

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

ARISTA RECORDS LLC; ATLANTIC RECORDING CORPORATION; BMG MUSIC; CAPITOL RECORDS, INC.; ELEKTRA ENTERTAINMENT GROUP INC.; INTERSCOPE RECORDS; LAFACE RECORDS LLC; MOTOWN RECORD COMPANY, L.P.; PRIORITY RECORDS LLC; SONY BMG MUSIC ENTERTAINMENT; UMG RECORDINGS, INC.; VIRGIN RECORDS AMERICA, INC.; and WARNER BROS. RECORDS INC.,

Plaintiffs,

v.

LIME GROUP LLC; LIME WIRE LLC; MARK GORTON; and GREG BILDSON, and M.J.G. LIME WIRE FAMILY LIMITED PARTNERSHIP

Defendants.

CIVIL ACTION NO. 06 CV. 5936  
(GEL)

**DECLARATION OF MARK GORTON IN SUPPORT  
OF DEFENDANTS' MOTION FOR SUMMARY JUDGMENT**

I, Mark Gorton, the undersigned, hereby declare as follows:

1. My name is Mark Gorton. I am over eighteen years of age, of sound mind, and in all ways qualified and competent to make this declaration. I have personal knowledge of the facts contained in this declaration and they are true and correct.

2. I am the Chairman of Lime Wire LLC ("LW") and Lime Group LLC ("LG"). I am not a salaried employee of either LW or LG, nor do I currently own any direct interest in either company. At one point in time, I owned the majority interest in LG, and I was the Chief Executive Officer of LW until the Fall of 2006.

3. LW is a limited liability company. Until June 30, 2005, LG held approximately an 87% membership interest in LW. LG is a company that provides a number of management services to other companies with which I am associated, including LW. LG is and always has been a separate company from LW.

4. To the best of my knowledge and recollection, LG has always maintained its own bank accounts, and has never commingled its assets with LW.

5. While LG owned an interest in LW, it received periodic cash distributions from LW, as did other members. LG has never had any direct or indirect input over (or even a voice in) any decision made at LW. Over the years it has acted strictly as a silent membership holder in LW as have all of the other members. To the extent I made decisions at LW, I did those as its CEO, not as a representative of LG.

6. For many years my accountants and tax advisors have recommended to me that I seriously consider a variety of estate planning measures. Finally, I listened to their advice and met with an attorney by the name of Kenneth Rubinstein on January 7, 2005 in order to discuss my options. I subsequently retained Mr. Rubinstein and his firm to assist me in estate and tax planning matters. As part of their advice, in early Summer 2005, they set up five separate family limited partnerships including the MJG Lime Wire Family Limited Partnership (the "FLP"). Attached hereto as Exhibit 1 are true and correct copies of the documents relating to the formation of the FLP. The FLP now owns the interest in LW that was previously held by LG. The FLP paid for that membership interest in an arms-length transaction that closed on June 30, 2005. The FLP now receives periodic cash distributions from LW that would have been otherwise been paid to LG.


7. I did not conceive of this plan of utilizing family limited partnerships in order to avoid any potential legal exposure from being sued by the Plaintiffs in this lawsuit or anyone else. In fact, at the time these transactions took place I did not believe that LW or I would be sued for copyright infringement. The first time I was ever threatened with legal action by the Plaintiffs came in the form of a letter dated September 13, 2005, a true and correct copy of which is attached hereto as Exhibit 2.

8. While it is possible that I might have spoken to people that have used LimeWire in general, I have never had any specific direct contact or conversation with any LimeWire user in the context of their use of LimeWire, nor have I ever knowingly provided any technical support or assistance whatsoever to any LimeWire user. I have never obtained specific, actual knowledge of what LimeWire users are searching for or downloading.

9. As far as I know, no LG employee has ever assisted any LimeWire user nor had any direct contact with any LimeWire user, including technical support.

10. While at one time I was the CEO of LW, I have had very little day-to-day interactions with the daily runnings of LW.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this declaration is executed in New York, New York on July 17, 2008.

  
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Mark Gorton