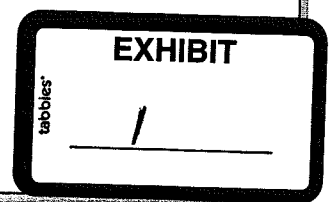


UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION

TODD JANSON, et al.,)
)
 Plaintiffs,)
) Case No.
vs.) 10-04018-CV-C-NKL
)
LEGALZOOM.COM, INC.,)
)
 Defendant.)
)

Deposition of BRIAN P.Y. LIU
Wednesday, February 16, 2011

Reported by: Vicki A. Saber
 CSR No. 6212, RPR, CRR, CCRR



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1 Deposition of BRIAN P. Y. LIU, taken on behalf of the
2 Plaintiffs, at 120 Broadway, Suite 300, Santa Monica,
3 California, on Wednesday, February 16, 2011, at 9:30
4 a.m., before Vicki A. Saber, CSR No. 6212, RPR, CRR,
5 CCRR.

APPEARANCES:

FOR THE PLAINTIFFS:

1 BUTSCH SIMERI FIELDS, LLC
2 BY: DAVID T. BUTSCH, ESQ.
3 231 South Bemiston Avenue
4 Suite 260
5 Clayton, Missouri 63105
6 (314) 863-5700; (314) 863-5711 (Fax)
7 butsch@bsflawfirm.com

13 COOK VETTER DOERHOFF & LANDWEHR, PC
14 BY: MATTHEW A. CLEMENT, ESQ.
15 231 Madison Street
16 Jefferson City, Missouri 65101
17 (573) 635-7977; (573) 635-7414 (Fax)
18 mclement@cvtl.net

FOR THE DEFENDANTS:

18 BRYAN CAVE
19 BY: ROBERT M. THOMPSON, ESQ.
20 JAMES T. WICKS, ESQ.
21 1200 Main Street
22 Suite 3500
23 Kansas City, Missouri 64105-2100
24 (816) 374-3249; (816) 855-3249 (Fax)
25 rmthompson@bryancave.com
jim wicks@bryancave.com

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APPEARANCES (CONTINUED):

ALSO PRESENT:

3 Ken Friedman, Esq.
4 LegalZoom.com
5 Robert Smith, Videographer
6
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25

1 downloadable forms and documents on an unlimited use
2 basis based on a monthly subscription fee.

3 And there may be other changes and differences
4 in the package composition as well.

5 Q. Okay. Does LegalZoom continue to -- let me
6 ask it this way.

7 Are membership agreements -- I'm talking about
8 LLC formation. Are membership agreements still
9 available through LegalZoom to its Missouri customers?

10 A. If what you mean is -- by do we include an LLC
11 operating agreement --

12 Q. Operating agreement, yes.

13 A. -- with the LLC formation package?

14 Q. Yes.

15 A. Then the answer is "yes."

16 Q. Okay. Mr. Liu, I want to ask you about the
17 LegalZoom database that contains information pertaining
18 to customer identification and products purchased by
19 customers.

20 MR. THOMPSON: Which topic does this relate
21 to?

22 MR. BUTSCH: Well, I guess you said he was not
23 going to testify about number 2. Is that right, Bob?

24 MR. THOMPSON: Correct, he is not. The other
25 witness will do that.

1 Q. And that is the date and content of radio,
2 television, print, Internet or other advertising
3 conducted by LegalZoom, correct?

4 A. That is correct.

5 MR. THOMPSON: I will add this caveat on
6 behalf of the company and the witness: They've got lots
7 of advertising, and we're prepared to respond in as much
8 detail as we can, but if you pick one ad out of
9 thousands it might take something too -- and have a
10 specific question we can't answer, we'll endeavor to do
11 it, but let's just see how we get along. There's lots
12 of volume here.

13 MR. CLEMENT: There is.

14 Q. Well, why don't we start, Mr. Liu, by having
15 you describe what your involvement in LegalZoom's
16 advertising is.

17 A. My involvement in LegalZoom's advertising is
18 is that I am involved in looking over the creative
19 execution for the TV ads and certain of the radio ads,
20 and I'm familiar with our online ads. And I -- we don't
21 really have any print ads, but my knowledge is deeper of
22 the radio ads and the TV ads than any particular
23 Internet banner or Internet ad.

24 Q. All right. Who is the head of LegalZoom's
25 advertising department?

1 MR. BUTSCH: Okay. That's all I have. I
2 think Matt has --

3 MR. THOMPSON: But don't jump up and go. He's
4 got a few questions. He's got the advertising section.

5 MR. CLEMENT: I don't think it will take too
6 awfully long. Do you want to take a short break while I
7 put all this stuff together?

8 THE VIDEOGRAPHER: We're off the record. The
9 time is 2:09. This is the end of tape number 2 of the
10 deposition of Mr. Brian Liu.

11 (Recess taken.)

12 THE VIDEOGRAPHER: And we're back on the
13 record. The time is 2:21. This is tape number 3 of the
14 deposition of Mr. Brian Liu.

15
16 EXAMINATION

17
18 BY MR. CLEMENT:

19 Q. Mr. Liu, we met before the deposition started.
20 My name is Matt Clement, and I represent the plaintiffs
21 in this case.

22 I understand that you are going to testify
23 about topic number 3 on the deposition Notice on behalf
24 of LegalZoom; is that correct?

25 A. Yes, that is correct.

1 A. At this time the head of LegalZoom's
2 advertising department is Scott McDonald.

3 Q. How long has he been in that position?

4 A. He has been at the company for I believe seven
5 years, and we had a chief marketing officer until last
6 year -- last year June or July. And Scott as the vice
7 president of marketing is now the senior most person in
8 the marketing department.

9 Q. Who was the chief marketing officer until June
10 or July of last year?

11 A. His name was Mike Turner.

12 Q. And what happened with Mr. Turner?

13 A. Mr. Turner left LegalZoom to pursue other job
14 opportunities.

15 Q. Did he leave voluntarily?

16 A. Yes, he did.

17 Q. His employment was in good standing when he
18 left?

19 A. Yes, it was.

20 Q. Tell me what you did to prepare for this part
21 of your deposition today.

22 A. To prepare for this part of my deposition
23 today I looked through some of the folders -- the
24 Internet folders that was provided to me by our in-house
25 counsel which contained some of the advertising and the

1 information that I was told was provided to you.

2 Q. Did you participate in gathering any documents
3 or information to produce to us?

4 A. No, I was not involved in gathering any of
5 those documents or the information.

6 Q. Do you know who at the company was?

7 A. I do not know exactly who at the company was
8 involved.

9 Q. Have you seen all of the information that has
10 been produced to us on advertising?

11 A. I did not see all the information because the
12 information was quite -- there was quite a lot of
13 information so I scanned the general categories and
14 scanned the general topics.

15 Q. All right. Do you differentiate any of your
16 advertising by state, or are the same ads run no matter
17 where they are published or run throughout the country?

18 A. In general our ads are on a national basis.
19 There may be certain instances where we would have ads
20 that are different or targeted to certain states. For
21 example, if there was a product or service that somebody
22 could obtain a certain document on their own through
23 LegalZoom and we only offered it in certain states, we
24 would not be advertising for that in states where it is
25 not offered.

1 Q. Are there instances where you only offer a
2 certain type of document in certain states and not
3 others?

4 A. Yes.

5 Q. Can you give me some examples of that.

6 A. For example, I know that in the state of
7 Missouri we do not offer uncontested divorce documents
8 in that state.

9 Q. Do you know why not?

10 A. That I do not know.

11 Q. Who would know that?

12 A. The person who would know that would probably
13 be the person who runs the personal services department.

14 Q. And what is that person's name?

15 A. Her name is Nelly Jacobo.

16 Q. Can you spell her last name.

17 A. J-A-C-O-B-O.

18 Q. Thank you. Any other documents that you don't
19 offer in Missouri but you do offer in other states?

20 A. I understand, to my knowledge, that we do not
21 offer small claims documents in Missouri, and there may
22 be other documents or services as well, but I cannot
23 think of them off the top of my head.

24 Q. Do you know why you don't offer small claims
25 documents in Missouri?

1 A. I don't know.

2 Q. Ms. Jacobo would probably be the person to
3 answer those questions?

4 A. She would probably be the person who is most
5 knowledgeable about that.

6 Q. You said that you don't do very much print
7 advertising. I noticed in the information that your
8 attorneys produced to us, I think there was only one
9 print advertisement that was produced. And I believe
10 that was an advertisement with Alaska Airlines.

11 Are you aware of any other print advertising?

12 A. I know that we had done some airline ads. I
13 believe that Grand and Alaska Airlines and maybe one
14 other magazine as well, but I'm not aware of other print
15 advertising.

16 Q. And you said you advertise on the Internet as
17 well; is that right?

18 A. We do have banner ads --

19 Q. Okay.

20 A. -- yes.

21 Q. Tell me, where do those banner ads appear or
22 run?

23 A. The banner ads appear on various sites
24 throughout the Internet. We use a third-party
25 advertising agency who syndicates and runs those ads, so

1 I can't be precise as to exactly where that runs.

2 Q. What agency do you use to do that?

3 A. At the present time I believe that the
4 agency's name is Dotomi.

5 Q. Can you spell that, please.

6 A. D-O-T-O-M-I.

7 Q. How long have you used Dotomi for that
8 service?

9 A. I believe we've used that agency for one to
10 two years.

11 Q. Did you use a different agency prior to that?

12 A. In 2002 we used an agency called Citrus to
13 create banner ads, and I don't recall any other
14 agencies; however, banner ads can also be run from the
15 Google ad network as well.

16 Q. Who develops the content of the banner ads?
17 Is it LegalZoom or the third-party agency?

18 A. I'm not quite sure what the answer is. I
19 don't know.

20 Q. Who would know that?

21 A. Scott McDonald would probably know best.

22 Q. Does LegalZoom believe that it's important to
23 be fair and accurate in their advertising?

24 MR. THOMPSON: Object to the form.
25 You can answer.

1 THE WITNESS: LegalZoom absolutely believes
2 that it's very important be to fair and accurate in our
3 advertising.

4 BY MR. CLEMENT:

5 Q. Do you stand behind your advertising as being
6 accurate?

7 A. Absolutely I do stand behind our advertising.

8 Q. Are you aware of anything that has been
9 inaccurate that has been said in any of your ads?

10 A. I'm not aware of any material inaccuracies in
11 any of our ads.

12 Q. Apart from the banner ads which we've already
13 talked about, how is the content of your other
14 advertising developed?

15 A. The content for our TV advertising was
16 developed by an agency called Donatwald.

17 Q. How long -- go ahead, sorry.

18 A. And the content for much of our radio
19 advertising was developed by an agency called ROI Media.

20 Q. How long have you worked with Donatwald?

21 A. We have worked with Donatwald since 2007 or
22 2008. I don't know the exact date.

23 Q. Did you use a different agency for TV
24 advertising prior to that?

25 A. Prior to Donatwald we had used Spot Runner to

1 create one ad for us.

2 Q. Anybody else in terms of a third party that
3 you used to develop TV advertising?

4 A. No. No, there has been no other agency.

5 Q. Did you develop the content of your TV ads
6 prior to 2007 -- well, let me back up.

7 You said you used Spot Runner prior to
8 Donatwald for one ad?

9 A. Yes, yes.

10 Q. And when was that ad run?

11 A. That ad was run approximately eight months
12 before we engaged Donatwald.

13 Q. All right. So prior to Spot Runner did you
14 advertise on television?

15 A. Prior to Spot Runner we did not advertise on
16 television.

17 Q. And you said the radio ad content was
18 developed by ROI Media; is that right?

19 A. Yes, that is correct.

20 Q. How long have you worked with that agency?

21 A. We have worked with ROI Media since
22 approximately 2003.

23 Q. When did LegalZoom begin business? I'm sorry,
24 you said that earlier, and I've forgotten.

25 A. LegalZoom began business to the public in

1 2000.

2 Q. Did you work with a different agency prior to
3 2003 when you engaged ROI Media to do radio advertising?

4 A. Yes. In 2002 -- oh, we used Citrix but not
5 for radio advertising.

6 Q. That was for Internet?

7 A. Yes.

8 Q. Any radio advertising prior to 2003?

9 A. Prior to LegalZoom working with ROI Media we
10 did not engage any other outside agencies.

11 Q. The radio ads that you have run since 2003 to
12 the present, what types of radio programs do you
13 advertise on? And by that I mean -- that's probably a
14 bad question so let me start over.

15 Do you -- since you engaged ROI Media in 2003
16 have you generally advertised on nationally syndicated-
17 type radio shows or radio shows that appear on satellite
18 radio as opposed to local-type radio shows?

19 A. In general we advertise on national radio
20 shows and programs which are syndicated as well as
21 satellite radio; however, there are a few local markets
22 where we have done local ads such as Los Angeles.

23 Q. Any other local markets where you've done ads
24 just in that market besides L.A.?

25 A. We have done local ads in the New York market

1 as well as Houston and Dallas markets, Chicago and there
2 may be a few other ones. Maybe San Francisco.

3 Q. Any in Missouri?

4 A. No.

5 Q. Not St. Louis or Kansas City?

6 A. To my knowledge, no, we did not do any in
7 Missouri.

8 Q. How about television, what types of programs
9 or advertising do you do -- run your television ads on?

10 A. Our ads for television are run on cable
11 channels, primarily -- exclusively on national cable
12 channels.

13 Q. No local TV channels?

14 A. There was a time when we ran some -- some
15 on -- in the Houston market. Some TV ads, but otherwise
16 I'm not aware of any purely local channels or shows.

17 Q. When you say "national cable channels," are
18 those things like CNN, ESPN, stations like that -- or
19 channels like that, I'm sorry?

20 A. Yes. What I mean by it's the national
21 channels like that, but furthermore what I mean is that
22 we advertise on the channel feed of those cable channels
23 because you can choose to advertise on either a local
24 basis or on a national basis, and we advertise on those
25 channels through satellite such as DirectTV, and that's

1 don't want to have to play every ad for you to say,
 2 "Yes, this ad ran."
 3 Is there any way to -- and I'm going to show
 4 you some of the ads and ask you questions about them,
 5 but is there any way for you to look at the file names,
 6 for example, and tell me whether or not this encompasses
 7 all of the television advertising that LegalZoom did
 8 over a certain time period?

9 A. We probably have run only -- no more than ten
 10 main types of ads, so I believe I should be able to tell
 11 you whether those ads was something that we had run or
 12 not.

13 Q. Okay. I'm going to put Exhibit Number 96 into
 14 the computer, and maybe we'll look at the files before
 15 we play some ads, and we'll see what you can tell us.

16 A. Okay.

17 MR. CLEMENT: I don't think you need to film
 18 this. When we play the video perhaps we can see if it
 19 shows up on the video camera.

20 Q. Okay. As you see, Mr. Liu, there are three
 21 subfiles, online banner ads, print which only contain
 22 one ad, and then TV ads 2007 to 2011, correct?

23 A. Correct.

24 Q. And then if we click on that, there's another
 25 subfile that says "TV ads 2007 to 2011," correct?

1 that you think ran that are not included?

2 A. No.

3 Q. Okay. Now, if we click on "2010 final H.D.
 4 spots without slates" there are nine or so additional
 5 ads that appear; is that correct?

6 A. Yes.

7 Q. Can you tell without -- by the file names
 8 whether those are ads that ran in 2010?

9 A. No, because I can't tell if these are
 10 completed ads or not. These may not be completed ads.
 11 These may be incomplete creative parts of ads but not
 12 the complete ad so I would have to look at one of these
 13 ads.

14 Q. All right. Well, let's just look at --

15 A. Because it says "without slates" so I don't
 16 know what that means, "without slates."

17 Q. Let's look at the third one down which is --
 18 has some letters and numbers and it says "general 30
 19 original," correct?

20 A. Okay.

21 Q. I'm going to -- if you don't mind, if you can
 22 maybe walk over here so --

23 (Discussion held off the record.)

24 (Video transcription:

25 "I'm Robert Shapiro. Over a million

1 A. Yes.

2 Q. And then there are two subfiles that say
 3 "creative video files" and "online air sponsorships."
 4 Okay? Let's look at creative video files first.

5 A. Okay.

6 Q. There are two subfiles above that say "2010
 7 final H.D. spots without slates" and "2010 revised price
 8 spots," and there's some other ads in those files which
 9 we'll look at.

10 A. Okay.

11 Q. But there are several ads listed under this
 12 subfile, and I take it those do not include 2010 ads
 13 because of these subfiles. Is that a fair statement?

14 A. Yes.

15 Q. Are the ads that are listed here under "TV ads
 16 2007-2011 creative video files" all of the television
 17 ads that ran from 2007 until 2010?

18 A. They do appear to be with the caveat that I
 19 don't know if the 2010 revised spots took their place in
 20 2010, and I -- I can go through the ads and let you
 21 know, you know, what played and whatnot. I recognize
 22 the ads from that file.

23 I don't see anything anymore right now, but...

24 Q. Okay. I don't know that we want to spend the
 25 time to go through each and every ad. Are there any ads

1 people have discovered how easy it is to
 2 use LegalZoom for important legal
 3 documents, and LegalZoom will help you
 4 incorporate your business, file a patent,
 5 make a will and more. You can complete
 6 our online questions in minutes. Then
 7 we'll prepare your legal documents and
 8 deliver them directly to you. So start
 9 your business, protect your family,
 10 launch your dreams. At LegalZoom.com we
 11 put the law on your side.")

12 BY MR. CLEMENT:

13 Q. Okay. We'll play it again so you can see it
 14 and tell us if this ad ran.

15 (Video transcription:

16 "I'm Robert Shapiro. Over a million
 17 people have discovered how easy it is to
 18 use LegalZoom for important legal
 19 documents, and LegalZoom will help you
 20 incorporate your business, file a patent,
 21 make a will and more. You can complete
 22 our online questions in minutes. Then
 23 we'll prepare your legal documents and
 24 deliver them directly to you. So start
 25 your business, protect your family,

1 launch your dreams. At LegalZoom.com we
 2 put the law on your side.")
 3 THE WITNESS: That appears to be an ad that
 4 ran, yes.
 5 BY MR. CLEMENT:
 6 Q. In 2010?
 7 A. It appears to be an ad that ran in 2010, yes.
 8 Why it was in a folder called "without slates" I do not
 9 know.
 10 Q. Okay.
 11 A. And I don't know the meaning of "without
 12 slates."
 13 Q. Okay. That particular ad -- I'm going to show
 14 you another version here that is labeled "LegalZoom '08
 15 legal ads general."
 16 A. Right.
 17 Q. And I believe it's going to be the same ad,
 18 but let's verify that. Okay?
 19 A. Okay.
 20 MR. BUTSCH: Why don't we -- do you want to
 21 get that back on?
 22 THE VIDEOGRAPHER: I can shoot it from an
 23 angle if you step back out of the way.
 24 MR. CLEMENT: Okay. I'll get out of here as
 25 soon as we get the full screen.

1 (Video transcription:
 2 "I'm Robert Shapiro. Over a million
 3 people have discovered how easy it is to
 4 use LegalZoom for important legal
 5 documents, and LegalZoom will help you
 6 incorporate your business, file a patent,
 7 make a will and more. You can complete
 8 our online questions in minutes. Then
 9 we'll prepare your legal documents and
 10 deliver them directly to you. So start
 11 your business, protect your family,
 12 launch your dreams. At LegalZoom.com we
 13 put the law on your side.")
 14 BY MR. CLEMENT:
 15 Q. Does that appear to be the same ad we looked
 16 at?
 17 A. It appears to be the same ad, but there must
 18 be something different because it's in a folder called
 19 "without slates," so I -- maybe there's something very
 20 subtle that I did not catch, and I don't know what that
 21 would be, but...
 22 Q. Has that ad or a similar ad run from 2007 to
 23 the present?
 24 A. That ad or a similar ad has run, I believe,
 25 from 2008 until -- I don't know if that ad is currently

1 on rotation right now.
 2 Q. I'll tell you I think I saw it Sunday night
 3 when I was watching ESPN, perhaps with the prices maybe
 4 a little bit different, but you can't tell me, as you
 5 sit here today, whether that ad is running right now?
 6 A. Today I don't know.
 7 Q. Who -- would Scott McDonald know?
 8 A. Yes, he would know.
 9 Q. I'm going to hand you what's marked as
 10 LegalZoom Exhibit 97.
 11 (Exhibit 97 was marked for
 12 identification.)
 13 BY MR. CLEMENT:
 14 Q. This is a document titled "Broadcast scripts,"
 15 and it's got a Bates number at the bottom LZ 000223.
 16 Do you see that?
 17 A. Yes, I do.
 18 Q. Does that appear to be the text of the ad that
 19 we just watched with Mr. Shapiro in it?
 20 A. Yes, that does appear to be the text of the
 21 ad.
 22 Q. Does this particular ad accurately describe
 23 what LegalZoom does?
 24 A. When you look at this ad taken as a whole, I
 25 believe that this ad does describe what LegalZoom does.

1 Q. All right. There's another folder called
 2 "2010 revised price spots." Do you see that?
 3 A. Yes.
 4 Q. And it has five different ads in it. Without
 5 looking at -- just looking at the file names, can you
 6 tell if these are ads that ran in 2010?
 7 A. These appear to be ads that have run in 2010,
 8 but I -- whether they all ran or not I do not know.
 9 Q. Okay. Who --
 10 A. Scott would be a better person to ask if they
 11 all indeed did run.
 12 Q. All right. You also talked earlier in the
 13 deposition about radio ads, correct?
 14 A. Yes.
 15 Q. And you said you use an agency called ROI
 16 Media; is that right?
 17 A. That's correct.
 18 Q. What input does LegalZoom have on where its
 19 radio ads run, what programs they run on?
 20 A. LegalZoom has a fair amount of input on where
 21 the radio -- we have input on what programs they run in
 22 terms of our purchase; however, there are some radio ads
 23 which are essentially run of station ads or run of
 24 network ads where we may not have input on exactly where
 25 and what show the ad will run.

1 MR. BUTSCH: Otherwise we're going to need
2 another witness to confirm it.

3 MR. CLEMENT: Why don't we take --

4 MR. THOMPSON: Obviously you're going to use
5 some -- presumably you're going to use some of them as
6 exhibits to say -- make some point. Why don't you play
7 that ad and say --

8 MR. CLEMENT: Well, because --

9 MR. THOMPSON: -- did you tell people this?

10 MR. CLEMENT: -- before I do that I want to
11 know whether you actually tell people that. I mean, I
12 think that's only fair.

13 MR. THOMPSON: If you show him an example he's
14 going --

15 MR. CLEMENT: He's going to say "I don't
16 know."

17 MR. THOMPSON: No.

18 MR. CLEMENT: He's already said he can't --

19 MR. THOMPSON: That's very different than --
20 playing one and asking him, "Did this one run" is very
21 different than looking at a listing of a thousand and
22 saying, "Did all those run?"

23 BY MR. CLEMENT:

24 Q. Okay. Mr. Liu, let's look at -- here's a
25 subfile from Bill O'Reilly, and we'll just pick one.

1 document needs, LegalZoom.com does it.
2 And don't forget to type 'no spin' in the
3 referral box to get your special
4 discount. So please go to LegalZoom.com.
5 That's LegalZoom.com.")

6 BY MR. CLEMENT:

7 Q. Can you tell me if that ad ran?

8 A. That appears to me to be an ad that ran, yes.

9 Q. Why do you think that?

10 A. Because it appears to me to be an ad that ran
11 because Bill O'Reilly voiced it.

12 Q. So you're basing it just because Bill O'Reilly
13 voiced it you think it ran?

14 A. I'm assuming that the recording was recorded
15 from the radio station or from some other person that's
16 not us because we can't create that audio file
17 ourselves. Only Bill O'Reilly or the people at the
18 radio station could create that and not us.

19 Q. So is it fair to say that if a radio
20 personality that is not employed by LegalZoom is in the
21 ad, that we can assume that that ad ran?

22 A. I believe that would be a fair statement, yes.

23 MR. THOMPSON: Is that helpful?

24 MR. CLEMENT: Yes.

25 MR. THOMPSON: Because we're not trying to

1 We'll pick 122106 LegalZoom -- well, that's probably not
2 good because it says "unedited." I don't know what that
3 means. But let's do "Bill O'Reilly ASWESPEAK." All
4 right?

5 A. Yes.

6 (Video transcription:

7 "Hey, here's an amazing LegalZoom.com
8 demonstration. Go to your computer. Log
9 on to LegalZoom.com and check out filing
10 incorporation papers for a new business.
11 Click the tab marked 'Incorporations,
12 LLCs and DBAs.' Then click the 'get
13 started' button, and you're in. Just
14 answer a few simple online questions and
15 LegalZoom takes over. You get a quality
16 legal document filed for you by real
17 helpful people. Look for yourself and
18 see how easy LegalZoom.com really is.
19 LegalZoom isn't a law firm. They provide
20 self-help services at your specific
21 direction. You're in control. That
22 explains why you'll save up to 85
23 percent, wills, trusts, trademarks,
24 patents, copyrights, even bankruptcy
25 solutions. Whatever your common legal

1 play games. I just don't want him to commit to
2 something on a list of thousands that he can't know.

3 MR. CLEMENT: Let's take a short break.

4 THE VIDEOGRAPHER: We're off the record. The
5 time is 3:20.

6 (Recess taken.)

7 THE VIDEOGRAPHER: We're back on the record.
8 The time is 3:31.

9 MR. THOMPSON: We've conferred while we were
10 on break. If it's an on-air personality, you can
11 presume the ad ran. No representation as to when or how
12 many times, but it ran.

13 MR. CLEMENT: All right.

14 MR. BUTSCH: And that applies to television
15 and radio advertising; is that correct?

16 MR. THOMPSON: That would be correct. If it's
17 an on-air personality.

18 THE WITNESS: There is no TV personalities for
19 the television advertising.

20 MR. BUTSCH: I was considering Shapiro a
21 personality.

22 THE WITNESS: The TV ads -- the TV ads in the
23 main folder that I saw earlier, I would testify that
24 they ran with the exception of Vargas -- there was one
25 Vargas, and I'm not sure whether it's Vargas 1 or 2.

1 Vargas 2 I'm not quite sure about, but -- if it ran or
2 not, but I'm comfortable with saying that it ran. The
3 only folder I am not sure about is the one that says
4 "without" --

5 BY MR. CLEMENT:

6 Q. Slate?

7 A. -- "slates." I don't know what that means and
8 so I would have to ask for further clarification, but
9 they appear to be the same ads that are in the other
10 folders.

11 Q. All right. Mr. Liu, we listened to an ad that
12 Bill O'Reilly did right before we took a break.

13 Do you remember that?

14 A. I remember the general nature of that ad, but
15 not every word verbatim.

16 Q. Well, did anything in that ad strike you as
17 being inaccurate, or do you believe that was a fair
18 characterization of what LegalZoom does, or do you want
19 to listen to it again?

20 A. When I listened to that ad as a whole and I
21 listened to that ad as a whole I believe that in general
22 when you look at the services offered on our website,
23 and you look at the information on our website, that ad
24 as a whole is fair and accurate.

25 Q. Was there anything in the ad that you

1 misleading?

2 A. I would have to hear that ad again.

3 Q. All right. Let's listen to it.

4 (Video transcription:

5 "Hey, here's an amazing LegalZoom.com
6 demonstration. Go to your computer. Log
7 on to LegalZoom.com and check out filing
8 incorporation papers for a new business.
9 Click the tab marked 'Incorporations,
10 LLCs and DBAs.' Then click the 'get
11 started' button, and you're in. Just
12 answer a few simple online questions and
13 LegalZoom takes over. You get a quality
14 legal document filed for you by real
15 helpful people. Look for yourself and
16 see how easy LegalZoom.com really is.
17 LegalZoom isn't a law firm. They provide
18 self-help services at your specific
19 direction. You're in control. That
20 explains why you'll save up to 85
21 percent, wills, trusts, trademarks,
22 patents, copyrights, even bankruptcy
23 solutions. Whatever your common legal
24 document needs, LegalZoom.com does it.
25 And don't forget to type 'no spin' in the

1 disagreed with?

2 A. Could there be a particular phrase in that ad
3 taken out of context and only looking at that one phrase
4 that may convey a different meaning compared to looking
5 at that phrase in context and looking at the ad as a
6 whole in general, and then seeing how that compares
7 and -- to the information contained on the website, I
8 believe that certain parts could be taken out of
9 context.

10 Q. Okay. Like what?

11 A. I believe that it's very easy to take anything
12 out of context and make it seem misleading. When you
13 see it in context, the ad as a whole, and in relation to
14 the website it's not misleading.

15 Q. Is there anything in particular that you're
16 concerned about with this ad?

17 A. I would have to look at the ad or listen to
18 the ad as a whole again, but I believe that I can take
19 virtually anything out of context and make it
20 misleading.

21 Q. I'm not sure that answered my question. As
22 you sit there as the chairman of the board at LegalZoom
23 and the designated person to answer questions about
24 advertising, was there anything in the Bill O'Reilly ad
25 that you listened to that you found inaccurate or

1 referral box to get your special
2 discount. So please go to LegalZoom.com.
3 That's LegalZoom.com.")

4 BY MR. CLEMENT:

5 Q. All right. Anything in that ad that you found
6 inaccurate or misleading?

7 A. I believe that from that ad there was some
8 language -- there was some generalities and there was
9 some language that may not be as precise as it could be
10 in a legal sense, but when I listen to that ad, I
11 believe that the information in that ad or the parts of
12 the ad when you put it into context, the context of the
13 ad as a whole, in general it accurately describes what
14 LegalZoom does.

15 Q. All right. Let me hand you what's marked as
16 LegalZoom 99.

17 (Exhibit 99 was marked for
18 identification.)

19 BY MR. CLEMENT:

20 Q. I'll tell you this is a script --

21 MR. THOMPSON: Did you give me 97?

22 MR. CLEMENT: I thought I did.

23 MR. THOMPSON: Okay. Yes, you did. I know
24 you did. I saw it. It's got the -- okay.

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