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Exhibit

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA

CASE NO. 05-80393 CIV HURLEY/HOPKINS

STELOR PRODUCTIONS, L.L.C., a Delaware limited liability company, f/k/a STELOR PRODUCTIONS, INC.,

Plaintiff,

VS.

NIGHT BOX FILED

JUL 0 1 2005

STEVEN A. SILVERS, a Florida resident,

CLARENCE MADDOX CLERK, USDC/SDFL/FTL

Defendant.

NOTICE OF FILING SUPPLEMENTAL DECLARATION OF STEVEN A. ESRIG

PLEASE TAKE NOTICE that Plaintiff, by and through undersigned counsel, hereby files the Supplemental Declaration of Steven A. Esrig.

Respectfully submitted,

BURLINGTON, WEIL, SCHWIEP, KAPLAN & BLONSKY, P.A. Attorneys for Plaintiff Office in the Grove, Penthouse A 2699 South Bayshore Drive Miami, Florida 33133

Tel: 305-858-2900 Fax: 305-858-5261

By:

Kevin C. Kaplan, Esq. Florida Bar No. 933848 David J. Zack, Esq. Florida Bar No. 641685



Burlington · Weil · Schwiep · Kaplan & Blonsky, P.A.

CASE NO. 05-80393 C. V HURLEY/HOPKINS

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that a true copy of the foregoing is being served by U.S. Mail this 1st day of July, 2005, upon Gail A. McQuilkin, Esq. and Kenneth Hartmann, Esq., Kozyak Tropin & Throckmorton, P.A., counsel for Defendant, 2525 Ponce de Leon, 9th Floor, Miami, Florida 33134 and Adam T. Rabin, Esq., Dimond Kaplan & Rothstein, P.A., Trump Plaza, 525 S. Flagler Drive, Suite 200, West Palm Beach, Florida 33401.

Kevin C. Kaplan David J. Zack

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Burlington • Weil • Schwiep • Kaplan (&) Blonsky, P.A.

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA

CASE NO. 05-80393 CIV HURLEY/HOPKINS

STELOR PRODUCTIONS, L.L.C., a Delaware limited liability company, f/k/a STELOR PRODUCTIONS, INC.,

Plaintiff,

VS.

STEVEN A. SILVERS, a Florida resident,

Defendant.

SUPPLEMENTAL DECLARATION OF STEVEN A. ESRIG

I, Steven A. Esrig, hereby declare as follows:

1. As set forth in my initial declaration, I am the President and CEO of Stelor Productions, L.L.C. ("Stelor"). I have been employed by Stelor since its inception, and I have held my current position for more than two years. The facts stated herein are based upon my own personal knowledge and/or on corporate records and documents maintained by Stelor in the ordinary course of business.

ROYALTY ISSUES

- 2. I have reviewed the late-filed declarations of Ms. McQuilkin and Mr. Worsham. I wholeheartedly reaffirm the testimony in my initial declaration. Mr. Silvers' attempt to discredit me is entirely unfounded, as I explain below.
- 3. As a threshold matter, I want to emphasize that although Stelor has just begun to earn some small revenues, Stelor has already paid Silvers hundreds of thousands of dollars in consulting fees and advances against future (but unearned) royalties.

- 4. The suggestion that Stelor has failed to disclose revenues is wrong. The certification I signed as Stelor's CEO on March 8, 2005 accurately stated that "no royalty
- forth below, the statement also accurately explained that Stelor offered no products for sale

payments from Stelor to Mr. Silvers are owed or outstanding as of December 31, 2004." As set

- except the music available on itunes. A true and correct copy of the statement is attached as
- Exhibit A hereto.
- 5. Silvers claims in his declaration that we failed to account for a purchase an unnamed "associate" of his allegedly made of the googles music on itunes on August 31, 2004. The so-called download confirmation (exhibit D to his declaration) shows that the "associate" downloaded the entire One Goo World album. It is priced at \$12.96, which is the retail price from Apple. In fact, Stelor did account for that sale. As we have advised Mr. Silvers, our very first statement for itunes downloads was dated February 25, 2005. A true and correct copy of that statement is attached hereto as Exhibit B. That statement covers the period beginning June 2004, and reports cumulative revenues on a monthly basis. The listing for August of 2004 closed on August 28th, but a download of the entire One GooWorld album is listed for September of 2004. It shows a price of \$6.50, which is the wholesale price. The revenues from this sale were included in the royalty statement that Stelor provided to Silvers on April 29, 2005 (exhibit 12 to my initial declaration), which was timely provided pursuant to ¶ III(B) of the License Agreement, within 30 days of the expiration of the first quarter of 2005.

CAFEPRESS

6. The newly filed declaration from Paul Worsham presents an inaccurate fragment of a story of an adversarial relationship that Stelor ended in the fall of 2002. In fact, as Mr. Worsham apparently admits at the conclusion of his declaration (¶ 12), he had no contact

whatsoever with me, Stelor or the purported Googles store at Cafepress "[a]fter the October-November 2002 timeframe." Indeed, all of the alleged events referenced in the declaration occurred before then, more than two and a half years ago.

The reason for the abrupt end of all contact was because I terminated any 7. relationship with Mr. Worsham by letter dated October 3, 2002. Stelor had been attempting to work with Mr. Worsham, who had presented a comprehensive plan for the development of Stelor's entire intellectual technology infrastructure. During 2002, I had ongoing contact with Mr. Worsham as he attempted to develop this plan. By the fall of 2002, though, I and other members of Stelor's board believed Mr. Worsham to be unreliable and untrustworthy, and refused to have any further dealings with him of any type. As my letter details, many of the problems with Mr. Worsham resulted from his close relationship and apparent friendship with Thus, rather than taking direction from me, Mr. Worsham continually initiated unauthorized work at Silvers' direction, as Silvers continued to try and meddle with Stelor's business. Cafepress was one example. In the midst of the ongoing IT work, Mr. Worsham at one point advised me that he had set up an online store at Cafepress, and wanted to sell googles merchandise through it, as his email to me of September 12, 2002 confirms. I did not recall this, until I searched through our files after reviewing his declaration. Stelor, however, was not at all interested in having such a store, and especially not interested in working with Mr. Worsham at that point. In fact, we had received an email on September 30, 2002 advising of fraudulent activity with the Cafepress account. Accordingly, I advised Mr. Worsham to take no action whatsoever on Stelor's behalf, including maintaining any Cafepress account for googles. A true and correct copy of my October 3, 2002 letter to Mr. Worsham, and the September 12 and 30, 2002 emails, are attached as Composite Exhibit C hereto.

- Apparently, Mr. Worsham did not follow the instruction, and proceeded without 8. authorization to maintain the Cafepress account. As I testified in my initial declaration, until recently I remained unaware that the account had in fact been maintained, or that googles products were being sold, notwithstanding our express instructions to Mr. Worsham not to maintain the account. To the extent Mr. Worsham's declaration fails to explain why he had no further contact with me or Stelor after the Fall of 2002, and how he failed to comply with my explicit instructions that he take no action, that declaration - and not mine - is clearly misleading. Also incredibly suspicious is the fact that Mr. Worsham – using a business card listing himself as B.J. Worsham - came to Stelor's booth at the recent trade show, misrepresenting himself as a potential licensee, and using that ruse to obtain proprietary Stelor information that obviously should not have been given to him. A copy of his business card is also included in Composite Exhibit C hereto.
- The entire Cafepress.com issue, moreover, is a sidelight at best. The information 9. that Stelor recently obtained from Cafepress after learning about the site, confirms that the only completed order as of April 2005, was of a single coffee mug priced at \$10.99, allegedly generating a commission of \$2.00, no share of which was ever remitted to Stelor. The statement we obtained from CafePress in April of 2005 is attached hereto as Exhibit D. Indeed, other than orders from 2002, that apparently never went through, the only other orders then pending were for the various samples I ordered.

STELOR HAS OFFERED TO PROVIDE ALL AVAILABLE SAMPLES

10. I reiterate that after Silvers' counsel came to our offices in February of 2005 and reviewed all available samples and promotional materials, we again offered Silvers an opportunity to inspect those materials at our counsel's office in Florida. In fact, the materials we offered to provide included samples and promotional materials documenting the entire history of Stelor's development.

- 11. Silvers' counsel instead sent the April 27, 2005 termination letter, and refused to come see the materials.
- 12. Silvers also attempts to distort the requirements relating to samples under the Agreements. Paragraph VI(C) of the License Agreement provides as follows:

Prior to the commencement of manufacture and sale of the Licensed Products, LICENSEE shall submit to LICENSOR for his input, at not cost to LICENSOR, a reasonable number of samples of Licensed Products which LICENSEE intends to manufacture and sell and of all promotional and advertising material associated therewith.

Silvers claims the provision is designed to ensure he can exercise quality control over the products Stelor markets. Objection at 11. The provision, however, gives him no such right. It merely permits him to provide "input". Silvers has no right to approve, disapprove, or require changes to any of the products. Nor is Stelor required to accept any input Silvers may have.

13. Silvers' counsel herself confirmed that, remarking in a revealing March 23, 2005 email (a true and correct copy of which is attached as Exhibit E hereto) as follows:

According to the license agreement Stelor is to provide these to Silvers for his "input." There is nothing in the agreement that says Stelor has to listen or do anything with his input but this keeps Silvers happy. Silvers will communicate his "input" only to me.

(Emphasis added). As this candid email confirms, there is no substance whatsoever to the provision allowing Silvers to provide "input". Silvers' counsel just wanted to keep her client appeased, advising that *only* she would listen to any "input" Silvers might have, and not even bother to communicate it to Stelor! This admission confirms that the requirement is essentially immaterial

14. As Silvers knows full well, moreover, the only "product" Stelor is presently selling is its music on itunes. (As Silvers confirms, the cafepress "store" has been shut down). Accordingly, the "samples" shown to Silvers' counsel in February are not products that are being sold, but are promotional materials and designs that Stelor has developed. Silvers' counsel similarly recognized this in her March 23, 2005 email, when she asked for copies of "any ads going out . . . for Silvers to preview." This material does not even fall within the definition of samples to be submitted to Silvers.

STELOR PROVIDED AN OPTION LETTER

- Agreement by failing to provide Silvers with an option agreement. Stelor, however, sent Silvers a formal Option Letter dated December 10, 2004, advising that the Board of Directors of Stelor had approved a grant to Silvers of 1000 options at \$10.00 per share. The Letter asked Silvers to execute the letter and return it to Stelor to confirm his agreement with those terms and acceptance of the option. The Letter, along with the federal express proof of delivery, confirming that Mr. Silvers himself signed for the package, is attached hereto as Exhibit F.
- 16. Stelor has repeatedly reminded Silvers about this Letter and asked him to provide an executed copy, including in our Counsel's letter of April 29, 2005. (Exhibit D to our Complaint). Silvers and his counsel have refused even to respond to this issue, choosing instead to try and preserve a totally unfounded claim.

THE IMPORTANCE OF THE NOTICE AND CURE PROVISION

- 17. I also want to emphasize the importance of the express notice and cure provision included in ¶ IX of the License Agreement.
 - 18. The parties entered into a complicated, long-term relationship (a 30 year term,

automatically renewed for 10 years) pursuant to the License Agreement. See "Schedule A" to License Agreement. There are numerous obligations owed by each of the parties to the other, and an obvious risk exists that the parties will, at certain stages of the relationship, disagree about whether the requirements of the Agreements were met. The notice provision, therefore, imposes a clear obligation on a party believing that a breach has occurred to provide written notice detailing the alleged breach and allowing a 60 day period for it to be cured. The cure period also enables a party to seek judicial intervention in the interim, if a disagreement appears insoluble. This notice procedure is clearly required to ensure that the Licensor (the Licensee can terminate for any reason on 30 days' notice, ¶ IX(B)) cannot trump up a breach, and terminate the license at will whenever it suits him — which is exactly what Silvers has done. The provision is obviously designed to protect Stelor, as the licensee, and ensure that the value of the multiple years and many millions of dollars it invests in developing the property under the Agreement is not jeopardized, at least before Stelor has an opportunity to cure an alleged breach.

SILVERS HAS REJECTED STELOR'S ONGOING EFFORTS TO PERFORM UNDER THE AGREEMENTS

- 19. Indeed, notwithstanding the unfounded termination of the Agreements, Stelor has since offered and attempted repeatedly to continue performing under the Agreements.
- 20. Thus, our counsel sent an initial letter dated April 29, 2005 (Exhibit D to the Complaint).
- 21. Silvers' counsel rejected Stelor's efforts, advising that "Mr. Silvers has terminated the License and intends to go in a different direction" (Exhibit E to the Complaint).
- 22. Once we received the Court's June 9, 2005 Order, and knew that we could proceed with the show, our counsel advised Mr. Silvers' counsel that they could review the

promotional materials for the show at our counsel's offices. A true and correct copy of that June 17, 2005 letter is attached hereto as Exhibit G.

- 23. Mr. Silvers' counsel refused to come look, demanding that the materials be forwarded to her. A true and correct copy of her June 17, 2005 letter is attached hereto as Exhibit H.
- 24. Notwithstanding our concern about providing information to Mr. Silvers, given his admitted non-compliance with the Agreements, our counsel nevertheless forwarded the materials to Mr. Silvers counsel by letter dated June 21, 2005, a true and correct copy of which is attached as Exhibit I hereto. We received no "input" back from Mr. Silvers. That letter also delivered additional checks to Mr. Silvers, and again offered to allow Mr. Silvers to proceed with an audit immediately, proposing June 27, 2005 as a date.
- 25. Mr. Silvers counsel responded by letter dated June 21, 2005 (but not delivered until June 22, 2005), refusing to accept any performance by Stelor, while simultaneously purporting to complain about the defects and timing of Stelor's ongoing efforts to perform. A true and correct copy of that letter is attached as Exhibit J hereto.
- 26. Nevertheless, we continued to attempt to comply with the Agreements, providing extensive information by letter dated June 24, 2005 regarding the numerous administrative actions Stelor has pursued with respect to the Googles intellectual property, and addressing each of the purported issues under the Agreements. We specifically requested that Silvers' counsel advise us what alleged breaches "you contend remain uncured", emphasizing that "Stelor is unaware of and disputes that any breaches exist[], but Stelor will continue to make every reasonable effort to ensure that all obligations under the Agreements are discharged." A true and correct copy of this June 24th letter is attached hereto as Exhibit K.

- 27. The terse response from Silvers' counsel was that "[u]nless a jury finds otherwise, the License Agreement is terminated." This June 27, 2005 letter is attached hereto as Exhibit L.
- 28. With respect to her suggestion that she would hold the royalty checks in her office, we advised her that the checks belonged to her client, and should be forwarded to him immediately. Our counsel's June 30, 2005 letter is attached hereto as Exhibit M.
- 29. Stelor has made every effort to continue to comply with the Agreements. All of our efforts, however, have been rejected by Silvers, notwithstanding his wrongful termination of the Agreements.

THE CRITICAL IMPORTANCE TO STELOR OF THE WWW.GOOGLES.COM INTERENT ADDRESS

- 30. I also want to emphasize again the critical importance to Stelor of the www.googles.com internet address.
- 31. Stelor has the exclusive right to control, use and protect the valuable Googles intellectual property. The googles.com domain name (and the corresponding www.googles.com internet address) is a critical component of that property, and the foundation of the business Stelor has spent three years and \$4 million developing.
- 32. The general business plan of Stelor is to "launch" the new content and technology it has developed for its website, and thereby expand the base of users for the website and attract licensees and additional investors for the business. The launch successfully commenced at the trade show in New York held by the Licensing Industry Merchandisers' Association (LIMA) during the week of June 21, 2005. Stelor is now using the momentum from that show to continue to implement this plan during the weeks and months to come. Interest from potential licensees and promoters is at an unprecedented height, as are the prospects for the ongoing

development of Stelor's business. Any interruption in access to the <u>www.googles.com</u> internet address now, after the successful trade show, will be even more disastrous to Stelor's business.

- 33. Stelor plans formally to "unveil" the new developments to its website this Fall. In addition to Stelor's proprietary technology that will make the site "kids safe", Stelor has also developed 160 additional characters and related story-lines. Stelor has chosen the Fall because we expect our license relationships will be established and the website will then have the maximum impact.
- 34. The website is essential to our business because all of our Googles programming content is created to be interactive. Children will be directed from the cartoons, live shows, web casts, publications, and any other medium to go to our website at the www.googles.com internet address. They are asked, for example, to go to the "Frolic Forest" on www.googles.com, so they can find lost or imaginary animals, solve group puzzles or be recognized as GooKids for prizes. This form of interaction, from the Googles character to www.googles.com is a pillar in our product concept.
- 35. In addition to the general importance of the website to us, though, it is critical that our website be located at the www.googles.com internet address. Our business simply could not survive if we lost access to that address, and were forced to display the content on our website through a different domain name or internet address. The reason is that the www.googles.com address has a proven ability to attract users to the address, and has already enabled Stelor to build a registered user base of more than 600,000 in number. Each day, moreover, the site attracts tens and frequently hundreds of thousands of additional users.
- 36. The recent history of usage on the site is instructive. On May 1, 2005 before Silvers re-directed the domain name the site had 108,053 hits! By June 1, 2005, the number of

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hits had dropped to 8. Once Stelor's access to the address was restored following entry of this Court's Order on June 9, 2005, the number of hits began to increase. On June 10, 2005, when the site was actually restored, the number of hits reached 20,774. As of June 22, 2005, during the trade show, the number of hits surged to 135,173. A true and correct copy of the Googles Usage Statistics report is attached as Exhibit N hereto.

- Any prolonged disruption of Stelor's access to the www.googles.com address, moreover, would likely result in the loss of Stelor's existing users. Stelor simply has no way to migrate those users to a different internet address, and hope to keep them as users. A user who has been repeatedly accessing our address, will obviously be frustrated when the website at that address goes dark or changes, and the user has to search to try and find the site at a new address. The risk that users will simply give up, and never try again, is severe, especially if access to our site continues to be disrupted.
- 38. The existing registered user base and continued traffic on the www.googles.com address are critical points in all of our discussions with potential licensees, investors and in our general promotion of the business. This performance history related specifically to the www.googles.com address has proved to be a key factor in attracting investment capital and potential licensees. Without the user base and ongoing traffic associated with the www.googles.com address, our business is simply not commercially viable. Indeed, as a result of Mr. Silvers' actions in redirecting the domain name and shutting down our website, Stelor lost an investor who had previously committed to invest. Stelor was advised that the investor would "look at us again when we got control of our site." Without access to www.googles.com Stelor's entire business is at risk.

- 39. For these reasons, Stelor has always emphasized the "googles.com" domain name in its marketing efforts. Consistent with that approach, Stelor's displays and promotional materials at the recent trade show firmly demonstrate the critical importance of the www.googles.com name. Thus, the featured piece of Stelor's entire booth referenced www.googles.com in bold letters and colors, as the photographs attached as Exhibit O show. The promotional material for the show similarly featured the www.googles.com domain name. Samples are attached as Composite Exhibit P hereto. To the extent Silvers claims that we did not feature the googles.com name at our show, he is simply wrong.
- 40. I have reviewed the Declaration of Mr. Tewksbury, and to the extent he suggests Stelor could simply use a different internet address to display our website, he entirely fails to understand the devastating effect that would have on our business as set forth above.
- 41. In his declaration, Mr. Tewksbury also repeatedly speaks of a website called Gootopia. There is no such entity as a "Gootopia Website". The site www.googles.com is the only website in existence. 'Gootopia' is the name we use for a software application. It is the program that allows user access to many activities via www.googles.com. The program also transports children to over 300 hundred unrelated children's Internet sites. If Silvers' suggestion is that Stelor could provide access to its website through a different internet address, for example gootopia.com, the above paragraphs of my declaration clearly explain why as a practical matter that change would be devastating to the business of Stelor.

I declare under penalties of perjury that the foregoing je true and correct. Dated this day of June, 2005.

CERTIFICATION

Pursuant to the January 28, 2004 Settlement Agreement between and among Stelor Productions, Inc. ("Stelor") and Steven Silvers, Stelor hereby certifies as follows:

- Stelor has not increased the amount of the stock options created 1. under the original stock option plan.
- No royalty payments from Stelor to Mr. Silvers are owed or 2. outstanding as of December 31, 2004.
- Stelor does not presently offer any products for sale except the 3. music available on itunes.

I declare under penalty of perjury that the foregoing statements are true and correct.

Exhibit

AWAL Statement Date February 25, 2005



THIS STATEME		LABEL	AWAL Bleilor Productions	AWALKielfor Productions	Stelor Productions		٠.											-	•		STEROF THEORIGINATION	AND A CARLES SEAL BOOK MANUAL COMPANION COMPAN	AWAL Stellar Productions		Selar Productions				Stalct	AWAL/Stellor Productions	
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	AWAL SHARE	\$16.27	\$0.16···	\$0.16	\$1,63	\$0.16.	\$0.16	\$0.18	\$0.18	50.16	50.18	50.21 50.21	\$0.21	\$0.21	\$0.21	\$0.33	\$0.16	\$0.16	\$0.16	\$0.16	 \$1.83.	8033	50.16.	\$0.16 ·	\$1.0\$	\$5.23	\$0.44 \$0.18 ·	50.18	\$1.03	\$0.16	
	DOWNLOAD TOTAL	\$65.10 BATE	\$0.65 · 25 ·	\$0.65 - 25	\$6.50 . 25	\$0.65 25	50.65 25	\$0.65.25 ·	\$0.65 25	\$0.65 25	\$0.85 . 25	\$0.84 25	\$0.84 25	\$0.84 25	\$0.85 : 25	\$1.30 . 25	\$0.65 25	\$0.65 25	\$0.65 : 25	\$0.65. 25	\$6.50 25	\$1.30 . 25	50.65 25	07 990%	. 62. 690\$	5 James 3	ST GOOD	\$0.85 25	\$6.50 25	\$0.66. 25	
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AWAL Statement Date February 25, 2005

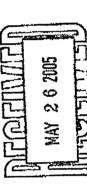
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Note that where amounts are shown in the **PUBLIGHERS SHARE** column then It is the responsibility of the Contract Holder to pay the relavent amounts to the Publisher / Sonawiter.

AWAL Statement Date ese ese May 18, 2005 -5005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -7005 -



TOTAL DUE	\$21.40 LABEL	\$0.66 AWAL/Shellor Productions	\$0.66 AWAL/Stallor Productions	\$0.66 AWAL/Stellor Productions	\$0.67 AWAL/Stellor Productions	\$6.68 Stefor Productions	\$0.49 AWAL/Stellor Productions	80.49 AWAL/Shellor Productions	\$0.49 AWAL/Stellor Productions	\$0,49 AWAL/Steffor Productions	\$0.49 AWAL/Steffor Productions	\$0.49 AWAL/Steffor Productions	\$0.49 AWAL/Shelfar Phoductions	\$0.49 AWAL/Stelfor Productions	\$0.49 AWAL/Steffor Productions	\$1.46 AWAL/Stellor Productions	\$0.49 AWAL/Stellor Productions	\$0.40 AWAL	\$0.48 AWAL	\$0.49 AWAL/Shellor Productions	\$0.48 AWAL/Shellor Productions	\$0.98 AWAL/Stellor Productions	\$0.98 AWAL/Stellor Productions	\$0.48 AWAL/Stellor Productions	\$0.49 AWAL/Stellor Productions	\$0.49 AWAL/Stellor Productions	\$0.49 AWAL
AWAL SHARE	\$7.13	\$0.22	\$0.22	\$0.22	\$0.22	\$2.19	\$0.16	\$0.18	\$0.16	\$0.16	\$0.18	\$0.18	\$0.16	\$0.16	\$0.16	\$0.48	\$0.16	\$0.16	\$0.18	\$0.16	\$0.18	\$0.33	\$0.33	\$0.16	\$0.16	\$0.16	\$0.16
4	AWAL	25	25	25	25	25	25	22	52	25	52	52	52	쫎	25	25	25	25	52	52	55	25	52	52	25	25	52
DOWNLOAD TOTAL	\$28.54	\$0.89	\$0.89	\$0.89	\$0.83	\$8.74	\$0.65	\$0.65	\$0.65	\$0.05	\$0.05	\$0.65	\$0.85	\$0.65	\$0.65	\$1.85	\$0.85	\$0.85	\$0.85	\$0.55	\$0.85	\$1,30	\$1.30	\$0.08	\$0.66	\$0.65	\$0.45
ă	8	0.88	0.69	0.69	0.89	8.74	0.05	0.65	0.65	9.65	0.85	0.65	99.0	0.05	0.65	0.65	0.65	0.05	0.65	0.65	0.85	0.65	0.65	0.65	0.85	0.05	0.85
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	Title	Responsibility	Traes	GaaFriends	Goothorning	One Gooworld	GooMight	11/29/2005 Responsibility	1729/2005 It's Gotta Be a Goo Thing	01/29/2005 Recycle Don't Litter	Ттеев	. Соовор	GooMorning	02/26/2005 Responsibility	02/26/2006 No Gotta Be a Goo Thing	Особор	02/28/2005 We're the Googles	ozizazios Tlene Que Ser una Cosa de Goo	OZIZE/ZOUŠ EI Gooßop	Trees	GooBop	GooFriends	Zoomin'	GooBye	GooMorning	We're the Googles	ЕІ Сеовор
	Date	1129/2005	1729/2005	1/29/2005	1/29/2005	1729/2005	101/29/2005	3002/82/10:	01/29/2005	01/29/2005	:01/28/2005 Trees	01/28/2005 GooBop	01/29/2005	02/26/2005	02/26/2005	02/26/2008	02/28/2005	5002/82/20	02/26/2005	OSERVOOS Trees	OSIZBIZODE GOOBOP	08/28/2005	09/28/2005	5002/82/60	03/26/2005	03/26/2005	03/28/2005



CLIENT.

ARTIST: The Googles from Goo

Exhibit



Paul Worsham 205 Highland Avenue -Rockville, MD. 20850

10/3/02

Dear Paul.

I recently had a conversation with the Stelor Board of Directors regarding your continued participation in the Google's project. They were very upset to learn that in spite of you being explicitly told not to continue on with the Cafe Press Idea that you have set up pages at your online store / account with products bearing the Googles logo which you claimed you had gotten from Steven Silvers but also the plain word googles on everything from clocks to coffee mugs.(Remember our conversation after your email on August 14th that we had highly accomplished artist providing us with all artwork?-I also did not like your idea for a mug with GOOGLES on it but once again you have ignored my direction) I am sure you are tired of hearing me constantly admonish you for initiating work on this project at Steven Silvers request but I want to remind you yet again that Steven is NOT in control of Stelor Productions and his plans for marketing the Googles from Goo are not necessarily commensurate with Stelor's long range goals to commercialize this project which Stelor has the sole right as exclusive licensee to do. I realize you and Steven are close friends but this situation has become completely untenable with you doing the bidding for the Licensor and ignoring the request of the Licensee (us!)

You still have never provided me with any report on the financial projections on the Café Press idea as well as your Googles Club idea and I have been getting increased complaints from Spinning Doors about your attitude with them as well.

The email you copied me on showing a large fraudulent order at Café Press is the last straw. I have expressed my concern to you on numerous occasions that as a start up company we have to be extra vigilant about everything we do as a company and we are focused on building the proper foundation as well as strictly adhering to our License agreement with Silvers. We cannot as a new Company continue to endure Steven Silvers ongoing interference in our business activities including you taking direction from him and ignoring the wishes and direction of the President and Board of Directors of Stelor.

I had hoped you would see the bigger picture and we could work out our relationship but I believe your devotion to Silvers as a friend and the decision you have apparently made to work for him will preclude us from continuing our relationship.

14701 Mockingbird Drive • Damestown, Maryland • 20874 301-963-3636 • 301-990-3636 fax

I am grateful for the time and effort you have extended and feel sad that we will be unable to continue working together. Illa was looking forward to getting to know your daughter as a new friend.

I realize you are still angry at the Boards rejection of your IT plan. As we had discussed, the GooglesClub kit was one of many concepts the Board felt was not well thought out and unreasonable.

I appreciate you sharing with me how rich we would all be if "Steve Silvers gets what he wants" but as I have shared with you we believe this property will be bigger than Disney (G-D Willing!)

Would you kindly send me confirmation of the above? Even though I believe that the Cafepress account is still in your name I would like to have something that shows my Board that you have removed any product with our name on it.

Again Paul, thank you for everything. I am sorry that our relationship did not work out.

Very Truly Yours,

Steven A. Esrig

CEO/President

Subject: New Googles Homepage Designs

Date: Thursday, September 12, 2002 11:02 PM

From: Paul Worsham <paul@ujazz.com>
To: hank mitchell <hank@silvercrayon.com>

Cc: Steven Esrig <sesrig@stelorproductions.com>

Bank,

Here are some designs proposed for Googles.com. Also, based on the meeting that I had with Steve Bsrig (Stelor Productions CEO) tonight, he'd like to get together and meet you. Weekends are okay. We're looking at more work than just the one game I spoke to you about earlier, since the site needs more games in order to launch the games section on the best foot.

The 3 designs are:

http://s-d.biz/googles/googles/googlesclient/home1.htm

http://s-d.biz/googles/goog2.0a1/design/googlesclient/home2.htm

http://s-d.biz/googles/googles/googlesclient/home3.htm

I put up a CafePress shop for Googles, and we may also need your help, as you have some experience with that. We want the designs to print well, and I know you are good with the design issues, regarding colors in particular. The link for the store is:

http://www.cafeshops.com/googles

Paul

Subject: RE: Googles report

Date: Monday, September 30, 2002 11:13 PM

From: Paul Worsham <paul@ujazz.com>

To: <arun@s-d.biz>, Steve Esrig <sesrig@stelorproductions.com>

Cc: Salil Kumar <salil@s-d.biz>

Hello Arnn,

Thank you for the report. I have some small questions about the timing of the stats (when are they run) and if there are partial days reported.

also, there have been over 2 dozen items ordered from the CafePress "Googles" store... however, all but 1 item is marked with a status of "fraud suspect". Someone with the name OLSEGUN OLBODE" ordered over a dozen shirts and a half dozen caps — all suspect. This information is food for the requirements for the shopping/fulfilment process for later. The good news is that they (CafePress) handle the liability in this case, but if you have anyone with comments on how to spot fraud in an internet order-processing environment, please pass them on.

Regards,

Paul

---Original Message--From: Arun Soni [mailto:arun@s-d.biz]
Sent: Monday, September 30, 2002 11:54 AM
To: Steve Esrig; Paul Worsham
Co: Salil Kumar
Subject: Googles report

Dear Steve,

Please find attached this week's urchin report. I have checked the print preview and all the graphs look to be in entirety. Please have a look and see if its printing out ok for you. If not, it may be some print settings. The reason some pages have only one graph on them is because we have broken the report by sections, and some sections have only one graph.

Thanks

Arun

Freedom Studio

B.J. Worsham 7731 Tuckerman Lane, Suite 200 Potomae, MD 20854

phone: 1.877,599,4485 fax: 1,801,659,3743

www.freedomstudio.com bj@freedomstudio.com Case 9:05-cv-80387-KLR Document 199-7 Entered on FLSD Docket 11/29/2006 Page 28 of 32

UserID: 00976 Pass: 0qvmjHKy

Exhibit

Entered on FLSD Docket 11/29/2006 Page 30 of 32 Document 199-7 Case 9:05-cy-80387-KLR welcome Order by Phone Marketiniane. books politics creaté 1-877-809-1659 & buy Service Hours Account Info My CafePress > Sales Reports > Transaction Report Account Login Transaction Report Subscriptions Payment & Shipping Order History **View Reports** Referral Program Transaction Report Glossary Of Terms Order Report

Save \$, Buy Bulk Need merch for an event? Order 15+ of any one product

and get big discounts. More...

Sell Online
Create & Manage

Promote Your Shop

Earnings & Sales

Payee Information

Completed Transactions 1/1/1999 ~ 12/31/2100

Product Report

Transaction Date Release Date Transaction Description
12/13/2002 1/12/2003 Commission Earned (googles.3287120)

➤ Run New Report ➤ See Totals

Check # **\$0.00**none \$2.00

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\$2.00

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Document 199-7 Entered on FLSD Docket 11/29/2006 Case 9:05-cv-80387-KLR

books

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My CafePress > Sales Reports > Order Report

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& Des

Order by Phone > open # shop 1-877-809-1659 Service Hours

Account Info

Account Login

Subscriptions

Payment & Shipping

Order History

Referral Program

Order Report

View Reports

Transaction Report

Order Report

Product Report

Glossary Of Terms

Sell Online

Create & Manage

Promote Your Shop

Earnings & Sales

Payee Information

Save \$, Buy Bulk Need merch for an event? Order 15+ of any one product and get big discounts. More... Jump to: Pending | Cancelled/Declined

Completed Orders

1/1/1999 - 12/31/2100

Completed Ordered Shop Order No Customer Location Product - Qty Base Price Markup Commission 12/13/2002 12/12/2002 googles 2569525 Margaret NY, US 3287120: 1 10.99 2.00 2.00

Маџго Googles (word) Mug

Orders:

Totals: 1 \$10.99

\$2.00

* Run New Report

> See Totals

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* Run New Report

⇒ See Totals

Pending 1/1/1999			•			
Ordered	Shop	Order No	Customer Location	Product	Status	Qty

			0.00. (10	CESCOTTE	rocanon	4100051	Status	Qty	Base Price	Markup	Total
	3/31/2005	googles	14642278	Steven Esrig	MD, US	3286984: Googles GooShip Snap Bib	пем	2	5.99	1.00	2.00
•	3/31/2005	googles	14542278	Steven Esrig	MD, US	3286992: Googles Infant/Toddler T-Shirt	new	2	7.99	2.00	4.00
	3/31/2005	googles	14642278	Steven Esrig	MD, US	3287103: Googles (word) Black Cap	new	2	13.99	2.00	4.00
	3/31/2005	googles	14642278	Steven Esrig	MD, US	3287044: Googles (word) Wall Clock	n⊕₩	2	10.99	1.00	2.00
	3/31/2005	googles	14642278	Steven Esrig	MD, US	3211866: . Googles (TM) T-Shirt - White	new	2	13.99	2.00	4.00
	3/31/2005	googles	14642278	Steven Esrig	MD, US	3287036: Googles (word) White T-Shirt	ńèw	2	13.99	2.00	4.00
	3/31/2005	googles	14642278	Stèven Esrig	MD, US	3287050: Googles (word) Golf Shirt	new	2	16.99	3.00	6.00
	3/31/2005	googles	14642278	Steven Esrig	MD, US	3211973: Googles Baseball Jersey	new .	2	16.99	1.00	2.00
	3/31/2005	googles	14542278	Steven Esrig	MD, US	3287186: Googles (word) Baseball Jerscy	new .	2	16.99	2.00	4.00
	3/31/2005	googles	14642278	Steven	MD, UŞ	3211896;	new	2	20,99	4.00	8.00

Case 9:05-cv-80387-KLR	Docu	ment	199-7	Enter	ed on F	LSD9Docket	11/29/2	200	6 Pag	e 32 c	of 32
	3/31/20	googles	14642278	Steven Esrig	MD, US	3211909: Googles (TM) Mug	Dew	2	10.99	3.00	6.00
· ·	3/31/2005	googles	14542278	Steven Esrig	MD, US	3287120; Googles (word) Mug	new	2	10.99	2.00	4.00
• .	3/31/2005	googles	14642278	Steven Esrig	MD, UŞ	3211951: Mousepad	new	2	10.99	0.00	0.00
	3/31/2005	googles	14542278	Steven Esrig	MD, US	3287066: Googles (word) Mousepad	n e ₩	2	10.99	2.00	4.00
	11/14/2002			google	ma, US	3211909: Googles (TM) Mug	walting for PayPal	1	10. 99	3.00	3.00
• • • • • • • • • • • • • • • • • • •	11/14/2002	googles	2294481	google	ma, US	3287181; Googles (word)Stainless Steel Travel Mug	walting for PayPal	1	14.99	2.00	2.00
	9/22/2002	googles	1940386	OLSEGUN OLBODE	, W <u>es</u> tern, Gm	3287050: Googles (word) Golf Shirt	pending verification	8	16.99	3.00	24.00
	9/22/2002	googles		OLSEGUN OLBODE	Western, GM	, 3211866: Googles (TM) T-Shirt - White	pending verification	8	13.99	2.00	16.00
•	9/22/2002	googles		OLSEGUN OLBODE	WESTERN, GM	3287126:	pending verification	6	12.99	2.00	12.00
•	9/19/2002	googles	1926960	olawale	lagos, NG		pending verification	5	20.99	4.00	20.00
\$	9/19/2002	googles	1926960	olawale	lagos, NG	3211866:	pending verification	2	13.99	2.00	4.00
		joogles :	1911574	Suprest	Punjab, IN	3211973:	waiting for check	1	16.99	0.00	0.00
<u>)</u>	•	Orders:	5				Totals:	60	\$867. 4 0	\$:	135.00

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Cancelle 1/1/1999	d/Deci - 12/31	ined Ord 1/2100	iers					≯ Ri	ın New > See	Report Totals
Ordered	Shop	Order No	Customer	Location	Product .	Status	Qty	Base Price	Markup	Total
12/26/2002	- -	27 12318	Vandyck Dartey	NC, US	3211896: Googles (TM) Sweatshirt	declined	2	20.99	4.00	8.00
12/26/2002	googles	2712318	Vandyck Dartey	NC, US	3287036: Googles (word) White T- Shirt	declined	2	13.99	2.00	4.00
12/26/2002	googles	2712318	Vandyck Dartey	NC, US	3493751: Googles Lunchbox	declined	1	13.99	5.00	5.00
12/26/2002	googles	2712318	Vandyck Dartey	NC, US	3286992: Googles Infant/Toddler T- Shirt	dedined	2	7.99	2.00	4.00
11/21/2002	googles	2343901 .	rashid Iuckman	PA, US	3287126: Googles (word) Baseball Cap	declined	5	12.99	. 2.00	10.00
11/21/2002	googles	2343677	rashid luckman	PA, US	3287044; Googles (word) Wall Clock	declined	5	10.99	1.00	5.00
	Orders:	3			•	Totals:	17	\$219.83	\$	36.00

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Items that do not qualify for volume bonuses are indicated in a lighter grey. To see which products do and do not qualify, see the Product Pricing page.