

Exhibit C

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/Counterclaim Defendants,

v.

06 Civ. 05936 (GEL)

LIME GROUP LLC; MARK GORTON; and GREG BILDSON,

Defendants,

and

LIME WIRE LLC,

Defendant/Counterclaim Plaintiff.

DECLARATION OF VINCENT FALCO

I, Vincent Falco, hereby declare as follows:

1. I have personal knowledge of the facts stated in this declaration and, if called upon to do so, could and would testify competently to them.
2. Until April 2006, I was the Chief Executive Officer of Free Peers, Inc., a company that I founded in 2000. Free Peers, Inc. created and distributed "BearShare," which at the time was a very popular peer-to-peer (or P2P) application. BearShare interoperated with software clients on a P2P network known as Gnutella, an open-source network. I was heavily involved in the development of the Gnutella network through my work on Bearshare.



3. As a Gnutella developer and creator of a P2P application, I knew Mark Gorton and Greg Bildson. Over the years, I spoke to them about issues relating to Gnutella and P2P.

4. After the Supreme Court's Grokster decision, I became concerned that my involvement in BearShare might lead to legal problems. I became even more worried after the Recording Industry Association of America sent me a "cease and desist" letter.

5. Shortly after I received my "cease and desist" letter, I spoke with Mark Gorton. Mark mentioned to me that he had also received a "cease and desist" letter. I told him that I was worried that if the record companies sued BearShare, I might lose a lot of my own money. Gorton told me that he was not worried about being sued. He said that he had created a family limited partnership. He put his personal assets into the family limited partnership so that the record companies could not get his money if they sued him and won. Gorton said that I should do the same, but I didn't.

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed on May 12, 2007 in Miami, Florida.



Vincent Falco