1 JOHN C. KIRKE, #175055 SOPHIA E.C. SCHWARTZ, #272915 2 DONAHUE GALLAGHER WOODS LLP Attorneys at Law 3 1999 Harrison Street, 25th Floor Oakland, California 94612-3520 4 P.O. Box 12979 Oakland, California 94604-2979 5 Telephone: (510) 451-0544 Facsimile: (510) 832-1486 6 Attorneys for Plaintiff 7 PHONEDOG, LLC 8 UNITED STATES DISTRICT COURT 9 NORTHERN DISTRICT OF CALIFORNIA 10 11 PHONEDOG, LLC, a Delaware CASE NO. 3:11-cv-03474-MEJ 12 corporation, **DECLARATION OF TOM KLEIN IN** 13 Plaintiff, SUPPORT OF PLAINTIFF PHONEDOG, LLC'S OPPOSITION TO DEFENDANT 14 NOAH KRAVITZ'S MOTION TO DISMISS v. FOR LACK OF SUBJECT MATTER 15 JURISDICTION AND FAILURE TO NOAH KRAVITZ, an individual, STATE A CLAIM 16 Defendant. Date: September 15, 2011 17 10:00 a.m. Time: Dept.: Courtroom B - 15th Floor 18 Judge: Maria-Elena James 19 20 21 22 23 24 25 26 27 28

DECLARATION OF TOM KLEIN ISO OPPOSITION TO MOTION TO DISMISS

CASE No. 11-CV-03474-MEJ

I, Tom Klein, declare as follows:

- 1. I am the President of PhoneDog, LLC, the plaintiff in this matter.
- 2. I have reviewed the Declaration of Noah Kravitz ("Kravitz" or "Defendant") in support of Defendant's Motion to Dismiss. I disagree with certain factual assertions made in his declaration.
- 3. I have worked in the Internet publishing industry for over 10 years. The practice of driving Internet users to websites from various mediums is a primary source of revenue and branding for online publishing companies. Advertisers pay for ads placed on the publishers web properties and the revenue generated correlates directly with the amount of traffic a particular website receives. The more traffic a website generates, the greater the advertisement revenue for the publisher.
- 4. A significant source of PhoneDog's income derives from advertisements being sold on its website. The advertisers pay for ad inventory on PhoneDog for every 1000 pageviews (known as the CPM rate) generated from users visiting our site. Because PhoneDog is so reliant on advertising to generate revenue, PhoneDog devotes substantial resources into finding ways to drive Internet users to its website.
- 5. PhoneDog generates pageviews on its website through a variety of social mediums, including YouTube, Facebook and Twitter. Twitter is one of the top sources for routing pageviews to PhoneDog's website. As such, PhoneDog requests that its employees maintain Twitter accounts to use in the scope of their employment with PhoneDog. PhoneDog's representatives tweet links directing users to PhoneDog content via the Twitter accounts in order to generate traffic to the PhoneDog website and in turn, generate advertising revenue for PhoneDog. Specifically with respect to Kravitz, PhoneDog paid for Kravitz to appear in media, including on television, where the Twitter account would be displayed. PhoneDog paid for Kravitz to travel to various locations around the world where the use of the Twitter account was an important tool to promote PhoneDog content.
- 6. The passwords to PhoneDog's Twitter accounts are not known to individuals outside of PhoneDog. In order to protect its access to the Twitter accounts, PhoneDog makes

efforts to maintain the secrecy of the passwords to its Twitter accounts by restricting access to and distribution of the passwords generally to only one specific editor who maintains the account.

- 7. Kravitz provided product reviewer and video blogger services for PhoneDog beginning on or around April 13, 2006.
- 8. Kravitz agreed to maintain a Twitter account with the name @PhoneDog_Noah (the "Account"). The decision to use the PhoneDog name within the Twitter handle was decided internally and agreed to by Kravitz. PhoneDog and Kravitz agreed that Kravitz's primary use of the Account was to promote PhoneDog utilizing Twitter. Kravitz was to publish content and PhoneDog related activities to the Account in order to drive users to the PhoneDog.com website. During the time that Kravitz provided services to PhoneDog, the Account generated approximately 17,000 followers (the "Followers"). The Followers were integral in generating traffic to PhoneDog's website. The Followers on the Twitter account were derived from links placed throughout the PhoneDog website, PhoneDog's YouTube page, PhoneDog's Facebook page, PhoneDog's video content, television media appearances, all mediums managed by PhoneDog to promote its properties and editors. In the year and a half that Kravitz provided services to PhoneDog, 17,000 followers on the Twitter account were generated. Since then, only a small percentage of that amount have been added as followers to the Twitter account.
- 9. In Paragraph 12 of Kravitz's declaration, Kravitz states that, after he left PhoneDog, each time PhoneDog requested that he tweet or publish articles and promotions on the Account, he "obliged without hesitate." This assertion by Kravitz is not true. In fact, Kravitz was requested to tweet certain items for PhoneDog and did not respond to multiple requests. It has always been my understanding, which was communicated to Kravitz, that the Account is to be used for the benefit of PhoneDog and Kravitz refusing to tweet or publish articles on the Account promoting PhoneDog is what prompted me to insist that access to the Account be given back to PhoneDog.
- 10. In Paragraph 17 of his declaration, Kravitz states that "in [his] opinion" the Account is worth less than \$10,000. I disagree. My valuation of the Account is based on my years of experience in the Internet publishing industry and on other methods of valuing Twitter

accounts. Based on my valuation of the Account, the Account is worth far more to PhoneDog than \$10,000 per month and increases with each passing month.

11. Kravitz's use of the Account directly contravenes the agreement between PhoneDog and Kravitz that Kravitz would use the Account for the benefit of PhoneDog. After Kravitz stopped complying with his obligations to tweet on behalf of PhoneDog, the relationship between PhoneDog and Kravitz deteriorated. Kravitz continues to use the Account to contact the Followers in order to promote himself and TechnoBuffalo, a competitor of PhoneDog.

The foregoing is based on my personal knowledge. If called to testify as a witness, I could and would testify competently thereto.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this declaration was executed on this 18th day of August, 2011 at Mount Pleasant, South Carolina. Tom Klein