competition continued

industry as the field of competition grows increasingly crowded.

External

Competition from outside comes from traditional brick-and-mortar legal service providers, such as law firms, solo attorneys and national legal plan providers. Traditional legal service providers have some advantages over online legal services. Law offices can provide direct legal advice that online operators are unable to offer due to regulations that limit companies engaged in the unauthorized practice of law. Most customers are also more accustomed to turning to law firms or solo attorneys rather than do-it-yourself websites for legal aid. However, these advantages may be outweighed by industry operators' ability to provide services at a fraction of the cost of traditional legal services.

Barriers to Entry

Level & Trend
Barriers to Entry in this industry are **Low** and **Increasing**

This fast-growing industry has low barriers to entry. Investments for an online legal services company are relatively low. Providers must purchase or develop software, websites and different client interfacing programs that can dispense legal advice. But once these programs are developed, operators need to invest little in upkeep to maintain services. Furthermore, most of these technological barriers are decreasing as more people learn how to program online software and the costs for servers are expected to continue to fall with technological advancement.

Industry operators are not required to achieve accreditation by any bar associations or legal jurisdictions to dispense their services. This is a prominent barrier for most brick-and-mortar law firms that requires that they hire qualified attorneys. As a result, wages for online legal services are much lower than traditional law firms. However, industry operators that lack accredited employees are restricted from providing certain legal services, thus limiting their ability to contend with brick-and-mortar firms.

The industry's low barriers to entry have enticed a large number of new entrants to compete for growing market share. This has resulted in a high degree of industry fragmentation and competition between providers for customers' attention. As a result, most operators must spend a considerable amount of their start-up money on marketing in order to stand out from the competition. This barrier is expected to continue to rise as more operators enter the field, making it increasingly difficult for new entrants to establish themselves and carve out market share.

Barriers to Entry checklist	Level
Competition	High
Concentration	Low
Life Cycle Stage	Growth
Capital Intensity	Low
Technology Change	High
Regulation & Policy	Heavy
Industry Assistance	Low

SOURCE: WWW.IBISWORLD.COM

Competitive Landscape

Industry Globalization

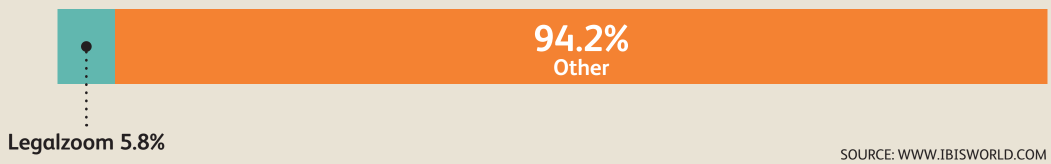
Level & Trend
Globalization in this industry is **Low** and the trend is **Steady**

This highly fragmented industry includes some companies that are foreign owned; however, they do not make up a significant market share. International trade does not have a tangible impact on this industry because software can be digitally distributed instantly, making borders irrelevant.

Major Companies

Legalzoom | Other Companies

Major players
(Market share)



SOURCE: WWW.IBISWORLD.COM

Player Performance

Legalzoom
Market share: 5.8 %

LegalZoom.com is an online legal documentation service founded in 2001 in Glendale, CA. The company provides personalized online document assembly of legal documents as well as a legal education center and articles on the legal aspect of current events. As with many legal service providers, LegalZoom offers clients legal document creation services in various common categories, including copyrights, DBAs, divorce, immigration, business formation, trusts, wills name changes, patents, power of attorney, prenuptial agreements, real estate leases, trademarks, estate and personal planning. The company also serves as a certified California attorney referral services.

LegalZoom joined with United Kingdom-based legal services provider QualitySolicitors in 2012 in an attempt to expand both companies presence in the United Kingdom. That same year, LegalZoom sued rival Rocket Lawyer, charging the company with misleading advertising, trademark infringement and unfair competition. LegalZoom alleges that Rocket Lawyer's advertising is false and misleading, mainly over the latter company's free offerings, which can require paying filing fees or buying a paid membership plan. The lawsuit was issued just as Rocket Lawyer was set to expand its presence in the UK. Unlike LegalZoom which charges for access to legal forms, Rocket Lawyer provides customers legal documents up front for free and then offers additional legal guidance via pre-paid legal plans that cost between $10.00 and $40.00 per month.

LegalZoom also filed for an initial public offering with the SEC in 2012. The move was anticipated to raise as much as $120.0 million for the company. Nevertheless, due to the less than enthusiastic response from the markets, LegalZoom withdrew its IPO in 2014. That same year, European private capital firm Permira announced its intent to acquire $200.0 million in outstanding equity of the company and become the company's largest shareholder. The purchase has temporarily provided the company with enough capital to help the company continue to expand its operations.

Financial performance

LegalZoom has grown substantially over the past decade to become the leader of the Online Legal Services industry. Over the period, the company gathered over two million new customers, targeting its services to a broad base of customers that were priced out of the traditional legal service market due to the recession. LegalZoom fared well over the past five years, growing its business through a heavy emphasis on marketing, which represented a high of 31.7% of the company's revenue in 2009. This cut into earnings but helped spread awareness of the company's offerings. Ultimately, the strategy has helped the company's revenue increase at average annual rate of 17.9% to $235.8 million in 2014.

Major Companies

Player Performance continued

LegalZoom – financial performance

Year	Revenue ($ million)	(% change)	Operating Income ($ million)	(% change)
2009	103.3	N/C	-0.3	N/C
2010	120.8	16.9	-3.6	1,100.0
2011	156.1	29.2	6.3	N/C
2012	178.0	14.0	10.0	58.7
2013	205.0	15.2	12.1	21.0
2014*	235.8	15.0	14.4	19.0

*Estimates

SOURCE: ANNUAL REPORT AND IBISWORLD

Other Companies

Rocket Lawyer
Estimated market share: 1.8 %

Rocket Lawyer is an online legal services company founded in San Francisco in 2008. The company provides a variety of online legal services tailored for small and medium-sized enterprises. Its services offerings assist clients with incorporation, estate plans, legal health diagnostics and legal document reviews. While Rocket Lawyer is primarily a "do-it-yourself" web-based service, the company also provides customers with access to a network of attorneys that can help with consultations on legal issues through its On Call service. The company has grown substantially over its six-year existence, acquiring investment capital totaling some $40.0 million, including from Google Ventures and investor Growth Capital plus. Rocket Lawyer is a private company and therefore does not disclose financial information. The company is considered the industry's second largest online legal service provider, with IBISWorld estimating $75.2 million in revenue earnings in 2014.

USLegal
Estimated market share: 1.0 %

USLegal is an online legal publishing company that provides online legal solutions for attorneys, small businesses and consumers. Founded in Jackson, MS, in 1997, the company's website provides customers with a searchable repository for legal documents and forms including wills, name changes, titles and deeds and more. The company is primarily a "do-it-yourself" document provider with the largest selection of legal documents of any legal services provider. Its product offerings include many of the most obscure legal forms, including a complete directory of state specific legal documents. Besides providing access to "do-it-yourself" documents, the company also provides customers with preparation services to help fill out forms. USLegal also provides its customers with free access to customer care agents online and by phone 24 hours a day. USLegal is a privately held company and therefore does not release financial data. IBISWorld estimates the company will generate $42.6 million in revenue in 2014.

MyCorporation
Estimated market share: less than 1.0 %

MyCorporation is a provider of online document filing services for customers interested in forming a corporation or

Major Companies

Other Companies continued

limited liability company. Founded in 1997 in Calabasas, CA, the company was acquired in 2005 by InTuit, an American software company that develops financial and tax preparation software and related services for small businesses, accountants and individuals. In addition to its filing services, MyCorporation also provides trademark searches and applications, copyright registrations, DBA registrations, registered agent services and other products to help customers protect and maintain their businesses. MyCorporation is a privately held company and therefore does not release financial information. IBISWorld estimates the company will generate $12.9 million in revenue in 2014.

Operating Conditions

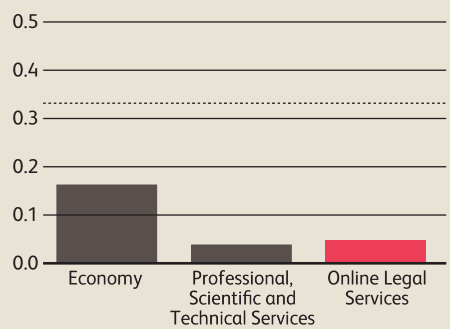
Capital Intensity | Technology & Systems | Revenue Volatility
Regulation & Policy | Industry Assistance

Capital Intensity

Level
The level of capital intensity is **Low**

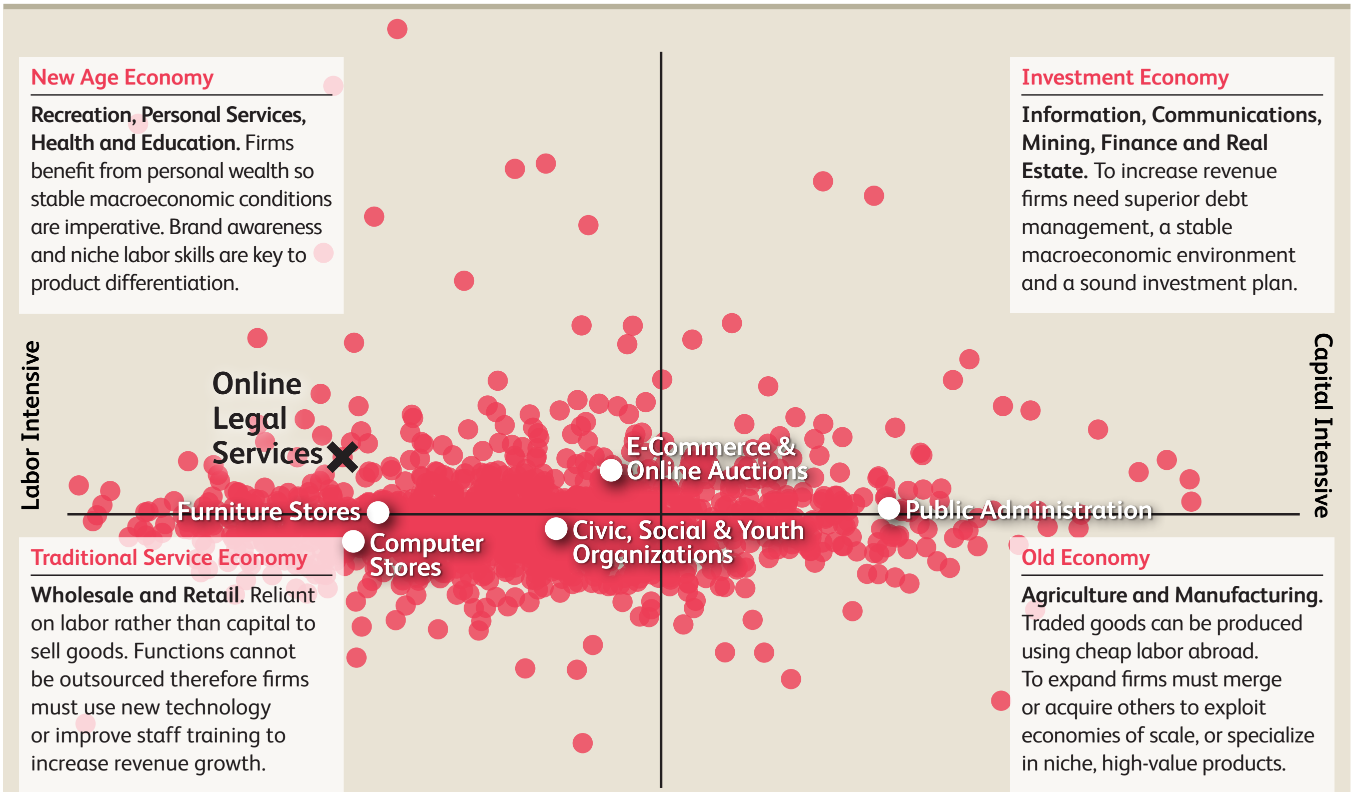
This industry is subject to a low level of capital intensity. IBISWorld estimates that for every dollar spent on wages, only $0.05 is spent on capital. Despite the online nature of the industry and its focus on generic form legal documents, the majority of industry firms employ highly skilled and specialized lawyers. Attorneys are educated and knowledgeable in the practice of law. While face-to-face contact is non-existent in this industry, some services may be highly personalized. Even those firms that primarily provide customizable legal documents must keep abreast of any changes created by acts of legislation. In addition, law firms require a number of support staff for research, filing and documenting, as well as ad hoc duties. All these factors contribute to the industry's high level of labor intensity.

Capital intensity
Capital units per labor unit



Dotted line shows a high level of capital intensity
SOURCE: WWW.IBISWORLD.COM

Tools of the Trade: Growth Strategies for Success



New Age Economy
Recreation, Personal Services, Health and Education. Firms benefit from personal wealth so stable macroeconomic conditions are imperative. Brand awareness and niche labor skills are key to product differentiation.

Investment Economy
Information, Communications, Mining, Finance and Real Estate. To increase revenue firms need superior debt management, a stable macroeconomic environment and a sound investment plan.

Traditional Service Economy
Wholesale and Retail. Reliant on labor rather than capital to sell goods. Functions cannot be outsourced therefore firms must use new technology or improve staff training to increase revenue growth.

Old Economy
Agriculture and Manufacturing. Traded goods can be produced using cheap labor abroad. To expand firms must merge or acquire others to exploit economies of scale, or specialize in niche, high-value products.

SOURCE: WWW.IBISWORLD.COM

Operating Conditions

Capital Intensity continued

The industry's capital investment is low; most ongoing expenses are related to the upgrade and maintenance of office and computer equipment, including specialized software packages, and communications equipment. Firms also record depreciation against technology infrastructure, internal-use software and website development; the nature of the industry means there is a need to continuously maintain and update websites and databases. While the use of computer systems, legal databases, electronic discovery (e-discovery, or the reviewing of electronic legal documents) and the internet has improved employee productivity, technological advancements have not overcome the need for personnel in researching, designing solutions, dealing with clients and completing administrative tasks.

In the five years to 2019, labor's proportion of industry revenue is expected to continue to decrease as technology improves and firms rely to a greater extent on transactional models requiring less labor fulfillment. This will ultimately lead to a slightly higher level of capital intensity.

Technology & Systems

Level
The level of Technology Change is **High**

Technology is constantly developing in the Online Legal Services industry. New tech advancements have made it easier for industry operators to offer unbundled legal services to a wider audience. Growth in the number of consumers with broadband connections has allowed a greater number of potential customers to purchase services online. At the same time, developments in web technology have enabled service providers to bring their businesses online.

Industry operators rely on a variety of legal software to provide their clients with services. Most own or operate programs designed to help customers assemble legal documents automatically, without the help of live legal council. These programs often use "intuitive" forms to collect information from clients. Clients' responses to questions by the program prompt new questions and direct customers to the appropriate answers for each document line item. Responses are then collected and automatically formatted into a document template and reviewed by the program for errors.

Online portals are also used to collect and store clients' cases. Software as a service (SaaS) tools have been developed to keep digital records of the legal documents or guidance and instructions that firms provide clients. Cloud computing software allows this information to be stored and accessed from any location with an internet connection. Clients have their own secure homepage online that they can log into at any time to access the information they need to complete their legal matters on their own. This form of digital communications appeals to do-it-yourself clients that appreciate the flexibility and ease with which they can access their legal documents.

Revenue Volatility

Level
The level of Volatility is **Medium**

In the five years to 2014, the industry experienced a moderate level of revenue volatility. The industry has experienced strong, consistent growth in revenue mainly due to the migration of all forms of services online. It is common for an industry in the growth stage of its life-cycle to experience moderate-to-high revenue volatility, as many of its services are not yet well established in the marketplace and are still being evaluated by consumers. This is true of

Operating Conditions

Revenue Volatility continued

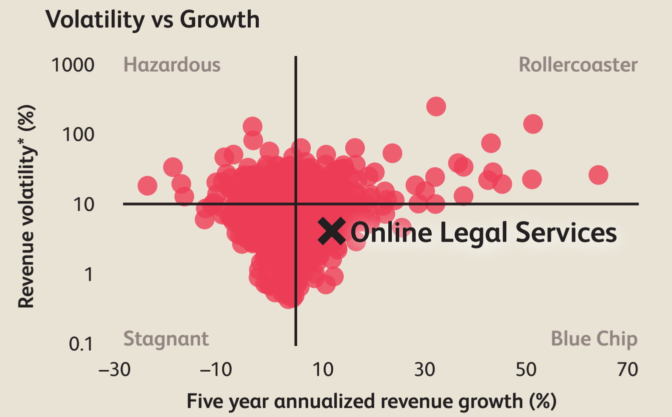
the Online Legal Services industry, where new firms are still entering at a rapid pace, offering new and unique products that simplify the barrier clients face when taking legal actions.

The recent recession, which decimated many industries in the broader economy, had little impact on the Online Legal Services industry's revenue. In fact, many consumers and small businesses sought out online legal services during this time as they became increasingly price-conscious, leading to strong industry growth despite rising unemployment, a drop in consumer spending and less demand for high-end legal services. In this way, the industry is well positioned for any future economic turmoil.

The industry is expected to experience decreased revenue volatility over the next five years as its services become more established and the recent high growth rates taper. Save for any significant regulatory changes that seeks to limit the ability of firms to provide do-it-yourself online legal documents, the industry is expected to continue to grow steadily as consumers and businesses seek low-cost options for their basic legal needs.

A higher level of revenue volatility implies greater industry risk. Volatility can negatively affect long-term strategic decisions, such as the time frame for capital investment.

When a firm makes poor investment decisions it may face underutilized capacity if demand suddenly falls, or capacity constraints if it rises quickly.



* Axis is in logarithmic scale

SOURCE: WWW.IBISWORLD.COM

Regulation & Policy

Level & Trend
The level of Regulation is **Heavy** and the trend is **Increasing**

There are a number of laws and regulations in the United States regarding the unauthorized practice of law, legal document processing and preparation, legal plans, privacy and other matters that govern the industry. These rules have changed rapidly over the past ten years as the legal landscape shifted to allow provide for more online legal service provision. Online legal service providers must be ready to adapt or discontinue certain services in order to comply with the changing legal environment surrounding the industry.

Most online legal service providers provide what are referred to as unbundled legal services. The American Bar Association (ABA) Model Rule, which provides rules that prescribe baseline standards of legal ethics and professional responsibility for lawyers in the United States, formally allows for the unbundling of legal services under a ruling it made in 2002. According to the Harvard Law Journal, the rule change was adopted verbatim or with some modification by 41 jurisdictions (including the Districts of Columbia)

Operating Conditions

Regulation & Policy continued

across the country. Ten jurisdictions have yet to adopt the rules since their addition. Some of these states allow limited unbundling but only for noncriminal law matters. Since providing unbundled services is the primary service delivered by most industry operators, it is difficult if not impossible, for providers to exist in states where such services are deemed illegal.

The advent of online legal services has also helped generate legal questions surrounding the standard definition of what constitutes an unauthorized practice of law by a nonlicensed organization or individual. Many online legal services providers deliver legal aid without employing attorneys that have been certified by the ABA. Considered "unauthorized legal practices", these operators are restricted from providing certain legal services available to attorneys. In 2002, the ABA ruled that each state and legal jurisdiction should adopt their own definition of what constitutes the "practice of law", which subsequently resulted in the creation of a multitude of different definitions. Without uniformity in the definition of "practice of law," enforcement and regulations that pertain to unauthorized legal practices differ from state to state, forcing industry operators to adjust their service provision depending on where they're operating.

Beyond laws governing the legality of unbundling services and unauthorized legal practice, industry operators must also adhere to federal laws prohibiting the scope of legal services they can provide. According to federal regulation, online legal service providers are technically unable to acquire a license to practice the law in the United States unless their operations are fully run by licensed attorneys. Furthermore, they must abide by laws and regulations that govern business transactions between attorneys and non-attorneys, including those related to ethics of attorney fee-splitting and the corporate practice of law.

Industry Assistance

Level & Trend
The level of Industry Assistance is **Low** and the trend is **Steady**

Firms that provide online legal services receive no formal government assistance, but have support from various industry associations. The American Bar Association (ABA) is the industry's main industry association. Founded in 1878, the ABA is a voluntary bar association of nearly 400,000 member lawyers and law students, which is not specific to any jurisdiction in the United States.

Due to concerns about the gray-area in which some online legal service providers were operating, the ABA released draft guidelines, the Best Practice Guidelines for Legal Document Service Providers, in 2012 that recommends best practices for individuals and entities that operate outside the lawyer-client relationship. These guidelines aim to cover firms that provide materials and services for the creating of legal documents that are intended to express or affect legal rights, obligations, claims or positions. These recommendations have brought legitimacy to the industry and alleviated the concerns of new entrants that regulation would stymie their future growth. These recent guidelines supplement the Best Practice Guidelines for Legal Information Web Site Providers, published in 2003, which describe more general practices such as informing customers about dates on which substantive content was prepared or last reviewed, the jurisdiction to which the content relates and the terms and conditions of use.

The National Lawyers Association is another voluntary

Operating Conditions

Industry Assistance continued

association of lawyers in the United States, with about 3,000 members. The National Lawyers Association was founded in 1993 in response to the ABA's official position in favor of abortion rights.

Key Statistics

Industry Data

	Revenue ($m)	Industry Value Added ($m)	Establish-ments	Enterprises	Employment	Exports	Imports	Wages ($m)	Domestic Demand	Number of businesses (Mils)
2005	1,525.7	743.6	6,225	6,139	9,872	--	--	515.7	N/A	7.5
2006	1,830.0	891.6	7,452	7,347	11,841	--	--	613.1	N/A	7.6
2007	2,183.6	1,072.4	8,749	8,608	13,735	--	--	729.3	N/A	7.7
2008	2,303.4	1,129.8	9,117	8,979	14,372	--	--	764.7	N/A	7.6
2009	2,441.8	1,194.5	10,288	10,139	15,906	--	--	805.8	N/A	7.4
2010	2,687.5	1,276.8	11,505	11,324	17,487	--	--	873.4	N/A	7.4
2011	2,875.4	1,343.7	12,295	12,103	18,605	--	--	920.1	N/A	7.4
2012	3,272.2	1,515.0	13,852	13,642	21,110	--	--	1,030.7	N/A	7.4
2013	3,780.4	1,769.2	15,846	15,615	23,628	--	--	1,183.3	N/A	7.5
2014	**4,087.8**	**1,925.3**	**16,948**	**16,692**	**25,233**	**--**	**--**	**1,267.2**	**N/A**	**7.6**
2015	4,452.0	2,088.0	18,239	17,971	26,500	--	--	1,366.8	N/A	7.8
2016	4,807.2	2,254.6	19,441	19,148	28,278	--	--	1,471.0	N/A	7.9
2017	5,234.7	2,455.1	20,878	20,564	30,435	--	--	1,596.6	N/A	8.0
2018	5,567.7	2,605.7	21,965	21,629	31,816	--	--	1,687.0	N/A	8.1
2019	5,935.6	2,766.0	23,161	22,817	33,725	--	--	1,786.6	N/A	8.3

Annual Change

	Revenue (%)	Industry Value Added (%)	Establish-ments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)	Number of businesses (%)
2006	19.9	19.9	19.7	19.7	19.9	N/A	N/A	18.9	N/A	1.3
2007	19.3	20.3	17.4	17.2	16.0	N/A	N/A	19.0	N/A	1.3
2008	5.5	5.4	4.2	4.3	4.6	N/A	N/A	4.9	N/A	-1.3
2009	6.0	5.7	12.8	12.9	10.7	N/A	N/A	5.4	N/A	-2.2
2010	10.1	6.9	11.8	11.7	9.9	N/A	N/A	8.4	N/A	-0.4
2011	7.0	5.2	6.9	6.9	6.4	N/A	N/A	5.3	N/A	-0.7
2012	13.8	12.7	12.7	12.7	13.5	N/A	N/A	12.0	N/A	1.2
2013	15.5	16.8	14.4	14.5	11.9	N/A	N/A	14.8	N/A	0.7
2014	**8.1**	**8.8**	**7.0**	**6.9**	**6.8**	**N/A**	**N/A**	**7.1**	**N/A**	**1.5**
2015	8.9	8.5	7.6	7.7	5.0	N/A	N/A	7.9	N/A	2.0
2016	8.0	8.0	6.6	6.5	6.7	N/A	N/A	7.6	N/A	1.5
2017	8.9	8.9	7.4	7.4	7.6	N/A	N/A	8.5	N/A	1.5
2018	6.4	6.1	5.2	5.2	4.5	N/A	N/A	5.7	N/A	1.5
2019	6.6	6.2	5.4	5.5	6.0	N/A	N/A	5.9	N/A	2.0

Key Ratios

	IVA/Revenue (%)	Imports/ Demand (%)	Exports/ Revenue (%)	Revenue per Employee ($'000)	Wages/Revenue (%)	Employees per Est.	Average Wage ($)	Share of the Economy (%)
2005	48.74	N/A	N/A	154.55	33.80	1.59	52,238.65	0.01
2006	48.72	N/A	N/A	154.55	33.50	1.59	51,777.72	0.01
2007	49.11	N/A	N/A	158.98	33.40	1.57	53,097.93	0.01
2008	49.05	N/A	N/A	160.27	33.20	1.58	53,207.63	0.01
2009	48.92	N/A	N/A	153.51	33.00	1.55	50,660.13	0.01
2010	47.51	N/A	N/A	153.69	32.50	1.52	49,945.67	0.01
2011	46.73	N/A	N/A	154.55	32.00	1.51	49,454.45	0.01
2012	46.30	N/A	N/A	155.01	31.50	1.52	48,825.20	0.01
2013	46.80	N/A	N/A	160.00	31.30	1.49	50,080.41	0.01
2014	**47.10**	**N/A**	**N/A**	**162.00**	**31.00**	**1.49**	**50,219.95**	**0.01**
2015	46.90	N/A	N/A	168.00	30.70	1.45	51,577.36	0.01
2016	46.90	N/A	N/A	170.00	30.60	1.45	52,019.24	0.01
2017	46.90	N/A	N/A	172.00	30.50	1.46	52,459.34	0.01
2018	46.80	N/A	N/A	175.00	30.30	1.45	53,023.64	0.01
2019	46.60	N/A	N/A	176.00	30.10	1.46	52,975.54	0.01

Figures are inflation-adjusted 2014 dollars.

SOURCE: WWW.IBISWORLD.COM

Jargon & Glossary

Industry Jargon

BRICK AND MORTAR A business with a physical presence of a building or other structure, as opposed to a business that conducts all their business using the internet and associated technologies.

LEGAL DOCUMENT SERVICE PROVIDER A firm that specializes in providing interactive legal forms online that can be customized to a customer's specific need.

UNBUNDLED LEGAL SERVICE A form of limited representation whereby the scope of services is limited to generic, a la carte offerings that only pertain to the clearly defined portion of a client's legal needs.

IBISWorld Glossary

BARRIERS TO ENTRY High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

CAPITAL INTENSITY Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labor. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than $0.333 of capital to $1 of labor; medium is $0.125 to $0.333 of capital to $1 of labor; low is less than $0.125 of capital for every $1 of labor.

CONSTANT PRICES The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the "real" growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the US Bureau of Economic Analysis' implicit GDP price deflator.

DOMESTIC DEMAND Spending on industry goods and services within the United States, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

EMPLOYMENT The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.

ENTERPRISE A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

ESTABLISHMENT The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

EXPORTS Total value of industry goods and services sold by US companies to customers abroad.

IMPORTS Total value of industry goods and services brought in from foreign countries to be sold in the United States.

INDUSTRY CONCENTRATION An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.

INDUSTRY REVENUE The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED (IVA) The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

INTERNATIONAL TRADE The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%, medium is 5% to 20%, and high is more than 20%. Imports/domestic demand: low is less than 5%, medium is 5% to 35%, and high is more than 35%.

LIFE CYCLE All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

Jargon & Glossary

IBISWorld Glossary continued

VOLATILITY The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than ±20%; high volatility is ±10% to ±20%; moderate volatility is ±3% to ±10%; and low volatility is less than ±3%.

WAGES The gross total wages and salaries of all employees in the industry. The cost of benefits is also included in this figure.

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