

EXHIBIT 3

Gaudreau, Holly

From: Boroumand Smith, Mehrnaz [mboroumand@kilpatricktownsend.com]
Sent: Friday, March 11, 2011 12:45 PM
To: Stewart Kellar
Cc: Gaudreau, Holly; Jack C. Praetzellis
Subject: RE: Scheduling a time to M&C re: Proposed Order
Attachments: Draft of Proposed Order from 031011 hearing.docx

Stewart -- Attached is a draft of the proposed order. I did not include the language about the third party subpoenas issued pursuant to Judge Spero's March 3, 2011 order because he issued his own order about that yesterday. Also, you will see that there is one section that is highlighted and in brackets regarding how we address the "information related to the circumvention of the TPMs in the PS3 System." That language was not ordered by the Court yesterday, although the court did indicate that TIG would be best suited for determining how to address this issue. To that end, we would propose that the parties work with TIG to come up with a protocol to be submitted by the middle of next week. The draft reflects that proposal.

Please provide your edits/comments in redline format.

Thanks,

Mehrnaz

Mehrnaz Boroumand Smith
Kilpatrick Townsend & Stockton LLP
Eighth Floor | Two Embarcadero Center | San Francisco, CA 94111
office 415 273 7559 | fax 415 723 7205
mboroumand@kilpatricktownsend.com | [My Profile](#) | [VCard](#)

From: Boroumand Smith, Mehrnaz
Sent: Thursday, March 10, 2011 7:01 PM
To: Stewart Kellar
Cc: Boroumand Smith, Mehrnaz; Gaudreau, Holly; Jack C. Praetzellis
Subject: Re: Scheduling a time to M&C re: Proposed Order

Hi Stewart,

I made some progress on the draft after our call this afternoon and should be able to get the it to you by noon tomorrow or so thereafter.

Mehrnaz

Sent from my iPhone

On Mar 10, 2011, at 6:18 PM, "Stewart Kellar" <stewart@etrny.com> wrote:

Hello Mehrnaz and Holly,

Further to our conversation this afternoon. We would like to have a draft of Judge Spero's

3/14/2011

Order to review by noon tomorrow, Friday March 11, 2011. We will then have our edits in to you tomorrow as well. Then we can do further relays of proposed changes over the weekend and have a final version ready well before close of business on Monday. Thank you.

Stewart Kellar
E-ttorney at Law™
148 Townsend St. Ste. 2
San Francisco, CA 94107
(415) 742-2303
stewart@etrny.com
www.ettorneyatlaw.com

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On Thu, Mar 10, 2011 at 3:10 PM, Stewart Kellar <stewart@etrny.com> wrote:

Hello Jim, Mehrnaz, and Holly,

I am writing to follow up on a message I left for each of you seeking to schedule a time to meet and confer regarding Judge Spero's Order. We want to meet tomorrow to discuss the terms of that Order. We have scheduled a conference room at MBV Law for 11am tomorrow, March 11, 2011. Please confirm you can make that time. We look forward to discussing the Order at that time.

Sincerely,

Stewart Kellar
E-ttorney at Law™
148 Townsend St. Ste. 2
San Francisco, CA 94107
(415) 742-2303
stewart@etrny.com
www.ettorneyatlaw.com

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On March 10, 2011, the Court held a hearing on the parties' February 18, 2011 and February 28, 2011 joint letters (Docket Nos. 85 and 86) on discovery and impoundment disputes. Having considered all the papers and arguments, the Court enters the following order:

(1) Plaintiff SCEA is authorized to serve third party PayPal, Inc. with a subpoena seeking the following limited information relating to personal jurisdiction: documents sufficient to identify the source of funds in California that went into any PayPal account associated with geohot@gmail.com for the period of January 1, 2009 to February 1, 2011. SCEA is ordered to redraft its subpoena to seek this information. SCEA is further ordered to inform PayPal, Inc. that any information produced in response to the subpoena shall be provided on an Attorneys' Eyes Only basis and that the issuance of the subpoena is without prejudice to its right to file a Motion to Quash.

(2) As defendant George Hotz did not object to SCEA's issuance of the third party subpoena to Twitter, Mr. Hotz is ordered to sign a consent for SCEA to obtain his Twitter posts from January 1, 2009 to the present.

(3) Defendant George Hotz is ordered to appear in California for a deposition relating solely to the question of personal jurisdiction. SCEA shall pay reasonable expenses of Mr. Hotz to be deposed in California. The parties shall determine the date of the deposition. Additionally, the parties have stipulated that Mr. Hotz cannot be served with process by the parties to this action or the parties identified in SCEA's Certification of Interested Entities or Person (Docket No. 16) when he appears at his personal jurisdiction deposition in California.

(4) With regard to the impoundment, the Court orders that:

- (a) The Intelligence Group ("TIG"), the third party neutral chosen by both parties, shall only take steps with regard to the impounded devices that are authorized by Court order.
- (b) The first \$7000 of TIG costs will be split equally between SCEA and Mr. Hotz. SCEA has agreed to and shall pay any amount over the \$7000.
- (c) TIG is ordered to conduct the impoundment in the forensically sound manner as proposed in its Certification of February 27, 2011.
- (d) Judge Illston's modified impoundment order requires the removal of not only circumvention devices found on the impounded devices, but also information relating to circumvention of the technological protection measures in the PS3 System. The Court orders the parties to meet and confer regarding a procedure to isolate, segregate and remove such information. [The parties agree to consult with TIG to determine the most forensically sound manner to address this issue and submit a description of the protocol to the Court for entry into an order by no later than March 15, 2011.]

(5) With regard to jurisdictional discovery of the impounded devices, the Court orders that:

(a) In order to avoid conducting discovery searches on original impounded devices belonging to Mr. Hotz, TIG shall make an additional copy of both the encrypted and unencrypted versions of the impounded hard drives and keep them in their possession.

(b) TIG shall then conduct a forensically sound search of the impounded devices to determine whether: (i) they contain all or portions of the development tools for the PlayStation 3 System and (ii) the impounded devices have been used to access or connect to the PlayStation Network.