

# EXHIBIT 1

**AFFIDAVIT OF DR. SCOTT LEWIS IN SUPPORT OF PLAINTIFF  
1ST TECHNOLOGY, LLC'S APPLICATION FOR DEFAULT JUDGMENT**

STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF SANTA CLARA            )

I, SCOTT W. LEWIS, Ph.D., being first duly sworn, deposes and states as follows:

1. I am the Chief Executive Officer of Plaintiff, 1<sup>ST</sup> TECHNOLOGY LLC, and am over the age of legal majority in the State of Nevada. I am competent and qualified to testify to the issues set forth in this affidavit.

2. I am the sole inventor of U.S. Patent 5,564,001 (the '001 Patent) entitled, "Method and System for Interactively Transmitting Multimedia Information Over a Network which Requires a Reduced Bandwidth", which was issued on October 8, 1996. The Court has entered a Default in the case of *1<sup>st</sup> Technology LLC v. Rational Enterprises, et. al* in favor of 1<sup>st</sup> Technology LLC and against the following Defendants: Bodog Entertainment Group, S.A.; Bodog.Net; and Bodog.Com (hereinafter referred to as the "Bodog Entities"). 1<sup>st</sup> Technology LLC has been damaged in the amount of \$46,597,849, at the very least, due to the actions of the Bodog Entities. This affidavit will set forth all bases for this calculation of damages.

3. As an initial matter, I am well qualified to perform this calculation of damages. My background includes a Bachelor's Degree and a Master's Degree in Engineering from the Massachusetts Institute of Technology, a Doctorate in Digital Signal Processing from Oxford University as a Marshall Scholar, and an MBA from Harvard Business School. Additionally, I have founded and acted as Chief Executive Officer of multiple companies in Silicon Valley and as a Merger and Acquisition and Strategy Consultant for both the Boston Consulting Group and the L.E.K. Consulting Group.

4. I would like to point out that the factors used in this calculation of damages are each extremely conservative at each level of the calculation and each factor has been substantiated with evidence.

///

1           5.     The '001 Patent enables providers of online games to operate at a higher level of  
2     interactivity and higher quality than would ordinarily be possible without the '001 Patent techniques.  
3     The Bodog Entities have implemented, and continue to implement, the '001 Patent techniques by  
4     using software on their websites which is downloaded before use and periodically thereafter  
5     (typically at least once a year to incorporate software optimization updates). Therefore, 1<sup>st</sup>  
6     Technology LLC's damages from Bodog's unauthorized use of the '001 Patent are best determined  
7     through a royalty formula applied to each and every download of the infringing software which  
8     incorporates the '001 Patent techniques. This model can be used for royalty computations to be  
9     applied to the Bodog Entities in calculating damages due.

10           6.     The calculation must start with an existing licensing agreement at its base. There is  
11     already a licensing agreement in effect with Wagerworks, Inc. (now a subsidiary of International  
12     Gaming Technologies, Inc. - IGT) and MGM Mirage, Inc. (hereinafter referred to as the "IGT/MGM  
13     Agreement"). A true and correct copy of the IGT/MGM Agreement is attached to the Application  
14     for Default Judgment as Exhibit C. This Agreement requires payment of \$1.00 per "New User"  
15     from users 1 through 100,000, \$0.75 from users 100,001 through 200,000, and \$0.50 for each New  
16     User beyond 200,000 users. In general, this is a very conservative agreement (and covered by a  
17     "Most Favored Nation" provision), since, for each New User, there will likely be multiple infringing  
18     software downloads per year. Additionally, the IGT/MGM Agreement uses a definition for New  
19     Users that spans all geographies (for simplicity in calculating the royalty), whereas 1<sup>st</sup> Technology  
20     LLC only demands damages from Defendant Bodog Entities for downloads to the United States  
21     based users. 66% of the Bodog Entities users are in the United States. *See* article from Alexa.com,  
22     a true and correct copy of which is attached hereto as Exhibit D. Thus, the royalty rates indicated  
23     in the IGT/MGM Agreement should be raised by one-third to fairly compare with the Bodog Entities  
24     United States user download data utilized in this damage calculations. However, for simplicity, 1<sup>st</sup>  
25     Technology LLC is only requesting the same royalty rates as those used in the IGT/MGM Agreement  
26     (on a New User basis).

27     ///

28

1           7. To calculate damages in this case to 1<sup>st</sup> Technology from the Bodog Entities  
2 infringements, one simply needs to multiply the royalty rates as set forth in the IGT/MGM  
3 Agreement by the number of user downloads.

4           8. According to Forbes interview with the Founder of the Bodog Entities, Calvin Ayre,  
5 and Forbes research as part of their World's Billionaire Report, the Bodog Entities had a reported  
6 16 million customers worldwide in 2005 and 18 million customers worldwide in 2006 (an average  
7 of 1.5 million per month). See article obtained from  
8 [http://www.forbes.com/free\\_forbes/2006/0327/112.html](http://www.forbes.com/free_forbes/2006/0327/112.html), a true and correct copy of which is attached  
9 hereto as Exhibit E. Alexa.com, a leading internet traffic recordation site, in early 2007 indicated  
10 that 66% of Bodog.Com's worldwide traffic was from United States users. See Exhibit D. If one  
11 further incorporates an extremely conservative projection for Bodog's infringing business to remain  
12 at 11.88 million United States users (zero future growth, 66% x 18M, and downloads at only one  
13 download per user) for the remaining life of the '001 Patent (through October 4, 2013), this is a  
14 conservative estimate, given that the online gaming industry is experiencing rapid growth  
15 projections.

16           9. Given these parameters, I have set forth the calculations for past damages, totaling  
17 \$10,412,780 in Table 1, attached to my affidavit. This includes damages starting from the July 22,  
18 2005 infringement notice date, up through March 14, 2007. Table 1B, attached to this affidavit, is  
19 a spreadsheet calculating future damages using the conservative new user royalty rates of the  
20 IGT/MGM Agreement. The present values of royalties for future damages use a conservative 5%  
21 discount rate when, in fact, the average current inflation rate is in the 2.5 to 3.5% range. This results  
22 in an extremely conservative future damage total of \$37,044,517. Thus, this results in an extremely  
23 conservative total damage figure of \$46,597,849.

24           10. I must emphasize that these totals of damages are very small compared with the  
25 enormous level of monetary infringement and gain by the Defendant Bodog Entities, as calculated  
26 in Table 2, attached to this affidavit. For the period of past and future infringement damages (July  
27 22, 2005 through October 4, 2013), the cumulative transaction inflows for the Bodog Entities,  
28

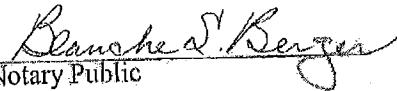
1 assuming no growth and projected very conservatively, totals \$65 billion dollars, with an after tax  
 2 cumulative profit of \$486 million dollars. The calculated total damages represents only 9.6% of  
 3 those monetary gains. Lastly, the approximately \$47 million dollars in total damages that 1<sup>st</sup>  
 4 Technology LLC requests represents a mere 4.7% of Calvin Ayre's current \$1 billion dollar net  
 5 worth, as calculated by Forbes. This wealth was derived in large part through infringement of 1<sup>st</sup>  
 6 Technology LLC's '001 Patent and my own innovation as its sole inventor.

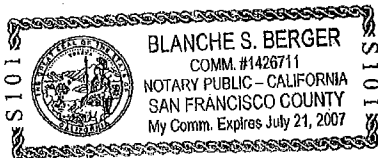
7 Further your affiant sayeth naught.

8 DATED this 20<sup>th</sup> day of March, 2007.

9  
 10   
 11 SCOTT W. LEWIS, Ph.D.

12 Sworn to and subscribed before  
 13 me this 20<sup>th</sup> day of March, 2007.

14  
 15  
 16   
 17 Notary Public



# TABLES 1 TO 2

TABLE 1  
Bodog Damages

TABLE 1A Past: 7/22/05 to 3/14/07 (1.6 yrs) (19.6 months)		% of Yr. Infringing Total U.S. (from 7/22/05 Notice Date)		Total U.S. Infringing Millions	Royalty Due \$M (\$1,000/download, 1-100,000)	Royalty Due \$M (\$0.75/download, 100,001-200,000)	Royalty Due \$M (\$0.50/download, 200,001+)	Total Royalty Due \$M
Unique Customers/Downloads (Forbes)	Millions World	16.00	10.55	4.53	\$0.1	\$0.1	\$2.2	\$2.4
2006 (Forbes)	% U.S. (Alexa.com)	18.00	11.88	11.88			\$5.9	\$5.9
2007 (assume no growth) (Alexa.com Internetworldstats)	% U.S. (Alexa.com)	18.00	11.88	2.44			\$1.2	\$1.2
			TOTAL	18.96			Total \$M	\$9.6
							Total \$	\$9,553,332

TABLE 1B  
Future: 3/15/07 to 10/04/13 - Term of Patent 5,564,001

TABLE 1B Future: 3/15/07 to 10/04/13 - Term of Patent 5,564,001		% of Yr. Infringing Total U.S. (from 7/22/05 Notice Date)		Total U.S. Infringing Millions	Total Royalty Due \$M (\$0.50/download)	Present Value \$M (@5% Discount Rate/Yr)
Unique Customers/Downloads 2007 (Alexa, Internetworld)	Millions World	18.00	11.88	9.43	\$4.7	\$8.00
2008	% U.S. (Alexa.com)	18.00	11.88	11.88	\$5.9	\$5.66
2009	% U.S. (Alexa.com)	18.00	11.88	11.88	\$5.9	\$5.39
2010	% U.S. (Alexa.com)	18.00	11.88	11.88	\$5.9	\$5.13
2011	% U.S. (Alexa.com)	18.00	11.88	11.88	\$5.9	\$4.89
2012	% U.S. (Alexa.com)	18.00	11.88	11.88	\$5.9	\$4.65
2013 (1/1/13-10/4/13)	% U.S. (Alexa.com)	18.00	11.88	8.92	\$4.5	\$3.33
			TOTAL	77.75	Total \$M	\$37.04
					Total \$	\$37,044,517

Past & Future  
Total \$M

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

TABLE 2

TABLE 2 Percents of Bodog Value Comparisons		As a %	
Past & Future Damages (\$M)	\$47	100.0%	
Bodog Cum. Transaction Revenue (2005 \$7.3B rev. Forbes x 8.5yrs)	\$64,970	0.1%	
Bodog Cum. After Tax Profit (2005 \$54.6M Forbes x 8.5yrs)	\$466	9.6%	
Bodog Est. 2006 Valuation (Forbes Richest Billionaires)	\$1,000	4.7%	

# **EXHIBIT 2**





## The World's Billionaires **Catch Me If You Can**

Matthew Miller 03.27.06

### **Calvin Ayre has gotten very rich by taking illegal bets over the Internet.**

On a warm, bright morning just outside San José, Costa Rica, Calvin Ayre, slightly hungover, was lounging in his bathrobe at a poolside office in his new \$3.5 million, 10,000-square-foot compound. Sipping coffee poured by one of his five servants, the entrepreneur declared, paraphrasing Sun Tzu's *The Art of War*, "I'm going to win this war without fighting battles. I've put a lot of energy into finding ways not to fight my enemies."

From this tropical oasis, Ayre has dodged and taunted those enemies, the main one being the U.S. Department of Justice. His Bodog Entertainment Group is in the not very kosher business of Web gambling. It takes bets from 16 million customers, most of them in the U.S. And that appears to violate the law--Title 18, Section 1084 of the U.S. Code--which forbids using telephones or other communication devices "in interstate or foreign commerce" in order to take bets. "Online gambling, whether it is located offshore or not, is illegal when it comes to the United States and its citizens," says a Justice Department official who works on Internet gambling crimes.

But Bodog has no physical presence in the U.S., Ayre is not an American citizen, and the extraterritorial reach of U.S. law is not clear. Ayre, at any rate, has no assets in the U.S. for the G-men to seize.

Last year the privately held Bodog handled \$7.3 billion in online wagers, triple the volume of 2004. Ayre says all this betting gave him sales of \$210 million, and that he took 26% of the revenue to the bottom line. What's his business worth? Two similar ventures that are publicly traded (in Europe) go for well over 18 times trailing earnings. At that multiple, Bodog, along with other assets, gives Ayre a net worth of at least \$1 billion.

Ayre presumably has not just the vice squad but the tax collectors in a huff. While 95% of his sales come from the U.S., the 44-year-old doesn't pay a nickel in corporate or personal income tax here. Is that legit? Foreigners are supposed to pay federal tax on income derived from U.S. business activities. The suckers are stateside, the electronic roulette wheels and digitized sports pools in Costa Rica. Where's the action? It remains to be seen whether IRS agents could make Ayre pay, assuming they could get their mitts on either him or his money.

His taunting analysis of the law: "We run a business that can't actually be described as gambling in each country we operate in. But when you add it all together, it's Internet gambling."

There are 2,400 Internet gaming sites, estimates tracker Casino City, a few hundred of them operating in Costa Rica's tax and regulatory haven. According to research company Christiansen Capital Advisors, they pulled in revenue (vigorish, that is) of \$12 billion last year, double the volume on the Las Vegas Strip. Ayre gets his share with a smorgasbord of offerings (sports, poker and casino games), a heavy dose of marketing and a lot of repeat business. Bodog.com claims 145,000 regulars who bet at least once a week. Their average wager: \$60 for sports, \$13 for casino games.

Bodog is spending \$80 million this year to nudge beyond gaming into a kind of MySpace for adults. Most of it is pretty cheesy entertainment, like his recent hosting of the Lingerie Bowl, a raunchy pay-per-view cable alternative to the Super Bowl halftime show. Ayre is also supporting the careers of a dozen lesser-known rock and hip-hop acts (Bif Naked and Syndicated Villain among them) and producing a poker show on cable TV with a slew of C-list celebrities like Rob Mariano (a contestant on CBS' *Survivor*) and card shark David Williams. Hardly any of these ventures makes money, though Ayre insists they will one day. But it probably lures customers to try their luck on Bodog.com. Its 1.5 million unique visitors per month, according to Internet tracker Hitwise, rivals that of Sportsbook.com, which is owned by London Stock Exchange-traded Sportingbet Group, the world's largest sports betting company.

Ayre likes to be seen--especially with attractive women. He is unmarried and has no steady girlfriend ("It would be unfair to the girl," he says). He has himself driven around in a black Hummer by a chauffeur who was trained as a sniper in the Canadian military and practiced in Somalia, Bosnia, Afghanistan and Iraq. Why the heavy metal? Ayre says he and three friends were robbed at gunpoint on the streets of San José a few years ago. His rivals say there's about as much need for a bodyguard in Costa Rica as in Boca Raton.

Raised in Lloydminster, Sask., Calvin Edward Ayre (pronounced "air") is the son of grain and pig farmers. He placed his first bet during his teens, playing blackjack for pennies with his mates on long hockey trips across the Canadian tundra. By the time he attended the University of Waterloo, Ayre was betting on sports (for beers, he says), and developing a taste for business. Over the summer he bought a five-ton truck, loaded it with cherries and peaches he'd picked and sold the fruit to motorists on the side of the road. He also organized trips to Florida and Cuba for his party-going classmates.

It didn't take him long to land in trouble. With an M.B.A. from City University in Seattle, Ayre took a job in June 1990 as president of Bicer Medical Systems, a Vancouver, B.C. heart-valve maker. The company was underfinanced, he says. According to British Columbia Securities Commission documents, Ayre sold 300,000 Bicer shares without releasing a prospectus. He also moved millions of shares between several accounts, including his own, without filing insider trading reports. "I knew that I wasn't following all the rules," he says. "But I also knew I had to do it to keep the budget alive." Though he was never charged, Ayre settled in 1996 for a \$10,000 fine and a 20-year prohibition from running a company listed on the Vancouver Exchange.

Meantime Ayre borrowed Cisco training manuals and taught himself network design, then tried launching several Web-based ventures, including a voice-over-IP company. All of them flopped. Then he read a newspaper story about Ronald (the Cigar) Sacco, a U.S. bookie who had set up an offshore phone-in betting operation in the Dominican Republic to elude felony charges in the States. "There was a loud bang in my head and the whole universe came together," Ayre recalls. (Sacco pleaded guilty in 1994 to money-laundering charges and went to prison a year later. His operation later moved to Costa Rica.) Ayre invested \$10,000 to build a Web-based system for betting online, providing software to offshore bookmakers.

By 1996 he was in Costa Rica, helping to launch some of the first online casinos, like WinSports and GrandPrix, for other bookmakers. Internet gambling was basically unheard-of, and there was a strong disconnect between the kid and the old coots taking the bets. Ayre not only wanted to encourage smaller bets to generate more predictable revenue and profits, he also wanted to settle accounts with online checks, instead of suitcases of cash. "I was pioneering a new industry," he says. That's half true. Sportsbook.com was championing a similar model, taking bets from customers using credit cards issued by European banks.

Ayre launched his own site in April 2000, starting with sports betting. There were options to pay with credit cards and online checks (wired from U.S. accounts to Bodog's London accounts), a \$5,000 maximum and plenty of pictures of pretty girls. Later he added online poker and casino games. In the event that you are a winner, you collect via wire transfer. Presumably, you declare your winnings on your 1040, but Ayre does not file reports with the IRS.

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To create some attention, Ayre begat the fictitious "Cole Turner" as the public face of Bodog. He convinced Christopher Costigan, owner of Gambling911, an online tabloid promoting Web gambling, to post stories of Turner, an Indiana Jones-like character. In 2003, for example, Ayre turned his vacation to Thailand into a Cole Turner Internet adventure. Using a digital camera, a machete, fake blood and a cast of taxi drivers and massage-parlor girls, Ayre spun the tale of Turner leading an expedition into Cambodia to fight a cell of Buddhist terrorists. Along the way Turner was captured by the Cambodian army, double-crossed by opium warlords in a lost ancient city and wounded in a knife duel while escaping the country. Ayre wrote the eight-story series on the plane back to Costa Rica. It was released during the college bowl season.

The series got noticed. Disgusted bookies at rival companies posted notes on Internet forums saying Turner was a terrible businessman because he was off on an adventure rather than at his desk during one of the busiest betting times of the year. One gambler called Bodog and said he wouldn't place another bet until he knew if Turner was alive.

But the joke got old. After being quoted in a 2004 *Cigar Aficionado* magazine story as Cole Turner, Ayre got tired of explaining to reporters that Turner was just a marketing trick. Still Ayre hasn't lost his crude touch: He sometimes hands out thong underwear as business cards. For an April Fool's gag last year he released a statement apologizing to customers for losing Bodog to Virgin's Richard Branson in a drunken poker match.

Bodog is based in Costa Rica, where 150 bookmakers and customer service reps guide the action. The government doesn't charge businesses on money earned from other countries, and since Ayre doesn't take bets from Costa Ricans, all Bodog revenues come from foreign lands. He pays no personal income taxes in Costa Rica since all his assets--cash, cars, houses and other properties--are in Bodog's name, not Ayre's. He says he has \$25 million invested in Costa Rican and Canadian real estate and \$40 million in Swiss banks.

In Vancouver, 200 graphic designers and computer programmers work at Riptown Media, whose only client is Bodog. But producing advertising copy is not a crime and Bodog itself doesn't keep an office in Canada, which has legal restrictions against online gambling similar to those in the U.S. Ayre says his citizenship isn't a reason for not settling up operations in Canada, though he still carries that insider trading settlement on his record and admits he doesn't want to "tempt fate."

The U.S. Justice Department hasn't had much luck prosecuting online gambling operators. Jay Cohen, an American who co-owned World Sports Exchange in Antigua, is the only known proprietor ever put on trial. Found guilty of accepting bets from America over the Internet in August 2000, he was sentenced to 21 months. But some American offshore operators haven't been touched, even though they sometimes return to the States. Among them: Ruth Parasol and J. Russell DeLeon, a married couple who, along with Indian partner Anurag Dikshit, got very rich when they took PartyGaming, a Gibraltar company, public in London last June. Dikshit is worth \$3.3 billion, Parasol and DeLeon \$1.8 billion each.

Uncle Sam has found ways to make those who help Web casinos sweat. In 2003 Ebay's PayPal operation paid the U.S. \$10 million to settle charges of enabling online betting with money

transfers. In January the tabloid *Sporting News* surrendered \$7.2 million to the government, money it earned advertising gambling sites. Ayre has a clever work-around. Most broadcasters in the U.S. don't want to pay fines for running Bodog.com ads but happily take money for advertising Bodog.net, a free "educational" site that looks almost identical to the Bodog.com money machine.

There is some risk that Congress will give the DOJ more weapons with which to attack offshore gamblers. Senator Jon Kyl (R--Ariz.) has introduced a handful of bills to stop online gambling. One made it to the floor and was voted down in November 1999; Kyl's handler blames "shadowy forces." Rep. James Leach (R--Iowa) introduced similar legislation last November. "Internet gambling has dangerous implications for families and society," Leach says. "It's also a front for money laundering and terrorism," though he has only anecdotal evidence.

Ayre, paradoxically, might also be in trouble if Congress went the other way and legalized online gambling. That, he says, would encourage the likes of Google, Microsoft and Ebay to open sites. But other powers disagree. "Do you think the Internet or gambling is going to disappear in the next ten years?" asks Nigel Payne, Sportingbet's chief, who spends much of his time lobbying for regulation. (His largest stockholders include Fidelity Investments and Merrill Lynch.) "The U.S. needs to regulate it, license it and tax it," Payne says the U.S. government could have reaped \$900 million from online gambling taxes last year. He has a strong ally in Terri Lanni, chief executive of MGM Mirage, which owns the Bellagio and MGM Grand in Las Vegas. Washington is "making a major mistake by not legalizing this type of gambling, considering that almost all wagers going to offshore sites come from the United States," he says.

Whatever happens, Ayre will try to make sport of it. "One of the things that drives me is the excitement that I could fail," he says. "What better buzz can you get?"

# **EXHIBIT 3**

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**Update: Bodog Uses Offshore Status to Evade U.S. Lawsuit, According to Bluemoon Entertainment**

[Market Wire](#), August, 2006

Los Angeles-based television production company Bluemoon Entertainment has withdrawn its lawsuit against online gaming operator Bodog.com due to the defendant's offshore status and lack of U.S. assets, both of which make it very unlikely that Bluemoon could collect any potential judgment in the U.S.

Filed last April in Los Angeles Superior Court, the case withdrawn today involved several causes of action against Costa Rica-based Bodog, Bodog Entertainment Group and CEO Calvin Ayre. It also named Costa Rican entity Riptown Media, a marketing company based in Vancouver, Canada, that apparently serves only one client -- Bodog and its related companies. The complaint set forth causes of action for breach of contract, breach of confidence, and misappropriation of ideas in relation to a reality television series created by Bluemoon Entertainment.

"This case was not dismissed on the merits," said plaintiff attorney David Beitchman of Beitchman & Zekian. "It is unfortunate that Bodog's 'judgment proof' offshore status will preclude our client from pursuing what we believe is a very strong case." Mr. Beitchman added that offshore companies that do business in the U.S. but have no domestic assets can, if so desired, shield themselves from U.S. civil court judgments.

ADVERTISEMENT

Statements made by Bodog lawyer James Nguyen of Foley & Lardner in a news release dated August 9th refer to the case as "frivolous" and "baseless." But a detailed breakdown of the similarities between the Bodog and Bluemoon programs proves otherwise (a breakdown is included in the lawsuit -- case #BC 350152). The fact is that during a series of in-person meetings that occurred May-August 2005 with senior Bodog representatives, Bluemoon provided Bodog with complete project disclosure, and submitted numerous proposal and development materials, including project overviews and synopsis, episodic outlines, distribution and marketing breakdowns, and production schedules with full budget analysis. Prior to providing these details, Bodog representative Susan Mainzer entered into a non-disclosure agreement on behalf of Bodog. It has been reported that prior to Bluemoon's development of the original poker-themed reality series, Bodog's only other foray into reality television involved a proposed but never produced series in which women would compete to bear Mr. Ayer's child in exchange for a \$10 million prize.

"Bluemoon elected to dismiss this case because Bodog and Mr. Ayre have shielded themselves from U.S. civil as well as criminal law," said Bluemoon spokesperson Grace Williams. "Bodog's lawyers can spin the dismissal any way they choose in the press, but their PR efforts won't change the fact that Bodog deliberately maintains all of its assets outside the reach of U.S. civil court judgments. Even serving routine court papers, let alone trying to collect a judgment, was a challenge"

It has been reported on several online poker news sites that Mr. Ayre, whose earlier legal problems involving insider stock trading in Canada are well documented, is reportedly avoiding entry into the U.S. due to concern over the Justice Department's crackdown on online gambling.

Evidence of Bodog's approach to the Bluemoon lawsuit began to surface shortly after the lawsuit was filed. In a formal response to the Los Angeles Superior Court on April 11, Bodog stated "We are planning to meet with the plaintiffs and their counsel to attempt to resolve this matter without recourse to further litigation." But as Interactive Gaming News reported on May 3rd, Bodog's lawyers, led by James Nguyen of Foley & Lardner's Los Angeles office, informed Bluemoon and its attorneys during a meeting that Mr. Ayre would make sure that Bodog had no assets in the United States for the plaintiffs to collect. The story went on to report that Bodog's lawyers warned the plaintiffs that if the lawsuit was not withdrawn within 24 hours, Bodog would file a countersuit to discourage future litigation (no such countersuit was filed).

"While Mr. Ayre's 'catch me if you can' statements regarding efforts to criminalize online gaming have been widely publicized, people in the entertainment industry are probably not aware that he has also positioned himself, Bodog and all of the company's assets beyond U.S. civil judgments," added Williams. "This case should serve as a wake-up call to U.S. companies considering doing business with such firms."

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# **EXHIBIT 4**



**DECLARATION OF VENKAT BALASUBRAMANI**

I, VENKAT BALASUBRAMANI, do hereby declare:

1. I am an attorney licensed to practice in the State of Washington and admitted pro hac vice into this Court. I am one of the attorneys who represent Plaintiff 1<sup>st</sup> Technology LLC in the country of Costa Rica in Case No. 2:06-cv-1110-RLH-GWF.

2. I am over the age of 18, the age of legal majority in the State of Nevada.

3. Attached as **Exhibit A** hereto is a true and correct copy of the United States service mark registration for "BODOG," which shows Bodog's address in Costa Rica.

4. Attached as **Exhibit B** hereto is a printout for the publicly available WHOIS information for [www.bodog.com](http://www.bodog.com) at the time the Summons and Complaint were served. It also shows Bodog's address in Costa Rica.

5. Attached as **Exhibit C** hereto is a true and correct copy of a printout of a webpage from a Bodog website, which also shows Bodog's address in Costa Rica. These webpages were printed out in the last thirty (30) days which show that Bodog continues to represent that it conducts business as a Costa Rican entity.

6. Attached as **Exhibit D** hereto are true and correct copies of Washington state's Gambling Commission's statement on online gambling and a copy of the Injunction issued by the court in the *Betonsports* case.

5. I declare under penalty of perjury under the laws of the State of Nevada and Washington that the foregoing is true and correct.

DATED: September 18, 2007, at Seattle, Washington.

  
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VENKAT BALASUBRAMANI