The Facebook, Inc. v. Connectu, Inc et al

Doc. 751 Att. 2

### 

#### **DECLARATION OF ADAM B. WOLFSON**

- I, Adam B. Wolfson, an attorney duly admitted to practice law in the State of California, hereby declare as follows:
- 1. I am a member of the Bar of the State of California and an associate of the law firm Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"). I submit this declaration in support of Quinn Emanuel's Miscellaneous Administrative Request for an Order Disbursing Settlement Proceeds in Accordance With Arbitration Award.
- 2. On August 25, 2010, the AAA issued a Final Award in the arbitration *Quinn Emanuel Urquhart Oliver & Hedges, LLP v. Howard Winklevoss, et al.*, Case No. 13 194 Y 995 08 (the "award"), in which the arbitration panel found that Cameron Winklevoss, Tyler Winklevoss, and Divya Narendra (collectively, the "Former Clients"), along with the their father, Howard Winklevoss, owed Quinn Emanuel its fee as earned in the settlement of this action.
- 3. Attached hereto as Exhibit A is a true and correct copy of an email chain between David Barrett of Boies, Schiller & Flexner LLP ("BSF"), the Former Clients' attorney, Michael Petrella, and Quinn Emanuel's attorney, Rick Werder. This email chain reflects Quinn Emanuel's requests that BSF disburse the funds it currently holds in escrow for Quinn Emanuel's behalf pursuant to the Award's terms.
- 4. Attached hereto as Exhibit B is a Memorandum and Order from Justice Lowe of the New York Supreme Court, Commercial Division, in *ConnectU, Inc., et al. v. Quinn Emanuel Urquhart Oliver & Hedges, LLP*, 602082/08, entered on November 8, 2010, confirming the Award pursuant to which the Former Clients must pay Quinn Emanuel its full contingent fee from the settlement proceeds received in this case. It is my understanding that the New York Supreme Court intended that this document be filed under seal in that forum.

- 5. Attached hereto as Exhibit C is a Judgment in *ConnectU*, *Inc.*, *et al.* v. *Quinn Emanuel Urquhart Oliver & Hedges*, *LLP*, 08/602082, entered on November 29, 2010, which enforces Exhibit B. It is my understanding that the New York Supreme Court intended that this document be filed under seal in that forum.
- 6. Following the issuance of the Award, the issuance of Justice Lowe's November 8 Order (Exhibit B), and the issuance of November 29 Judgment (Exhibit C), Quinn Emanuel emailed the escrow agent, Boies Schiller, each time regarding disbursal of the settlement proceeds. The Former Clients' attorneys were copied to these emails. Quinn Emanuel requested that BSF disburse Quinn Emanuel's fee according to the arbitration award, but only received refusals or silence. Further efforts to contact BSF regarding disbursal were ignored. Quinn Emanuel was therefore foreclosed from obtaining a stipulation for this Miscellaneous Administrative Request.

Executed this 17th day of December, 2010 in Los Angeles, California.

Adam B. Wolfson

## Exhibit A

#### **Rick Werder**

From:

David Barrett [dbarrett@BSFLLP.com] Friday, December 03, 2010 8:02 PM

Sent: To:

Rick Werder

Cc:

Sean O'Shea; Michael Petrella; Michael Underhill

Subject:

RE: Escrow Agent

Rick – Our position continues to be as set out in my email of September 23, 2010 which is copied below. Among other things, we have not seen a final judgment in the proceeding before Judge Lowe and there appears to be a dispute between the parties as to whether the escrowed funds should be paid at this time.

Moreover, in emails on November 10, your firm indicated that, consistent with our position, you would be moving before Judge Ware for an order directing disbursement of the settlement proceeds.

As we have indicated throughout, the only interest of our firm in this matter is to perform our duties as escrow agent in accordance with our obligations as directed by Judge Ware, whose order created the trust.

Regards,

David A. Barrett

#### BOIES, SCHILLER & FLEXNER LLP

575 Lexington Ayenue New York, NY 10022 Tel. (212) 446-2310 Fax (212) 446-2350 dbarrett@bsfllp.com

From: David Barrett

Sent: Thursday, September 23, 2010 3:09 PM

To: 'Michael Petrella'; 'rickwerder@quinnemanuel.com'

Cc: 'Hornick, John'; Mosko, Scott; Tyler Winklevoss; Cameron Winklevoss; dknyc82@gmail.com; 'adr@rose-law.net';

Michael Underhill

**Subject:** Facebook/ConnectU Trust Assets

We are writing concerning the funds and Facebook, Inc. common shares (the "Trust Assets") that are presently being held by Boies Schiller & Flexner LLP ("BSF") in trust pursuant to the Amended Judgment Ordering Specific Performance of Settlement Agreement and Declaratory Judgment of Release, entered by Judge James Ware in the US District Court for the Northern District of California on November 21, 2008 (the "Judgment," a copy of which is attached).

The Judgment ordered transfer of the Trust Assets to BSF, "as counsel for ConnectU, Inc., Cameron Winklevoss, Tyler Winklevoss, and Divya Narendra, in trust for its clients and any lawful claimant." Neither BSF nor our clients requested the creation of a trust with BSF as trustee; the Court did so *sua sponte* in the Judgment.

We have been informed that an arbitration award has been issued in favor of the Quinn Emanuel law firm, which has asserted a lien on the Trust Assets, and that proceedings concerning that award are underway in New York state court. We have not been provided with copies of the award or the New York court papers.

Because the Judgment designated BSF as trustee for the benefit of "its clients and any lawful claimant," before we can disburse Trust Assets, we need to receive an order of Judge Ware directing the distribution of the Trust Assets, both to protect the interests of all parties and to ensure that BSF performs its duties in accordance with its obligations to the Court which created the Trust and is not subject to future claims.

From: Rick Werder [mailto:RickWerder@QuinnEmanuel.com]

Sent: Friday, December 03, 2010 3:01 PM

To: David Barrett

**Cc:** Sean O'Shea; Michael Petrella **Subject:** RE: Escrow Agent

David, since your firm, and not Petitioners, is serving as escrow agent, we await your firm's response to my earlier

email.

Thanks.

Rick

From: Michael Petrella [mailto:mpetrella@osheapartners.com]

Sent: Friday, December 03, 2010 10:01 AM

To: Rick Werder: David Barrett

Cc: Sean O'Shea

Subject: RE: Escrow Agent

David:

Please be advised that Petitioners will be appealing from the judgment in due course. In the meantime, Quinn Emanuel's judgment is secure as a sum of cash well in excess of \$13 million is earning interest in an escrow account held by your firm. Further, Mr. Werder has neglected to advise you that Quinn Emanuel violated a Court order by publicizing on John Quinn's Twitter page a copy of Justice Lowe's sealed opinion. This violation caused Justice Lowe to *sua sponte* require Mr. Werder and Mr. Quinn to appear before him to explain their actions. (Transcripts of the hearings are attached for your review.) Justice Lowe is currently considering what sanctions to impose on Quinn Emanuel for its misconduct. Petitioners have asserted that the appropriate sanction is for Quinn Emanuel to forfeit the full amount of its fee. Justice Lowe has expressed some receptivity to that position, Petitioners have briefed it, and the matter is currently *sub judice*. Accordingly, it remains to be seen whether Quinn Emanuel will be entitled to any of the \$13,407,364.07 that Mr. Werder alleges is due. For the foregoing reasons, we request that the funds remain in escrow.

#### Regards,

Michael E. Petrella O'Shea Partners LLP 521 Fifth Avenue, 25<sup>th</sup> Floor New York, New York 10175 212.682.4426 T 212.682.4437 F www.osheapartners.com

CONFIDENTIALITY NOTICE: This transmission, and any attached documents and files, may contain information which is protected by the attorney-client privilege and/or the attorney work-product doctrine and/or may otherwise be considered privileged and/or confidential. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited and may be contrary to law. If you have received this transmission in error, you are hereby directed to delete this message and to destroy all copies, including all electronic files and printouts, and to notify me by reply e-mail at <a href="majority-mpsirily-

From: Rick Werder [mailto:RickWerder@QuinnEmanuel.com]

Sent: Friday, December 03, 2010 8:49 AM

To: David Barrett

Cc: Sean O'Shea; Michael Petrella

**Subject:** Escrow Agent

David,

I assume that the O'Shea firm has advised you that the New York Supreme Court has now entered judgment in our favor enforcing the arbitration award that we received this summer. That arbitration award by its terms requires payment to be made out of the escrow fund expressly established for our firm's benefit and currently held by your firm as escrow agent. By our calculations, the amount due on the judgment as of today is \$13,407,364.07, plus 13/20 of any interest earned on the escrowed funds between July 28 and September 23. Please advise by close of business today whether and, if so, when your firm as escrow agent intends to make the payment required to satisfy the judgment, which has not been stayed and is currently due and owing.

Thank you for your courtesy.

Rick

IRS Circular 230 disclosure:

To ensure compliance with requirements imposed by the IRS, unless we expressly state otherwise, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

The information contained in this electronic message is confidential information intended only for the use of the named recipient(s) and may contain information that, among other protections, is the subject of attorney-client privilege, attorney work product or exempt from disclosure under applicable law. If the reader of this electronic message is not the named recipient, or the employee or agent responsible to deliver it to the named recipient, you are hereby notified that any dissemination, distribution, copying or other use of this communication is strictly prohibited and no privilege is waived. If you have received this communication in error, please immediately notify the sender by replying to this electronic message and then deleting this electronic message from your computer. [v.1]

## Exhibit B

# Document Subject To Motion To Seal

## Exhibit C

# Document Subject To Motion To Seal

### **CERTIFICATE OF SERVICE** I hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non registered participants on December 17, 2010. Respectfully submitted. DATED: December 17, 2010 Bv /s/ Bruce Van Dalsem Bruce Van Dalsem