

EXHIBIT A

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4

5 THE FACEBOOK, INC.,) C-07-01389-JW
6)
6 PLAINTIFF,) JULY 2, 2008
7)
7 V.)
8)
8 CONNECTU, LLC, ET AL.,) PAGES 1-73
9)
9 DEFENDANTS.)
10 _____)

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11 THE PROCEEDINGS WERE HELD BEFORE
12 THE HONORABLE UNITED STATES DISTRICT
13 JUDGE JAMES WARE

14 A P P E A R A N C E S :

15 FOR THE PLAINTIFF: ORRICK, HERRINGTON & SUTCLIFFE
16 BY: I. NEEL CHATTERJEE
17 THERESA A. SUTTON
18 YVONNE GREER
1000 MARSH ROAD
MENLO PARK, CALIFORNIA 94025

19 FOR THE DEFENDANTS: BOIES, SCHILLER & FLEXNER
20 BY: DAVID A. BARRETT
21 EVAN ANDREW PARKE
22 D. MICHAEL UNDERHILL
575 LEXINGTON AVENUE
7TH FLOOR
NEW YORK, NEW YORK 10022

23 (APPEARANCES CONTINUED ON THE NEXT PAGE.)

24 OFFICIAL COURT REPORTER: IRENE RODRIGUEZ, CSR, CRR
25 CERTIFICATE NUMBER 8074

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2
3 A P P E A R A N C E S: (CONT'D)

4 FOR THE DEFENDANTS: FINNEGAN, HENDERSON,
5 FARABOW, GARRETT & DUNNER
6 BY: SCOTT R. MOSKO
7 STANFORD RESEARCH PARK
8 3300 HILLVIEW AVENUE
9 PALO ALTO, CALIFORNIA 94304

10 ALSO PRESENT: HOLME, ROBERTS & OWEN
11 BY: ROGER MYERS
12 KATHERINE KEATING
13 560 MISSION STREET
14 25TH FLOOR
15 SAN FRANCISCO, CALIFORNIA
16 94105

17 QUINN, EMANUEL, URQUHART,
18 OLIVER & HEDGES
19 BY: BRUCE VAN DALSEM
20 RANDY GARTEISER
21 865 S. FIGUEROA STREET
22 10TH FLOOR
23 LOS ANGELES, CALIFORNIA
24 90017

25 HELLER EHRMAN
BY: ROBERT HAWK
MELYSSA E. MINAMOTO
275 MIDDLEFIELD ROAD
MENLO PARK, CALIFORNIA 94025

CNET NEWS
BY: GREG SANDOVAL
235 SECOND STREET
SAN FRANCISCO, CALIFORNIA
94105

1 WE'LL GO NOW TO THE OTHER MOTION THAT IS
2 BEFORE THE COURT HAVING TO DO WITH THE ORDER TO
3 SHOW CAUSE WHY A JUDGMENT SHOULD BE ENTERED OR NOT
4 BE ENTERED AS THE CASE MAY BE.

5 AND WITH RESPECT TO THAT, I RECEIVED
6 SUBMISSIONS FROM BOTH SIDES. I PRESUME THAT THE
7 SUBMISSION BY THE DEFENDANTS CONNECTU AND OTHERS
8 ARE SUBMITTED WITHOUT WAIVING YOUR OBJECTION TO MY
9 ORDER IN THE FIRST PLACE.

10 MR. BARRETT: THAT IS CORRECT. THANK
11 YOU. WE ARE, YOUR HONOR, AS YOU SAY, ADDRESSING
12 THE FORM OF THE JUDGMENT AND WE RESERVE OUR RIGHTS
13 TO CONTEST THE ORDER AND THE JUDGMENT AS MAY BE
14 APPROPRIATE.

15 THE COURT: HERE'S WHAT I INTEND TO DO,
16 AND MAYBE THAT WOULD BE FASTER TO HAVE YOU ADDRESS
17 WHAT I INTEND TO DO AS OPPOSED TO WHAT YOU WOULD
18 WANT ME TO DO.

19 I HAVE READ YOUR SUBMISSIONS. THEY ARE
20 SUBSTANTIALLY THE SAME. AND SO THE FORM OF THE
21 JUDGMENT I THINK COULD COMPLY WITH YOUR
22 SUBMISSIONS.

23 THERE ARE A COUPLE OF ASPECTS OF IT THAT
24 I WANT TO ADDRESS.

25 FIRST, IT WILL BE NECESSARY FOR SOME

1 INTERMEDIARY TO ACT IN A CAPACITY TO COLLECT
2 INFORMATION AND MOVE THINGS AROUND AND TO DO
3 CERTAIN THINGS TO CARRY OUT THE COURT'S JUDGMENT.

4 RATHER THAN ACCEPT THE SUBMISSION BY ONE
5 OF THE PARTIES THAT A PARTY SELECT THAT PERSON AND
6 PAY FOR THAT PROCESS, MY INTENT IS TO APPOINT A
7 SPECIAL MASTER WHO WOULD BEHOLDEN TO THE COURT,
8 TAKE DIRECTIONS FROM THE COURT AND NO ONE ELSE,
9 WITH RESPECT TO A COLLECTION OF THE VARIOUS
10 DEPOSITS MANDATED BY THE JUDGMENT AND WITH RESPECT
11 TO ANY DISBURSEMENTS OR FILINGS THAT WOULD COME
12 ALONG WITH THAT AND HAVE THE PARTIES PAY THE COST
13 OF THAT PROCESS EQUALLY.

14 IT IS ALSO MY INTENT TO THEN HAVE THE
15 JUDGMENT REQUIRE THE MASTER TO COLLECT THE VARIOUS
16 CERTIFICATES OR CASH OR OTHER CONSIDERATION TO
17 COLLECT RATHER THAN DEEM THAT THERE HAS BEEN
18 RELEASES TO ACTUALLY COLLECT A SUBMISSION OF A
19 RELEASE.

20 I DO INTEND TO PROVIDE THAT THAT RELEASE
21 HAS TO BE SUBMITTED TO THE COURT FOR ITS APPROVAL
22 AND THEN IT WOULD BE DEPOSITED WITH THE MASTER SO
23 THAT WOULD LEAVE TO THE COURT AND NO ONE ELSE THE
24 DETERMINATION AS TO WHETHER OR NOT THE RELEASE IS
25 CONSISTENT WITH THE LANGUAGE OF THE SETTLEMENT

1 AGREEMENT WHICH PROVIDES AS BROAD AS POSSIBLE. I
2 CAN'T RECALL THE EXACT WORDS.

3 I WOULD ALSO HAVE THE PARTIES SUBMIT A
4 LEGALLY SUFFICIENT DISMISSAL OF ALL CASES AND THEN
5 I WOULD MAKE SUBSEQUENT ORDERS WITH RESPECT TO THEN
6 WHAT THE MASTER DOES WITH RESPECT TO THE EXCHANGE
7 OF THOSE DOCUMENTS.

8 THERE IS A LEGEND WHICH WAS SUGGESTED BY
9 ONE OF THE PARTIES WHICH WOULD BE PLACED ON STOCK
10 CERTIFICATES AND SO I NEED TO HEAR FROM THE PARTIES
11 WITH RESPECT TO WHETHER YOU HAVE ANY OBJECTION TO
12 THE JUDGMENT AND INCORPORATING THAT LEGEND.

13 THERE IS A REQUEST IN THE VARIOUS
14 SUBMISSIONS THAT THE COURT SPEAK TO VARIOUS ASSETS,
15 PARTICULARLY WEB SITES AND THOSE TYPES OF THINGS.
16 THERE WAS NOTHING ABOUT THAT IN THE SETTLEMENT
17 AGREEMENT ITSELF, AND SO THE COURT IS DISPOSED TO
18 LEAVE THAT TO MATTERS OF ORDINARY BUSINESS
19 TRANSACTIONS THAT FOLLOW THE ENFORCEMENT OF THE
20 SETTLEMENT AND THE EXCHANGES THAT ARE REQUIRED IN
21 THE SETTLEMENT.

22 I AM CONCERNED THAT IN ORDER TO BE
23 EFFECTIVE IN ITS ENFORCEMENT, THE COURT SHOULD
24 IMPOSE ON THE PARTIES A REQUIREMENT THAT THEY NOT
25 TAKE ANY ACTION WHICH WOULD INTERFERE WITH THE

1 ABILITY TO FULFILL THE TERMS OF THE AGREEMENT AND I
2 DIDN'T KNOW HOW FAR TO GO WITH RESPECT TO THAT.

3 AND THEN THE COURT DOES INTEND TO RETAIN
4 JURISDICTION TO ENFORCE THE JUDGMENT, AND I THINK
5 THAT IS ALSO INHERENT IN THE AGREEMENT ITSELF TO
6 RETAIN JURISDICTION GIVEN TO IT BY THE PARTIES TO
7 ENFORCE THE TERMS OF THE AGREEMENT ITSELF.

8 ALL RIGHT. SO WITH THAT LET ME PAUSE AND
9 SEE IF THE PARTIES WISH TO SPEAK FURTHER.

10 MR. CHATTERJEE: YOUR HONOR, IF I MAY.
11 NEEL CHATTERJEE FOR FACEBOOK AND MARK ZUCKERBERG.
12 WE ALSO DIDN'T DO APPEARANCES FOR THIS MOTION.

13 I SAW YOU MIGHT HAVE LOOKED COMPLEX AT
14 THE GENTLEMAN STANDING RIGHT NEXT TO ME AND I
15 THOUGHT IT MIGHT BE GOOD TO HAVE APPEARANCES.

16 MR. VAN DALSEM: BRUCE VAN DALSEM FROM
17 QUINN EMANUEL. WE'RE LIEN CLAIMANT IN THE CASE.

18 THE COURT: I APPRECIATE THAT YOU ARE NOW
19 IDENTIFYING YOURSELF. I DID NOT INTEND TO IN MY
20 STATEMENT SAY ANYTHING ABOUT THE LIEN CLAIMANT THAT
21 HAS COME TO MY ATTENTION.

22 SO FAR AS THE COURT IS KNOWLEDGEABLE,
23 THERE HAS BEEN A NOTICE OF A LIEN THAT I HAVE SEEN,
24 BUT I DON'T KNOW THE BONA FIDES OF IT. IT DOES
25 SEEM TO ME THAT ANY EFFECT THAT THAT WOULD HAVE ON

1 MY JUDGMENT, IT HAS TO BE SOMEHOW ADJUDICATED IN
2 SOME WAY, UNLESS THE PARTIES STIPULATE TO HOW TO
3 HANDLE IT.

4 I DO INTEND THAT HAVING FILED IT, YOU MAY
5 INTERJECT YOURSELF IN THE PROCESS SOMEHOW.

6 I HAVEN'T FIGURED OUT WHAT THAT IS FOR
7 PURPOSES OF MAKING SURE THAT, THAT ANY, ANY -- THAT
8 OUR DISBURSEMENTS ARE CONSISTENT WITH ANY CLAIM
9 THAT YOUR CLIENT WOULD MAKE.

10 MR. VAN DALSEM: YOUR HONOR, IF THE COURT
11 WOULD ENTERTAIN IT, I WOULD LIKE TO SPEAK TO THOSE
12 ISSUES WHEN APPROPRIATE.

13 THE COURT: SURE, IN DUE COURSE. AND
14 MAYBE THIS IS THE POINT, BUT I WANTED TO GIVE AT
15 LEAST THE PARTIES TO THE LITIGATION AN OPPORTUNITY
16 TO COMMENT ON THE FORM OF THE JUDGMENT I INTEND TO
17 FILE.

18 MR. CHATTERJEE: THANK YOU, YOUR HONOR.
19 AND THE ONE OTHER THING I JUST WANTED TO RAISE IS
20 THAT I DID RECEIVE AN E-MAIL TWO DAYS AGO FROM THE
21 FINNEGAN HENDERSON FIRM MAKING AN ASSERTION THAT
22 THEY MAY ALSO FILE FOR A LIEN AGAINST ANY PROCEEDS
23 IN THIS CASE. THEY HAVEN'T FILED ANYTHING WITH THE
24 COURT, BUT IT'S OF CONCERN TO US BECAUSE FACEBOOK
25 WANTS TO MAKE SURE THAT ONCE THEY HAVE GIVEN THE

1 CONSIDERATION, THERE IS NOTHING HANGING OUT THERE
2 AND SOMEONE CAN TRY ASSERT AGAINST FACEBOOK AND THE
3 OTHER INDIVIDUALS WHO ARE SETTling IN THIS CASE.

4 PERHAPS -- I SEE MR. MOSKO STANDING UP.
5 PERHAPS HE CAN ADDRESS THAT ISSUE.

6 THE COURT: COUNSEL.

7 MR. MOSKO: YES, SCOTT MOSKO, YOUR HONOR,
8 REPRESENTATIVE OF ALL OF THE DEFENDANTS HERE AS
9 WELL AS ONE OF THE PARTNERS AT FINNEGAN HENDERSON.

10 THE COURT SHOULD BE AWARE THAT, IN FACT,
11 FINNEGAN HENDERSON HAS PERFECTED LIENS WITH RESPECT
12 TO THIS MATTER.

13 FINNEGAN HENDERSON IS NOT TAKING THE SAME
14 POSITION AS QUINN EMANUEL.

15 I UNDERSTAND THE COURT DOES NOT INTEND TO
16 MAKE ANY REFERENCE TO THE LIENS IN THE JUDGMENT AND
17 WITH RESPECT TO THAT FINNEGAN HENDERSON IS FINE.

18 WE INTEND TO WORK CLOSELY WITH OUR CLIENT
19 AND BELIEVE THAT THAT MATTER WILL BE RESOLVED
20 WITHOUT ANY KIND OF A REFERENCE TO THE LIENS IN THE
21 JUDGMENT. AND WITH RESPECT TO THAT, I HAVE NOTHING
22 MORE TO SAY.

23 MR. CHATTERJEE: SO, UM -- THANK YOU.

24 YOUR HONOR, AS TO THE ESCROW AGENT OR
25 SPECIAL MASTER, WHICH I'LL ADDRESS -- IS THE POINT

1 I'LL ADDRESS FIRST.

2 THE STRUCTURE THAT WAS PUT IN PLACE, AT
3 LEAST FROM FACEBOOK'S PERSPECTIVE AS FAR AS HAVING
4 THIS SPECIAL MASTER ADMINISTER HOW TO RELEASE FUNDS
5 OR STOCK AND HOW TO RELEASE OTHER KINDS OF
6 CONSIDERATION IN THE TRANSACTION, WAS REALLY
7 BECAUSE OF THE FACT THAT THERE WAS THIS NOTICE OF
8 LIEN HANGING OUT THERE.

9 IT WAS REALLY TO MAKE SURE THAT THE
10 SPECIAL MASTER OR WHOEVER THE NEUTRAL WAS THAT WAS
11 HOLDING ON TO THE PROPERTY WAS -- HOLD ON TO IT
12 ESSENTIALLY IN TRUST TO MAKE SURE THAT THE PROCEEDS
13 WERE DISTRIBUTED ACCORDINGLY AND THAT FACEBOOK
14 WOULD NO LONGER HAVE TO DEAL WITH ANY ISSUES
15 ASSOCIATED WITH THIS NOTICE OF LIEN.

16 I THINK YOUR HONOR IS CORRECT, WE DON'T
17 KNOW ANY OF THE PARTICULARS OF IT SO WE DON'T WANT
18 TO HAVE AN UNKNOWN CLAIM AGAINST A COMPANY THAT WE
19 BELIEVE WE NOW OWN HANGING OUT THERE AGAINST IT.

20 AND THEY FILED A NOTICE. WE HAVE TO
21 PROTECT OUR INTEREST. BUT REALLY THE ESCROW
22 PROPOSAL THAT BOTH PARTIES MADE AT LEAST FROM OUR
23 PERSPECTIVE WAS TO DEAL WITH THAT ISSUE.

24 IF YOUR HONOR WERE TO RULE THAT
25 FACEBOOK/CONNECTU, ONCE IT'S IN THE HANDS OF

1 FACEBOOK AND THE OTHER INDIVIDUALS WHO ARE ON OUR
2 SIDE OF THE CASE WHO HAVE SETTLED OUT, DON'T REALLY
3 HAVE ANY RESPONSIBILITIES AS TO THE NOTICE OF LIEN
4 THAT HAS BEEN FILED, THAT ACTUALLY MAKES THE
5 JUDGMENT CONSIDERABLY SIMPLER.

6 AND, AND IT'S -- FROM OUR PERSPECTIVE AT
7 THAT POINT IT'S JUST A TIMING QUESTION AND WE
8 BELIEVE THAT, THAT THEY SHOULD JUST BE ORDERED TO
9 HAND US ALL OF THE STOCK TO THE COMPANY WITHIN
10 30 DAYS OF ENTRY OF JUDGMENT. WE DON'T NEED AN
11 ESCROW AGENT AT ALL.

12 THERE IS KIND OF A LINGERING TIMING
13 ISSUE, EVEN WERE A SPECIAL MASTER TO BE APPOINTED.
14 IF A SPECIAL MASTER WERE TO BE APPOINTED, WE DO
15 HAVE TO ANSWER THE QUESTION OF WHO IS GOING TO
16 CONTINUE TO MAINTAIN THE CONNECTU BUSINESS FROM THE
17 TIME OF ENTRY OF JUDGMENT UNTIL WHATEVER TIME THOSE
18 PROCEEDS ARE DISTRIBUTED.

19 CONNECTU DOES HAVE A BUSINESS AND IT HAS
20 A WEB SITE AND IT HAS OPERATING EXPENSES. I DON'T
21 BELIEVE IT HAS EMPLOYEES, BUT IT CERTAINLY HAS
22 PEOPLE DOING WORK ON ITS BEHALF.

23 ONE OF THE THINGS WE WERE TALKING ABOUT
24 AS WE WERE TRYING TO WORK UP THE JUDGMENT ON OUR
25 SIDE OF THE CASE IS THAT IF WE DON'T GET THE

1 COMPANY WITHIN A VERY SHORT TIME PERIOD AND WE HOLD
2 ON -- OR A SPECIAL MASTER OR SOMEONE WERE TO HOLD
3 ON TO IT THROUGH THE FINAL PIECES OF THE APPEALS OR
4 THE FINAL COURT AND HOW IS THAT PIECE GOING TO BE
5 MANAGED?

6 PERHAPS THE SPECIAL MASTER IS GOING TO DO
7 IT. HOW IS THAT GOING TO BE FUNDED? AND THAT'S A
8 DIFFICULT QUESTION IN OUR VIEW.

9 AND OUR PREFERENCE IS TO HONOR THE
10 SETTLEMENT AGREEMENT AND WE GET CONTROL OF THE
11 COMPANY THROUGH OWNING THE SHARES AND WE WILL
12 CONTINUE TO OPERATE IT AND THE REST OF THE ASSETS
13 OF THE COMPANY AS IS NECESSARY.

14 THE ISSUE OF COST FOR THE SPECIAL MASTER
15 IS AN IMPORTANT ISSUE FROM OUR PERSPECTIVE BECAUSE,
16 AGAIN, FROM OUR PERSPECTIVE THE ONLY REASON THAT A
17 SPECIAL MASTER OR A COURT APPOINTED PERSON WOULD
18 HAVE THIS KIND OF A ROLE WOULD REALLY BE BECAUSE OF
19 A DISPUTE BETWEEN QUINN EMANUEL AND THE CONNECTU
20 FOUNDERS.

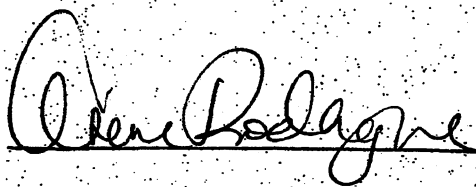
21 WE REALLY AREN'T INVOLVED IN THAT, AND WE
22 DON'T THINK WE SHOULD HAVE TO PAY FOR A FIGHT
23 BETWEEN THOSE PARTIES.

24 THE COURT: WELL, I DON'T AGREE THAT'S
25 THE ONLY REASON. THE REASON THAT I'M CONTEMPLATING

1
2
3
4 CERTIFICATE OF REPORTER
5
6
7

8 I, THE UNDERSIGNED OFFICIAL COURT
9 REPORTER OF THE UNITED STATES DISTRICT COURT FOR
10 THE NORTHERN DISTRICT OF CALIFORNIA, 280 SOUTH
11 FIRST STREET, SAN JOSE, CALIFORNIA, DO HEREBY
12 CERTIFY:

13 THAT THE FOREGOING TRANSCRIPT,
14 CERTIFICATE, INCLUSIVE, CONSTITUTED A TRUE, FULL
15 AND CORRECT TRANSCRIPT OF MY SHORTHAND NOTES TAKEN
16 AS SUCH OFFICIAL COURT REPORTER OF THE PROCEEDINGS
17 HEREINBEFORE ENTITLED AND REDUCED BY COMPUTER-AIDED
18 TRANSCRIPTION TO THE BEST OF MY ABILITY.
19
20
21

22 
23

IRENE RODRIGUEZ, CSR, CRR
CERTIFICATE NUMBER CSR 8074
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