EXHIBIT 2

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June 15, 2010

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The Honorable Kimba M. Wood United States District Court Southern District of New York 500 Pearl Street New York, New York 10007-1312

> Arista Records LLC et al. v. Lime Wire LLC et al., Re: Case No. 06 CV 5936 (KMW)

Dear Judge Wood:

I write in response to today's letter from Mr. Boxer, requesting a pre-motion conference on a proposed motion to intervene by Lime Brokerage Holdings LLC and Lime Brokerage LLC (jointly "Lime Brokerage"). For the reasons set forth below, Plaintiffs respectfully request that the Court condition Lime Brokerage's participation in this action on Lime Brokerage's provision of limited and expedited discovery regarding its relationship with the named Defendants.

The crux of Mr. Boxer's letter is that Plaintiffs' proposed order on their pending motion to freeze assets sweeps too broadly and impacts unaffiliated assets and businesses unaffiliated. That is not correct. Plaintiffs do not intend for their proposed order to reach assets of persons or entities that actually are independent of the Defendants. To that end, and pursuant to discussions that Mr. Boxer and I have had since last Monday's Status Conference (which Mr. Boxer attended), Plaintiffs specifically revised their Proposed Order before submitting it to the Court. The proposed order would secure the assets of "Defendant Affiliates." An entity is a "Defendant Affiliate" only if it is directly or indirectly owned, managed, or controlled by, or is under

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common control with, one or more of the Defendants. (¶ I.A.3.) The intent behind this provision is to secure assets that the Defendants control (and that are subject to a judgment in this case) but that Defendants maintain under the heading of an affiliated entity. The proposed order also is sensitive to the interests of persons or entities that are true third parties. The proposed order specifically states that it does not restrict the purchase, sale or other investment of assets that belong to true third parties. (¶ I.F.)

Based on the information publicly available to Plaintiffs, it appears that Lime Brokerage is not actually an unrelated party. Rather, it appears that Lime Brokerage's assets are controlled by Mark Gorton and/or one or more of the other Defendants. According to the "Company" page on Lime Brokerage LLC's website (www.limebrokerage.com), the company "is part of [Defendant] Lime Group, founded in 1998 by Mark Gorton." The same website lists Mr. Gorton as a founder and one of two members of Lime Brokerage LLC's board of directors. According to a current FINRA BrokerCheck Report, Lime Brokerage LLC is 100% owned by Lime Brokerage Holdings LLC.¹ According to the same Report, an entity called "The M.J.G. Lime Brokerage Family Limited Partnership" owns 50-75% of Lime Brokerage Holdings LLC, and Mark Gorton and his wife, Jody Gorton ("M.J.G."), have ownership interests in Lime Brokerage Holdings LLC through their Family Limited Partnership.²

Obviously, there is a tangled web of ownership interests between Mr. Gorton and the other Defendants and Lime Brokerage. What seems clear from the above sources, however, is that Mr. Gorton directly or indirectly controls Lime Brokerage, just as he controls the other Defendants in the case. If Lime Brokerage wants to explain why the publicly available information does not paint an accurate picture of the relationship between Defendants and Lime Brokerage, then Plaintiffs must be able to take limited and expedited discovery on this issue. The purpose of that discovery is to provide the Court with a complete record on which to evaluate Lime Brokerage's assertion that its "interests differ from and will not be adequately protected by" Mr. Gorton and the other Defendants. That information also undoubtedly will be relevant to any assessment of Lime Brokerage to submit. We told Mr. Boxer that Plaintiffs wanted to take that discovery before he submitted his letter to the Court earlier today. Notwithstanding a follow-up request, Mr. Boxer has not told us whether Lime Brokerage will agree to provide the requested discovery.

¹ We are not faxing the FINRA Report with this letter because it is 29 pages long. We will submit a copy of the Report by hand or by facsimile if the Court would like to see it at this time.

² As the Court may recall from the summary judgment motions, Defendant M.J.G. Lime Wire Family Limited Partnership, whose partners are Mr. and Mrs. Gorton and their children, obtained Defendant Lime Group's ownership interests in Defendant Lime Wire in 2005, at the time of the Supreme Court's *Grokster* decision. *See* Summary Judgment Opinion and Order (Doc. No. 223) at 52 n.36. Mr. Gorton admitted at his deposition in this case that his Family Limited Partnership planning "did help protect [his] assets in the event of a legal judgment against [him] personally." *Id.* at 56.

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> For the foregoing reasons, Plaintiffs respectfully submit that the Court should condition any involvement in this litigation by Lime Brokerage on its agreement to produce a witness to testify by no later than next Friday (June 25) 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 (2) business days before that deposition. Alternatively, if the Court instead wishes to conduct a pre-motion conference at this juncture, Plaintiffs would be pleased to attend to discuss these issues.

> > Respectfully,

-/KUK

Glenn D. Pomerantz

cc: Jeffrey S. Boxer (via fax and email) Michael Sommer (via fax and email) Colleen Bal (via fax and email)