

EXHIBIT A

to

DECLARATION OF MARC GUILFORD

DEPOSITION OF PETER PATERNO

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

F.B.T. PRODUCTIONS, LLC;)
AND EM2M, LLC,)
PLAINTIFFS,)

VS.) CASE NO. CV 07-3314 PSG (MANX)

AFTERMATH RECORDS DOING)
BUSINESS AS AFTERMATH)
ENTERTAINMENT; INTERSCOPE)
RECORDS; UMG RECORDINGS,)
INC.; AND ARY, INC.,)
DEFENDANTS.)

_____)

DEPOSITION OF PETER PATERNO, TAKEN
ON BEHALF OF THE DEFENDANTS, AT
10250 CONSTELLATION BOULEVARD,
19TH FLOOR, CALIFORNIA, COMMENCING
AT 2:15 P.M., WEDNESDAY, APRIL
30, 2008, BEFORE ALEJANDRIA BAKER,
CSR NUMBER 11897.

DEPOSITION OF PETER PATERNO

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14:41:33 1 BY MR. BUSCH:

14:41:34 2 Q. ARY IS OWNED AND OPERATED SOLELY BY
14:41:38 3 DR. DRE; IS THAT RIGHT?

14:41:39 4 A. YES.

14:41:40 5 Q. OKAY. AND ITS PRINCIPAL PLACE OF
14:41:44 6 BUSINESS IS IN CALIFORNIA?

14:41:46 7 A. YES.

14:41:47 8 Q. AND DR. DRE LIVES IN CALIFORNIA AND RUNS
14:41:49 9 ARY EXCLUSIVELY FROM CALIFORNIA?

14:41:52 10 A. YES.

14:41:59 11 Q. IN CONNECTION WITH THE AGREEMENTS WITH
14:42:02 12 EMINEM AND F.B.T., THE FIRST ONE BEING IN 1998, WERE YOU
14:42:06 13 INVOLVED IN NEGOTIATION OF THE DRAFTS OF THOSE
14:42:08 14 AGREEMENTS?

14:42:12 15 A. OF THE DRAFTS?

14:42:13 16 Q. DRAFTS THAT ULTIMATELY BECAME THE FINAL
14:42:22 17 AGREEMENT.

14:42:22 18 A. I DON'T REMEMBER.

14:42:23 19 Q. WHO WAS PART OF THE TEAM THAT NEGOTIATED
14:42:24 20 THOSE AGREEMENTS IN 1998?

14:42:25 21 A. I ALSO DON'T REMEMBER THAT EITHER.

14:42:26 22 Q. WHAT WOULD MAKE MOST SENSE TO YOU,
14:42:26 23 SITTING HERE TODAY, OTHER THAN YOURSELF?

14:42:29 24 A. IT WOULD HAVE BEEN WHOEVER -- WE HAD
14:42:31 25 SORT OF A ROTATING SECOND CHAIR BACK THEN. WHO WAS EVER

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14:42:34 1 SITTING IN THE CHAIR AT THE TIME THAT AGREEMENT CAME IN
14:42:37 2 TO THE OFFICE.

14:42:38 3 Q. BUT WOULD YOU HAVE BEEN THE LEAD GUY?

14:42:40 4 A. YES.

14:42:45 5 Q. THINKING BACK TO THAT TIME, WHO WOULD BE
14:42:48 6 THE POSSIBLE SECOND CHAIRS?

14:42:52 7 A. IT COULD HAVE BEEN GREG THOMPSON. IT
14:42:55 8 COULD HAVE BEEN MARNI NIEVES, IT COULD HAVE BEEN
14:42:58 9 KIM DAVIS. IT'S MOSTLY MARNI. I THINK THAT WAS HER
14:43:03 10 PERIOD, BUT I CAN'T TELL YOU FOR SURE.

14:43:05 11 Q. OKAY. AND ON THE INTERSCOPE SIDE OF THE
14:43:10 12 EQUATION, WERE THERE COMMUNICATIONS WITH INTERSCOPE
14:43:14 13 ABOUT SUGGESTIONS MADE BY THE EMINEM TEAM CONCERNING
14:43:19 14 THOSE AGREEMENTS?

14:43:21 15 A. I DON'T REMEMBER.

14:43:22 16 Q. IN THE USUAL COURSE OF NEGOTIATING THESE
14:43:25 17 AGREEMENTS, WOULD THERE BE CONVERSATIONS BETWEEN YOU AND
14:43:27 18 THE INTERSCOPE PEOPLE ABOUT REQUESTS AND CHANGES OF
14:43:30 19 LANGUAGE AND THINGS OF THAT NATURE?

14:43:32 20 A. PROBABLY NOT SO MUCH IN THOSE DAYS. I
14:43:34 21 DON'T KNOW IF RAND WAS THERE OR NOT. IT BECAME MORE --
14:43:37 22 MORE OF THAT AS RAND -- WHEN RAND CAME IN AND TOOK OVER
14:43:41 23 BUSINESS AFFAIRS.

14:43:43 24 I'M PRETTY SURE ON THIS AGREEMENT.
14:43:44 25 BECAUSE IT WAS DONE SO QUICKLY, WE KIND OF JUST RAN WITH

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15:37:50 1 MOVE TO STRIKE THAT.

15:37:51 2 BY MR. BUSCH:

15:37:51 3 Q. OKAY. DO YOU HAVE A VIEW AS TO THE
15:37:53 4 MERITS OF THAT PARTICULAR CASE?

15:37:56 5 A. MY VIEW IS THAT THE CONTROLLED
15:37:57 6 COMPOSITION CLAUSE DOES COVER THE DOWNLOADS.

15:38:01 7 Q. YOU'RE SAYING THAT THE CONTROLLED --
15:38:03 8 YOU'RE SAYING THE LANGUAGE IN THE CONTROLLED COMPOSITION
15:38:12 9 CLAUSE IS A SELF-EFFECTUATING LICENSE?

15:38:13 10 A. I'M NOT SAYING THAT. I'M SAYING THAT --
15:38:14 11 THAT -- THAT IT COVERS A DOWNLOAD.

15:38:16 12 Q. THAT'S NOT MY QUESTION.

15:38:17 13 MY QUESTION IS: IS THE CONTROLLED
15:38:19 14 COMPOSITION CLAUSE IN THE 1998 OR 2003 AFTERMATH
15:38:24 15 AGREEMENTS, ARE THEY -- DO THEY CONTAIN
15:38:30 16 SELF-EFFECTUATING CONTROLLED COMPOSITION CLAUSES?

15:38:33 17 MR. POMERANTZ: OBJECTION. VAGUE AND
15:38:34 18 AMBIGUOUS AS TO WHAT YOU MEAN BY "SELF-EFFECTUATING."

15:38:37 19 THE DEONENT: YEAH, I'M KIND OF THERE,
15:38:38 20 TOO. WHAT --

15:38:38 21 BY MR. BUSCH:

15:38:39 22 Q. BY ITS TERMS, IS THE LICENSE
15:38:42 23 SELF-EFFECTUATING BY VIRTUE OF THE LANGUAGE IN THE
15:38:46 24 AGREEMENTS THEMSELVES, OR ARE SEPARATE LICENSES SUPPOSED
15:38:48 25 TO BE NEGOTIATED AND EXECUTED?

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15:38:53 1 MR. POMERANTZ: OBJECTION --

15:38:53 2 (SPEAKING SIMULTANEOUSLY.)

15:38:53 3 BY MR. BUSCH:

15:38:53 4 Q. GO AHEAD.

15:38:54 5 A. I DON'T THINK YOU NEED THE SEPARATE
15:38:56 6 LICENSE.

15:38:57 7 Q. OKAY. AND WHAT IS YOUR BASIS OF SAYING
15:39:06 8 THAT?

15:39:06 9 A. OH, I'M JUST SAYING IN GENERAL. I DON'T
15:39:09 10 HAVE THE CONTRACT IN FRONT OF ME. IF YOU WANT TO SHOW
15:39:11 11 IT TO ME, I'LL SEE WHAT IT SAYS.

15:39:12 12 Q. OKAY. SO THAT'S BASED ON YOUR
15:39:14 13 RECOLLECTION OF THE LANGUAGE IN THE AGREEMENT?

15:39:15 14 A. IT'S BASED ON GENERALLY HOW AGREEMENTS
15:39:21 15 IN THE MUSIC INDUSTRY WORK. AND I DON'T --

15:39:23 16 Q. BUT DON'T THE LANGUAGE OF THE
15:39:24 17 AGREEMENT -- I'M SORRY.

15:39:25 18 MR. POMERANTZ: YOU INTERRUPTED HIM.

15:39:26 19 THE DEONENT: NO, NO, NO. THAT'S FINE.

15:39:27 20 BY MR. BUSCH:

15:39:27 21 Q. BUT DON'T THE LANGUAGE OF THOSE
15:39:29 22 AGREEMENTS CONTROL? ISN'T LANGUAGE IMPORTANT?

15:39:31 23 MR. POMERANTZ: OBJECTION TO THE --
15:39:31 24 WELL, IT'S COMPOUND NOW. IT'S ALSO VAGUE.

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15:47:15 1 YOU CONSULTED ABOUT ANY AFFIRMATIVE DEFENSES OR ANY OF
15:47:18 2 THE SPECIFIC ANSWERS TO THE COMPLAINT?

15:47:20 3 A. NO.

15:47:21 4 Q. OKAY.

15:47:40 5 MR. BUSCH: OKAY. HERE'S THE MARCH 9,
15:47:42 6 '98, AGREEMENT. EXHIBIT NUMBER 6?

15:47:43 7 DEPOSITION OFFICER: FIVE.

15:47:44 8 (WHEREUPON, PLAINTIFFS' EXHIBIT NUMBER
15:47:44 9 5 WAS MARKED FOR IDENTIFICATION BY THE
15:47:44 10 DEPOSITION OFFICER AND IS BOUND UNDER
15:47:44 11 SEPARATE COVER.)

15:47:45 12 BY MR. BUSCH:

15:47:45 13 Q. WOULD YOU PLEASE IDENTIFY EXHIBIT NUMBER
15:47:46 14 5.

15:47:49 15 A. WILL I IDENTIFY IT?

15:47:50 16 Q. IS THAT, IN FACT, THE FINAL MARCH 9,
15:47:55 17 '98, AGREEMENT BETWEEN AFTERMATH ENTERTAINMENT AND
15:48:00 18 F.B.T. PRODUCTIONS?

15:48:03 19 A. YEAH. I GUESS. I MEAN, THERE'S NO
15:48:07 20 HEADING OR ANYTHING.

15:48:08 21 Q. DO YOU SEE THAT IT'S SIGNED?

15:48:10 22 A. YES, I SEE IT'S SIGNED.

15:48:11 23 Q. OKAY. WHAT IS THE NATURE OF THIS
15:48:19 24 AGREEMENT? WHAT WERE THE PARTIES ENTERING INTO? JUST
15:48:22 25 IN GENERAL.

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15:48:22 1 MR. POMERANTZ: OBJECTION. VAGUE.

15:48:24 2 THE DEPONENT: IT'S A RECORDING

15:48:25 3 AGREEMENT.

15:48:26 4 BY MR. BUSCH:

15:48:27 5 Q. OKAY. IN IT, F.B.T. AGREED TO FURNISH
15:48:37 6 TO AFTERMATH THE EXCLUSIVE RECORDING SERVICES OF EMINEM;
15:48:39 7 IS THAT RIGHT?

15:48:39 8 A. THAT'S WHAT IT SAYS, YES.

15:48:40 9 Q. OKAY. AND YOU REPRESENTED AFTERMATH IN
15:48:40 10 THE NEGOTIATION AND PREPARATION OF THIS DOCUMENT?

15:48:42 11 A. IN THE NEGOTIATION. I DON'T THINK I HAD
15:48:44 12 MUCH TO DO WITH THE PREPARATION.

15:48:46 13 Q. WHAT DO YOU MEAN BY THAT?

15:48:48 14 A. I DON'T THINK I WROTE THIS.

15:48:49 15 Q. WHO WROTE IT? DID SOMEONE WRITE IT AT
15:48:52 16 YOUR DIRECTION?

15:48:52 17 A. YES. IT WOULD BE -- LET'S CALL IT MARNI
15:48:57 18 NIEVES.

15:48:59 19 Q. THE SECOND CHAIR?

15:49:00 20 A. YES.

15:49:00 21 Q. BUT YOU, AS THE FIRST CHAIR, AS THE HEAD
15:49:02 22 OF THE TEAM, YOU WOULD HAVE REVIEWED IT TO MAKE SURE
15:49:05 23 THAT IT WAS CONSISTENT WITH WHAT YOU UNDERSTOOD THE DEAL
15:49:07 24 TO BE; RIGHT?

15:49:08 25 A. I MIGHT HAVE.

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16:22:57 1 MR. POMERANTZ: IF THERE'S PARTICULAR
16:22:58 2 LANGUAGE YOU WANT TO FOCUS HIM ON, IT'S PROBABLY A
16:23:00 3 LITTLE MORE EFFICIENT FOR YOU TO JUST FOCUS HIM ON --

16:23:02 4 (SPEAKING SIMULTANEOUSLY.)

16:23:03 5 THE DEPONENT: THERE -- THERE ARE MINOR
16:23:05 6 DIFFERENCES BETWEEN THEM.

16:23:06 7 BY MR. BUSCH:

16:23:06 8 Q. YOU THINK THERE ARE ONLY MINOR
16:23:08 9 DIFFERENCES BETWEEN THEM?

16:23:17 10 A. YEAH.

16:23:17 11 Q. OKAY. DO YOU SEE THAT IN THE F.B.T.
16:23:20 12 AGREEMENT, IT SAYS:

16:23:21 13 "ALL CONTROLLED LICENSE
16:23:23 14 COMPOSITIONS WILL BE LICENSED TO
16:23:27 15 AFTERMATH AND ITS
16:23:29 16 DISTRIBUTORS/LICENSEES."

16:23:31 17 WHEREAS, IN THE AGREEMENT THAT WE JUST
16:23:33 18 WENT OVER, IT SAYS, "ARE HEREBY LICENSED."

16:23:38 19 A. IT DOESN'T SAY "ARE HEREBY." IT SAYS,
16:23:40 20 "YOU HEREBY," BUT THAT'S OKAY.

16:23:42 21 Q. YES.

16:23:43 22 A. OKAY.

16:23:43 23 Q. IS THAT A DIFFERENCE TO YOU?

16:23:45 24 A. NOT REALLY.

16:23:46 25 Q. IT'S NOT?

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16:23:46 1 A. NO.

16:23:47 2 Q. IT'S -- DO YOU KNOW WHY THERE'S A
16:23:52 3 DIFFERENCE IN THE LANGUAGE?

16:23:54 4 A. PROBABLY BECAUSE WHOEVER DRAFTED IT
16:23:57 5 PULLED ONE FORM THAT HAD THIS LANGUAGE AND THEY PULLED
16:24:00 6 THE OTHER ONE THAT HAD THE OTHER LANGUAGE.

16:24:02 7 BELIEVE ME, THERE WAS NO INTENT TO HAVE
16:24:04 8 THEM HAVE A DIFFERENT EFFECT.

16:24:06 9 Q. WELL, WAS THERE ANY DISCUSSION ABOUT IT?

16:24:08 10 A. I HAVE NO IDEA. I DOUBT IT.

16:24:10 11 Q. DO YOU KNOW WHY -- YOU DON'T -- SO YOU
16:24:12 12 DON'T KNOW WHY ONE PARAGRAPH READS ONE WAY AND ANOTHER
16:24:16 13 PARAGRAPH DRAFTED BY YOUR OFFICE -- WELL, YOU HAVE NO
16:24:24 14 EXPLANATION OTHER THAN SOMEONE MAY HAVE PULLED A
16:24:27 15 DIFFERENT FORM --

16:24:28 16 A. IT'S CLEARLY A DIFFERENT FORM.

16:24:30 17 Q. -- WHY THE F.B.T. AGREEMENT ON MARCH 9,
16:24:33 18 '98, HAS LANGUAGE THAT TALKS ABOUT "WILL LICENSE TO
16:24:37 19 AFTERMATH," AS OPPOSED TO THE JUNE '98 AGREEMENT WITH
16:24:45 20 SOME THIRD PARTY THAT SAYS, "YOU HEREBY LICENSE TO US"?
16:24:46 21 YOUR ONLY EXPLANATION IS A DIFFERENT FORM WAS PULLED?

16:24:48 22 A. YEAH. THERE WAS -- REMEMBER, THE F.B.T.
16:24:51 23 AGREEMENT WAS DONE IN A SHORT PERIOD OF TIME, UNDER A
16:24:53 24 LOT OF, YOU KNOW, GET IT DONE. SO, I MEAN -- AGAIN,
16:24:58 25 IF --

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16:25:00 1 Q. WHOSE FAULT IS THAT?

16:25:02 2 A. IT'S NOT FAULT. WHAT'S THE FAULT?

16:25:04 3 Q. I GUESS MY POINT IS IS THAT IF LANGUAGE
16:25:06 4 WAS NOT DONE IN A WAY THAT EFFECTUATED WHAT YOUR SIDE
16:25:12 5 MAY HAVE WANTED OUT OF THE AGREEMENT, WHOSE FAULT IS
16:25:15 6 THAT?

16:25:15 7 MR. POMERANTZ: OBJECTION. ASSUMES
16:25:16 8 FACTS NOT IN EVIDENCE AND TOTALLY CONTRARY TO HIS
16:25:18 9 TESTIMONY.

16:25:19 10 THE DEPONENT: YEAH. I THINK THEY BOTH
16:25:21 11 WORK.

16:25:21 12 BY MR. BUSCH:

16:25:22 13 Q. THEY BOTH WORK, BUT THEY WORK IN
16:25:24 14 DIFFERENT WAYS, DON'T THEY?

16:25:25 15 MR. POMERANTZ: OBJECTION. MISSTATES
16:25:26 16 HIS TESTIMONY.

16:25:27 17 THE DEPONENT: NO.

16:25:27 18 BY MR. BUSCH:

16:25:28 19 Q. WOULDN'T IT BE FAIR TO SAY, WHERE IT
16:25:29 20 SAYS, WHERE -- LET'S JUST FOCUS ON PARAGRAPH NUMBER 6 OF
16:25:34 21 EXHIBIT NUMBER 5, WHERE THE LANGUAGE SAYS:

16:25:38 22 "ALL CONTROLLED COMPOSITIONS
16:25:41 23 WILL BE LICENSED TO AFTERMATH AND ITS
16:25:44 24 DISTRIBUTORS/LICENSEES."

16:25:45 25 LET'S FOCUS ON THE "ALL CONTROLLED

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16:25:47 1 COMPOSITIONS WILL BE LICENSED."

16:25:50 2 DOES THAT LANGUAGE SUGGEST TO YOU THAT
16:25:52 3 THERE NEEDS TO BE A LICENSE NEGOTIATED BETWEEN THE
16:25:56 4 PARTIES FOR THE COMPOSITIONS TO BE LICENSED?

16:26:00 5 MR. POMERANTZ: OBJECTION. ASKED AND
16:26:01 6 ANSWERED.

16:26:01 7 THE DEPONENT: NO.

16:26:02 8 BY MR. BUSCH:

16:26:02 9 Q. DOES IT SUGGEST TO YOU THAT THERE WILL
16:26:03 10 BE A SEPARATE LICENSE EXECUTED BETWEEN THE PARTIES?

16:26:07 11 MR. POMERANTZ: OBJECTION. ASKED AND
16:26:08 12 ANSWERED.

16:26:09 13 THE DEPONENT: NO.

16:26:09 14 BY MR. BUSCH:

16:26:09 15 Q. NOT AT ALL?

16:26:10 16 A. NO. BECAUSE I'VE WORKED IN THIS
16:26:12 17 BUSINESS FOR 30 YEARS, AND THAT'S NOT WHAT ANYBODY
16:26:15 18 THINKS THAT SAYS.

16:26:16 19 Q. AND WOULD YOU AGREE THAT WHERE IT SAYS,
16:26:18 20 IN PARAGRAPH 10, "YOU HEREBY LICENSE TO US," THAT THAT
16:26:22 21 IS CLEAR -- I'M SORRY, EXHIBIT -- WE'RE TALKING ABOUT
16:26:26 22 NOW THE JUNE 12TH AGREEMENT BETWEEN AFTERMATH AND SOME
16:26:29 23 OTHER THIRD PARTY.

16:26:30 24 WHERE PARAGRAPH 10 SAYS, "YOU HEREBY
16:26:33 25 LICENSE TO US," THAT THAT'S CLEARLY A MECHANICAL LICENSE

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STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

DEPONENT'S DECLARATION

I CERTIFY UNDER PENALTY OF PERJURY THAT THE
FOREGOING IS TRUE AND CORRECT.

EXECUTED AT _____ ON _____.

(SIGNATURE OF DEPONENT)