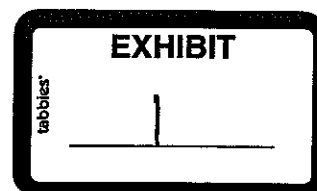


UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION

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.
6

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1 APPEARANCES (CONTINUED):

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6
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1 LegalZoom?

2 A. Yes.

3 Q. I didn't ask where LegalZoom got it. I'm just
4 wondering if LegalZoom provided that language that is on
5 the attachment.

6 A. LegalZoom did add the attachment to the
7 Articles of Incorporation, yes.

8 Q. The language that is contained on that
9 attachment, is that something that is derived through
10 the question-and-answer-process, or is that form
11 language that is included on every Articles of
12 Incorporation for a not-for-profit corporation, do you
13 know?

14 A. I don't know the answer to that specifically
15 either to Missouri or to other states.

16 Q. The Articles of Incorporation, if we look at
17 the second page of Exhibit 90 -- and those are the
18 Articles of Incorporation, are they not?

19 A. Yes, this is -- looks like page 1 of the
20 Articles of Incorporation.

21 Q. And there appears to be three pages in total?

22 A. Yes.

23 Q. And one of those pages is the attachment that
24 we've discussed, and it looks like the last page is a
25 signature page; is that right?

1 A. Yes, that is correct.

2 Q. Does LegalZoom provide any services with
3 respect to the dissolution of business entities? The
4 winding down of a partnership or a limited partnership,
5 the dissolution of a corporation?

6 A. LegalZoom does provide certain services with
7 respect to the dissolution of certain entities. Which
8 entities and in what state I do not know the details or
9 extent of.

10 Q. Okay. Let me hand you what we've marked as
11 Exhibit Number 91.

12 (Exhibit 91 was marked for
13 identification.)

14 BY MR. BUTSCH:

15 Q. This is a document that was produced to us by
16 your counsel.

17 A. Okay.

18 Q. Do you recognize that document?

19 A. This is the first time I have seen this
20 particular document, but it appears to be a notice of
21 winding up for a limited liability company --

22 Q. Yes

23 A. -- a form that was -- that was provided by the
24 Missouri Secretary of State.

25 Q. Is this notice of winding up for limited

1 A. That does appear to be correct, yes.

2 Q. Are these Articles of Incorporation a document
3 that would be generated by LegalZoom and sent to the
4 Missouri Secretary of State if the customer so elects?

5 A. Could you repeat that, please.

6 (Record read.)

7 THE WITNESS: The template for the Articles of
8 Incorporation was developed, I believe, by the Missouri
9 Secretary of State so a customer that selects and would
10 like to file a nonprofit corporation would have their
11 answers from the questionnaire populated onto this
12 document, onto the form that was provided by the
13 Secretary of State, and then this form would be sent to
14 the Secretary of State.

15 BY MR. BUTSCH:

16 Q. So LegalZoom has the form for Articles of
17 Incorporation that it obtained from the Missouri
18 Secretary of State and it stores that form
19 electronically? The customer provides information and
20 does not fill in this form directly, but answers a
21 series of questions, and based on those answers that are
22 provided, those answers are imported into the form that
23 is provided by the Missouri Secretary of State. And
24 this occurs through the operation of LegalZoom's
25 website; is that correct?

1 liability company, is that something that can be created
2 through the use of LegalZoom's website for its Missouri
3 customers, do you know?

4 A. I do not know for sure, but as I said, I do
5 know that in some states and for certain entities we do
6 offer a service for dissolution of limited liability
7 companies.

8 Q. You're not sure if that applies to Missouri or
9 not; is that what your testimony is --

10 A. That's correct.

11 Q. -- today?

12 We've talked about this process by which a
13 customer seeking to obtain a particular document, let's
14 say a power of attorney, a will, a trust, a lease, a pet
15 protection agreement, the formation of a limited
16 liability company, that they obtain access to the
17 LegalZoom website and they proceed to answer particular
18 questions. The answers to those questions are used in
19 the creation of the final legal documents that would be
20 used by that particular customer, correct?

21 A. That appears to be a correct characterization.

22 Q. Has that method, that methodology that I'm
23 talking about where a series of questions are posed to a
24 customer and then the answers to those questions are
25 transported, imported into what ultimately become the

1 final legal documents that are delivered by LegalZoom to
2 the customer, that methodology, has that been the same
3 since the founding of LegalZoom to the present date?
4 The methodology that we're just talking about.

5 A. For the documents that utilize the
6 questionnaire and the branching technology, and for the
7 products and services where people can choose to create
8 their own legal documents that use that technology, the
9 answer is "yes," because as I've talked about before,
10 there are other services that LegalZoom offers such as
11 downloadable forms, and in the past there have been
12 other services that you can obtain through the LegalZoom
13 website that did not always go through that same
14 process.

15 Q. But that process with respect to those
16 documents that we have talked about and that I just
17 mentioned where we used that branching technology and
18 the information is taken from the answers given and
19 imported or transported to those documents that
20 ultimately become the final legal documents that
21 customers receive, that basic operation or premise has
22 always been utilized by LegalZoom?

23 A. If you're referring to those documents that we
24 have been talking about today such as the last wills or
25 the pet protection agreement or the LLC documents, then

1 general process of coming through the website and
2 answering the questionnaire and then proceeding with a
3 payment and then having the document delivered by mail,
4 that general process would be the same.

5 Q. With regard to Chad Ferrell and Gerald Ardrey,
6 two gentlemen who formed an LLC through LegalZoom in
7 January of 2008, would their experience in the formation
8 of a limited liability company through the use of
9 LegalZoom's website, would their experience be any
10 different today in February of 2011 than it was in
11 January of 2008?

12 A. I think my -- I think that the general process
13 of how they would go through the questionnaire and then
14 proceed to payment and then obtain the Articles of
15 Organization that were filed would be the same, but I
16 believe that there would be some differences in terms of
17 the questions that were asked, the features and what you
18 obtain for the price that you pay in the packages, so it
19 would be a different package of what you purchase, but
20 the general interaction would be similar.

21 Q. Are you aware sitting here today of any
22 differences in the package that Mr. Ferrell and
23 Mr. Ardrey would have received in January of 2008 than a
24 customer who would seek to form a limited liability
25 company today in February of 2011 utilizing the

1 my answer would be "yes "

2 Q. And that continues through to today; is that
3 right?

4 A. That is correct

5 Q. Have you reviewed, Mr. Liu, or happened to
6 review any documents that relate to the particular
7 plaintiffs in this case, Todd Janson or Chad Ferrell?

8 A. If what you mean is the actual documents for
9 these plaintiffs --

10 Q. Yes.

11 A. -- the answer would be "no "

12 Q. I'll represent to you that Mr. Janson obtained
13 a will through LegalZoom in November of 2009.

14 A. Okay.

15 Q. A little over two years ago. If Mr. Janson
16 were to -- I don't think he would now, but if he were to
17 go to LegalZoom now and want to obtain a will, would his
18 experience in terms of the information he would -- or
19 the questions he would answer, the information he would
20 provide and the general interaction that he had with the
21 LegalZoom website, would his experience today be any
22 different than it was in November of 2009?

23 A. There may be some differences in terms of the
24 questions that are asked or the phrasing of the
25 questions, but the process that he would go to, the

1 LegalZoom website?

2 A. Yes.

3 Q. Can you explain that for me.

4 A. One of the differences now is that some of our
5 packages come with accounting software that's valued at
6 \$99. Some of our packages include a press release
7 through PRWeb that has -- I'm not sure what the value of
8 it, but there's a monetary value of that as well.

9 Those are just two things that come to mind,
10 but there are other differences in the composition of
11 the packages so that a customer who places an order
12 today may not have placed an order two years ago because
13 we didn't have some of those additional products and
14 features that were bundled into our packages

15 Q. So it sounds like today as opposed to two or
16 three years ago there may be additional features beyond
17 what someone -- beyond what may have been available in
18 the past, right?

19 A. That is correct, and there may be something
20 else, and I don't know if it's offered in Missouri, but
21 there are other features and plans that are available.
22 I know Missouri has another plan which is a subscription
23 plan for downloadable forms and documents so that a
24 customer who purchases an LLC can subscribe to our --
25 what we call a business advantage plan that provides