

# EXHIBIT C

1  
2 UNITED STATES DISTRICT COURT  
3 EASTERN DISTRICT OF NEW YORK

4 ENTRAL GROUP INTERNATIONAL, LLC,) )  
5 Plaintiff, ) )  
6 vs. ) CV-05-1912  
7 YHCL VISION CORP., and JEFF )  
8 CHEN, )  
9 Defendants. )  
10 -----)

11 (CONTAINS ATTORNEY'S EYES ONLY PORTIONS)

12 VIDEOTAPED DEPOSITION OF RAY YIM  
13 New York, New York  
14 Tuesday, May 23, 2006  
15  
16  
17  
18  
19  
20  
21  
22  
23

24 Reported by:  
25 Philip Rizzuti  
JOB NO. 7392

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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 17 **heading -- withdrawn, start again.**  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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EASTERN DISTRICT OF NEW YORK

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CHEN, ) )  
 ) )  
Defendants. ) )  
----- ) )

(CONTAINS ATTORNEY'S EYES ONLY PORTIONS)

VIDEOTAPED DEPOSITION OF SAM CHAN  
New York, New York  
Thursday, May 25, 2006

Reported by:  
Philip Rizzuti  
JOB NO. 7393

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1 Chan

2 don't go to the bar, they want to go to  
3 karaoke.

4 How we can promote that, how we  
5 can educate the customer, how to educate  
6 people outside the karaoke business, or how to  
7 educate people that doesn't know karaoke. So  
8 we want to send this message to everybody that  
9 we have a karaoke, and not each -- not a  
10 traditional karaoke fashion, is it maybe a  
11 next step of the karaoke fashion.

12 **Q. On the press release one of the**  
13 **purposes of NAKWTA listed under item D is to**  
14 **provide free resources and supports to members**  
15 **of the karaoke business or industry.**

16 **What type of free resources?**

17 A. Resources, we just provide  
18 something like how to apply a liquor license  
19 and how to not violate any violations for the  
20 Health Department and how to select better  
21 server component, so to make sure that the  
22 server has a more robust, that it is supposed  
23 to be so the downtime will be close to zero.

24 And also, we also provide like  
25 lawyer. At that moment we tried to get a

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1 Chan

2 making a video, VCD is a very, very hard --  
3 first of all you have the right skilled  
4 people. Even though I know -- I know how to  
5 make it, but if I make it I will be totally  
6 off for the quality for a synchronization for  
7 the music together.

8 So you have to have a very  
9 specific skill of people, know how to make and  
10 create this kind of karaoke works. And so I  
11 told them it is not ease okay, but I am  
12 concerned to find out. So we asked a lot of  
13 people inside our members and tell them does  
14 anyone have any related, you know, friends or  
15 cousins, whatever, that have this specific  
16 skills.

17 So we just spread the message out  
18 to our members at that moment, and during a  
19 couple of meeting that we talked about. And  
20 also we tender in the meantime -- also in the  
21 meantime during the meeting I told them saying  
22 that, you know, everybody have to comply,  
23 require the license to play your own video  
24 works in your premises.

25 As for example EGI, okay, if you

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1 Chan

2 legal consultant for our club. So I tell them  
3 if we get one of these and everybody, if they  
4 have a legal problem, they can call this legal  
5 counselor to represent to our club. So that  
6 is resources that we like to give. Actually  
7 it is more.

8 **Q. When you met with the members or**  
9 **people who were going to become members back**  
10 **before December did you offer to get them new**  
11 **karaoke works from a new source?**

12 A. No. At that time we didn't even  
13 think about how we put together with these  
14 resources. All we just focussed before  
15 December 8th, we just know what -- actually we  
16 talk about how we can help them out in another  
17 way. So that, you know, everybody would be  
18 happy about, and also people also bring up the  
19 questions of how can they reduce the cost.  
20 That is really important to people doing  
21 business, how can we reduce costs.

22 And so first of all they thinking  
23 about, is anyway that we can produce our own  
24 karaoke works, and I told them there is a way,  
25 but it is a very hard way to do it because

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1 Chan

2 don't have any alternative way to commercially  
3 play this karaoke works and all you have to  
4 do -- I mean I am not saying audio -- I am not  
5 saying all -- let me withdraw.

6 Only for the publishing, Hong Kong  
7 record -- only for the Hong Kong record  
8 company publishing, and the works you guys  
9 have to buy licenses from EGI. So I told  
10 them, the message is really clear to my  
11 members saying that don't play any  
12 non-licensed copyright song in your premises,  
13 okay. So make sure you guys comply with all  
14 the licenses you are required.

15 And then, you know, people just  
16 saying, well, this is so expensive. I said  
17 well, expensive is expensive, if you cannot  
18 pay for license, then you have to talk to EGI,  
19 hopefully he can help you out to make an  
20 installment payment plan, whatever it is, and  
21 maybe EGI can help you out to give you a  
22 little bit of discount, and if you signed a  
23 little bit longer license agreements,  
24 something like that I suggested to them.

25 They said well, then they said,

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1 Chan  
2 well, it is still expensive. I said, putting  
3 this way, our club, they are trying to help  
4 everybody out, but in the legal way, not in an  
5 illegal way. So --

6 **Q. Make sure you got that.**

7 A. Then everybody said okay, they  
8 understand. So, you know, this karaoke  
9 business people is very, very -- they are not  
10 really highly educated people like you, Mr.  
11 Hanlon. They are very like middle class  
12 people and their mind is --

13 **Q. I am a pretty middle class person?**

14 A. You are very highly intelligent  
15 people. Anyway so I am saying that when you  
16 deal with these karaoke owners or managers,  
17 they are not a -- normal person that you can  
18 deal with. They say this is funny language, I  
19 don't understand sometimes. Finally I  
20 understand it, as long as we get along.

21 So to put it in short form,  
22 finally we say okay, and then eventually I  
23 believe on June -- actually we tried to  
24 locate -- okay, supposedly EGI can -- let me  
25 withdraw, there is no suppose.

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1 Chan  
2 I think I tell the member if EGI  
3 can go to get those license from Hong Kong  
4 publishing company and he got seven of them by  
5 the time that we have license agreement, I  
6 believe that maybe there is some other Hong  
7 Kong publishing company that have their own  
8 artists, that EGI have no license agreement  
9 with them. So, but I don't know who and I  
10 don't know where.

11 So we told our members, is anybody  
12 knew, anyone knew about this industry, and  
13 then somehow Ray --

14 MR. HANLON: Excuse me,  
15 Mr. Hoffman, please take your feet off  
16 the furniture.

17 MR. HOFFMAN: I don't have my  
18 shoes on.

19 MR. HANLON: I really don't care.  
20 Please take your feet off our furniture,  
21 I have asked you now three times.

22 MR. HOFFMAN: Ask your next  
23 question.

24 MR. HANLON: Mr. Hoffman, take  
25 your feet off our furniture.

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1 Chan  
2 MR. HOFFMAN: Ask your next  
3 question. Or what; ask your next  
4 question. I am bored to tears with this.

5 MR. HANLON: You are going to  
6 persist and not take your feet off the  
7 furniture, is that what you are telling  
8 me?

9 MR. HOFFMAN: I don't think I am  
10 doing anything wrong.

11 MR. HANLON: This is my office and  
12 you are here as a guest in our offices,  
13 and it is highly inappropriate and  
14 unprofessional of you to put your feet up  
15 on our furniture. In the last deposition  
16 you put your feet on the furniture with  
17 your shoes on and I asked you to take  
18 them off, and you now have your feet on  
19 the furniture again. I really don't care  
20 whether your shoes are on or off, your  
21 feet do not belong on our furniture, and  
22 I ask you to take them off.

23 MR. HOFFMAN: If this is what you  
24 want to spend your deposition time --

25 MR. HANLON: Are you refusing to

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1 Chan  
2 do that, sir?

3 MR. HOFFMAN: I am not refusing or  
4 not refusing --

5 MR. HANLON: But you are keeping  
6 your feet on the furniture?

7 MR. HOFFMAN: I am not refusing  
8 or not refusing.

9 MR. HANLON: But you are leaving  
10 your feet on the furniture.

11 MR. HOFFMAN: I am not refusing  
12 or not refusing.

13 MR. HANLON: I note for the record  
14 that your feet remain on the furniture  
15 and we will deal with that at a later  
16 time with the court. This is really  
17 outrageous behavior.

18 **Q. I am sorry, Mr. Chan.**

19 A. So that members still complaining,  
20 you know, anyway we can reduced the cost. So  
21 that is the end of our discussions in one  
22 session. Actually a couple of meeting that we  
23 have, still going around same question, how  
24 they reduce the cost for running the karaoke  
25 business. And I believe in -- I think in

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