

EXHIBIT L

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

)
Virgin Records America, Inc.,) File No. CV-06-1497
a California corporation;) (MJD/RLE)
Capitol Records, Inc., a)
Delaware corporation; Sony BMG)
Music Entertainment, a) Duluth, Minnesota
Delaware general partnership;) October 2, 2007
Arista Records, LLC, a) 9:05 a.m.
Delaware limited liability)
company; Interscope Records, a)
California general)
partnership; Warner Bros.)
Records, Inc., a Delaware)
corporation; and UMG)
Recordings, Inc., a Delaware)
corporation,)
)
Plaintiffs,)
)
vs.)
)
Jammie Thomas,)
)
Defendant.)
)

BEFORE THE HONORABLE MICHAEL J. DAVIS and a Jury
UNITED STATES DISTRICT COURT JUDGE

(TRIAL - VOLUME I)

Proceedings recorded by mechanical stenography;
transcript produced by computer.

1 And then the album is released by the company to
2 retail stores and is made available for sale on the
3 Internet. And then more marketing occurs after the album is
4 released. We also pay for an artist to go on tour. And
5 hopefully we sell records.

6 BY MR. GABRIEL:

7 Q. You mentioned just a minute ago marketing on the
8 Internet. You're talking about legally, correct?

9 A. I'm sorry?

10 Q. When you talked about marketing, the albums are made
11 available on the Internet?

12 A. Oh, yes, yes. I mean through services such as iTunes,
13 Rhapsody, any other legitimate source of acquisition of
14 music.

15 Q. Ms. Pariser, has Sony BMG and Arista been harmed here?

16 A. Yes.

17 Q. Would you describe that harm.

18 A. Sure. There's one thing you have to understand about
19 the record industry that I have found is a very common
20 misperception, which is that we only make money by selling
21 CD's and now by selling digital downloads.

22 Although we use radio as a tool to promote the
23 sale of albums, when a song is played on the radio, record
24 companies make absolutely nothing. When the artists tour,
25 we make absolutely nothing. When artists sell T-shirts or

1 posters or pens, when they perform in videos or in movies,
2 we make nothing. There is one and only one way that a
3 record company makes money and that is selling these CD's or
4 selling them digitally on the Internet.

5 So when people steal it either at Target -- if
6 they steal it, if they shoplift it out of stores, if they
7 copy it off Kazaa, if they take it without compensation, it
8 kills the company. So of course we're harmed.

9 Q. And has the harm been felt in terms of the size of your
10 companies?

11 A. I haven't done an actual study, but it's my personal
12 belief just based on estimates -- I suppose I could find
13 this stuff out if I wanted to -- that the company is half
14 the size today that it was when I started in the year 2000,
15 which is to say it employs half as many people worldwide. I
16 have seen entire divisions cut, I have seen foreign offices
17 closed, I've seen thousands of hardworking people lose their
18 jobs because of piracy.

19 Q. And does that -- when you talk about employees being
20 cut, does that relate to the artist roster as well?

21 A. Oh, for sure. The artist roster is a term of art that
22 means the list of artists that are currently assigned to the
23 company and who are putting out new records. We still sell
24 a catalog of a lot of artists, but the artists who are
25 making new music is on the artist roster and the artist