

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

Exhibit B

1 A. Following law school I worked at the law firm  
 2 of Sullivan & Cromwell here in Los Angeles. I worked as  
 3 a corporate attorney for approximately three years.  
 4 After Sullivan & Cromwell I worked at Oaktree  
 5 Capital Management, which is a money management firm  
 6 here in Los Angeles, for one year.  
 7 Q. That -- I'm sorry. That would have been until  
 8 the year 2000 or so?  
 9 A. That is correct.  
 10 Q. And following your work at Oaktree Capital  
 11 what did you do then?  
 12 A. I started LegalZoom.com.  
 13 Q. Do you recall what year LegalZoom first began  
 14 to conduct business?  
 15 A. LegalZoom first began conducting business in  
 16 late 2000.  
 17 Q. And as I understand it, the other founders  
 18 were Eddie Hartman and Brian Lee; is that right?  
 19 A. Eddie Hartman and Brian Lee were also founders  
 20 along with Robert Shapiro.  
 21 Q. LegalZoom is privately held; is that correct?  
 22 A. Yes, that is correct.  
 23 Q. It's a corporation?  
 24 A. Yes.  
 25 Q. Do you own shares in the corporation?

1 A. Yes, I do.  
 2 Q. Are you the largest single shareholder of  
 3 LegalZoom?  
 4 A. Unfortunately I am not.  
 5 Q. Can you give me an approximation of what  
 6 percentage of the outstanding shares of LegalZoom you  
 7 own?  
 8 A. I own slightly less than 10 percent.  
 9 Q. Who is the largest single shareholder?  
 10 A. The largest shareholder would be entities  
 11 affiliated with Polaris Venture Capital.  
 12 Q. That's a venture capital outfit, I take it?  
 13 A. Yes.  
 14 Q. Here in California?  
 15 A. They are based --  
 16 Q. Is that where they're based?  
 17 A. Polaris is based in Boston. In the suburbs  
 18 outside of Boston.  
 19 Q. Can you describe for me what your work has  
 20 been at LegalZoom since its founding in 2000.  
 21 A. I started as the CEO of LegalZoom, and I was  
 22 CEO until 2007. At that time I became chairman of the  
 23 board of directors, and that is what I am today.  
 24 Q. As chairman of the board of directors of  
 25 LegalZoom do you have day-to-day management

1 responsibilities of the company in any way?  
 2 A. As chairman of the board I do not have any  
 3 official day-to-day management responsibilities at the  
 4 company.  
 5 Q. Can you tell me -- can you tell me if your  
 6 work as chairman of the board is a full-time position  
 7 for you or is it a part-time position?  
 8 A. It is -- it's a full-time position.  
 9 Q. Could you describe for me what you do in your  
 10 day-to-day work.  
 11 A. On a day-to-day basis I'm involved in various  
 12 aspects of the company from management issues to  
 13 advertising and marketing to finance to H.R. I'm not  
 14 responsible for anything, but I have input in various  
 15 issues.  
 16 Q. Who is the CEO of LegalZoom at this time?  
 17 A. The CEO of LegalZoom at this time is John Suh.  
 18 His last name is spelled S-U-H.  
 19 Q. Is he on the board of directors as well?  
 20 A. Yes. John is also on the board of directors.  
 21 Q. Who else serves on LegalZoom's board of  
 22 directors?  
 23 MR. THOMPSON: Object. It's beyond the scope.  
 24 I'm giving you some latitude on background, but I don't  
 25 think that's -- has anything to do with the 30(b)(6)

1 Notice that's issued.  
 2 BY MR. BUTSCH:  
 3 Q. Can you tell us who's on the board of  
 4 directors?  
 5 MR. THOMPSON: Subject to the objection you  
 6 can answer this one, and we'll see if we can confine it.  
 7 THE WITNESS: Yes. Yes, I can.  
 8 So the other -- we currently have six members  
 9 of the board. The other members of the board consist of  
 10 Kamran Pourzanjani who founded a company called  
 11 PriceGrabber.com.  
 12 Another person who's on the board, his name is  
 13 Alan Spoon, and he's affiliated with Polaris Ventures,  
 14 and he is currently also serving on the board of IAC,  
 15 Danaher, and I believe he's also part of the board of a  
 16 few other companies such as --  
 17 MR. THOMPSON: He just asked who's on your  
 18 board, though.  
 19 THE WITNESS: Oh, I -- the other person is  
 20 Jason Trevisan. He is affiliated with Polaris Ventures.  
 21 And the last member of the board is Susan Decker, and  
 22 she currently serves on the board of Intel, Costco as  
 23 well as -- as well as that company that was started --  
 24 Berkshire Hathaway. She also sits on the board of  
 25 Berkshire Hathaway.

1 BY MR. BUTSCH:  
 2 Q. So it's yourself and the other individual you  
 3 identified, Mr. -- is it Lee? -- those are the two  
 4 members of the board that are -- work day to day with  
 5 LegalZoom; is that right?  
 6 A. Mr. Lee is not part of the board of directors.  
 7 Q. Okay.  
 8 MR. CLEMENT: Mr. Suh, I think you said.  
 9 BY MR. BUTSCH:  
 10 Q. Mr. Suh, I'm sorry.  
 11 A. Mr. Suh, yes.  
 12 Q. So those are the only two members of the board  
 13 that work at LegalZoom on a day-to-day basis; is that  
 14 right?  
 15 A. That's correct.  
 16 Q. Let me hand you what we have marked as Exhibit  
 17 Number 50.  
 18 (Exhibit 50 was marked for  
 19 identification.)  
 20 BY MR. BUTSCH:  
 21 Q. And I understand, Mr. Liu, that you are  
 22 prepared to testify today about a number of those topics  
 23 that are listed on Exhibit 50 on pages 4 and 5, but are  
 24 not going to testify today as to all of those topics; is  
 25 that correct?

1 A. Could you restate that? I'm sorry, I didn't  
 2 catch everything.  
 3 MR. THOMPSON: These are the paragraphs that  
 4 we've talked about that you're going to testify about is  
 5 what he's asking.  
 6 THE WITNESS: The ones that you've circled  
 7 here?  
 8 BY MR. BUTSCH:  
 9 Q. Yeah, I did circle those, and is my  
 10 understanding correct that you will testify today about  
 11 those particular topics that I have circled on  
 12 Exhibit 50?  
 13 MR. THOMPSON: Actually, I think --  
 14 THE WITNESS: No.  
 15 MR. BUTSCH: Okay.  
 16 THE WITNESS: No.  
 17 MR. BUTSCH: Well, why don't we try to clarify  
 18 that at this point.  
 19 MR. THOMPSON: Let me clarify it because we're  
 20 offering the witness on 3, 4, 5 and 8. And 5 is  
 21 partial. I think you've circled 2 instead of 3.  
 22 MR. BUTSCH: Okay. 3, 4, 5 and 8?  
 23 MR. THOMPSON: Yeah. And about half of 5.  
 24 The distinction being between -- to the extent 5  
 25 requires a technical discussion, Mr. Hartman will talk

1 about the technicality -- the technicalities of 5.  
 2 MR. BUTSCH: Okay.  
 3 Q. Again, looking at pages 4 and 5 of Exhibit 50,  
 4 Mr. Liu, you're prepared to testify today, if I  
 5 understand correctly, topics numbers 3, 4, 5, and 8.  
 6 And I understand to the extent that topic number 5, the  
 7 creation and development of documents -- document forms  
 8 or templates, that Mr. Hartman will testify about the  
 9 technical aspect of that. Is my understanding correct?  
 10 A. Yes, that's correct.  
 11 Q. I want to ask you first about products and  
 12 services offered by LegalZoom which concern the  
 13 preparation of documents relating to trademarks --  
 14 trademarks, copyrights and patents. Okay?  
 15 A. Yes.  
 16 Q. Does LegalZoom offer any documents or services  
 17 that concern patents?  
 18 A. LegalZoom offers a service where people can  
 19 create an application, a provisional application to file  
 20 a provisional patent.  
 21 Q. Do they offer any other services or products  
 22 that pertain to patents other than this application for  
 23 a provisional patent?  
 24 A. LegalZoom also offers a service where people  
 25 can obtain a patent search, and we have an advertising

1 relationship with two other entities where people can,  
 2 through those other entities, obtain either a design  
 3 patent or a utility patent.  
 4 Q. So a person could, through the use of  
 5 LegalZoom's website, obtain a provisional patent or a  
 6 design patent or a utility patent?  
 7 A. No. Through LegalZoom's website somebody  
 8 could obtain a provisional application for a patent.  
 9 They could use the website to make a provisional  
 10 application for a patent on their own. However, through  
 11 the website --  
 12 Q. Yes.  
 13 A. -- they cannot obtain a design patent or a  
 14 utility patent.  
 15 Q. Well, would the LegalZoom website direct them  
 16 to another business entity that could assist them to  
 17 obtain a utility or design patent? Is that what you  
 18 suggested before?  
 19 A. We have an advertising relationship in the  
 20 case of utility patents with a law firm who provides the  
 21 services to customers who would like to obtain a utility  
 22 patent.  
 23 Q. What is the name of that law firm?  
 24 A. The name of the law firm, I believe, is  
 25 Shimokaji & Associates.

1 there are more of those folks who complete that  
 2 questionnaire than there are of the utility and design  
 3 patent questionnaire combined?  
 4 A. Combined.  
 5 Q. Yes.  
 6 A. I would say that that is probably true.  
 7 Q. Let's talk about design patents for a moment.  
 8 Is the process that you described with regard to utility  
 9 patents the same for a design patent? That is, the  
 10 customer goes through the questionnaire, confirms the  
 11 information is correct, enters the payment information,  
 12 then clicks and is directed to another website, that's  
 13 the law firm website, and then after that the  
 14 responsibility is with the law firm in terms of  
 15 developing the patent?  
 16 MR. THOMPSON: Object to the form.  
 17 You can answer.  
 18 THE WITNESS: I think the way you described it  
 19 was not exactly correct because the customer does not  
 20 pay on the LegalZoom website. They pay on the third-  
 21 party website that is the third party that in this case  
 22 the patent agent had directed.  
 23 BY MR. BUTSCH:  
 24 Q. So the customer enters the information,  
 25 confirms it's correct, and then is directed to the law

1 firm website?  
 2 A. Clicks through to a third-party website --  
 3 Q. Right.  
 4 A. -- that the law firm has directed us to send  
 5 these customers so that they can make a payment.  
 6 Q. So that's true for both the utility and the  
 7 design patent?  
 8 A. I believe that is true for both the utility  
 9 and the design patent.  
 10 Q. And after the customer, with regard to a  
 11 design patent, clicks through to the website that is put  
 12 up by the law firm, the responsibility is -- assuming  
 13 the customer agrees to use the law firm's services,  
 14 LegalZoom has no further involvement with the process of  
 15 obtaining a design patent?  
 16 A. That is correct, except that in the case of a  
 17 design patent the firm is not a law firm. It is a  
 18 patent agent firm.  
 19 Q. Do you know the name of the patent agent firm?  
 20 A. I believe they are called Quick Patents.  
 21 Q. We talked about the financial relationship  
 22 between LegalZoom and the law firm that obtains utility  
 23 patents.  
 24 A. Yes.  
 25 Q. Is there a similar arrangement in place

1 between LegalZoom and this patent agent firm?  
 2 A. There is a similar advertising relationship  
 3 between the patent agent firm and LegalZoom, yes.  
 4 Q. And again, the method by which or the  
 5 calculation of the amount LegalZoom were to get paid is  
 6 based on -- again, on the number of clicks, the number  
 7 of customers who click from the LegalZoom website on to  
 8 this website that is put up by the law firm?  
 9 A. The advertising component of what we get paid,  
 10 yes, it's determined by the amount of clicks and the  
 11 number of clicks that people who complete the  
 12 questionnaire and go through to the next step.  
 13 Q. You said "the advertising component." Is  
 14 there some other component involved in the compensation  
 15 to LegalZoom and their contract between the patent agent  
 16 firm -- between LegalZoom and the patent agent firm?  
 17 A. I believe that in some cases we -- the patent  
 18 agent firm will contract LegalZoom to perform or to do  
 19 some of the patent illustrations.  
 20 Q. Drawings?  
 21 A. Yes, the drawings.  
 22 Q. Is that compensation on a per project basis?  
 23 A. I believe it's on a per page basis or -- per  
 24 page or number of illustrations.  
 25 Q. With regard to the contract between LegalZoom

1 and the law firm that it uses on utility patents, is the  
 2 compensation there just limited to the advertising  
 3 component or are there other components to that as well?  
 4 A. I believe that it's similar in that if the law  
 5 firm chooses to have -- if a customer -- if the law firm  
 6 client desires to have patent illustrations, then the  
 7 law firm may utilize LegalZoom to create the patent  
 8 drawings.  
 9 Q. Does LegalZoom have employees that prepare  
 10 those patent drawings?  
 11 A. LegalZoom does, I believe, have patent  
 12 illustrators who are employees.  
 13 Q. And again, with regard to the questionnaire  
 14 for the design patent, that's filled in by the customer  
 15 on a LegalZoom website, and at some point that  
 16 information, if the customer decides to go forward with  
 17 the transaction, that information is forwarded to this  
 18 patent agent firm; is that correct?  
 19 A. Yes, that is correct.  
 20 Q. Does LegalZoom offer any products that relate  
 21 to copyrights as far as you know?  
 22 A. Yes, LegalZoom does offer the ability for  
 23 somebody to file a copyright registration on their own  
 24 through the LegalZoom website.  
 25 Q. Could you describe for me briefly what a

1 to get back to that.  
 2 Let me ask you about trademarks. Does  
 3 LegalZoom offer any products with respect to trademarks?  
 4 A. Yes, LegalZoom does.  
 5 Q. Can you tell me about that. What products  
 6 does LegalZoom offer with respect to trademarks?  
 7 A. LegalZoom offers a trademark search.  
 8 LegalZoom offers the ability for people to create an  
 9 application to file a trademark on their own, and I  
 10 believe that LegalZoom offers a -- something that -- I  
 11 believe there's one or two other things as well.  
 12 Q. Trademark renewal; is that one of them?  
 13 A. I don't recall. There's something else about  
 14 a -- I believe it's called a statement of use or an  
 15 allegation of use that LegalZoom also offers.  
 16 Q. Let's talk about what a customer would  
 17 experience if they want to obtain their own trademark.  
 18 They want to trademark their own particular business  
 19 logo or something of that nature. What would their  
 20 experience be like if they logged on to the LegalZoom  
 21 website?  
 22 A. If a customer comes to the LegalZoom website  
 23 and hits the link for trademark registration, they would  
 24 go through an online questionnaire where they would be  
 25 asked to type in and provide information relating to the

1 trademark that they are seeking to register.  
 2 As part of that process they have an option of  
 3 purchasing a trademark search. LegalZoom offers a very  
 4 basic trademark search that simply consists of typing in  
 5 the trademark that they seek to register into the  
 6 Federal trademark database to see if that search results  
 7 in a conflict with other people using that mark, but  
 8 LegalZoom offers broader searches as well.  
 9 A customer would then proceed to purchase, if  
 10 they -- after reviewing the information that they  
 11 have -- after reviewing the information that they have  
 12 provided on the online questionnaire, and they -- if  
 13 they were okay with that information, they would then  
 14 pay LegalZoom via credit card or other payment  
 15 mechanism.  
 16 Q. So it's very similar to what a person would  
 17 experience with respect to copyrights with the  
 18 exception --  
 19 A. That is correct. That is correct.  
 20 Q. -- of the search alternative?  
 21 A. That is correct.  
 22 Q. Let's say I wasn't interested in actually  
 23 obtaining a trademark for myself, but I just wanted  
 24 to -- I was thinking about it, and I wanted to do a  
 25 search. Could I obtain that through the LegalZoom

1 website, or is that search mechanism only offered to  
 2 those who are interested or willing to obtain a  
 3 trademark?  
 4 A. You can also request LegalZoom to obtain a  
 5 trademark search without purchasing the trademark  
 6 registration.  
 7 Q. If I were to -- if I was interested in both  
 8 obtaining a trademark search and a trademark, would that  
 9 be something that I would pay for separately; that is,  
 10 I'd pay X amount for the search and Y amount for the  
 11 trademark application itself, or is that something  
 12 that's billed together, do you know?  
 13 A. If what you're referring to is do we have two  
 14 separate credit card charges, one for the search and one  
 15 for the trademark, the answer is "no." There's only one  
 16 credit card charge.  
 17 Q. Is that in the bill to the customer, or what  
 18 the customer sees as the charges, are they separate  
 19 charges although they might be a single credit card  
 20 charge?  
 21 A. A customer, before they purchase, will see a  
 22 line item for the cost of a broader search if as -- if  
 23 they went and are purchasing both a trademark  
 24 registration and search together, then they would see a  
 25 separate line item for the price of a broader search.

1 They would also see a separate line item for the price  
 2 of the Federal filing fee.  
 3 Q. Let's talk about this submission of the  
 4 trademark application itself. After the customer  
 5 completes the questionnaire and confirms that the  
 6 information that has been provided in the questionnaire  
 7 is correct, he would hit the "submit" button; is that  
 8 right?  
 9 A. After they enter their credit card or payment  
 10 information, yes, they would hit the "submit" button.  
 11 Q. And again, just so we understand this, the  
 12 information that has been gathered for the -- from the  
 13 customer, some or all of that information would then be  
 14 by application of the LegalZip software imported into  
 15 the trademark application itself, and then in turn that  
 16 trademark application would be submitted to the U.S.  
 17 Patent and Trademark Office electronically by LegalZoom?  
 18 A. The information gathered from the online  
 19 questionnaire and the LegalZip software is used to  
 20 populate the electronic form that the trademark office  
 21 has through a website. A customer would then be able to  
 22 review the application that is submitted electronically,  
 23 and an e-mail is sent from the trademark office to the  
 24 customer confirming that the application and the  
 25 information is correct.

1 compilation derivative work," yes.  
 2 Q. Does that indicate to you, Mr. Liu, what  
 3 question might be asked?  
 4 A. I do not know what the question is that would  
 5 be asked in this case that would be asked of the  
 6 customer, and I do not know when this question would be  
 7 asked and under what circumstances it would be asked to  
 8 the customer.  
 9 Q. Because the questionnaire process is sort of a  
 10 branching mechanism; is that right? That is, if you  
 11 answer a particular question in a given way, you'll be  
 12 led to maybe a different series of questions than if you  
 13 had answered the question in an alternative way; is that  
 14 correct?  
 15 A. That is correct, so, for example, if you  
 16 answer that your work is not part of a compilation, we  
 17 would not then ask you to describe the compilation  
 18 because it would not apply.  
 19 Q. Uh-huh. Let me hand you what we've marked as  
 20 Exhibit 78.  
 21 (Exhibit 78 was marked for  
 22 identification.)  
 23 BY MR. BUTSCH:  
 24 Q. And let me ask you, do you recognize this as a  
 25 suitcase that pertains to trademarks?

1 A. Yes, it appears to be a suitcase for  
 2 trademarks -- relating to trademarks, yes. Specifically  
 3 a suitcase for trademark application.  
 4 Q. And this contains various fields for  
 5 information that would be utilized by LegalZoom in  
 6 creation of the trademark application itself?  
 7 A. Yes, the information here would be used to  
 8 populate the U.S. Trademark Office's online application  
 9 form.  
 10 Q. And among the information that is provided in  
 11 the questionnaire and would be reflected on a given  
 12 customer's suitcase would be, for example, the date of  
 13 first use of the trademark in question? I'm looking at  
 14 line 30.  
 15 A. I do see a field that says "date of first use  
 16 anywhere."  
 17 Q. And there is another field for the customer to  
 18 provide the date of the first use of the trademark in  
 19 commerce. Do you see that in line 31?  
 20 A. Yes, I do see a field that says "date of first  
 21 use in commerce."  
 22 Q. And there's other information, at least based  
 23 on the suitcase, that the customer provides in relation  
 24 to obtaining a trademark; is that correct?  
 25 A. Yes, that is correct with the caveat that

1 because of the branching technology I can't be sure  
 2 which customer -- which questions a customer in this  
 3 case actually viewed and saw and answered.  
 4 Q. You mentioned before that with regard to  
 5 design and utility patents LegalZoom has relationships  
 6 with outside law firms who provide -- provide services  
 7 related to design and utility patents, correct?  
 8 A. Should I answer that?  
 9 Q. Yeah.  
 10 A. Okay. I had mentioned that LegalZoom has an  
 11 advertising relationship with an outside law firm for  
 12 utility patents and an advertising relationship with a  
 13 patent agent which is not a law firm for design patents.  
 14 Q. Okay. Does LegalZoom have any such  
 15 relationships in relation to its copyright and trademark  
 16 products and services?  
 17 A. LegalZoom does not have any advertising  
 18 relationships with any law firms for trademarks or  
 19 copyright registration.  
 20 Q. Okay. I want to talk to you briefly about  
 21 bankruptcy product or services offered through  
 22 LegalZoom.  
 23 A. Yes.  
 24 Q. If I were a Missouri customer and I decided  
 25 that I wanted to file bankruptcy, could I go to the

1 LegalZoom website and obtain any information about that?  
 2 A. Yes, if you were a Missouri customer you can  
 3 come to the LegalZoom website and obtain information on  
 4 bankruptcy.  
 5 Q. Let's say I decided I needed to file  
 6 bankruptcy. How could LegalZoom assist me?  
 7 A. LegalZoom has an advertising relationship with  
 8 the law firm of Macey & Aleman and Legal Helpers similar  
 9 to what I previously described for utility patents where  
 10 a customer or a LegalZoom user can come to the website  
 11 and obtain a free evaluation from that law firm for a  
 12 bankruptcy.  
 13 Q. Would the LegalZoom customer from Missouri who  
 14 would seek to file bankruptcy, would they go through a  
 15 questionnaire process on the LegalZoom website prior to  
 16 having contact with the Macey & Aleman law firm?  
 17 A. Yes.  
 18 Q. How would that work?  
 19 A. Yes. They would go through a questionnaire  
 20 process online where they would be asked to provide  
 21 certain information about themselves and their  
 22 situation.  
 23 Q. Let's assume I'm seeking to file bankruptcy.  
 24 I go to the LegalZoom website. I complete the  
 25 questionnaire. What would happen next in my experience

1 on page 8 of that exhibit.  
2 Q. Which seems to be -- well, if you look on a  
3 preceding page, and it's Bates-stamped LZ 575, it says  
4 that "the law firm only accepts leads in the areas and  
5 jurisdictions listed below," which Missouri is not  
6 included there.

7 A. I believe that the exhibits to this agreement  
8 can be updated periodically.

9 Q. Okay. So the first listing was -- may have  
10 been an earlier -- earlier-in-the-contract period, and  
11 then it was supplemented with a lengthier list at some  
12 point in time?

13 A. Sorry. Could you repeat that. I didn't hear  
14 that question there.

15 (Record read.)

16 THE WITNESS: Yes, that is a possibility.

17 BY MR. BUTSCH:

18 Q. Do you know why the contract was changed  
19 between the contract of January 25 of 2000 -- or the  
20 contract of May 14th, 2008, and January 25 of 2011?

21 MR. THOMPSON: Object to the form to the  
22 extent it calls for -- well, to the extent it calls for  
23 a legal conclusion or invades the attorney/client  
24 privilege.

25 If the company's lawyers told you to do it,

1 nature? What I mean by that, offer directly by  
2 LegalZoom as opposed to consulting with a bankruptcy law  
3 firm.

4 A. I believe there was a time that LegalZoom  
5 through a subsidiary and not on the LegalZoom website  
6 offered bankruptcy services to residents of California  
7 for a very short time period at an earlier time.

8 Q. Were those services ever offered to residents  
9 of Missouri?

10 A. To the best of my knowledge those services  
11 were only offered to residents of California.

12 Q. I'm going to go on to another topic, or we  
13 could take a break for lunch.

14 MR. THOMPSON: How much -- how long would  
15 your -- would you be? I mean, is this the last topic  
16 for him? No?

17 MR. BUTSCH: It would be about an hour, maybe.

18 MR. CLEMENT: And then advertising.

19 MR. THOMPSON: And then you're going to do  
20 advertising?

21 THE WITNESS: I don't mind. We can go on. I  
22 always eat a late lunch anyway.

23 MR. THOMPSON: Are you going to do an hour on  
24 this topic?

25 MR. BUTSCH: Yeah, but we could find a

1 you can't answer that one. So you can answer if you  
2 know independent of what your lawyers told you.

3 THE WITNESS: I don't know independent of what  
4 my lawyers told me.

5 BY MR. BUTSCH:

6 Q. Okay. Prior to the time that LegalZoom  
7 entered into the agreement that we marked as Exhibit 86,  
8 actually, it was a subsidiary of LegalZoom, and I guess  
9 that agreement was entered into in May of 2008. Prior  
10 to that time did LegalZoom have a contract with another  
11 or a different law firm in relation to bankruptcy  
12 services?

13 A. To the best of my knowledge, no, we did not  
14 have any other agreements with other law firms for  
15 bankruptcy prior to May 14th of 2008.

16 Q. Prior to May 14th of 2008 did LegalZoom, as  
17 far as you know, offer any bankruptcy-related products  
18 or services to residents of Missouri?

19 A. To the best of my knowledge LegalZoom did not  
20 offer any bankruptcy services to Missouri residents  
21 before May 14th of 2008.

22 Q. At any time did LegalZoom offer to its  
23 customers a service that is the preparation or creation  
24 of bankruptcy-related documents such as bankruptcy  
25 petitions or bankruptcy schedules, things of that

1 breaking point in there.

2 MR. THOMPSON: Okay. Let's take a break in a  
3 half an hour one way or the other.

4 Is that okay?

5 THE WITNESS: Yeah.

6 BY MR. BUTSCH:

7 Q. Mr. Liu, I would like to ask you some  
8 questions about your creation of document templates.

9 A. Yes.

10 Q. Does that make any sense to you when I use  
11 term "template"?

12 A. If what you're referring to are the templates  
13 that LegalZoom has and the LegalZoom Zip software  
14 populates those templates for certain legal documents,  
15 then, yes, that is my understanding.

16 MR. THOMPSON: So which topic are we on now?

17 MR. BUTSCH: It would be number 5 from the  
18 deposition Notice.

19 MR. THOMPSON: Okay. This is one where  
20 there's a little bit of overlap between the two  
21 witnesses.

22 BY MR. BUTSCH:

23 Q. Just so we're on the same page, when we're  
24 talking about templates I'm talking about the basic  
25 legal forms that are offered through LegalZoom, and

1 those forms would include various forms pertaining to  
2 estate planning, wills, trusts, powers of attorney,  
3 living wills or healthcare directives. Also included  
4 would be various documents that relate to the formation  
5 of business entities such as corporations, partnerships,  
6 LLCs and other legal forms that are available such as  
7 commercial leases and what LegalZoom refers to as a pet  
8 protection agreement. So those are generally the forms  
9 that I'm referring to.

10 A. Okay.

11 Q. Can you tell me, sir, how these various  
12 templates were developed.

13 A. The templates have evolved over time, but they  
14 were originally created by attorneys who created the  
15 templates for the various topics and various documents  
16 that you previously described.

17 Q. Were those attorneys that were employed by  
18 LegalZoom to create the documents that LegalZoom  
19 customers could utilize? Do you understand?

20 A. You're referring to the templates?

21 Q. Yes. The attorneys who created the templates,  
22 were those employees of LegalZoom, or did you ask a law  
23 firm to create those for your use, or how did that come  
24 about?

25 A. There are different ways, and there was one

1 way that applied to all of the templates --

2 Q. Yes.

3 A. -- but in general the templates were created  
4 by in-house attorneys, and some of the templates were  
5 developed in conjunction with outside attorneys as well.  
6 And as they have evolved over the years there have also  
7 been outside attorneys who have been involved in the  
8 evolution of those documents, both outside attorneys and  
9 inside attorneys.

10 Q. Has LegalZoom, to your knowledge, ever  
11 utilized an attorney licensed in the state of Missouri  
12 in the development or creation of the document  
13 templates?

14 A. To my knowledge, LegalZoom has not employed  
15 any attorneys licensed in Missouri when it comes to the  
16 development of our templates.

17 Q. Has LegalZoom, to your knowledge, ever  
18 requested of an attorney that it employs or an outside  
19 attorney to examine a template or templates for the  
20 purpose of determining whether or not that particular  
21 template complies with Missouri law?

22 A. Could you ask that question -- yeah, can you  
23 repeat that question, please.

24 (Record read.)

25 THE WITNESS: LegalZoom has asked its either

1 employees who are attorneys or attorneys who are outside  
2 of the -- of LegalZoom to see if the templates that we  
3 created would be applicable to different states  
4 including Missouri.

5 BY MR. BUTSCH:

6 Q. Is there a particular outside law firm that  
7 LegalZoom historically has used for that purpose?

8 A. There is not one outside law firm that  
9 LegalZoom has historically used for that purpose.

10 Q. What law firms has it used for that purpose?

11 A. I don't --

12 MR. THOMPSON: I'm going to -- before you  
13 answer, let me confer with counsel for a second. I'm  
14 not sure that that doesn't invade the attorney/client  
15 privilege.

16 THE VIDEOGRAPHER: Go off the record?

17 MR. THOMPSON: We're going to step outside.  
18 Brian, you can just wait for a second.

19 THE VIDEOGRAPHER: Do you want me to stay on  
20 or go off?

21 MR. BUTSCH: Oh, this? I guess you can shut  
22 it off.

23 (Brief interruption.)

24 THE VIDEOGRAPHER: We're back on the record.

25 The time is 12:02.

1 MR. THOMPSON: Sorry for the interruption. No  
2 objection. You can answer.

3 THE WITNESS: I don't recall the name of every  
4 law firm that we have used for that purpose; however, I  
5 do know that we have used the law firm of Perkins Coie  
6 at least once for that purpose.

7 BY MR. BUTSCH:

8 Q. Is that a law firm here in Los Angeles?

9 A. That is a law firm with offices, I believe, in  
10 many cities and states.

11 Q. But the office that you used, was that here in  
12 Los Angeles?

13 A. No, that office was not in Los Angeles.

14 Q. Do you know where it was?

15 A. I believe that the office of Perkins Coie that  
16 we used was in Seattle, Washington.

17 Q. Do you know the name of the lawyer that was  
18 responsible for that?

19 A. That I do not know.

20 Q. Is it fair to say, Mr. Liu, that most of the  
21 creation of the templates, any updating that might occur  
22 on those templates is done by LegalZoom's own personnel  
23 as opposed to outside law firms?

24 A. If what you're referring to is the changing of  
25 the templates and actually revising the templates, then



1 the majority of that work would be done by LegalZoom's  
2 in-house attorneys.

3 Q. Is there a particular attorney here that is  
4 generally responsible for making sure that those forms  
5 are current and updated?

6 A. LegalZoom has a product quality department  
7 with attorneys who utilize different update services so  
8 that they can make changes to the documents, but that  
9 attorney is not in this room today.

10 Q. Who is that?

11 A. The primary attorneys who are in the product  
12 quality or product assurance department would be Nancy  
13 Lee and Vanessa Butnick.

14 Q. Does LegalZoom have in place a program or a  
15 method for making sure that its documents are up to  
16 date? And just as an example, LegalZoom does have  
17 powers of attorney available for its Missouri customers;  
18 is that correct?

19 A. LegalZoom does allow Missouri customers to  
20 create powers of attorney documents through the website,  
21 yes.

22 Q. Let's say, for example, that the Missouri  
23 Legislature decided to change the statute that governs  
24 powers of attorney. Okay? There is a statute currently  
25 in place in Missouri that speaks to that topic. If the

1 our product quality department who is responsible for  
2 it, but there are other people who are responsible as  
3 well.

4 Q. Who does she answer to, do you know, Vanessa  
5 Butnick?

6 A. I don't know.

7 Q. Is there someone who has direct day-to-day  
8 responsibility for the quality control department?

9 A. The quality control department is under the  
10 general counsel's department, so whether there is  
11 somebody that reports -- that Vanessa would report to or  
12 whether -- who that -- how that reporting relationship  
13 is done, I do not know the details.

14 Q. In terms of developing new templates for new  
15 documents that LegalZoom might offer, for example, like  
16 a pet protection agreement, is it the quality control  
17 department who would develop the template for a new  
18 document to be offered through LegalZoom?

19 A. Typically not. The quality control department  
20 would not be responsible for developing new templates.  
21 Their job is to ensure that -- the quality of the  
22 current templates.

23 Q. So who would be or what department would be  
24 responsible -- if somebody had a new idea and you wanted  
25 to develop it further, and you wanted to come up with a

1 Missouri Legislature decided tomorrow that it was going  
2 to revise that law and make significant changes in the  
3 current power of attorney law, does LegalZoom have  
4 something in place that would allow it or at least make  
5 itself aware of this change in the law so that its power  
6 of attorney that is available to Missouri residents  
7 would be accurately updated to conform with the new  
8 power of attorney law?

9 A. LegalZoom tries to make sure that it stays on  
10 top of these changes, and we always actively monitor the  
11 different states through various services that are  
12 provided by third parties to -- which notify us if there  
13 are changes such as the one that you described.

14 Q. So there's subscription services that provide  
15 updated information or new developments in the law, and  
16 the people at LegalZoom follow this and would make the  
17 modifications as they would see necessary; is that  
18 right?

19 A. There are subscription services that do follow  
20 the changes, and the in-house counsel of -- in-house  
21 lawyers of LegalZoom do follow this to see if there are  
22 changes that affect our documents.

23 Q. Is Vanessa Butnick the person who's primarily  
24 responsible for that?

25 A. I would say that she is one of the persons in

1 template for a new type of agreement that had not  
2 previously been offered, who would develop the template  
3 for that?

4 A. Historically there hasn't been any one person  
5 that's been responsible for developing all of the  
6 templates. It depends on the type of document. You  
7 mentioned the pet protection agreement. That was  
8 developed in conjunction with an outside attorney, so it  
9 depends on the situation and depends on the type of  
10 document.

11 Q. So in that instance, the pet protection  
12 agreement, an outside lawyer developed that for  
13 LegalZoom?

14 A. That is correct.

15 Q. Who was that?

16 A. The outside lawyer's name is Rachel  
17 Hirschfeld.

18 Q. Where is she from, do you know?

19 A. I believe that she currently resides in  
20 New York or New Jersey.

21 Q. I want to ask you about some particular  
22 document templates that have been produced to us by your  
23 counsel. Mr. Hartman in his deposition identified a  
24 number of document templates, and since that time  
25 additional templates have been produced to us.

1 Let me hand you what we have marked as  
 2 LegalZoom Exhibit 87.  
 3 (Exhibit 87 was marked for  
 4 identification.)  
 5 BY MR. BUTSCH:  
 6 Q. And I'll ask you, sir, if you recognize that.  
 7 A. Yes, I do recognize this.  
 8 Q. How do you recognize it?  
 9 A. It appears to be a healthcare directive.  
 10 Q. And is this a template that was developed by  
 11 LegalZoom?  
 12 A. This does not look like a template to me.  
 13 This looks like a sample document as opposed to the  
 14 actual template itself.  
 15 Q. What would be the difference between -- what's  
 16 the difference between the actual document and the  
 17 template?  
 18 A. In this particular case what I see in front of  
 19 me, it simply looks like the names of the person or  
 20 persons have been redacted. In a document template it  
 21 would contain different options for various fields, and  
 22 instead of being blacked out with the name, you would  
 23 have either an automation bookmark or some other method  
 24 of mapping the questionnaire, the LegalZip questionnaire  
 25 input to the template field.

1 Q. So this Exhibit 87 is more accurately  
 2 described as a final product, a final healthcare  
 3 directive?  
 4 A. I don't know if this is a John Doe document or  
 5 whether this was a real document that has been redacted.  
 6 Q. Right. But it's an example of a document that  
 7 can be obtained through LegalZoom, correct?  
 8 A. Yes, it is a facsimile of a healthcare  
 9 directive that somebody could create through LegalZoom.  
 10 Q. And this is something that would be available  
 11 to Missouri customers of LegalZoom?  
 12 A. I believe that -- I believe that healthcare  
 13 directives are available to Missouri residents, yes.  
 14 Q. So if I were a Missouri customer and I wanted  
 15 a healthcare directive, I could go to the LegalZoom  
 16 website, go through the questionnaire or branching  
 17 mechanism, and confirm that the information was correct,  
 18 submit my payment information, and LegalZoom would send  
 19 me a document that would -- may look very similar to  
 20 this, a healthcare directive, correct?  
 21 A. A customer could go through the LegalZoom  
 22 website, enter the information in the branching  
 23 questionnaire, and if they submit the payment and wish  
 24 to create a healthcare directive through our online  
 25 questionnaire and through the LegalZip mechanism, then,

1 yes, a customer could receive by mail a document that  
 2 looks similar to this.  
 3 Q. Namely, a healthcare --  
 4 A. Which is a healthcare directive.  
 5 Q. A healthcare --  
 6 A. Healthcare --  
 7 Q. -- directive?  
 8 A. Yes.  
 9 Q. And I understood from Mr. Hartman's testimony,  
 10 and you can confirm this, that before the LegalZoom  
 11 customer, in this case one seeking a healthcare  
 12 directive, before that LegalZoom customer would actually  
 13 receive the hard copy of the healthcare directive that  
 14 had been delivered to them from LegalZoom, they would  
 15 not actually see a copy of the healthcare directive  
 16 online?  
 17 A. I -- they would not -- they would not see a  
 18 copy of the healthcare directive with the information  
 19 that they have selected and input into the questionnaire  
 20 online, but they would be able to review the information  
 21 that they typed in. So in this case that is correct.  
 22 Q. They would not actually see the final form of  
 23 the document as it is delivered to them online? They  
 24 would not actually see the document itself until such  
 25 time as it was delivered to them?

1 A. In the case of a healthcare directive, that is  
 2 correct.  
 3 Q. And the same could be said for wills, trusts  
 4 and powers of attorney?  
 5 A. Yes, the same could be said for wills and  
 6 living trusts and powers of attorney.  
 7 Q. Let's look at what we've marked as Exhibit 88.  
 8 (Exhibit 88 was marked for  
 9 identification.)  
 10 BY MR. BUTSCH:  
 11 Q. I'll ask you, Mr. Liu, if you recognize that  
 12 document.  
 13 A. Yes, I do recognize this document.  
 14 Q. And how is it that you recognize that  
 15 document?  
 16 A. This is a pet protection agreement, and I have  
 17 seen this document before.  
 18 Q. Is that pet protection agreement that we've  
 19 marked as Exhibit 88, is that a document that is  
 20 available for LegalZoom's customers in Missouri? Is  
 21 that a product that's offered in Missouri?  
 22 A. I believe, to the best of my knowledge, this  
 23 document is a document that Missouri customers could  
 24 create through LegalZoom, yes.  
 25 Q. And the method that it's created is the same

1 method that we've been discussing this morning where the  
2 information is put in through the questionnaire, and  
3 then certain of that information is imported into this  
4 document, and the document is sent to the customer,  
5 correct?

6 A. Yes, that is correct.

7 Q. Speaking about this pet protection agreement,  
8 do you know how long this particular product has been  
9 available to Missouri residents?

10 A. It has been available to Missouri residents  
11 for less than one year.

12 Q. Are there any other documents that are created  
13 in a similar way that have been available to Missouri  
14 residents within the last year? Just within the last  
15 year.

16 A. There may be additional documents, but I would  
17 not recall. None immediately come to mind. I believe  
18 that there are some downloadable forms that are -- have  
19 been created within the last year that are available to  
20 Missouri residents, but I do not believe that there are  
21 other documents that are similar to the ones that you  
22 describe that utilize the questionnaire and branching  
23 technologies. I should say I don't know personally of  
24 any other ones, or I do not recall.

25 Q. And just so we're clear about this, you

1 sale for a car, and there are others as well, and I  
2 don't recall all of them, but those are some examples.

3 Q. Why don't we take a look at what we've marked  
4 as LegalZoom Deposition Exhibit 89.

5 (Exhibit 89 was marked for  
6 identification.)

7 BY MR. BUTSCH:

8 Q. Do you recognize that document, Mr. Liu?

9 A. Yes, I do recognize this document.

10 Q. And how do you recognize it?

11 A. I recognize it as it looks like a residential  
12 lease agreement.

13 Q. And is that a document -- a residential lease  
14 agreement, is that a document available to Missouri  
15 customers of LegalZoom?

16 A. I believe that this is available to customers  
17 of Missouri.

18 Q. And am I correct in saying that this is a  
19 document that is created through the branching  
20 mechanism; that is, the customer fills out an online  
21 questionnaire, and the information that is gathered from  
22 the customer is imported into this document, and of  
23 course the document is -- a hard copy of the document is  
24 later delivered to the customer?

25 A. Yes, that is an accurate description of how

1 referred to earlier in the deposition stand-alone forms,  
2 downloadable forms, and it's my understanding that  
3 LegalZoom does offer certain documents that are forms  
4 only; that is to say, that the customer can download  
5 those forms, and those forms would have -- presumably  
6 have blanks on them. The customer could download those  
7 forms and fill them out themselves or retain those for  
8 future use; is that right? And in that regard the  
9 branching mechanism where the final product is created  
10 and shipped to the customer, that would not apply to  
11 those stand-alone downloadable forms. Am I correct?

12 A. The stand-alone downloadable forms are  
13 available in a pdf format so those are fill-in-the-blank  
14 forms. They may be available in Word format as well, I  
15 don't know, but I believe they are in pdf, and the  
16 branching questionnaire process does not apply to those  
17 forms.

18 Q. Can you give me some examples of what those  
19 forms would be?

20 A. Yes. I believe that the most popular one is a  
21 nondisclosure agreement, and there are different types  
22 of nondisclosure agreements such as a mutual  
23 nondisclosure agreement or a one-way nondisclosure  
24 agreement.

25 Other popular forms would include a bill of

1 this document is created.

2 Q. Okay. I think we could take a break at this  
3 point.

4 MR. THOMPSON: Okay.

5 THE VIDEOGRAPHER: We're off the record. The  
6 time is 12:31.

7 (At the hour of 12:31 p.m. a lunch recess was  
8 taken. The proceedings resumed at 1:43 p.m.)

1 SANTA MONICA, CALIFORNIA  
2 WEDNESDAY, FEBRUARY 16, 2011

1 corporation in Missouri, they could get on to the  
2 LegalZoom website and select "Not-for-Profit  
3 Corporation" and answer a series of questions that is  
4 the branching mechanism that we've discussed before; is  
5 that right?

3  
4 EXAMINATION RESUMED

5  
6 A. Yes, that is correct.

6 THE VIDEOGRAPHER: And we're back on the  
7 record. The time is 1:43.

7 Q. And if a customer decided that they were going  
8 to go forward with a transaction and form a not-for-  
9 profit corporation in Missouri, what would happen next  
10 after they had filled out the questionnaire and  
11 confirmed the accuracy of the questionnaire? Can you  
12 tell me that?

8 BY MR. BUTSCH:

13 A. After the customer had completed the online  
14 questionnaire and input or typed in the answers to  
15 complete the questionnaire, then through the LegalZoom  
16 and LegalZip process those -- that information would be  
17 populated into the form that was -- that is published by  
18 the Missouri Secretary of State.

9 Q. Mr. Liu, I had been asking you about various  
10 documents that are available on LegalZoom's website that  
11 are available to Missouri customers. We spoke about the  
12 healthcare directive, a pet protection agreement, and a  
13 lease agreement.

19 Of course before that happens the customer  
20 would have to pay for that service and provide their  
21 payment information.

14 I have some other documents I'd like to ask  
15 you about. Let me hand you what we have marked as  
16 LegalZoom Deposition Exhibit 90.

22 Q. Other than filling in the form as provided by  
23 the Missouri Secretary of State, is there any other  
24 document that is created by LegalZoom? And I'm looking  
25 at Exhibit 90, and there appears to be an attachment to

17 MR. THOMPSON: Thank you.

18 (Exhibit 90 was marked for  
19 identification.)

20 BY MR. BUTSCH:

21 Q. And I'd ask you to take a look through that.  
22 Do you recognize these particular documents?

23 A. I do, yes.

24 Q. How do you recognize them?

25 A. I recognize that the first page is a

1 Certificate of Incorporation of a Missouri nonprofit,  
2 and the pages thereafter are the Articles of  
3 Incorporation of the nonprofit corporation. And it  
4 appears that these are from -- this is the Secretary of  
5 State of the state of Missouri's form for the Articles  
6 of Incorporation of a nonprofit corporation that has  
7 been redacted.

1 the Articles of Incorporation that's page 3 of the  
2 exhibit.

8 Q. Are these documents that relate to the  
9 formation of a not-for-profit corporation in Missouri --  
10 are these documents something that would be available  
11 through LegalZoom's website?

3 A. Yes.

12 A. The Articles of Incorporation relate to the  
13 formation of the nonprofit. The first page, which is  
14 the certificate, I do not believe relates to the  
15 formation. I'm not sure about the other pages, but a  
16 customer could come on to the LegalZoom website and  
17 create the articles of incorporation for a nonprofit and  
18 have them filed by LegalZoom.

4 Q. Do you see that?

19 Q. When you say "have them filed by LegalZoom,"  
20 what do you mean by that? Filed where?

5 A. Yes, I do.

21 A. I mean that they could be sent by the U.S.  
22 post or by a Federal Express or other courier service  
23 and delivered to the Missouri Secretary of State's  
24 office.

6 Q. And it says "Articles of Incorporation of" and  
7 the name is blank, but it has a description of the  
8 organization. It discusses the net earnings of the  
9 organization. It talks about the activities of the  
10 organization. It makes references to the Internal  
11 Revenue Code. And then there is a reference to what  
12 occurs upon the dissolution of the not-for-profit  
13 corporation in the last paragraph.

25 Q. If a customer wanted to form a not-for-profit

14 Do you see that?

15 A. Yes, I do see that.

16 Q. Is this language that we see on page 3 of the  
17 exhibit an attachment to the Articles of Incorporation,  
18 is that something that is provided by LegalZoom?

19 A. The language for the attachment of these  
20 Articles of Incorporation of the nonprofit appears to  
21 have come from or is derived from the language in the  
22 Internal Revenue Code and was provided by LegalZoom as  
23 an attachment to the Articles of Organization --  
24 Articles of Incorporation.

25 Q. So the language was provided through

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. 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 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 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

1 LegalZoom Exhibit 95. And I'll represent to you that  
2 these are a couple of what were purported on the C.D.s  
3 to be Internet banner ads.

4 (Exhibit 95 was marked for  
5 identification.)

6 BY MR. CLEMENT:

7 Q. Is that what it looks like to you?

8 A. Page 1 looks like a banner ad. Page 2 looks  
9 like something that might have come from our website,  
10 the LegalZoom website, but this does not appear to be a  
11 banner ad that's used outside of the LegalZoom website.

12 Q. So you don't believe page 2 is a banner ad but  
13 something that has appeared on the website?

14 A. I believe that the second page is one of the  
15 banners that appears internally on the LegalZoom  
16 website, but this does not appear to me to be an ad that  
17 would run externally.

18 Q. But the first page would be an ad that would  
19 be run externally?

20 A. Yes.

21 Q. And these are ads that appear on various  
22 websites, and you contract with a third-party agency to  
23 determine that; which websites are the most advantageous  
24 for your ad like this to appear?

25 A. We contract with an outside agency to

1 talking with Mr. Butsch about?

2 A. Yes. This ad appears to be talking about the  
3 downloadable fill-in-the-blank forms that do not use the  
4 questionnaire and branching-type technology.

5 Q. In fact, it lists the price from \$5.95,  
6 correct?

7 A. That is correct.

8 Q. So it's fair to say that the forms the folks  
9 download and just fill in the blanks such as the  
10 nondisclosure that you referenced with Mr. Butsch are  
11 much more inexpensive than the documents that use the  
12 branching mechanism?

13 MR. THOMPSON: Object to the form.

14 BY MR. CLEMENT:

15 Q. Is that a fair statement?

16 A. I would say that the downloadable forms are in  
17 general inexpensive, but I can't -- how much more  
18 inexpensive is not for me to judge.

19 Q. Well, do you know, as you sit here today, what  
20 downloadable forms, fill-in-the-blank forms are offered  
21 by LegalZoom?

22 A. I've named a few such as the nondisclosure  
23 agreement. I believe there's bills of sale, but off the  
24 top of my head we offer probably over 50 different types  
25 of forms, and I cannot name them off.

1 determine where the ads will run and on which websites,  
2 yes.

3 Q. And so you can't tell me, as you sit here  
4 today, where this particular banner ad would have  
5 appeared on the Internet over the last six months?

6 A. No, I cannot provide you with that information  
7 today.

8 Q. Is there a way for someone at LegalZoom to  
9 provide that information to me if I were to ask the  
10 right person?

11 A. Perhaps somebody in our marketing department  
12 could provide you with a way to determine that, but I  
13 believe that only our agency would be able to have that  
14 information. That information would not be stored  
15 internally.

16 Q. And Dotomi is the agency that you use for  
17 Internet advertising?

18 A. Yes.

19 Q. This particular ad, page 1, references  
20 "LegalZoom Legal Forms. Dozens of downloadable forms to  
21 help you out with simple legal matters."

22 Did I read that correctly?

23 A. Yes.

24 Q. And are these forms that are referenced in  
25 this ad the fill-in-the-blank-type forms that you were

1 Q. You offer 50 different fill-in-the-blank-type  
2 forms?

3 A. Approximately 50, more or less, yes.

4 Q. Are any of the fill-in-the-blank-type forms  
5 similar documents which you also offer through the  
6 branching mechanism? In other words, can somebody  
7 download a fill-in-the-blank will or a fill-in-the-blank  
8 LLC formation document?

9 A. Today I do not believe they are able to do  
10 that.

11 Q. Why doesn't LegalZoom offer fill-in-the-blank  
12 forms that they also offer on their branching mechanism?

13 A. If you're asking me to speculate as to why I  
14 believe we don't offer the fill-in-the-blank forms --

15 Q. Well, I don't want you to speculate. Do you  
16 know why LegalZoom -- you're the chairman of the board.

17 MR. THOMPSON: Object. It's outside the scope  
18 of the deposition in which you're covering Internet  
19 advertising.

20 BY MR. CLEMENT:

21 Q. Do you know why LegalZoom does not offer  
22 downloadable forms similar to the documents that a  
23 customer can create using the branching mechanism?

24 A. If I don't have to answer that, I prefer not  
25 to.

1 BY MR. CLEMENT:

2 Q. Mr. Liu, I'll represent to you that this is a  
3 script form that is from a file folder on the C.D. that  
4 we just looked at on my computer in the "Bill Handel"  
5 subfile. Do you know who Bill Handel is?

6 A. Yes, I do.

7 Q. Who is he?

8 A. Bill Handel is a radio personality here in  
9 Los Angeles who has a show on the a.m. station KFI, and  
10 he does the morning drive in Los Angeles, and he also  
11 has a nationally syndicated program as well.

12 Q. All right. And there are two script forms in  
13 this exhibit; is that right? The first one is dated  
14 January 2nd, 2007, to January 28, 2007, and the second  
15 one is dated March 3rd, 2008, to March 30th, 2008; is  
16 that right?

17 A. That is correct.

18 Q. Have you seen these documents before?

19 A. These exact documents? I do not recall seeing  
20 the first one, but I do recall seeing or hearing the  
21 second one.

22 Q. Okay. I'm going to ask you about the first  
23 one real quick. If you look at lines 11 and 12 --  
24 actually, 10, 11 and 12. It says, "Simply go to  
25 LegalZoom.com, fill out a straightforward questionnaire

1 and LegalZoom.com takes care of the rest."

2 Did I read that correctly?

3 A. Yes, you did read that correctly.

4 Q. And that's either the same or very similar  
5 language to what Mr. O'Reilly said; is that right?

6 A. I actually don't recall exactly what  
7 Mr. O'Reilly said.

8 Q. Okay. Well, it will be in the record so I  
9 guess we'll let that speak for itself. Does that  
10 accurately describe what LegalZoom does?

11 A. In a general sense, yes, that does describe  
12 the overall LegalZoom process of how somebody could  
13 answer a straightforward questionnaire and then receive  
14 the documents by mail that they had requested.

15 Q. All right. Line 16 on the first page, it  
16 says, "100 percent guaranteed."

17 Do you see that?

18 A. Yes, I see that.

19 Q. Does LegalZoom guarantee that its documents  
20 are valid?

21 MR. THOMPSON: Object to the form of the  
22 question.

23 MR. CLEMENT: Well, let me back up. Is there  
24 a particular word that you think I need to clarify?

25 MR. THOMPSON: Well, "100 percent guaranteed."

1 And then you suggested -- I thought the question  
2 suggested that there was other representation in the  
3 sentence. If you want to ask him what the guarantee  
4 means, that's fine. I thought you were putting your  
5 words into the question as if they were present in the  
6 sentence.

7 MR. CLEMENT: Okay.

8 Q. Well, let me ask the question over again,  
9 Mr. Liu. Does LegalZoom guarantee that its documents  
10 are valid? That the documents it provides to its  
11 customers are valid?

12 A. When I read this phrase or this sentence, it  
13 doesn't say that there is a guarantee that the documents  
14 are valid, and in general LegalZoom does not guarantee  
15 that a document will hold up in court.

16 Q. What does LegalZoom guarantee?

17 A. LegalZoom guarantees that a customer will be  
18 satisfied with our customer service, satisfied with our  
19 responsiveness, and satisfied with our timeliness in  
20 obtaining the documents. And we further have a no-  
21 questions-asked guarantee so that if somebody receives  
22 the documents and is not satisfied for whatever reason  
23 with those documents, they can return them and we will  
24 issue them a refund.

25 Q. Who is Dennis Miller?

1 A. Dennis Miller is an on-air personality that I  
2 believe was on Monday Night Football for a while.

3 Q. Do you know where his -- he's on the radio,  
4 correct?

5 A. Yes.

6 Q. Do you know where his radio show is broadcast?

7 A. I do not know.

8 Q. Do you know if he's satellite radio or he's  
9 just nationally syndicated, or you don't know?

10 A. I believe it's nationally syndicated, but it  
11 may also be satellite radio.

12 Q. Okay.

13 A. In fact, I don't know if he still has a show,  
14 but at one time he did have a show.

15 Q. Do you know --

16 A. He's a comedian, too, I think I recall.

17 Q. Do you know when LegalZoom advertised on  
18 Mr. Miller's show?

19 A. I believe that we advertised on Mr. Miller's  
20 show one to two years ago.

21 Q. Okay. Do you know how long?

22 A. We advertised -- I don't know the exact length  
23 of time.

24 Q. If you look at the computer subfile under  
25 "Dennis Miller" there is, I don't know, 12, 15 ads. Can



1 government authorities for as little as  
 2 \$139 plus filing fees. LegalZoom isn't a  
 3 law firm. They provide self-help  
 4 services at your specific direction which  
 5 is probably why Fortune called  
 6 LegalZoom.com blessedly simple. Talk  
 7 about blessedly simple, Baba Booy needed  
 8 power of attorney for some reason. Paid  
 9 29 bucks because LegalZoom lets you do it  
 10 all yourself. And it's so simple. It is  
 11 so simple" --  
 12 "Are you trying to kill me? I had just  
 13 taken a drink when you did that."  
 14 "I'm Burpman. Get a discount off any  
 15 service by typing the number '100' in the  
 16 referral box at checkout. Join more than  
 17 half a million people who have trusted  
 18 LegalZoom.com for their common legal  
 19 documents. Incorporate your business,  
 20 create your will, create your living  
 21 trust. Even register a trademark.  
 22 Incorporate yourself, protect yourself  
 23 with common legal documents people can  
 24 trust. Go to LegalZoom.com. That's  
 25 LegalZoom.com.")

1 BY MR. CLEMENT:  
 2 Q. Apart from Howard Stern's bodily functions and  
 3 being Burpman, was there anything in that ad that you  
 4 found to be inaccurate or misleading?  
 5 A. Taken as a whole, when I hear that ad, I do  
 6 not believe that anything there is misleading in general  
 7 in light of the entire ad and in light of the  
 8 information that's provided on our website and the  
 9 services that LegalZoom offers.  
 10 Q. He said ensuring they are filled out  
 11 correctly, referring to documents. Do you remember  
 12 hearing that?  
 13 A. I don't remember hearing that particular --  
 14 those particular words in that way, but --  
 15 Q. Does LegalZoom ensure that the documents are  
 16 filled out correctly?  
 17 A. LegalZoom will ensure that if a question is  
 18 asked in the online questionnaire, that when the form is  
 19 populated that the correct matching or the correct  
 20 mapping of the suitcase answers will go into the  
 21 applicable field in the template.  
 22 Q. You represent in some of your ads that  
 23 LegalZoom checks the documents for accuracy. Have you  
 24 seen that phrase or heard that phrase?  
 25 A. I have not heard that particular phrase.

1 Q. Does LegalZoom -- well, here. Look at  
 2 Exhibit 95, if you have that in front of you. On the  
 3 second page, which is an ad, I believe you said was a  
 4 banner that appeared on the LegalZoom website. It says,  
 5 "All documents are reviewed for accuracy."  
 6 You see that?  
 7 A. Yes.  
 8 Q. What does that mean?  
 9 A. It means that we will review the answers that  
 10 a customer provides for spelling. Make sure it is  
 11 accurately spelled. Make sure that it's grammatically  
 12 correct. And make sure that it is internally  
 13 consistent.  
 14 Q. I'm going to do one more Howard Stern ad and  
 15 then we'll take a break. I'm going to play the ad  
 16 that's labeled "LegalZoom 31809 underscore 1056." Can  
 17 you tell by that file name when the ad ran?  
 18 A. I would guess that it ran in March of 2009.  
 19 (Video transcription:  
 20 "Before I go may I mention LegalZoom.com.  
 21 Would you take a look at that website.  
 22 "Please do.  
 23 "It will save you a ton of money if you  
 24 have any kind of legal work that needs to  
 25 be done. It's just a very, very cool

1 website. LegalZoom.com. You know the  
 2 power of radio. How much more business  
 3 could you score if your company was  
 4 mentioned on the air? LegalZoom.com  
 5 knows that a ton of you right there are  
 6 businesspeople and this could be your  
 7 lucky day. Whatever your business from  
 8 mom and pop to work from home to a  
 9 giant -- you know, you've probably been  
 10 putting off some important legal  
 11 documents. You need to incorporate or  
 12 form your LLC or you need a DBA, patent  
 13 or trademark, the easiest path to  
 14 starting and growing your business is  
 15 LegalZoom. For virtually any legal  
 16 document go to LegalZoom.com. You save  
 17 up to 85 percent. LegalZoom is not a law  
 18 firm. What was started by a team of top  
 19 attorneys to provide self-help services  
 20 at your specific direction. Enter '100'  
 21 in the referral box at checkout for an  
 22 extra discount off most products and for  
 23 a chance for your business to be  
 24 mentioned on the air (unintelligible)  
 25 LegalZoom.com. You know how great they

1 are. Baba Boeey got power of attorney  
2 and stuff. Only on LegalZoom.com and  
3 save a ton of money.")

4 BY MR. CLEMENT:

5 Q. Anything in that ad that you found to be  
6 inaccurate or misleading?

7 A. When I listen to that ad taken as a whole and  
8 in conjunction with the information that appears on our  
9 website, in general I did not hear anything that was  
10 misleading or inaccurate in that ad.

11 MR. CLEMENT: Okay. Let's take a short break.

12 THE VIDEOGRAPHER: We're off the record. The  
13 time is 4:11. This is the end of tape number 3 of the  
14 deposition of Mr. Brian Liu.

15 (Recess taken.)

16 THE VIDEOGRAPHER: And we're back on the  
17 record. The time is 4:23. This is tape number 4 of the  
18 videotape deposition of Mr. Brian Liu.

19 BY MR. CLEMENT:

20 Q. Mr. Liu, we're back after a short break. Who  
21 is Dan Patrick?

22 A. Dan Patrick is a radio personality primarily  
23 for sports talk.

24 Q. And LegalZoom has advertised on his show; is  
25 that right?

1 LegalZoom.com, America's premier online  
2 document service. Last year LegalZoom  
3 helped more entrepreneurs and small  
4 business owners get off the ground than  
5 anyone else online. And the reason?

6 Great service, great price. LegalZoom  
7 goes the extra mile with real humans who  
8 check your work for consistency and  
9 completeness. Plus they're going to file  
10 your documents with the proper government  
11 agency so you know it's being done right.  
12 Bottom line, your legal document needs to  
13 stand up in court. LegalZoom is not a  
14 law firm but provides self-help services  
15 at your specific direction. For even  
16 more savings enter 'Patrick' in the  
17 referral box at checkout. For wills,  
18 LLCs, bankruptcy help, real estate forms  
19 and more go to LegalZoom.com.  
20 LegalZoom.com.")

21 BY MR. CLEMENT:

22 Q. Is there anything in that ad that is  
23 inaccurate or misleading?

24 A. In general, when I hear that ad, it does not  
25 appear -- nothing appears to be misleading or

1 A. Yes, we have advertised on the Dan Patrick  
2 show.

3 Q. Over what time period, do you know? If you'd  
4 like to look at the ad file titles, please do.

5 A. I believe that we have advertised on Dan  
6 Patrick since 2009. Maybe as early as 2008.

7 Q. Okay. Do you know if LegalZoom continues to  
8 advertise on Dan Patrick's show?

9 A. I believe that we do continue to advertise on  
10 Dan Patrick, but I cannot be a hundred percent positive.

11 Q. I'm going to play the ad that's labeled "LZ  
12 dash Dan dash SUIC." By the title of that ad can you  
13 tell when it ran?

14 A. No, I cannot tell by the title of that.

15 (Video transcription:

16 "15 years ago who would have believed  
17 that you could trade stocks online  
18 without using a broker? Who would have  
19 thought that you could prepare and file  
20 your taxes online without an accountant?  
21 Now through LegalZoom.com you can create  
22 your own binding legal documents online  
23 without the high cost of an attorney.

24 Some of the brightest minds in law and  
25 technology came together to create

1 inaccurate.

2 Q. Which employees at LegalZoom check the  
3 documents for consistency and completeness as  
4 Mr. Patrick said in his ad?

5 A. We have employees in different departments  
6 whose job it is to ensure that the information that's  
7 provided by the customers in a suitcase contains the  
8 information that's needed to complete the template as  
9 well as to make sure that the information provided is  
10 correct from a spelling and grammar perspective.

11 Q. About how many employees at LegalZoom do that  
12 work?

13 A. I can't give you an exact number, but --  
14 because that's not the only work that somebody would do,  
15 so I would say that it is in the neighborhood of 30 to  
16 50 employees who have that as part of what they do.

17 Q. What are their general qualifications to do  
18 that type of work?

19 A. The general qualification is that they go  
20 through a training program that we have at LegalZoom.  
21 Most of them are college graduates. I believe at a  
22 minimum they have an associate's degree, and they go  
23 through the -- as I said, a training and learning  
24 program at LegalZoom before they do that type of review  
25 work.