

EXHIBIT 1

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Honorable Kimba M. Wood United States District Judge Southern District of New York		212-805-7900
cc: Glenn Pomerantz		213-683-5132
cc: Tonia Klausner		212-999-5899

RE: *Arista Records LLC et al. v. Lime Wire LLC et al., Index No. 06 Civ. 05936 (KMW)*

Please see attached.

Jeffrey S. Boxer

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VIA FACSIMILE

Honorable Kimba M. Wood
United States District Judge
Southern District of New York
500 Pearl St.
New York, NY 10007-1312
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RE: *Arista Records LLC et al. v. Lime Wire LLC et al., Index No. 06 Civ. 05936 (KMW)*

Dear Judge Wood:

This firm represents Lime Brokerage Holdings LLC (“Holdings”) and its wholly owned subsidiary Lime Brokerage LLC (“Brokerage”, collectively the “Movants”), two entities which are not parties to the above-referenced litigation (the “Litigation”) but which have been specifically named as “Defendant Affiliates” in Plaintiffs’ Motion for a Preliminary Injunction Freezing Defendants’ Assets (the “Preliminary Injunction Motion”). Because the Preliminary Injunction Motion specifically and directly impacts the assets and business of Brokerage and thereby the assets and functions of Holdings in a way that is likely to destroy their business, we submit this letter in accordance with Your Honor’s Individual Practice Rule 2.A to schedule a pre-motion conference before the Movants move for permission to participate in the Litigation for the limited purpose of opposing the Preliminary Injunction Motion insofar as it impacts the Movants.

The Movants have not been accused of any wrongdoing and are in no way involved in Defendants’ music-sharing business. Brokerage is registered with the SEC as a broker-dealer and is a member of FINRA, the NYSE and 11 other exchanges or self-regulating organizations. It is registered as a broker-dealer in 37 U.S. states and territories and has approximately 80 employees spread across several offices. As such, it is a heavily regulated entity that is rigorously inspected by its regulators and must comply with federal securities laws and SEC, FINRA and NYSE rules and regulations. The integrity of Brokerage’s capital, including capital contributions and withdrawals, is carefully monitored by its regulators. It is, in part, because of the regulated status of Brokerage that its business will be harmed if Plaintiffs’ proposed order is granted.

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The Plaintiffs' proposed order would impose restrictions on Brokerage's business that could cause its customers and clearing brokers to terminate their relationships and cause regulators to question its net capital position and viability. The potential impact of Plaintiffs' proposed asset freeze order could be extremely damaging, if not disastrous, to Brokerage's business and thus to Holdings as well.

Changing the freeze order to address Movants' concerns would not diminish in any way the obligation of the Movants and other persons served with the freeze order to freeze assets belonging to the Defendants. However, a freeze of the assets of Brokerage as proposed by Plaintiffs could actually destroy value that might eventually be available for the benefit of Plaintiffs. The Movants have provided Plaintiffs' counsel with changes to the proposed order and have attempted to negotiate with Plaintiffs' counsel to address the Movants' concerns about the proposed order without prejudicing Plaintiffs' interests.¹ Those negotiations have so far been unsuccessful. In addition, the Movants' requested Plaintiffs consent to the Movants' participation in the Litigation either as intervenors or as *amicus curiae*. The Movants have not yet consented to such participation. Because the Movants will be directly impacted by the proposed order and because their interests will not be adequately protected by the Defendants, the Movants seek to intervene pursuant to FRCP 24 or participate as *amicus curiae*.

The standards for intervention and for appearing as *amicus* are similar. Intervention as of right under FRCP 24(a) is appropriate when the intervenor has (1) filed a timely application; (2) shown that it has a direct, substantial and legally protectable interest in the action; (3) demonstrated that its interest may be impaired by the disposition of the action; and (4) shown that its interest is not adequately protected by existing parties to the action. *Brennan v. N.Y.C. Bd. of Educ.*, 260 F.3d 123, 128-29 (2d Cir. 2001); *see also Gulino v. Bd. of Educ.*, No. 96 CV 08414 (KMW), 2009 WL 2972997 (S.D.N.Y. Sept. 17, 2009). Permissive intervention under FRCP 24(b) is proper where the intervenor (1) will benefit from intervention; (2) will contribute to the development of the underlying factual issues in the action; and (3) will not unduly delay or prejudice the adjudication of the existing parties' rights. *See Gulino*, 2009 WL 2972997, at *4. While there is "no governing standard for determining when a court in this district may entertain an *amicus* filing," the Court has broad discretion to permit participation of *amici*, and should look at factors such as whether *amici* have specific interests that will not be adequately protected by the parties; whether *amici* can provide information that will help the Court in its review of a motion and which the parties are not likely to provide; and whether the participation of *amici* will prejudice the parties. *Gulino*, 2009 WL 2972997 (S.D.N.Y. Sept. 17, 2009); *Weininger v. Castro*, 418 F.Supp.2d 553 (S.D.N.Y. 2006); *Strougo v. Scudder, Stevens & Clark, Inc.*, No. 96 CIV. 2136 (RWS), 1997 WL 473566 (S.D.N.Y. Aug. 18, 1997).

The Movants meet the standards for intervention and for participation as *amicus*. The instant application is timely and will not cause delay since the Preliminary Injunction Motion was filed on June 7, 2010 and opposition papers are not yet due. The Movants have a direct and substantial interest in the Litigation insofar as Plaintiffs' proposed order specifically limits the business and actions of the Movants in a manner which, if granted, could significantly damage and possibly destroy the Movants' business. In this regard, the Movants' interests differ from

¹ The Movants take no position on the propriety of a preliminary injunction or asset freeze order generally.

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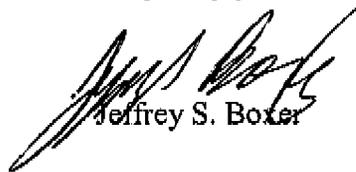
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and will not be adequately protected by Defendants because, although Defendants may oppose the proposed asset freeze order in its entirety, they will most likely not address the order's specific effects on the Movants or the unique issues and regulatory scheme affecting the Movants. The Movants, on the other hand, do not oppose an asset freeze generally and seek only to clarify and narrow the order such that it will not impair the viability of their business. They are uniquely qualified to explain to the Court the potential impacts the asset freeze order could have on a regulated entity and its customers, clearing broker relationships, and business generally.

The Movants seek only to brief the discrete issues regarding the scope of the Preliminary Injunction Motion and the Plaintiffs' proposed order. *See Aurelius Capital Partners, LP v. Republic of Argentina*, 584 F.3d 120 (2d Cir. 2009) (district court acted properly in permitting non-party to participate in action for the "special and limited" purpose of arguing against orders of attachment where non-party's interest was directly affected by orders). Such limited participation would not unduly delay the proceedings or prejudice any of the parties by expanding other aspects of the litigation. *See, e.g., Gulino*, 2009 WL 2972997 (denying non-parties' motion to intervene but *sua sponte* granting movants status as *amici curiae*).

We respectfully request that the Court schedule a pre-motion conference pursuant to the Court's Individual Practice Rule 2.A to address the Movants' anticipated motion for leave to oppose that part of the proposed asset freeze order that directly and negatively impacts the Movants' business.

Very truly yours,



Jeffrey S. Boxer

JSB:tbm

cc: Glenn Pomerantz, Esq. (counsel for plaintiffs) (by facsimile)
Tonia Klausner, Esq. (counsel for defendants) (by facsimile)