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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

ENTRAL GROUP INTERNATIONAL, LLC,)	
)	
Plaintiff,)	
)	
vs.)	CV-05-1912
)	
YHCL VISION CORP., and JEFF)	
CHEN,)	
)	
Defendants.)	
-----)	

(CONTAINS ATTORNEY'S EYES ONLY PORTIONS)

VIDEOTAPED DEPOSITION OF RAY YIM
New York, New York
Tuesday, May 23, 2006

Reported by:
Philip Rizzuti
JOB NO. 7392

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May 23, 2006
10:02 a.m.

Videotaped deposition of RAY YIM, held at the offices of Alston & Bird, LLP, 90 Park Avenue, New York, New York, pursuant to Notice, before Philip Rizzuti, a Notary Public of the State of New York.

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APPEARANCES:

ALSTON & BIRD, LLP
Attorneys for Plaintiff
90 Park Avenue
New York, New York 10016
BY: ROBERT E. HANLON, ESQ.
BROOK A. CLARK, ESQ.

DAVID J. HOFFMAN, ESQ.
Attorney for Witness
29 Broadway, 27th floor
New York, New York 10006

ALSO PRESENT:
JOSH LIPSON, Videographer
NICHOLAS CHAI,
ZACHARY B. CHAPMAN,

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IT IS HEREBY STIPULATED AND AGREED, by and between counsel for the respective parties hereto, that the filing, sealing and certification of the within deposition shall be and the same are hereby waived;

IT IS FURTHER STIPULATED AND AGREED that all objections, except as to the form of the question, shall be reserved to the time of the trial;

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

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Yim

THE VIDEOGRAPHER: This is the start of tape number 1 of the videotape deposition of Ray Yim in the matter of Entral Group International versus YHCL Vision Corp. Today's date is May 23, 2006 at approximately 10:02 a.m.

Will counsel please introduce themselves and who they represent.

MR. HANLON: Robert E. Hanlon of Alston & Bird, LLP, representing Entral Group International, LLC, plaintiff in this matter.

MS. CLARK: Brook Clark also of Alston & Bird also representing plaintiff, Entral Group International.

MR. HOFFMAN: David Hoffman, 29 Broadway, 27th floor, New York, New York, for the witness, Ray Yim and the North American Karaoke Works Trade Association, non-party witness.

MR. HANLON: Also present at this deposition is Nicholas Chai, president of Entral Group International, plaintiff in this matter. And Zach Chapman, an intern

1 Yim
 2 **Q. How long had you been employed**
 3 **there?**
 4 A. About two or three years, I don't
 5 quite remember exactly.
 6 **Q. Before that?**
 7 A. Student.
 8 **Q. Other than your work at Digital**
 9 **Dynasty have you had any employment in the**
 10 **electronics business or related communications**
 11 **business?**
 12 A. Related to telecommunication
 13 business?
 14 **Q. Electronics or telecommunications?**
 15 A. No.
 16 **Q. Have you had any employment in the**
 17 **entertainment business, including bars,**
 18 **restaurants, clubs, music settings?**
 19 A. Yes.
 20 **Q. What employment have you had in**
 21 **that business?**
 22 A. Pop Music Studio Incorporated.
 23 **Q. What type of business is Pop Music**
 24 **Studio Incorporated in?**
 25 A. Karaoke bar.

1 Yim
 2 **Q. Where is that located?**
 3 A. 37-08 Main Street, Flushing, New
 4 York 11354.
 5 **Q. For what period were you employed**
 6 **by Pop Music Studio Incorporated?**
 7 A. 2001 to present.
 8 **Q. What is your job at Pop Music**
 9 **Studio Incorporated?**
 10 A. I am the owner.
 11 **Q. Are you the 100 percent owner or**
 12 **are there other people with ownership**
 13 **interest?**
 14 A. Majority.
 15 **Q. Are you also an employee of Pop**
 16 **Music Studio Incorporated?**
 17 A. Yes.
 18 **Q. What are your duties as an**
 19 **employee?**
 20 A. Excuse me?
 21 **Q. What are your duties as an**
 22 **employee?**
 23 A. Watch the business.
 24 **Q. Would you say you are the manager**
 25 **of the business?**

1 Yim
 2 A. I don't manage the place, I just
 3 watch the business. I mean how can I explain.
 4 I would say I am the owner would be better, if
 5 I don't physically operate the place.
 6 **Q. Well, an owner doesn't necessarily**
 7 **have to watch a business or appear at the**
 8 **business and take any active role, and an**
 9 **owner doesn't have to be employed by the**
 10 **business. He doesn't have to be -- he doesn't**
 11 **have to take a salary and have duties?**
 12 A. I watch the money.
 13 **Q. Do you regularly appear at that**
 14 **business, at the location?**
 15 A. No, not really.
 16 **Q. How often do you visit Pop Music**
 17 **Studio?**
 18 A. A few hours a week.
 19 **Q. Are you very familiar with the**
 20 **operation of a karaoke bar?**
 21 A. Okay, moderate.
 22 **Q. So you generally know how a**
 23 **karaoke bar operates?**
 24 A. To a specific, not really.
 25 **Q. You don't know how it operates?**

1 Yim
 2 A. That is why my answer is moderate.
 3 **Q. Well, tell me what you do know**
 4 **about a karaoke bar's operation?**
 5 A. On a business wise, yes, I know
 6 how to run the business. But the
 7 entertainment part, I am not quite familiar
 8 with entertainment, how to entertain the
 9 customer.
 10 **Q. Who are the other owners of Pop**
 11 **Music Studio Incorporated?**
 12 MR. HOFFMAN: Why do you need to
 13 know that?
 14 MR. HANLON: Excuse me?
 15 MR. HOFFMAN: Why do you need to
 16 know that?
 17 MR. HANLON: I need to know that,
 18 who the other owners are.
 19 MR. HOFFMAN: No, I instruct him
 20 not to answer.
 21 MR. HANLON: On what basis?
 22 MR. HOFFMAN: What does that have
 23 to do with this case?
 24 MR. HANLON: This individual has a
 25 relationship between himself, a karaoke

1 Yim
2 discussed, we have not yet reached a
3 resolution, and rather than asking the
4 court to come back on the line later, I
5 would like to see --

6 JUDGE MANN: Well, I am not on
7 retainer to you folks, so I am not going
8 to be taking all of your calls, I will
9 tell you that right now.

10 MR. HANLON: I understand, that is
11 why I am trying to resolve it now, it is
12 very short. The song list that was
13 provided by Mr. Yim and the Trade
14 Association was originally marked
15 attorney's eyes only. This song list is
16 a list of songs that can be seen by any
17 member of the public who walks into the
18 karaoke club and looks at the menus that
19 are offered.

20 It has been marked as attorney's
21 eyes only. We have asked Mr. Yim and his
22 counsel to remove that designation. To
23 date they have refused to do so.

24 JUDGE MANN: Well, I am not
25 prepared to rule on that now. We had a

1 Yim
2 discussion about this. There is a
3 transcript of the prior proceeding, and
4 the confidentiality agreement provides
5 for the procedure to challenge
6 designations.

7 MR. HANLON: Your Honor, Mr.
8 Hoffman has continued to refuse to sign
9 the confidentiality agreement.

10 MR. HOFFMAN: They took my name
11 off of it.

12 JUDGE MANN: The confidentiality
13 agreement is in place whether he signs it
14 or not. But I am not prepared on this
15 phone call to resolve that dispute.

16 MR. HANLON: Very good.

17 MR. HOFFMAN: Fine.

18 JUDGE MANN: Thank you.
19 (Telephonic conference concluded.)

20 **Q. Can you go back and find the**
21 **question. Would you please read back the**
22 **question to Mr. Yim.**

23 (Record read)

24 A. The original MTV karaoke work.

25 **Q. When you say the original MTV**

1 Yim
2 **karaoke work I don't quite understand. Where**
3 **did that content come from?**

4 A. It is originally distributed by
5 EGI which I pay a license for.

6 **Q. Do you currently have an active**
7 **license with EGI?**

8 A. Yes.

9 **Q. Aside from the content that EGI**
10 **has given you, is there any other karaoke**
11 **video content on your system at Pop Music?**

12 A. No.

13 **Q. EGI has a process of**
14 **supplementing, adding to the content that it**
15 **has given a licensee that is done on a**
16 **periodic basis in exchange for a separate fee.**
17 **Other than through that process have you**
18 **obtained any additional EGI content?**

19 MR. HOFFMAN: Objection.

20 A. I refuse to answer.

21 **Q. You can't refuse to answer the**
22 **question.**

23 A. That is not related to those
24 questions you asked me to --

25 **Q. Sir, the judge has instructed you**

1 Yim
2 **to answer the questions in this area about the**
3 **source of your videos. If you don't answer**
4 **the question we will call the judge back and**
5 **we will ask her to hold you in contempt?**

6 A. I already answered you.

7 **Q. No, you did not answer that**
8 **question?**

9 A. All these songs, all the songs
10 that I am using in my karaoke club is
11 distributed from the original company and
12 which I pay a license for.

13 **Q. Could you read back the question**
14 **that I asked.**

15 (Record read.)

16 A. No.

17 **Q. How is the material that you**
18 **obtained from EGI stored on your karaoke**
19 **system?**

20 A. I am not familiar with how does it
21 work, but I know it is through the computer.

22 **Q. Do you know whether it is stored**
23 **on hard drives?**

24 A. Yes. Hard drives.

25 **Q. Are those hard drives removable?**

1 Yim
 2 MR. HANLON: Please go back and
 3 read back my statement, this is not
 4 really pertinent, but Mr. Hoffman seems
 5 determined to have a dialogue about
 6 whether my statement had the word all in
 7 it or not.
 8 (Record read.)
 9 MR. HANLON: I didn't say the
 10 distribution was to all of its members.
 11 MR. HOFFMAN: They distributed it
 12 to YHCL, that is what this case is about.
 13 MR. HANLON: We have a right to
 14 inquire about --
 15 MR. HOFFMAN: Other places.
 16 MR. HANLON: -- development,
 17 production and distribution of any
 18 karaoke works by you.
 19 MR. HOFFMAN: Sure.
 20 MR. HANLON: You includes NAKWTA's
 21 distribution to other members. Please
 22 produce the membership list.
 23 MR. HOFFMAN: Okay, great.
 24 **Q. Do you know the twelve, can you**
 25 **name the twelve members; do you know name**
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1 Yim
 2 **them?**
 3 A. I can name some of them.
 4 **Q. Please do?**
 5 A. Not all of them.
 6 **Q. Please do?**
 7 A. Black Swan. Galaxy. 100 Fun.
 8 Pop Music Studio. UFO. Melody. That is all
 9 I can remember right now.
 10 **Q. We still need the list.**
 11 **What number are we up to.**
 12 **Plaintiff's Exhibit 21, press release.**
 13 **(Plaintiff's Exhibit 21, press**
 14 **release, marked for identification, as**
 15 **of this date.)**
 16 MR. HANLON: We will take a break
 17 at this point to change the tape.
 18 THE VIDEOGRAPHER: The time is
 19 11:42. We are going off the record.
 20 (Recess taken.)
 21 THE VIDEOGRAPHER: The time is
 22 11:51. This is the start of tape number
 23 2 of the videotape deposition of Mr. Yim.
 24 MR. HOFFMAN: Just before we go
 25 back, I think Mr. Yim wants to clarify
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1 Yim
 2 one of his answers.
 3 A. The one you just mentioned for the
 4 membership list, I don't have the physical
 5 paper list of the members. But if you ask --
 6 I mean if you have to have -- I do not have
 7 physical paper to keep the record of it.
 8 **Q. I understand. There is a**
 9 **procedure for that, Mr. Yim. What we will do**
 10 **is --**
 11 A. Just letting you know.
 12 **Q. I understand. This is how we can**
 13 **solve that.**
 14 A. All right.
 15 **Q. You are going to be given a copy**
 16 **of the deposition to review to insure that the**
 17 **court reporter has properly recorded your**
 18 **answers. What we will do is we will leave --**
 19 **you gave us I believe a few names, and we will**
 20 **leave a blank in there and you can indicate**
 21 **that there are other names to be filled in.**
 22 **And there is a sheet at the back for**
 23 **correcting or adding information, and you can**
 24 **list the rest of the members in that sheet**
 25 **after you refresh your recollection by looking**
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1 Yim
 2 **at whatever material you need to?**
 3 A. Okay.
 4 MR. HOFFMAN: Don't assign
 5 homework assignments. Ask questions.
 6 MR. HANLON: Excuse me, he is
 7 going to get a homework assignment
 8 because he has an obligation under the
 9 subpoena to answer it.
 10 **Q. Mr. Yim, how can you determine who**
 11 **those other members are, do you have pieces of**
 12 **paper; I know there is not a list you said,**
 13 **but are there other individual pieces of paper**
 14 **that show who the members are?**
 15 A. No paper, no physical paper.
 16 Everything is in the memory.
 17 **Q. We will come back to that a little**
 18 **later.**
 19 A. Okay.
 20 **Q. I have given you Exhibit 21. Can**
 21 **you tell me what this document is?**
 22 A. That is the paper, it is the goal
 23 for our association, as well as the document
 24 for the press conference to the press.
 25 **Q. Is this the document that you were**
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1 **Yim**
 2 **looking at earlier that you used to refresh**
 3 **your recollection and I asked for a copy?**
 4 A. That is correct.
 5 **Q. Who prepared this document?**
 6 A. You mean physically write down or
 7 a discussion for the goal?
 8 **Q. Who was involved in discussing**
 9 **this, to come up with this paper?**
 10 A. All the members. All the members.
 11 **Q. Who actually wrote it out?**
 12 A. Sam, Sam Chan.
 13 **Q. Are you familiar with the contents**
 14 **of this press release?**
 15 A. Quite familiar.
 16 **Q. I would like to look at the**
 17 **heading -- withdrawn, start again.**
 18 **Do you see the second paragraph**
 19 **that begins the North American Karaoke Works**
 20 **Trade Association is a not-for-profit**
 21 **organization. The purposes for NAKWTA is to,**
 22 **and then there is a list of purposes?**
 23 A. Yes.
 24 **Q. I would like to look at purpose D:**
 25 **To provide free resources and supports to**
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1 **Yim**
 2 **members of the karaoke business or industry.**
 3 **What types of free resources does**
 4 **the Trade Association provide?**
 5 A. Where to get the liquor license
 6 and if they need a lawyer for the violation,
 7 and that is what is all being discussed.
 8 **Q. When you say where to get a liquor**
 9 **license, you provide information about --**
 10 A. The web-site and what kind of
 11 document they need. There are several
 12 members, they may not know English, so that
 13 kind of document is helpful for them.
 14 **Q. When you say a lawyer, does the**
 15 **association provide a lawyer, or do you give**
 16 **them information about lawyers?**
 17 A. The association will not give the
 18 lawyer, we just providing some assistance to
 19 members. They are using certain lawyers to
 20 apply the liquor license, they feel it is
 21 good, it is kind of like a referral.
 22 **Q. So you provide most of the**
 23 **information?**
 24 A. Excuse me.
 25 **Q. Most of the information?**
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1 **Yim**
 2 A. Ah-ha.
 3 **Q. Any other free resources that the**
 4 **association provides?**
 5 A. We provide the song as well.
 6 **Q. When you say you provide the song,**
 7 **what does that mean?**
 8 A. We provide the songs which give
 9 those members alternative way for those
 10 members who cannot afford the original MTV
 11 karaoke.
 12 **Q. Let's back up a little bit. You**
 13 **have used the phrase MTV karaoke. Can you**
 14 **explain what you -- when you say karaoke MTV,**
 15 **what do you mean?**
 16 A. Which people can use the music
 17 video to sing a song in their club.
 18 **Q. Can you explain what a MTV karaoke**
 19 **music video is like?**
 20 A. It is like a motion picture, plus
 21 the music background so you can go by the
 22 rhythm and to sing a song.
 23 **Q. On this MTV karaoke video, do they**
 24 **usually have the original artists displayed in**
 25 **the video?**
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1 **Yim**
 2 A. Original artists means?
 3 **Q. The well known --**
 4 A. The singer?
 5 **Q. Yes.**
 6 A. May not.
 7 **Q. Do some of them have the singer?**
 8 A. Yes.
 9 **Q. And do some of them have other**
 10 **scenes --**
 11 A. Actor, yes.
 12 **Q. So when you say -- you call it a**
 13 **MTV video because it is like --**
 14 A. I mean original MTV, which some --
 15 basically it is distributed by the record
 16 company which Entral Group -- I mean -- you
 17 probably know what kind of detail about the
 18 Entral group's work. I am trying to explain.
 19 **Q. When you say MTV video, you don't**
 20 **mean it comes from the television station MTV,**
 21 **you mean it is that type of video?**
 22 A. They might.
 23 **Q. They might be on MTV?**
 24 A. Correct.
 25 **Q. But they are not all on MTV?**
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1 Yim
 2 **Q. Guong Zhou?**
 3 A. Yes.
 4 **Q. That is in PRC?**
 5 A. Yes.
 6 **Q. Did you ever meet him anywhere**
 7 **other than in Guong Zhou?**
 8 A. No.
 9 **Q. You had talked about going to**
 10 **China and I am not sure if it was Hong Kong or**
 11 **PRC, in June of 2005. Is that when you met**
 12 **Mr. Cheng?**
 13 A. Yes, the first time.
 14 **Q. And when you met him the first**
 15 **time what happened?**
 16 A. Basically when we were here in,
 17 before I, before I take a trip to China, to
 18 Hong Kong, and we were looking for people who
 19 can create this kind of work. So we asked
 20 people -- we asked friend's friends to look
 21 for us. And then he came up with a person.
 22 So I flew to Hong Kong and into China to meet
 23 this person. That is how I met him.
 24 **Q. Who referred you to Mr. Cheng?**
 25 A. A friend's friend.

1 Yim
 2 **Q. What was the name of the person?**
 3 A. I don't remember.
 4 **Q. Was it someone in the karaoke**
 5 **business?**
 6 A. No, it is people in Hong Kong.
 7 **Q. Who was the friend who connected**
 8 **you to that friend?**
 9 A. One of the previous member.
 10 **Q. Who was that?**
 11 A. I don't remember his name. He
 12 joined the club and he closed the business.
 13 **Q. What club was that?**
 14 A. I forget the name also. But if --
 15 let me see if I can possibly to take out the
 16 karaoke bar's name.
 17 **Q. We will leave a blank in the**
 18 **transcript for you to fill that in.**
 19 TO BE FURNISHED: _____
 20 _____
 21 **Q. When did you first contact -- did**
 22 **you contact Mr. Cheng before you went to Guong**
 23 **Zhou?**
 24 A. No. It is someone -- it is people
 25 in Hong Kong who contacted for me.

1 Yim
 2 **Q. Who in Hong Kong contacted him?**
 3 A. The friend of the previous members
 4 friend.
 5 **Q. Do you have any information that**
 6 **would give you the name of the person in Hong**
 7 **Kong?**
 8 A. I believe I don't have it. The
 9 thing is if I dig out the information of the
 10 previous member, I might possibly to get
 11 information.
 12 **Q. You said that you then went to**
 13 **Guong Zhou to meet with Mr. Cheng?**
 14 A. Yes.
 15 **Q. What happened then?**
 16 A. Then I asked him if he can do this
 17 kind of things, and he said yes. But I
 18 said -- but only problem he has, he know how
 19 to do it, but he needs the equipment. I said
 20 what kind of equipment do you need. He said
 21 he needs the computer. I said oh, I said all
 22 right. So I called back here and to discuss
 23 with Sam to see -- I tell him the story. And
 24 he spoke to the members about the equipment
 25 they are looking for.

1 Yim
 2 So at the end they find somebody
 3 in Hong Kong who is willing to give the
 4 computer, which is like a used one, so they
 5 give it to the club. So I give it to them for
 6 them to use it, and then they see the unit,
 7 they say it is usable.
 8 **Q. When you met with Mr. Cheng, where**
 9 **did you meet with him?**
 10 A. In the restaurant.
 11 **Q. Did Mr. Cheng have an office or**
 12 **place of business?**
 13 A. No. I believe he doesn't have it.
 14 He never mentioned his company or stuff like
 15 that. I asked him what kind of things he can
 16 do, and he told me roughly what he is going to
 17 do. So I said, you know, let's try.
 18 **Q. Who in Hong Kong gave you the**
 19 **computer?**
 20 A. It is one of the members also of
 21 the -- also one of the friends of the members.
 22 **Q. Who is that?**
 23 A. I don't remember exactly the name.
 24 **Q. Which member?**
 25 A. I think I have to ask Sam, because

1 **Yim**
 2 A. I never mentioned how many. I
 3 said do whatever you can, I need the work.
 4 **Q. Well, did you give him any idea**
 5 **about how many?**
 6 A. No.
 7 **Q. So how many did he actually**
 8 **produce?**
 9 A. So far?
 10 **Q. Yes.**
 11 A. Approximately 8,000.
 12 **Q. 8,000?**
 13 A. Yes.
 14 **Q. How did he know that you wanted up**
 15 **to 8,000; why didn't he just make a hundred?**
 16 MR. HOFFMAN: Objection.
 17 A. My lawyer object.
 18 **Q. You can answer.**
 19 MR. HOFFMAN: Just answer to your
 20 own knowledge.
 21 A. I just asked him to do it. I
 22 didn't ask him to make how many or -- he just
 23 make -- he wants to make.
 24 **Q. Did you tell him to make as many**
 25 **as he could?**

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1 **Yim**
 2 A. I didn't mention it actually. I
 3 said can you make it, so he made it.
 4 **Q. Mr. Yim, I am puzzled. I guess my**
 5 **reaction is you told Mr. Cheng you wanted him**
 6 **to create some karaoke works, but you gave him**
 7 **no sense of how many at all?**
 8 A. I asked him to make --
 9 **Q. You are saying it, what does it**
 10 **mean?**
 11 A. My conversation is can you make
 12 it. But the it to me is the karaoke.
 13 **Q. How much?**
 14 A. To him is karaoke.
 15 **Q. How much?**
 16 A. I said can you make it for me, he
 17 said no problem. We never mentioned how many,
 18 how much, never. So he just make, he just
 19 keep making it.
 20 **Q. How much did you agree you were**
 21 **going to pay him for the karaoke?**
 22 MR. HOFFMAN: Objection.
 23 A. There is no money involved.
 24 **Q. You didn't pay Mr. Cheng anything?**
 25 A. No. I said can you -- they have a

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1 **Yim**
 2 skill to do it. But they just need the
 3 machine to do it. I said you know what, I
 4 will give you the machine, can you make it for
 5 me. He said okay. What is that called,
 6 barter service.
 7 **Q. Barter?**
 8 A. Barter service.
 9 **Q. You gave him the computer and in**
 10 **exchange for the computer --**
 11 A. Exchange the work.
 12 **Q. Let's try again. You asked**
 13 **Mr. Cheng to create karaoke works for you?**
 14 A. Uh-hum.
 15 **Q. To find musicians, to find**
 16 **singers. To have them perform, to record**
 17 **these performances?**
 18 A. Uh-hum.
 19 **Q. To create some kind of video?**
 20 A. Uh-hum.
 21 **Q. And create a text of lyrics on the**
 22 **screen and put all this together?**
 23 A. Right, ah-ha.
 24 **Q. And to create a lot of it, create**
 25 **thousands of works?**

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1 **Yim**
 2 A. Basically the time when we talked,
 3 I said the work, after you create it, right,
 4 you can use your own. You just give it to me
 5 to use it, and if you want it for your own
 6 purpose or if you want to sell it, it is up to
 7 you. That is the things we have.
 8 **Q. So you asked him to create this**
 9 **and to give you a copy?**
 10 A. Correct.
 11 **Q. And you didn't tell him how many**
 12 **works, you didn't give him any idea at all?**
 13 A. I said you make it, give it to me.
 14 I am assuming that they are using this to do
 15 business in China, but I don't know.
 16 **Q. Do you think there was an**
 17 **understanding between you and Mr. Cheng that**
 18 **you needed many thousands of karaoke works?**
 19 A. You mean how many songs?
 20 **Q. Yes.**
 21 A. Probably he just make as many as
 22 he can. I said when you make it just send it
 23 over to me, that is what I told him. So at
 24 the end of the last year Sam Chan went to Hong
 25 Kong to pick it up. Then he has this many

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1 Yim
 2 songs in the hard drive already.
 3 **Q. So Mr. Cheng took on this project,**
 4 **he made all these songs and videos, and he**
 5 **gave them to you, and when he -- did he give**
 6 **you periodic reports as to his progress?**
 7 A. No.
 8 **Q. So you spoke to him in July and**
 9 **you told him to go ahead, and then you didn't**
 10 **speak to him again until when?**
 11 A. Probably October or November, but
 12 I am not quite remembering. I told him, maybe
 13 a person called Sam Chan will come to Hong
 14 Kong. I said can you give him all the hard
 15 drives. He gave it and he picked it up. But
 16 anyway we paid for the hard drive.
 17 **Q. Did you bring blank hard drives or**
 18 **did you give him cash or a check?**
 19 A. We bring the blank hard drives.
 20 **Q. You gave him the physical hard**
 21 **drives and he filled the hard drives?**
 22 A. Yes.
 23 **Q. When did Sam Chan go to Hong Kong**
 24 **to pick these up?**
 25 MR. HOFFMAN: Objection.

1 Yim
 2 A. December and January of last year
 3 to this year.
 4 **Q. When Mr. Chan went over for the**
 5 **first time to pick this up --**
 6 A. He only went once.
 7 **Q. He only went once?**
 8 A. Yes.
 9 **Q. He was given 8,000 songs on hard**
 10 **drives?**
 11 A. Approximately. There is 250 gig
 12 of hard drive each, there is four drive,
 13 approximately, I don't know the exact count.
 14 **Q. What format of --**
 15 A. I have no idea.
 16 **Q. Sorry.**
 17 A. I have no idea.
 18 **Q. I didn't finish the question --**
 19 A. I don't know the format. Just
 20 hard drive.
 21 **Q. Do you know if they were external**
 22 **hard drives or internal hard drives;**
 23 **withdrawn.**
 24 **Did you see the hard drives**
 25 **that -- let me go even further back. Did Sam**

1 Yim
 2 **Chan carry the drives from the U.S. to China**
 3 **or did he buy the hard drives in China?**
 4 MR. HOFFMAN: Objection. Only
 5 answer as to your own knowledge.
 6 A. I don't remember. I don't
 7 remember if he brought the physical drive over
 8 there or if he purchased over there. But as
 9 far as I know we gave them hard drives for
 10 them to throw in the karaoke work into the
 11 hard drive.
 12 **Q. When he brought the hard drives**
 13 **back, when you looked at them, were they**
 14 **external drives or internal drives?**
 15 MR. HOFFMAN: Objection.
 16 A. It is a piece, I don't know.
 17 **Q. External drives are things that**
 18 **sit outside the computer and plug in, and**
 19 **internal drives are put inside the computer.**
 20 **Do you know?**
 21 A. No, I don't know.
 22 **Q. So you said that -- let me see if**
 23 **I get the dates right. You spoke to Mr. Cheng**
 24 **in October or November and he said he had**
 25 **approximately 8,000 works already?**

1 Yim
 2 A. He didn't tell me how many he had.
 3 I said somebody is going to come over to pick
 4 up the songs, I said do you have it. He said
 5 I have it. I said somebody will come over to
 6 pick it up. I didn't tell him the exact time
 7 because I don't know the -- his schedule. So
 8 I said someone will come over to pick it up.
 9 **Q. When you were speaking -- as far**
 10 **as you know did anyone else from the Trade**
 11 **Association ever speak to Mr. Cheng about**
 12 **creating these works?**
 13 A. I told Sam, but I don't know if he
 14 has talked to him about the work. But he is
 15 the -- Sam is the president of the
 16 association, so something I would tell him. I
 17 mean not something. Most of the things
 18 related to the association I would tell him.
 19 I report to him.
 20 **Q. I guess my question wasn't clear.**
 21 **Do you know whether Sam Chan spoke**
 22 **to Mr. Cheng about creating these works?**
 23 A. You mean beside me to ask him to
 24 make it --
 25 **Q. Yes.**

1 Yim
 2 A. If--
 3 Q. Did Sam ever give him any
 4 instruction or direction?
 5 MR. HOFFMAN: Objection.
 6 A. I don't know.
 7 Q. As far as you know did anybody
 8 else in the Trade Association give him any
 9 directions?
 10 A. No.
 11 Q. Let's go back to your conversation
 12 with Mr. Cheng about the works, did you tell
 13 him which works you were interested in?
 14 A. No.
 15 Q. Did you tell him whether you were
 16 interested in pop music or traditional music?
 17 A. No.
 18 Q. Did you tell him whether you were
 19 interested in Mandarin or Cantonese?
 20 A. No.
 21 Q. The works that you received, are
 22 they pop music, traditional music?
 23 A. Mix. Mix.
 24 Q. Are they Mandarin or Cantonese?
 25 A. All mix.

1 Yim
 2 Q. Did you tell him which artists you
 3 were interested in?
 4 A. No.
 5 Q. When you spoke to him in October
 6 or November about picking up the work, did you
 7 tell him that you wanted -- did he tell you
 8 how many works he had done?
 9 MR. HOFFMAN: Objection.
 10 A. He told me a few thousand, he
 11 didn't tell me exactly.
 12 Q. Did you tell him that you wanted
 13 more?
 14 A. I didn't tell him, I said whatever
 15 you have, just give it to me.
 16 Q. Did you tell him to keep going?
 17 A. I didn't mention it. I said when
 18 you have it. I don't know if he can
 19 understand what I am saying.
 20 Q. Did he tell you that he was going
 21 to make more?
 22 A. He didn't mention that.
 23 Q. Let's go back to the conversation
 24 about using the recordings. What did
 25 Mr. Cheng tell you?

1 Yim
 2 A. What kind of things, excuse me?
 3 Q. Earlier you had said that you had
 4 a discussion with Mr. Cheng about using the
 5 recordings. About using the videos. You said
 6 he could use the videos, he could sell them to
 7 other people, he could use them. What was
 8 that discussion?
 9 A. No, he said basically -- I give
 10 him computer, all right, he said he can do it.
 11 Then he said can I use it for myself. I said
 12 it is okay, it is your work. So that is what
 13 we are talking about.
 14 Q. So it was your impression that
 15 this was Mr. Cheng's work, that he owned this
 16 material?
 17 A. Yes. According to what he said,
 18 yes.
 19 Q. Mr. Cheng was going to give you a
 20 copy and let you use it?
 21 A. Yeah.
 22 Q. Is there any written agreement
 23 between you and Mr. Cheng about these
 24 activities?
 25 A. No.

1 Yim
 2 Q. Did you ever send him an E-mail
 3 about these activities?
 4 A. No.
 5 Q. Did you ever send him any fax or
 6 letter or any kind of written communication of
 7 any sort asking a question or giving him an
 8 instruction about these activities?
 9 A. No.
 10 Q. Everything was done either by
 11 telephone or in person?
 12 A. Yes.
 13 Q. When you gave him the computer,
 14 did you give him any paper or did he give you
 15 any paper about giving him the computer?
 16 A. No. It is an old computer, I was
 17 thinking it was nothing to lose.
 18 Q. When Mr. Cheng gave Sam Chan the
 19 hard drives, did Mr. Chan -- did Sam Chan give
 20 Mr. Cheng any kind of writing or Mr. Cheng
 21 give Sam Chan any kind of writing about
 22 delivery of these materials?
 23 MR. HOFFMAN: Objection.
 24 A. I don't know.
 25 Q. Did you ever see any writing?

1 **Yim**
 2 A. I never seen any writing.
 3 **Q. Did Mr. Cheng ever give you a**
 4 **written license or written permission to use**
 5 **these works?**
 6 A. No.
 7 **Q. What did Mr. Cheng tell you about**
 8 **the rights of the lyricists or the composers**
 9 **concerning the creation of these works?**
 10 MR. HOFFMAN: If any?
 11 A. Can you repeat the question.
 12 **Q. Sure, can you read it back,**
 13 **please.**
 14 **(Record read.)**
 15 A. He didn't tell me anything about
 16 the lyricists, composer's rights, but I know
 17 the rights.
 18 **Q. What do you know those rights to**
 19 **be?**
 20 A. If you have to play in public, you
 21 have to obtain the right. That is what I
 22 know.
 23 **Q. How do you obtain those rights?**
 24 A. Through ASCAP.
 25 **Q. Did Mr. Cheng tell you anything**

1 **Yim**
 2 **about the publisher's rights about these works**
 3 **in connection with karaoke videos?**
 4 A. Can you repeat, please.
 5 (Record read.)
 6 A. I asked him, okay, that has any
 7 right, and he told me they tape themselves.
 8 **Q. They tape --**
 9 A. On all those pictures, they tape
 10 themselves.
 11 **Q. What did he tell you about**
 12 **creating karaoke videos from those musical**
 13 **works as far as the rights go?**
 14 MR. HOFFMAN: Wait a minute, what
 15 do you mean by that?
 16 **Q. He can answer the question?**
 17 A. I didn't get it.
 18 MR. HOFFMAN: How do you create a
 19 video from a musical work, I don't
 20 understand the question. If you
 21 understand it you can answer it.
 22 A. I don't understand.
 23 **Q. I will try it again.**
 24 **Mr. Cheng took musical**
 25 **compositions, he then arranged to have them**

1 **Yim**
 2 **recorded, and then he arranged to combine**
 3 **those musical recordings with video**
 4 **recordings; correct?**
 5 MR. HOFFMAN: Only testify to your
 6 own knowledge, but you can answer that.
 7 MR. HANLON: He already testified
 8 to that effect, I am trying to review it.
 9 A. I don't know how they make it, but
 10 the thing is that is what shows on what they
 11 made. It has a picture, it has people
 12 singing. So I believe that is what they put
 13 them together.
 14 **Q. Let's go back and review just to**
 15 **make sure that we get it right. I think you**
 16 **told me before, correct me if I am wrong, that**
 17 **it is your understanding that Mr. Cheng**
 18 **arranged to have singers perform and arranged**
 19 **to have musicians perform, and Mr. Cheng**
 20 **arranged to have that recorded, the audio**
 21 **portion, the musical portion recorded; is that**
 22 **correct?**
 23 A. I don't know if he does it
 24 himself, but he has --
 25 **Q. I understand, I don't know if he**

1 **Yim**
 2 **is pushing the buttons on the recorder, I**
 3 **don't care. He arranged it as far as you**
 4 **know?**
 5 A. Yes.
 6 **Q. At your request, you requested him**
 7 **to get this material?**
 8 A. I requested him to do it, but --
 9 **Q. Well, you asked whether he could**
 10 **do it. He said yes, I can do it. You said**
 11 **please go ahead, we would like this stuff,**
 12 **right?**
 13 A. I said show me the sample.
 14 **Q. Right. After he showed you the**
 15 **sample you said please do it and we will take**
 16 **as much as you can do?**
 17 A. I said this is good.
 18 **Q. You asked him to do it and you**
 19 **would take it, right?**
 20 A. Yes.
 21 **Q. You also indicated before, you**
 22 **also said before that you believed that**
 23 **Mr. Cheng created the videos or arranged to**
 24 **have them created, the visual part of this?**
 25 A. Yes.

1 Yim
 2 THE VIDEOGRAPHER: The time is
 3 2:57. We are back on the record.
 4 MR. HANLON: Could you read back
 5 the last question and answer, please.
 6 (Record read.)
 7 **Q. You said that Mr. Sam Chan brought**
 8 **the works back on a hard drive from China; is**
 9 **that correct?**
 10 A. Hong Kong or China. I think it is
 11 Hong Kong.
 12 **Q. What happened next?**
 13 A. We bring to the place, we restored
 14 the hard drive, and then whoever member wants
 15 it, then we made a copy for them.
 16 **Q. Where do you store them?**
 17 A. Where we store?
 18 **Q. Yes.**
 19 A. In Sam's position. So if you want
 20 to know where he put it, you can ask him.
 21 **Q. Is there only one set of hard**
 22 **drives that have these works on them?**
 23 A. Yes.
 24 **Q. Where are those hard drives now?**
 25 MR. HOFFMAN: They are in my

1 Yim
 2 office.
 3 MR. HANLON: I asked the witness.
 4 MR. HOFFMAN: Well, they are in my
 5 office.
 6 **Q. Mr. Yim, you can answer the**
 7 **question.**
 8 A. In my attorney's office.
 9 **Q. Have you personally arranged to**
 10 **have any copies of the hard drives made?**
 11 A. I don't really understand the
 12 question.
 13 **Q. I will try again.**
 14 **Have you ever taken those hard**
 15 **drives and given them to someone to make a**
 16 **copy?**
 17 A. No.
 18 **Q. As far as you know has Sam Chan**
 19 **ever taken those hard drives and given them to**
 20 **somebody to make a copy?**
 21 A. I don't think so.
 22 **Q. Do you know if anyone else in the**
 23 **Trade Association who has taken those hard**
 24 **drives and given them to someone to make a**
 25 **copy?**

1 Yim
 2 A. No.
 3 **Q. Do you know if Mr. Cheng has a**
 4 **copy of those hard drives in China?**
 5 A. I am assuming that he has it.
 6 **Q. Has Mr. Cheng, have you spoken to**
 7 **Mr. Cheng since Sam Chan went to China?**
 8 A. After that I don't -- I didn't
 9 speak to him, but Sam spoke to him.
 10 **Q. Approximately when was that?**
 11 MR. HOFFMAN: Objection.
 12 A. I don't know.
 13 **Q. Have you communicated with**
 14 **Mr. Cheng in any other way since then?**
 15 A. No.
 16 **Q. We are up to 22, would you mark as**
 17 **Plaintiff's Exhibit 22, list.**
 18 **(Plaintiff's Exhibit 22, list,**
 19 **marked for identification, as of this**
 20 **date.)**
 21 **Q. Mr. Yim, I have just given you a**
 22 **document that has been marked as Plaintiff's**
 23 **Exhibit 22. Can you tell me what this**
 24 **document is?**
 25 MR. HOFFMAN: Can we ask Mr. Chai

1 Yim
 2 to step out.
 3 MR. HANLON: At this point we are
 4 not discussing the content of the
 5 document, I am identifying the document
 6 without discussing the content. The
 7 existence of the document is not
 8 privileged.
 9 **Q. I am not asking you to describe in**
 10 **detail the specific contents of the document,**
 11 **but I am asking you --**
 12 A. It is a list.
 13 **Q. What is this song list from?**
 14 A. From Mr. Cheng.
 15 **Q. Does this song list represent a**
 16 **list of songs that Mr. Cheng gave to Sam Chan**
 17 **on the hard drives in December or January?**
 18 A. I never go through the song list,
 19 but I know this is a song list. I don't know
 20 that this -- all the song list, this -- I
 21 don't know if it is the hard drive that we
 22 have, if it includes all these songs, I never
 23 go through it.
 24 **Q. So what is this a list of?**
 25 A. Excuse me?

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1 **Yim**
 2 **there?**
 3 MR. HOFFMAN: I think the document
 4 speaks for itself.
 5 **Q. What other districts are there; is**
 6 **there a list of districts somewhere?**
 7 A. Excuse me.
 8 **Q. Is there a list of what districts**
 9 **exist on this form; is there any place on the**
 10 **form that shows me what the district number 2**
 11 **means?**
 12 A. Yes. District number on the first
 13 page.
 14 **Q. I see the district number. You**
 15 **said that district number 2 means Queens?**
 16 A. Yes.
 17 MR. HOFFMAN: Right here, there is
 18 a --
 19 A. You see this rectangular.
 20 **Q. Yes, okay.**
 21 **Is it limited to these districts**
 22 **or is it --**
 23 A. It is North America. So including
 24 the 1 through 5 is in New York, and we also,
 25 number 006 is for West Coast and as well as

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1 **Yim**
 2 "Question: How much was the
 3 membership fee going to be?
 4 "Answer: \$1,000.
 5 "Question: How often was the
 6 \$1,000 to be paid?
 7 "Answer: When we entered into the
 8 club, we joined the club, the association
 9 we paid.
 10 "Question: Was there any
 11 subsequent payment that had to be made?
 12 "Answer. No. We also paid a fee
 13 of \$2,000 later on to this company.
 14 Sorry, not this company, correction.
 15 The translator, for the hard drive
 16 because all the songs are on the hard
 17 drive."
 18 **Q. He then goes on to discuss the**
 19 **\$2,000 at length.**
 20 MR. HOFFMAN: Well, that doesn't
 21 cover everything on there, but I will let
 22 it go.
 23 MR. HANLON: We can give Mr. Chai
 24 a copy.
 25 **Q. Mr. Yim, I note that on this**

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1 **Yim**
 2 007 is for Canada.
 3 **Q. Do you have any members on the**
 4 **West Coast?**
 5 A. No.
 6 **Q. Do you have any members in Canada?**
 7 MR. HOFFMAN: I think he already
 8 answered the question.
 9 **Q. You can answer the question?**
 10 MR. HOFFMAN: You asked him --
 11 **Q. You can answer the question. We**
 12 **can argue about whether you answered it or not**
 13 **or we can get through it. Do you have any**
 14 **members in Canada now?**
 15 A. Going to be.
 16 **Q. Not yet.**
 17 MR. HANLON: Mr. Hoffman has asked
 18 for a reference to the deposition where
 19 the membership fees were discussed. This
 20 is the videotape deposition of Shao Feng
 21 Li dated Monday, May 22, 2006.
 22 Question -- sorry.
 23 In discussing the North American
 24 Karaoke Trade Association the question
 25 was:

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1 **Yim**
 2 **listing it asks for a number of pieces of**
 3 **information about the clubs. It asks the**
 4 **d/b/a name, it asks the trade name. Then it**
 5 **asks individual names. It asked last name and**
 6 **first name, and in this particular case it**
 7 **lists Mr. Jeff Chan.**
 8 **Are individuals considered members**
 9 **or is the club itself considered a member?**
 10 A. The club.
 11 MR. HOFFMAN: Objection.
 12 A. The club. The individuals is only
 13 for contact information only.
 14 **Q. Going to page 2, item 1 says: New**
 15 **member fee, basic, U.S. \$1,000. Paid only by**
 16 **new members, one time payment.**
 17 **Is there any other membership**
 18 **other than basic?**
 19 A. Membership is only membership.
 20 There is no --
 21 **Q. Do you know what the word basic**
 22 **refers to in that line?**
 23 A. It is a basic membership, basic
 24 member fee I think.
 25 **Q. Item 2 says donation (a set of**

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1 **Yim**
 2 **songs). Then it says \$500?**
 3 A. Uh-hum.
 4 **Q. Is that a fixed amount or does**
 5 **that change?**
 6 A. It is called donation, you can put
 7 any money you want to donate for the
 8 association.
 9 **Q. In exchange for that donation what**
 10 **does the member get?**
 11 A. It is not to exchange anything.
 12 It is just to donate to the association.
 13 Since the association is non-profit
 14 organization, so the organization needs the
 15 money to operate day-to-day and to -- to begin
 16 the business.
 17 **Q. Next to the word donation it says**
 18 **a set of songs, what does that mean?**
 19 A. A set of songs; I am not quite
 20 sure, okay. I would say it refers to the
 21 songs, the NAKWTA songs.
 22 **Q. If you make a donation you are**
 23 **entitled to get a set of NAKWTA songs?**
 24 A. Not necessarily.
 25 **Q. Then why does the set of songs**
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1 **Yim**
 2 **appear on the line next to donation?**
 3 A. I think -- I think you have to ask
 4 Sam Chan why he put a set of songs next to the
 5 donation.
 6 **Q. You don't know?**
 7 A. No.
 8 **Q. Item 3 says membership dues per**
 9 **year, all members, \$100. In this case it says**
 10 **zero there. Do you know why it says zero?**
 11 A. Because one year later you pay an
 12 annual fee, \$100.
 13 **Q. And the zero is there because this**
 14 **is the first application?**
 15 A. Yes, the first year.
 16 **Q. Under that there is a note, what**
 17 **is the purpose of that note?**
 18 A. The purpose that the song, the
 19 NAKWTA songs, if they have to use in public,
 20 they have to obtain the license from ASCAP.
 21 If they use privately they don't have to. If
 22 they use -- they want to sing at home they
 23 don't have to. But if they use in the public
 24 they have to.
 25 Since people in the karaoke
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1 **Yim**
 2 business, it is used for the public. So we
 3 asked them to have to obtain the license from
 4 ASCAP.
 5 MR. HANLON: Did we get that
 6 transcript back?
 7 MR. HOFFMAN: I never got it.
 8 MR. HANLON: That is right, I read
 9 it.
 10 THE VIDEOGRAPHER: The time is
 11 3:45. We are going off the record.
 12 (Recess taken.)
 13 THE VIDEOGRAPHER: The time is
 14 3:50. This is the start of tape number 4
 15 of the videotape deposition of Mr. Yim.
 16 **Q. Who first contacted someone at**
 17 **Black Swan club about the becoming a member of**
 18 **NAKWTA?**
 19 MR. HOFFMAN: Objection.
 20 **Q. You can answer the question.**
 21 A. I don't know.
 22 **Q. Did you?**
 23 A. No.
 24 **Q. When was Black Swan first**
 25 **contacted?**
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1 **Yim**
 2 A. I don't know.
 3 MR. HOFFMAN: Objection.
 4 **Q. The date on this application is**
 5 **January 10, 2006. Were they contacted on or**
 6 **about that time?**
 7 MR. HOFFMAN: Objection.
 8 A. No, earlier.
 9 **Q. Approximately when?**
 10 A. I don't remember.
 11 **Q. Weeks earlier, months earlier?**
 12 A. Months. Months.
 13 **Q. What was their reaction when they**
 14 **were contacted?**
 15 A. They are one of the few members
 16 that we were -- in the beginning we would talk
 17 about first. So that is like March or April
 18 of last year, that we already talked about
 19 together.
 20 **Q. And why didn't they join back in**
 21 **March or April of last year?**
 22 MR. HOFFMAN: Objection. I think
 23 the testimony was that it didn't exist.
 24 A. At the beginning of like March or
 25 May, everything is not mature, we are just
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