

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SHEPARD FAIREY AND OBEY GIANT
ART, INC.,

Plaintiffs,

v.

THE ASSOCIATED PRESS,

Defendant and Counterclaim
Plaintiff,

v.

SHEPARD FAIREY, OBEY GIANT ART,
INC., OBEY GIANT LLC, STUDIO
NUMBER ONE, INC., and ONE 3 TWO,
INC. (d/b/a OBEY CLOTHING),

Counterclaim Defendants.

ECF

Case No. 09-01123 (AKH)

**DECLARATION OF REGAN DONALD JUNCAL IN SUPPORT OF COUNTERCLAIM
DEFENDANT ONE 3 TWO, INC.'S MOTION TO REDACT CERTAIN
CONFIDENTIAL PORTIONS OF ITS SUMMARY JUDGMENT PAPERS FOR
PURPOSES OF THE PUBLIC FILE**

I, Regan Donald Juncal declare and state:

1. I am one of the owners and founders of Counterclaim Defendant One 3 Two, Inc. d/b/a Obey Clothing ("One 3 Two). I submit this Declaration in support of One 3 Two's Motion to Redact Certain Confidential Portions of Its Summary Judgment Papers for Purposes of the Public File. I have personal knowledge of the facts stated herein, and could and would testify competently thereto if called as a witness in this matter.

2. One 3 Two is a clothing company formed in 1999 for the purpose of selling apparel featuring designs created by the artist Shepard Fairey ("Fairey"). One 3 Two is the exclusive licensee of Fairey's company, Obey Giant LLC ("Obey Giant"), and has a license agreement with Obey Giant that has been amended several times. As One 3 Two's products have expanded to include accessories, hats, handbags, jewelry and sportswear items, its sales

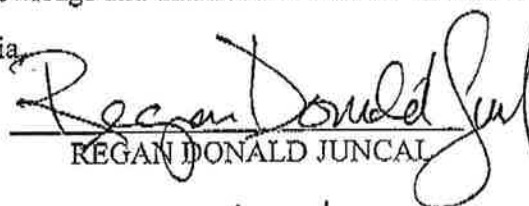
have also increased, and it has enjoyed growth in revenues and profits even during the recent economic downturn that has harmed other clothing manufacturers and retailers.

3. As a private company, we consider our financial information, including but not limited to information relating to revenues, profits, and costs, to be highly sensitive and confidential information. We do not share this information with the general public, our retail accounts, or our competitors. If this information were made publicly available, it could cause substantial harm to the Company. For example, One 3 Two's competitors could use this information to their advantage and to the disadvantage of One 3 Two. In addition, One 3 Two's retail accounts could use this information to try to obtain additional discounts. One 3 Two's continued success is dependent upon it maintaining the competitive edge which has contributed to its past success.

4. As a private company, we consider the contracts we enter into to be highly sensitive and confidential. The licensing agreements attached as Exhibits "A," "B," and "C," to the Declaration of Christopher Broders in support of One 3 Two, Inc.'s Motion for Summary Judgment or, in the Alternative, Partial Summary Judgment (the "Motion for Summary Judgment") are not publicly available and contain confidential, proprietary information regarding the royalties that we pay to Fairey's company, Obey Giant. If this information were made public, it could cause substantial harm to the Company because One 3 Two's distributors could learn details such as the duration of its contract with Obey Giant as well as other confidential contract terms. If these contracts were made available to the public, it could also create problems for One 3 Two relating to its hiring of freelance artists.

5. During my deposition, I made remarks which revealed personal information about my wife, who is not a party to this litigation.

I declare under penalty of perjury and the laws of the United States that the foregoing is true and correct to the best of my knowledge and that this Declaration was executed on January ~~12~~, 2011, at Irvine, California.


REGAN DONALD JUNCAL

1/12/2010