

# **EXHIBIT 4**

1 Stewart H. Foreman (CSB #61149)  
 Daniel T. Bernhard (CSB #104229)  
 2 FREELAND COOPER & FOREMAN LLP  
 150 Spear Street, Suite 1800  
 3 San Francisco, California 94105  
 Telephone: (415) 541-0200  
 4 Facsimile: (415) 495-4332  
 Email: foreman@freelandlaw.com  
 5 bernhard@freelandlaw.com

6 Attorneys for Defendants Todd Dunning and  
 Dunning Enterprise, Inc.

7  
 8 UNITED STATES DISTRICT COURT  
 9 NORTHERN DISTRICT OF CALIFORNIA  
 10 SAN JOSE DIVISION

11  
 12 EBAY, INC.,

13 Plaintiff,

14 v.

15 DIGITAL POINT SOLUTIONS, INC., SHAWN  
 HOGAN, KESSLER'S FLYING CIRCUS,  
 16 THUNDERWOOD HOLDINGS, INC.,  
 TODD DUNNING, DUNNING ENTERPRISE, INC.,  
 17 BRIAN DUNNING, BRIANDUNNING.COM, and  
 DOES 1-20,

18 Defendants.  
 19

CASE NO.: CV-08-4052 JF

**ANSWER OF DEFENDANT  
 DUNNING ENTERPRISE, INC. TO  
 PLAINTIFF'S SECOND  
 AMENDED COMPLAINT**

Date action filed: August 25, 2008

20  
 21 Defendant DUNNING ENTERPRISE, INC. ("Defendant") answers the allegations of Plaintiff  
 22 B-BAY, INC.'s ("Plaintiff's") Second Amended Complaint ("SAC") in the above-captioned matter.  
 23 The responses set forth herein are made solely as to, by, and on behalf of, Defendant DUNNING  
 24 ENTERPRISE, INC.

25 **PARTIES**

26 1. In response to paragraph 1 of the SAC, Defendant is without sufficient knowledge or  
 27 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
 28 basis denies each and every allegation contained therein.

1           2.       In response to paragraph 2 of the SAC, Defendant is without sufficient knowledge or  
2 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
3 basis denies each and ever)' allegation contained therein.

4           3.       In response to paragraph 3 of the SAC, Defendant is without sufficient knowledge or  
5 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
6 basis denies each and every allegation contained therein.

7           4.       In response to paragraph 4 of the SAC, this paragraph does not allege any facts and  
8 therefore does not require a substantive response. In this answer, Defendant will use the same  
9 definition of "DPS" as used in the SAC.

10          5.       In response to paragraph 5 of the SAC, Defendant admits that Defendant Kessler's  
11 Flying Circus is a California general partnership, doing business in the State of California.

12          6.       In response to paragraph 6 of the SAC, Defendant is without sufficient knowledge or  
13 information to form a belief as to the truth of the allegations contained in said paragraph regarding the  
14 corporate status of Defendant Thunderwood Holdings, Inc., and on that basis denies each and every  
15 such allegation contained therein. Defendant admits a belief that defendant Thunderwood Holdings,  
16 Inc. is a general partner in defendant Kessler's Flying Circus.

17          7.       In response to paragraph 7 of the SAC, Defendant is without sufficient knowledge or  
18 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
19 basis denies each and every allegation contained therein except that Defendant admits a belief that  
20 defendant Brian Dunning resides in California.

21          8.       In response to paragraph 3 of the SAC, Defendant admits that Defendant Dunning  
22 Enterprise, Inc. is incorporated as a California corporation on or about December 27, 2006, and that it  
23 was a general partner in defendant Kessler's Flying Circus after that date. Defendant denies all  
24 remaining allegations contained in paragraph 8.

25          9.       In response to paragraph 9 of the SAC, Defendant admits that defendant Todd Dunning  
26 resides in the State of California and that he owns a controlling interest in this Defendant. Except as  
27 so admitted, Defendant denies each and every other allegation contained therein.

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**GENERAL ALLEGATIONS**

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2 18. In response to paragraph 18 of the SAC, Defendant is without sufficient knowledge or  
3 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
4 basis denies each and every allegation contained therein.

5 19. In response to paragraph 19 of the SAC, Defendant is without sufficient knowledge or  
6 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
7 basis denies each and every allegation contained therein.

8 20. In response to paragraph 20 of the SAC, Defendant admits its belief that Plaintiff used  
9 the services of Commission Junction, Inc.'s in recruiting, tracking, monitoring, detecting, paying and  
10 administering Plaintiff's Affiliate Marketing Program. Defendant is without sufficient knowledge or  
11 information to form a belief as to the truth of the remaining allegations contained in said paragraph,  
12 and on that basis denies each and every allegation contained therein.

13 21. In response to paragraph 21 of the SAC, Defendant is without sufficient knowledge or  
14 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
15 basis denies each and every allegation contained therein.

16 22. In response to paragraph 22 of the SAC, Defendant is without sufficient knowledge or  
17 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
18 basis denies each and every allegation contained therein.

19 23. In response to paragraph 23 of the SAC, Defendant is without sufficient knowledge or  
20 information to form a belief as to the truth of the allegations contained in said paragraph, and on that  
21 basis denies each and every allegation contained therein.

22 24. In response to paragraph 24 of the SAC, Defendant denies each and every allegation  
23 contained in this paragraph.

24 25. In response to paragraph 25 of the SAC, Defendant is without sufficient knowledge or  
25 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
26 each such allegation contained therein. Defendant denies each and every remaining allegation  
27 contained in said paragraph.

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**FREELAND COOPER & FOREMAN LLP**

150 Spear Street, Suite 1800  
San Francisco, California 94105

FREELAND COOPER & FOREMAN LLP  
150 Spear Street, Suite 1800  
San Francisco, California 94105

1           26.     In response to paragraph 26 of the SAC, Defendant is without sufficient knowledge or  
2 information to form a belief as to the truth of the allegations that the User Agreement was agreed to by  
3 any other Defendant, and on that basis denies each such allegation contained therein. Defendant is  
4 without sufficient knowledge or information to form a belief as to the truth of the allegations relating  
5 to DPS, and on that basis denies each such allegation contained therein. Defendant denies each and  
6 every remaining allegation contained in said paragraph.

7           27.     In response to paragraph 27 of the SAC, Defendant is without sufficient knowledge or  
8 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
9 each such allegation contained therein. Defendant denies each and every remaining allegation  
10 contained in said paragraph.

11           28.     In response to paragraph 28 of the SAC, Defendant denies each and every allegation  
12 contained therein.

13           29.     In response to paragraph 29 of the SAC, Defendant is without sufficient knowledge or  
14 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
15 each such allegation contained therein. Defendant denies each and every remaining allegation  
16 contained in said paragraph.

17           30.     In response to paragraph 30 of the SAC, Defendant is without sufficient knowledge or  
18 information to form a belief as to the truth of the allegations contained in said paragraph relating to  
19 DPS, and on that basis denies each and every allegation contained therein.

20           31.     In response to paragraph 31 of the SAC, Defendant denies each and every allegation  
21 contained therein.

22           32.     In response to paragraph 32 of the SAC, Defendant is without sufficient knowledge or  
23 information to form a belief as to the truth of the allegations relating to DPS, Shawn Hogan and Brian  
24 Dunning, and on that basis denies each such allegation contained therein. In response to the  
25 allegations regarding additional false statements set forth in paragraph 60, said allegations do not  
26 require a response, as the Second Cause of Action for alleged violations of IS U.S.C. § 1962(c) prays  
27 for relief only as against the alleged Hogan Group and Dunning Group defendants as defined in the

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1 SAC. Such definition excludes this Defendant. Defendant denies each and every remaining  
2 allegation contained in paragraph 32.

3 33. In response to paragraph 33 of the SAC, Defendant is without sufficient knowledge or  
4 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
5 each such allegation contained therein. Defendant denies each and every remaining allegation  
6 contained in paragraph 32.

7 34. In response to paragraph 34 of the SAC, Defendant admits that Commission Junction  
8 filed an action against Defendants Kessler's Flying Circus, Brian Dunning, Todd Dunning and others;  
9 that Commission Junction sought to recoup payments made to said defendants; and that said action  
10 has settled and dismissed with prejudice. Defendant is without sufficient knowledge or information to  
11 form a belief as to the truth of the remaining allegations contained in said paragraph, and on that basis  
12 denies each and every allegation contained therein.

13 **FIRST CAUSE OF ACTION**  
14 **(18 U.S.C. §1030)**

15 35. In response to paragraph 35 of the SAC, Defendant refers to and incorporates herein its  
16 responses as provided in paragraphs 1 through 34 above.

17 36. In response to paragraph 36 of the SAC, Defendant is without sufficient knowledge or  
18 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
19 each such allegation contained therein. Defendant denies each and every remaining allegation  
20 contained in said paragraph.

21 37. In response to paragraph 37 of the SAC, Defendant is without sufficient knowledge or  
22 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
23 each such allegation contained therein. Defendant denies each and every remaining allegation  
24 contained in said paragraph.

25 38. In response to paragraph 38 of the SAC, Defendant denies each and every allegation  
26 contained therein.

27 39. In response to paragraph 39 of the SAC, Defendant denies each and every allegation  
28 contained in said paragraph.





1           48. Paragraph 48 does not require a response, as the Second Cause of Action for alleged  
2 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
3 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
4 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

5           49. Paragraph 49 does not require a response, as the Second Cause of Action for alleged  
6 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
7 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
8 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

9           50. Paragraph 50 does not require a response, as the Second Cause of Action for alleged  
10 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for  
11 relief only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC.  
12 Such definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

13           51. Paragraph 51 does not require a response, as the Second Cause of Action for alleged  
14 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
15 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
16 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

17           52. Paragraph 52 does not require a response, as the Second Cause of Action for alleged  
18 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
19 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
20 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

21           53. Paragraph 53 does not require a response, as the Second Cause of Action for alleged  
22 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
23 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
24 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

25           54. Paragraph 54 does not require a response, as the Second Cause of Action for alleged  
26 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
27 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
28 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

1           55. Paragraph 55 does not require a response, as the Second Cause of Action for alleged  
2 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
3 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
4 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

5           56. Paragraph 56 does not require a response, as the Second Cause of Action for alleged  
6 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
7 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
8 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

9           57. Paragraph 57 does not require a response, as the Second Cause of Action for alleged  
10 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
11 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
12 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

13           58. Paragraph 58 does not require a response, as the Second Cause of Action for alleged  
14 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
15 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
16 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

17           59. Paragraph 59 does not require a response, as the Second Cause of Action for alleged  
18 violations of 18 U.S.C. §1962(c) does not make allegations against this Defendant and prays for relief  
19 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
20 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

21           60. Paragraph 60 does not require a response, as the Second Cause of Action for alleged  
22 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
23 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
24 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

25           61. Paragraph 61 does not require a response, as the Second Cause of Action for alleged  
26 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
27 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
28 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

1           62. Paragraph 62 does not require a response, as the Second Cause of Action for alleged  
2 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for  
3 relief only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC.  
4 Such definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

5           63. Paragraph 63 does not require a response, as the Second Cause of Action for alleged  
6 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
7 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
8 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

9           64. Paragraph 64 does not require a response, as the Second Cause of Action for alleged  
10 violations of 18 U.S.C. § 1962(c) does not make allegations against this Defendant and prays for relief  
11 only as against the alleged Hogan Group and Dunning Group defendants as defined in the SAC. Such  
12 definition excludes this Defendant. Defendant otherwise denies all allegations in this paragraph.

### THIRD CAUSE OF ACTION

(Fraud)

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15           65. In response to paragraph 65 of the SAC, Defendant refers to and incorporates herein its  
16 responses as provided in paragraphs 1 through 64 above.

17           66. In response to paragraph 66 of the SAC, Defendant is without sufficient knowledge or  
18 information to form a belief as to the truth of the allegations relating to the DPS and DOES 1-10, and  
19 on that basis denies each such allegation contained therein. Defendant denies each and every  
20 remaining allegation contained in said paragraph.

21           67. In response to paragraph 67 of the SAC, Defendant is without sufficient knowledge or  
22 information to form a belief as to the truth of the allegations relating to DOES 12-20 contained in said  
23 paragraph, and on that basis denies each and every allegation contained therein. Defendant denies  
24 each and every remaining allegation contained in this paragraph.

25           68. In response to paragraph 68 of the SAC, Defendant is without sufficient knowledge or  
26 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
27 each such allegation contained therein. Defendant denies each and every remaining allegation  
28 contained in said paragraph.

FREELAND COOPER & FOREMAN LLP

150 Spear Street, Suite 1800  
San Francisco, California 94105

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69. In response to paragraph 69 of the SAC, Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations relating to DPS, and DOES 1-10 and 12-20, and on that basis denies each such allegation contained therein. Defendant denies each and every remaining allegation contained in said paragraph.

70. In response to paragraph 70 of the SAC, Defendant is without sufficient knowledge information to form a belief as to the truth of the allegations relating to DPS and DOES 1-10 and 12-20, and on that basis denies each such allegation contained therein. Defendant denies each and every remaining allegation contained in said paragraph.

71. In response to paragraph 71 of the SAC, Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations relating to DPS and DOES 1-10 and 12-20, and on that basis denies each such allegation contained therein. Defendant denies each and every remaining allegation contained in said paragraph.

72. In response to paragraph 72 of the SAC, Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations relating to DPS and DOES 1-10 and 12-20, and on that basis denies each such allegation contained therein. Defendant denies each and every remaining allegation contained in said paragraph.

73. In response to paragraph 73 of the SAC, Defendant denies each and every allegation

74. In response to paragraph 74 of the SAC, Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations relating to DPS and DOES 1-10 and 12-20, and on that basis denies each such allegation contained therein. Defendant denies each and every remaining allegation contained in said paragraph.

75. In response to paragraph 75 of the SAC, Defendant responds to Plaintiff's prayer for relief as set forth below.

**FOURTH CAUSE OF ACTION**

(California Penal Code §502)

76. In response to paragraph 76 of the SAC, Defendant refers to and incorporates herein its responses as provided in paragraphs 1 through 75 above.

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1 77. In response to paragraph 77 of the SAC, Defendant is without sufficient knowledge or  
2 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
3 each such allegation contained therein. Defendant denies each and every remaining allegation  
4 contained in said paragraph.

5 78. In response to paragraph 78 of the SAC, Defendant is without sufficient knowledge or  
6 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
7 each such allegation contained therein. Defendant denies each and every remaining allegation  
8 contained in said paragraph.

9 79. In response to paragraph 79 of the SAC, Defendant is without sufficient knowledge or  
10 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
11 each such allegation contained therein. Defendant denies each and every remaining allegation  
12 contained in said paragraph.

13 80. In response to paragraph 80 of the SAC, Defendant is without sufficient knowledge or  
14 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
15 each such allegation contained therein. Defendant denies each and every remaining allegation  
16 contained in said paragraph.

17 81. In response to paragraph 81 of the SAC, Defendant responds to Plaintiff's prayer for  
18 relief as set forth below.

19 **FIFTH CAUSE OF ACTION**  
20 **(Restitution and Unjust Enrichment)**

21 82. In response to paragraph 82 of the SAC, Defendant refers to and incorporates herein its  
22 responses as provided in paragraphs 1 through 81 above.

23 83. In response to paragraph 83 of the SAC, Defendant is without sufficient knowledge or  
24 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
25 each such allegation contained therein. Defendant denies each and every remaining allegation  
26 contained in said paragraph.

27 84. In response to paragraph 84 of the SAC, Defendant is without sufficient knowledge or  
28 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies



1 each such allegation contained therein. Defendant denies each and every remaining allegation  
2 contained in said paragraph.

3 85. In response to paragraph 85 of the SAC, Defendant is without sufficient knowledge or  
4 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
5 each such allegation contained therein. Defendant denies each and every remaining allegation  
6 contained in said paragraph.

7 86. In response to paragraph 86 of the SAC, Defendant responds to Plaintiff's prayer for  
8 relief as set forth below.

9 **SIXTH CAUSE OF ACTION**

10 (California Business & Professions Code §17200)

11 87. In response to paragraph 87 of the SAC, Defendant refers to and incorporates herein its  
12 responses as provided in paragraphs 1 through 86 above.

13 88. In response to paragraph 88 of the SAC, Defendant is without sufficient knowledge or  
14 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
15 each such allegation contained therein. Defendant denies each and every remaining allegation  
16 contained in said paragraph.

17 89. In response to paragraph 89 of the SAC, Defendant is without sufficient knowledge or  
18 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
19 each such allegation contained therein. Defendant denies each and every remaining allegation  
20 contained in said paragraph.

21 90. In response to paragraph 90 of the SAC, Defendant is without sufficient knowledge or  
22 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
23 each such allegation contained therein. Defendant denies each and every remaining allegation  
24 contained in said paragraph.

25 91. In response to paragraph 91 of the SAC, Defendant is without sufficient knowledge or  
26 information to form a belief as to the truth of the allegations relating to DPS, and on that basis denies  
27 each such allegation contained therein. Defendant denies each and every remaining allegation  
28 contained in said paragraph.

1 92. In response to paragraph 92 of the SAC, Defendant responds to Plaintiff's prayer for  
2 relief as set forth below.

3 **AFFIRMATIVE DEFENSES**

4 Defendant alleges the following affirmative defenses:

5 **FIRST AFFIRMATIVE DEFENSE**  
6 (Failure to State a Claim)

7 93. As a first Affirmative Defense, and not as an admission or waiver of any kind,  
8 Defendant alleges that Plaintiff's SAC, and every purported cause of action stated therein, fails to  
9 allege facts sufficient to state a claim for relief of any kind against Defendant.

10 **SECOND AFFIRMATIVE DEFENSE:**  
11 (Contractual Limitations Period)

12 94. As a second Affirmative Defense, and not as an admission or waiver of any kind,  
13 Defendant alleges that the SAC, and each and every cause of action therein, is barred by the one-year  
14 contractual limitations provision set forth in the Commission Junction Publisher Services Agreement  
15 of which Plaintiff is a third party beneficiary and which Plaintiff incorporated by reference into the  
16 eBay Supplemental Terms & Conditions.

17 **THIRD AFFIRMATIVE DEFENSE:**  
18 (Statute of Limitations)

19 95. As a third Affirmative Defense, and not as an admission or waiver of any kind,  
20 Defendant alleges that the SAC, and each and every cause of action therein, is barred by the  
21 applicable statute of limitations. Said limitations include, but are not limited to, 18 U.S.C. §1030(g),  
22 15 U.S.C. § 15b (as applied to 18 U.S.C. §1962, 1964), California Penal Code §502(e)(5), California  
23 Code of Civil Procedure § 338, 339, and California Business & Professions Code §17208.

24 **FOURTH AFFIRMATIVE DEFENSE:**  
25 (Improper Venue)

26 96. As a fourth Affirmative Defense, and not as an admission or waiver of any kind,  
27 Defendant alleges that the filing of this action in the above-captioned Court is improper based on the  
28 forum selection clause set forth in the Commission Junction Publisher Services Agreement of which

1 Plaintiff is a third party beneficiary and which Plaintiff incorporated by reference into the eBay  
2 Supplemental Terms & Conditions.

3 FIFTH AFFIRMATIVE DEFENSE:  
4 (Consent, Ratification and Modification of Contracts)

5 97. As a fifth Affirmative Defense, and not as an admission or waiver of any kind,  
6 Defendant alleges that the SAC, and each and every cause of action therein, is barred because the  
7 conduct alleged in the SAC was consented to and ratified by Plaintiff and its agent, Commission  
8 Junction, Inc. Such consent and ratification resulted in a modification of the Commission Junction  
9 Publisher Service Agreement and the eBay Special Terms and Conditions so that Defendant's alleged  
10 conduct was authorized by such contractual agreements.

11 SIXTH AFFIRMATIVE DEFENSE:  
12 (General Authorization and Authorized Access)

13 98. As a sixth Affirmative Defense, and not as an admission or waiver of any kind,  
14 Defendant alleges that the SAC, and each and every cause of action therein, is barred because the  
15 conduct alleged in the SAC, including but not limited to the alleged access to Plaintiff's computers,  
16 was known, authorized, ratified, accepted, and encouraged by Plaintiff and its agent, Commission  
17 Junction, Inc.

18 SEVENTH AFFIRMATIVE DEFENSE:  
19 (Estoppel)

20 99. As a seventh Affirmative Defense, and not as an admission or waiver of any kind,  
21 Defendant alleges that the SAC, and each and every cause of action therein, is barred because  
22 Plaintiff's and its agent's, Commission Junction, Inc.'s, acts, omissions, representations and conduct  
23 constitute an estoppel, and bar all its claims alleged in the SAC.

24 EIGHTH AFFIRMATIVE DEFENSE:  
25 (Waiver)

26 100. As an eighth Affirmative Defense, and not as an admission or waiver of any kind,  
27 Defendant alleges that the SAC, and each and every cause of action therein, is barred because Plaintiff  
28 has waived any and all claims it alleges against Defendant through Plaintiff's and its agent's,

1 Commission Junction, Inc.'s, actual or constructive knowledge, consent and conduct in relation to the  
2 alleged participation of Defendant in Plaintiff's Affiliate Marketing Program.

3 NINTH AFFIRMATIVE DEFENSE:  
4 (Laches, Unclean Hands, Acquiescence,  
Assumption of the Risk)

5 101. As a ninth Affirmative Defense, and not as an admission or waiver of any kind,  
6 Defendant alleges that the SAC, and each and every cause of action therein, is barred by the doctrines  
7 of laches, unclean hands, acquiescence, and reasonably implied assumption of the risk.

8 TENTH AFFIRMATIVE DEFENSE:  
9 (No Damages, Losses or Impairment of Computers)

10 102. As a tenth Affirmative Defense, and not as an admission or waiver of any kind,  
11 Defendant alleges that the SAC, and each and every cause of action therein, is barred because Plaintiff  
12 never sustained any damages or losses caused by Defendant, and Plaintiff never suffered any  
13 impairment to its computers or data therein as required and defined by the Computer Fraud and Abuse  
14 Act, 18 U.S.C. § 1030 *et seq* and California Penal Code § 502.

15 ELEVENTH AFFIRMATIVE DEFENSE:  
16 (Damages Not Subject to Reasonable Calculation)

17 103. As an eleventh Affirmative Defense, and not as an admission or waiver of any kind,  
18 Defendant alleges that the SAC, and each and every cause of action therein, is barred because  
19 Plaintiff's alleged damages, if any, are not subject to reasonable calculation.

20 TWELFTH AFFIRMATIVE DEFENSE:  
21 (Failure to Mitigate Damages)

22 104. As a twelfth Affirmative Defense, and not as an admission or waiver of any kind,  
23 Defendant alleges that the SAC, and each and every cause of action therein, is barred because  
24 Plaintiff, and its agent, Commission Junction, Inc., failed to act on information in their possession and  
25 failed to exercise reasonable resourcefulness, care and diligence to prevent and mitigate any alleged  
26 damages, so that any recovery against Defendant is barred or should be reduced accordingly.

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FREELAND COOPER & FOREMAN LLP  
150 Spear Street, Suite 1800  
San Francisco, California 94105







1 and employee, Commission Junction, Inc. and Christine Kim, authorized its conduct as alleged in the  
2 SAC.

3 TWENTY-FIRST AFFIRMATIVE DEFENSE:  
4 (Setoff)

5 113. As a twenty-first Affirmative Defense, and not as an admission ot waiver of any kind,  
6 Defendant alleges that Plaintiff's damages, if any, are subject to setoff and should be reduced  
7 accordingly since Plaintiff has not paid all commissions due to KFC.

8 TWENTY-SECOND AFFIRMATIVE DEFENSE:  
9 (Indispensable Party)

10 114. As a twenty-second Affirmative Defense, and not as an admission or waiver of any  
11 kind, Defendant alleges that the SAC, and each and every cause of action therein, is barred because  
12 Plaintiff has failed to join an indispensable party or parties to this action, including but not limited to  
13 Commission Junction, Inc. and Christine Kim.

14 TWENTY-THIRD AFFIRMATIVE DEFENSE:  
15 (Plaintiff's Agents)

16 115. As a twenty-third Affirmative Defense, and not as an admission or waiver of any kind,  
17 Defendant alleges that the SAC, and each and every cause of action therein, is barred based on the  
18 actions and/or omissions of Plaintiff's agents and representatives, including but not limited to  
19 Commission Junction, Inc. and Christine Kim.

20 TWENTY-FOURTH AFFIRMATIVE DEFENSE  
21 (No Liability For Conduct By Other Defendants)

22 116. As a twenty-fourth Affirmative Defense, and not as an admission or waiver of any  
23 kind, Defendant alleges that prior to December 27, 2006, this Defendant was not a partner in  
24 Defendant Kessler's Flying Circus. After such date, Defendant became a general partner in Defendant  
25 Kessler's Flying Circus in place of Defendant Todd Dunning. Defendant alleges that it did not have  
26 any ownership, control or knowledge of the conduct of Defendants BrianDunning.com., Thunderwood  
27 Holdings, Inc., or Brian Dunning. Defendant was not an agent or representative for these  
28

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150 Spear Street, Suite 1800  
San Francisco, California 94105

1 defendants. Therefore, Defendant has no liability or responsibility for the alleged conduct of any  
2 other defendants under the allegations of the SAC.

3 TWENTY-FIFTH AFFIRMATIVE DEFENSE:  
4 (Settlement and Release)

5 117. As a twenty-fifth Affirmative Defense, and not as an admission or waiver of any kind,  
6 Defendant alleges that the SAC, and each and every cause of action therein, is barred by the full and  
7 complete settlement and release of claims entered into between Defendant and Plaintiff's agent,  
8 Commission Junction, Inc.

9 TWENTY-SIXTH AFFIRMATIVE DEFENSE:  
10 (Reservation of Right to Assert Additional Defenses)

11 118. As a twenty-sixth Affirmative Defense, and not as an admission or waiver of any kind,  
12 Defendant alleges that at the time of the filing of this Answer, affirmative defenses may not have been  
13 alleged for reasons that insufficient facts and information were available after reasonable inquiry.  
14 Defendant therefore reserves the right to amend this answer to allege additional affirmative defenses  
15 based upon subsequent discovery of new or different facts or subsequent appreciation of currently  
16 known facts.

17 RESPONSE TO PRAYER FOR RELIEF

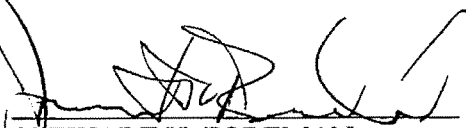
18 WHEREFORE, Defendant DUNNING ENTERPRISE, INC. prays for judgment as follows:

- 19 1. That Plaintiff take nothing by reason of its SAC and that judgment be entered in favor
- 20 of Defendant;
- 21 2. That Defendant be awarded costs of suit incurred in the defense of this action including
- 22 reasonable attorneys' fees, to the extent allowed by law;
- 23 3. For such other and further relief as the Court deems just and proper.

24 Dated: September 9, 2009

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25  
26 By:



27 For STEWART H. FOREMAN  
28 Attorneys for Defendants Todd Dunning and  
Dunning Enterprise, Inc.

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150 Spear Street, Suite 1800  
San Francisco, California 94105

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**CERTIFICATE OF SERVICE**

I am employed in the City and County of San Francisco, State of California. I am over the age of eighteen and not a party to the within action; my business address is 150 Spear Street, Suite 1800, San Francisco, California 94105.

On September 9, 2009, I served the foregoing documents described as follows:

**Answer of Defendant Dunning Enterprise, Inc. to Plaintiff's Second Amended Complaint**

by placing a true and correct copy thereof enclosed in a sealed envelope addressed to the party(ies) of record whose name(s) and address(es) appear below:

**SEE ATTACHED SERVICE LIST**

[BY MAIL - CCP § 1013a] I caused such sealed envelope with postage thereon fully prepaid to be placed in the United States mail at San Francisco, California, for collection and mailing to the office of addressee(s) on the date shown herein following ordinary business practice.

[HAND-DELIVERY/Personal/Messenger - CCP § 1011] I caused such envelope to be hand-delivered by a courier, who personally delivered such envelope to the office of the addressee(s) on the date herein.

[BY FACSIMILE - CCP § 1013(e)] - I caused such document(s) to be transmitted via facsimile electronic equipment transmission on the party(ies), whose name(s), address(es) and fax number(s) are listed above, on the date stated herein and at the time set forth on the attached transmission reported indicating that the facsimile transmission was complete and without error.

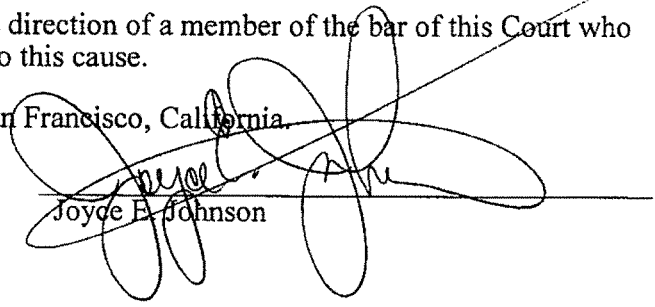
[BY FEDEX (Overnight Delivery) - CCP § 1013(c)] I caused such envelope to be delivered to the Federal Express Office in San Francisco, California, with whom we have a direct billing account, to be delivered on the next business day.

[BY E-MAIL or ELECTRONIC TRANSMISSION] . Based on a court order or agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the persons at the email addresses listed above. I did not receive within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

[STATE] I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

[FEDERAL] Service was made under the direction of a member of the bar of this Court who is admitted to practice and is not a party to this cause.

Executed on September 9, 2009, at San Francisco, California.

  
Joyce E. Johnson

IRELAND COOPER & FURKMAN LLP  
150 Spear Street, Suite 1800  
San Francisco, California 94105

**ATTACHED SERVICE LIST**

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Leo Presiado  
RUS, MILIBAND & SMITH  
Von Karman Towers  
2211 Michelson Drive, 7th Floor  
Irvine, CA 92612  
Telephone: (949) 752-7100  
Facsimile: (949) 252-1514  
Attorneys for Defendants Brian Dunning  
and Thunderwood Holdings, Inc.

Seyamack Kouretchian  
COAST LAW GROUP  
1140 S. Coast Highway 101  
Encinitas, CA 92024  
Attorneys for Defendants Shawn Hogan and  
Digital Point Solutions, Inc.

David Eberhart  
O'MELVENY & MYERS LLP  
Embarcadero Center West  
2 Embarcadero Center, 28th Floor  
San Francisco, CA 94111  
Attorneys for Plaintiff eBay, Inc.  
Telephone: 415-984-8700  
Facsimile: 415-984-8701  
Attorneys for Plaintiff eBay, Inc.

Patrick K. McClellan  
Von Karman Towers  
2211 Michelson Drive, 7th Floor  
Irvine, CA 92612  
Attorney for Kessler's Flying Circus

FREELAND COOPER & FUKEMIAN LLP  
150 Spear Street, Suite 1800  
San Francisco, California 94105