

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 MUSIC ENTERTAINMENT, fka SONY BMG MUSIC ENTERTAINMENT; UMG RECORDINGS, INC.; VIRGIN RECORDS AMERICA, INC.; and WARNER BROS. RECORDS INC.,

Plaintiffs,

v.

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

Defendants.

06 Civ. 05936 (KMW)
ECF CASE

**DECLARATION OF KELLY M. KLAUS IN SUPPORT OF PLAINTIFFS' REPLY IN
SUPPORT OF MOTION FOR A PRELIMINARY INJUNCTION FREEZING
DEFENDANTS' ASSETS**

I, Kelly M. Klaus, hereby declare as follows:

1. I am a partner in the law firm of Munger, Tolles & Olson LLP, counsel of record for Plaintiffs. I make this Declaration in support of Plaintiffs' Reply in Support of Motion for a Preliminary Injunction Freezing Defendants' Assets. The contents of this Declaration are based upon my own personal knowledge, and if called upon to do so, I could and would testify competently to the matters stated herein.

2. On June 15, 2010, counsel for Lime Brokerage Holdings LLC and Lime Brokerage LLC (collectively, “Lime Brokerage”), Mr. Boxer, sent a letter to the Court requesting a pre-motion conference before Lime Brokerage moved for permission to participate in the litigation for purposes of opposing Plaintiffs’ Motion for a Preliminary Injunction Freezing Defendants’ Assets. Attached hereto as Exhibit 1 is a true and correct copy of Mr. Boxer’s letter to the Court.

3. On June 15, 2010, counsel for Plaintiffs, Mr. Pomerantz, sent a letter to the Court responding to Mr. Boxer’s letter. In the letter, Mr. Pomerantz requested that the Court condition any involvement in this litigation by Lime Brokerage on its agreement to produce a witness to testify regarding the relationship between Lime Brokerage and the named Defendants in this case, and to produce Lime Brokerage’s communications with Mr. Gorton at least two business days before that deposition. Attached hereto as Exhibit 2 is a true and correct copy of Mr. Pomerantz’s letter to the Court.

4. On June 18, 2010, the Court entered an Order holding that Lime Brokerage could move to intervene or participate in this action as *amicus curiae*, but only on the condition that the parties complete, prior to Lime Brokerage filing such a motion, the “limited, expedited discovery outlined by Plaintiffs in their June 15 letter.” Attached hereto as Exhibit 3 is a true and correct copy of the Court’s June 18th Order.

5. Counsel for Plaintiffs subsequently met and conferred with Mr. Boxer regarding the discovery referred to in the Court’s June 18th Order. Mr. Boxer informed us that Lime Brokerage would be producing for deposition on July 7, 2010 its CEO and President, Jeff Wecker, to testify regarding the relationship between Lime Brokerage and the named

Defendants, and that Lime Brokerage was in the process of collecting and would produce Lime Brokerage's communications with Mr. Gorton.

6. On July 2, 2010, the production deadline for Lime Brokerage's documents, Mr. Boxer informed me in a voicemail message that Lime Brokerage would not be making a production, producing a deponent or seeking to participate in Plaintiffs' pending Motion for a Preliminary Injunction. Attached hereto as Exhibit 4 is a true and correct copy of my email correspondence with Mr. Boxer confirming his voicemail message.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Dated: July 7, 2010
Los Angeles, CA

/s/ Kelly M. Klaus

Kelly M. Klaus